

Interim report for the six months ended
30 September 2008

Out of the Ordinary[®]

 **Investec**

Corporate information

Investec plc and Investec Limited

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Registration number

Investec plc
Reg. No. 3633621
Investec Limited
Reg. No. 1925/002833/06

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Transfer Secretaries in the UK

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Directorate

Executive Directors

Stephen Koseff (Chief Executive Officer)
Bernard Kantor (Managing Director)
Glynn Burger (Group Risk and Finance Director)
Alan Tapnack

Non-Executive Directors

Hugh Herman (Chairman)
Sam Abrahams
George Alford
Cheryl Carolus
Haruko Fukuda
Geoffrey Howe
Ian Kantor
Sir Chips Keswick (Senior Independent NED)
Peter Malungani
Sir David Prosser
Peter Thomas
Fani Titi

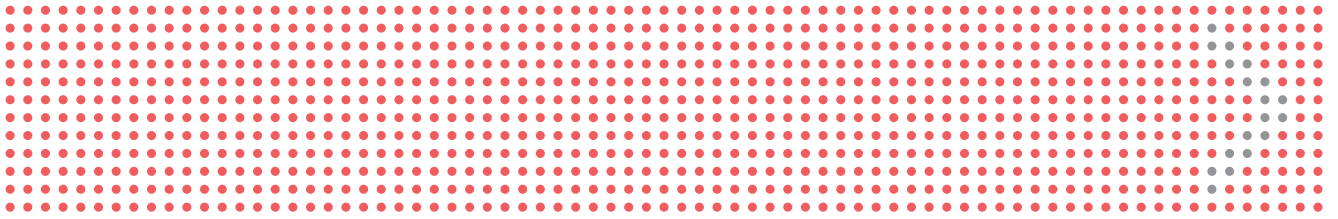
For queries regarding information in this document.

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Contents

I	Overview of results	
2	Presentation of financial information	
4	Overview of results	
5	Commentary	
8	Dividend announcements	
13	Financial results	
14	Reviewed financial results (Investec plc and Investec Limited)	
20	Divisional and segmental review	
21	Group operating structure	
22	Private Client Activities	
31	Capital Markets	
39	Investment Banking	
45	Asset Management	
53	Property Activities	
56	Group Services and Other Activities	
59	Segmental information	
71	Financial objectives and additional information	
72	Financial objectives	
74	Financial review	
77	Additional financial information	
86	Shareholder analysis	
88	Risk management and capital information	
124	Annexures	
125	Annexure 1 Definitions	
126	Annexure 2 Directors' responsibility statement	
127	Annexure 3 and 4 Auditors' review reports	



Overview of results

Presentation of financial information

Introduction

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

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

Accordingly, the interim results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling.

All references in this document to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Exchange rates

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

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

Currency per £1.00	30 Sept 2008		31 March 2008		30 Sept 2007	
	Period end	Average	Period end	Average	Period end	Average
South African Rand	14.98	14.95	16.17	14.31	13.98	14.21
Australian Dollar	2.26	2.12	2.18	2.32	2.30	2.39
Euro	1.27	1.26	1.25	1.42	1.43	1.47
US Dollar	1.78	1.94	1.99	2.01	2.04	2.01

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the year has depreciated by 5.2% and the closing rate has appreciated by 7.4% since 31 March 2008.

The following table provides an analysis of the impact of the Rand depreciation/appreciation on our reported numbers.

	Results as reported at 30 Sept 2008	Currency neutral results at 30 Sept 2008**
Southern African operating profit (£'000)*	162 276	169 267
Southern African profit after tax (£'000)*	120 764	130 843
Total group operating profit before tax (£'000)*	227 030	234 021
Total group adjusted earnings attributable to ordinary shareholders (£'000)*	165 632	170 316
Adjusted EPS (pence)*	26.3	27.0
Total assets (£'million)	35 939	34 654
Total shareholders' equity (£'million)	2 359	2 289

* Before goodwill and non-operating items.

** For balance sheet items we have assumed that the Rand: Pound Sterling closing exchange rate has remained neutral since 31 March 2008. For income statement items we have used the average Rand: Pound Sterling exchange rate that was applied in the prior period, i.e. 14.21.

Presentation of financial information

Operating environment

Key macro-economic data pertaining to the group's three principal geographies: the UK, South Africa and Australia is set out below.

	30 Sept 2008		31 March 2008		30 Sept 2007	
	Period end	Average	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	5.00%	5.27%	5.25%	5.54%	5.75%	5.31%
LIBOR - 3 month	6.30%	5.95%	6.01%	6.05%	6.30%	5.71%
South Africa Prime Overdraft Rate	15.50%	14.77%	14.50%	13.61%	13.50%	12.60%
JIBAR - 3 month	12.05%	11.59%	11.38%	10.38%	10.21%	9.35%
Reserve Bank of Australia cash target rate	7.00%	7.01%	7.25%	6.57%	6.50%	6.26%
FTSE All Share Index	2 483.7	3 020.0	2 927.1	3 245.0	3 316.9	3 270.0
JSE All Share Index	23 836.0	29 252.9	29 587.5	28 977.8	29 959.2	26 563.8
Australian All Ordinaries Index	4 631.3	5 733.4	5 409.7	6 189.8	6 580.9	5 916.4

Source: Datastream



Overview of results[#]

	30 Sept 2008	30 Sept 2007	% Change	31 March 2008
Income statement and selected returns				
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000) ¹	165 632	160 858	3.0%	344 695
Headline earnings (£'000) ¹	159 632	151 683	5.2%	301 499
Operating profit before goodwill, non-operating items, taxation and after minorities (£'000)	241 758	244 535	(1.1%)	508 717
Operating profit before goodwill, non-operating items, taxation and after minorities: SA (% of total)	65.2%	62.6%		66.7%
Operating profit before goodwill, non-operating items, taxation and after minorities: Non-SA (% of total)	34.8%	37.4%		33.3%
Cost to income ratio	58.0%	58.9%		56.1%
Staff compensation to operating income ratio	37.2%	38.9%		37.2%
Annualised return on average adjusted shareholders' equity (post tax) ²	19.3%	23.9%		23.6%
Annualised return on average adjusted tangible shareholders' equity (post tax) ²	23.3%	29.0%		28.6%
Operating profit per employee (£'000) ³	37.3	41.0	(9.0%)	84.4
Net interest income as a percentage of operating income net of insurance claims	47.5%	34.5%		39.3%
Non-interest income as a percentage of operating income net of insurance claims	52.5%	65.5%		60.7%
Effective operational tax rate	23.8%	25.0%		22.6%
Balance sheet				
Total capital resources (including subordinated liabilities) (£'million)	3 470	3 142	10.4%	3 275
Total shareholders' equity (including preference shares and minority interests) (£'million)	2 359	2 158	9.3%	2 210
Shareholders' equity (excluding minority interests) (£'million)	2 064	1 858	11.1%	1 911
Total assets (£'million)	35 939	34 796	3.3%	34 104
Core loans and advances to customers (£'million)	14 549	11 755	23.8%	12 854
Core loans and advances to customers as a percentage of total assets	40.5%	33.8%		37.7%
Customer deposits (accounts) (£'million)	12 899	12 316	4.7%	12 133
Third party assets under management (£'million)	51 978	59 763	(13.0%)	52 749
Capital adequacy ratio: Investec plc ⁴	16.1%	nc		15.3%
Capital adequacy ratio: Investec Limited ⁴	13.9%	nc		13.9%
Salient financial features and key statistics				
Adjusted earnings per share before goodwill and non-operating items (pence) ¹	26.3	27.3	(3.7%)	56.9
Headline earnings per share (pence) ¹	25.4	25.8	(1.6%)	49.7
Basic earnings per share (pence) ¹	25.6	26.9	(4.8%)	57.7
Diluted earnings per share (pence) ¹	24.5	24.8	(1.5%)	54.0
Dividends per share (pence)	8.0	11.5	(30.4%)	25.0
Dividend cover (times)	3.3	2.4		2.3
Net tangible asset value per share (pence) ⁵	233.2	197.1	18.3%	215.0
Weighted number of ordinary shares in issue (million) ¹	629.0	589.0	6.8%	606.2
Total number of shares in issue (million)	686.8	653.5	5.1%	657.6
Closing share price (pence)	302	512	(41.0%)	339
Market capitalisation (£'million) ⁶	2 074	3 346	(38.0%)	2 229
Number of employees in the group	6 213	6 196	0.3%	6 333
Closing ZAR/£ exchange rate	14.98	13.98	7.2%	16.17
Ave ZAR/£ exchange rate	14.95	14.21	5.3%	14.31

Notes:

¹ Refer to definitions and calculations on page 19.

² Refer to calculations on page 81.

³ Refer to calculations on page 84.

⁴ Refer to calculations on pages 121 to 123. 2008 information is presented in terms of Basel II, 2007 information is thus not comparable.

⁵ Refer to calculations on page 80.

⁶ Refer to calculations on page 87.

Overall performance

The Investec group reports results for the six months ended 30 September 2008 which are stable and consistent with the same period in the previous year. The group's strategy of maintaining a solid recurring revenue base; geographical and operational diversity; and strict management of liquidity and risk has enabled it to navigate through the present challenging operating environment. The conditions have however, negatively impacted activity levels and credit loss ratios, resulting in a 3.7% decline in adjusted earnings per share (EPS) before goodwill and non-operating items to 26.3 pence (2007: 27.3 pence).

The main features of the period under review are:

- Operating profit before goodwill, non-operating items and taxation and after minorities ("operating profit") decreased 1.1% to £241.8 million (2007: £244.5 million).
- Operating profit before impairment losses on loans and advances increased 24.3% to £318.5 million (2007: £256.3 million).
- Adjusted earnings attributable to shareholders before goodwill and non-operating items increased 3.0% to £165.6 million (2007: £160.9 million).
- Earnings attributable to shareholders after goodwill and non-operating items increased 3.8% to £189.5 million (2007: £182.6 million).
- The UK and South African operations posted increases in operating profit of 6.3% and 3.0%, respectively. The Australian operations recorded operating profit 56.1% behind the prior period. The group remains geographically diversified with the UK and Australian operations contributing 34.8% (2007: 37.4%) of total operating profit.
- Recurring income as a percentage of total operating income amounts to 74.3% (2007: 62.7%).
- Annualised return on adjusted average shareholders' equity decreased to 19.3% (2007: 23.9%).
- Net asset value per share increased to 279.4 pence (31 March 2008: 260.6 pence) and net tangible asset value per share (which excludes goodwill and intangible assets) increased to 233.2 pence (31 March 2008: 215.0 pence).
- The ratio of total operating expenses to total operating income improved to 58.0% (2007: 58.9%).
- Core loans and advances to customers increased 13.4% to £14.6 billion (31 March 2008: £12.8 billion) with gross defaults (pre collateral) as a percentage of core loans and advances increasing to 2.5% (2007: 1.7%).
- Third party assets under management decreased 1.5% to £52.0 billion (31 March 2008: £52.8 billion).
- Customer accounts (deposits) increased 6.3% to £12.9 billion (31 March 2008: £12.1 billion).
- The board declared a dividend of 8 pence per ordinary share (2007: 11.5 pence). Given the challenging operating environment the board has deemed it prudent to increase the upper end of the dividend cover range from 2.3 to 3.5 times.

Business unit review[#]

Private Client Activities

Private Client Activities, comprising Private Bank and Private Client Portfolio Management and Stockbroking divisions, reported a decline in operating profit of 23.7% to £76.4 million (2007: £100.1 million).

- **Private Banking**
Operating profit from the Private Banking division decreased by 26.2% to £63.2 million. (2007: £85.7 million). Higher average advances and a diversified set of revenues supported a 9.9% increase in operating income. The South African business performed well whilst the UK and Australia experienced lower levels of activity. Impairment losses on loans and advances have increased in all geographies as a result of the weaker credit environment. The private client core lending book grew by 11.0% to £9.9 billion (31 March 2008: £8.9 billion) and the division increased its retail deposit book by 1.5% to £6.7 billion (31 March 2008: £6.6 billion). Funds under advice decreased 2.1% to £3.6 billion (31 March 2008: £3.7 billion).
- **Private Client Portfolio Management and Stockbroking**
Private Client Portfolio Management and Stockbroking reported a decrease in operating profit of 8.6% to £13.1 million (2007: £14.4 million). The Private Client business in South Africa was negatively impacted by lower market volumes and the absence of performance fees on alternative investments. Funds under management, expressed in Rands, decreased by 8.1% to R103.6 billion (31 March 2008: R112.7 billion). The results of the UK operations include Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc.

Capital Markets

Capital Markets reported an increase in operating profit of 68.9% to £72.1 million (2007: £42.7 million). The division's advisory and structuring activities continued to perform well. The results of the Principal Finance division improved substantially as current year write downs on US structured credit investments of £8.3 million were significantly less than the prior period of £36 million. Core loans and advances increased 14.7% from £3.8 billion at 31 March 2008 to £4.4 billion. Kensington Group plc ("Kensington") produced a stable performance and reported operating profit of £19.3 million.



Commentary

Investment Banking

The Investment Banking division reported a decrease of 36.7% in operating profit to £28.6 million (2007: £45.1 million) reflecting a mixed performance across geographies and business activity. The South African and Australian agency divisions closed fewer deals in comparison to the prior period with the UK division recording an increase in corporate fees and trading revenues despite difficult market conditions. The UK operations were however, impacted by a much weaker performance from some of the investments held within the Private Equity and Direct Investments division, whilst the South African Private Equity operations recorded another steady performance.

Asset Management

Asset Management reported a decrease in operating profit of 7.0% to £33.7 million (2007: £36.2 million) largely as a result of a tougher mutual fund environment. The division continued to benefit from a shift in the mix of funds managed, and solid net inflows, notably within its institutional portfolio. Assets under management increased by 3.1% to £29.6 billion (31 March 2008: £28.8 billion).

Property Activities

Property Activities generated operating profit of £11.1 million (2007: £11.5 million). The division, based mainly in South Africa, posted a stable result supported by fees earned on projects completed in the current period and a reasonable performance from the investment property portfolio.

Group Services and Other Activities

Group Services and Other Activities contributed £19.9 million to operating profit (2007: £9.0 million). The Central Funding division in South Africa performed well benefiting from increased cash holdings and higher average interest rates. Central Services costs are largely in line with the prior period.

Financial statement analysis[#]

Please refer to page 74 to 76 for a detailed financial statement analysis.

Capital adequacy

As a consequence of the recent banking crisis there is a strong expectation from bank stakeholders that banking groups need to and will improve their capital adequacy ratios. Investec has always held capital well in excess of regulatory requirements and the group intends to perpetuate this philosophy and ensure that it remains well capitalised in a vastly changed banking world. Accordingly, the group considers it appropriate to adjust its capital adequacy targets and build its capital base, targeting a minimum tier one capital ratio of 11% and a total capital adequacy ratio of 14% to 17%. It intends to meet these targets within 18 months. Further information is available on pages 121 to 123.

Liquidity and funding

A core strategy for many years has been the maintenance of a stock of readily available, high quality liquid assets well in excess of minimum regulatory requirements. Since October 2007 the group has on average held approximately £5.1 billion of cash and near cash to support its activities. These balances have ranged between £4.5 billion and £6.2 billion over the period. The group continues to focus on diversifying its funding sources and maintaining a low reliance on interbank wholesale funding to fund core lending. The Private Bank has implemented a number of initiatives to increase its funding from private client and related deposits. Customer deposits have held up well over the period and the group has been successful in securing medium term syndicated loans due to its long standing counterparty relationships.

Strategy

Investec is a focused, niche specialist banking group constantly striving to be distinctive in all that it does. In order to deliver value to shareholders through economic cycles and achieve the group's growth objectives the group will continue to focus on:

- Moderating its loan growth, shifting emphasis to increasing the proportion of its non-lending revenue base;

Commentary

- Maintaining credit quality;
- Strictly managing risk and liquidity;
- Creating additional operational efficiencies and containing costs;
- Building business depth rather than business breadth in its attempt to deepen existing client relationships and generate high quality income through diversified, sustainable revenue streams.

Outlook

The global environment is extremely challenging. The group expects activity levels to remain low, which may impact revenue generation in the second six months of its financial year. A high level of recurring income should support sustainability of earnings, albeit at a lower level. By focusing on the group's core strengths and applying its strategy, its experienced and hands on management team should enable Investec to take advantage of selective opportunities and address challenges arising from the current market dislocation.

On behalf of the boards of Investec plc and Investec Limited



Hugh Herman
Chairman



Stephen Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

Notes to the commentary section above

Accounting policies[#]

The interim results are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the presentation and disclosure requirements of IAS 34. The accounting policies applied in the preparation of the results for the six months ended 30 September 2008 are consistent with those adopted in the financial statements for the year ended 31 March 2008, excepted as noted below.

The group has elected to early adopt IFRS 8 (Operating Segments) as of 1 April 2008. This standard requires disclosure of information about the group's operating segments on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Adoption of this standard did not have any impact of the financial position or performance of the group. The group determined that the operating segments were the same as the business segments previously identified under IAS 14 (Segment Reporting).

The selected explanatory notes, provided in accordance with IAS 34, are marked with a #.

Reclassifications to prior period balance sheet information

Following the implementation of IFRS 7 disclosure requirements in the 31 March 2008 annual report, the classification of certain financial instruments into balance sheet classes were refined to achieve more appropriate disclosure. Adjustments to the 30 September 2007 balance sheet include:

- £226.8 million reclassified from cash equivalent advances to customers to reverse repurchase agreements and cash collateral on securities borrowed and
- £1 604.7 million reclassified from debt securities in issue to customer accounts.

Proviso

- Please note that matters discussed in this report may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS.
 - domestic and global economic and business conditions.
 - market related risks.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.
- Any forward looking statements made are based on the knowledge of the group at 21 November 2008.
- Please note that these are not the Company's statutory accounts.



Dividend announcements

Investec plc

Registration number: 3633621

Share code: INP

ISIN: GB00BI7BBQ50

Ordinary dividend announcement

In terms of the DLC structure, Investec plc shareholders who are not South African resident shareholders 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 who are South African residents, 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.

Notice is hereby given that an interim dividend (No. 13) has been declared by the board in respect of the six months ended 30 September 2008. Shareholders in Investec plc will receive a distribution of 8.0 pence (2007: 11.5 pence) per ordinary share, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 8.0 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment on the SA DAS share equivalent to 8.0 pence per ordinary share

The relevant dates for the payment of the dividends are as follows:

Last day to trade cum-dividend:

- | | |
|--|--------------------------|
| - On the London Stock Exchange (LSE) | Tuesday, 9 December 2008 |
| - On the Johannesburg Stock Exchange (JSE) | Friday, 5 December 2008 |

Shares commence trading ex-dividend:

- | | |
|--|-----------------------------|
| - On the London Stock Exchange (LSE) | Wednesday, 10 December 2008 |
| - On the Johannesburg Stock Exchange (JSE) | Monday, 8 December 2008 |

Record date (on the LSE and the JSE)	Friday, 12 December 2008
--------------------------------------	--------------------------

Payment date (on the LSE and the JSE)	Friday, 19 December 2008
---------------------------------------	--------------------------

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 8 December 2008 and Friday, 12 December 2008, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 8 December 2008 and Friday, 12 December 2008, both dates inclusive.

Shareholders registered on the South African register are advised that the total distribution of 8.0 pence, equivalent to 128.0 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, 12 November 2008.

By order of the board

D Miller

Company Secretary
13 November 2008

Dividend announcements

Investec plc

Registration number: 3633621

Share code: INPP

ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 5

Notice is hereby given that preference dividend number 5 has been declared for the period 1 April 2008 to 30 September 2008 amounting to 30.14 pence per 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, 28 November 2008.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 30.14 pence per share is equivalent to 479.51 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 12 November 2008.

The relevant dates relating to the payment of dividend number 5 are as follows:

Last day to trade cum-dividend:

- On the Johannesburg Stock Exchange (JSE) Friday, 21 November 2008
- On the Channel Islands Stock Exchange (CISX) Tuesday, 25 November 2008

Shares commence trading ex-dividend:

- On the Johannesburg Stock Exchange (JSE) Monday, 24 November 2008
- On the Channel Islands Stock Exchange (CISX) Wednesday, 26 November 2008

Record date (on the JSE and CISX) Friday, 28 November 2008

Payment date (on the JSE and CISX) Tuesday, 09 December 2008

Share certificates may not be dematerialised or rematerialised between Monday, 24 November 2008 and Friday, 28 November 2008, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 24 November 2008 and Friday, 28 November 2008, both dates inclusive.

By order of the board



D Miller

Company Secretary

13 November 2008

Dividend announcements

Investec Limited

Registration number: 1925/002833/06

Share code: INL

ISIN: ZAE000081949

Dividend announcement

Notice is hereby given that an interim dividend (No. 106) of 128.0 cents (2007: 159.50 cents) per ordinary share has been declared by the board in respect of the six months ended 30 September 2008 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 12 December 2008.

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

Last day to trade cum-dividend	Friday, 5 December 2008
Shares commence trading ex-dividend	Monday, 8 December 2008
Record date	Friday, 12 December 2008
Payment date	Friday, 19 December 2008

The interim of 128.0 cents per ordinary share has been determined by converting the Investec plc distribution of 8.0 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 12 November 2008.

Share certificates may not be dematerialised or rematerialised between Monday, 8 December 2008 and Friday, 12 December 2008, both dates inclusive.

By order of the board

B Coetsee

Company Secretary
13 November 2008

Dividend announcements

Investec Limited

Registration number: 1925/002833/06

Share code: INPR

ISIN: ZAE000063814

Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 8

Notice is hereby given that preference dividend number 8 has been declared for the period 1 April 2008 to 30 September 2008 amounting to 536.03 cents per 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, 28 November 2008.

The relevant dates for the payment of dividend number 8 are as follows:

Last day to trade cum-dividend	Friday, 21 November 2008
Shares commence trading ex-dividend	Monday, 24 November 2008
Record date	Friday, 28 November 2008
Payment date	Tuesday, 09 December 2008

Share certificates may not be dematerialised or rematerialised between Monday, 24 November 2008 and Friday, 28 November 2008, both dates inclusive.

By order of the board



B Coetsee

Company Secretary
13 November 2008



Dividend announcements

Investec Bank Limited

Registration number: 1969/004763/06
Share code: INLP
ISIN: ZAE000048393

Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 11

Notice is hereby given that preference dividend number 11 has been declared for the period 1 April 2008 to 30 September 2008 amounting to 574.32 cents per 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, 28 November 2008.

The relevant dates for the payment of dividend number 11 are as follows:

Last day to trade cum-dividend	Friday, 21 November 2008
Shares commence trading ex-dividend	Monday, 24 November 2008
Record date	Friday, 28 November 2008
Payment date	Tuesday, 9 December 2008

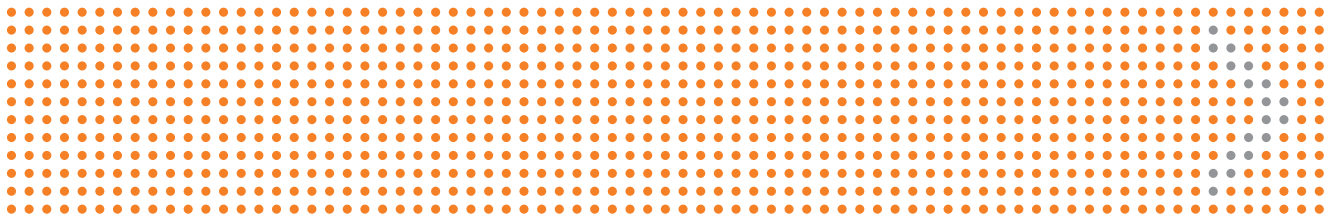
Share certificates may not be dematerialised or rematerialised between Monday, 24 November 2008 and Friday, 28 November 2008, both dates inclusive.

By order of the board



B Coetsee
Company Secretary
13 November 2008





Reviewed financial results
(Investec plc and Investec
Limited)

Combined consolidated income statement[#]

£'000	6 months to 30 Sept 2008	6 months to 30 Sept 2007	Year to 31 March 2008
Interest income	1 335 403	789 780	2 083 380
Interest expense	(991 775)	(566 678)	(1 499 960)
Net interest income	343 628	223 102	583 420
Fee and commission income	332 610	312 940	614 357
Fee and commission expense	(30 822)	(35 238)	(63 061)
Principal transactions	82 298	108 492	276 705
Operating income from associates	7 724	6 369	12 138
Investment income on assurance activities	26 682	57 375	89 593
Premiums and reinsurance recoveries on insurance contracts	13 106	29 446	40 849
Other operating (loss)/income	(13 744)	28 142	50 043
Other income	417 854	507 526	1 020 624
Claims and reinsurance premiums on insurance business	(37 753)	(83 375)	(120 358)
Total operating income net of insurance claims	723 729	647 253	1 483 686
Impairment losses on loans and advances	(76 780)	(11 738)	(114 185)
Operating income	646 949	635 515	1 369 501
Administrative expenses	(405 480)	(371 245)	(807 500)
Depreciation and amortisation of property, equipment and software	(14 439)	(10 019)	(24 330)
Operating profit before goodwill	227 030	254 251	537 671
Goodwill	-	-	(62 765)
Operating profit	227 030	254 251	474 906
Profit on disposal of group operations	-	-	72 855
Profit before taxation	227 030	254 251	547 761
Taxation	(52 254)	(61 911)	(127 249)
Profit after taxation	174 776	192 340	420 512
Earnings attributable to minority interests	(14 728)	9 716	28 954
Earnings attributable to shareholders	189 504	182 624	391 558
	174 776	192 340	420 512
Earnings per share (pence)			
- basic	25.6	26.9	57.7
- diluted	24.5	24.8	54.0
Adjusted earnings per share (pence)			
- basic	26.3	27.3	56.9
- diluted	25.2	25.2	53.2
Headline earnings per share (pence)			
- basic	25.4	25.8	49.7
- diluted	24.3	23.8	46.6
Dividends per share (pence)	8.0	11.5	25.0



Combined consolidated balance sheet[#]

£'000	30 Sept 2008	31 March 2008	30 Sept 2007
Assets			
Cash and balances at central banks	410 744	788 472	163 515
Loans and advances to banks	2 574 796	2 153 773	2 349 889
Cash equivalent advances to customers	484 996	504 382	686 623
Reverse repurchase agreements and cash collateral on securities borrowed	1 124 368	794 153	1 172 429
Trading securities	2 134 927	1 984 580	2 029 407
Derivative financial instruments	1 261 730	1 305 264	872 115
Investment securities	809 348	1 130 872	1 940 166
Loans and advances to customers	13 882 520	12 249 759	11 298 193
Loans and advances to customers - Kensington warehouse assets	1 697 373	1 796 376	1 757 422
Securitised assets	5 547 412	6 082 975	6 664 984
Interests in associated undertakings	87 045	82 576	77 412
Deferred taxation assets	87 259	84 493	69 767
Other assets	1 001 754	882 209	991 610
Property and equipment	150 468	141 352	134 235
Investment properties	161 207	134 975	98 081
Goodwill	273 928	271 932	317 137
Intangible assets	31 584	31 506	38 947
	31 721 459	30 419 649	30 661 932
Other financial instruments at fair value through income in respect of			
- liabilities to customers	3 308 208	2 878 894	3 159 979
- assets related to reinsurance contracts	909 121	805 009	974 189
	35 938 788	34 103 552	34 796 100
Liabilities			
Deposits by banks	3 703 112	3 489 032	2 943 203
Deposits by banks - Kensington warehouse funding	1 389 603	1 778 438	1 641 177
Derivative financial instruments	862 124	881 577	680 389
Other trading liabilities	451 856	450 580	357 781
Repurchase agreements and cash collateral on securities lent	1 165 651	382 384	561 469
Customer accounts	12 898 703	12 133 120	12 315 991
Debt securities in issue	875 818	777 769	1 138 820
Liabilities arising on securitisation	5 371 746	5 760 208	6 358 378
Current taxation liabilities	125 561	132 657	108 975
Deferred taxation liabilities	98 233	79 172	64 493
Other liabilities	1 308 836	1 279 372	1 348 016
Pension fund liabilities	-	-	1 200
	28 251 243	27 144 309	27 519 892
Liabilities to customers under investment contracts	3 288 073	2 862 916	3 138 415
Insurance liabilities including unit-linked liabilities	20 135	15 978	21 564
Reinsured liabilities	909 121	805 009	974 189
	32 468 572	30 828 212	31 654 060
Subordinated liabilities (including convertible debt)	1 110 783	1 065 321	984 146
	33 579 355	31 893 533	32 638 206
Equity			
Called up share capital	177	177	176
Share premium	1 399 993	1 360 450	1 356 826
Treasury shares	(126 955)	(114 904)	(120 538)
Equity portion of convertible instruments	-	2 191	2 191
Perpetual preference shares	283 668	272 335	294 698
Other reserves	(66 665)	(42 057)	44 359
Profit and loss account	574 250	433 012	280 159
	2 064 468	1 911 204	1 857 871
Shareholders' equity excluding minority interests			
Minority interests	294 965	298 815	300 023
- Perpetual preferred securities issued by subsidiaries	257 134	251 637	246 272
- Minority interests in partially held subsidiaries	37 831	47 178	53 751
	2 359 433	2 210 019	2 157 894
Total equity			
	35 938 788	34 103 552	34 796 100
Total liabilities and equity			

Combined consolidated statement of total recognised income and expenses[#]

£'000	6 months to 30 Sept 2008	6 months to 30 Sept 2007	Year to 31 March 2008
Profit after taxation	174 776	192 340	420 512
Fair value movements on available for sale assets	342	(16 279)	(38 907)
Foreign currency movements	64 474	19 978	(79 591)
Pension fund actuarial gains	-	-	7 619
Total recognised income and expenses	239 592	196 039	309 633
Total recognised income and expenses attributable to minority shareholders	(4 022)	14 563	17 365
Total recognised income and expenses attributable to ordinary shareholders	203 532	154 734	270 327
Total recognised income and expenses attributable to perpetual preferred securities	40 082	26 742	21 941
	239 592	196 039	309 633

Summarised combined consolidated cash flow statement[#]

£'000	6 months to 30 Sept 2008	6 months to 30 Sept 2007	Year to 31 March 2008
Cash flows from operations	284 850	253 562	610 450
Increase in operating assets	(1 163 368)	(106 769)	(655 805)
Increase in operating liabilities	666 641	319 089	1 080 433
Net cash (outflow)/inflow from operating activities	(211 877)	465 882	1 035 078
Net cash outflow from investing activities	(22 981)	(27 054)	(65 642)
Net cash outflow from financing activities	(83 206)	(93 696)	(54 893)
Effects of exchange rate changes on cash and cash equivalents	53 136	24 999	(97 791)
Net (decrease)/increase in cash and cash equivalents	(264 928)	370 131	816 752
Cash and cash equivalents at the beginning of the period	1 951 876	1 135 124	1 135 124
Cash and cash equivalents at the end of the period	1 686 948	1 505 255	1 951 876

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



Consolidated statement of changes in equity[#]

£'000	Share capital Investec Limited	Share premium account Investec Limited	Share capital Investec plc	Share premium account Investec plc	Treasury shares
At 1 April 2007	46	674 915	123	454 944	(109 279)
Movement in reserves April 2007 - 30 September 2007					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	8 675	7	226 403	-
Issue of equity by subsidiaries	-	-	-	-	-
Share issue expenses	-	-	-	(65)	-
Movement of treasury shares	-	-	-	(8 046)	(11 259)
Transfer to capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 30 September 2007	46	683 590	130	673 236	(120 538)
Movement in reserves October 2007 - 31 March 2008					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Dividends paid to minorities	-	-	-	-	-
Issue of ordinary shares	-	5 214	1	(9 636)	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	8 046	5 634
Transfer from capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 31 March 2008	46	688 804	131	671 646	(114 904)
Movement in reserves April 2008 - 30 September 2008					
Foreign currency adjustments	-	-	-	-	-
Retained profit for the period	-	-	-	-	-
Pension fund actuarial gains	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	-	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	26 896	-	(4 734)	-
Conversion of convertible instruments	-	17 381	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	-	(12 051)
Cash flow hedge movements	-	-	-	-	-
Transfer from capital reserves	-	-	-	-	-
Transfer from regulatory general risk reserve	-	-	-	-	-
At 30 September 2008	46	733 081	131	666 912	(126 955)

Equity portion of convertible instruments	Perpetual preference shares	Capital reserve account	Available for sale reserve	Other reserves		Foreign currency reserves	Profit and loss account	Shareholder's equity excluding minority interests	Minority interests	Total
				Regulatory general risk reserve	Cash flow hedge reserve					
2 191	292 173	12 542	30 642	71 940	-	(74 579)	186 827	1 542 485	277 931	1 820 416
-	2 525	-	-	-	-	12 606	-	15 131	4 847	19 978
-	-	-	-	-	-	-	182 624	182 624	9 716	192 340
-	-	-	(16 279)	-	-	-	-	(16 279)	-	(16 279)
-	2 525	-	(16 279)	-	-	12 606	182 624	181 476	14 563	196 039
-	-	-	-	-	-	-	16 638	16 638	-	16 638
-	-	-	-	-	-	-	(74 226)	(74 226)	-	(74 226)
-	-	-	-	-	-	-	(24 217)	(24 217)	-	(24 217)
-	-	-	-	-	-	-	-	235 085	-	235 085
-	-	-	-	-	-	-	-	-	7 529	7 529
-	-	-	-	-	-	-	-	(65)	-	(65)
-	-	-	-	-	-	-	-	(19 305)	-	(19 305)
-	-	577	-	-	-	-	(577)	-	-	-
-	-	-	-	6 910	-	-	(6 910)	-	-	-
2 191	294 698	13 119	14 363	78 850	-	(61 973)	280 159	1 857 871	300 023	2 157 894
-	(22 363)	-	-	-	-	(60 770)	-	(83 133)	(16 436)	(99 569)
-	-	-	-	-	-	-	208 934	208 934	19 238	228 172
-	-	-	(22 628)	-	-	-	-	(22 628)	-	(22 628)
-	-	-	-	-	-	-	7 619	7 619	-	7 619
-	(22 363)	-	(22 628)	-	-	(60 770)	216 553	110 792	2 802	113 594
-	-	-	-	-	-	-	22 544	22 544	-	22 544
-	-	-	-	-	-	-	(71 700)	(71 700)	-	(71 700)
-	-	-	-	-	-	-	(17 562)	(17 562)	-	(17 562)
-	-	-	-	-	-	-	-	-	(3 923)	(3 923)
-	-	-	-	-	-	-	-	(4 421)	-	(4 421)
-	-	-	-	-	-	-	-	-	(752)	(752)
-	-	-	-	-	-	-	-	-	665	665
-	-	-	-	-	-	-	-	13 680	-	13 680
-	-	(6 186)	-	-	-	-	6 186	-	-	-
-	-	-	-	3 168	-	-	(3 168)	-	-	-
2 191	272 335	6 933	(8 265)	82 018	-	(122 743)	433 012	1 911 204	298 815	2 210 019
-	11 333	-	-	-	-	39 284	3 151	53 768	10 706	64 474
-	-	-	-	-	-	-	189 504	189 504	(14 728)	174 776
-	-	-	-	-	-	-	-	-	-	-
-	-	-	342	-	-	-	-	342	-	342
-	11 333	-	342	-	-	39 284	192 655	243 614	(4 022)	239 592
-	-	-	-	-	-	-	21 857	21 857	-	21 857
-	-	-	-	-	-	-	(89 092)	(89 092)	-	(89 092)
-	-	-	-	-	-	-	(28 749)	(28 749)	-	(28 749)
-	-	-	-	-	-	-	-	22 162	-	22 162
(2 191)	-	-	-	-	-	-	(15 190)	-	-	-
-	-	-	-	-	-	-	-	-	172	172
-	-	-	-	-	-	-	-	(12 051)	-	(12 051)
-	-	-	-	-	(4 477)	-	-	(4 477)	-	(4 477)
-	-	(122)	-	-	-	-	122	-	-	-
-	-	-	-	(59 635)	-	-	59 635	-	-	-
-	283 668	6 811	(7 923)	22 383	(4 477)	(83 459)	574 250	2 064 468	294 965	2 359 433

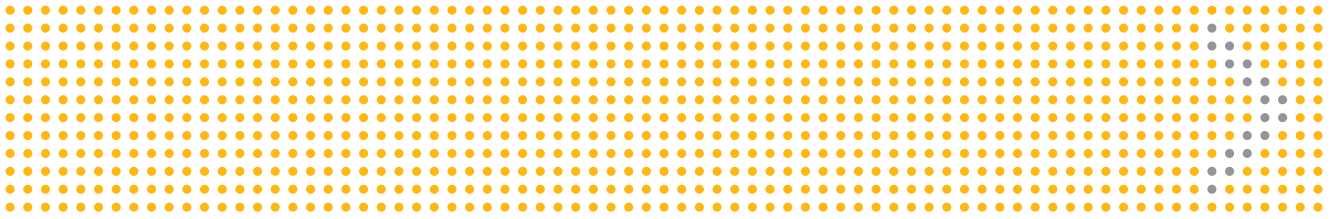


Dividends and earnings per share[#]

	6 months to 30 Sept 2008	6 months to 30 Sept 2007
Ordinary dividends - pence per share		
Interim	8.0	11.5
Earnings	£'000	£'000
Earnings attributable to shareholders	189 504	182 624
Preference dividends paid	(28 749)	(24 217)
Earnings attributable to ordinary shareholders	160 755	158 407
Earnings resulting from future dilutive convertible instruments	-	804
Diluted earnings attributable to ordinary shareholders	160 755	159 211
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	669 843 937	623 537 039
Weighted average number of treasury shares	(40 817 152)	(34 568 744)
Weighted average number of shares in issue during the year	629 026 785	588 968 295
Weighted average number of shares resulting from future dilutive potential shares	28 423 208	44 242 790
Weighted average number of shares resulting from future dilutive convertible instruments	-	7 952 206
Adjusted weighted number of shares potentially in issue	657 449 993	641 163 291
Earnings per share - pence		
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year:	25.6	26.9
Diluted earnings per share - pence		
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the period.	24.5	24.8
Adjusted earnings per share - pence		
Adjusted earnings per share is calculated by dividing the earnings before goodwill and non-operating items attributable to the ordinary shareholders and after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the period.	26.3	27.3
	£'000	£'000
Earnings attributable to shareholders	189 504	182 624
Preference dividends paid	(28 749)	(24 217)
Additional earnings attributable to other equity holders*	4 877	2 451
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	165 632	160 858
Headline earnings per share - pence		
Headline earnings per share has been calculated in accordance with the definition in the Institute of Investment Management Research Statement of Investment Practice No. 1 "The Definition of Headline Earnings." and is disclosed in accordance with the JSE listing requirements, and in terms of circular 8/2007 issued by the South African Institute of Chartered Accountants.	25.4	25.8
	£'000	£'000
Earnings attributable to shareholders	189 504	182 624
Preference dividends paid	(28 749)	(24 217)
Other headline adjustments**	(1 123)	(6 724)
Headline earnings attributable to ordinary shareholders	159 632	151 683

* In accordance with IFRS, dividends attributable to equity holders is accounted for when a constructive liability arises, i.e. on declaration by the board of directors and approval by the shareholders, where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Other headline adjustments include the fair value of investment properties and realisation gains/losses on available for sale instruments.



