Out of the Ordinary®

Investec

Specialist Bank

Interim report

for the six months ended
30 | 09 | 09

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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Directorate

Executive directors

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

Non-executive directors

Hugh S Herman (Non-executive Chairman)
Sam E Abrahams
George FO Alford
Cheryl C Carolus
Haruko Fukuda OBE
Geoffrey MT Howe
Ian R Kantor
Sir Chips Keswick (Senior Independent NED)
Peter M Malungani
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Who we are

Investec (comprising Investec plc and Investec Limited) is an international, specialist banking group that provides a diverse range of financial products and services to a select client base.

Founded as a leasing company in Johannesburg in 1974, we acquired a banking licence in 1980 and were listed on the JSE Limited South Africa in 1986.

In July 2002, we implemented a Dual Listed Companies (DLC) structure with linked companies listed in London and Johannesburg. A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa and select activities in Australia.

What we do

We are organised as a network comprising five business divisions: Private Client Activities, Capital Markets, Investment Banking, Asset Management and Property Activities. Our head office provides certain group-wide integrating functions and is also responsible for our central funding and the Trade Finance business.

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

Mission statement

We strive to be a distinctive specialist banking group, driven by commitment to our core philosophies and values.

Values

- Outstanding talent – empowerment, enabled and inspired
- Meritocracy
- Passion, energy, stamina, tenacity
- Entrepreneurial spirit

Distinctive Performance

- Respect for others
- Embrace diversity
- Open and honest dialogue
- Unselfish contribution to colleagues, clients and society

Dedicated Partnerships

Client Focus

- Distinctive offering
- Leverage resources
- Break china for the client

Cast-iron Integrity

- Moral strength
- Risk consciousness
- Highest ethical standards

Philosophies

- Single organisation
- Meritocracy
- Focused businesses
- Differentiated, yet integrated
- Material employee ownership
- Creating an environment that stimulates extraordinary performance

Overview of the Investec group

The Investec distinction

Client focused approach

- Clients are our business.
- We strive to build business depth by deepening existing client relationships.
- Distinction lies in our ability to be nimble, flexible and innovative, and to give clients a high level of service.

Specialised and focused strategy

- Not all things to all people.
- Serve select market niches as a focused provider of tailored structured solutions.
- Strategy is to enhance our existing position in principal businesses and geographies.

Sustainable business model

- Build a sustainable business model by balancing operational risk businesses with financial risk businesses.
- Organic growth and select bolt-on acquisitions.
- Contain costs and strictly manage risk, capital and liquidity.
- Committed to creating value for shareholders.

Depth of leadership and entrepreneurial environment

- Passionate people are key to ensuring distinction.
- Integrated international business platform with an effective global management structure demonstrating our depth of leadership.
- Focus on developing and empowering people who are committed to the organisation.
- Entrepreneurial environment that attracts talented people and encourages creativity and innovation.

Risk awareness entrenched in our culture

- Intimate involvement of senior management underpins effective risk management which is critical to our success.
- Culture of risk awareness is embedded into our reward programmes, values and day-to-day activities.
- Shareholder and employee interests are aligned, with executives and employees owning approximately 15% of our issued share capital.

Doing the right thing

- Doing the right thing for clients, employees and communities is integral to our way of doing business.
- Focus on projects that are educational, entrepreneurial and sustainable.

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 2009		31 March 2009		30 Sept 2008	
	Period end	Average	Period end	Average	Period end	Average
South African Rand	11.99	12.74	13.58	14.83	14.98	14.95
Australian Dollar	1.81	1.87	2.07	2.19	2.26	2.12
Euro	1.09	1.11	1.08	1.21	1.27	1.26
US Dollar	1.60	1.59	1.43	1.73	1.78	1.94

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 period has appreciated by 14.8% and the closing rate has appreciated by 11.7% since 31 March 2009.

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

	Results as reported at 30 Sept 2009	Currency neutral results at 30 Sept 2009**
Southern African operating profit (£'000)*	128 180	108 418
Southern African profit after tax and minorities (£'000)*	92 550	77 630
Total group operating profit before tax (£'000)*	205 136	185 374
Total group adjusted earnings attributable to ordinary shareholders (£'000)*	160 422	147 268
Adjusted EPS (pence)*	24.0	22.0
Total assets (£'million)	40 334	37 842
Total shareholders' equity (£'million)	2 993	2 837

* Before goodwill and non-operating items.

** For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2009. For income statement items we have used the average Rand: Pounds Sterling exchange rate that was applied in the prior period, i.e. 14.95.

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 2009		31 March 2009		30 Sept 2008	
	Period end	Average	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	0.50%	0.50%	0.57%	3.74%	5.00%	5.27%
LIBOR - 3 month	0.54%	1.08%	1.65%	4.63%	6.30%	5.95%
South Africa Prime Overdraft Rate	10.50%	11.35%	13.00%	15.06%	15.50%	14.77%
JIBAR - 3 month	7.02%	7.65%	8.80%	11.63%	12.05%	11.59%
Reserve Bank of Australia cash target rate	3.00%	3.01%	3.25%	5.84%	7.00%	7.01%
FTSE All Share Index	2 635	2 299	1 984	2 486	2 484	3 020
JSE All Share Index	24 911	23 081	20 364	24 734	23 836	29 253
Australian All Ordinaries Index	4 739	4 062	3 532	4 491	4 631	5 733

Source: Datastream

Overview of results

	30 Sept 2009	30 Sept 2008	% change	31 March 2009
Income statement and selected returns				
Operating profit before goodwill, non-operating items, taxation, impairments and after minorities (£'000)	350 275	318 538	10.0%	652 939
Operating profit before goodwill, non-operating items, taxation and after minorities (£'000)	215 979	241 758	(10.7%)	396 766
Operating profit before goodwill, non-operating items, taxation and after minorities: SA (% of total)	57.9%	65.2%		74.0%
Operating profit before goodwill, non-operating items, taxation and after minorities: Non-SA (% of total)	42.1%	34.8%		26.0%
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000)	160 422	165 632	(3.1%)	269 215
Headline earnings (£'000)	136 417	159 632	(14.5%)	261 627
Cost to income ratio	56.1%	58.0%		55.9%
Staff compensation to operating income ratio	34.6%	37.2%		34.9%
Annualised return on average adjusted shareholders' equity (post tax)	14.8%	19.3%		14.8%
Annualised return on average adjusted tangible shareholders' equity (post tax)	16.9%	23.3%		17.4%
Operating profit per employee (£'000)	35.6	37.3	(4.7%)	62.6
Net interest income as a percentage of operating income net of insurance claims	38.5%	47.5%		46.6%
Non-interest income as a percentage of operating income net of insurance claims	61.5%	52.5%		53.4%
Recurring income as a percentage of total operating income net of insurance claims	61.1%	74.3%		70.0%
Effective operational tax rate	18.2%	23.8%		21.1%
Balance sheet				
Total capital resources (including subordinated liabilities) (£'million)	4 067	3 470	17.2%	3 762
Total shareholders' equity (including preference shares and minority interests) (£'million)	2 993	2 359	26.9%	2 621
Shareholders' equity (excluding minority interests) (£'million)	2 673	2 064	29.5%	2 297
Total assets (£'million)	40 334	35 939	12.2%	37 105
Core loans and advances to customers (including own originated securitised assets) (£'million)	17 342	14 549	19.2%	16 228
Core loans and advances to customers as a percentage of total assets	43.0%	40.5%		43.7%
Cash and near cash (£'million)	6 647	4 789	38.8%	4 866
Customer deposits (accounts) (£'million)	18 014	12 899	39.7%	14 573
Third party assets under management (£'million)	62 855	51 978	20.9%	48 828
Capital adequacy ratio: Investec plc	15.5%	16.1%		16.2%
Capital adequacy ratio: Investec Limited	14.7%	13.9%		14.2%
Credit loss ratio	1.1%	0.7%		1.1%
Defaults (net of impairments and before collateral) as a percentage of net core loans and advances to customers	3.9%	2.1%		3.3%
Gearing ratio (assets excluding assurance assets to total equity)	12.1x	13.4x		12.9x
Core loans to equity ratio	5.8x	6.6x		6.2x
Core loans (excluding own originated securitised assets) to customer deposits	0.9x	1.1x		1.0x
Other salient financial features and key statistics				
Adjusted earnings per share (pence)	24.0	26.3	(8.7%)	42.4
Headline earnings per share (pence)	20.4	25.4	(19.7%)	41.2
Basic earnings per share (pence)	22.2	25.6	(13.3%)	38.5
Diluted earnings per share (pence)	21.2	24.5	(13.5%)	36.1
Dividends per share (pence)	8.0	8.0	-	13.0
Dividend cover (times)	3.0	3.3	(9.1%)	3.3
Net tangible asset value per share (pence)	296.9	233.2	27.3%	266.3
Weighted number of ordinary shares in issue (million)	669.2	629.0	6.4%	634.6
Total number of shares in issue (million)	737.7	686.8	7.4%	713.3
Closing share price (pence)	458	302	51.7%	292
Market capitalisation (£'million)	3 515	2 074	69.5%	2 083
Number of employees in the group	5 863	6 213	(5.6%)	5 951
Closing ZAR/£ exchange rate	11.99	14.98	(20.0%)	13.58
Ave ZAR/£ exchange rate	12.74	14.95	(14.8%)	14.83