Divisional and segmental review

Divisional and segmental review

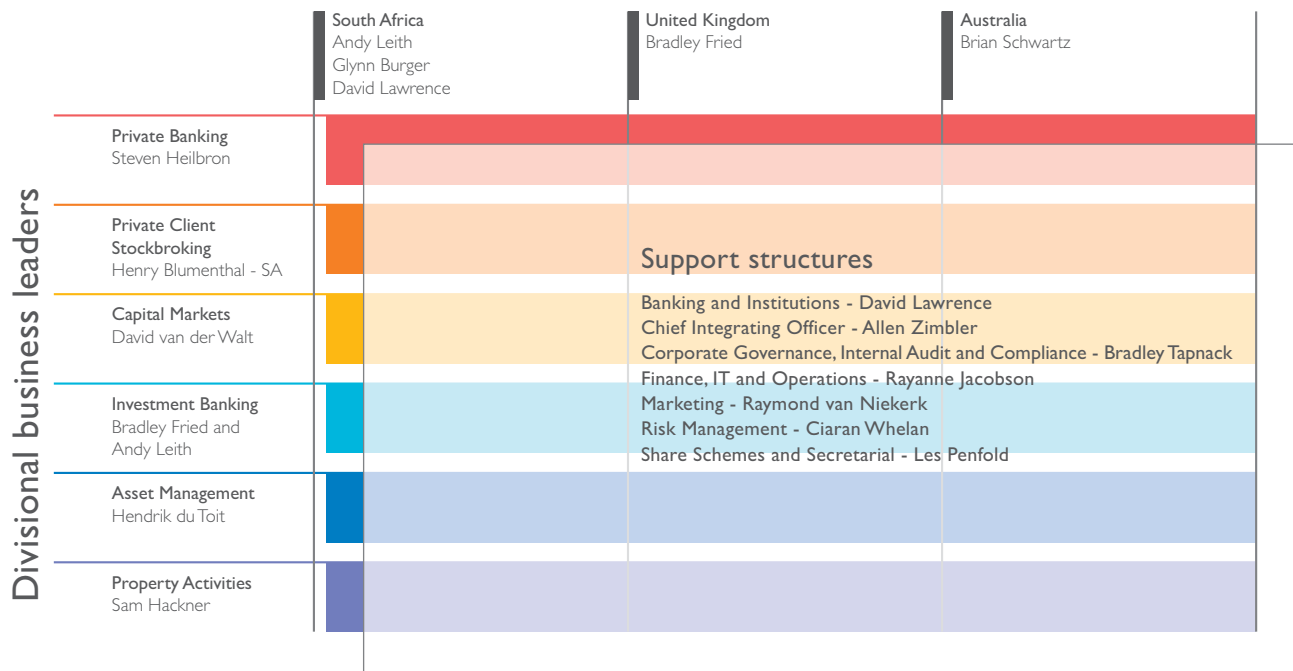
Integrated global management structure

Global roles

Chief Executive Officer - Stephen Koseff
 Managing Director - Bernard Kantor

Executive Director - Alan Tapnack
 Group Risk and Finance Director - Glynn Burger

Geographic business leaders



Group operating structure

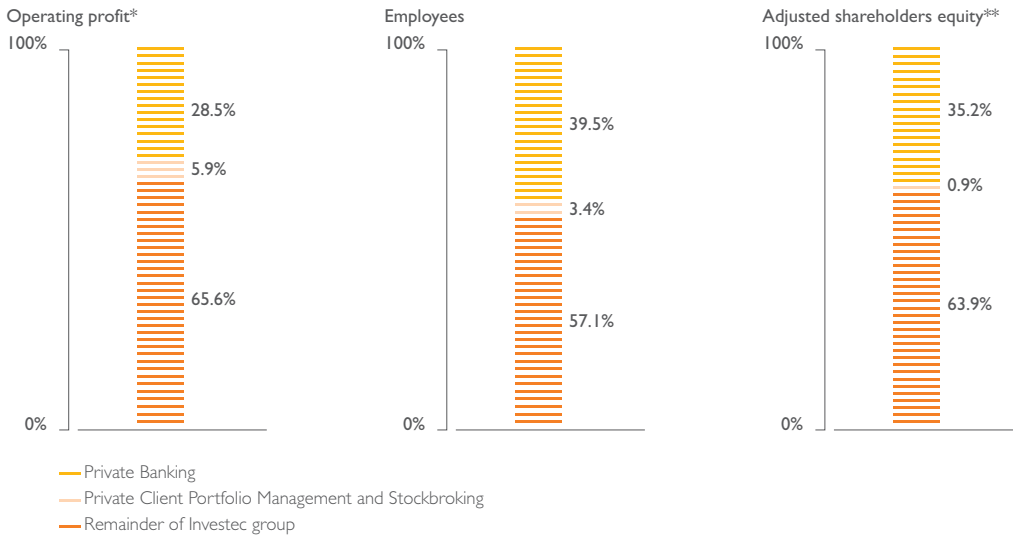
Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added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



Private Client Activities

Partner of choice from wealth creation to wealth management

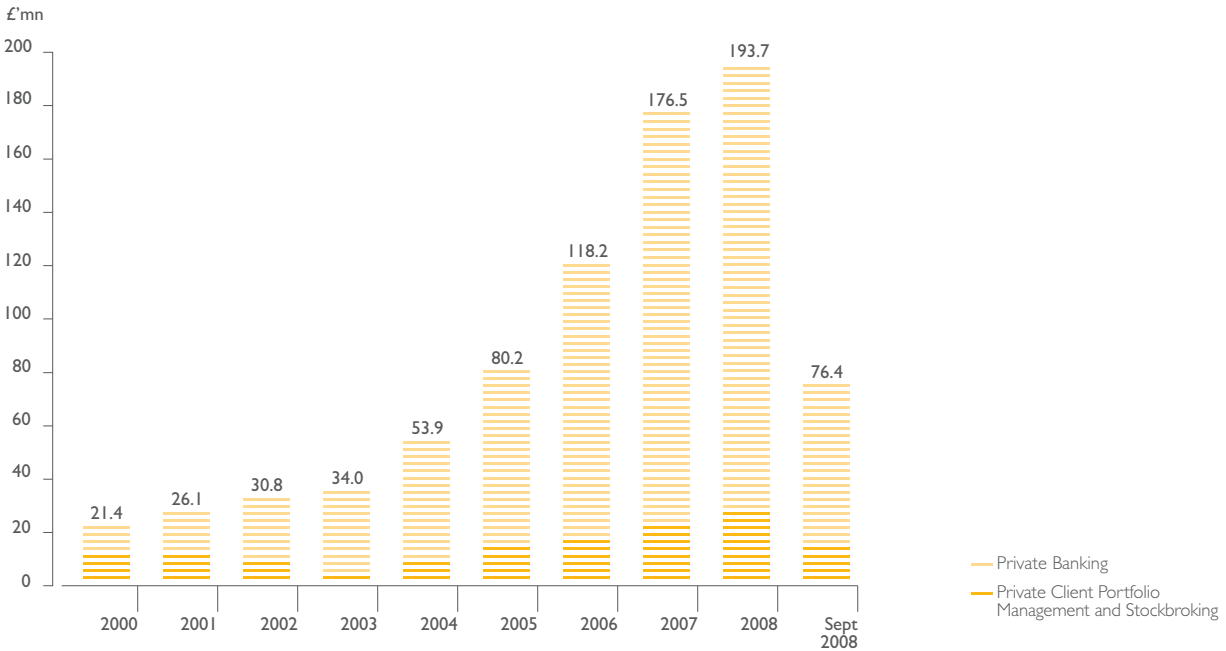
Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and other Activities).

** As calculated on page 83.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation, and after minorities.

Private Banking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit decreased by 26.2% to £63.2 million, contributing 28.5% to group profit.
- Higher average advances and a diversified set of revenues supported a 9.9% increase in operating income.
- Key earnings drivers:
 - Core loans and advances increased by 11.0% to £9.9 billion since 31 March 2008.
 - The deposit book increased by 1.5% to £6.7 billion since 31 March 2008.
 - Funds under advice decreased by 2.1% to £3.6 billion since 31 March 2008.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	145 571	123 789	21 782	17.6%
Net fee and commission income	59 770	46 004	13 766	29.9%
Principal transactions	8 398	25 284	(16 886)	(66.8%)
Other operating income and operating income from associates	841	239	602	>100.0%
Impairment losses on loans and advances	(38 428)	(7 126)	(31 302)	>100.0%
Admin expenses and depreciation	(112 926)	(102 496)	(10 430)	10.2%
Operating profit before goodwill, non-operating items, taxation and after minorities	63 226	85 694	(22 468)	(26.2%)
UK and Europe	35 080	51 778	(16 698)	(32.2%)
Southern Africa	22 614	22 878	(264)	(1.2%)
Australia	5 532	11 038	(5 506)	(49.9%)
Operating profit before goodwill, non-operating items, taxation and after minorities	63 226	85 694	(22 468)	(26.2%)
Adjusted shareholders' equity*	627 705	569 024	58 681	10.3%
ROE (pre-tax)*	20.9%	37.3%		
Cost to income ratio	52.6%	52.5%		
Operating profit per employee (£'000)*	26.1	42.4	(16.3)	(38.4%)

* As calculated on pages 83 to 84.

The variance in operating profit over the period can be explained as follows:

- The increase in net interest income has been driven by:
 - Higher average advances over the period.
 - Increased arrangement and exit fees associated with strong turnover levels for the year to 31 March 2008.
- The impact of IAS 18 has resulted in a cumulative R641 million (31 March 2008: R640 million) of lending fees in the South African business being deferred for future recognition.
- The increase in net fee and commission income reflects the increased contribution from the Structured Property Finance businesses, particularly in Europe. Specialised Lending, Banking and Wealth Management all showed good growth albeit off much lower bases. The Trust and Fiduciary business showed moderate growth during the period.
- Principal transactions include the revaluations and realisations of equity and warrant positions held (these are associated with our lending activities and the manner in which certain of our deals are structured). The decrease in principal transactions reflects difficult market conditions which have impacted the quantum and timing of revaluations and exit opportunities. Furthermore, a number of significant transactions were recorded in the prior period.
- Impairment losses on loans and advances have increased in all three geographies as a result of the weaker credit environment.
- The increase in expenses is mainly as a result of:
 - the acquisition of Experien in Australia in October 2007 with costs associated with 108 employees.
 - an increase in average headcount of 16% and 13% across Europe and South Africa, respectively.

Private Banking

Partner of choice from wealth creation to wealth management

Loans, deposits and funds under advice

£'million As at	UK & Europe		Southern Africa		Australia		Total		% change
	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	
Loans secured by									
Residential mortgages	742	746	1 819	1 592	27	27	2 588	2 365	9.4%
Residential developments	889	823	394	357	247	257	1 530	1 437	6.5%
Commercial property investment	934	910	1 947	1 574	121	88	3 002	2 572	16.7%
Commercial property development	289	274	273	219	285	255	847	748	13.2%
Cash and securities backed lending	254	220	355	358	-	-	609	578	5.4%
Asset backed lending	261	273	265	225	233	266	759	764	(0.7%)
Unlisted shares and general corporate lending	75	57	182	145	67	62	324	264	22.7%
Unsecured lending	51	43	106	100	30	84	187	227	(17.6%)
Other	-	-	-	-	89	-	89	-	100.0%
Total gross core loans and advances	3 495	3 346	5 341	4 570	1 099	1 039	9 935	8 955	10.9%
Specific impairments	(11)	(17)	(24)	(16)	(7)	(9)	(42)	(42)	-
Portfolio impairments	(2)	(2)	(3)	(3)	-	-	(5)	(5)	-
Net core loans and advances	3 482	3 327	5 314	4 551	1 092	1 030	9 888	8 908	11.0%
Asset quality									
Gross defaults	157	105	103	58	47	17	307	180	70.6%
Collateral value	(157)	(84)	(100)	(42)	(45)	(8)	(302)	(134)	>100%
Specific impairments	(11)	(17)	(24)	(16)	(7)	(9)	(42)	(42)	-
Net defaults (limited to zero)	-	4	-	-	-	-	-	4	100.0%
Gross defaults as a % of gross loans and advances	4.5%	3.1%	1.9%	1.3%	4.2%	1.6%	3.1%	2.0%	

Net core loans and advances as at

	£'million			Home currency 'million		
	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
UK and Europe	3 482	3 327	4.7%	£3 482	£3 327	4.6%
Southern Africa	5 314	4 551	16.8%	R 79 593	R 73 562	8.2%
Australia	1 092	1 030	6.0%	A\$2 469	A\$2 248	9.8%
Net core loans and advances	9 888	8 908	11.0%			

Deposits as at

	£'million			Home currency 'million		
	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
UK and Europe	3 687	3 961	(6.9%)	£3 687	£3 961	(6.9%)
Southern Africa	2 658	2 220	19.8%	R39 824	R 35 887	11.0%
Australia	357	423	(15.6%)	A\$806	A\$931	(13.4%)
Total deposits	6 702	6 604	1.5%			

Private Banking

Partner of choice from wealth creation to wealth management

Funds under advice as at

	£'million			Home currency 'million		
	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
UK and Europe	1 674	1 770	(5.4%)	£1 674	£1 770	(5.4%)
Southern Africa	1 654	1 598	3.5%	R24 772	R25 835	(4.1%)
Australia	277	313	(11.5%)	A\$625	A\$689	(9.3%)
Total funds under advice	3 605	3 681	(2.1%)			

Net core loans and advances as at

	£'million			Home currency 'million		
	30 Sept 2007	31 March 2007	% change	30 Sept 2007	31 March 2007	% change
UK and Europe	2 937	2 398	22.5%	£2 937	£2 398	22.5%
Southern Africa	4 588	3 930	16.7%	R64 140	R 55 786	15.0%
Australia	575	527	9.1%	A\$1 323	A\$1 279	3.4%
Net core loans and advances	8 100	6 855	18.2%			

Deposits as at

	£'million			Home currency 'million		
	30 Sept 2007	31 March 2007	% change	30 Sept 2007	31 March 2007	% change
UK and Europe	4 023	3 439	17.0%	£4 023	£3 439	17.0%
Southern Africa	2 269	1 851	22.6%	R31 723	R26 277	20.7%
Australia	378	270	40.0%	A\$870	A\$655	32.8%
Total deposits	6 670	5 560	20.0%			

Funds under advice as at

	£'million			Home currency 'million		
	30 Sept 2007	31 March 2007	% change	30 Sept 2007	31 March 2007	% change
UK and Europe	1 338	951	40.7%	£1 338	£951	40.7%
Southern Africa	1 651	1 275	29.5%	R23 078	R18 111	27.4%
Australia	347	306	13.4%	A\$797	A\$740	7.7%
Total funds under advice	3 336	2 532	31.8%			

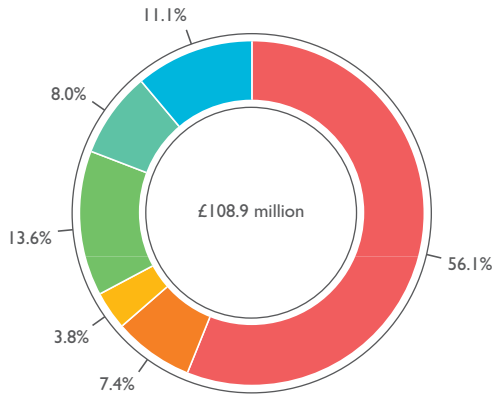
Private Banking

Partner of choice from wealth creation to wealth management

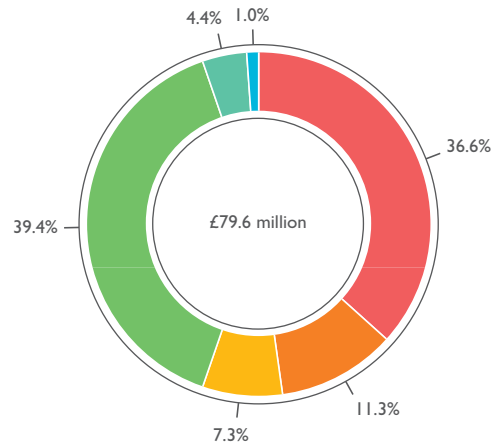
Analysis of total income by geography and area of specialisation

30 September 2008

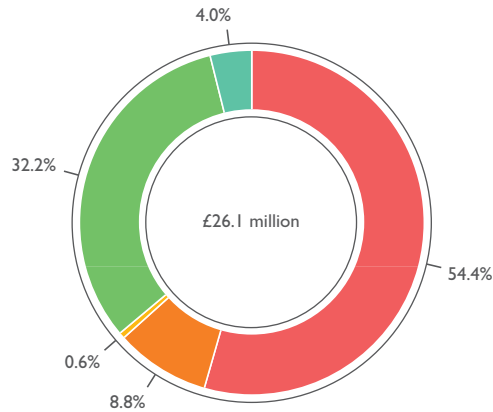
UK and Europe



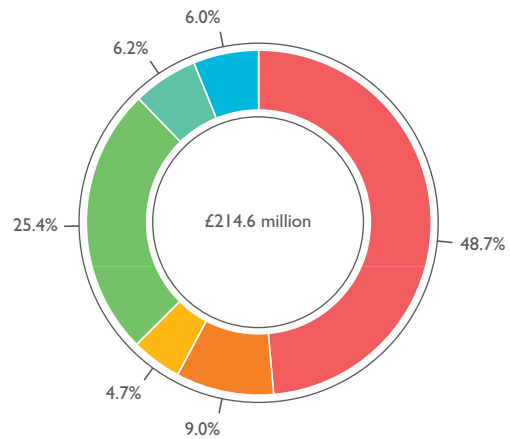
Southern Africa



Australia



Total



■ Structured Property Finance
 ■ Growth and Acquisition Finance
 ■ Specialised Lending
■ Banking Activities
 ■ Investment Management and Advisory Services
 ■ Trust and Fiduciary Services

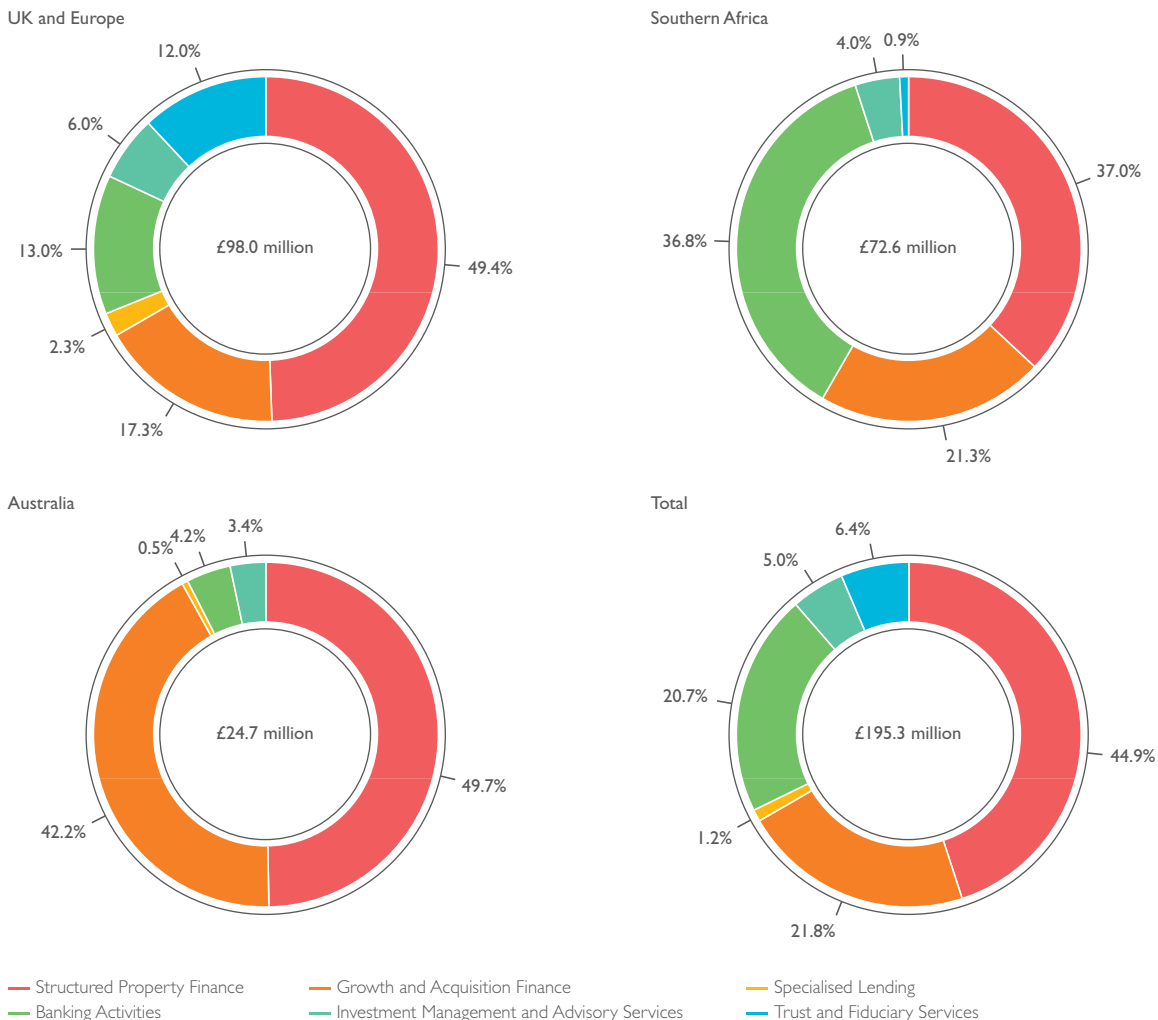


Private Banking

Partner of choice from wealth creation to wealth management

Analysis of total income by geography and area of specialisation

30 September 2007



Developments

UK and Europe

- The Banking business with its strong focus on deposit raising has been one of the key areas of investment. The distribution teams in London, Manchester, Dublin, Guernsey and Jersey have all been strengthened. This expansion has been supported by a broader product suite, brand building and marketing activities.
- Lending activity levels across the specialisations have been constrained. In the Structured Property Finance and Specialised Lending businesses, the focus has been on understanding and reacting to the impact of the current climate on the existing portfolio as well as seeking out attractive opportunistic transactions which arise in this market.
- The Growth and Acquisition Finance activities continue to prosper. There have been fewer realisations in the current period but opportunities to build the portfolio have increased as market conditions reshape the competitive landscape.
- The Wealth Management business has grown distribution capacity throughout this period. The key focus in these markets has been on investment performance and strategy. Notwithstanding the volatile investment arena, the business has recorded a net inflow of funds.
- The Trust and Fiduciary business has shown modest growth in revenues on the back of lower activity levels. This growth has, as always, been balanced by a strong emphasis on risk management.

Private Banking

Partner of choice from wealth creation to wealth management

Southern Africa

- Continuing investment in Banking resources and infrastructure (treasury, personal lending, transactional banking and retail forex) over the past two years has resulted in an increased revenue contribution from this specialisation. A number of initiatives have been implemented to ensure the division fully funds its lending activities from private client and related deposits.
- The division has agreed to divest itself of its non-core short term insurance business to Santam Limited. The sale will be effective during the second half of the financial year with no material impact on earnings.
- Notwithstanding an apparent decline in the contribution to total income of Growth and Acquisition Finance, activity levels remain strong with developing momentum offset by a decline in certain valuations of held for trading assets and embedded derivatives.
- Structured Property Finance has increased its contribution as a result of historically strong book growth, and the realisation of profit shares in completed developments.
- Wealth Management activity levels remain reasonable. Onshore and offshore portfolios have been negatively impacted by declining asset valuations. This has been partially offset by a weaker exchange rate of the Rand against major currencies. However, we continued to experience good net inflows during the period.

Australia

- Activity levels in Structured Property Finance have slowed in the current markets and the focus has been on managing the existing portfolio. Changes in credit markets however provided enhanced opportunities for the business as a result of the reshaping of the competitive environment.
- Following its acquisition in October 2007, Experien continued to contribute a growing and diversified annuity income stream through its focus on the lending requirements of medical and accounting professionals.
- Growth and Acquisition Finance has experienced lower levels of activity as the market has been less conducive to exits and characterised by fewer completed transactions.
- Private Adviser's funds under advice have reduced by 9% since March 2008, however, the portfolio has outperformed key investment markets during the period.

Outlook, risks and uncertainties

UK, Europe and Australia

- Current market conditions have had a negative impact on impairments, exits and activity levels across the asset creating businesses.
- The business is responding by realigning its cost base to reflect market conditions and focusing on opportunistic deals resulting from the fallout being experienced in distressed markets.
- The business is however benefiting from a well diversified set of revenues providing an underpinning to lower but stable operating revenues.

Southern Africa

- A continuing difficult world economic environment will be slightly mitigated in South Africa by an outlook of declining interest rates, resilient infrastructure-lead GDP growth and improving private client confidence. The latter is as a result of greater certainty on the political front and the approaching 2010 World Cup.
- Whilst lending pipelines have been negatively impacted, the opportunity exists to deliver sustainable and growing earnings as a result of the high level of annuity based banking earnings.
- The division's focus on private clients with strong sustainable earnings and good balance sheets should support the performance of the loan portfolio, which is tightly managed and well collateralised.



Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit decreased by 8.6% to £13.1 million, contributing 5.9% to group profit.
- Since 31 March 2008, private clients funds under management in South Africa decreased by 8.1% from R112.7 billion to R103.6 billion.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	12	36	(24)	(66.7%)
Net fee and commission income	17 092	17 504	(412)	(2.4%)
Principal transactions	363	1 245	(882)	(70.8%)
Other operating income and operating income from associates	6 579	5 998	581	9.7%
Impairment losses on loans and advances	-	-	-	-
Admin expenses and depreciation	(10 918)	(10 416)	(502)	4.8%
Operating profit before goodwill, non-operating items, taxation and after minorities	13 128	14 367	(1 239)	(8.6%)
UK and Europe	6 579	5 998	581	9.7%
Southern Africa	6 549	8 369	(1 820)	(21.7%)
Operating profit before goodwill, non-operating items, taxation and after minorities	13 128	14 367	(1 239)	(8.6%)
Adjusted shareholders' equity*	16 463	42 023	(25 560)	(60.8%)
ROE (pre-tax)*	74.3%	59.8%		
Cost to income ratio (excluding income from associates)	62.5%	55.4%		
Operating profit per employee (£'000)*	30.7	40.8	(10.1)	(24.8%)

* As calculated on pages 83 to 84.

The variance in operating profit over the period can be explained as follows:

- The South African Private Client Portfolio Management and Stockbroking business has been negatively impacted by lower market volumes and the absence of performance fees on alternative investments.
- Investec's UK Private Client Stockbroking business, Carr Sheppards Crosthwaite, was sold to Rensburg plc on 6 May 2005. We retain a 47.3% interest in the combined entity, Rensburg Sheppards plc. Post the 6 May 2005 the results of the combined entity Rensburg Sheppards plc have been equity accounted and the directors' estimate of these results are included in the line item 'operating income from associates' (the £6.6 million income reflected above is post an estimate for tax of approximately £2.8 million).

Developments

UK and Europe

Rensburg Sheppards plc released its results for the six months ended 30 September 2008 on 19 November 2008. Salient features of the results extracted directly from the announcement released by the company include:

Key points:

- Profit before tax of £16.4 million (2007: £15.0 million)
- Adjusted* profit before tax of £19.7 million (2007: £20.1 million)
- Basic earnings per share of 26.3p (2007: 23.9p)
- Adjusted* basic earnings per share of 31.9p (2007: 31.7p)
- Interim dividend maintained at 8.5p per ordinary share (2007: 8.5p)
- Group funds under management at 30 September 2008 of £111.45 billion (31 March 2008: £12.95 billion)

* Before amortisation of the client relationships intangible asset and share-based charges relating to the Employee Benefit Trust. These items amount to a net charge before tax of £3.3 million (2007: £5.1 million) and a net charge after tax of £2.5 million (2007: £3.4 million).

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

South Africa

- Brokerage and other trading related revenue has experienced a sharp slowdown, most notably in the latter part of the period under review, after an initial spike in activity attributable to investment rotation and outright portfolio sales. Our large discretionary fund management business however, provides a strong annuity base of fees and should in part offset lower non-discretionary brokerage income.

Funds under management as at

	30 Sept 2008	R'million 31 March 2008	% change	30 Sept 2008	£'million 31 March 2008	% change
Discretionary	19 079	21 406	(10.9%)	1 274	1 323	(3.7%)
Non-discretionary	84 523	91 338	(7.5%)	5 642	5 649	(0.1%)
Total	103 602	112 744	(9.2%)	6 916	6 972	(0.8%)

Net inflows/outflows at cost over the period

R'million	30 Sept 2008	31 March 2008
Discretionary	(13)	1 865
Non-discretionary	(929)	5 431
Total	(942)	7 296

Funds under management as at

	30 Sept 2007	R'million 31 March 2007	% change	30 Sept 2007	£'million 31 March 2007	% change
Discretionary	19 764	18 419	7.3%	1 414	1 297	9.0%
Non-discretionary	92 785	87 177	6.4%	6 637	6 139	8.1%
Total	112 549	105 596	6.6%	8 051	7 436	8.3%

Net inflows at cost over the period

R'million	30 Sept 2007	31 March 2007
Discretionary	686	1 065
Non-discretionary	2 386	2 316
Total	3 072	3 381

Outlook, risks and uncertainties

South Africa

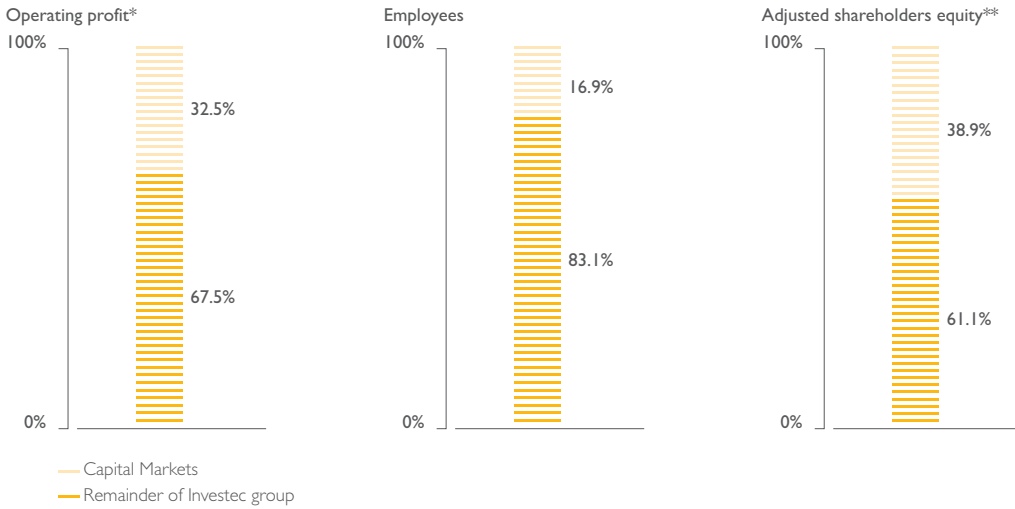
- The period under review has been characterised by ongoing volatility in equity and other asset prices which has caused a major reduction in trading and risk appetite. Deleveraging has resulted in large equity over supply which has been met with a concomitant slowdown in demand, particularly for less tradeable instruments.
- We expect overall conditions to deteriorate going forward as anxiety becomes more widespread and risk aversion tendencies increase. We are confident however, that the diversification strategies implemented in our business during earlier years will position us to capitalise on the inevitable opportunities that will present themselves.



Capital Markets

Specialist structuring and advisory business

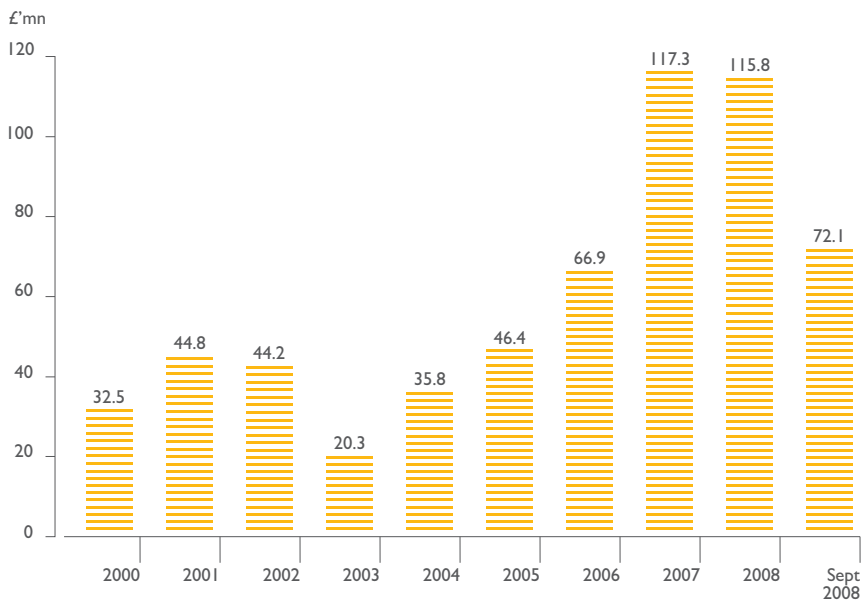
Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and other Activities).

** As calculated on page 83.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation, and after minorities.

Capital Markets

Specialist structuring and advisory business

Overview and financial analysis

- Operating profit increased by 68.9% to £72.1 million, contributing 32.5% to group profit.
- Our advisory and structuring businesses continued to perform well.
- Core loans and advances have grown by 14.9% to £4.4 billion since 31 March 2008.
- The prior period was adversely impacted by write-downs on US structured credit investments (refer below).
- Investec plc acquired Kensington with effect from 8 August 2007. The businesses of Kensington now form part of the Capital Markets business in the UK. Salient information with respect to Kensington is provided below and should be taken into account when assessing the variance analysis provided.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	136 337	66 395	69 942	>100.0%
Net fee and commission income	69 772	48 312	21 460	44.4%
Principal transactions	19 057	20 227	(1 170)	(5.8%)
Other operating income and operating income from associates	-	(44)	44	100.0%
Impairment losses on loans and advances	(36 625)	(5 097)	(31 528)	>100.0%
Admin expenses and depreciation	(116 411)	(86 594)	(29 817)	34.4%
Operating profit before goodwill, non-operating items and taxation	72 130	43 199	28 931	67.0%
Earnings attributable to minority interests	-	(500)	500	100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	72 130	42 699	29 431	68.9%
UK and Europe	39 488	5 939	33 549	>100.0%
Southern Africa	31 212	32 093	(881)	(2.7%)
Australia	1 430	4 667	(3 237)	(69.4%)
Operating profit before goodwill, non-operating items, taxation and after minorities	72 130	42 699	29 431	68.9%
Adjusted shareholders' equity*	692 420	754 649	(62 229)	(8.3%)
ROE (pre-tax)*	21.1%	17.3%		
Cost to income ratio	51.7%	64.2%		
Operating profit per employee (£'000)*	67.3	47.2	20.1	42.6%

* As calculated on pages 83 to 84.

The variance in operating profit over the period can be explained as follows:

- Net interest income has benefited from an increase in average advances in the UK and South Africa and from the acquisition of Kensington.
- The increase in net fee and commission income is attributable to another solid performance from the advisory and structuring businesses, especially in Ireland where the underlying business continued to grow due to product development and favourable market conditions.
- The decrease in principal transactions primarily reflects negative revaluations on certain equity and warrant positions in South Africa and Australia. The prior period included £36 million write-downs on US structured credit investments compared to £8.3 million in the current period.
- Impairment losses on loans and advances amount to £8.2 million. The prior year number included a £2.8 million recovery in the South African business. These numbers exclude the impact of the acquisition of Kensington (refer to page 34).
- Expenses have increased largely due to an increase in average headcount, the acquisition of Kensington and the investment in product development and IT infrastructure.

Capital Markets

Specialist structuring and advisory business

Analysis of total income by geography

£'000	30 Sept 2008	30 Sept 2007	% Change
UK and Europe	151 829	65 714	86 114
Trading activities	50 107	36 792	13 314
Principal Finance	9 601	(25 271)	34 871
Commodities and Resource Finance	(4 187)	7 728	(11 916)
Structured and Asset Finance	23 375	25 033	(1 659)
Kensington	72 931	21 432	51 498
Southern Africa	65 975	58 215	7 759
Trading activities	14 801	5 779	9 020
Treasury activities	23 230	16 884	6 345
Financial Products	10 100	7 800	2 299
Lending activities	17 845	27 752	(9 908)
Australia	7 362	10 961	(3 599)
Trading activities	1 277	516	761
Treasury/Balance Sheet Management	3 266	1 345	1 921
Financial Products	1 694	1 654	40
Lending activities	(405)	7 446	(7 851)
Structured Finance	1 530	1	1 529
Total	225 166	134 890	90 276

Core loans and advances (excluding Kensington)

£'million As at	UK & Europe		Southern Africa		Australia		Total		% change
	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	
Total gross core loans and advances	2 170	2 000	2 051	1 658	142	141	4 363	3 799	14.9%
Specific impairments	(6)	(3)	-	-	-	-	(6)	(3)	>100.0%
Portfolio Impairments	-	-	(1)	-	-	-	(1)	-	100.0%
Net core loans and advances	2 164	1 997	2 050	1 658	142	141	4 356	3 796	14.8%
Asset quality									
Gross defaults	46	34	-	-	1	-	47	34	38.2%
Collateral value	(44)	(30)	-	-	-	-	(44)	30	46.7%
Specific impairments	(6)	(3)	-	-	-	-	(6)	(3)	100.0%
Net defaults (limited to zero)	-	1	-	-	1	-	-	1	
Gross defaults as a % of gross loans and advances	2.1%	1.7%	-	-	0.7%	-	1.1%	0.9%	-

Net core loans and advances as at

	£'million			Home currency 'million		
	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
UK and Europe	2 164	1 997	8.4%	£2 164	£1 997	8.3%
Southern Africa	2 050	1 658	23.6%	R30 729	R26 811	14.6%
Australia	142	141	0.7%	A\$322	A\$310	3.9%
Net core loans and advances	4 356	3 796	14.8%			

Capital Markets

Specialist structuring and advisory business

Net core loans and advances as at

	£'million			Home currency 'million		
	30 Sept 2007	31 March 2007	% change	30 Sept 2007	31 March 2007	% change
UK and Europe	2 034	1 536	32.4%	£2 034	£1 536	32.4%
Southern Africa	1 540	1 428	7.8%	R21 549	R20 275	6.3%
Australia	171	133	28.6%	A\$414	A\$323	28.2%
Net core loans and advances	3 745	3 097	20.9%			

Kensington Group plc - salient financial information

Summary income statement for the six months ended

£'million	30 Sept 2008	30 Sept 2007*
Net interest income	66.1	19.0
Net fee and commission income	3.5	1.4
Principal transactions	3.3	1.0
Total income	72.9	21.4
Impairment losses on loans and advances	(28.5)	(7.9)
Admin expenses and depreciation	(25.1)	(8.9)
Operating profit before goodwill, non-operating items and taxation	19.3	4.6

* Kensington was acquired with effect from 8 August 2007.

Key statistics

As at 30 September 2008	Warehouse book	Securitized portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	1 933	3 467	5 400	
IFRS adjustments	95	(71)	24	
Mortgage assets under management (£'million)	1 838	3 538	5 376	
First charge % of total mortgage assets under management	92.1%	94.2%	93.5%	
Second charge % of total mortgage assets under management	7.9%	5.8%	6.5%	
Fixed rate loans % of total mortgage assets under management	62.4%	37.0%	45.7%	
Number of accounts	17 877	39 063	56 940	
Average loan balance (first charge)	£135 306	£109 333	£116 892	
Largest loan balance	£1 004 674	£1 065 515	£1 065 515	
Weighted average loan mature margin %	3.5%	3.8%	3.7%	
Product mix (pre-IFRS adjustments) (£'million)				
Prime	23	-	23	0.5%
Near prime	670	612	1 282	23.8%
Prime Buy to Let	14	-	14	0.3%
Adverse	494	2 427	2 921	54.3%
Adverse Buy to Let and Right to Buy	82	184	266	4.9%
Start - Irish operations	555	315	870	16.2%
Geographic distribution (£'million)				
UK - North	405	1 047	1 452	27.0%
UK - South West	98	225	323	6.0%
UK - South East	290	671	961	17.9%
Outer London	185	398	583	10.8%
Inner London	97	235	332	6.2%
Midlands	208	647	855	15.9%
Ireland	555	315	870	16.2%

Capital Markets

Specialist structuring and advisory business

Key statistics (continued)

As at 30 September 2008

	Warehouse book	Securitized portfolio	Total	% of total
Spread of value of properties (%)	100.0%	100.0%	100.0%	
>£500,000	2.9%	1.3%	1.8%	
>£250,000 <=£500,000	21.4%	11.5%	14.6%	
>£200,000 <=£250,000	16.3%	11.8%	13.3%	
>£150,000 <=£200,000	20.8%	19.8%	20.1%	
>£100,000 <=£150,000	24.9%	29.2%	27.8%	
>£70,000 <=£100,000	12.1%	19.8%	17.4%	
>£50,000 <=£70,000	1.5%	5.3%	4.1%	
<£50,000	0.1%	1.3%	0.9%	
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price deflation)*	77.0%	69.9%	72.4%	
LTV spread - % of book	100.0%	100.0%	100.0%	
<= 65%	24.7%	32.2%	29.5%	
>65% - <70%	5.8%	9.0%	7.8%	
>70% - <75%	6.7%	10.9%	9.4%	
>75% - <80%	8.2%	13.7%	11.7%	
>80% - <85%	10.8%	14.9%	13.4%	
>85% - <90%	14.4%	11.4%	12.5%	
>90% - <95%	16.4%	5.7%	9.5%	
>95% - <100%	10.2%	1.6%	4.7%	
> 100%	2.8%	0.6%	1.5%	
% of accounts > 90 days in arrears	10.3%	16.0%	14.2%	
Number of accounts > 90 in arrears	1 841	6 241	8 082	
Total capital lent in arrears (£'million)	390	1 191	1 581	100.0%
Arrears 0 - 60 days	110	317	427	27.0%
Arrears 61 - 90 days	73	203	276	17.5%
Arrears >90 days	182	528	710	44.9%
Possession	25	143	168	10.6%
Debt to income ratio of clients %	24.1%	26.4%	25.6%	
Investec investment/exposure to assets reflected above	189	172	361	
On balance sheet provision	(43)	(59)	(102)	
Investec net investment/exposure to assets reflected above (£'million)	146	113	259	
Additional warehouse lines provided to Kensington (£'million)			260	

Reconciliation of impairments (£'million)

	Balance sheet	Income statement
Opening balance	104	
Net losses incurred		(10)
Losses incurred		(30)
Utilisation of provisions raised in prior periods	(20)	20
Additional provisions raised in current period	18	(18)
Closing balance/total	102	(28)

* Bad debt provision is based on a house price decline assumption of circa -35% i.e. 2008: -15%, 2009: -10%, and an extra -10% haircut to the price to reflect forced sale discount.

Capital Markets

Specialist structuring and advisory business

Key statistics (continued)

As at 31 March 2008

	Warehouse book	Securitized portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	2 035	4 063	6 098	
IFRS adjustments	69	(59)	10	
Mortgage assets under management	1 966	4 122	6 088	
First charge % of total mortgage assets under management	91.5%	94.2%	93.3%	
Second charge % of total mortgage assets under management	8.5%	5.8%	6.7%	
Fixed rate loans % of total mortgage assets under management	60.9%	44.2%	49.6%	
Number of accounts	19 443	45 407	64 850	
Average loan balance (first charge)	£135 369	£109 793	£116 782	
Largest loan balance	£1 001 672	£1 075 835	£1 075 835	
Weighted average loan mature margin %	3.5%	3.7%	3.6%	
Product mix (pre-IFRS adjustments) (£'million)				
Prime	67	-	67	1.1%
Near prime	690	694	1 384	22.7%
Prime Buy to Let	12	-	12	0.2%
Adverse	551	2 842	3 393	55.7%
Adverse Buy to Let and Right to Buy	87	212	299	4.9%
Start - Irish operations	559	374	933	15.4%
Geographic distribution (£'million)				
UK - North	438	1 216	1 654	27.1%
UK - South West	108	259	367	6.0%
UK - South East	317	781	1 098	18.0%
Outer London	207	464	671	11.0%
Inner London	106	277	383	6.3%
Midlands	231	751	982	16.2%
Ireland	559	374	933	15.4%
Spread of value of properties (%)				
>£500 000	100.0%	100.0%	100.0%	
>£250 000 - <£500 000	3.0%	1.3%	1.8%	
>£200 000 - <£250 000	21.3%	11.7%	14.5%	
>£150 000 - <£200 000	16.1%	11.6%	13.0%	
>£100 000 - <£150 000	21.3%	20.0%	20.4%	
>£70 000 - <£100 000	24.7%	29.0%	27.7%	
>£50 000 - <£70 000	12.1%	19.8%	17.5%	
>£25 000 - <£50 000	1.4%	5.4%	4.2%	
<£25 000	0.1%	1.2%	0.9%	

Capital Markets

Specialist structuring and advisory business

Key statistics (continued)

As at 31 March 2008	Warehouse book	Securitised portfolio	Total	% of total
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price deflation)*	73.7%	68.1%	69.9%	
LTV spread - % of book	100.0%	100.0%	100.0%	
<= 65%	29.3%	24.7%	26.2%	
>65% - <70%	7.3%	6.8%	7.0%	
>70% - <75%	8.7%	10.5%	9.9%	
>75% - <80%	9.9%	13.4%	12.2%	
>80% - <85%	15.8%	17.8%	17.2%	
>85% - <90%	27.2%	24.3%	25.3%	
>90% - <95%	1.1%	2.4%	1.9%	
>95% - <100%	0.2%	0.1%	0.1%	
>100%	0.5%	-	0.2%	
% of accounts > 90 days in arrears	5.4%	13.9%	11.3%	
Number of accounts > 90 in arrears	1 041	6 303	7 344	
Total capital lent in arrears (£'million)	269	1 267	1 536	100.0%
Arrears 0 - 60 days	98	377	475	30.9%
Arrears 61 - 90 days	50	215	265	17.3%
Arrears > 90 days	113	551	664	43.2%
Possession	8	124	132	8.6%
Debt to income ratio of clients (%)	23.4%	26.0%	25.1%	
Investec investment/exposure to assets reflected above	162	172	334	
On balance sheet provision	(34)	(70)	(104)	
Investec net investment/exposure to assets reflected above (£'million)	128	102	230	

* Bad debt provision is based on a house price decline assumption of circa -35% i.e. 2008: -10%, 2009: -5%, and an extra -20% haircut to the price to reflect forced sale discount.

Capital Markets

Specialist structuring and advisory business

Developments

- Market activity has reduced substantially as a result of the financial market crisis.

UK and Europe

- The Project Finance team continues to be a leader in the UK PFI advisory business, and the new office in Canada set up to service the North American PFI market is performing well.
- The Asset Finance business continues to grow its franchise and is considered a top tier player in its market.
- The trading desks showed an improved year on year performance greatly benefiting from market volatility, the introduction of new products and increased staff in certain areas. The Corporate Foreign Exchange and London Structured Equity desks are now fully operational.
- The uncertain credit markets have resulted in lower levels of activity in the Principal Finance business. We have a nominal exposure to the US sub-prime structured credit investments of £6.0 million.
- Kensington produced a stable performance and reported operating profit of £19.3 million. The total Kensington book has decreased from £6.1 billion at 31 March 2008 to £5.4 billion with arrears increasing marginally as the book becomes more seasoned.

Southern Africa

- Deal activity in our lending areas has been strong during the first six months of the year. This has been the case in most of our specialist asset classes with significant increases experienced in average margins.
- Profitability on the trading desks has been mixed with each market showing signs of stress. Customer deal flow in Equity Derivatives and Interest Rate activity was severely reduced in the second quarter as a result of severe market volatility.
- The Foreign Exchange trading desk has captured significant market share in the listed currency futures market.
- Debt capital markets concluded two successful securitisations during the first half of the year although the outlook for this area of the business is negative.
- The division continues to hold a number of equity related positions associated with our lending activities and the manner in which certain of our deals are structured. The revaluation of our equity positions has negatively impacted on our results for the first six months.

Australia

- The first six months of the year have been disappointing mainly as a result of negative revaluations on warrant positions held.
- The outlook for the remainder of the financial year is somewhat mixed. Outlook is generally positive in terms of transactional flow and lending prospects. Market fear may however, dampen activity. Furthermore, management of existing credit exposures is demanding more time and attention in the current market.
- Several of the principal investments in the clean energy space are well poised for realisation and if concluded these are likely to be a strong contributor to performance in this financial year.
- The Treasury activities are likely to be positively influenced by the Australian government guarantee and this should lead to increased liquidity and lengthening maturity.

Outlook, risks and uncertainties

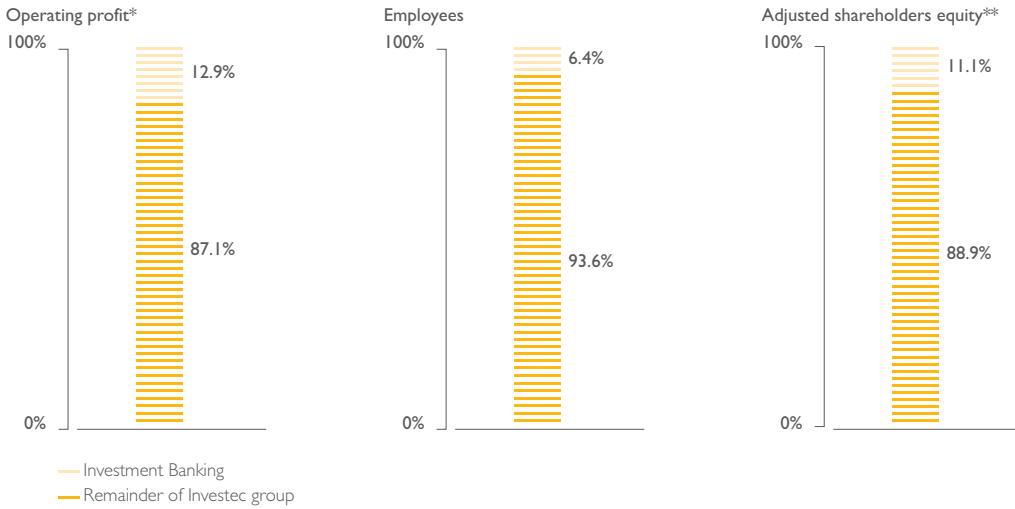
- We continue to be a focused business targeting markets where we can be distinctive and competitive focusing on our core value drivers.
- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we continue to look for opportunities to broaden our franchise.
- The liquidity issues have affected all our markets although opportunities continue to present themselves.
- The current negative cycle is a time to shape the business for the future and to position ourselves for a return to a more normal market.
- Deal volume has slowed in line with market conditions, and the performance of the business is dependent on liquidity and stability returning to the financial markets, including the return of securitisation in some form.
- Additional effort and resources will be spent on asset management to ensure our portfolios perform optimally in poor economic conditions.



Investment Banking

Integrated business focused on local client delivery with international access

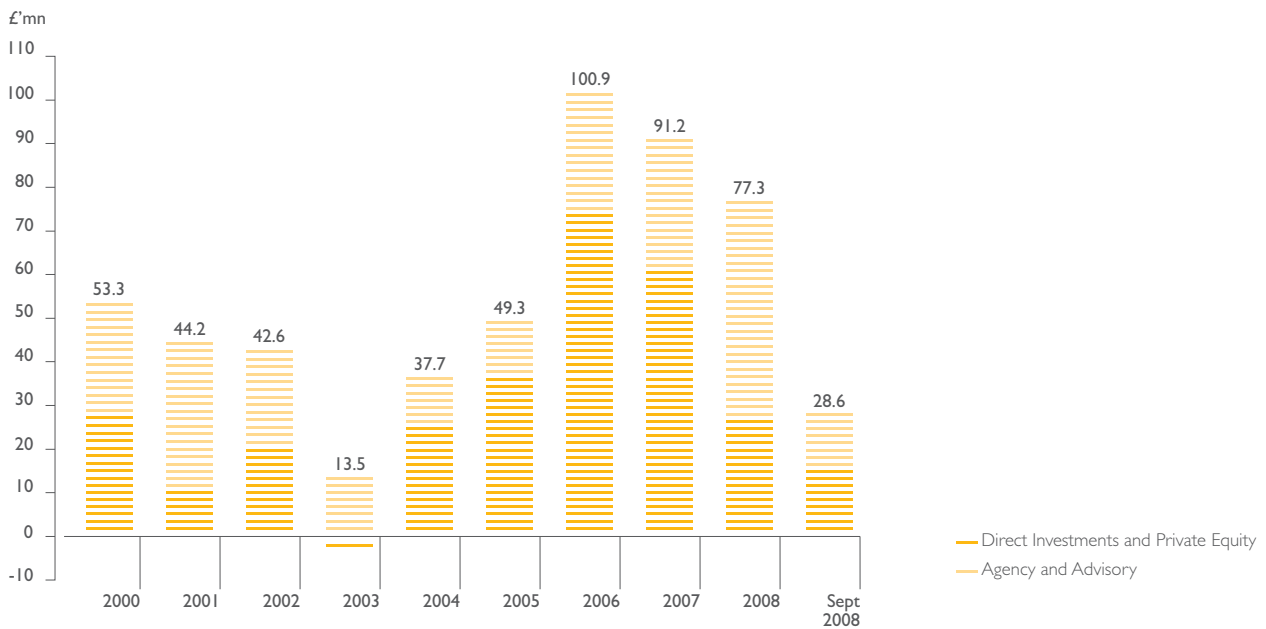
Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and other Activities).

** As calculated on page 83.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation, and after minorities.

Investment Banking

Integrated business focused on local client delivery with international access

Overview and financial analysis

- Operating profit decreased by 36.7% to £28.6 million, contributing 12.9% to group profit.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	6 089	(2 839)	8 928	>100.0%
Net fee and commission income	40 792	51 806	(11 014)	(21.3%)
Principal transactions	43 571	43 774	(203)	(0.5%)
Other operating (loss)/income and operating income from associates	(11 724)	26 316	(38 040)	(>100.0%)
Impairment losses on loans and advances	-	(1 121)	1 121	100.0%
Admin expenses and depreciation	(67 709)	(66 026)	(1 683)	2.5%
Operating profit before goodwill, non-operating items and taxation	11 019	51 910	(40 891)	(78.8%)
Earnings attributable to minority interests	17 537	(6 815)	24 352	>100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	28 556	45 095	(16 539)	(36.7%)
Corporate Finance	5 496	8 230	(2 734)	(33.2%)
Institutional Research, Sales and Trading	8 456	7 223	1 233	17.1%
Direct Investments	(1 084)	9 724	(10 808)	(>100.0%)
Private Equity	15 688	19 918	(4 230)	(21.2%)
Operating profit before goodwill, non-operating items, taxation and after minorities	28 556	45 095	(16 539)	(36.7%)
UK and Europe	1 199	4 769	(3 570)	(74.9%)
Southern Africa	29 402	35 876	(6 474)	(18.0%)
Australia	(2 045)	4 450	(6 495)	(>100.0%)
Operating profit before goodwill, non-operating items, taxation and after minorities	28 556	45 095	(16 539)	(36.7%)
Adjusted shareholders' equity*	197 640	129 876	67 764	52.2%
ROE (pre-tax)*	17.6%	57.8%		
Cost to income ratio	86.0%	55.5%		
Operating profit per employee (£'000)*	74.1	129.8	(55.7)	(42.9%)

* As calculated on pages 83 to 84.

A further analysis of operating profit

30 Sept 2008 £'000	Agency and Advisory	Principal Investments	Investments required to be consolidated	Total
UK and Europe	10 400	313	(9 514)	1 199
Southern Africa	4 195	25 207	-	29 402
Australia	(643)	(1 662)	260	(2 045)
Total	13 952	23 858	(9 254)	28 556

30 Sept 2007 £'000	Agency and Advisory	Principal Investments	Investments required to be consolidated	Total
UK and Europe	5 796	(3 600)	2 573	4 769
Southern Africa	8 278	27 598	-	35 876
Australia	1 379	1 293	1 778	4 450
Total	15 453	25 291	4 351	45 095



Investment Banking

Integrated business focused on local client delivery with international access

Corporate Finance and Institutional Research, Sales and Trading

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	274	312	(38)	(12.2%)
Net fee and commission income	41 306	44 781	(3 475)	(7.8%)
Principal transactions	14 438	5 884	8 554	>100.0%
Other operating income and operating income from associates	-	-	-	-
Impairment losses on loans and advances	-	-	-	-
Admin expenses and depreciation	(42 066)	(35 524)	(6 542)	18.4%
Operating profit before goodwill, non-operating items, taxation and after minorities	13 952	15 453	(1 501)	(9.7%)

The variance in operating profit over the period can be explained as follows:

- Corporate activity in the UK has held up despite difficult market conditions with the result that the Corporate Finance division recorded an increase in corporate fees. The South African and Australian divisions closed fewer deals in comparison to the prior period.
- The Institutional Stockbroking operations in South Africa were negatively impacted by difficult market conditions, particularly the Dual Listed Arbitrage and International Broking businesses. This offset a solid performance from the division's Prime Broking and Trading businesses. The UK division's market making and equity trading operations performed well.

Principal Investments (Direct Investments and Private Equity)

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	5 815	(3 151)	8 966	>100.0%
Net fee and commission income	(514)	7 025	(7 539)	(>100.0%)
Principal transactions	29 133	37 890	(8 757)	(23.1%)
Other operating (loss)/income and operating income from associates	(11 724)	26 316	(38 040)	(>100.0%)
Impairment losses on loans and advances	-	(1 121)	1 121	>100.0%
Admin expenses and depreciation	(25 643)	(30 502)	4 859	(15.9%)
Operating profit before goodwill, non-operating items and taxation	(2 933)	36 457	(39 390)	(>100.0%)
Earnings attributable to minority interests	17 537	(6 815)	24 352	>100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	14 604	29 642	(15 038)	(50.7%)

The variance in operating profit over the period can be explained as follows:

- Principal transaction income represents the year to date cumulative increase/decrease in the value of the division's direct investments and private equity portfolios, the profit/loss on realisation of these investments and dividends and other income received (further analysis provided below).
- All other income categories largely relate to our investment in two private equity investments in which we hold 68.3% and 73.1%, respectively. The results of these investments have been consolidated. These investments generated a net loss (refer to table on page 44).
- The decrease in expenses largely relates to the consolidation of the two private equity investments (expenses amounted to £15.7 million).

Investment Banking

Integrated business focused on local client delivery with international access

Value of trading investments on balance sheet as at 30 September 2008

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	18.5	34.9	-	53.4
SA Direct Investments	13.3	68.5	13.3	95.1
SA Private Equity	-	118.1	18.3	136.4
Australia	0.6	14.2	-	14.8
Hong Kong Direct Investments	0.3	29.6	-	29.9
Total	32.7	265.3	31.6	329.6

The combined book value of the two private equity investments which are consolidated (as mentioned above) of £58 million is not included in the table above.

Value of trading investments on balance sheet as at 30 September 2007

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	8.0	12.0	-	20.0
SA Direct Investments	23.6	51.9	13.4	88.9
SA Private Equity	-	110.7	12.0	122.7
Australia	5.4	3.9	-	9.3
Hong Kong Direct Investments	3.0	10.0	-	13.0
Total	40.0	188.5	25.4	253.9

The combined book value of the two private equity investments which are consolidated (as mentioned above) of £69 million is not included in the table above.

Analysis of operating profit for the six months ended 30 September 2008

£'million	Principal transactions				Principal transactions	Interest and other	Net income	Expenses	Net profit	Minorities	Operating profit
	Realised	Un-realised	Dividends	Funding costs							
UK Private Equity and Direct Investments	0.4	(7.7)	0.5	-	(6.8)	(3.7)	(10.5)	(16.6)	(27.1)	15.6	(11.5)
SA Direct Investments	0.4	7.8	0.2	(4.4)	4.0	-	4.0	(1.4)	2.6	-	2.6
SA Private Equity	-	3.9	25.4	(1.2)	28.1	(0.1)	28.0	(5.4)	22.6	-	22.6
Australia	-	0.2	-	-	0.2	(2.2)	(2.0)	(1.3)	(3.3)	1.9	(1.4)
Hong Kong Direct Investments	(0.5)	4.1	-	-	3.6	(0.4)	3.2	(0.9)	2.3	-	2.3
Total	0.3	8.3	26.1	(5.6)	29.1	(6.4)	22.7	(25.6)	(2.9)	17.5	14.6

Analysis of operating profit for the six months ended 30 September 2007

£'million	Principal transactions				Principal transactions	Interest and other	Net income	Expenses	Net profit	Minorities	Operating profit
	Realised	Un-realised	Dividends	Funding costs							
UK Private Equity and Direct Investments	(1.0)	(1.4)	1.6	-	1.9	26.0	27.9	(22.4)	5.5	(5.8)	(0.3)
SA Direct Investments	0.4	(11.4)	0.1	(3.3)	8.7	(0.3)	8.4	(1.8)	6.6	-	6.6
SA Private Equity	-	(20.1)	6.7	(1.2)	25.6	-	25.6	(4.6)	21.0	-	21.0
Australia	1.8	(0.2)	0.1	-	1.7	3.4	5.1	(1.0)	4.1	(1.0)	3.1
Hong Kong Direct Investments	0.3	(0.3)	-	-	-	-	-	(0.7)	(0.7)	-	(0.7)
Total	1.5	32.4	8.5	(4.5)	37.9	29.1	67.0	(30.5)	36.5	(6.8)	29.7



Investment Banking

Integrated business focused on local client delivery with international access

Developments

Corporate Finance

UK and Europe

- In contrast to the market, the period for us featured higher levels of M&A activity. The difficult market conditions, however, resulted in no IPOs and limited fundraisings. Most notable was a £290 million joint fundraising for Melrose in connection with their purchase of FKI Plc.
- We completed 14 M&A transactions with a value of £1.9 billion (2007: 16 transactions with a value of £1.1 billion).
- We completed 9 fundraisings during the period raising in aggregate £352 million (2007: 13 fundraisings raising £224 million).
- We continue to build the quality and size of the corporate client list, gaining 6 new brokerages during the period. We now have 87 quoted clients.

South Africa

- We retained all our major clients. A number of new mandates were entered into however it is more difficult to close deals in volatile markets.
- We maintained our strong market positioning but with a lower level of activity.
- Our main focus was on M&A and black economic empowerment transactions.

Australia

- There is increasing awareness and recognition of the Investec brand within the Australian market.
- In the period to 30 September 2008, we have selectively expanded our team with a number of high quality recruits at all levels.
- We continue to build our capabilities in Brisbane and Melbourne, as well as expanding our specialist resources sector team.
- Despite the challenging market outlook, we are currently active on a number of mandates for both publicly listed and large unlisted companies.

Institutional Research, Sales and Trading

UK and Europe

- Challenging market conditions have restricted secondary commission growth.
- Trading revenues have showed considerable improvement.
- We have strengthened our UK research team over the last six months with the addition of a number of experienced analysts.
- We continue to expand the capacity of our New York sales team.

South Africa

- We continued to record progress on a number of fronts. Key developments include an increase in the quality and breadth of our research coverage, the expansion of our client base both in South Africa and internationally, the winning of new Prime Broking mandates and the push into select related business activities.

Principal Investments (Direct Investments and Private Equity)

UK, Europe and Hong Kong

- Performance has been impacted by volatile market conditions.

South Africa

- The Direct Investments portfolio increased to R 1 425 million at 30 September 2008 (31 March 2008: R 1 051 million). This was driven by a good performance from the underlying investments and a few acquisitions.
- We continued to expand the capacity of our Private Equity investments through acquisitions and capital expenditure. The Private Equity portfolio was approximately R2 043 million at 30 September 2008 (31 March 2008: R 1 976 million).

Investment Banking

Integrated business focused on local client delivery with international access

Australia

- The total size of the Private Equity funds is A\$460 million.
- Market conditions are volatile and have required us to place more focus on our existing portfolio of investments.
- Access to both equity and debt capital has become difficult in the current environment and we believe that Private Equity will be well placed as a source of capital in this market. The funds currently have A\$240 million of cash available to take advantage of this opportunity.
- The investment portfolio continues to perform satisfactorily in a challenging environment.

Outlook, risks and uncertainties

Corporate Finance

- The current credit environment has made it more difficult to complete M&A transactions in the UK, while stock market conditions are not conducive to IPO's and fundraisings. Medium term, with a continued absence of debt funding, companies may return to the equity markets to raise capital. We believe the UK business is well positioned to take advantage of the changing competitive landscape.
- Black economic empowerment and M&A transactions are expected to continue to support activity in South Africa. Activity levels are lower than previous periods and it is more difficult to close deals in volatile markets.
- Increased brand awareness within the Australian market and the national reach of our corporate advisory team, provides a solid platform for expanding our market share with our targeted client base.

Institutional Research, Sales and Trading

- The UK business continues to strengthen its positioning in the market across sales, trading and research. Commissions are dependent on market activity which has been negatively impacted by current market conditions. Given the difficulties currently faced by the traditional brokers, we believe that we are well placed to gain market share.
- The outlook for the South African business is challenging. Ongoing global market uncertainty looks set to dampen activity from both our local and international client base. In addition, the growing acceptance of the practice to unbundle research and execution will continue to exert downward pressure on broking margins. Our focus will be on prudent cost control, the strengthening and leveraging of our position in the market and the on-going assessment of related business opportunities.

Principal Investments (Direct Investments and Private Equity)

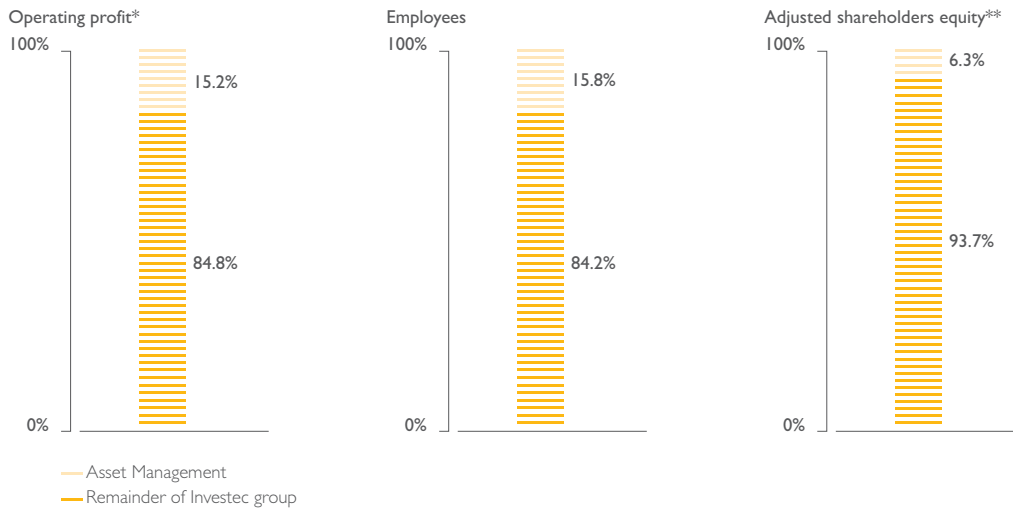
- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and building black economic empowerment platforms.
- The majority of the companies in our Private Equity portfolio are trading in line with expectations in very difficult market conditions and the overall outlook remains positive.
- The South African Principal Investments business is well placed to take advantage of new investment opportunities.
- The Australian business continues to add value to existing investments and is well placed to take advantage of new investment opportunities.



Asset Management

Investment specialist focused on performance and client needs

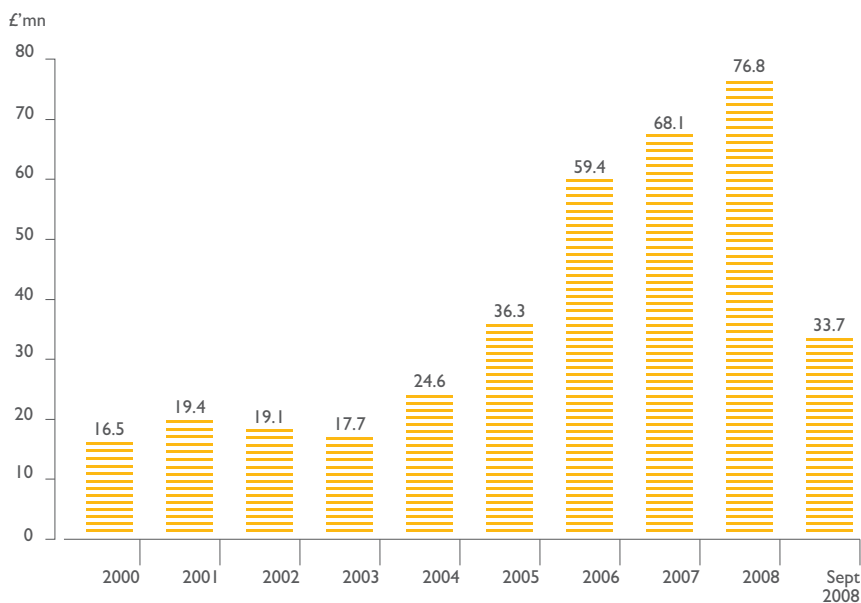
Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and other Activities).

** As calculated on page 83.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation, and after minorities.

Asset Management

Investment specialist focused on performance and client needs

Overview and financial analysis

- Operating profit decreased by 7.0% to £33.7 million, contributing 15.2% to group profit.
- Assets under management increased by 3.0% to £29.6 billion since 31 March 2008.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	3 413	2 914	499	17.1%
Net fee and commission income	103 322	97 124	6 198	6.4%
Other (loss)/income	(2 538)	1 203	(3 741)	(>100.0%)
Impairment losses on loans and advances	-	-	-	-
Admin expenses and depreciation	(70 513)	(65 038)	(5 475)	8.4%
Operating profit before goodwill, non-operating items, taxation and after minorities	33 684	36 203	(2 519)	(7.0%)
UK and international	11 189	11 873	(684)	(5.8%)
Southern Africa	22 495	24 330	(1 835)	(7.5%)
Operating profit before goodwill, non-operating items, taxation and after minorities	33 684	36 203	(2 519)	(7.0%)
Adjusted shareholders' equity*	111 860	121 641	(9 781)	(8.0%)
ROE (pre-tax)*	43.2%	49.1%		
Cost to income ratio	67.7%	64.2%		
Operating profit per employee (£'000)*	33.5	37.8	(4.3)	(11.4%)

* As calculated on pages 83 to 84.

The variance in operating profit over the period can be explained as follows:

United Kingdom and international

- Operating profit decline of 5.8% to £11.2 million.
- The decrease in profitability of the UK is due to a decline in assets under management which was driven by the decline in the equity markets and an expansionary increase in expenses.
- Assets under management increased to £14.2 billion. The institutional book showed strong growth over the period with significant net inflows of approximately £2 billion.

Southern Africa

- Operating profit of the Southern African operations in Rands of R338.1 million is 2.2% lower than the prior period of R345.6 million.
- Negative equity markets have resulted in a decrease in recurring income in the current period. Investment performance generally remained positive and performance fee revenue increased to R141 million (2007: R99 million).
- The retail side of the business experienced net inflows of R2.2 billion for the period despite equity market turbulence. There was R1.3 billion of institutional outflows.

Expenses

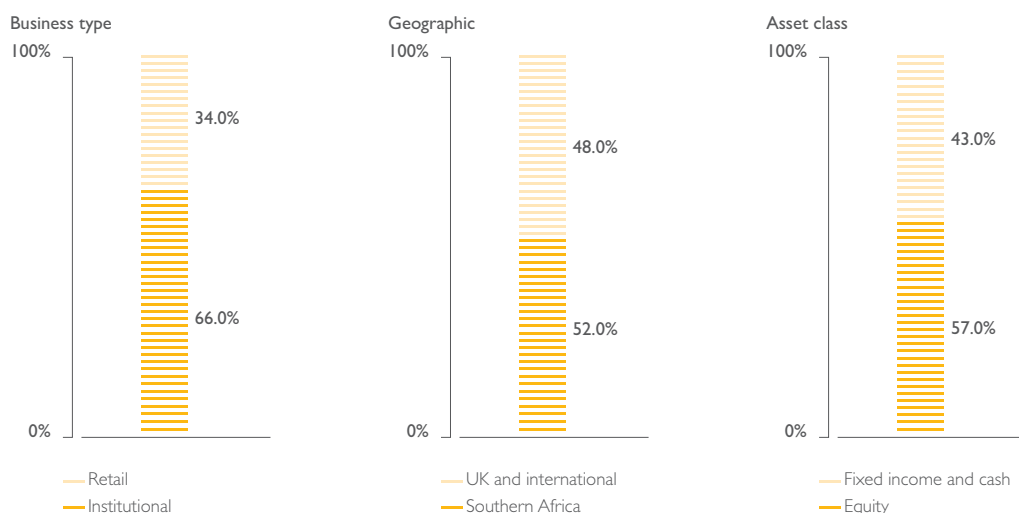
- The increase in expenses is primarily attributable to an increase in headcount.



Asset Management

Investment specialist focused on performance and client needs

Assets under management*



Movement in assets under management*

	Total £'million	UK and International £'million	Southern Africa	
			£'million	R'million
31 March 2008	28 751	13 834	14 917	241 189
New clients/funds	2 066	1 535	531	2 685
Existing client/fund net flows	(386)	70	(456)	(1 745)
Net flows	1 680	1 605	75	940
Market movement	(802)	(1 210)	408	(11 453)
30 September 2008	29 629	14 229	15 400	230 676
Institutional	19 587	8 684	10 903	
Retail	10 042	5 545	4 497	

£'million	Total	Institutional	Retail
31 March 2008	28 751	17 698	11 053
New clients/funds	2 066	2 066	-
Existing client/fund net flows	(386)	(160)	(226)
Net flows	1 680	1 906	(226)
Market movement	(802)	(17)	(785)
30 September 2008	29 629	19 587	10 042
UK and international	14 229	8 684	5 545
Southern Africa	15 400	10 903	4 497

Sales (gross inflows)

£'million	Sept 2008	Sept 2007	£'million	Sept 2008	Sept 2007
Institutional	3 345	1 789	Fixed income and cash	2 331	2 523
Retail	3 987	3 833	Equity	4 646	2 505
	7 332	5 622	Multi-asset	355	594
				7 332	5 622

* Managed basis.

Asset Management

Investment specialist focused on performance and client needs

Movement in assets under management (prior period)*

	Total	UK and International	Southern Africa	
	£'million	£'million	£'million	R'million
31 March 2007	29 891	13 039	16 852	239 250
New clients/funds	533	177	356	5 080
Existing client/fund net flows	(428)	263	(691)	(9 744)
Net flows	105	440	(335)	(4 694)
Market movement	1 682	579	1 103	11 749
30 September 2007	31 678	14 058	17 620	246 305
Institutional	18 660	6 343	12 317	
Retail	13 018	7 715	5 303	

£'million	Total	Institutional	Retail
31 March 2007	29 891	18 364	11 527
New clients/funds	533	493	40
Existing client/fund net flows	(428)	(1 221)	793
Net flows	105	(728)	833
Market movement	1 682	1 024	658
30 September 2007	31 678	18 660	13 018
UK and international	14 058	6 343	7 715
Southern Africa	17 620	12 317	5 303

* Managed basis.