Notes:
Refer to definitions and calculations on page 135.

Commentary

Overall performance

Investec has maintained its focus on managing risk, building capital and preserving liquidity. This, together with the group's geographical and operational diversity has delivered a satisfactory first half performance. Although improving, operating fundamentals remain mixed with activity levels below historic trends. In addition, lower average funds under management and an increase in impairments have resulted in an 8.7% decline in adjusted earnings per share (EPS) before goodwill and non-operating items to 24.0 pence (2008: 26.3 pence). This performance is however, significantly ahead of that of the second half of the 2009 financial year.

The main features of the period under review are:

- Operating profit before goodwill, non-operating items and taxation and after minorities ("operating profit") and before impairment losses on loans and advances increased 10.0% to £350.3 million (2008: £318.5 million).
- Operating profit decreased 10.7% to £216.0 million (2008: £241.8 million).
- Adjusted earnings attributable to shareholders before goodwill and non-operating items decreased 3.1% to £160.4 million (2008: £165.6 million).
- Net asset value per share increased by 8.6% to 335.5 pence (31 March 2009: 308.8 pence) and net tangible asset value per share (which excludes goodwill and intangible assets) increased by 11.5% to 296.9 pence (31 March 2009: 266.3 pence).
- Core loans and advances to customers increased 6.9% to £17.3 billion (31 March 2009: £16.2 billion) – a decrease of 1.3% on a currency neutral basis.
- Third party assets under management increased by 28.7% to £62.8 billion (31 March 2009: £48.8 billion).
- Customer accounts (deposits) increased 23.6% to £18.0 billion (31 March 2009: £14.6 billion).
- Cash and near cash balances amounted to £6.6 billion (31 March 2009: £4.9 billion).
- Core advances (excluding own originated securitised assets) as a percentage of customer deposits improved from 103.6% at 31 March 2009 to 89.5%.
- Tier 1 capital adequacy ratios have strengthened in both Investec plc and Investec Limited (refer to "Operational review" section below).
- Low gearing ratios represented by core loans and advances to equity at 5.8 times (31 March 2009: 6.2 times) and total assets (excluding assurance assets) to equity at 12.1 times (31 March 2009: 12.9 times).
- The board declared a dividend of 8.0 pence per ordinary share (2008: 8.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 3.0 times (2008: 3.3 times), consistent with the group's dividend policy, as revised in November 2008.

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 62.4% to £28.7 million (2008: £76.3 million).

- Private Banking
  Operating profit from the Private Banking division decreased by 73.6% to £16.7 million. (2008: £63.2 million). Activity levels have declined and impairment losses on loans and advances have increased in all geographies. The private client core lending book grew by 8.8% to £12.1 billion (31 March 2009: £11.1 billion) and the division increased its deposit book by 25.8% to £9.7 billion (31 March 2009: £7.7 billion). Funds under advice increased 3.1% to £3.4 billion (31 March 2009: £3.3 billion).

- Private Client Portfolio Management and Stockbroking
  Private Client Portfolio Management and Stockbroking reported a decrease in operating profit of 8.5% to £12.0 million (2008: £13.1 million). The Private Client business in South Africa was negatively impacted by lower turnover and average funds under management. The results of the UK operations include Investec's 47.3% share of the post-tax profit of Rensburg Sheppards plc.

Capital Markets

Capital Markets reported an increase in operating profit of 2.1% to £73.6 million (2008: £72.1 million). The division has experienced reasonable levels of activity across the advisory businesses and has also taken advantage of select debt and credit opportunities. Trading and balance sheet management activities have, however, been impacted by the lower rate environment and declining volatility and impairments have increased across all geographies. Core loans and advances increased 1.8% to £4.9 billion from £4.8 billion at 31 March 2009. Kensington Group plc ("Kensington") produced a stable performance and reported operating profit of £25.1 million (2008: £19.3 million).

Investment Banking

The Investment Banking division reported a decrease of 6.2% in operating profit to £26.8 million (2008: £28.6 million). The Agency divisions closed fewer transactions in comparison to the prior year and commissions were impacted by lower volumes. The Principal Investments division recorded a solid result, primarily driven by an improved performance from some of the investments held in the UK and Australian portfolio.

Commentary

Asset Management

Asset Management reported a decrease in operating profit of 14.1% to £28.9 million (2008: £33.7 million) largely as a result of lower average funds under management. The division continued to benefit from good investment performance and substantial net inflows. Since 31 March 2009, assets under management increased by 32.6% from £28.8 billion to £38.2 billion.

Property Activities

Property Activities generated an increase in operating profit of 5.3% to £11.7 million (2008: £11.1 million). The results of the division, based mainly in South Africa, were supported by a satisfactory performance from the investment property portfolio.

Group Services and Other Activities

Group Services and Other Activities contributed £46.2 million to operating profit (2008: £19.9 million). The Central Funding division performed well benefiting from the repurchase of group debt, partially offset by a lower return on surplus cash.

Financial statement analysis

Please refer to pages 72 and 73 for a detailed financial statement analysis.

Capital adequacy

The group holds capital well in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised in a vastly changing banking world. Accordingly, as announced in November 2008, the group has adjusted its capital adequacy targets and is focusing on increasing its capital base, targeting a minimum tier one capital ratio of 11% and a total capital adequacy ratio of 14% to 17% on a consolidated basis for Investec plc and Investec Limited, respectively. Investec has made good progress in this regard and has achieved its Tier 1 targets in the period. Further information is available on pages 130 and 131.

Liquidity and funding

A core strategy for many years has been the maintenance of cash reserves and a stock of readily available, high quality liquid assets well in excess of minimum regulatory requirements. During the period the group has on average held approximately £5.4 billion of cash and near cash to support its activities. These balances have ranged between £4.3 billion and £6.8 billion over the period, representing 20% to 30% of the group's liability base. The group continues to focus on diversifying its funding sources and maintaining a low reliance on interbank wholesale funding to fund core lending. Customer deposits have increased substantially as a result of a number of initiatives implemented across the group, with average monthly net flows for the period amounting to £570 million.