Developments

- We continue to widen our distribution reach and have gained traction with £1.6 billion of net inflows from outside Southern Africa.
- Mutual fund flows across the industry have been weak. We experienced £226 million of outflows in the period.
- We continue to achieve good long-term performance in our mutual fund range. However, despite these long-term performance numbers, we have had some short-term performance headwinds outside of South Africa. Relative short-term performance could change rapidly due to the high volatility in the markets:
 - 36% by value and 48% by number of our mutual funds based outside Southern Africa are in the first or second quartile over three years.
 - 98% by value and 88% by number of our mutual funds based in Southern Africa are in the first or second quartile over three years.
- 91% of institutional propositions outperformed their benchmarks since inception outside of Southern Africa and in Southern Africa 100% of institutional propositions outperformed their benchmarks since GIPS (Global Investment Performance Standards) inception.

Investec Asset Management in the UK mutual fund industry

£'million	2008	2007	2006
IAM assets under management	3 828	4 801	3 581
Total industry size	380 014	468 306	385 876
Market share	1.0%	1.0%	0.9%
Size ranking in industry	32nd of 111	33rd of 111	35th of 114
Industry gross retail sales	64 977	65 311	53 623
IAM % of industry gross retail sales	2.6%	2.9%	2.8%

Sourced from data from the Investment Management Association.
Statistics as at 30 September, sales for the twelve month period.

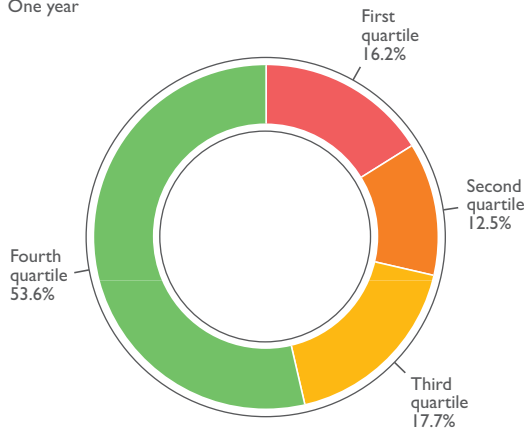
Asset Management

Investment specialist focused on performance and client needs

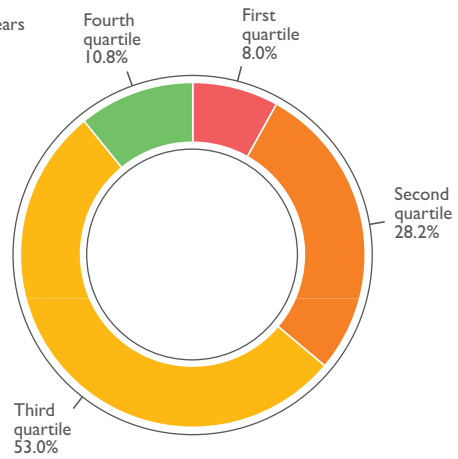
UK and global retail investment performance

By value of funds

One year

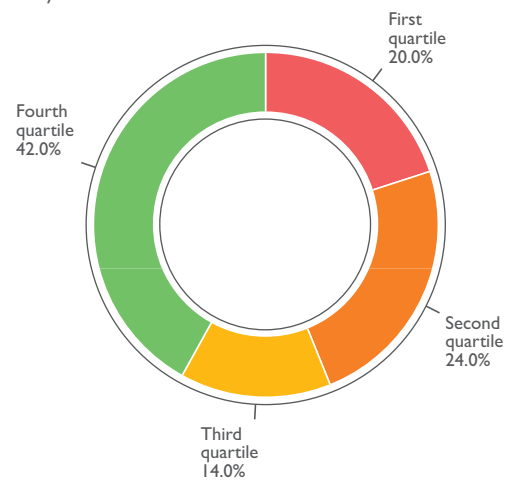


Three years

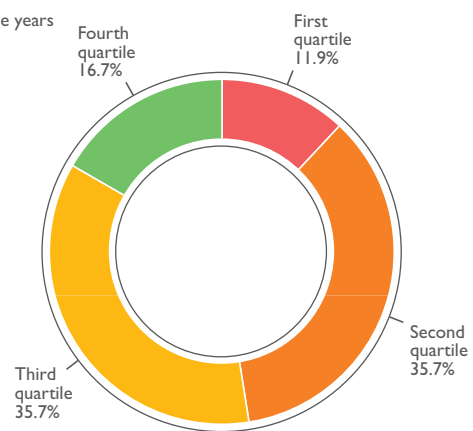


By number of funds

One year



Three years

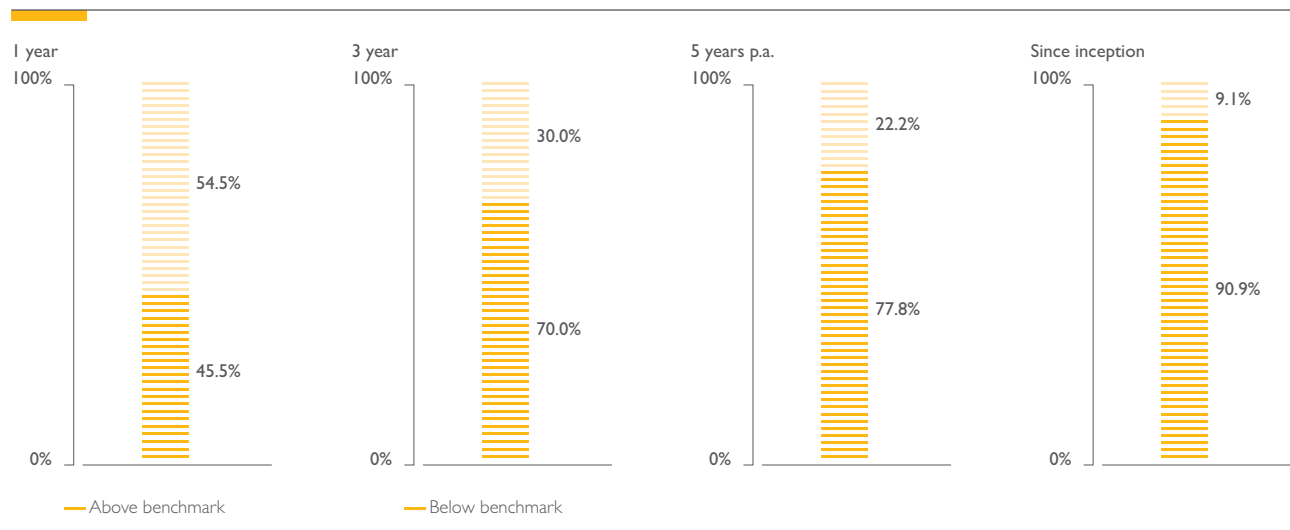


Calculated from Lipper data.
Excludes cash, cash plus and liquidity funds.

Asset Management

Investment specialist focused on performance and client needs

UK and global institutional investment performance



Calculated by Investec Asset Management from PerformaGlobal.

Investec Asset Management in the South African unit trust industry

R'million	2008	2007	2006
IAM assets under management	61 003	61 142	45 412
Total industry size	647 446	639 348	496 426
Market share	9.4%	9.6%	9.1%
Size ranking in industry	4th of 39	4th of 36	4th of 33
Industry net sales	42 246	77 929	57 824
IAM % of industry net sales	10.0%	9.6%	16.2%
Industry gross sales	561 764	544 340	416 066
IAM % of industry gross sales	7.7%	7.7%	8.9%

Sourced from data from the Association of Collective Investments.
Statistics as at 30 September sales for the twelve month period.

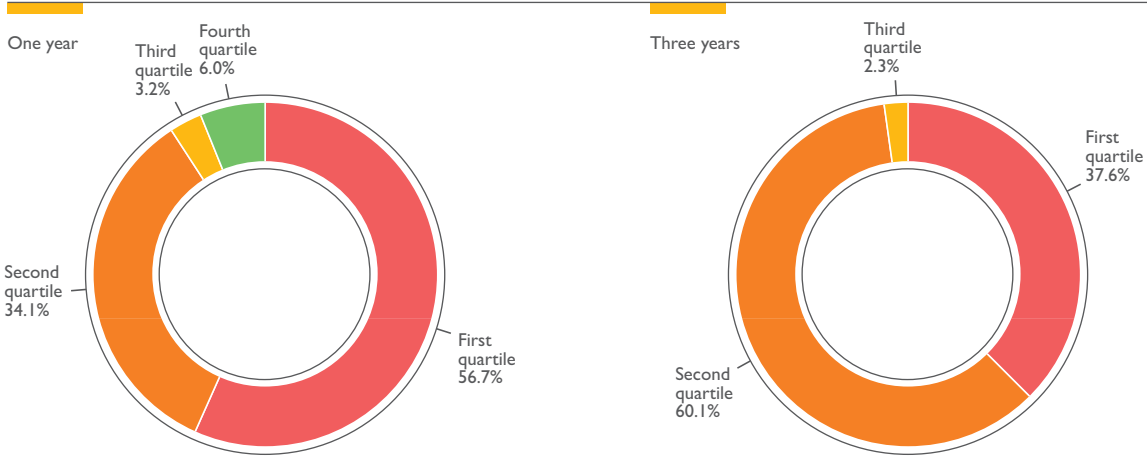


Asset Management

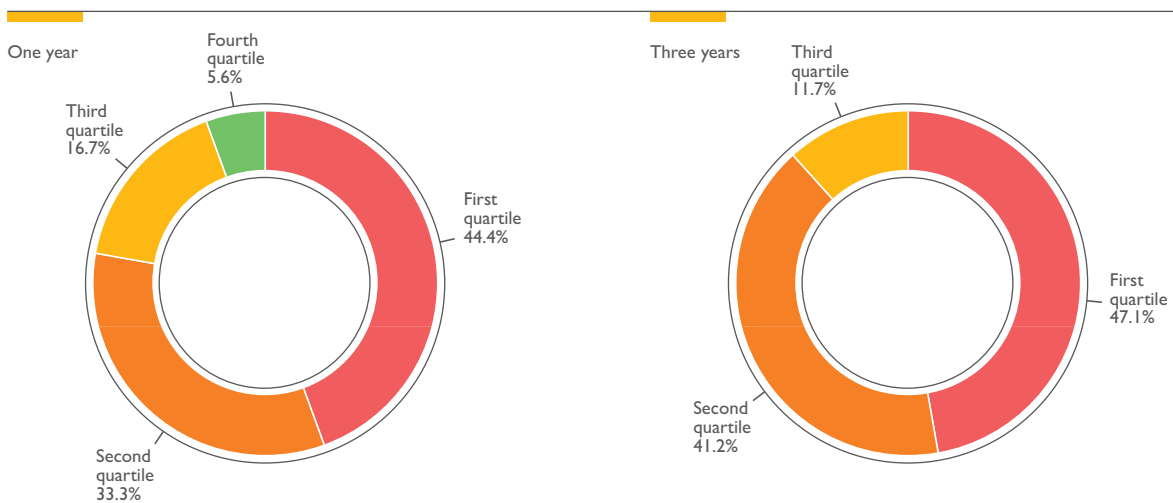
Investment specialist focused on performance and client needs

South African mutual fund investment performance

By value of funds



By number of funds

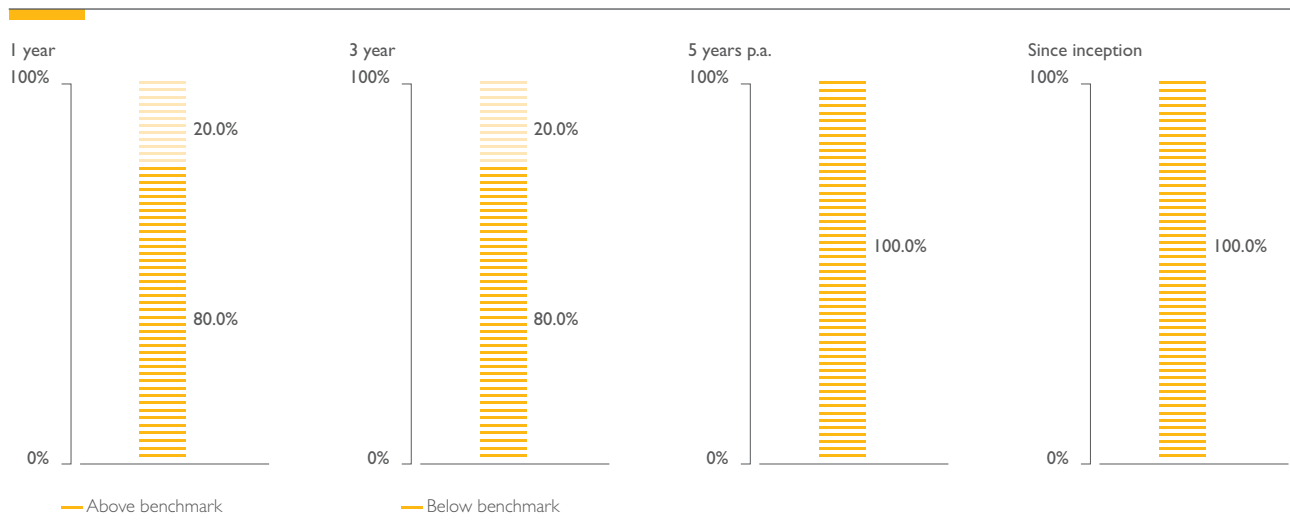


Calculated from Standard and Poors' Datastream data.

Asset Management

Investment specialist focused on performance and client needs

South African institutional investment performance



Calculated from StatPro.

Outlook, risks and uncertainties

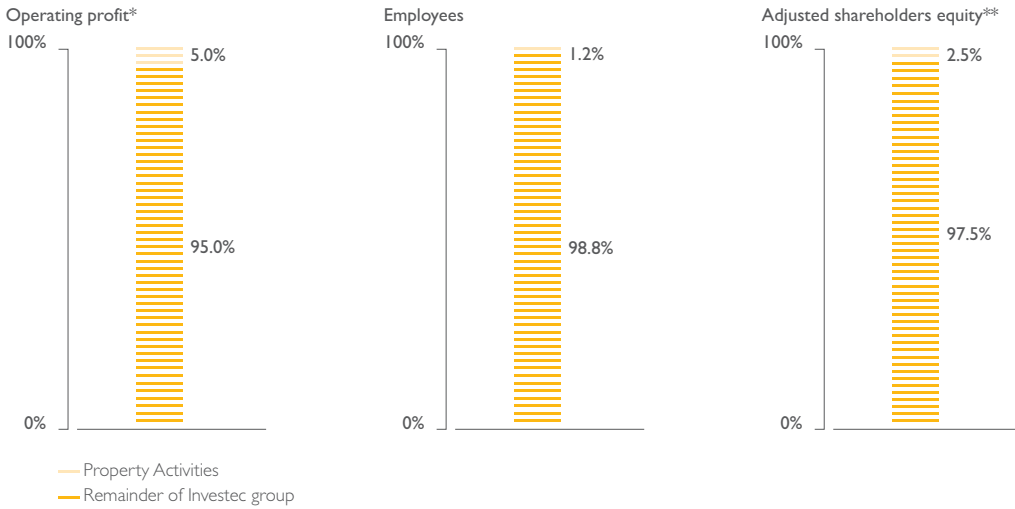
- Markets are extremely volatile. The crisis in the financial system has affected markets worldwide. This will impact our assets under management, sales and revenue in the short to medium-term.
- Investor uncertainty will mean that generating net flows at the level of the first half of the financial year will be difficult.
- Long-term performance remains solid but mutual fund flows have weakened.
- Our strategy remains unchanged and we are committed to managing our clients' money to the highest standard possible.



Property Activities

Leading fund management consolidator, seeking selective trading opportunities

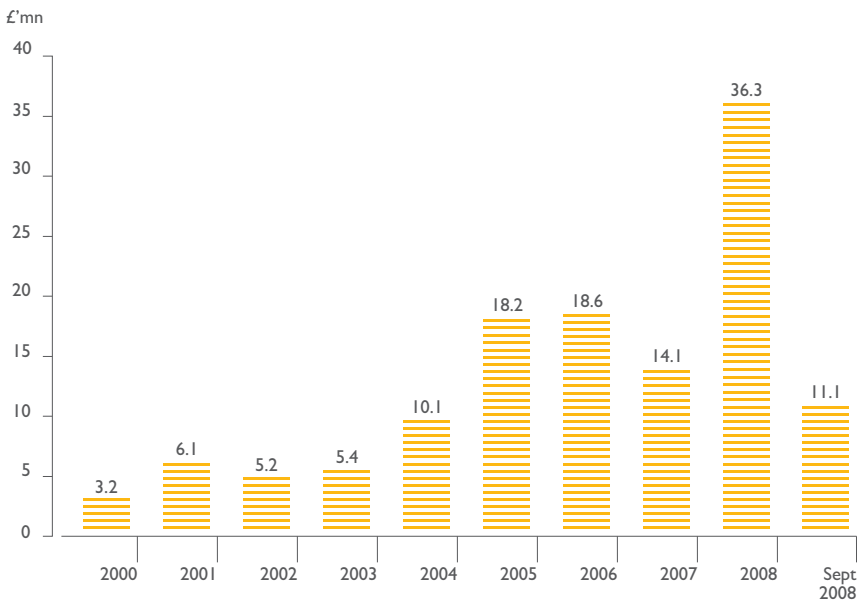
Contribution analysis



* Before goodwill, non-operating items, taxation, and after minorities (excluding Group Services and other Activities).

** As calculated on page 83.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March unless stated otherwise. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation, and after minorities.

Property Activities

Leading fund management consolidator, seeking selective trading opportunities

Overview and financial analysis

- Operating profit decreased to £11.1 million, contributing 5.0% to group profit.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	(4 436)	(4 351)	(85)	2.0%
Net fee and commission income	10 421	14 959	(4 538)	(30.3%)
Other income	11 391	12 589	(1 198)	(9.5%)
Admin expenses and depreciation	(6 232)	(11 711)	5 479	(46.8%)
Operating profit before goodwill, non-operating items, taxation and after minorities	11 144	11 486	(342)	(3.0%)
UK and Europe	(363)	(337)	(26)	(7.7%)
Southern Africa	11 173	11 959	(786)	(6.6%)
Australia	334	(136)	470	>100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	11 144	11 486	(342)	(3.0%)
Adjusted shareholders' equity*	44 040	12 851	31 189	>100.0%
ROE (pre-tax)*	46.2%	80.5%		
Cost to income ratio	35.9%	50.5%		
Operating profit per employee (£'000)	150.6	38.9	111.7	>100.0%

* As calculated on pages 83 to 84.

The variance in operating profit over the period can be explained as follows:

- The group disposed of its South African property fund management and property administration business to Growthpoint in the prior period. Notwithstanding this, the South African business has posted a stable result supported by fees earned on deals completed in the current year and a good performance from the investment property portfolio. The revaluation of investment properties net of funding costs amounted to R52.7 million (2007: R103.6 million).
- UK and Australia reflect newly created businesses.

Developments

UK and Europe

- The global financial crisis has affected this newly formed property investment business however we are optimistic that opportunities will arise from this market.
- The Investec GLL Special Opportunities Fund (formed in 2007) is investing its raised funds with caution and has invested into four properties.
- We will be investing € 375 million into the GLL Global Real Estate Fund.

South Africa

- A slowdown in global economic activity has severely hampered initiatives for new development. There is however an existing pipeline and we continue to develop existing stock.
- Funds under management have decreased 20.0% from R1.2 billion to R0.9 billion since 31 March 2008.
- Funds under advice have increased by 7.2% from R6.7 billion to R7.2 billion since 31 March 2008.

Australia

- The division undertook a successful capital raising in November 2007 to create the Investec Property Opportunity Fund (IPOF). IPOF has A\$116 million of total equity commitments available to invest in a diverse portfolio of direct property in Australia. As at 30 September 2008, A\$71 million was invested with A\$45 million available for future investment.

Property Activities

Leading fund management consolidator, seeking selective trading opportunities

Outlook, risks and uncertainties

UK and Europe

- The ability to raise capital for a newly established UK fund in the current market is difficult due to the lack of liquidity. There will be opportunities as the financial crisis unwinds.

South Africa

- Notwithstanding the negative outlook for property in the short term, we believe that the prospects remain positive as we have a good pipeline and there are opportunities to convert and refurbish existing holdings. The ability to fund new grassroots developments is extremely expensive with yields on such developments mostly not high enough to proceed.

Australia

- There are a number of development and investment opportunities in the Australian market that should result in the balance of equity in IPOF being invested in the short-term.
- Subject to available capital, general market conditions present a number of further opportunistic property investments that could form the basis of new funds.



Group Services and Other Activities

Overview and financial analysis

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
International Trade Finance	3 589	3 132	457	14.6%
UK Traded Endowments	411	348	63	18.1%
Assurance Activities	(952)	(112)	(840)	>100.0%
	3 048	3 368	(320)	(9.5%)
Central Funding	46 909	34 618	12 291	35.5%
Central Services	(30 067)	(28 995)	(1 072)	3.7%
Operating profit before goodwill, non-operating items, taxation and after minorities	19 890	8 991	10 899	>100.0%

£'000	UK & Europe	Southern Africa	Australia	Other	Total group
30 Sept 2008					
International Trade Finance	1 613	1 976	-	-	3 589
UK Traded Endowments	-	411	-	-	411
Assurance Activities	-	(952)	-	-	(952)
Central Funding	(4 223)	44 976	6 156	-	46 909
Central Services	(15 677)	(12 212)	(2 178)	-	(30 067)
Operating profit before goodwill, non-operating items, taxation and after minorities	(18 287)	34 199	3 978	-	19 890
30 Sept 2007					
International Trade Finance	1 653	1 479	-	-	3 132
UK Traded Endowments	-	348	-	-	348
Assurance Activities	-	(112)	-	-	(112)
Central Funding	(526)	28 540	6 568	36	34 618
Central Services	(10 675)	(12 764)	(5 556)	-	(28 995)
Operating profit before goodwill, non-operating items, taxation and after minorities	(9 548)	17 491	1 012	36	8 991

Total minority amounts taken into account in the performance of this division are as follows:

£'000	30 Sept 2008	30 Sept 2007
SA Central funding	(4 632)	653
UK Central funding	1 823	(3 054)
Total	(2 809)	(2 401)

Developments

International Trade Finance

- Notwithstanding the higher interest rates and volatile exchange rate, the International Trade Finance business continued to add new clients across the board.

Central Costs

- We have a policy of allocating costs housed in the centre that are, in effect, performing a function for the divisions of the group.
- There are certain costs that are strategic in nature which have not been allocated for pure segmental disclosure, amounting to £30.1 million (2007: £29.0 million). However, a portion thereof (£30.1 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 83 for further details.
- Central costs are largely in line with the prior year.

Group Services and Other Activities

Central Funding

- We have a business model of maintaining a central pool of capital with the aim of ensuring that economies of scale with respect to corporate investments, funding and overall management are obtained.
- Various sources of funding are employed, the determination of which depends on the specific financial and strategic requirements the group faces at the time.
- The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to the five operating divisions.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income (excluding interest on sub debt and debentures)	94 036	67 717	26 319	38.9%
Principal transactions	(503)	3 594	(4 097)	(>100.0%)
Other income	1 122	879	243	27.6%
	94 655	72 190	22 465	31.1%
Interest paid on sub-debt and debentures	(43 086)	(35 909)	(7 177)	20.0%
Impairment losses on loans and advances	(941)	2 021	(2 962)	(>100.0%)
Admin expenses and depreciation	(910)	(1 283)	373	(29.1%)
Operating profit before goodwill, non-operating items and taxation	49 718	37 019	12 699	34.3%
Earnings attributable to minority interests	(2 809)	(2 401)	(408)	17.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	46 909	34 618	12 291	35.5%

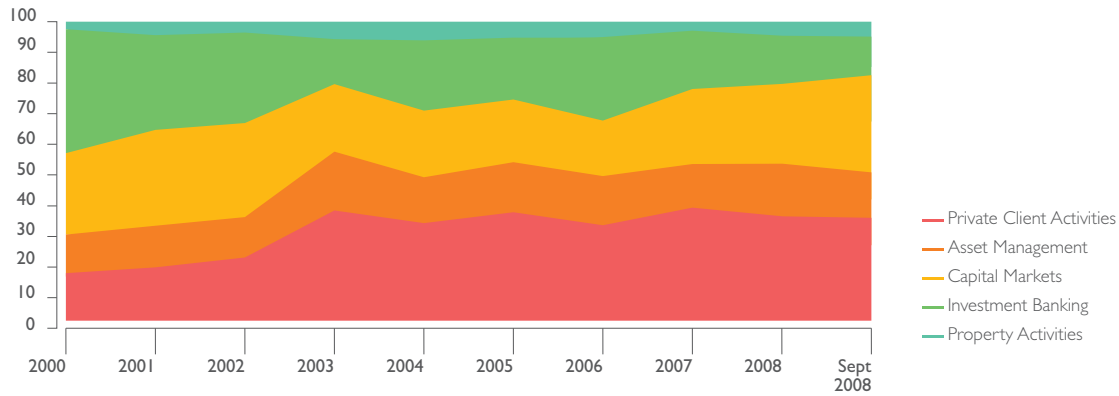
The variance in operating profit over the period can be explained as follows:

- Net interest income was impacted by:
 - Increased cash holdings and higher average interest rates.
 - A loss of £1.8 million (2007: profit of £3.6 million) arising on the derivative hedging of the preferred securities issued by a subsidiary of Investec plc from Euros into Pounds Sterling. This exposure is hedged with the equal and opposite impact reflected in losses/earnings attributable to minorities.
- The increase in interest paid on sub-debt is as a result of new debt being issued in South Africa in December 2007, February 2008 and April 2008.
- The decline in principal transaction income reflects a lower return on certain of the assets in the South African portfolio. Furthermore, the division benefited from a number of realisations in the prior period.

A diversified portfolio of business

- We have a much more diversified portfolio of businesses than we did in 2000.
- We will continue to balance our operational risk businesses with financial risk businesses to build a sustainable business model.

% contribution to operating profit



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)



Segmental geographical analysis - income statement[#]

For the 6 months to 30 September 2008

£'000	UK & Europe	Southern Africa	Australia	Total group
Interest income	543 488	702 147	89 768	1 335 403
Interest expense	(384 551)	(549 742)	(57 482)	(991 775)
Net interest income	158 937	152 405	32 286	343 628
Fee and commission income	200 422	120 557	11 631	332 610
Fee and commission expense	(25 358)	(5 273)	(191)	(30 822)
Principal transactions	16 536	64 765	997	82 298
Operating income from associates	*7 001	(4)	727	7 724
Investment income on assurance activities	-	26 682	-	26 682
Premiums and reinsurance recoveries on insurance contracts	-	13 106	-	13 106
Other operating (loss)/income	(7 651)	(2 541)	(3 552)	(13 744)
Other income	190 950	217 292	9 612	417 854
Claims and reinsurance premiums on insurance business	-	(37 753)	-	(37 753)
Total operating income net of insurance claims	349 887	331 944	41 898	723 729
Impairment losses on loans and advances	(58 902)	(11 944)	(5 934)	(76 780)
Operating income	290 985	320 000	35 964	646 949
Administrative expenses	(222 269)	(154 965)	(28 246)	(405 480)
Depreciation and amortisation of property, equipment and software	(11 298)	(2 759)	(382)	(14 439)
Operating profit before goodwill	57 418	162 276	7 336	227 030
Earnings attributable to minority interests	17 467	(4 632)	1 893	14 728
Operating profit before goodwill and after minorities	74 885	157 644	9 229	241 758
Goodwill	-	-	-	-
Operating profit after minorities	74 885	157 644	9 229	241 758
Profit on disposal of group operations	-	-	-	-
Profit before taxation and after minorities	74 885	157 644	9 229	241 758
Taxation	(11 006)	(36 880)	(4 368)	(52 254)
Earnings attributable to shareholders	63 879	120 764	4 861	189 504
Selected returns and key statistics				
ROE (post-tax)	13.5%	31.2%	4.1%	19.3%
Cost to income ratio	66.8%	47.5%	68.3%	58.0%
Staff compensation to operating income	41.5%	31.4%	46.8%	37.2%
Operating profit per employee (£'000)	35.6	40.1	20.6	37.3
Effective operational tax rate	21.8%	22.7%	66.1%	23.8%
Total assets (£'million)	16 581	17 458	1 900	35 939

* This number is net of an estimate of tax of approximately £2.8 million.

Segmental geographical analysis - income statement[#]

For the 6 months to 30 September 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Interest income	274 711	460 165	54 895	9	789 780
Interest expense	(180 269)	(356 782)	(29 627)	-	(566 678)
Net interest income	94 442	103 383	25 268	9	223 102
Fee and commission income	164 983	135 784	11 920	253	312 940
Fee and commission expense	(25 591)	(9 417)	(230)	-	(35 238)
Principal transactions	14 199	79 026	15 267	-	108 492
Operating income from associates	*6 174	-	195	-	6 369
Investment income on assurance activities	-	57 375	-	-	57 375
Premiums and reinsurance recoveries on insurance contracts	-	29 446	-	-	29 446
Other operating income	24 687	1 161	2 294	-	28 142
Other income	184 452	293 375	29 446	253	507 526
Claims and reinsurance premiums on insurance business	-	(83 375)	-	-	(83 375)
Total operating income net of insurance claims	278 894	313 383	54 714	262	647 253
Impairment losses on loans and advances	(8 519)	1 627	(4 846)	-	(11 738)
Operating income	270 375	315 010	49 868	262	635 515
Administrative expenses	(183 706)	(159 736)	(27 577)	(226)	(371 245)
Depreciation and amortisation of property, equipment and software	(6 789)	(2 931)	(299)	-	(10 019)
Operating profit before goodwill	79 880	152 343	21 992	36	254 251
Earnings attributable to minority interests	(9 408)	653	(961)	-	(9 716)
Operating profit before goodwill and after minorities	70 472	152 996	21 031	36	244 535
Goodwill	-	-	-	-	-
Profit before taxation and after minorities	70 472	152 996	21 031	36	244 535
Taxation	(17 211)	(41 166)	(3 441)	(93)	(61 911)
Earnings attributable to shareholders	53 261	111 830	17 590	(57)	182 624
Selected returns and key statistics					
ROE (post-tax)	13.4%	38.4%	19.8%	-	23.9%
Cost to income ratio	68.3%	51.9%	50.9%	(>100%)	58.9%
Staff compensation to operating income	43.1%	35.2%	38.7%	-	38.9%
Operating profit per employee (£'000)	38.9	39.3	83.0	3.0	41.0
Effective operational tax rate	23.4%	27.0%	15.8%	>100%	25.0%
Total assets (£'million)	17 414	16 008	1 371	3	34 796

* The number is net of tax of £2.7 million



Segmental business analysis - income statement[#]

For the 6 months to 30 September 2008

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	145 583	136 337	6 089	3 413	(4 436)	56 642	343 628
Fee and commission income	77 600	71 001	47 566	124 977	10 668	798	332 610
Fee and commission expense	(738)	(1 229)	(6 774)	(21 655)	(247)	(179)	(30 822)
Principal transactions	8 761	19 057	43 571	1	11 391	(483)	82 298
Operating income from associates	**7 306	-	249	-	-	169	7 724
Investment income on assurance activities	-	-	-	-	-	26 682	26 682
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	13 106	13 106
Other operating income/(loss)	114	-	(11 973)	(2 539)	-	654	(13 744)
Other income	93 043	88 829	72 639	100 784	21 812	40 747	417 854
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(37 753)	(37 753)
Total operating income net of insurance claims	238 626	225 166	78 728	104 197	17 376	59 636	723 729
Impairment losses on loans and advances	(38 428)	(36 625)	-	-	-	(1 727)	(76 780)
Operating income	200 198	188 541	78 728	104 197	17 376	57 909	646 949
Administrative expenses	(122 173)	(112 278)	(62 224)	(70 127)	(6 224)	(32 454)	(405 480)
Depreciation and amortisation of property, equipment and software	(1 671)	(4 133)	(5 485)	(386)	(8)	(2 756)	(14 439)
Operating profit before goodwill	76 354	72 130	11 019	33 684	11 144	22 699	227 030
Earnings attributable to minority interests	-	-	17 537	-	-	(2 809)	14 728
Operating profit before goodwill and after minorities	76 354	72 130	28 556	33 684	11 144	19 890	241 758
Goodwill	-	-	-	-	-	-	-
Profit before taxation and after minorities	76 354	72 130	28 556	33 684	11 144	19 890	241 758
Selected returns and key statistics							
ROE (pre-tax)	22.9%	21.1%	17.6%	43.2%	46.2%	56.8%	25.4%
Cost to income ratio	51.9%	51.7%	86.0%	67.7%	35.9%	59.0%	58.0%
Staff compensation to operating income	30.9%	29.4%	49.9%	41.1%	25.5%	71.2%	37.2%
Operating profit per employee (£'000)	26.5	67.3	74.1	33.5	150.6	17.3	37.3
Total assets (£'million)	11 126	18 503	938	361	210	4 801	35 939

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** This number is net of an estimate of tax of approximately £2.8 million.

Segmental business analysis - income statement[#]

For the 6 months to 30 September 2007

£'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	123 825	66 395	(2 839)	2 914	(4 351)	37 158	223 102
Fee and commission income	70 509	48 959	55 779	120 091	14 959	2 643	312 940
Fee and commission expense	(7 001)	(647)	(3 973)	(22 967)	-	(650)	(35 238)
Principal transactions	26 529	20 227	43 774	42	12 589	5 331	108 492
Operating income from associates	**6 237	(44)	42	-	-	134	6 369
Investment income on assurance activities	-	-	-	-	-	57 375	57 375
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	29 446	29 446
Other operating income	-	-	26 274	1 161	-	707	28 142
Other income	96 274	68 495	121 896	98 327	27 548	94 986	507 526
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(83 375)	(83 375)
Total operating income net of insurance claims	220 099	134 890	119 057	101 241	23 197	48 769	647 253
Impairment losses on loans and advances	(7 126)	(5 097)	(1 121)	-	-	1 606	(11 738)
Operating income	212 973	129 793	117 936	101 241	23 197	50 375	635 515
Administrative expenses	(111 534)	(84 445)	(62 662)	(64 589)	(11 508)	(36 507)	(371 245)
Depreciation and amortisation of property, equipment and software	(1 378)	(2 149)	(3 364)	(449)	(203)	(2 476)	(10 019)
Operating profit before goodwill	100 061	43 199	51 910	36 203	11 486	11 392	254 251
Earnings attributable to minority interests	-	(500)	(6 815)	-	-	(2 401)	(9 716)
Operating profit before goodwill and after minorities	100 061	42 699	45 095	36 203	11 486	8 991	244 535
Goodwill	-	-	-	-	-	-	-
Profit before taxation and after minorities	100 061	42 699	45 095	36 203	11 486	8 991	244 535
Selected returns and key statistics							
ROE (pre-tax)	39.2%	17.3%	57.8%	49.1%	80.5%	8.6%	33.1%
Cost to income ratio	51.3%	64.2%	55.5%	64.2%	50.5%	79.9%	58.9%
Staff compensation to operating income	31.7%	39.7%	30.0%	43.4%	32.9%	84.4%	38.9%
Operating profit per employee (£'000)	42.2	47.2	129.8	37.8	38.9	8.2	41.0
Total assets (£'million)	9 616	19 100	876	337	171	4 696	34 796

* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** The number is net of tax of £2.7 million.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items and taxation

For the 6 months to 30 September 2008

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% Change [^]	% of Total [^]
Private Banking	35 080	22 614	5 532	-	63 226	(26.2%)	26.2%
Private Client Portfolio							
Management and Stockbroking	*6 579	6 549	-	-	13 128	(8.6%)	5.4%
Capital Markets	39 488	31 212	1 430	-	72 130	68.9%	29.8%
Investment Banking	1 199	29 402	(2 045)	-	28 556	(36.7%)	11.8%
Asset Management	11 189	22 495	-	-	33 684	(7.0%)	13.9%
Property Activities	(363)	11 173	334	-	11 144	(3.0%)	4.6%
Group Services and Other Activities	(18 287)	34 199	3 978	-	19 890	>100%	8.3%
Operating profit after minorities	74 885	157 644	9 229	-	241 758	(1.1%)	100%
Minority interest					(14 728)		
Operating profit					227 030		
% Change[^]	6.3%	3.0%	(56.1%)	-	(1.1%)		
% of Total[^]	31.0%	65.2%	3.8%	-	100%		

For the 6 months to 30 September 2007

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group	% of Total [^]
Private Banking	51 778	22 878	11 038	-	85 694	35.0%
Private Client Portfolio						
Management and Stockbroking	**5 998	8 369	-	-	14 367	5.9%
Capital Markets	5 939	32 093	4 667	-	42 699	17.5%
Investment Banking	4 769	35 876	4 450	-	45 095	18.4%
Asset Management	11 873	24 330	-	-	36 203	14.8%
Property Activities	(337)	11 959	(136)	-	11 486	4.7%
Group Services and Other Activities	(9 548)	17 491	1 012	36	8 991	3.7%
Operating profit after minorities	70 472	152 996	21 031	36	244 535	100.0%
Minority interest					9 716	
Operating profit					254 251	
% of Total[^]	28.8%	62.6%	8.6%	-	100%	

* This number is net of an estimate of tax of approximately £2.8 million.

** This number is net of tax of £2.7 million.

[^] Based on operating profit after minorities.

Segmental geographic and business analysis of operating profit before goodwill, non-operating items, taxation and after minorities

£'000	6 months to 30 Sept 2008	6 months to 30 Sept 2007	% Change
Private Client Activities			
Private Banking	63 226	85 694	(26.2%)
Private Client Portfolio Management and Stockbroking	13 128	14 367	(8.6%)
	76 354	100 061	(23.7%)
Capital Markets	72 130	42 699	68.9%
Investment Banking			
Corporate Finance	5 496	8 230	(33.2%)
Institutional Research Sales and Trading	8 456	7 223	17.1%
Direct Investments	(1 084)	9 724	(>100.0%)
Private Equity	15 688	19 918	(21.2%)
	28 556	45 095	(36.7%)
Asset Management	33 684	36 203	(7.0%)
Property Activities	11 144	11 486	(3.0%)
Group Services and Other Activities			
International Trade Finance	3 589	3 132	14.6%
UK Traded Endowments	411	348	18.1%
Assurance Activities	(952)	(112)	(>100.0%)
	3 048	3 368	(9.5%)
Central Funding	46 909	34 618	35.5%
Central Services Costs	(30 067)	(28 995)	3.7%
	19 890	8 991	(>100.0%)
Total group	241 758	244 535	(1.1%)



Segmental geographic analysis - balance sheet[#]

At 30 September 2008

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Assets					
Cash and balances at central banks	180 767	207 173	22 804	-	410 744
Loans and advances to banks	1 278 988	1 153 695	142 113	-	2 574 796
Cash equivalent advances to customers	1 207	483 789	-	-	484 996
Reverse repurchase agreements and cash collateral on securities borrowed	445 724	678 644	-	-	1 124 368
Trading securities	464 950	1 657 736	12 241	-	2 134 927
Derivative financial instruments	666 923	518 407	76 400	-	1 261 730
Investment securities	454 512	13 320	341 516	-	809 348
Loans and advances to customers	6 025 133	7 005 996	851 391	-	13 882 520
Loans and advances to customers - Kensington warehouse assets	1 697 373	-	-	-	1 697 373
Securitised assets	4 250 175	912 763	384 474	-	5 547 412
Interests in associated undertakings	83 221	-23	3 847	-	87 045
Deferred taxation assets	46 065	28 465	12 729	-	87 259
Other assets	614 266	379 010	8 478	-	1 001 754
Property and equipment	133 332	13 244	3 892	-	150 468
Investment properties	-	161 207	-	-	161 207
Goodwill	216 438	22 484	35 006	-	273 928
Intangible assets	22 057	4 847	4 680	-	31 584
	16 581 131	13 240 757	1 899 571	-	31 721 459
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 308 208	-	-	3 308 208
- assets related to reinsurance contracts	-	909 121	-	-	909 121
	16 581 131	17 458 086	1 899 571	-	35 938 788
Liabilities					
Deposits by banks	2 948 666	622 964	131 482	-	3 703 112
Deposits by banks - Kensington warehouse funding	1 389 603	-	-	-	1 389 603
Derivative financial instruments	259 067	547 314	55 743	-	862 124
Other trading liabilities	196 140	255 716	-	-	451 856
Repurchase agreements and cash collateral on securities lent	744 683	420 968	-	-	1 165 651
Customer accounts	4 157 429	8 139 841	601 433	-	12 898 703
Debt securities in issue	273 170	213 683	388 965	-	875 818
Liabilities arising on securitisation	4 118 455	869 305	383 986	-	5 371 746
Current taxation liabilities	55 819	74 813	(5 071)	-	125 561
Deferred taxation liabilities	43 556	49 500	5 177	-	98 233
Other liabilities	523 831	765 431	19 488	86	1 308 836
Pension fund liabilities	-	-	-	-	-
	14 710 419	11 959 535	1 581 203	86	28 251 243
Liabilities to customers under investment contracts	-	3 288 073	-	-	3 288 073
Insurance liabilities including unit-linked liabilities	-	20 135	-	-	20 135
Reinsured liabilities	-	909 121	-	-	909 121
	14 710 419	16 176 864	1 581 203	86	32 468 572
Subordinated liabilities (including convertible debt)	748 907	327 878	33 998	-	1 110 783
	15 459 326	16 504 742	1 615 201	86	33 579 355

Segmental geographic analysis - balance sheet[#]

At 31 March 2008

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Assets					
Cash and balances at central banks	608 439	173 844	6 189	-	788 472
Loans and advances to banks	991 798	1 024 225	137 750	-	2 153 773
Cash equivalent advances to customers	7 183	497 199	-	-	504 382
Reverse repurchase agreements and cash collateral on securities borrowed	350 616	443 537	-	-	794 153
Trading securities	441 749	1 526 490	16 341	-	1 984 580
Derivative financial instruments	639 030	598 021	68 213	-	1 305 264
Investment securities	809 113	13 711	307 316	732	1 130 872
Loans and advances to customers	5 691 037	5 731 424	827 298	-	12 249 759
Loans and advances to customers - Kensington warehouse assets	1 796 376	-	-	-	1 796 376
Securitised assets	4 905 922	831 507	345 546	-	6 082 975
Interests in associated undertakings	79 794	9	2 773	-	82 576
Deferred taxation assets	44 649	29 017	10 827	-	84 493
Other assets	570 823	303 332	8 054	-	882 209
Property and equipment	127 586	10 226	3 540	-	141 352
Investment properties	-	134 975	-	-	134 975
Goodwill	215 068	20 789	36 075	-	271 932
Intangible assets	25 044	4 618	1 844	-	31 506
	17 304 227	11 342 924	1 771 766	732	30 419 649
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	2 878 894	-	-	2 878 894
- assets related to reinsurance contracts	-	805 009	-	-	805 009
	17 304 227	15 026 827	1 771 766	732	34 103 552
Liabilities					
Deposits by banks	2 856 335	583 079	49 618	-	3 489 032
Deposits by banks - Kensington warehouse funding	1 778 438	-	-	-	1 778 438
Derivative financial instruments	192 469	633 036	56 072	-	881 577
Other trading liabilities	192 987	257 593	-	-	450 580
Repurchase agreements and cash collateral on securities lent	287 585	94 799	-	-	382 384
Customer accounts	4 442 854	7 142 356	547 910	-	12 133 120
Debt securities in issue	222 963	156 097	398 709	-	777 769
Liabilities arising on securitisation	4 627 586	783 552	349 070	-	5 760 208
Current taxation liabilities	52 498	78 662	1 497	-	132 657
Deferred taxation liabilities	41 856	37 316	-	-	79 172
Other liabilities	661 066	586 488	31 741	77	1 279 372
Pension fund liabilities	-	-	-	-	-
	15 356 637	10 352 978	1 434 617	77	27 144 309
Liabilities to customers under investment contracts	-	2 862 916	-	-	2 862 916
Insurance liabilities including unit-linked liabilities	-	15 978	-	-	15 978
Reinsured liabilities	-	805 009	-	-	805 009
	15 356 637	14 036 881	1 434 617	77	30 828 212
Subordinated liabilities (including convertible debt)	737 212	292 162	35 947	-	1 065 321
	16 093 849	14 329 043	1 470 564	77	31 893 533

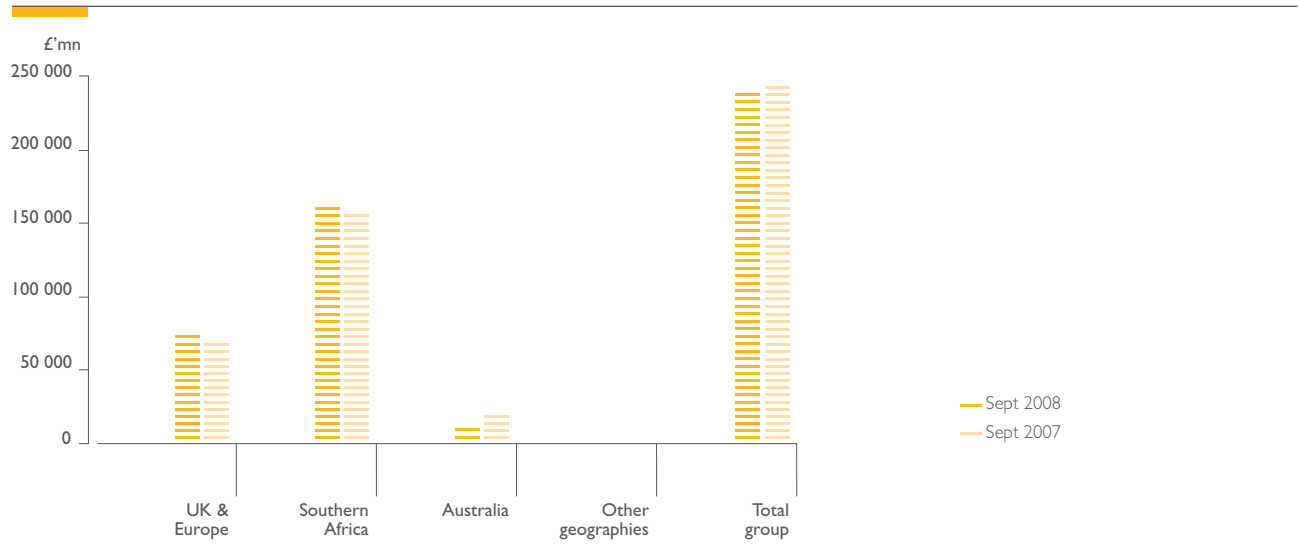
Segmental geographic analysis - balance sheet[#]

At 30 September 2007

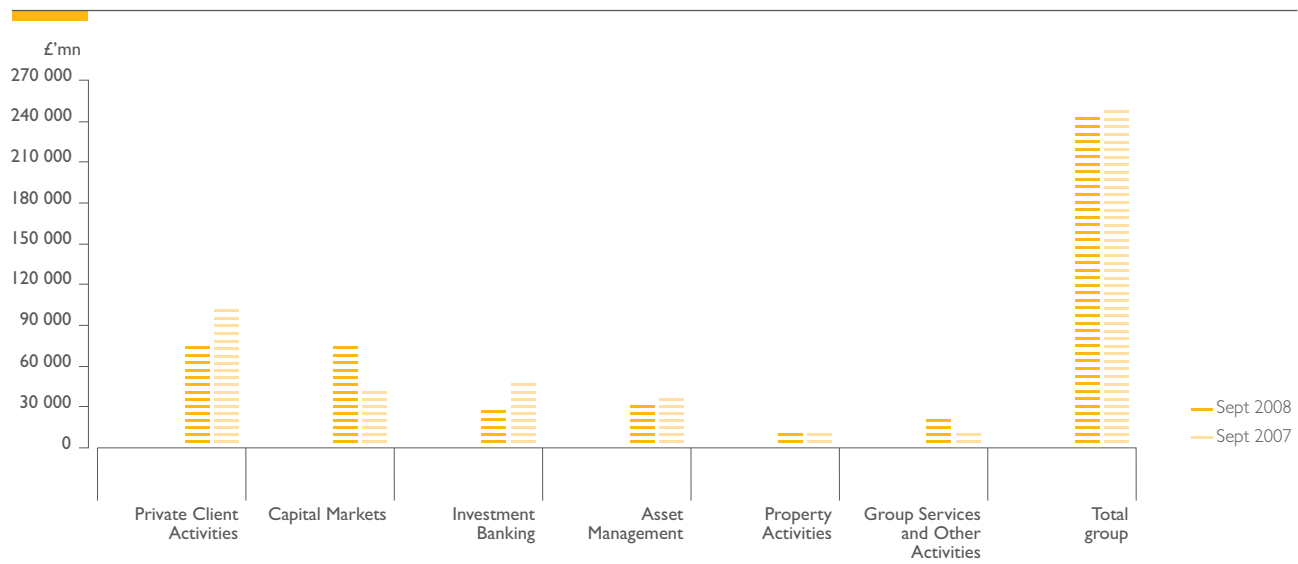
£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Assets					
Cash and balances at central banks	13 645	144 127	5 743	-	163 515
Loans and advances to banks	1 134 461	1 070 507	142 029	2 892	2 349 889
Cash equivalent advances to customers	366	686 016	241	-	686 623
Reverse repurchase agreements and cash collateral on securities borrowed	637 575	534 854	-	-	1 172 429
Trading securities	278 609	1 680 878	69 920	-	2 029 407
Derivative financial instruments	298 562	500 687	72 866	-	872 115
Investment securities	1 618 774	30 747	290 645	-	1 940 166
Loans and advances to customers	4 900 617	5 641 458	756 118	-	11 298 193
Loans and advances to customers - Kensington warehouse assets	1 757 422	-	-	-	1 757 422
Securitised assets	5 794 398	870 586	-	-	6 664 984
Interests in associated undertakings	74 094	995	2 323	-	77 412
Deferred taxation assets	36 277	29 998	3 492	-	69 767
Other assets	452 896	531 368	7 210	136	991 610
Property and equipment	122 466	8 846	2 923	-	134 235
Investment properties	-	98 081	-	-	98 081
Goodwill	272 751	27 348	17 038	-	317 137
Intangible assets	21 006	17 456	485	-	38 947
	17 413 919	11 873 952	1 371 033	3 028	30 661 932
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 159 979	-	-	3 159 979
- assets related to reinsurance contracts	-	974 189	-	-	974 189
	17 413 919	16 008 120	1 371 033	3 028	34 796 100
Liabilities					
Deposits by banks	2 256 047	647 563	39 593	-	2 943 203
Deposits by banks - Kensington warehouse funding	1 641 177	-	-	-	1 641 177
Derivative financial instruments	133 074	492 336	54 979	-	680 389
Other trading liabilities	62 901	294 880	-	-	357 781
Repurchase agreements and cash collateral on securities lent	345 337	216 132	-	-	561 469
Customer accounts	4 481 484	7 318 881	515 626	-	12 315 991
Debt securities in issue	559 302	93 161	486 357	-	1 138 820
Liabilities arising on securitisation	5 489 906	868 472	-	-	6 358 378
Current taxation liabilities	36 522	72 453	-	-	108 975
Deferred taxation liabilities	13 065	51 428	-	-	64 493
Other liabilities	526 278	800 502	21 128	108	1 348 016
Pension fund liabilities	1 200	-	-	-	1 200
	15 546 293	10 855 808	1 117 683	108	27 519 892
Liabilities to customers under investment contracts	-	3 138 415	-	-	3 138 415
Insurance liabilities including unit-linked liabilities	-	21 564	-	-	21 564
Reinsured liabilities	-	974 189	-	-	974 189
	15 546 293	14 989 976	1 117 683	108	31 654 060
Subordinated liabilities (including convertible debt)	696 085	244 395	43 666	-	984 146
	16 242 378	15 234 371	1 161 349	108	32 638 206

Segmental geographical and business analysis

Operating profit before goodwill, non-operating items, taxation and after minorities by geography



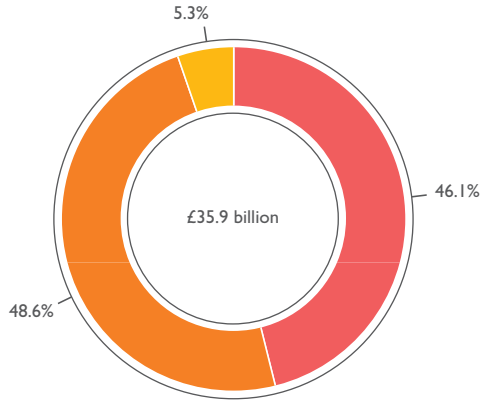
Operating profit before goodwill, non-operating items, taxation and after minorities by line of business



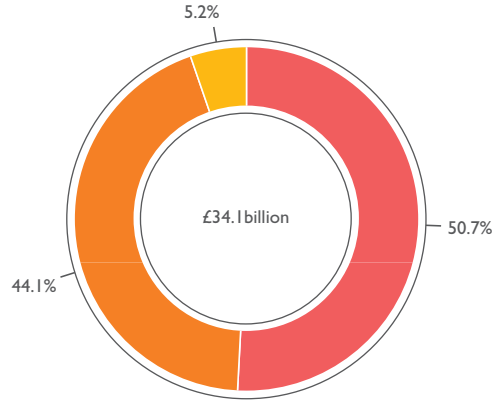
Segmental geographical and business analysis

Assets by geography

30 Sept 2008



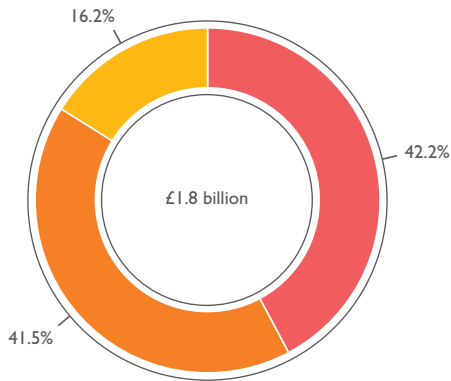
31 March 2008



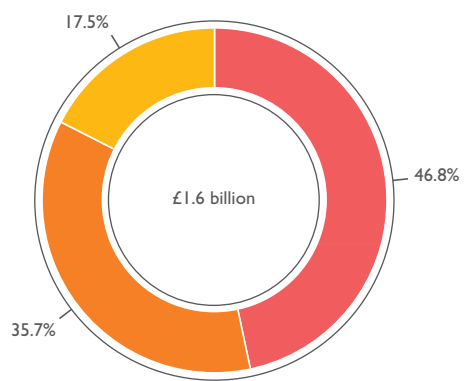
— UK and Europe — South Africa
— Australia

Adjusted shareholders' equity by geography

30 Sept 2008



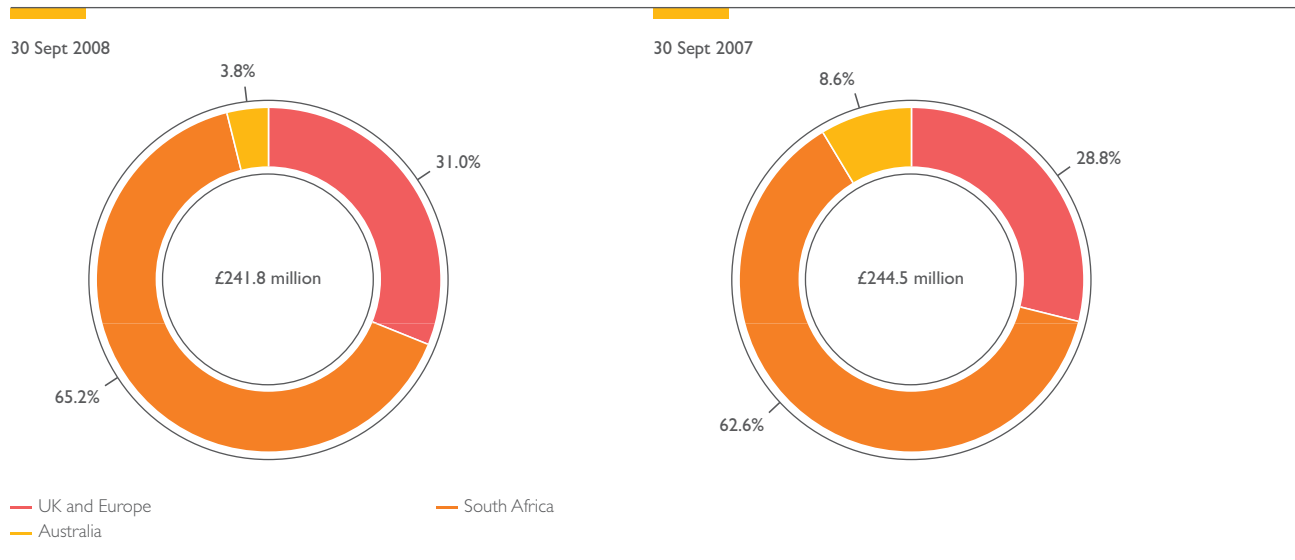
31 March 2008



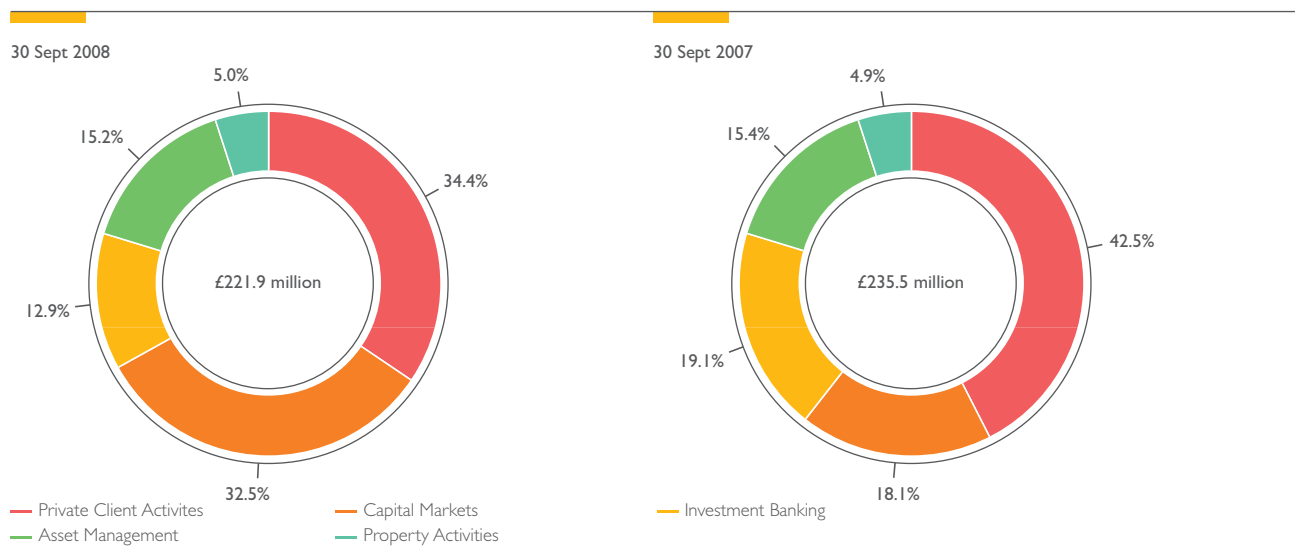
— UK and Europe — South Africa
— Australia

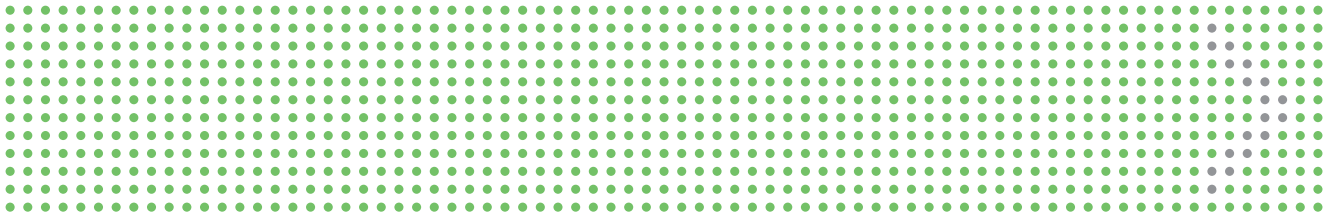
Segmental geographical and business analysis

Operating profit before goodwill, non-operating items, taxation and after minorities by geography



Operating profit before goodwill, non-operating items, taxation and after minorities by line of business (excluding Group Services and Other Activities)

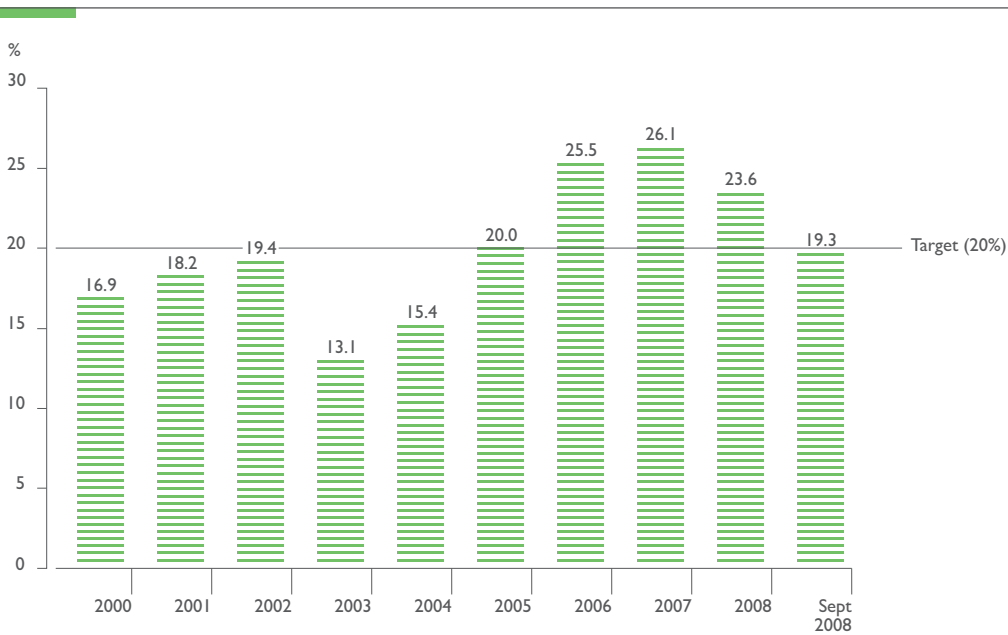




Financial objectives and
additional information

Financial objectives

ROE*

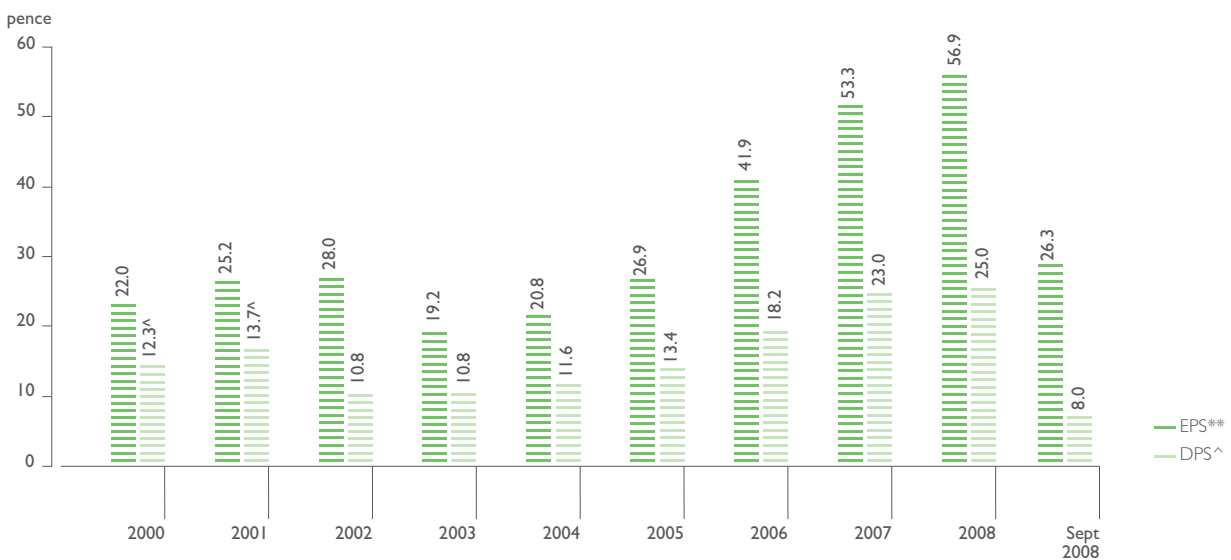


* ROE is post-tax return on adjusted average shareholder's equity (inclusive of compulsory convertible instruments) as calculated on page 81.

We set out the following targets over the medium to long-term.

- **Group ROE: Greater than 20% in Pounds Sterling.**

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



** Adjusted EPS before goodwill and non-operating items as defined on page 19.

^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

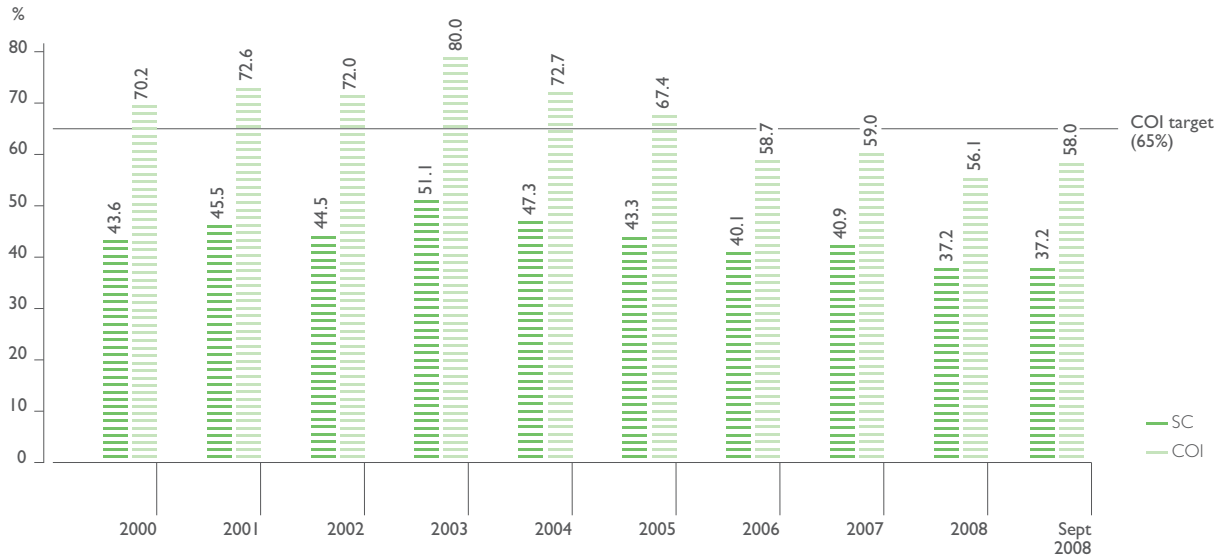
In the medium to long-term, we aim to achieve adjusted EPS growth of 10% in excess of UK inflation (in Pounds Sterling). We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 to 3.5 times based on earnings per share as defined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

Refer to note on page 71.



Financial objectives

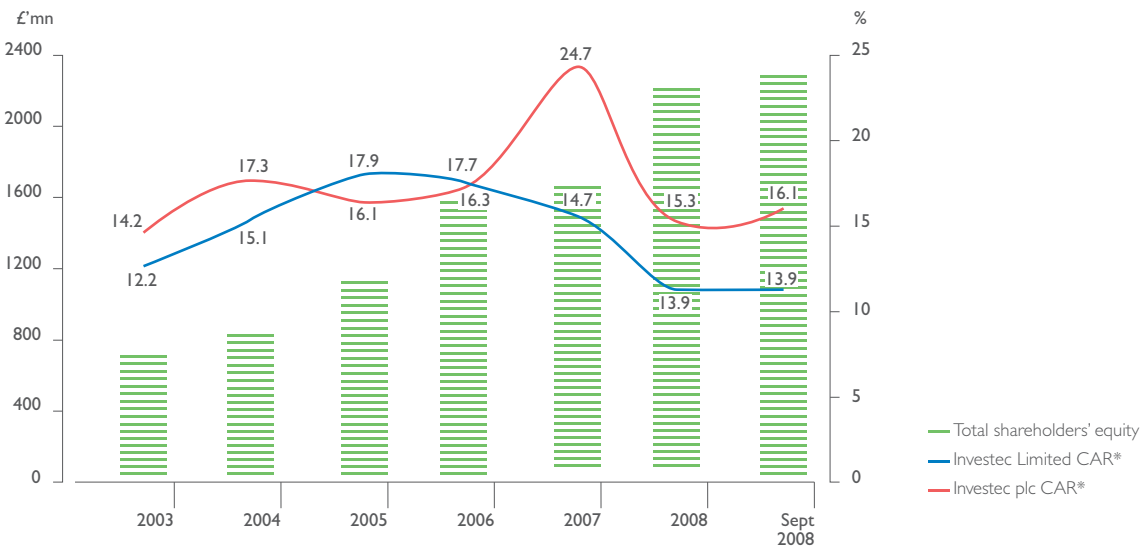
Cost to income ratio (COI) and staff compensation to operating income ratio (SC)



We have set the following targets over the medium to long-term:

- Group COI ratio: less than 65% in Pounds Sterling.

Total shareholders' equity and capital adequacy ratios (CAR)



* Capital adequacy figures prior to 2008 are disclosed under Basel I and for 2008 under Basel II.

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 of between 14% to 17% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio of in excess of 11%.

Note:

The numbers shown in the financial objectives graphs on pages 72 and 73 are for the years ended 31 March, unless stated otherwise. The numbers prior to 2005 are reported in terms of UK GAAP.

Financial statement analysis[#]

Income statement analysis

The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the period under review.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net interest income	343 628	223 102	120 526	54.0%
Private Banking	145 571	123 789	21 782	17.6%
Private Client Portfolio Management and Stockbroking	12	36	(24)	(66.7%)
Capital Markets	136 337	66 395	69 942	>100.0%
Investment Banking	6 089	(2 839)	8 928	(>100.0%)
Asset Management	3 413	2 914	499	17.1%
Property Activities	(4 436)	(4 351)	(85)	2.0%
Group Services and Other Activities	56 642	37 158	19 484	52.4%

Net interest income increased by 54.0% to £343.6 million (2007: £223.1 million) as a result of strong growth in average advances, the acquisition of Kensington and Experien, and a solid performance from the Central Funding division.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Net fee and commission income	301 788	277 702	24 086	8.7%
Private Banking	59 770	46 004	13 766	29.9%
Private Client Portfolio Management and Stockbroking	17 092	17 504	(412)	(2.4%)
Capital Markets	69 772	48 312	21 460	44.4%
Investment Banking	40 792	51 806	(11 014)	(21.3%)
Asset Management	103 322	97 124	6 198	6.4%
Property Activities	10 421	14 959	(4 538)	(30.3%)
Group Services and Other Activities	619	1 993	(1 374)	(68.9%)

Net fees and commissions income increased by 8.7% to £301.8 million (2007: £277.7 million). Transactional activity levels have been impacted by the current economic environment however; the group has benefited from profit shares received by the Private Banking division and a solid performance from the Capital Markets advisory and structuring businesses.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Principal transactions	82 298	108 492	(26 194)	(24.1%)
Private Banking	8 398	25 284	(16 886)	(66.8%)
Private Client Portfolio Management and Stockbroking	363	1 245	(882)	(70.8%)
Capital Markets	19 057	20 227	(1 170)	(5.8%)
Investment Banking	43 571	43 774	(203)	(0.5%)
Asset Management	1	42	(41)	(97.6%)
Property Activities	11 391	12 589	(1 198)	(9.5%)
Group Services and Other Activities	(483)	5 331	(5 814)	(>100.0%)

Income from principal transactions decreased by 24.1% to £82.3 million (2007: £108.5 million) largely reflecting mark downs, lower revaluations and fewer realisations in the current period.

Operating income from associates

Operating income from associates increased by 21.3% to £7.7 million (2007: £6.4 million). The figure includes Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc for the period 1 April 2008 to 30 September 2008.

Other operating loss

Other operating loss amounted to £13.7 million (2007: income of £28.1 million). This loss arises from the consolidation of the operating results of two investments held within the group's Private Equity portfolio.



Financial statement analysis[#]

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Impairment losses on loans and advances	(76 780)	(11 738)	(65 042)	>100.0%
Private Banking	(38 428)	(7 126)	(31 302)	>100.0%
Private Client Portfolio Management and Stockbroking	-	-	-	-
Capital Markets	(36 625)	(5 097)	(31 528)	>100.0%
Investment Banking	-	(1 121)	1 121	100.0%
Asset Management	-	-	-	-
Property Activities	-	-	-	-
Group Services and Other Activities	(1 727)	1 606	(3 333)	(>100.0%)

As a result of the weaker credit cycle we have seen a decline in the performance of the loan portfolio resulting in an increase in impairment losses on loans and advances from £3.8 million to £48.3 million (excluding Kensington). The percentage of gross default loans to core loans and advances has increased from 1.7% to 2.5% since 31 March 2008. The annualised credit loss charge as a percentage of average core loans and advances is 0.7%.

Impairment losses on loans and advances relating to the Kensington business amount to £28.5 million (2007: £7.9 million; the business was acquired on 8 August 2007). The total Kensington book has decreased from £6.1 billion at 31 March 2008 to £5.4 billion. Arrears have increased marginally as the book becomes more seasoned.

£'000	30 Sept 2008	30 Sept 2007	Variance	% Change
Administrative expenses and depreciation	(419 919)	(381 264)	(38 655)	10.1%
Private Banking	(112 926)	(102 496)	(10 430)	10.2%
Private Client Portfolio Management and Stockbroking	(10 918)	(10 416)	(502)	4.8%
Capital Markets	(116 411)	(86 594)	(29 817)	34.4%
Investment Banking	(67 709)	(66 026)	(1 683)	2.5%
Asset Management	(70 513)	(65 038)	(5 475)	8.4%
Property Activities	(6 232)	(11 711)	5 479	(46.8%)
Group Services and Other Activities	(35 210)	(38 983)	3 773	(9.7%)

The ratio of total operating expenses to total operating income improved from 58.9% to 58.0%.

Total expenses increased by 10.1% to £419.9 million (2007: £381.3 million). Variable remuneration decreased by 12.5% to £81.7 million. Other operating expenses increased by 17.5% to £338.2 million largely as a result of the acquisition of Kensington and Experien and an increase in average headcount and associated costs in certain of the businesses. Total headcount is being tightly managed and expense growth (excluding variable remuneration) is targeted below the respective inflation rates in each of the group's core geographies.

Taxation

The operational effective tax rate of the group decreased from 25.0% to 23.8% as a result of the decrease in tax rates in key geographies and an increase in income earned that is subject to lower tax rates or is non-taxable.

Losses attributable to minority interests

Losses attributable to minority interests of £14.7 million comprise:

- £12.9 million relating to investments consolidated in the Private Equity division.
- £1.8 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of minority interests. (The transaction is hedged and a forex transaction loss arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to minorities).

Financial statement analysis[#]

Balance sheet analysis

Since 31 March 2008:

- Total shareholders' equity (including minority interests) increased by 6.8% to £2.4 billion largely as a result of retained earnings and foreign currency translation gains.
- Net asset value per share increased from 260.6 pence to 279.4 pence and net tangible asset value per share (which excludes goodwill and intangible assets) increased from 215.0 pence to 233.2 pence.
- Total assets increased from £34.1 billion to £35.9 billion largely as a result of an increase in core loans and advances.

The group's gearing ratios remain low with core loans and advances to equity at 7.0 times and total assets (excluding assurance assets) to equity at 13.4 times.

The annualised return on adjusted average shareholders' equity decreased from 23.9% to 19.3%.

The compulsorily convertible debentures that were outstanding at 31 March 2008 were converted to shares on 31 July 2008. This resulted in an increase in share capital and share premium with no impact on total equity.