Strategy

Investec is a focused, specialist banking and asset management group 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 focus on:

- Selectively growing its loan portfolio, diversifying its deposit base and shifting emphasis to increasing the proportion of its non-lending revenue base;
- Strictly managing risk, liquidity and capital;
- Creating additional operational efficiencies and containing costs;
- Building business depth rather than business breadth by deepening existing client relationships and generating high quality income through diversified, sustainable revenue streams.

Commentary

Outlook

Over the past two years the group has successfully focused on maintaining a sound balance sheet, increasing both capital and liquidity. The group's trading performance in the first half was comfortably ahead of the second half of last year. Looking ahead, assets under management have grown substantially, impairments appear to have peaked, and the group's business divisions appear to be moving onto the front foot. The group believes that it is well placed to capitalise on a much changed banking landscape.

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 and disclosures

The accounting policies applied in the preparation of the results for the period ended 30 September 2009 are consistent with those adopted in the financial statements for the year ended 31 March 2009,except for the adoption of the following standards and interpretations:

- IAS 1 Presentation of Financial Statements (revised)
- IFRIC 13 Customer Loyalty Programmes

The adoption of these standards and interpretations had no material effect on the results and no resulting prior year restatements.

These preliminary condensed consolidated financial statements have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS34, Interim Financial Reporting.

Proviso

- Please note that matters highlighted 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 19 November 2009.
- The information in the announcement for the six months to 30 September 2009, was approved by the board of directors on 18 November 2009, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006 ("Act"). Statutory accounts for the year ended 31 March 2009, which contained an unqualified audit report, have been delivered to the Registrar of Companies in accordance with the Act.

Unaudited financial results (Investec plc and Investec Limited)

Combined consolidated income statement

£'000	6 months to 30 Sept 2009	6 months to 30 Sept 2008	Year to 31 March 2009
Interest income	974 116	1 335 403	2 596 913
Interest expense	(676 759)	(991 775)	(1 902 882)
Net interest income	297 357	343 628	694 031
Fee and commission income	256 650	332 610	592 814
Fee and commission expense	(30 222)	(30 822)	(61 292)
Principal transactions	230 821	82 298	276 521
Operating income from associates	5 929	7 724	12 438
Investment income on assurance activities	68 573	26 682	74 584
Premiums and reinsurance recoveries on insurance contracts	2 179	13 106	18 773
Other operating income/(loss)	10 470	(13 744)	(30 240)
Other income	544 400	417 854	883 598
Claims and reinsurance premiums on insurance business	(68 777)	(37 753)	(88 108)
Total operating income net of insurance claims	772 980	723 729	1 489 521
Impairment losses on loans and advances	(134 296)	(76 780)	(256 173)
Operating income	638 684	646 949	1 233 348
Administrative expenses	(417 960)	(405 480)	(803 158)
Depreciation, amortisation and impairment of property, equipment and intangibles	(15 588)	(14 439)	(30 102)
Operating profit before goodwill	205 136	227 030	400 088
Goodwill	(1 234)	-	(32 467)
Operating profit	203 902	227 030	367 621
Profit on disposal of group operations	-	-	721
Profit before taxation	203 902	227 030	368 342
Taxation	(36 211)	(52 254)	(81 675)
Profit after taxation	167 691	174 776	286 667
Losses attributable to minority interests	10 843	14 728	5 355
Earnings attributable to shareholders	178 534	189 504	292 022
Earnings per share (pence)			
- basic	22.2	25.6	38.5
- diluted	21.2	24.5	36.1
Adjusted earnings per share (pence)			
- basic	24.0	26.3	42.4
- diluted	22.9	25.2	39.7
Headline earnings per share (pence)			
- basic	20.4	25.4	41.2
- diluted	19.5	24.3	38.6
Dividends per share (pence)	8.0	8.0	13.0

Combined summarised consolidated statement of comprehensive income

£'000	6 months to 30 Sept 2009	6 months to 30 Sept 2008	Year to 31 March 2009
Profit after taxation	167 691	174 776	286 667
Fair value movements on cash flow hedges	9 905	(4 477)	(16 293)
Fair value movements on available for sale assets	18 192	342	(4 223)
Foreign currency adjustments	111 476	64 474	215 653
Pension fund actuarial losses	-	-	(9 722)
Total recognised income and expenses	307 264	235 115	472 082
Total recognised income and expenses attributable to minority shareholders	(3 018)	(4 022)	21 285
Total recognised income and expenses attributable to ordinary shareholders	257 815	199 055	376 020
Total recognised income and expenses attributable to perpetual preferred securities	52 467	40 082	74 777
	307 264	235 115	472 082

Combined consolidated balance sheet

£'000	30 Sept 2009	31 March 2009	30 Sept 2008
Assets			
Cash and balances at central banks	1 474 204	1 105 089	410 744
Loans and advances to banks	1 779 104	2 018 089	2 574 796
Cash equivalent advances to customers	496 792	396 173	484 996
Reverse repurchase agreements and cash collateral on securities borrowed	560 424	569 770	1 124 368
Trading securities	3 569 743	2 313 845	2 134 927
Derivative financial instruments	1 453 804	1 582 908	1 261 730
Investment securities	1 236 293	1 063 569	809 348
Loans and advances to customers	16 438 919	15 390 519	13 882 520
Loans and advances to customers- Kensington warehouse assets	1 873 778	1 897 878	1 697 373
Securitised assets	5 369 003	5 628 347	5 547 412
Interests in associated undertakings	98 467	93 494	87 045
Deferred taxation assets	139 611	136 757	87 259
Other assets	1 022 061	894 062	1 001 754
Property and equipment	159 062	174 532	150 468
Investment properties	200 695	189 156	161 207
Goodwill	260 987	255 972	273 928
Intangible assets	35 914	34 402	31 584
	36 168 861	33 744 562	31 721 459
Other financial instruments at fair value through income in respect of			
- Liabilities to customers	4 162 088	3 358 338	3 308 208
- Assets related to reinsurance contracts	3 196	1 768	909 121
	40 334 145	37 104 668	35 938 788
Liabilities			
Deposits by banks	3 050 282	3 781 153	3 703 112
Deposits by banks - Kensington warehouse funding	1 354 737	1 412 961	1 389 603
Derivative financial instruments	1 154 535	1 196 326	862 124
Other trading liabilities	305 770	344 561	451 856
Repurchase agreements and cash collateral on securities lent	655 556	915 850	1 165 651
Customer accounts	18 013 512	14 572 568	12 898 703
Debt securities in issue	1 166 386	1 014 871	875 818
Liabilities arising on securitisation	4 749 629	5 203 473	5 371 746
Current taxation liabilities	168 088	155 395	125 561
Deferred taxation liabilities	139 283	120 135	98 233
Other liabilities	1 342 718	1 264 144	1 308 836
Pension fund liabilities	934	1 212	-
	32 101 430	29 982 649	28 251 243
Liabilities to customers under investment contracts	4 155 535	3 352 863	3 288 073
Insurance liabilities, including unit-linked liabilities	6 553	5 475	20 135
Reinsured liabilities	3 196	1 768	909 121
	36 266 714	33 342 755	32 468 572
Subordinated liabilities	1 074 041	1 141 376	1 110 783
	37 340 755	34 484 131	33 579 355
Equity			
Called up share capital	195	190	177
Perpetual preference share capital	151	151	151
Share premium	1 861 329	1 769 040	1 683 510
Treasury shares	(74 208)	(173 068)	(126 955)
Other reserves	150 510	42 509	(66 665)
Retained income	734 845	658 129	574 250
Shareholders' equity excluding minority interests	2 672 822	2 296 951	2 064 468
Minority interests	320 568	323 586	294 965
- Perpetual preferred securities issued by subsidiaries	307 330	295 084	257 134
- Minority interests in partially held subsidiaries	13 238	28 502	37 831
Total equity	2 993 390	2 620 537	2 359 433
Total liabilities and equity	40 334 145	37 104 668	35 938 788

Combined summarised consolidated cash flow statement

£'000	6 months to 30 Sept 2009	6 months to 30 Sept 2008	Year to 31 March 2009
Cash flows from operations	300 664	284 850	631 378
(Increase)/decrease in operating assets	(355 873)	(1 163 368)	46 724
Increase/(decrease) in operating liabilities	405 987	666 641	(323 255)
Net cash inflow/(outflow) from operating activities	350 778	(211 877)	354 847
Net cash inflow/(outflow) from investing activities	2 195	(22 981)	(63 670)
Net cash outflow from financing activities	(20 229)	(83 206)	(184 981)
Effects of exchange rate changes on cash and cash equivalents	172 102	53 136	226 277
Net increase/(decrease) in cash and cash equivalents	504 846	(264 928)	332 473
Cash and cash equivalents at the beginning of the period	2 284 349	1 951 876	1 951 876
Cash and cash equivalents at the end of the period	2 789 195	1 686 948	2 284 349

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 statements of changes in equity

£'000	Called up share capital	Perpetual preference share capital	Share premium account	Treasury shares	Equity portion of convertible instruments
At 1 April 2008	177	151	1 632 634	(114 904)	2 191
Movement in reserves 1 April 2008 - 30 September 2008					
Foreign currency adjustments	-	-	11 333	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on cash flow hedges	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	11 333	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	-	-	22 162	-	-
Conversion of debt instruments	-	-	17 381	-	(2 191)
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	(12 051)	-
Transfer to capital reserves	-	-	-	-	-
Transfer from regulatory general risk reserve	-	-	-	-	-
At 30 September 2008	177	151	1 683 510	(126 955)	-
Movement in reserves 1 October 2008 - 31 March 2009					
Foreign currency adjustments	-	-	15 941	-	-
Retained profit for the period	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Fair value movements on cash flow hedges	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Losses on realisation or impairment of available for sale assets recycled through income	-	-	-	-	-
Total recognised gains and losses for the period	-	-	15 941	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	13	-	69 589	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	(46 113)	-
Transfer to capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 31 March 2009	190	151	1 769 040	(173 068)	-
Movement in reserves 1 April 2009 - 30 September 2009					
Foreign currency adjustments	-	-	22 545	-	-
Retained profit for the period	-	-	-	-	-
Fair value movements on cash flow hedges	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Total recognised gains and losses for the period	-	-	22 545	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	5	-	87 567	-	-
Share issue expenses	-	-	(3 554)	-	-
Movement of treasury shares	-	-	(14 269)	36 595	-
Transfer to capital reserves	-	-	-	-	-
Transfer from regulatory general risk reserve	-	-	-	-	-
Transfer from share based payment to treasury shares	-	-	-	62 265	-
At 30 September 2009	195	151	1 861 329	(74 208)	-

Capital reserve account	Other reserves: Available for sale reserve	Other reserves: Regulatory general risk reserve	Other reserves: Cash flow hedge reserve	Other reserves: Foreign currency reserves	Retained income	Share-holders' equity excluding minority interests	Minority interests	Total equity
6 933	(8 265)	82 018	-	(122 743)	433 012	1 911 204	298 815	2 210 019
-	-	-	-	39 284	3 151	53 768	10 706	64 474
-	-	-	-	-	189 504	189 504	(14 728)	174 776
-	-	-	(4 477)	-	-	(4 477)	-	(4 477)
-	342	-	-	-	-	342	-	342
-	342	-	(4 477)	39 284	192 655	239 137	(4 022)	235 115
-	-	-	-	-	21 857	21 857	-	21 857
-	-	-	-	-	(89 092)	(89 092)	-	(89 092)
-	-	-	-	-	(28 749)	(28 749)	-	(28 749)
-	-	-	-	-	-	22 162	-	22 162
-	-	-	-	-	(15 190)	-	-	-
-	-	-	-	-	-	-	172	172
-	-	-	-	-	-	(12 051)	-	(12 051)
(122)					122	-	-	-
-	-	(59 635)	-	-	59 635	-	-	-
6 811	(7 923)	22 383	(4 477)	(83 459)	574 250	2 064 468	294 965	2 359 433
-	-	459	-	119 380	(535)	135 245	15 934	151 179
-	-	-	-	-	102 518	102 518	9 373	111 891
-	-	-	-	-	(9 722)	(9 722)	-	(9 722)
-	-	-	(11 816)	-	-	(11 816)	-	(11 816)
-	(7 095)	-	-	-	-	(7 095)	-	(7 095)
-	2 530	-	-	-	-	2 530	-	2 530
-	(4 565)	459	(11 816)	119 380	92 261	211 660	25 307	236 967
-	-	-	-	-	70 991	70 991	-	70 991
-	-	-	-	-	(54 903)	(54 903)	-	(54 903)
-	-	-	-	-	(18 754)	(18 754)	-	(18 754)
-	-	-	-	-	-	69 602	-	69 602
-	-	-	-	-	-	-	3 314	3 314
-	-	-	-	-	-	(46 113)	-	(46 113)
5 071	-	-	-	-	(5 071)	-	-	-
-	-	645	-	-	(645)	-	-	-
11 882	(12 488)	23 487	(16 293)	35 921	658 129	2 296 951	323 586	2 620 537
-	(197)	2 300	(2 202)	80 474	731	103 651	7 825	111 476
-	-	-	-	-	178 534	178 534	(10 843)	167 691
-	-	-	9 905	-	-	9 905	-	9 905
-	18 192	-	-	-	-	18 192	-	18 192
-	17 995	2 300	7 703	80 474	179 265	310 282	(3 018)	307 264
-	-	-	-	-	25 000	25 000	-	25 000
-	-	-	-	-	(35 833)	(35 833)	-	(35 833)
-	-	-	-	-	(29 922)	(29 922)	-	(29 922)
-	-	-	-	-	-	87 572	-	87 572
-	-	-	-	-	-	(3 554)	-	(3 554)
-	-	-	-	-	-	22 326	-	22 326
(12)	-	-	-	-	12	-	-	-
-	-	(459)	-	-	459	-	-	-
-	-	-	-	-	(62 265)	-	-	-
11 870	5 507	25 328	(8 590)	116 395	734 845	2 672 822	320 568	2 993 390

Dividends and earnings per share

	6 months to 30 Sept 2009	6 months to 30 Sept 2008
Ordinary dividends - pence per share		
Interim	8.0	8.0
Earnings	£'000	£'000
Earnings attributable to shareholders	178 534	189 504
Preference dividends paid	(29 922)	(28 749)
Earnings attributable to ordinary shareholders#	**148 612**	**160 755**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	722 507 882	669 843 937
Weighted average number of treasury shares	(53 301 349)	(40 817 152)
Weighted average number of shares in issue during the year	**669 206 532**	**629 026 785**
Weighted average number of shares resulting from future dilutive potential shares	31 869 663	28 423 208
Adjusted weighted number of shares potentially in issue	**701 076 195**	**657 449 993**

There was no impact on earnings resulting from future dilutive potential shares.