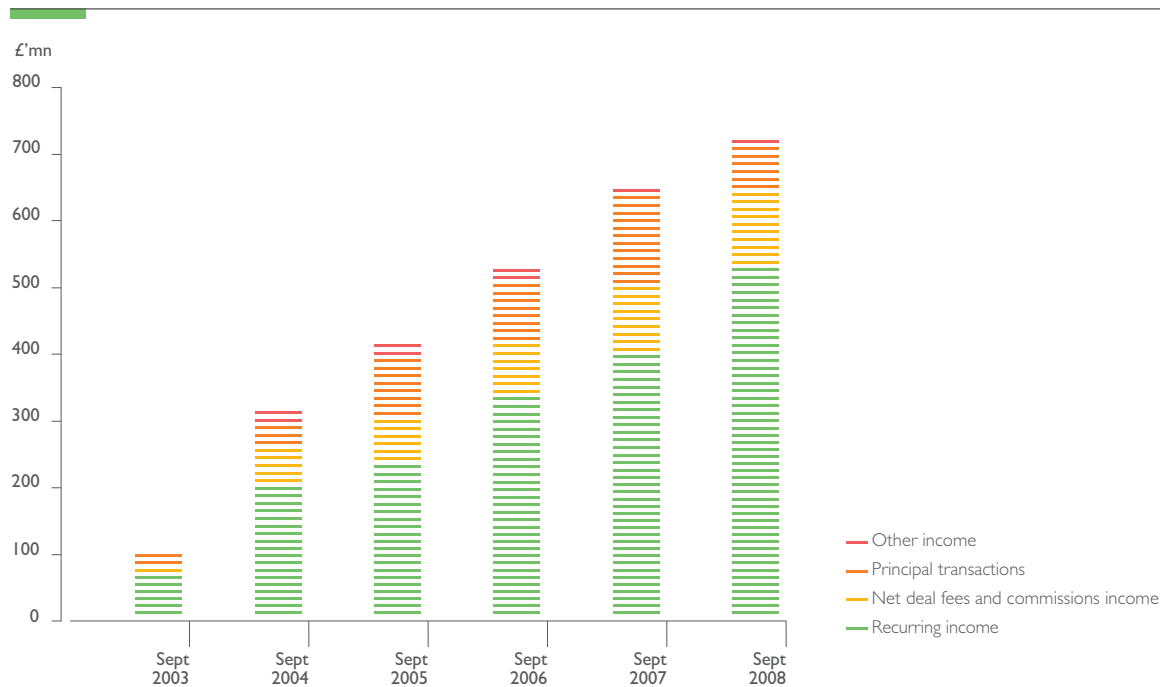
The group has capital in excess of minimum regulatory requirements (refer to pages 121 to 123).



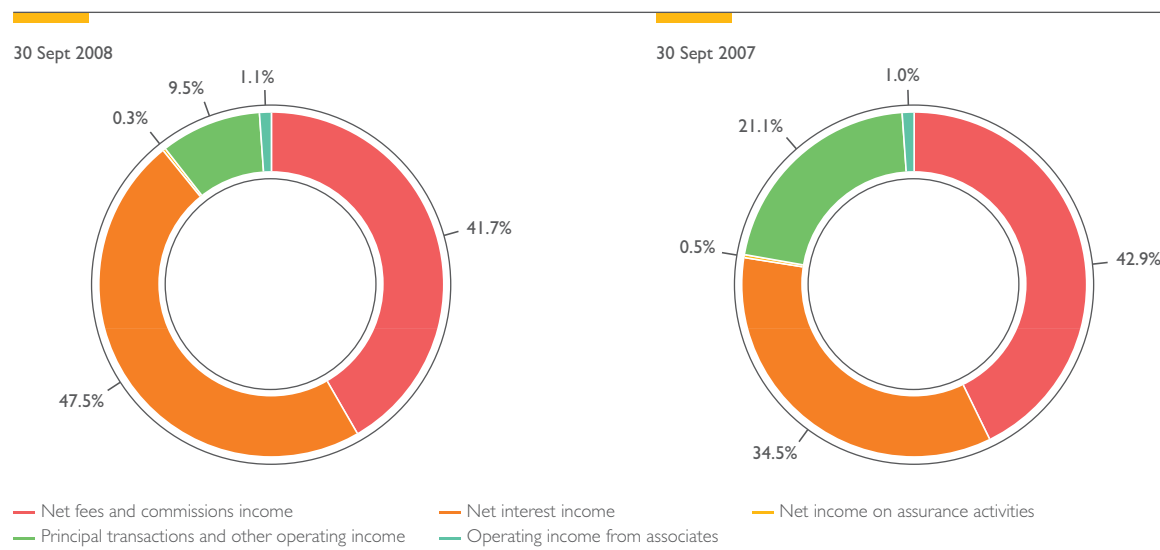
An analysis of operating income

£'000	30 Sept 2008	30 Sept 2007	% Change
Net interest income	343 628	223 102	54.0%
Other income	380 101	424 151	(10.4%)
Net fees and commissions income	301 788	277 702	8.7%
Principal transactions	82 298	108 492	(24.1%)
Operating income from associates	7 724	6 369	21.3%
Net income on assurance activities	2 035	3 446	(40.9%)
Other operating (loss)/income	(13 744)	28 142	>100%
Total operating income net of insurance claims	723 729	647 253	11.8%

Strong base of recurring income



% of total income



An analysis of administrative expenses

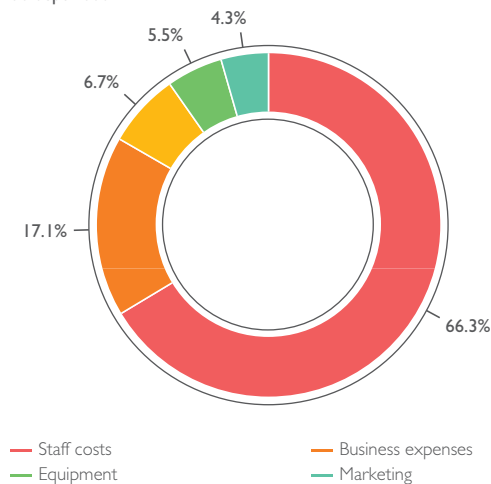
£'000	30 Sept 2008	30 Sept 2007	% Change
Staff costs	268 979	251 745	6.8%
- fixed	187 320	158 464	18.2%
- variable	81 659	93 281	(12.5%)
Business expenses	69 453	63 536	9.3%
Equipment (excluding depreciation)	22 221	19 105	16.3%
Premises (excluding depreciation)	27 210	23 346	16.6%
Marketing expenses	17 617	13 513	30.4%
Administrative expenses	405 480	371 245	9.2%

An analysis of the variance in administrative expenses including variable remuneration

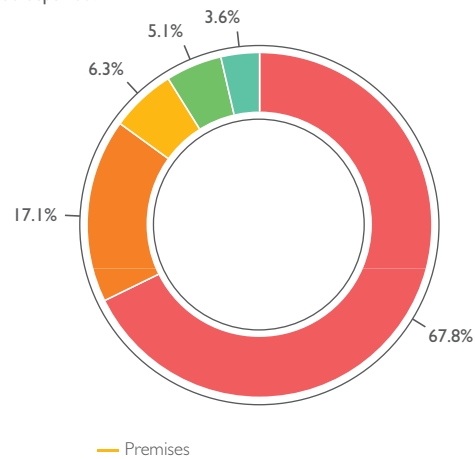
£'000	30 Sept 2008	30 Sept 2007	% Change	Notes
Experien	4 741	-	>100.0%	Acquired 1 October 2007.
Kensington	21 827	8 876	>100.0%	Acquired 8 August 2007.
Other group costs (including variable remuneration)	378 912	362 369	4.6%	
Total	405 480	371 245	16.5%	

% of total expenses

30 Sept 2008



30 Sept 2007



— Staff costs
— Equipment

— Business expenses
— Marketing

— Premises

Total third party assets under management

£'000	30 Sept 2008	31 March 2008	30 Sept 2007
Private Banking funds under advice	3 605	3 681	3 336
UK and Europe	1 674	1 770	1 338
South Africa	1 654	1 598	1 651
Australia	277	313	347
Private Client Portfolio Management and Stockbroking	18 366	19 922	22 461
South Africa Private Client Securities	6 916	6 972	8 051
Rensburg Sheppards plc	*11 450	12 950	14 410
Property Activities, South Africa	63	^73	2 034
Investec Asset Management	29 629	28 751	31 678
UK and international	14 229	13 834	14 058
Southern Africa	15 400	14 917	17 620
Private Equity and Property Private Equity Australia	315	322	254
Total third party assets under management	51 978	52 749	59 763

30 Sept 2008 £'million	UK, Europe & Other	Southern Africa	Australia	Total
Private Banking	1 674	1 654	277	3 605
Private Client Portfolio Management and Stockbroking	*11 450	6 916	-	18 366
- Discretionary	n/a	1 274	-	n/a
- Non-discretionary	n/a	5 642	-	n/a
Institutional	8 684	10 903	-	19 587
Retail	5 545	4 497	-	10 042
Property Activities	-	63	-	63
Australia Private Equity and Property funds under management	-	-	315	315
Total third party assets under management	27 353	24 033	592	51 978

31 March 2008 £'million	UK, Europe & Other	Southern Africa	Australia	Total
Private Banking	1 770	1 598	313	3 681
Private Client Portfolio Management and Stockbroking	12 950	6 972	-	19 922
- Discretionary	n/a	1 323	-	n/a
- Non-discretionary	n/a	5 649	-	n/a
Institutional	7 428	10 270	-	17 698
Retail	6 406	4 647	-	11 053
Property Activities	-	73	-	73
Australia Private Equity and Property funds under management	-	-	322	322
Total third party assets under management	28 554	23 560	635	52 749

30 Sept 2007 £'million	UK, Europe & Other	Southern Africa	Australia	Total
Private Banking	1 338	1 651	347	3 336
Private Client Portfolio Management and Stockbroking	14 410	8 051	-	22 461
- Discretionary	n/a	1 414	-	n/a
- Non-discretionary	n/a	6 637	-	n/a
Institutional	6 434	12 317	-	18 751
Retail	7 624	5 303	-	12 927
Property Activities	-	2 034	-	2 034
Australia Private Equity and Property funds under management	-	-	254	254
Total third party assets under management	29 806	29 356	601	59 763

* As last reported by Rensburg Sheppards plc.

^ The group sold its property fund management business in October 2007.

Net tangible asset value per share

In calculating net tangible asset value per share we assume that all previously issued Compulsory Convertible Debentures (CCD's) are treated as equity. Under IFRS however, a portion of these CCD's are treated as debt and not included in shareholders equity. As a result, adjustments must be made to the shareholder base which would be more appropriately reflect their permanent capital nature.

£'000	30 Sept 2008	31 March 2008	30 Sept 2007	Notes
Shareholders' equity	2 064 468	1 911 204	1 857 871	
Less: perpetual preference shares issued by holding companies	(283 668)	(272 335)	(294 698)	
Convertible debt included in subordinated liabilities	-	14 056	18 098	These CCDs converted into equity in July 2008.
Less: goodwill and intangible assets (excluding software)	(294 670)	(289 543)	(342 168)	
Net tangible asset value	1 486 130	1 363 382	1 239 103	
Number of shares in issue	686.8	657.6	653.5	
CCD's	-	7.6	8.1	Relates to convertible debt mentioned above.
Treasury shares	(49.4)	(31.0)	(33.0)	
Number of shares in issue in this calculation (million)	637.4	634.2	628.6	
Net tangible asset value per share (pence)	233.2	215.0	197.1	

Goodwill and intangible assets analysis - balance sheet information

£'000	30 Sept 2008	31 March 2008	30 Sept 2007
UK and Europe	232 844	232 146	285 517
Private Banking	17 991	18 031	17 445
Capital Markets	79 737	80 248	135 238
Investment Banking	47 071	45 822	44 789
Asset Management	88 045	88 045	88 045
South Africa	22 484	20 789	39 613
Private Client Portfolio Management and Stockbroking	2 413	2 240	2 591
Asset Management	19 777	18 277	24 443
Property Activities	294	272	12 579
Australia	39 342	36 608	17 038
Private Banking	17 798	18 536	17 038
Investment Banking	21 544	18 072	-
Software	10 842	13 895	13 916
Total group	305 512	303 438	356 084



ROE - assessment of economic capital utilised

In order to assess the return on economic capital utilised, the group believes that certain adjustments as detailed in the tables below should be made to the income statement analysis and balance sheet analysis as reflected under IFRS. The group believes that these adjustments are necessary as they reflect the actual utilisation of capital and return thereon, notwithstanding accounting conventions.

Return on capital by segment

The methodology applied in accessing the utilisation of the group's economic capital is as follows:

- A notional return on capital (net of the cost of subordinated debt) which is managed and borne in the centre is allocated from Group Services and Other Activities ("GSO") to the business segments based on their total capital utilisation
- Shareholders' equity is increased to reflect permanent capital which is reflected under subordinated debt

£'000	30 Sept 2008	31 March 2008	Average	30 Sept 2007	31 March 2007	Average
Calculation of average shareholders' equity						
Shareholders' equity per balance sheet (excluding preference shares)	1 780 800	1 638 869	1 709 835	1 563 173	1 250 312	1 328 601
Add: Convertible debt included in subordinated liabilities	-	14 056	7 028	18 098	19 079	18 589
Adjusted shareholders' equity	1 780 800	1 652 925	1 716 863	1 581 271	1 269 391	1 347 190
Goodwill and intangible assets (excluding software)	(294 670)	(289 543)	(292 107)	(342 168)	(219 854)	(238 139)
Adjusted tangible shareholders' equity	1 486 130	1 363 382	1 424 755	1 239 102	1 049 536	1 109 050

	30 Sept 2008	30 Sept 2007	31 March 2008
Operating profit before goodwill and non-operating items	227 030	254 251	537 671
Minority interests	14 728	(9 716)	(28 954)
Preference dividends	(23 872)	(21 766)	(45 283)
Profit before taxation	217 886	222 769	463 434
Tax on ordinary activities	(52 254)	(61 911)	(118 739)
Profit after taxation	165 632	160 858	344 695
Pre-tax return on average adjusted shareholders' equity	25.4%	33.1%	31.7%
Post-tax return on average adjusted shareholders' equity	19.3%	23.9%	23.6%
Pre-tax return on average adjusted tangible shareholders' equity	30.6%	40.2%	38.4%
Post-tax return on average adjusted tangible shareholders' equity	23.3%	29.0%	28.6%

ROE by geography

For the period to 30 September

£'000	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Total operating profit	57 418	162 276	7 336	-	227 030
Tax on ordinary activities	(11 006)	(36 880)	(4 368)	-	(52 254)
Minority interests	17 467	(4 632)	1 893	-	14 728
Preference dividends	(10 162)	(13 710)	-	-	(23 872)
Profit on ordinary activities after taxation - Sept 2008	53 717	107 054	4 861	-	165 632
Profit on ordinary activities after taxation - Sept 2007	43 478	99 847	17 590	(57)	160 858
Adjusted shareholders' equity at 30 Sept 2008	752 107	739 332	289 361	-	1 780 800
Goodwill and intangible assets (excluding software)	(232 844)	(22 484)	(39 342)	-	(294 670)
Adjusted tangible shareholders' equity at 30 Sept 2008	519 263	716 848	250 019	-	1 486 130
Adjusted shareholders' equity at 30 Sept 2007	739 559	564 267	277 445	-	1 581 271
Goodwill and intangible assets (excluding software)	(285 518)	(39 612)	(17 038)	-	(342 168)
Adjusted tangible shareholders' equity at 30 Sept 2007	454 041	524 655	260 407	-	1 239 103
Adjusted shareholders' equity at 31 March 2008	837 978	632 186	182 761	-	1 652 925
Adjusted average shareholders' equity - 30 Sept 2008[^]	795 043	685 759	236 061	-	1 716 863
Adjusted average shareholders' equity - 30 Sept 2007 [^]	649 833	519 646	177 711	-	1 347 190
Adjusted average shareholders' equity - 31 March 2008 [^]	734 966	553 662	172 530	-	1 461 158
Post tax return on average shareholders' equity - 30 Sept 2008[*]	13.5%	31.2%	4.1%	-	19.3%
Post tax return on average shareholders' equity - 30 Sept 2007 [*]	13.4%	38.4%	19.8%	-	23.9%
Post tax return on average shareholders' equity - 31 March 2008	11.8%	41.9%	15.0%	-	23.6%

[^] This number is not necessarily a straight line average as these numbers are calculated on a monthly basis using actual capital utilised.

^{*} Annualised.



ROE by division

For the period to 30 September

By business	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Total operating profit	63 226	13 128	72 130	11 019	33 684	11 144	22 699	227 030
Notional return on regulatory capital	29 428	668	25 900	5 832	865	2 996	(65 689)	-
Notional cost of statutory capital	(4 602)	(2 961)	(6 259)	(4 175)	(6 806)	(1 671)	26 474	-
Cost of subordinated debt	(11 841)	(353)	(6 756)	(2 611)	(390)	(728)	22 679	-
Minority interest	-	-	-	17 537	-	-	(2 809)	14 728
Cost of preference shares	(7 260)	(202)	(7 829)	(1 517)	(247)	(711)	(6 106)	(23 872)
Absorption of additional residual costs **	(7 198)	(1 718)	(6 624)	(9 610)	(2 406)	(2 512)	30 068	-
Adjusted earnings - 30 Sept 2008	61 753	8 562	70 562	16 475	24 700	8 518	27 316	217 886
Adjusted earnings/(losses) - 30 Sept 2007	86 752	12 527	45 187	38 265	29 854	8 248	1 936	222 769
Adjusted shareholders' equity at 30 Sept 2008	627 705	16 463	692 420	197 640	111 860	44 040	90 672	1 780 800
Goodwill and intangible assets (excluding software)	(22 325)	(2 418)	(79 737)	(82 074)	(107 822)	(294)	-	(294 670)
Adjusted tangible shareholders' equity at 30 Sept 2008	605 380	14 045	612 683	115 566	4 038	43 746	90 672	1 486 130
Adjusted shareholders' equity at 30 Sept 2007	569 024	42 023	754 649	129 876	121 641	12 851	(48 793)	1 581 271
Goodwill and intangible assets (excluding software)	(17 445)	(2 591)	(135 238)	(61 827)	(112 488)	(12 579)	-	(342 168)
Adjusted tangible shareholders' equity at 30 Sept 2007	551 579	39 432	619 411	68 049	9 153	272	(48 793)	1 239 103
Adjusted shareholders' equity - 31 March 2008	552 908	29 609	646 998	175 913	116 459	29 773	101 266	1 652 925
Adjusted average shareholders' equity - 30 Sept 2008[^]	590 978	23 054	668 603	186 986	114 276	36 898	96 067	1 716 863
Adjusted average shareholders' equity - 30 Sept 2007 ^{^^}	464 675	41 879	521 339	132 378	121 527	20 488	44 904	1 347 190
Adjusted average shareholders' equity - 31 March 2008 [^]	515 927	36 271	502 861	153 365	119 835	24 874	108 025	1 461 158
Pre-tax return on adjusted average shareholders' equity - 30 Sept 2008^{^^}	20.9%	74.3%	21.1%	17.6%	43.2%	46.2%	56.8%	25.4%
Pre-tax return on adjusted average shareholders' equity - 30 Sept 2007 ^{^^}	37.3%	59.8%	17.3%	57.8%	49.1%	80.5%	8.6%	33.1%
Pre-tax return on adjusted average shareholders' equity - 31 March 2008	33.2%	65.5%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%

* Where: PB=Private Banking PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

** This allocation represents a portion of the costs remaining in the centre which are indirectly allocated to operating divisions as they facilitate their operations but are excluded in calculating performance incentive remuneration. These allocations are based on managements' estimates of relative benefit derived.

[^] This number is not necessarily a straight line average as these numbers are calculated on a monthly basis using actual capital utilised.

^{^^} Annualised.

Operating profit (before goodwill, non-operating items, taxation and after minorities excluding income from associates) per employee

By division	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 30 Sept 2008	2 404	211	1 037	387	983	74	1 117	6 213
Number of employees - 31 March 2008	2 379	215	1 106	376	1 027	73	1 157	6 333
Number of employees - 30 Sept 2007	2 091	205	1 095	358	994	316	1 137	6 196
Number of employees - 31 March 2007	1 941	205	715	336	924	273	1 036	5 430
Average employees - six months to 30 Sept 2008	2 392	213	1 072	382	1 005	74	1 137	6 275
Average employees - six months to 30 Sept 2007	2 016	205	905	347	959	295	1 086	5 813
Operating profit[^] - 30 Sept 2008 (£'000)	62 499	6 549	72 130	28 307	33 684	11 144	19 721	234 034
Operating profit [^] - 30 Sept 2007 (£'000)	85 455	8 369	42 743	45 053	36 203	11 486	8 857	238 166
Operating profit per employee^{^^} - 30 Sept 2008 (£'000)	26.1	30.7	67.3	74.1	33.5	150.6	17.3	37.3
Operating profit per employee ^{^^} - 30 Sept 2007 (£'000)	42.4	40.8	47.2	129.8	37.8	38.9	8.2	41.0

By geography	UK & Europe	Southern Africa	Australia	Other geographies	Total group
Number of employees - 30 Sept 2008	1 885	3 906	400	22	6 213
Number of employees - 31 March 2008	1 925	3 963	424	21	6 333
Number of employees - 30 Sept 2007	1 900	4 012	266	18	6 196
Number of employees - 31 March 2007	1 412	3 778	235	5	5 430
Average employees - six months to 30 Sept 2008	1 906	3 935	412	22	6 275
Average employees - six months to 30 Sept 2007	1 655	3 895	251	12	5 813
Operating profit[^] - 30 Sept 2008 (£'000)	67 884	157 648	8 502	-	234 034
Operating profit [^] - 30 Sept 2007 (£'000)	64 298	152 996	20 836	36	238 166
Operating profit per employee^{^^} - 30 Sept 2008 (£'000)	35.6	40.1	20.6	-	37.3
Operating profit per employee ^{^^} - 30 Sept 2007 (£'000)	38.9	39.3	83.0	3.0	41.0

* Where: PB=Private Bank PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

[^] Excluding operating income from associates.

^{^^} Based on average number of employees over the period.

Note:

Number of employees includes permanent employees, temps and contractors.



Number of employees

By business - permanent employees	30 Sept 2008	31 March 2008	30 Sept 2007
Private Banking			
UK and Europe	602	566	508
SA and Other	1 490	1 507	1 369
Australia	210	199	82
Total	2 302	2 272	1 959
Private Client Stockbroking			
SA and Other	201	205	191
Total	201	205	191
Private Client Activities total			
UK and Europe	602	566	508
SA and Other	1 727	1 712	1 560
Australia	210	199	82
Total	2 539	2 477	2 150
Capital Markets			
UK and Europe	520	589	657
SA and Other	420	405	361
Australia	48	48	29
Total	988	1 042	1 047
Investment Banking			
UK, Europe and Hong Kong	157	148	142
SA and Other	164	167	155
Australia	43	41	39
USA	11	12	10
Total	375	368	346
Asset Management			
UK and Europe and other	291	280	250
SA and Other	628	626	621
Total	919	906	871
Property Activities			
UK and Europe	6	7	5
SA and Other	56	58	281
Australia	8	6	4
Total	70	71	290
Group Services and Other Activities			
UK and Europe	238	222	232
SA and Other	650	698	665
Australia	89	130	112
Total	977	1 050	1 009
Total number of permanent employees	5 832	5 914	5 713

By geography	30 Sept 2008	31 March 2008	30 Sept 2007	31 March 2007	31 March 2006	31 March 2005
UK and Europe	1 814	1 812	1 794	1 294	1 166	1 308
SA and Other	3 609	3 666	3 643	3 476	3 114	2 648
Australia	398	424	266	235	168	140
USA	11	12	10	5	5	67
Temps and contractors	381	419	483	420	*	*
Total number of employees	6 213	6 333	6 196	5 430	4 453	4 163

* The treatment of temps and contractors for headcount disclosure purposes was not consistently applied across all divisions. The line of business information now only reflects permanent headcount. The geographical information has been presented for comparative purposes. Historical information did include temps and contractors.

Shareholder analysis

The group has implemented a Dual Listed Companies (DLC) structure in terms of which it has primary listings both in Johannesburg and London. Investec plc, which houses the majority of the group's non-Southern African businesses, was listed on the London Stock Exchange on 29 July 2002. Investec plc also has a secondary listing on the JSE Limited (JSE). Investec Limited, which houses the group's Southern African and Mauritius operations, has been listed in South Africa since 1986.

As at 30 September 2008 Investec plc and Investec Limited had 424.2 million and 262.6 million ordinary shares in issue, respectively.

Largest shareholders as at 30 September 2008

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 disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Commissioner (ZA)	40 461 632	9.5
2 Old Mutual Asset Managers (ZA)	35 582 529	8.4
3 Investec Securities (Pty) Limited (ZA)*	25 089 218	5.9
4 Legal and General Investment Mgmt Ltd (UK)	19 099 189	4.5
5 RMB Asset Management (ZA)	17 626 803	4.2
6 Coronation Fund Managers (ZA)	15 585 031	3.7
7 Jupiter Asset Management Limited (UK)	11 438 852	2.7
8 Barclays Global Investors (UK and US)	9 053 305	2.1
9 Sanlam Investment Management (ZA)	8 982 720	2.1
10 Polaris Capital (Pty) Limited (ZA)	8 372 219	2.0
Cumulative total	191 291 498	45.1

The top 10 shareholders account for 45.1% 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. The above analysis excludes shares held by Investec directors.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1 Public Investment Commissioner (ZA)	28 827 540	11.0
2 Investec Staff Share Scheme (ZA)	26 167 451	10.0
3 Old Mutual Asset Managers (ZA)	16 320 727	6.2
4 Entrepreneurial Development Trust (ZA)**	14 000 000	5.3
5 Tiso INL Investments (Pty) Ltd (ZA)**	14 000 000	5.3
6 Peu INL Investment I (Pty) Ltd (ZA)**	13 055 555	5.0
7 Investec Asset Management (ZA)*	11 964 710	4.6
8 STANLIB Asset Management (ZA)	9 759 102	3.7
9 Investec Securities (Pty) Limited (ZA)*	9 372 910	3.6
10 Metropolitan Asset Managers (ZA)	7 520 990	2.9
Cumulative total	150 988 985	57.6

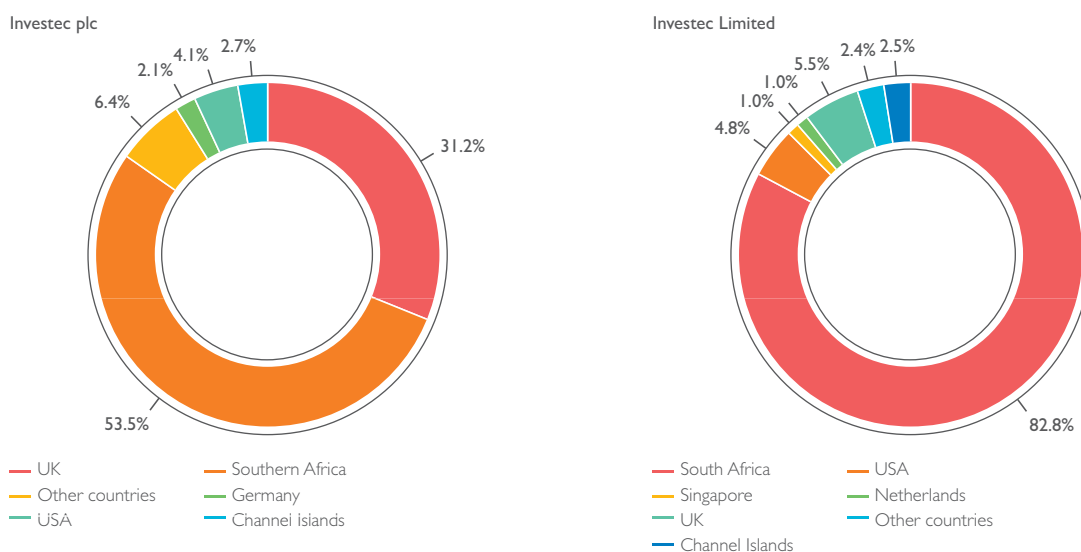
The top 10 shareholders account for 57.6% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated. The above analysis excludes shares held by Investec directors.

* Managed on behalf of clients.

** 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 analysis

Geographic holding by beneficial owner as at 30 September 2008



Share statistics

Investec plc ordinary shares in issue

For the period ended	30 Sept 2008	31 March 2008	30 Sept 2007	31 March 2007
Closing market price per share (Pounds)				
- period ended	3.02	3.39	5.12	6.58
- highest	5.81	7.65	7.65	6.76
- lowest	2.77	2.94	4.80	4.95
Number of ordinary shares in issue (million)	424.2	423.3	422.1	381.6
Market capitalisation (£'million) ¹	1 281	1 435	2 161	2 511
Daily average volumes of share traded ('000)	1 744	3 926	4 369	2 832

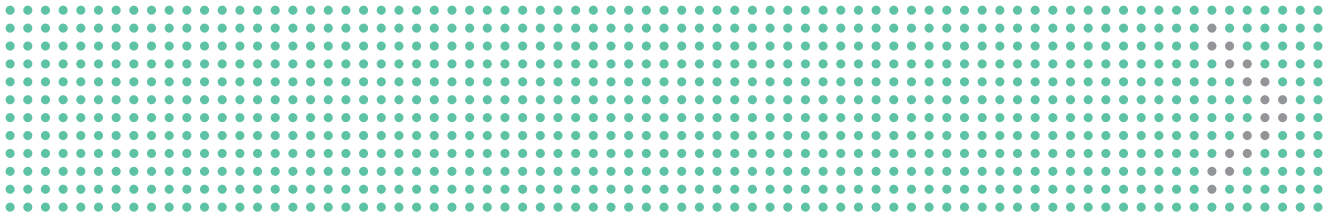
Investec Limited ordinary shares in issue

For the period ended	30 Sept 2008	31 March 2008	30 Sept 2007	31 March 2007
Closing market price per share (Rands)				
- period ended	47.50	57.43	73.99	93.30
- highest	80.85	104.40	104.40	94.60
- lowest	42.00	50.90	71.70	59.06
Number of ordinary shares in issue (million)	262.6	234.3	231.4	227.7
Market capitalisation (R'million) ²	36 623	37 766	48 353	56 848
Market capitalisation (£'million)	2 074	2 229	3 346	4 009
Daily average volumes of share traded ('000)	489	841	843	620

Notes:

¹ The LSE only include the shares in issue for Investec plc i.e. currently 424.2 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.

² The JSE have 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. a total of 686.8 million shares in issue.



Risk management and
capital information

Risk management

As per Basel II regulations, the following risk management and capital section will provide detail on the quantitative risk disclosures required to be disclosed on a semi-annual basis. For any additional qualitative disclosures, definitions and descriptions, please refer to our Annual Financial Statements for the year ended 31 March 2008.

Credit and counterparty risk management

Credit and counterparty risk is defined as the current and prospective risk to earnings or capital arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any obligation to us or otherwise to perform as agreed. Credit and counterparty risk arises when our funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions, giving rise to a direct exposure. The risk is created that an obligor will be unable or unwilling to repay capital and/or interest on advances and loans granted to it. This category includes bank placements, where we have placed funds with other financial institutions;
- Issuer risk on financial instruments where payments due from the issuer of a financial instrument will not be received;
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk).
 - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party effecting required settlements as they fall due but not receiving settlements to which they are entitled.
 - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to finalise the transaction.

Credit and counterparty risk can manifest as country risk as a result of the geopolitical and transfer risk associated with exposures arising from transactions with borrowers who are resident in a particular foreign country, or dependent on that country's economy.

Credit and counterparty risk may also arise in other ways and it is the role of the various independent credit committees, assisted by Credit Risk Management, to identify situations falling outside these definitions where credit risk may also be present.

The tables that follow provide an analysis of our credit and counterparty risk exposures.

An analysis of gross credit and counterparty exposures

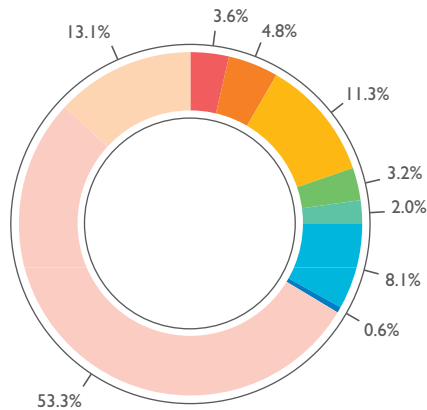
£'000	30 Sept 2008	31 March 2008	% change since 31 March 2008	Average*
On-balance sheet exposures	23 808 364	21 661 399	9.9%	22 734 884
Securitisation exposures arising from securitisation/principal finance activities	990 120	861 766	14.9%	925 944
Rated instruments	185 942	121 127	53.5%	153 535
Unrated instruments	282 361	291 665	(3.2%)	287 013
Other	521 817	448 974	16.2%	485 396
Debt instruments (NCDs, bonds held, debentures)	1 302 749	1 594 676	(18.3%)	1 448 713
Bank placements	3 095 411	2 438 631	26.9%	2 767 021
Sovereign, government placements	884 423	1 002 781	(11.8%)	943 602
Call facilities (non-bank entities)	556 248	493 257	12.8%	524 753
Trading exposures (positive fair value excluding potential future exposures)	2 210 182	2 056 412	7.5%	2 133 297
Other credit exposures	160 738	306 109	(47.5%)	233 424
Gross core loans and advances to customers**	14 608 493	12 907 767	13.2%	13 758 130
Off-balance sheet exposures	3 596 967	3 374 450	6.6%	3 472 209
Guarantees	700 103	435 098	60.9%	567 601
Contingent liabilities, committed facilities and other	2 896 864	2 939 352	(2.4%)	2 904 608
Total gross credit and counterparty exposures pre collateral or other credit enhancements	27 405 331	25 035 849	9.5%	26 207 093

* Where the average is based on a straight line average for the period 31 March 2008 to 30 September 2008.

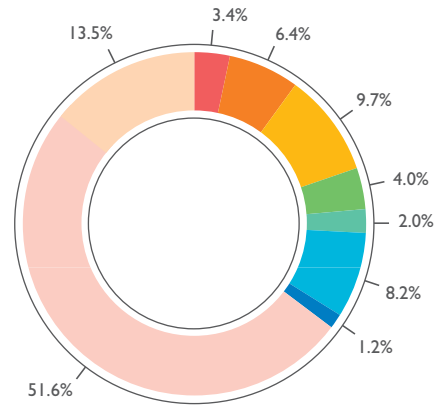
** As calculated on page 95 and 96.

Risk management

30 Sept 2008



31 March 2008



■ Securitisation exposures ■ Debt instruments ■ Bank placements ■ Sovereign, government placements
■ Call facilities (non-bank entities) ■ Trading exposures ■ Other credit exposures ■ Gross core loans and advances to customers
■ Off-balance sheet exposures

Breakdown of gross credit and counterparty exposures by geography

£'000	UK and Europe		Southern Africa		Australia		Total	
	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008
On-balance sheet exposures	9 916 550	9 775 140	12 076 041	10 195 495	1 815 774	1 690 764	23 808 364	21 661 399
Securitisation exposures arising from securitisation/principal finance activities	867 552	821 378	122 568	40 388	-	-	990 120	861 766
Rated instruments	169 275	121 127	16 667	-	-	-	185 942	121 127
Unrated instruments	239 324	278 988	43 037	12 677	-	-	282 361	291 665
Other	458 953	421 263	62 864	27 711	-	-	521 817	448 974
Debt instruments (NCDs, bonds held, debentures)	412 951	762 531	558 389	530 954	331 409	301 191	1 302 749	1 594 676
Bank placements	1 275 106	909 837	1 655 391	1 384 861	164 915	143 933	3 095 411	2 438 631
Sovereign, government placements	187 774	616 122	696 649	386 659	-	-	884 423	1 002 781
Call facilities (non-bank entities)	-	-	556 248	493 257	-	-	556 248	493 257
Trading exposures (positive fair value excluding potential future exposures)	1 307 862	1 100 903	825 910	891 505	76 410	64 004	2 210 182	2 056 412
Other credit exposures	125 814	268 656	34 924	37 453	-	-	160 738	306 109
Gross core loans and advances to customers	5 739 491	5 295 713	7 625 962	6 430 418	1 243 040	1 181 636	14 608 493	12 907 767
Off-balance sheet exposures	787 729	948 139	2 582 192	2 166 703	227 046	259 608	3 596 967	3 374 450
Guarantees	35 992	50 256	609 887	338 098	54 224	46 744	700 103	435 098
Contingent liabilities, committed facilities and other	751 737	897 883	1 972 305	1 828 605	172 822	212 864	2 896 864	2 939 352
Total gross credit and counterparty exposures pre collateral or other credit enhancements	10 704 279	10 723 279	14 658 233	12 362 198	2 042 820	1 950 372	27 405 331	25 035 849



Risk management

A further analysis of our on-balance sheet credit and counterparty exposures

The table below indicates in which class of asset (on the face of the consolidated balance sheet) our on-balance sheet credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

£'000	Securitisation exposures arising from securitisation/principal finance activities			Debt instruments (NCDs, bonds held, debentures)	
	Total	Rated instruments	Unrated instruments		Other
As at 30 Sept 2008					
Cash and balances at central banks	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-
Cash equivalent advances to customers	-	-	-	-	-
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-
Trading securities	140 872	48 801	71 731	20 340	538 518
Derivative financial instruments	12 040	-	-	12 040	-
Investment securities	708	-	708	-	733 363
Loans and advances to customers	552 773	70 624	1 322	480 827	-
Securitised assets	283 727	66 517	208 600	8 610	-
Deferred taxation assets	-	-	-	-	-
Other assets	-	-	-	-	30 868
Interests in associated undertakings	-	-	-	-	-
Property and equipment	-	-	-	-	-
Investment property	-	-	-	-	-
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Insurance assets	-	-	-	-	-
Total	990 120	185 942	282 361	521 817	1 302 749
As at 31 March 2008					
Cash and balances at central banks	-	-	-	-	-
Loans and advances to banks	-	-	-	-	712
Cash equivalent advances to customers	-	-	-	-	-
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-
Trading securities	154 872	57 563	87 332	9 977	548 917
Derivative financial instruments	8 995	-	-	8 995	-
Investment securities	3 850	-	3 850	-	1 045 047
Loans and advances to customers	443 238	13 236	-	430 002	-
Securitised assets	250 811	50 328	200 483	-	-
Deferred taxation assets	-	-	-	-	-
Other assets	-	-	-	-	-
Interests in associated undertakings	-	-	-	-	-
Property and equipment	-	-	-	-	-
Investment property	-	-	-	-	-
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Insurance assets	-	-	-	-	-
Total	861 766	121 127	291 665	448 974	1 594 676

* These exposures largely relate to assets which are required to be consolidated but to which the group has no credit exposure; insurance assets; and assets which bear equity risk as reflected on page 109.



Bank placements	Sovereign, government placements	Call facilities (non-bank entities)	Trading exposures (positive fair value excluding potential future exposures)	Other credit exposures	Gross core loans and advances to customers (before impairments)	Total credit and counterparty exposure	Assets that we deem to have no credit exposure*	Total balance sheet
25 023	384 236	-	1 452	-	-	410 711	33	410 744
2 542 008	-	238	32 550	-	-	2 574 796	-	2 574 796
-	-	465 434	19 562	-	-	484 996	-	484 996
528 320	-	90 576	505 472	-	-	1 124 368	-	1 124 368
-	491 648	-	350 394	24 905	-	1 546 337	588 590	2 134 927
-	-	-	948 418	6 612	-	967 070	294 660	1 261 730
-	8 539	-	8	557	-	743 175	66 173	809 348
-	-	-	-	-	13 589 164	14 141 937	1 437 956	15 579 893
-	-	-	-	-	1 019 329	1 303 056	4 244 356	5 547 412
-	-	-	-	-	-	-	87 259	87 259
60	-	-	352 326	128 664	-	511 918	489 836	1 001 754
-	-	-	-	-	-	-	87 045	87 045
-	-	-	-	-	-	-	150 468	150 468
-	-	-	-	-	-	-	161 207	161 207
-	-	-	-	-	-	-	273 928	273 928
-	-	-	-	-	-	-	31 584	31 584
-	-	-	-	-	-	-	4 217 329	4 217 329
3 095 411	884 423	556 248	2 210 182	160 738	14 608 493	23 808 364	12 130 424	35 938 788
7 223	779 789	-	1 434	-	-	788 446	26	788 472
2 042 915	-	-	28 564	81 582	-	2 153 773	-	2 153 773
-	-	481 300	23 023	-	-	504 323	59	504 382
188 466	-	11 936	484 492	-	-	684 894	109 259	794 153
199 874	214 874	-	221 633	17 338	-	1 357 508	627 072	1 984 580
-	-	-	1 067 515	-	-	1 076 510	228 754	1 305 264
-	8 118	-	27	111	-	1 057 153	73 719	1 130 872
-	-	-	-	-	11 993 963	12 437 201	1 608 934	14 046 135
-	-	-	-	-	913 804	1 164 615	4 918 360	6 082 975
-	-	-	-	-	-	-	84 493	84 493
153	-	21	229 724	207 078	-	436 976	445 233	882 209
-	-	-	-	-	-	-	82 576	82 576
-	-	-	-	-	-	-	141 352	141 352
-	-	-	-	-	-	-	134 975	134 975
-	-	-	-	-	-	-	271 932	271 932
-	-	-	-	-	-	-	31 506	31 506
-	-	-	-	-	-	-	3 683 903	3 683 903
2 438 631	1 002 781	493 257	2 056 412	306 109	12 907 767	21 661 399	12 442 153	34 103 552

Risk management

Breakdown of gross credit and counterparty exposures by industry

£'000	HNW and professional individuals	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business service
As at 30 Sept 2008					
On-balance sheet exposures	9 960 644	59 037	193 474	238 857	357 353
Securitisation exposures arising from securitisation/principal finance activities	415	-	146	6 643	63 026
Rated instruments	-	-	106	5 412	-
Unrated instruments	415	-	40	1 231	189
Other	-	-	-	-	62 837
Debt instruments (NCDs, bonds held, debentures)	-	-	1 418	171	-
Bank placements	-	-	-	-	-
Sovereign, government placements	-	-	-	31 874	-
Call facilities (non-bank entities)	-	7 427	19 150	-	39 679
Trading exposures (positive fair value excluding potential future exposures)	19 146	-	647	2 669	8 904
Other credit exposures	3 580	-	39	1 111	19 622
Gross core loans and advances to customers	**9 937 503	51 610	172 074	196 389	226 122
Off-balance sheet exposures	2 708 470	105	35 738	13 029	25 878
Guarantees	533 031	-	16	40	1 146
Contingent liabilities, committed facilities and other	2 175 439	105	35 722	12 989	24 732
Total gross credit and counterparty exposures pre collateral or other credit enhancements	12 669 114	59 142	229 212	251 886	383 231
As at 31 March 2008					
On-balance sheet exposures	8 220 078	116 206	133 532	301 708	475 772
Securitisation exposures arising from securitisation/principal finance activities - and amounts not reflected in core loans and advances	-	-	-	-	-
Rated instruments	-	-	-	-	-
Unrated instruments	-	-	-	-	-
Other	-	-	-	-	-
Debt instruments (NCDs, bonds held, debentures)	-	-	2 639	3 278	-
Bank placements	-	-	-	-	-
Sovereign, government placements	-	-	-	12 591	-
Call facilities (non-bank entities)	-	17 437	3 818	941	72 682
Trading exposures (positive fair value excluding potential future exposures)	28 486	648	1 162	8 794	1 428
Other credit exposures	243 665	-	-	220	23 028
Gross core loans and advances to customers	7 947 927	98 121	125 913	275 884	378 634
Off-balance sheet exposures	2 181 447	828	5 428	24 209	23 241
Guarantees	285 865	83	3 551	5 319	259
Contingent liabilities, committed facilities and other	1 895 582	745	1 877	18 890	22 982
Total gross credit and counterparty exposures pre collateral or other credit enhancements	10 401 525	117 034	138 960	325 917	499 013

* Includes securitised exposures where the industry is not clearly defined.

** For a detailed analysis of the HNW and professional private banking loan portfolio please refer to page 24.

Finance and insurance (including central banks)	Retailers and wholesalers	Manufacturing and commerce	Real estate	Mining and resources	Leisure, entertainment and tourism	Transport and communication	Other*	Total
8 390 188	450 057	635 214	1 834 331	502 746	339 222	635 599	211 642	23 808 364
28 164	5 361	3 522	742 007	813	992	1 566	137 465	990 120
2 250	3 891	2 560	86 855	590	720	1 137	82 421	185 942
25 886	1 470	962	201 759	223	272	429	49 485	282 361
28	-	-	453 393	-	-	-	5 559	521 817
1 299 247	-	-	-	-	-	1 913	-	1 302 749
3 091 528	3 882	-	1	-	-	-	-	3 095 411
852 549	-	-	-	-	-	-	-	884 423
209 796	70 596	134 552	-	33 243	-	41 805	-	556 248
2 027 402	2 065	18 116	30 102	100 093	320	718	-	2 210 182
30 932	907	10 327	13 144	1 803	1 113	4 069	74 091	160 738
850 570	367 246	468 697	1 049 077	366 794	336 797	585 528	86	14 608 493
469 037	52 459	71 047	43 644	77 174	18 027	82 360	-	3 596 967
104 068	34 476	239	-	26 828	15	244	-	700 103
364 969	17 983	70 808	43 644	50 346	18 012	82 116	-	2 896 864
8 859 225	502 516	706 261	1 877 975	579 920	357 249	717 959	211 642	27 405 331
7 697 658	415 605	790 442	2 051 411	349 012	305 996	574 087	229 891	21 661 399
27 710	-	-	616 222	-	-	-	217 834	861 766
-	-	-	-	-	-	-	121 127	121 127
-	-	-	200 482	-	-	-	91 183	291 665
27 710	-	-	415 740	-	-	-	5 524	448 974
1 582 919	-	-	217	-	-	-	5 623	1 594 676
2 438 631	-	-	-	-	-	-	-	2 438 631
990 190	-	-	-	-	-	-	-	1 002 781
92 697	89 173	151 787	1 564	2 526	-	60 632	-	493 257
1 795 958	10 935	14 207	23 168	165 104	13	75	6 434	2 056 412
8 555	395	3 505	7 771	-	-	18 970	-	306 109
760 998	315 103	620 943	1 402 469	181 382	305 983	494 410	-	12 907 767
538 683	25 769	118 678	302 927	50 222	24 472	78 546	-	3 374 450
52 251	5 291	30 655	34 238	17 586	-	-	-	435 098
486 432	20 478	88 023	268 689	32 636	24 472	78 546	-	2 939 352
8 236 341	441 375	909 120	2 354 338	399 234	330 468	652 633	229 891	25 035 849



Risk management

Breakdown of gross credit and counterparty exposures by industry

£'000	Gross core loans and advances		Other credit and counterparty exposures		Total	
	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008
HNW and professional individuals	9 937 503	7 947 927	2 731 611	2 453 598	12 669 114	10 401 525
Agriculture	51 610	98 121	7 532	18 913	59 142	117 034
Electricity, gas and water (utility services)	172 074	125 913	57 138	13 047	229 212	138 960
Public and non-business services	196 389	275 884	55 497	50 033	251 886	325 917
Business service	226 122	378 634	157 109	120 379	383 231	499 013
Finance and insurance (including central banks)	850 570	760 998	8 008 655	7 475 343	8 859 225	8 236 341
Retailers and wholesalers	367 246	315 103	135 270	126 272	502 516	441 375
Manufacturing and commerce	468 697	620 943	237 564	288 177	706 261	909 120
Real estate	1 049 077	1 402 469	828 898	951 869	1 877 975	2 354 338
Mining and resources	366 794	181 382	213 126	217 852	579 920	399 234
Leisure, entertainment and tourism	336 797	305 983	20 452	24 485	357 249	330 468
Transport and communication	585 528	494 410	132 431	158 223	717 959	652 633
Other*	86	-	211 556	229 891	211 642	229 891
Total	14 608 493	12 907 767	12 796 838	12 128 082	27 405 331	25 035 849

* Other: Largely relating to our principal finance/securitisation activities.

Breakdown of gross credit and counterparty exposures by residual contractual maturity

Refer to pages 118 to 120.

Asset quality and impairments

Core loans and advances to customers

In order to assess and analyse the credit risk associated with loans and advances we believe that certain adjustments should be made to the category "loans and advances to customers" as reflected on the consolidated balance sheet. We believe that these adjustments are necessary in order to derive a value that reflects actual core lending activities. In this regard the following methodology has been applied:

- Loans and advances which have been originated by us and securitised primarily to provide an alternative source of funding are added to loans and advances.
- Warehouse funding facilities and warehouse assets arising out of our securitisation and principal finance activities have been deducted. The risks associated with our securitisation and principal finance activities are provided on pages 107 to 108.

Calculation of core loans and advances to customers

£'000	30 Sept 2008	31 March 2008
Loans and advances to customers per balance sheet (after impairments)	15 579 893	14 046 135
Less: warehouse facilities and warehouse assets arising out of our Securitisation and Principal Finance activities	(2 049 165)	(2 106 193)
Add: own-originated securitised assets	1 018 172	913 814
Net core loans and advances to customers (after impairments)	14 548 900	12 853 756

Risk management

Overall asset quality[#]

The tables that follow provide information with respect to the asset quality of our core loans and advances to customers.

£'000	30 Sept 2008	31 March 2008
Gross core loans and advances to customers	14 608 493	12 907 767
Total impairments	(59 593)	(54 011)
Portfolio impairments	(7 247)	(6 695)
Specific impairments	(52 346)	(47 316)
Net core loans and advances to customers	14 548 900	12 853 756
Current loans and advances to customers	13 584 000	12 182 609
Total gross non-current loans and advances to customers	1 024 493	725 158
Past due loans and advances to customers (1-60 days and management not concerned)	531 999	400 764
Special mention loans and advances to customers	133 925	103 978
Default loans and advances to customers	358 569	220 416
Gross core loans and advances to customers	14 608 493	12 907 767
Total gross non-current core loans and advances to customers (actual capital exposure)	1 024 493	725 158
Watchlist loans neither past due nor impaired	67 272	-
Less: Gross core loans and advances to customers that are past due but not impaired	772 767	567 802
Gross core loans and advances to customers that are impaired	184 454	157 356
Total gross non-current core loans and advances to customers (actual amount in arrears)	100 862	69 021
Bad debts written off during the period	(24 682)	(20 752)
Gross default loans and advances to customers	358 569	220 416
Collateral and other credit enhancements	348 531	210 217
Specific impairments	(52 346)	(47 316)
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Specific impairments as a % of gross core loans and advances to customers	0.36%	0.37%
Portfolio impairments as a % of gross core loans and advances to customers	0.05%	0.05%
Total impairments as a % of gross core loans and advances to customers	0.41%	0.42%
Specific impairments as a % of gross default loans	14.60%	21.47%
Gross defaults as a % of gross core loans and advances to customers	2.45%	1.71%
Net defaults as a % of gross core loans and advances to customers	-	-



Risk management

An analysis of core loans and advances to customers and asset quality by geography[#]

£'000	UK and Europe		Southern Africa		Australia		Total	
	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008	30 Sept 2008	31 March 2008
Gross core loans and advances to customers (before impairments)	5 739 491	5 295 713	7 625 962	6 430 418	1 243 040	1 181 636	14 608 493	12 907 767
Total impairments	(19 428)	(21 854)	(32 991)	(23 367)	(7 174)	(8 790)	(59 593)	(54 011)
Portfolio impairments	(2 459)	(2 053)	(4 788)	(4 642)	-	-	(7 247)	(6 695)
Specific impairments	(16 969)	(19 801)	(28 203)	(18 725)	(7 174)	(8 790)	(52 346)	(47 316)
Net core loans and advances to customers	5 720 063	5 273 859	7 592 971	6 407 051	1 235 866	1 172 846	14 548 900	12 853 756
% of total	39.3%	41.0%	52.2%	49.8%	8.5%	9.1%	100.0%	100.0%
% change since 31 March 2008	8.5%		18.5%		5.4%		13.2%	-
Current loans and advances to customers	5 119 184	4 816 940	7 378 774	6 276 582	1 086 042	1 089 087	13 584 000	12 182 609
Total gross non-current core loans and advances to customers (actual capital exposure)	620 307	478 772	247 188	153 836	156 998	92 550	1 024 493	725 158
Past due loans and advances to customers (1-60 days and management not concerned)	340 933	283 445	119 152	73 219	71 914	44 100	531 999	400 764
Special mention loans and advances to customers	76 460	56 165	19 714	18 282	37 751	29 531	133 925	103 978
Default loans and advances to customers	202 914	139 162	108 322	62 335	47 333	18 919	358 569	220 416
Gross core loans and advances to customers	5 739 491	5 295 712	7 625 962	6 430 418	1 243 040	1 181 637	14 608 493	12 907 767
Total gross non-current core loans and advances to customers (actual capital exposure)	620 307	478 772	247 188	153 836	156 998	92 550	1 024 493	725 158
Watchlist loans neither past due nor impaired	26 143	-	30 725	-	10 404	-	67 272	-
Gross core loans and advances to customers that are past due but not impaired	499 474	399 966	149 633	92 187	123 660	75 649	772 767	567 802
Gross core loans and advances to customers that are impaired	94 690	78 807	66 831	61 649	22 933	16 900	184 454	157 356
Total gross non-current loans and advances to customers (actual amount in arrears)	15 700	15 369	51 459	35 257	33 703	18 394	100 862	69 021
Bad debts written off during the period	(17 392)	-	(290)	(20 584)	(7 000)	(168)	(24 682)	(20 752)
Gross default loans and advances to customers	202 914	139 162	108 322	62 335	47 333	18 919	358 569	220 416
Less: Collateral and other credit enhancements	200 824	114 011	102 550	83 844	45 157	12 362	348 531	210 217
Specific impairments	(16 969)	(19 801)	(28 203)	(18 725)	(7 174)	(8 790)	(52 346)	(47 316)
Net default loans and advances to customers	-	5 350	-	-	-	-	-	-
Gross defaults as a % of gross core loans and advances to customers	3.5%	2.6%	1.4%	1.0%	3.8%	1.6%	2.5%	1.7%

Risk management

An age analysis of gross non-current core loans and advances to customers

£'000	30 Sept 2008	31 March 2008
Watchlist loans neither past due nor impaired	93 705	-
1 - 60 days	603 170	465 095
61 - 90 days	125 003	72 977
91 - 180 days	115 951	167 898
181 - 365 days	42 395	8 221
>365 days	44 269	10 967
Total gross non-current loans and advances to customers (actual capital exposure)	1 024 493	725 158
1 - 60 days	23 640	27 913
61 - 90 days	8 335	4 309
91 - 180 days	20 325	25 641
181 - 365 days	18 266	3 268
>365 days	30 296	7 890
Total gross non-current loans and advances to customers (actual amount in arrears)	100 862	69 021

A further age analysis of gross non-current core loans and advances to customers

£'000	Watchlist loans	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
As at 30 Sept 2008							
Watchlist loans neither past due nor impaired							
Total capital exposure	67 272	-	-	-	-	-	67 272
Amount in arrears	-	-	-	-	-	-	-
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	596 752	115 893	37 185	12 281	10 656	772 767
Amount in arrears	-	21 818	7 069	11 888	10 409	8 101	59 285
Gross core loans and advances to customers that are impaired							
Total capital exposure	26 432	6 419	9 110	78 766	30 114	33 613	184 454
Amount in arrears	-	1 822	1 266	8 439	7 857	22 195	41 577
As at 31 March 2008							
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	434 349	70 059	60 705	1 180	1 509	567 802
Amount in arrears	-	25 724	2 715	1 322	786	114	30 661
Gross core loans and advances to customers that are impaired							
Total capital exposure	-	30 746	2 918	107 193	7 041	9 458	157 356
Amount in arrears	-	2 189	1 594	24 319	2 482	7 776	38 360

Risk management

An age analysis of gross non-current core loans and advances to customers as at 30 September 2008 (based on total capital exposure)

£'000	Watchlist loans	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1-60 days and management not concerned)	-	531 999	-	-	-	-	531 999
Special mention	32 443	39 730	61 383	45	324	-	133 925
Special mention (1 - 60 days in arrears and management concerned)	-	496	-	*45	*324	-	865
Special mention (61 - 90 days and item well secured)	-	-	38 891	-	-	-	38 891
Special mention - watchlist	32 443	39 234	22 492	-	-	-	94 169
Default	61 262	31 441	63 620	115 906	42 071	44 269	358 569
Sub-standard	15 286	25 499	59 065	94 394	18 168	13 128	225 540
Doubtful	45 807	5 942	4 555	13 832	21 926	29 888	121 950
Loss	169	-	-	7 680	1 977	1 253	11 079
Total	93 705	603 170	125 003	115 951	42 395	44 269	1 024 493

An age analysis of gross non-current core loans and advances to customers as at 30 September 2008 (based on actual amount in arrears)

£'000	Watchlist loans	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1-60 days and management not concerned)	-	21 425	-	-	-	-	21 425
Special mention	-	161	4 842	4	41	-	5 048
Special mention (1 - 60 days in arrears and management concerned)	-	5	-	*4	*41	-	50
Special mention (61 - 90 days and item well secured)	-	-	4 424	-	-	-	4 424
Special mention - watchlist	-	156	418	-	-	-	574
Default	-	2 054	3 493	20 321	18 225	30 296	74 389
Sub-standard	-	257	2 274	12 774	9 227	9 407	33 939
Doubtful	-	1 797	1 219	4 398	7 181	19 771	34 366
Loss	-	-	-	3 149	1 817	1 118	6 084
Total	-	23 640	8 335	20 325	18 266	30 296	100 862

* Relates to solvent deceased estates and bonds under registration at the deeds office. Due to the lengthy external process with respect to these exposures, which is out of the control of Investec, our regulatory audit partner has agreed that these exposures could be classified as special mention and remain there until settled or their credit quality deteriorates.

Risk management

An age analysis of gross non-current core loans and advances to customers as at 31 March 2008 (based on total capital exposure)

£'000	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1-60 days and management not concerned)	400 764	-	-	-	-	400 764
Special mention	30 742	70 020	527	1 180	1 509	103 978
Special mention (1 - 60 days in arrears and management concerned)	4 359	-	*527	*1 180	*1 509	7 575
Special mention (61 - 90 days and item well secured)	-	53 679	-	-	-	53 679
Special mention - watchlist	26 383	16 341	-	-	-	42 724
Default	33 589	2 957	167 371	7 041	9 458	220 416
Sub-standard	8 269	425	138 357	2 978	3 595	153 624
Doubtful	23 858	2 532	12 925	4 063	5 846	49 224
Loss	1 462	-	16 089	-	17	17 568
Total	465 095	72 977	167 898	8 221	10 967	725 158

An age analysis of gross non-current core loans and advances to customers as at 31 March 2008 (based on actual amount in arrears)

£'000	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1-60 days and management not concerned)	25 691	-	-	-	-	25 691
Special mention	27	2 715	249	786	114	3 891
Special mention (1 - 60 days in arrears and management concerned)	14	57	*249	*786	*114	1 220
Special mention (61 - 90 days and item well secured)	13	2 657	-	-	-	2 670
Special mention - watchlist	-	1	-	-	-	1
Default	2 195	1 594	25 392	2 482	7 776	39 439
Sub-standard	669	43	5 524	728	3 009	9 973
Doubtful	1 360	1 551	3 779	1 754	4 750	13 194
Loss	166	-	16 089	-	17	16 272
Total	27 913	4 309	25 641	3 268	7 890	69 021

* Relates to solvent deceased estates and bonds under registration at the deeds office. Due to the lengthy external process with respect to these exposures, which is out of the control of Investec, our regulatory audit partner has agreed that these exposures could be classified as special mention and remain there until settled or their credit quality deteriorates.



Risk management

An analysis of core loans and advances to customers

£'000	Gross core loans and advances that are neither past due nor impaired	Watchlist loans neither past due nor impaired	Gross core loans and advances that are past due but not impaired	Gross core loans and advances that are impaired	Total gross core loans and advances (actual capital exposure)
As at 30 September 2008					
Current core loans and advances	13 584 000	-	-	-	13 584 000
Past due (1-60 days and management not concerned)	-	-	531 999	-	531 999
Special mention	-	32 443	101 482	-	133 925
Special mention (1 - 60 days in arrears and management concerned)	-	-	865	-	865
Special mention (61 - 90 days and item well secured)	-	-	38 891	-	38 891
Special mention - watchlist	-	32 443	61 726	-	94 169
Default	-	34 829	139 286	184 454	358 569
Sub-standard	-	11 606	138 967	74 967	225 540
Doubtful	-	23 065	319	98 566	121 950
Loss	-	158	-	10 921	11 079
Total	13 584 000	67 272	772 767	184 454	14 608 493
As at 31 March 2008					
Current core loans and advances	12 182 609	-	-	-	12 182 609
Past due (1-60 days and management not concerned)	-	-	400 764	-	400 764
Special mention	-	-	103 978	-	103 978
Special mention (1 - 60 days in arrears and management concerned)	-	-	7 575	-	7 575
Special mention (61 - 90 days and item well secured)	-	-	53 679	-	53 679
Special mention - watchlist	-	-	42 724	-	42 724
Default	-	-	63 060	157 356	220 416
Sub-standard	-	-	62 687	90 937	153 624
Doubtful	-	-	373	48 851	49 224
Loss	-	-	-	17 568	17 568
Total	12 182 609	-	567 802	157 356	12 907 767

Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears	Bad debts written off or recovered
-	(4 796)	13 579 204	-	13
-	(2 323)	529 676	21 425	-
-	(128)	133 797	5 048	-
-	-	865	50	-
-	(99)	38 792	4 424	-
-	(29)	94 140	574	-
(52 346)	-	306 223	74 389	(24 695)
(7 229)	-	218 311	33 939	(544)
(39 895)	-	82 055	34 366	-
(5 222)	-	5 857	6 084	(24 151)
(52 346)	(7 247)	14 548 900	100 862	(24 682)
-	(2 894)	12 179 715	-	2 850
-	(3 669)	397 095	25 691	(1)
-	(125)	103 853	3 891	-
-	(36)	7 539	1 220	-
-	(89)	53 590	2 670	-
-	-	42 724	1	-
(47 316)	(7)	173 093	39 439	(23 601)
(16 423)	(3)	137 198	9 973	(1)
(18 948)	(1)	30 275	13 194	(1 705)
(11 945)	(3)	5 620	16 272	(21 895)
(47 316)	(6 695)	12 853 756	69 021	(20 752)



Risk management

An analysis of core loans and advances to customers and impairments by counterparty type

£'000	Current core loans and advances	Past due (1-60 days and management not concerned)	Special mention (1-60 days in arrears and management concerned)	Special mention (61-90 days and item well secured)	Special mention - watchlist
As at 30 Sept 2008					
Private Banking professional and HNW individuals	9 041 457	487 660	865	30 144	70 782
Corporate sector	3 400 084	36 422	-	4 346	23 194
Banking, insurance, financial services (excluding sovereign)	850 570	-	-	-	-
Public and government sector (including central banks)	143 954	-	-	-	-
Trade finance	147 935	7 917	-	4 401	193
Total	13 584 000	531 999	865	38 891	94 169
As at 31 March 2008					
Private Banking professional and HNW individuals	7 901 316	373 400	7 575	50 157	42 724
Corporate sector	3 171 078	20 484	-	2 364	-
Banking, insurance, financial services (excluding sovereign)	760 998	-	-	-	-
Public and government sector (including central banks)	275 884	-	-	-	-
Trade finance	73 333	6 880	-	1 158	-
Other	-	-	-	-	-
Total	12 182 609	400 764	7 575	53 679	42 724

An analysis of core loans and advances to customers by counterparty type

	30 Sept 2008	31 March 2008
Private Banking professional and HNW individuals	9 937 503	8 550 145
Corporate sector	3 511 973	3 235 553
Banking, insurance, financial services (excluding sovereign)	850 570	760 998
Public and government sector (including central banks)	143 954	275 884
Trade finance	164 493	85 187
Other	-	-
Total gross core loans and advances to customers	14 608 493	12 907 767

Sub-standard	Doubtful	Loss	Total gross core loans and advances to customers	Portfolio impairments	Specific impairments	Total impairments	Bad debts written off or recovered during the period
185 835	109 824	10 936	9 937 503	(5 283)	(42 048)	(47 331)	(24 341)
39 606	8 178	143	3 511 973	(1 373)	(7 514)	(8 887)	(341)
-	-	-	850 570	(591)	-	(591)	-
-	-	-	143 954	-	-	-	-
99	3 948	-	164 493	-	(2 784)	(2 784)	-
225 540	121 950	11 079	14 608 493	(7 247)	(52 346)	(59 593)	(24 682)
117 283	40 246	17 444	8 550 145	(4 528)	(41 228)	(45 756)	(3 164)
36 341	5 162	124	3 235 553	(1 843)	(4 288)	(6 131)	(17 588)
-	-	-	760 998	-	-	-	-
-	-	-	275 884	-	-	-	-
-	3 816	-	85 187	-	(1 800)	(1 800)	-
-	-	-	-	(324)	-	(324)	-
153 624	49 224	17 568	12 907 767	(6 695)	(47 316)	(54 011)	(20 752)



Risk management

Collateral

£'000	Collateral held against		Total
	Gross core loans and advances	Other credit and counterparty exposures*	
As at 30 Sept 2008			
Eligible financial collateral	1 075 134	1 448 124	2 523 258
Listed shares	549 634	186 321	735 955
Cash	516 902	874 190	1 391 092
Debt securities issued by sovereigns	8 598	387 613	396 211
Mortgage bonds	14 818 330	2 190 701	17 009 031
Residential mortgages	5 219 975	1 970 575	7 190 550
Residential development	2 209 894	25 201	2 235 095
Commercial property investments	7 388 461	194 925	7 583 386
Other collateral	4 384 129	2 661 451	7 045 580
Unlisted shares	313 291	37 393	350 684
Bonds other than mortgage bonds	373 070	452 800	825 870
Asset backed lending	1 320 123	449 163	1 769 286
Guarantees	810 188	57 439	867 627
Credit derivatives	18 143	163 122	181 265
Other	1 549 314	1 501 534	3 050 848
Total collateral	20 277 593	6 300 276	26 577 869
Suretyships	2 187 187	-	2 187 187
Collateral including suretyships	22 464 780	6 300 276	28 765 056
As at 31 March 2008			
Eligible financial collateral	1 634 954	755 038	2 389 992
Listed shares	1 046 149	488 158	1 534 307
Cash	580 331	25 004	605 335
Debt securities issued by sovereigns	8 474	241 876	250 350
Mortgage bonds	13 741 822	698 188	14 440 010
Residential mortgages	6 012 933	696 750	6 709 683
Residential development	-	-	-
Commercial property investments	7 728 889	1 438	7 730 327
Other collateral	5 007 861	187 165	5 195 026
Bonds other than mortgage bonds	321 049	-	321 049
Asset backed lending	358 404	18 436	376 840
Guarantees	603 953	-	603 953
Credit derivatives	27 350	-	27 350
Other	3 697 105	168 729	3 865 834
Total collateral	20 384 637	1 640 391	22 025 028

* A large percentage of these exposures (for example bank placements) are to highly rated financial institutions where limited collateral would be required due to the nature of the exposure.



Risk management

Securitisation/principal finance activities and exposures

UK and Europe

The UK has developed a Principal Finance business over the last three years. The business focuses on securitisation of our assets, predominantly residential and commercial mortgages. We also undertake trading and investment in structured credit investments where we have invested in rated and unrated debt instruments largely within the UK and Europe and to a lesser extent in the US.

During the previous financial year Investec plc acquired Kensington. We retain residual exposures amounting to £259 million to the assets originated, warehoused and securitised by Kensington. Further information is provided on pages 34 to 37.

South Africa

In South Africa, our securitisation business, which forms part of our Structured Finance unit, was established approximately seven years ago when the debt capital markets commenced development. Over this time, we have arranged a number of corporate bond and commercial paper programmes and third party securitisations. In certain of these transactions we act as liquidity provider. We have also recently focused on the development of securitisation platforms with external third party originating intermediaries. We have provided warehouse funding lines to these intermediaries. Furthermore, we have securitised assets we have originated in our Private Banking business in South Africa.

The primary motivations for the securitisation of assets within our Private Banking division are to:

- Provide an alternative source of funding.
- Provide a source of revenue.
- Act as a mechanism to transfer risk.
- Leverage returns through the retention of equity tranches in low default rate portfolios.

Total assets that have been originated and securitised by the Private Bank amount to R9.5 billion (March 2008: R9.2 billion) and include auto loans (R1.1 billion), residential mortgages (R7.3 billion) and commercial mortgages (R1.1 billion). These securitisation structures have all been rated by Moody's.

Australia

Investec Bank (Australia) Limited acquired Experien in October 2007. As is the case in the South African Private Banking division assets originated by the business have been securitised. These amount to A\$869 million and include leases and instalment debtors (A\$447 million), residential mortgages (A\$19 million), commercial mortgages (A\$210 million) and other loans, for example overdrafts (A\$193 million). These securitisation structures have all been rated by Standard and Poor's.

Risk management

Summary of securitisation/principal finance exposures and activity over the course of the year

In terms of our analysis of our credit and counterparty risk, exposures arising from securitisation/principal finance activities reflect only those exposures to which we consider ourselves to be at risk notwithstanding accounting conventions. In addition, assets that have been securitised by our Private Banking division are reflected as part of our core lending exposures and not our securitisation/principal finance exposures as we believe this reflects the true nature and intent of these exposures and activities.

Nature of exposure/activity	Exposure as at 30 Sept 2008 - £'mn	Exposure as at 31 March 2008 - £'mn	Credit analysis internal risk classification as per table on page 89	Asset quality - relevant comments for the six months to 30 Sept 2008
Structured credit investments				
Rated	169	121	On-balance sheet securitisation/principal finance exposure.	During the period we wrote off £8.3 million against US exposures as discussed on page 32.
Unrated	73	91		
Other	10	19		
Kensington - mortgage assets				
Net exposures to the securitised book (i.e. those assets that have been securitised)	113	102	On-balance sheet securitisation/principal finance exposure. We are required to fully consolidate all assets acquired from Kensington. However, only those assets to which we are at risk are reflected in this analysis with the balance reflected under "no credit exposures".	Refer to page 35.
Net exposures to the warehouse book (i.e. those assets that have been originated and placed in special purpose vehicles awaiting securitisation)	146	128	On-balance sheet securitisation/principal finance exposure. We are required to fully consolidate all assets acquired from Kensington. However, only those assets to which we are at risk are reflected in this analysis with the balance reflected under "no credit exposures".	Refer to page 35.
Direct warehouse funding facility (i.e. where we are the funding provider to the assets)	260	260	Average loan to value of the assets to which these funding lines support is 68%.	

Risk management

Summary of securitisation/principal finance exposures and activity over the course of the year (continued)

Nature of exposure/activity	Exposure as at 30 Sept 2008 - £'mn	Exposure as at 31 March 2008 - £'mn	Credit analysis internal risk classification as per table on page 89	Asset quality - relevant comments for the six months to 30 Sept 2008
UK - residual investments in other assets which have been securitised by us	29	29	On-balance sheet securitisation/principal finance exposure. We are required to fully consolidate these assets. However, only those assets to which we are at risk are reflected in this analysis with the balance reflected under "no credit exposures".	
South Africa - warehouse funding lines provided to, and investment in third party intermediary originating platforms (mortgage and auto loans)	81	28	On-balance sheet securitisation/principal finance.	During the period we created a specific impairment of £2.4 million largely against the net investments within these platforms.
Private Banking division assets which have been securitised	1 018	914	On-balance sheet exposure - reclassified from "accounting securitised assets" to core loans and advances for credit analysis purposes.	Analysed as part of the group's overall asset quality on core loans and advances as reflected on page 96.
South Africa - liquidity facilities provided to third party corporate securitisation vehicles	324	299	Off-balance sheet credit exposure as these facilities have remained undrawn and reflect a contingent liability of the bank.	



Risk management

Equity and investment risk in the banking book

Equity and investment risk in the banking book arises primarily from the following activities conducted within the group:

- Investment Banking Principal Investments (Private Equity and Direct Investments): We actively seek and select expansion and buy-out investments as principal in unlisted companies. Investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy. In addition, as a result of our local market knowledge and investment banking expertise, we are well positioned to take direct positions in listed shares where we believe that the market is mispricing the value of the underlying portfolio of assets. These investment positions are carefully researched with the intent to stimulate corporate activity. In South Africa, we also continue to pursue opportunities to help create and grow black owned and controlled companies.
- Lending transactions (within the Private Banking and Capital Markets divisions): The manner in which we structure certain transactions results in equity, warrant and profit shares being held, predominantly within unlisted companies.
- Property Activities: We source development, investment and trading opportunities to create value and trade for profit within agreed risk parameters.
- Central Funding: In South Africa the Central Funding division is the custodian of certain equity and property investments, which have largely arisen from corporate acquisitions made, notably in the early 2000s.

The table below provides an analysis of income and revaluations recorded with respect to these investments.

Six months to 30 September 2008

£'000	Income (pre funding costs) - for the period ended				Fair value directly to equity
	Unrealised	Realised	Dividends, net interest and other	Total	
Unlisted investments	8 404	4 387	27 503	40 294	(475)
UK and Europe	1 726	463	284	2 473	(1)
South Africa	8 999	3 923	27 119	40 041	-
Australia	(2 321)	-	101	(2 220)	(474)
Listed equities	(7 511)	(581)	1 813	(6 279)	(6 557)
UK and Europe	(4 861)	(573)	1 367	(4 067)	(5 756)
South Africa	(2 642)	-	441	(2 201)	(179)
Australia	(8)	(8)	5	(11)	(622)
Investment and trading properties	7 981	-	(15)	7 966	-
South Africa	7 981	-	(15)	7 966	-
Warrants, profit shares and other embedded derivatives	1 288	23 733	819	25 840	-
UK and Europe	1 682	20 039	596	22 317	-
South Africa	(394)	3 694	223	3 523	-
Total	10 162	27 538	30 121	67 821	(7 032)

Unrealised revaluation gains are included in Tier 1 capital. Revaluations that are posted directly to equity are excluded from capital within Investec Limited and included in Tier 2 capital within Investec plc.



Risk management

The balance sheet value of investments is indicated in the table below.

£'000	Balance sheet value of investments 30 Sept 2008	Valuation change stress test* 30 Sept 2008	Balance sheet value of investments 31 March 2008	Valuation change stress test* 31 March 2008
Unlisted investments	436 031	65 405	365 189	54 778
UK and Europe	155 970	23 395	120 872	18 131
South Africa	259 504	38 926	225 249	33 787
Australia	20 557	3 084	19 068	2 860
Listed equities	78 511	19 628	96 771	24 193
UK and Europe	26 964	6 741	40 359	10 090
South Africa	49 757	12 439	54 520	13 630
Australia	1 790	448	1 892	473
Investment and trading properties	184 776	9 996	174 091	8 787
UK and Europe	6 726	1 009	-	-
South Africa	178 050	8 987	174 091	8 787
Warrants, profit shares and other embedded derivatives	84 303	29 506	65 640	22 974
UK and Europe	63 846	22 346	41 879	14 658
South Africa	20 458	7 160	23 761	8 316
Total	783 622	124 535	701 691	110 732

* In order to assess our earnings sensitivity to a movement in the valuation of these investments the following stress testing parameters are applied.

Stress test values applied

Unlisted investments	15%
Listed equities	25%
Trading properties	15%
Investment properties	5%
Warrants, profit shares and other embedded derivatives	35%

Based on the information above we could have a £125 million reversal in revenue (which assumes a year in which there is a "worst case scenario"). This would not cause the group to report a loss but could have a significantly negative impact on earnings for that period.

Traded market risk management

Traded market risk is a measure of potential change in the value of a portfolio of instruments as a result of changes in the financial environment (resulting in changes in underlying market risk factors such as interest rates, equity markets, bond markets, commodity markets, exchange rates and volatilities) between now and a future point in time. The Market Risk Management team identifies, quantifies and manages the effects of these potential changes in accordance with Basel II and policies determined by the board.

Within our trading activities, we act as principal with clients or the market. Market risk, therefore, exists where we have taken on principal positions, resulting from proprietary trading, market making, arbitrage, underwriting and investments in the commodity, foreign exchange, equity, capital and money markets. The focus of these businesses is primarily on supporting client activity. Our philosophy is that proprietary trading should be limited and that trading should be conducted largely to facilitate clients in deal execution.

Measurement techniques used to quantify market risk arising from our trading activities include sensitivity analysis, Value at Risk (VaR) and Expected Tail Loss (ETL). Stress testing and scenario analysis are also used to simulate extreme conditions to supplement these core measures.

VaR numbers are monitored at the 95%, 99% and 100% (maximum loss) confidence intervals. ETLs are monitored at the 95% and 99% levels. Scenario analysis considers the impact of a significant market event on our current trading portfolios. We consider the impact for the 10 days after the event, not merely the instantaneous shock to the markets. Included in our scenario analysis are for example the following: October 1987 (Black Monday), 11 September 2001 and the December Rand crisis in 2001.

All VaR models, while forward-looking, are based on past events and depend on the quality of available market data. The accuracy of the VaR model as a predictor of potential loss is continuously monitored through back testing. This involves comparing the actual trading revenues arising from the previous day's closing positions with the one-day VaR calculated for the previous day on these same positions. If the revenue is negative and exceeds the one-day VaR, a "back testing breach" is considered to have occurred.