	6 months to 30 Sept 2009	6 months to 30 Sept 2008
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 period.	22.2	25.6
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.	21.2	24.5
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.	24.0	26.3
	£'000	£'000
Earnings attributable to shareholders	178 534	189 504
Goodwill	1 234	-
Preference dividends paid	(29 922)	(28 749)
Additional earnings attributable to other equity holders*	10 576	4 877
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	**160 422**	**165 632**
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 3/2009 issued by the South African Institute of Chartered Accountants.	20.4	25.4
	£'000	£'000
Earnings attributable to shareholders	178 534	189 504
Goodwill	1 234	-
Preference dividends paid	(29 922)	(28 749)
Other headline adjustments**	(13 429)	(1 123)
Headline earnings attributable to ordinary shareholders	**136 417**	**159 632**

* 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 realised gains/losses on available for sale instruments as well as impairments recognised against available for sale instruments.

Divisional and segmental review

Divisional 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

South Africa
Andy Leith
Glynn Burger
David Lawrence

United Kingdom
Bradley Fried

Australia
David Clarke

Divisional business leaders

Private Banking
Steven Heilbron

Private Client Stockbroking
Henry Blumenthal - SA

Capital Markets
David van der Walt

Investment Banking
Bradley Fried and Andy Leith

Asset Management
Hendrik du Toit

Property Activities
Sam Hackner

Support structures

Banking and Institutions - David Lawrence
Chief Integrating Officer - Allen Zimbler
Corporate Governance Internal Audit and Compliance - Bradley Tapnack
Finance, IT and Operations - Rayanne Jacobson
Marketing - Raymond van Niekerk
Risk Management - Ciaran Whelan
Share Schemes and Secretarial - Les Penfold

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

- Private Banking
- Private Client Portfolio Management and Stockbroking

- Australia
- Southern Africa
- UK and Europe

Capital Markets

- Specialised Lending
- Structured Derivatives
- Securitisation and Principal Finance
- Specialist funds

- Australia
- Canada
- Southern Africa
- UK and Europe

Investment Banking

- Corporate Finance
- Institutional Research, Sales and Trading
- Direct Investments
- Private Equity

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

Asset Management

- Institutional
- Retail
- Offshore funds

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

Property Activities

- Fund Management
- Listed Funds
- Trading and Development

- Australia
- Southern Africa
- UK and Europe

Group Services and Other Activities

- Central Services
- Central Funding
- International Trade Finance

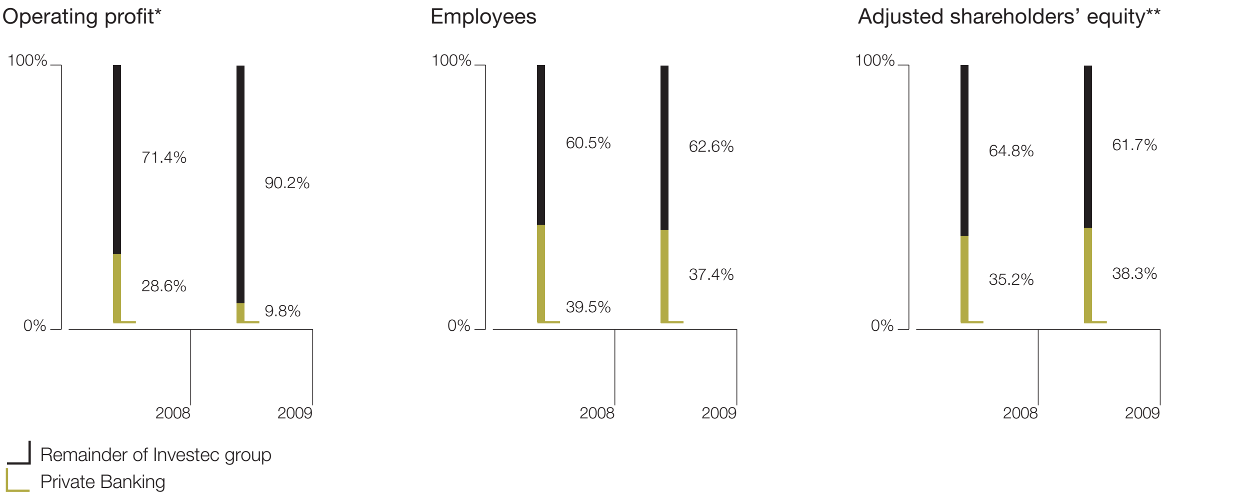
Private Banking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

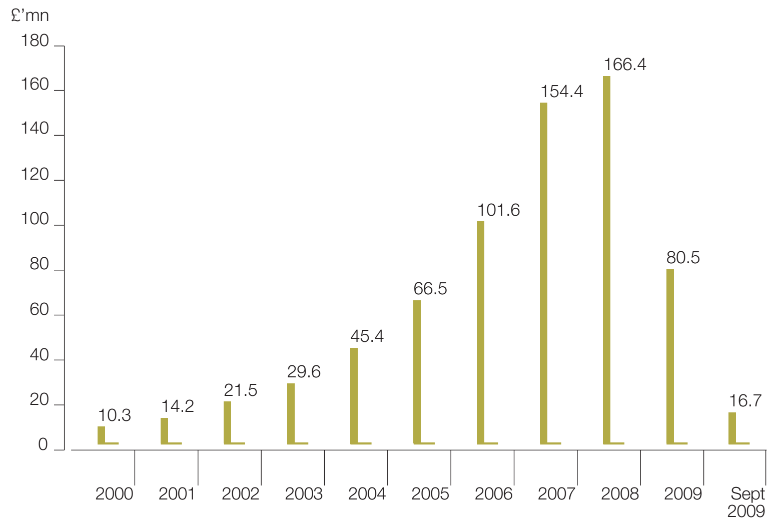
- Operating profit decreased by 73.6% to £16.7 million, contributing 9.8% to group profit.
- A diversified set of revenues continues to drive operating income. Performance however, continues to be impacted by lower activity levels and an increase in impairments.
- Non-interest income decreased considerably due to the lack of activity and realisation opportunities in the market.
- Key earnings drivers:
  - Core loans and advances increased by 8.8% to £12.1 billion since 31 March 2009.
  - The deposit book increased by 25.8% to £9.7 billion since 31 March 2009.
  - Funds under advice increased by 3.1% to £3.4 billion since 31 March 2009.

Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
** As calculated on page 80

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 from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Private Banking

Partner of choice from wealth creation to wealth management

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	136 718	145 571	(8 853)	(6.1%)
Net fee and commission income	40 092	59 770	(19 678)	(32.9%)
Principal transactions	64	8 398	(8 334)	(>100.0%)
Other operating income and operating income from associates	139	841	(702)	(>100.0%)
Total operating income	177 013	214 580	(37 567)	(17.5%)
Impairment losses on loans and advances	(53 522)	(38 428)	(15 094)	39.3%
Admin expenses and depreciation	(106 782)	(112 926)	6 144	(5.4%)
Operating profit before goodwill, non-operating items, taxation and after minorities	**16 709**	**63 226**	**(46 517)**	**(73.6%)**
UK and Europe	8 754	35 080	(26 326)	(75.0%)
Southern Africa	8 283	22 614	(14 331)	(63.4%)
Australia	(328)	5 532	(5 860)	(>100.0%)
Operating profit before goodwill, non-operating items, taxation and after minorities	**16 709**	**63 226**	**(46 517)**	**(73.6%)**
Adjusted shareholders' equity*	900 805	627 705	273 100	43.5%
ROE (pre-tax)*	4.9%	20.9%		
Cost to income ratio	60.3%	52.6%		
Operating profit per employee (£'000)*	7.6	26.1	(18.5)	(70.9%)

* As calculated on pages 80 and 81

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

- The decrease in net interest income is largely attributable to:
  - Growth in average deposits exceeding the growth in average advances.
  - Decreased arrangement fees, exit fees and deferred income as a result of lower activity levels.
- Net fees and commissions have decreased significantly, particularly in Europe. This has been the result of the difficult market conditions that have existed through this period which have impacted activity levels.
- Principal transactions include the revaluations and realisations of equity and warrant positions held. The decrease in principal transactions reflects difficult market conditions which have impacted activity levels and the quantum and timing of revaluations and exit opportunities.
- Impairment losses on loans and advances have increased in all geographies, in line with expectations.
- The decrease in expenses is largely attributable to lower average headcount in all geographies and a decline in variable remuneration in line with reduced profitability.

Private Banking

Partner of choice from wealth creation to wealth management

Analysis of key earnings drivers (loans, deposits and funds under advice)

£'million As at Loans to fund	UK and Europe 30 Sept 2009	 31 March 2009	Southern Africa 30 Sept 2009	 31 March 2009	Australia 30 Sept 2009	 31 March 2009	Total 30 Sept 2009	 31 March 2009	% change
Residential and investment mortgages	673	736	2 379	2 111	27	17	3 079	2 864	7.5%
Residential developments	843	888	341	399	353	373	1 537	1 660	(7.4%)
Commercial property investment	1 112	1 050	3 099	2 532	192	147	4 403	3 729	18.0%
Commercial property development	382	344	205	214	238	229	825	787	5.0%
Cash and securities backed lending	276	280	406	398	60	6	742	684	8.5%
Asset backed lending	208	244	346	284	322	256	876	784	11.7%
Unlisted shares and general corporate lending	79	77	216	192	74	48	369	317	16.4%
Unsecured lending	66	64	112	99	40	177	218	340	(35.9%)
Other	20	-	-	-	131	-	151	-	100.0%
Total gross core loans and advances	3 659	3 683	7 104	6 229	1 437	1 253	12 200	11 165	9.3%
Specific impairments	(57)	(36)	(45)	(33)	(21)	(13)	(123)	(82)	50.0%
Portfolio Impairments	(7)	(2)	(15)	(5)	-	-	(22)	(7)	>100.0%
Net core loans and advances	3 595	3 645	7 044	6 191	1 416	1 240	12 055	11 076	8.8%
Asset quality									
Gross defaults	210	169	345	199	159	139	714	507	45.2%
Collateral value	(172)	(137)	(412)	(224)	(162)	(154)	(746)	(515)	20.4%
Specific impairments	(57)	(36)	(45)	(33)	(21)	(13)	(123)	(82)	50.0%
Net defaults (limited to zero)	-	-	-	-	-	-	-	-	100.0%
Gross defaults as a % of gross core loans and advances	5.7%	4.6%	4.9%	3.2%	11.1%	11.1%	5.9%	4.5%	
Defaults (net of impairments) as a % of net core loans and advances	4.1%	3.6%	4.1%	2.7%	9.7%	10.1%	4.7%	3.8%	
Credit loss ratio	1.5%	1.5%	0.5%	0.3%	1.2%	1.8%	0.9%	0.9%	

Net core loans and advances as at	30 Sept 2009	31 March 2009 £'million	% change	30 Sept 2009	31 March 2009 Home currency 'million	% change
UK and Europe	3 595	3 645	(1.4%)	£3 595	£3 645	(1.4%)
Southern Africa	7 044	6 191	13.8%	R84 430	R84 048	0.5%
Australia	1 416	1 240	14.2%	A$2 563	A$2 561	0.1%
Net core loans and advances	12 055	11 076	8.8%			

Total deposits as at	30 Sept 2009	31 March 2009 £'million	% change	30 Sept 2009	31 March 2009 Home currency 'million	% change
UK and Europe	4 888	4 077	19.9%	£4 888	£4 077	19.9%
Southern Africa	4 098	2 990	37.1%	R49 114	R40 586	21.0%
Australia	731	657	11.3%	A$1 324	A$1 358	(2.5%)
Total deposits	9 717	7 724	25.8%			

Total funds under advice as at	30 Sept 2009	31 March 2009 £'million	% change	30 Sept 2009	31 March 2009 Home currency 'million	% change
UK and Europe	1 411	1 415	(0.3%)	£1 411	£1 415	(0.3%)
Southern Africa	1 636	1 615	1.3%	R19 619	R21 926	(10.5%)
Australia	325	240	35.5%	A$589	A$496	18.8%
Total funds under advice	3 372	3 270	3.1%			

Private Banking

Partner of choice from wealth creation to wealth management

Net core loans and advances as at	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
	£'million			Home currency 'million		
UK and Europe	3 482	3 327	4.7%	£3 482	£3 327	4.7%
Southern Africa	5 314	4 551	16.8%	R79 593	R73 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%			

Total deposits as at	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
	£'million			Home currency 'million		
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	R35 887	11.0%
Australia	357	423	(15.3%)	A$806	A$931	(13.4%)
Total deposits	6 702	6 604	1.5%			

Total funds under advice as at	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
	£'million			Home currency 'million		
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%)			

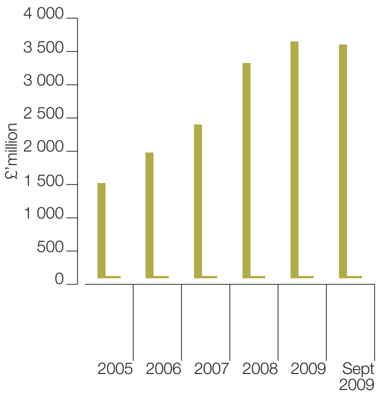
Private Banking

Partner of choice from wealth creation to wealth management

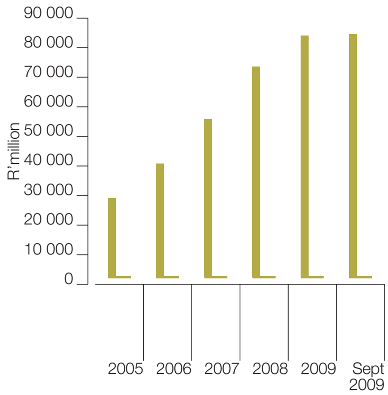
Further analysis of key earnings drivers