Risk management

VaR

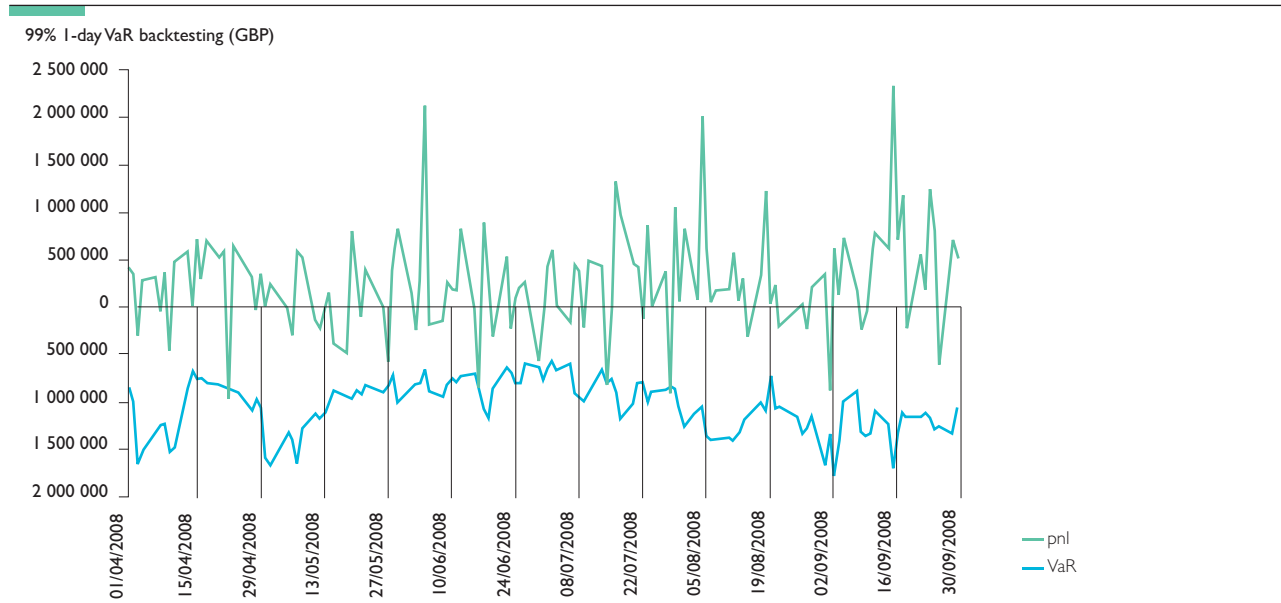
	Investec plc		Investec Limited
	IBUK [^] 95% (one-day) £'000	IBAL [^] 99% (one-day) A\$'000	95% (one-day) R'million
30 Sept 2008			
Commodities	49	-	0.5
Equity derivatives	406	-	2.2
Foreign exchange	15	144	1.1
Interest rates	490	163	1.3
Consolidated*	570	307	3.8
High	1 112	307	10.1
Low	341	95	0.1
Average	590	162	4.4
31 March 2008			
Commodities	93	-	0.4
Equity derivatives	275	-	4.0
Foreign exchange	23	34	1.8
Interest rates	397	343	0.4
Consolidated*	434	374	3.8
High	951	374	10.8
Low	130	59	1.9
Average	385	178	6.2

* The consolidated VaR for each desk and each entity is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes.

^ Where: IBUK is Investec Bank (UK) Limited and IBAL is Investec Bank (Australia) Limited

The graphs below show total daily VaR and profit and loss (pnl) figures for our trading activities over the six-month reporting period. The values are for the 99% one-day VaR i.e. 99% of the time, the total trading activities will not lose more than the values depicted below. Based on these graphs, we can gauge the accuracy of the VaR figures.

Investec Bank (UK) Limited

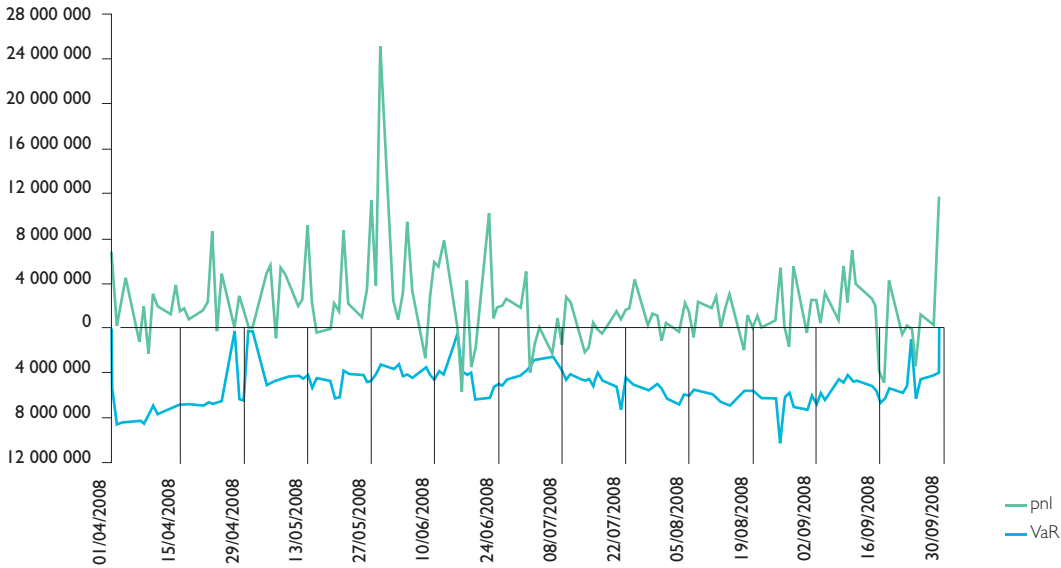


There have been three exceptions i.e. where the loss is greater than the VaR. The model would expect around one to two exceptions per six month period. All exceptions were due predominantly to the Fixed Income desk. These exceptions arose due to the increased volatility in the markets with extreme moves across most asset classes and in particular interest rates.

Risk management

Investec Limited

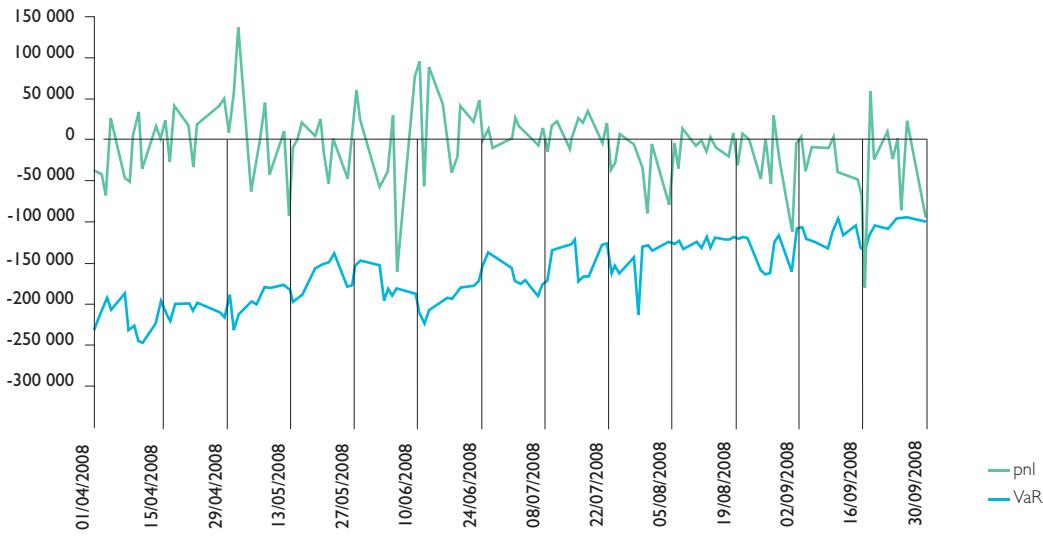
99% 1-day VaR backtesting (Rands)



There were two exceptions over the period. These were caused mainly by extreme adverse moves in ZAR and USD interest rates.

Investec Bank (Australia) Limited

99% 1-day VaR backtesting (A\$)



There has been one exception over the period. This was due to the increased volatility in the market, in particular the USD interest rate curve moving up sharply.



Risk management

ETL

	Investec plc 95% (one-day) £'000	Investec Limited 95% (one-day) R'million
30 Sept 2008		
Commodities	69	0.7
Equity derivatives	500	3.4
Foreign exchange	20	1.9
Interest rates	604	2.1
Consolidated*	771	5.8
31 March 2008		
Commodities	134	0.5
Equity derivatives	347	6.1
Foreign exchange	31	2.7
Interest rates	581	0.7
Consolidated*	648	5.7

* The consolidated ETL for each desk and each entity is lower than the sum of the individual ETLs. This arises from the correlation offset between various asset classes.

Stress testing

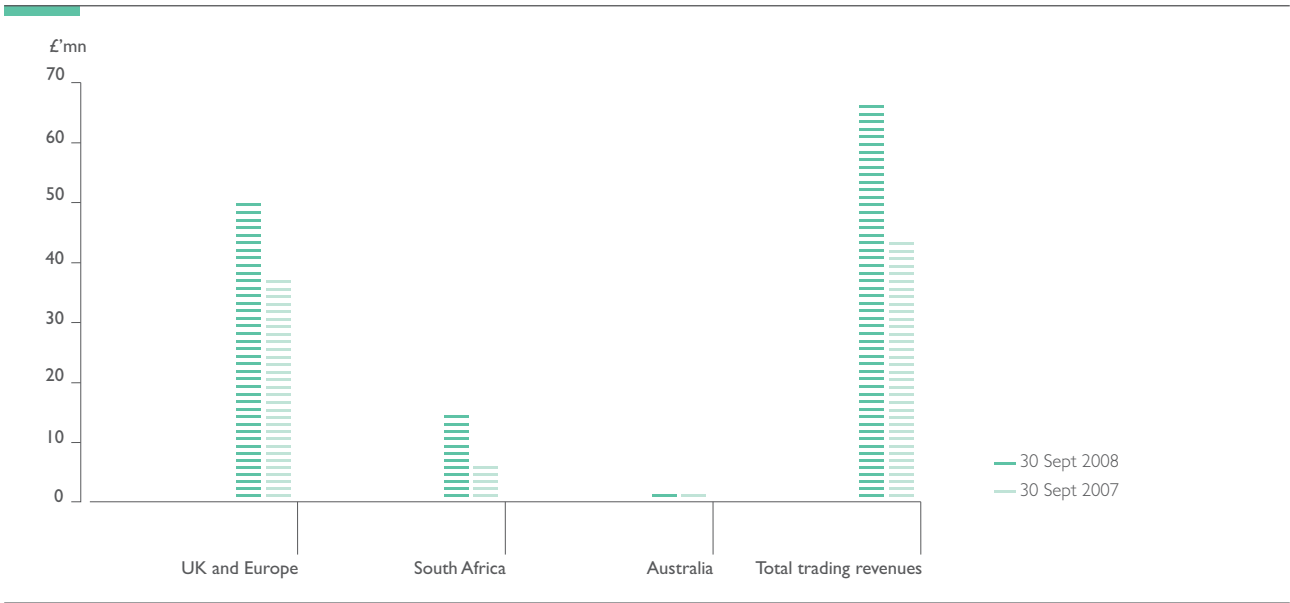
The table below indicates the potential losses that could arise if the portfolio is stress tested under extreme market conditions (15 standard deviations).

	Investec plc		Investec Limited IBL Using VaR R'million
	IBUK [^] Using VaR £'000	IBAL [^] Using VaR A\$'000	
30 Sept 2008			
Commodities	375	-	3.7
Equity derivatives	3 110	-	16.8
Foreign exchange	112	837	8.4
Interest rates	3 753	948	9.9
Consolidated	7 350	1 785	29.1
31 March 2008			
Commodities	712	-	3.1
Equity derivatives	2 105	-	30.6
Foreign exchange	176	200	13.8
Interest rates	3 038	1 995	3.1
Consolidated	6 031	2 195	50.6

[^] Where: IBUK is Investec Bank (UK) Limited and IBAL is Investec Bank (Australia) Limited.

Risk management

Revenue from trading activities within our Capital Markets division over the period



Non-traded currency risk

Fluctuations in exchange rates against Pounds Sterling can have an impact on our financial results. Information in this regard is provided on page 2.

Balance sheet risk management

Balance sheet risk management encompasses the financial risks relating to our asset and liability portfolios, comprising market liquidity, funding, concentration and non-trading interest rate risks on balance sheet.

Non-trading interest rate risk description

Non-trading interest rate risk is the impact on net interest earnings and sensitivity to economic value, as a result of increases or decreases in interest rates arising from the execution of our core business strategies and the delivery of products and services to our customers.

Sources of banking-related risk exposures include potential adverse effect of volatility and changes in interest rate levels, yield curves and spreads. These affect the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest income and the economic value of equity. The mix of interest rate repricing characteristics is influenced by the underlying financial needs of customers.

The tables that follow show our non-trading interest rate mismatch. These exposures affect the interest rate margin realised between lending income and borrowing costs.



Risk management

UK and Europe - interest rate sensitivity

As at 30 Sept 2008 £'million	Not > 3 months	>3 months but <6 months	>6 months but <1 year	>1 year but <5 years	>5 years	Non rate	Total non- trading
Cash and short term funds - banks	1 737	15	4	-	-	23	1 779
Investment/trading assets	103	25	21	22	-	185	356
Securitised assets	3 941	121	157	27	8	-	4 254
Advances	6 547	362	271	542	29	(14)	7 738
Non-rate assets	27	-	2	2	-	991	1 021
Assets	12 356	522	454	593	38	1 186	15 149
Deposits - banks	(4 741)	(168)	(53)	(29)	-	-	(4 991)
Deposits - non-banks	(3 716)	(160)	(94)	(55)	(2)	-	(4 026)
Negotiable paper	(274)	-	-	-	-	-	(274)
Investment/trading liabilities	(166)	(1)	-	(1)	-	(47)	(215)
Securitised liabilities	(4 120)	-	-	-	-	-	(4 120)
Subordinated liabilities	-	(10)	-	(342)	(350)	(37)	(738)
Non-rate liabilities	-	-	(1)	-	(3)	(615)	(619)
Liabilities	(13 016)	(338)	(148)	(427)	(355)	(698)	(14 982)
Intercompany loans	241	48	(17)	(11)	(4)	(289)	(33)
Shareholders' funds	1	-	-	-	-	(1 077)	(1 077)
Balance sheet	(418)	232	289	155	(321)	(879)	(943)
Hedges	82	(66)	(275)	(61)	320	-	-
Repricing gap	(336)	166	15	94	(1)	(879)	(943)
Cumulative repricing gap	(336)	(171)	(156)	(62)	(63)	(943)	-

South Africa - interest rate sensitivity

As at 30 Sept 2008 R'million	Not > 3 months	>3 months but <6 months	>6 months but <1 year	>1 year but <5 years	>5 years	Non rate	Total non- trading
Cash and short-term funds - banks	16 795	-	-	-	-	3 111	19 906
Cash and short-term funds - non-banks	6 751	-	-	-	-	-	6 751
Investment/trading assets and statutory liquids	11 511	2 277	866	664	12	14 463	29 793
Securitised assets	13 331	15	46	236	45	-	13 673
Advances	86 592	1 179	1 462	11 342	4 713	-	105 288
Other assets	1 307	-	-	-	-	5 344	6 651
Assets	136 287	3 471	2 374	12 242	4 770	22 918	182 062
Deposits - banks	(8 205)	(1 084)	(45)	-	-	-	(9 334)
Deposits - non-banks	(95 329)	(11 958)	(8 519)	(1 998)	(582)	(2 143)	(120 529)
Negotiable paper	(800)	(800)	(1 601)	-	-	-	(3 201)
Securitised liabilities	(11 889)	(268)	-	(865)	-	-	(13 022)
Investment/trading liabilities	-	-	-	-	-	(3 622)	(3 622)
Subordinated liabilities	(1 141)	-	-	(3 750)	(200)	-	(5 091)
Non-rate liabilities	(2 143)	(315)	(412)	(432)	(176)	(9 447)	(12 925)
Liabilities	(119 507)	(14 425)	(10 577)	(7 045)	(958)	(15 212)	(167 724)
Intercompany loans	(391)	51	37	303	-	870	870
Shareholders' funds	(3 749)	-	(76)	-	12	(11 249)	(15 062)
Balance sheet	12 640	(10 903)	(8 242)	5 500	3 824	(2 673)	146
Hedges	(6 089)	3 888	6 876	(1 241)	(3 580)	-	(146)
Repricing gap	6 551	(7 015)	(1 366)	4 259	244	(2 673)	-
Cumulative repricing gap	6 551	(464)	(1 830)	2 429	2 673	-	-

Risk management

Australia - interest rate sensitivity

As at 30 Sept 2008 A\$'million	Not > 3 months	>3 months but <6 months	>6 months but <1 year	>1 year but <5 years	>5 years	Non rate	Total non- trading
Cash and short-term funds - banks*	373	-	-	-	-	-	373
Cash and short-term funds - non-banks	-	-	-	-	-	-	-
Investment/trading assets & statutory liquids**	-	-	-	-	-	-	-
Securitised assets	869	-	-	-	-	-	869
Advances	1 710	51	35	122	22	(16)	1 924
Other assets	-	-	-	-	-	157	157
Assets	2 952	51	35	122	22	141	3 323
Deposits - banks	(297)	-	-	-	-	-	(297)
Deposits - non-banks	(1 061)	(138)	(112)	(43)	(8)	1	(1 361)
Negotiable paper	(822)	(23)	(26)	-	-	(9)	(880)
Securitised liabilities	(868)	-	-	-	-	-	(868)
Invest/trading liabilities	-	-	-	-	-	-	-
Subordinated liabilities	(79)	-	-	(22)	-	(1)	(102)
Non-rate liabilities	-	-	-	-	-	(44)	(44)
Liabilities	(3 127)	(161)	(138)	(65)	(8)	(53)	(3 552)
Intercompany loans	(7)	-	-	(5)	-	1	(11)
Shareholders equity & minority interest	-	-	-	-	-	(654)	(654)
Balance sheet	(182)	(110)	(103)	52	14	(565)	(894)
Hedges	-	-	-	-	-	-	-
Contractual liquidity gap	(182)	(110)	(103)	52	14	(565)	(894)
Cumulative liquidity gap	(182)	(292)	(395)	(343)	(329)	(894)	-

Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The tables below reflect our economic value sensitivity to a 2% parallel shift in interest rates i.e. the numbers represent the change in our net asset value should such a scenario arise.

UK and Europe

'million	Sensitivity to the following interest rates (expressed in original currencies)						Total (in Pounds)
	GBP	USD	EUR	Other (GBP)	AUD	ZAR	
200bp Down	2.7	0.9	0.7	0.7	0.1	0.3	4.5
200bp Up	(2.7)	(0.9)	(0.7)	(0.7)	(0.1)	(0.3)	(4.5)

South Africa

'million	Sensitivity to the following interest rates (expressed in original currencies)						Total (in Rands)
	ZAR	GBP	USD	EUR	AUD	Other (Rands)	
200bp Down	27.9	3.2	(8.3)	1.6	0.5	(1.1)	28.7
200bp Up	(19.2)	(1.4)	2.8	-	(0.2)	1.1	(17.3)

Australia

'million	AUD
200bp Down	2.9
200bp Up	(2.9)



Risk management

Liquidity risk description

Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, including repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

Risk management has become more sophisticated with liquidity risk being no exception and we consider both funding liquidity risk and market liquidity risk.

Sources of liquidity risk include unforeseen withdrawals of demand deposits, restricted access to new funding with appropriate maturity and interest rate characteristics, inability to liquidate a marketable asset timeously with minimal risk of capital loss, unpredicted customer non-payment of a loan obligation and a sudden increased demand for loans.

Liquidity mismatch

The tables that follow show our liquidity mismatch across our core geographies.

With respect to the contractual liquidity mismatch:

- No assumptions are made, and we record all asset and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.
- As an integral part of the broader liquidity generation strategy (as mentioned above), we maintain a liquidity buffer in the form of unencumbered, cash, high quality liquid assets and near cash as a buffer against both expected and unexpected cash flows. As the actual contractual profile of this asset class is of little consequence, we have:
 - Set the time horizon to one month to monetise our cash and near cash portfolio of "available for sale" discretionary treasury assets, where there are deep secondary markets for this elective asset class.
 - Set the time horizon to "on demand" to monetise our statutory liquid assets for which liquidity is guaranteed by the central bank.
 - Reported the "contractual" profile by way of a note to the tables.

With respect to the behavioural liquidity mismatch:

- The new funding we would require under normal business circumstances is shown in the "behavioural mismatch". To this end, behavioural profiling is applied to liabilities with an indeterminable maturity, as the contractual repayments of many customer accounts are on demand or at short notice but expected cash flows vary significantly from contractual maturity. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.

Risk management

UK and Europe

Contractual liquidity

As at 30 Sept 2008 £'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Cash and short term funds - banks	1 843	41	9	14	-	-	-	1 907
Investment/trading assets*	854	75	165	8	23	213	322	1 662
Securitised assets	16	-	-	-	-	1	4 237	4 254
Advances**	279	407	436	1 020	537	1 801	3 258	7 737
Non-rate assets	209	258	7	25	11	80	430	1 021
Assets	3 201	781	617	1 067	571	2 096	8 247	16 581
Deposits - banks	(592)	(255)	(717)	(491)	(542)	(2 592)	107	(5 082)
Deposits - non banks	(983)	(389)	(1 989)	(498)	(103)	(172)	(28)	(4 162)
Negotiable paper	-	(96)	(170)	-	-	(9)	-	(275)
Securitised liabilities	-	-	-	-	-	-	(4 119)	(4 119)
Investment/trading liabilities	(368)	(61)	(5)	(1)	(5)	(1)	(14)	(455)
Subordinated liabilities	-	-	-	(10)	-	(209)	(520)	(738)
Non-rate liabilities	(154)	(240)	(65)	(17)	(109)	(31)	(4)	(620)
Liabilities	(2 096)	(1 040)	(2 947)	(1 017)	(758)	(3 015)	(4 578)	(15 451)
Intercompany loans	(232)	250	25	(98)	1	122	(121)	(53)
Shareholders' funds	-	-	-	-	-	-	(130)	(1 077)
Balance sheet	873	(9)	(2 305)	(48)	(186)	(797)	(1 077)	1
Off balance sheet	-	-	-	-	-	-	-	-
Contractual liquidity gap	873	(9)	(2 305)	(48)	(186)	(797)	2 472	1
Cumulative liquidity gap	873	864	(1 440)	(1 488)	(1 674)	(2 471)	1	-

Note: contractual liquidity adjustments (as discussed on page 117)

£'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
*Investment/trading assets	-	-	11	54	122	156	-	343
**Advances	-	-	-	-	-	-	-	-

Behavioural liquidity (as discussed on page 117)

£'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Behavioural liquidity gap	1 193	(9)	(2 430)	(48)	(186)	(992)	2 472	-
Cumulative	1 193	1 184	(1 245)	(1 293)	(1 479)	(2 471)	1	-



Risk management

South Africa

Contractual liquidity

As at 30 Sept 2008 R'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Cash and short-term funds - banks*	8 041	7 027	4 765	18	37	362	135	20 385
Cash and short-term funds - non-banks	7 230	-	17	-	-	-	-	7 247
Investment/trading assets and statutory liquids**	9 905	13 557	1 496	679	1 307	9 812	8 885	45 641
Securitised assets	482	86	124	213	576	5 747	6 445	13 673
Advances	3 470	4 523	11 018	9 486	11 927	35 451	29 413	105 288
Other assets	1 059	-	-	-	-	910	5 036	7 005
Assets	30 187	25 193	17 420	10 396	13 847	52 282	49 914	199 239
Deposits - banks	(470)	(463)	(4 027)	(751)	(128)	(3 493)	-	(9 332)
Deposits - non-banks	(34 830)	(31 638)	(22 060)	(16 158)	(13 056)	(3 796)	(391)	(121 929)
Negotiable paper	-	(266)	(534)	(800)	(1 601)	-	-	(3 201)
Securitized liabilities	(72)	(1 818)	(2 140)	(268)	(2 300)	(5 085)	(1 339)	(13 022)
Investment/trading liabilities	(273)	(4 501)	(963)	(705)	(1 273)	(7 523)	(3 096)	(18 334)
Subordinated liabilities	-	-	-	-	-	(4 691)	(400)	(5 091)
Non-rate liabilities	(123)	(55)	-	(920)	(1 529)	(1 802)	(8 813)	(13 242)
Liabilities	(35 768)	(38 741)	(29 724)	(19 602)	(19 887)	(26 390)	(14 039)	(184 151)
Shareholders' funds	(17)	(1)	-	-	-	-	(15 070)	(15 088)
Balance sheet	(5 598)	(13 549)	(12 304)	(9 206)	(6 040)	25 892	20 805	-
Hedges	-	-	-	-	-	-	-	-
Contractual liquidity gap	(5 598)	(13 549)	(12 304)	(9 206)	(6 040)	25 892	20 805	-
Cumulative liquidity gap	(5 598)	(19 147)	(31 451)	(46 657)	(46 697)	(20 805)	-	-

Note: contractual liquidity adjustments (as discussed on page 117)

R'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
*Cash and short-term funds - banks	4 970	7 027	4 765	18	37	362	3 206	20 385
**Investment/trading assets and statutory liquids	2 120	9 700	5 111	3 213	5 973	10 639	8 885	45 641

Behavioural liquidity (as discussed on page 117)

R'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Behavioural liquidity gap	8 027	4 201	6 911	(3 558)	(40 190)	773	28 876	-
Cumulative	8 027	12 228	19 139	15 881	(24 609)	(23 876)	-	-

Risk management

Australia

Contractual liquidity

As at 30 Sept 2008 A\$'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Cash and short-term funds - banks*	358	-	15	-	-	-	-	373
Cash and short-term funds - non-banks	-	-	-	-	-	-	-	-
Investment/trading assets & statutory liquids**	854	2	1	20	37	85	-	999
Securitised assets	-	-	-	-	-	869	-	869
Advances	-	10	361	127	295	970	126	1,889
Other assets	-	-	-	170	-	-	-	170
Assets	1,212	12	377	317	332	1,924	126	4,300
Deposits - banks	-	(297)	-	-	-	-	-	(297)
Deposits - non-banks	(425)	(325)	(160)	(74)	(267)	(86)	(9)	(1,346)
Negotiable paper	-	(150)	(227)	(71)	(42)	(388)	-	(878)
Securitized liabilities	-	-	-	-	-	(868)	-	(868)
Invest/trading liabilities	(1)	(27)	(16)	(2)	(2)	(79)	-	(127)
Subordinated liabilities	-	-	-	-	-	(101)	-	(101)
Non-rate liabilities	-	-	-	-	(58)	-	-	(58)
Liabilities	(426)	(799)	(403)	(147)	(369)	(1,522)	(9)	(3,675)
Intercompany loans	20	(5)	-	-	(2)	(1)	-	12
Shareholders equity & minority interest	-	-	-	-	-	-	(638)	(638)
Balance sheet	806	(792)	(26)	170	(39)	401	(521)	(1)
Hedges	-	-	-	-	-	-	-	-
Contractual liquidity gap	806	(792)	(26)	170	(39)	401	(521)	(1)
Cumulative liquidity gap	806	14	(12)	158	119	520	(1)	-

Note: contractual liquidity adjustments (as discussed on page 117)

A\$'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
*Statutory liquids	-	40	540	232	-	-	-	812

Behavioural liquidity (as discussed on page 117)

A\$'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Behavioural liquidity gap	(386)	21	34	185	86	60	-	-
Cumulative	(386)	(365)	(331)	(146)	(60)	-	-	-



Capital adequacy

Investec plc and Investec Limited are the two listed holding companies in terms of the DLC structure. Investec Bank (UK) Limited (IBUK) and Investec Bank Limited (IBL) are the main banking subsidiaries of Investec plc and Investec Limited, respectively. Investec Bank (Australia) Limited (IBAL) is a subsidiary of IBUK.

We have successfully implemented Basel II on the standardised approach and are comfortably meeting these new requirements.

Investec aims to maintain a capital adequacy ratio on a consolidated basis for Investec plc and Investec Limited of 14% to 17%, and targets a Tier 1 ratio in excess of 11%.

30 Sept 2008	Investec Limited R'million	IBL R'million	Investec plc £'million	IBUK £'million	IBAL A\$'million
Regulatory capital					
Tier 1					
Share capital	-	21	-	600	292
Share premium	5 846	7 066	653	37	-
Non-redeemable, non-cumulative, non-participating preference shares	3 660	1 491	130	-	-
Retained income	7 000	5 029	331	300	347
Treasury shares	(1 851)	-	(13)	-	-
Other reserves	578	6	84	27	(2)
Minority interests in subsidiaries	-	-	154	(3)	-
Less: impairments (goodwill and other deductions)	(593)	(354)	(352)	(85)	(190)
	14 640	13 259	987	876	447
Tier 2					
Aggregate amount	5 227	5 088	754	592	127
Less: deductions	(171)	(171)	(54)	(11)	(27)
	5 056	4 917	700	581	100
Tier 3					
Aggregate amount			19	19	
Other deductions from Tier 1 and Tier 2	-	-	(71)	(108)	-
Total eligible capital	19 696	18 176	1 635	1 368	547
Risk-weighted assets (banking and trading)	141 844	128 204	10 146	8 461	3 024
Credit risk - prescribed standardised exposure classes	121 283	112 676	8 442	7 156	2 587
Corporates	98 220	89 690	2 830	2 785	2 065
Secured on real estate property	8 214	8 214	3 207	2 480	75
Counterparty risk on trading positions	3 924	3 924	268	268	86
Short term claims on institutions and corporates	2 252	2 175	337	264	190
Retail	2 793	2 793	537	536	127
Institutions	4 842	4 842	110	93	15
Other exposure classes	1 038	1 038	1 153	730	29
Equity risk - standardised approach	4 924	4 795	212	208	100
Market risk - portfolios subject to internal models approach	1 493	826	283	283	26
Interest rate	124	124	146	146	22
Foreign Exchange	246	246	15	15	4
Commodities	52	52	18	18	-
Equities	1 071	404	104	104	-
Operational risk - standardised approach	14 144	9 907	1 209	814	311

Capital adequacy

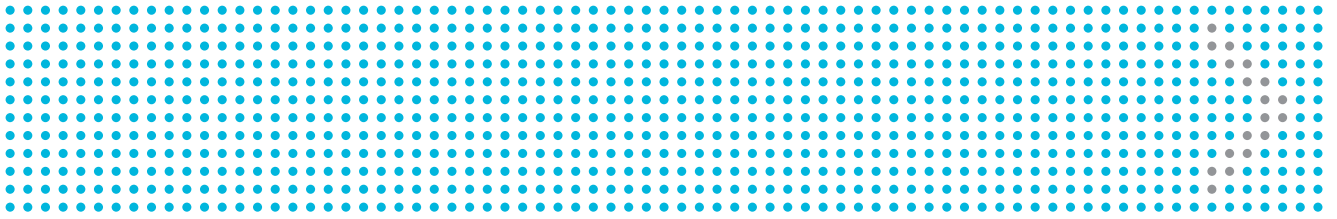
30 Sept 2008	Investec Limited R'million	IBL R'million	Investec plc £'million	IBUK £'million	IBAL A\$'million
Capital requirements	13 476	12 180	811	677	393
Credit risk - prescribed standardised exposure classes	11 522	10 705	675	573	337
Corporates	9 331	8 521	226	223	268
Secured on real estate property	780	780	257	198	10
Counterparty risk on trading positions	373	373	21	21	11
Short term claims on institutions and corporates	214	207	27	21	25
Retail	265	265	43	43	17
Institutions	460	460	9	8	2
Other exposure classes	99	99	92	59	4
Equity risk - standardised approach	468	456	17	17	13
Market risk - portfolios subject to internal models approach	142	78	22	22	3
Interest rate	12	12	12	12	3
Foreign Exchange	23	23	1	1	-
Commodities	5	5	1	1	-
Equities	102	38	8	8	-
Operational risk - standardised approach	1 344	941	97	65	40
Capital adequacy ratio	13.9%	14.2%	16.1%	16.2%	18.1%
Tier 1 ratio	10.3%	10.3%	9.7%	10.4%	14.8%
Capital adequacy ratio - pre operational risk	15.4%	15.4%	18.3%	17.9%	20.1%
Tier 1 ratio - pre operational risk	11.5%	11.2%	11.0%	11.5%	16.5%
31 March 2008	Investec Limited R'million	IBL R'million	Investec plc £'million	IBUK £'million	IBAL A\$'million
Regulatory capital					
Tier 1					
Share capital	-	19	-	555	292
Share premium	5 146	6 786	651	37	-
Non-redeemable, non-cumulative, non-participating preference shares	3 277	1 491	130	-	-
Retained income	6 508	4 328	299	275	345
Treasury shares	(1 227)	-	(16)	-	-
Other reserves	48	5	90	27	(2)
Minority interests in subsidiaries	-	-	159	-	-
Less: impairments (goodwill and other deductions)	(642)	(403)	(377)	(103)	(174)
	13 110	12 226	936	791	461
Tier 2					
Aggregate amount	5 290	5 006	736	602	118
Less: deductions	(204)	(204)	(69)	(29)	(26)
	5 086	4 802	667	573	92
Tier 3					
Aggregate amount	-	-	18	18	-
Other deductions from Tier 1 and Tier 2	-	-	(67)	(116)	-
Total eligible capital	18 196	17 028	1 554	1 266	553



Capital adequacy

31 March 2008

	Investec Limited R'million	IBL R'million	Investec plc £'million	IBUK £'million	IBAL A\$'million
Risk-weighted assets (banking and trading)	130 473	118 792	10 162	8 688	2 944
Credit risk - prescribed standardised exposure classes	111 359	105 594	8 439	7 364	2 522
Corporates	87 020	81 279	2 991	2 953	1 973
Secured on real estate property	7 935	7 935	3 108	2 441	73
Counterparty risk on trading positions	5 104	5 104	504	504	87
Short term claims on institutions and corporates	2 630	2 606	406	247	163
Retail	3 293	3 293	355	355	133
Institutions	4 430	4 430	343	279	22
Other exposure classes	947	947	732	585	71
Equity risk - standardised approach	3 798	3 644	142	138	99
Market risk - portfolios subject to internal models approach	2 046	605	372	372	19
Interest rate	95	95	255	255	17
Foreign Exchange	184	184	13	13	2
Commodities	36	36	33	33	-
Equities	1 731	290	71	71	-
Operational risk - standardised approach	13 270	8 949	1 209	814	304
Capital requirements	12 395	11 287	813	695	380
Credit risk - prescribed standardised exposure classes	10 580	10 033	675	589	326
Corporates	8 267	7 722	265	236	256
Secured on real estate property	754	754	223	196	9
Counterparty risk on trading positions	485	485	40	40	11
Short term claims on institutions and corporates	250	248	33	20	21
Retail	313	313	28	28	17
Institutions	421	421	27	22	3
Other exposure classes	90	90	59	47	9
Equity risk - standardised approach	361	346	11	11	13
Market risk - portfolios subject to internal models approach	193	58	30	30	2
Interest rate	9	9	20	20	2
Foreign Exchange	17	18	1	1	-
Commodities	3	3	3	3	-
Equities	164	28	6	6	-
Operational risk - standardised approach	1 261	850	97	65	39
Capital adequacy ratio	13.9%	14.3%	15.3%	14.6%	18.8%
Tier I ratio	10.0%	10.3%	9.2%	9.1%	15.7%
Capital adequacy ratio - pre operational risk	15.5%	15.5%	17.4%	16.1%	20.9%
Tier I ratio - pre operational risk	11.2%	11.1%	10.5%	10.0%	17.5%



Annexures

Annexure I Definitions

Adjusted shareholders' equity	Refer to calculation on page 81.
Cost to income ratio	Administrative expenses and depreciation divided by operating income.
Core loans and advances	Refer to calculation on page 86.
Dividend cover	Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share.
Earnings attributable to ordinary shareholders before goodwill and non-operating items	Refer to page 19.
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to page 19.
Effective operational tax rate	Tax on profit on ordinary activities (excluding exceptional items) divided by operating profit (excluding profit from associates and Assurance Activities).
Market capitalisation	Total number of shares in issue (including Investec plc and Investec Limited) multiplied by the closing share price of Investec plc on the London Stock Exchange.
Net tangible asset value per share	Refer to calculation on page 80.
Non-operating items	Reflects profits and/or losses on termination or disposal of group operations.
Operating profit	Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill and non-operating items.
Operating profit per employee	Refer to calculation on page 84.
Return on average adjusted shareholders' equity	Refer to calculation on page 81.
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 81.
Staff compensation to operating income ratio	All employee related costs expressed as a percentage of operating income.
Third party assets under administration	Includes third party assets under administration managed by the Private Client, Asset Management and Property businesses.
Total capital resources	Includes shareholders' equity, subordinated liabilities and minority interests.
Total equity	Total shareholders' equity including minority interests.
Weighted number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on page 19.

Annexure 2 Directors' responsibility statement

The directors listed below confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union/the Accounting Standards Board's Statement on Half-yearly Financial Reports/national accounting standard relating to interim reporting; and
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

Neither the company nor the directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

On behalf of the directors



Stephen Koseff
Chief Executive Officer



Bernard Kantor
Managing Director

21 November 2008



Annexure 3 Independent review report to Investec plc (incorporating Investec limited)

Introduction

We have been engaged by the company to review the financial statements in the half-yearly financial report of Investec plc (incorporating Investec Limited) for the six months ended 30 September 2008 which comprises the Combined Consolidated Income Statement, Combined Consolidated Balance Sheet, Summarised Combined Consolidated Cash Flow Statement and Combined Consolidated Statement of Total Recognised Income and Expenses. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed on page 7, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly financial report for the six months ended 30 September 2008 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.



Ernst & Young LLP
London
21 November 2008

Annexure 4 Independent Auditors' review report

To the members of Investec Ltd

Introduction

We have reviewed the accompanying combined consolidated balance sheet of Investec Limited as at 30 September 2008, and the related combined consolidated income statement, combined consolidated statement of total recognised income and expenses and summarised combined consolidated cash flow statement for the six month period then ended and selected explanatory notes. The company's directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards, applicable to Interim Financial Reporting and in the manner required by the Companies Act of South Africa. Our responsibility is to express a conclusion on this interim information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standards applicable to Interim Financial Reporting and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Yours faithfully
Ernst & Young Inc.
Registered Auditor

21 November 2008

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