Net core loans and advances

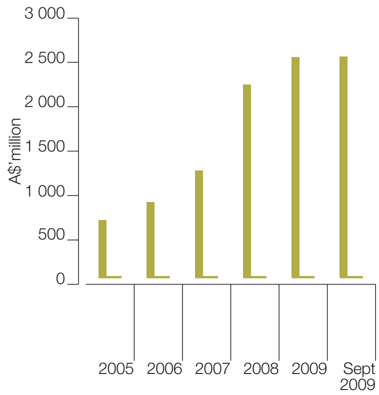
UK and Europe



Southern Africa

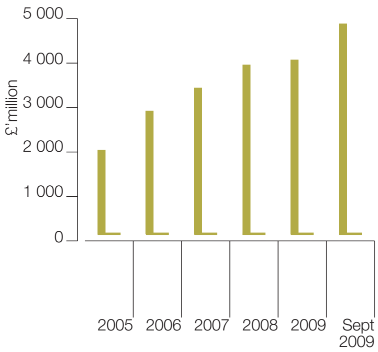


Australia

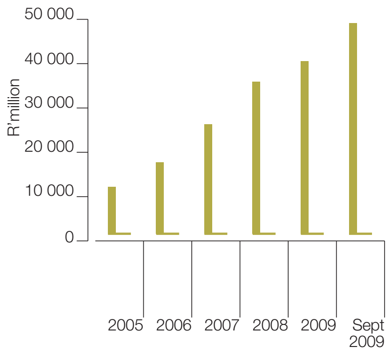


Deposits

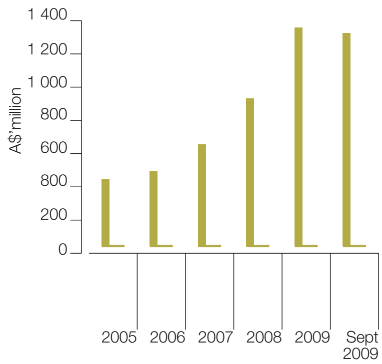
UK and Europe



Southern Africa

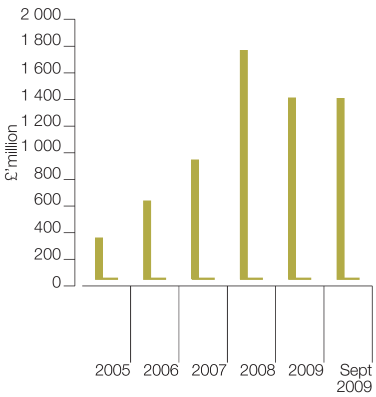


Australia

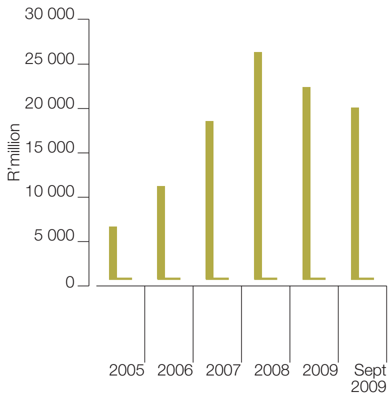


Funds under advice

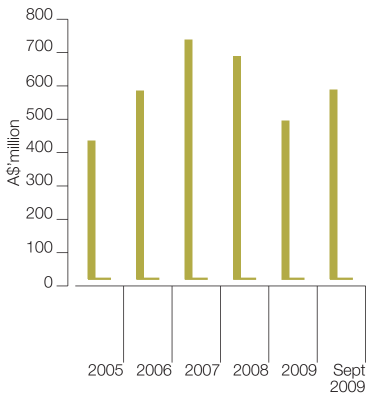
UK and Europe



Southern Africa



Australia



Trend reflects numbers as at the year ended 31 March unless stated otherwise.

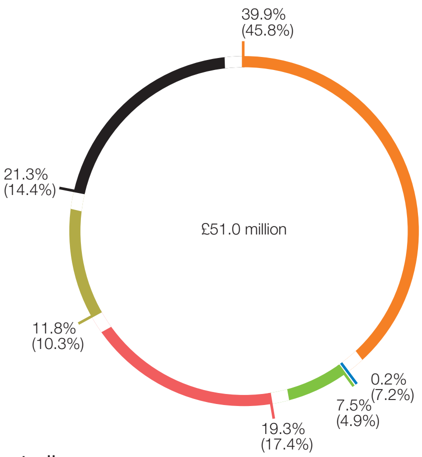
Private Banking

Partner of choice from wealth creation to wealth management

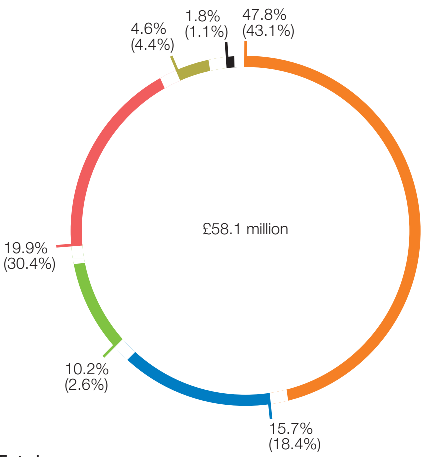
Analysis of total operating income (post impairments) by geography and area of specialisation

30 September 2009 with 2008 comparatives included in brackets

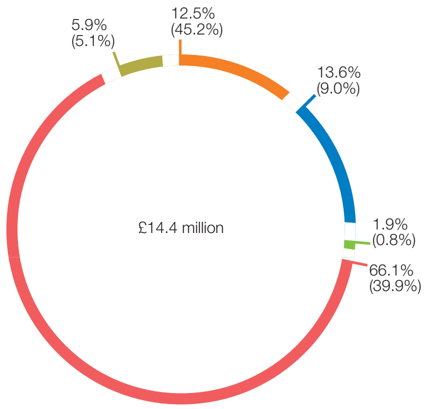
UK and Europe



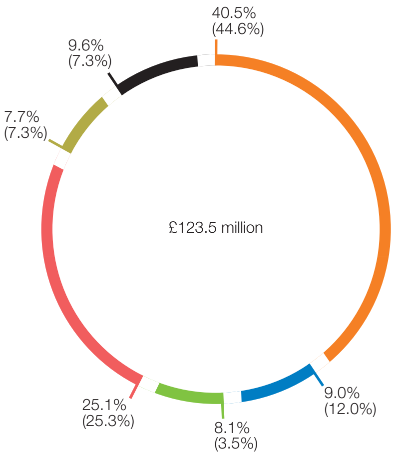
Southern Africa



Australia



Total



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

Developments

The difficult trading conditions, which began during the second half of the year ended March 2009, continued into this trading period but have shown encouraging signs of improvement towards the latter half of this period.

UK and Europe

- Customer deposits have shown exceptionally strong growth over the period. This reflects the significant investment of people, product and marketing which has been made in this business. Specifically, the High 5 product, a three month notice deposit, has been particularly successful in attracting new clients to the Investec brand.

UK and Europe (continued)

- Activity levels in the lending specialisations have remained low. The focus has been on managing underperforming loans and seeking out select opportunistic transactions which arise in this market. In certain areas the competitive landscape has been completely reshaped, presenting an opportunity for Investec Private Bank to build a portfolio and brand which previously would have been impossible.
- The Private Wealth Management specialisation remains a key area of focus and has continued to receive investment in people, product platforms and systems.
- The Trust and Fiduciary business has shown a slight decrease in revenues on the back of reduced activity levels from private clients.

Southern Africa

- The Banking business continued to perform well, with investment in new retail deposit raising initiatives, such as Investec Money, generating significant growth in the private client deposit base.
- Lending activity across all specialisations has been lower than expected. This, coupled with reduced settlements has kept the loan book flat. Margins being obtained on the new activity and the maturing book are significantly better than those obtained historically.
- Impairments and defaults have increased and the realisation of profit shares and equity stake exits has been slow.
- The Wealth Management business remained subdued largely due to the strengthening Rand during this period.

Australia

- A number of competitors have withdrawn from the market, curtailed their activities or merged, significantly improving the division's relative strategic positioning.
- The Banking business has performed exceptionally well over this period. Investec Professional (previously Experien) has grown its presence in the medical and accounting profession and the independent money managers market resulting in strong growth in the deposit book. The Private Client Treasury book has been strategically reshaped towards a more balanced, lower average account size portfolio.
- The outlook for the property lending business has improved somewhat over the past six months.
- Growth and Acquisition Finance has experienced continued low activity levels with no realisations of existing warrants.

Outlook, risks and uncertainties

- Half year performance has largely been a continuation of the performance during the second half of the prior year, with the market impact evident in impairments, realisations and activity levels across each of the lending specialisations.
- There are encouraging signs of improvement in trading conditions in each of the core geographies towards the latter half of the current reporting period.
- Retail deposit raising remains a critical area of focus for the group, in light of this, substantial investment will continue to be made in our general banking businesses targeting retail deposits.
- Growth in the combined total loan portfolio is expected to be marginal in the period ahead. Management of impairments and underperforming loans remains a key focus in all geographies.
- The drive to accelerate the contribution of our Wealth Management business will be supported by further investment.
- The business will continue to seek out opportunistic transactions resulting from the changes in the broader market.

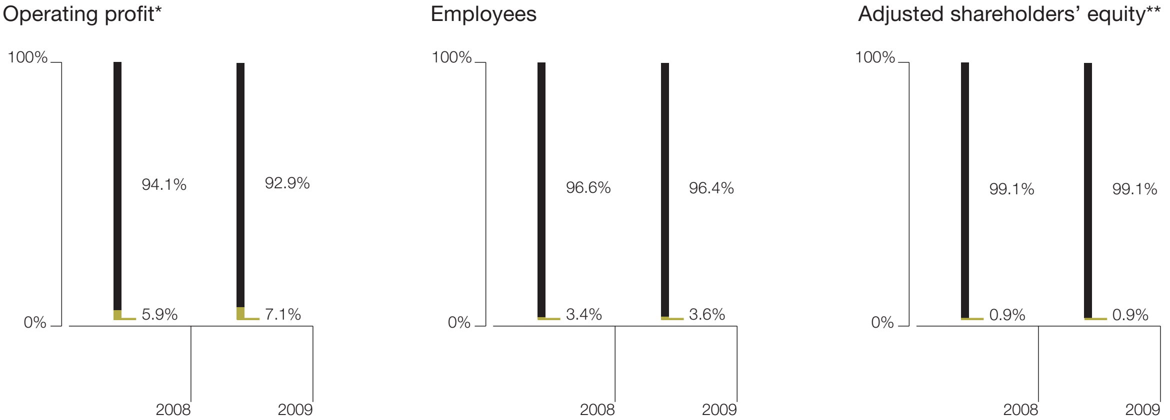
Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Overview and financial analysis

- Operating profit decreased by 8.5% to £12.0 million, contributing 7.1% to group profit.
- Since 31 March 2009, private client funds under management in South Africa increased by 21.5% from R85 billion to R103.3 billion.

Contribution analysis



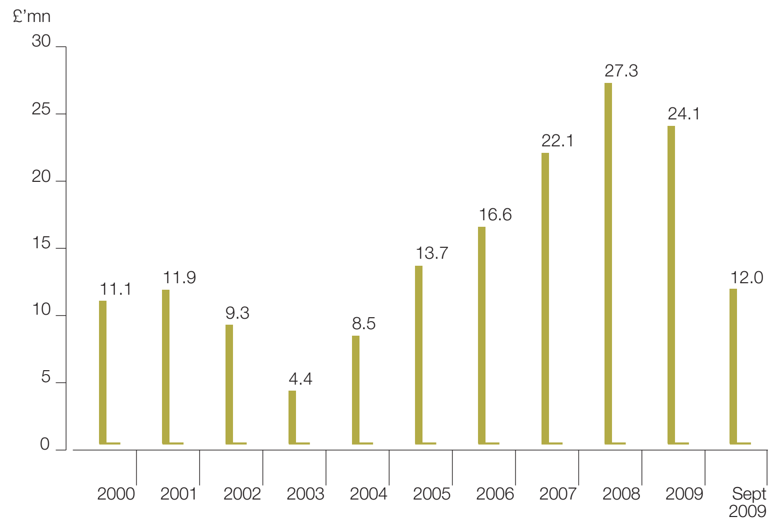
Remainder of Investec group

Private Client Portfolio Management and Stockbroking

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

** As calculated on page 80

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 from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	508	12	496	>100.0%
Net fee and commission income	17 340	17 092	248	1.5%
Principal transactions	1 032	363	669	>100.0%
Other operating income and operating income from associates	5 386	6 579	(1 193)	(18.1%)
Total operating income	24 266	24 046	220	0.9%
Admin expenses and depreciation	(12 258)	(10 918)	(1 340)	12.3%
Operating profit before goodwill, non-operating items, taxation and after minorities	12 008	13 128	(1 120)	(8.5%)
UK and Europe	5 389	6 579	(1 190)	(18.1%)
Southern Africa	6 619	6 549	70	1.1%
Operating profit before goodwill, non-operating items, taxation and after minorities	12 008	13 128	(1 120)	(8.5%)
Adjusted shareholders' equity*	20 363	16 463	3 900	23.7%
ROE (pre-tax)*	95.9%	74.3%		
Cost to income ratio excluding income from associates	64.9%	62.5%		
Cost to income ratio	50.5%	45.4%		
Operating profit per employee (£'000)*	32.1	30.7	1.4	4.6%

* As calculated on pages 80 and 81

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

- The result of the South African Private Client Portfolio Management and Stockbroking business in local currency has been negatively impacted by lower activity levels and lower average funds under management.
- 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 results are included in the line item 'operating income from associates' (the £5.4 million income reflected above is post tax of approximately £2.0 million).

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Developments

UK and Europe

Rensburg Sheppards plc released its results for the six months ended 30 September 2009 on 18 November 2009. Salient features of the results extracted directly from the announcement released by the company include:

Key points:
- Profit before tax of £12.5 million (2008: £16.4 million*).
- Adjusted** profit before tax of £14.1 million (2008: £19.6 million*).
- Basic earnings per share of 20.4p (2008: 26.2p*).
- Adjusted** basic earnings per share of 23.1p (2008: 31.8p*).
- Interim dividend maintained at 8.5p per ordinary share.
- Group funds under management at 30 September 2009 of £12.13 billion (31 March 2009: £10.01 billion).
- Appointment of three executive directors, effective 1 December 2009.
- Post period end, a team of eight investment managers has joined the Edinburgh office.

* As restated following change in accounting policy resulting from the implementation of the amendment to IFRS 2.

** Before amortisation of client relationship intangible assets, share-based charges relating to the Employee Benefit Trust ('EBT') and the profit on disposal of intangible assets. These items amount to a net charge before tax of £1.6 million (2008: £3.2 million) and a net charge after tax of £1.2 million (2008: £2.5 million).

South Africa

- Emerging market equities have been standout beneficiaries of the post financial crisis rally which began some six months ago when the early signs of stability associated with unprecedented, coordinated fiscal stimulus programmes initiated by the world's major economies started to become evident.
- We continue to see good foreign investment demand for riskier, emerging market asset classes – including South African equities – as investor confidence rebuilds and the threat of recession subsides. Local private client investors, however, have treated the market with suspicion throughout much of this rally and have tended to preserve cash holdings as a consequence. Ironically, as worldwide economic and corporate news flow improves, we find that private client investment activity has actually slowed down mostly due to concerns related to the scale and speed of the market recovery in recent months.

Analysis of key earnings drivers (funds under management and inflows)

Funds under management as at	30 Sept 2009 R'million	31 March 2009 R'million	% change	30 Sept 2009 £'million	31 March 2009 £'million	% change
Discretionary	17 569	15 594	12.7%	1 465	1 149	27.5%
Non-discretionary	85 682	69 386	23.5%	7 146	5 111	39.8%
Total	103 251	84 980	21.5%	8 611	6 260	37.6%

Net inflows at cost over the period	30 Sept 2009 R'million	31 March 2009 R'million
Discretionary	211	(897)
Non-discretionary	1 764	(2 097)
Total	1 975	(2 994)

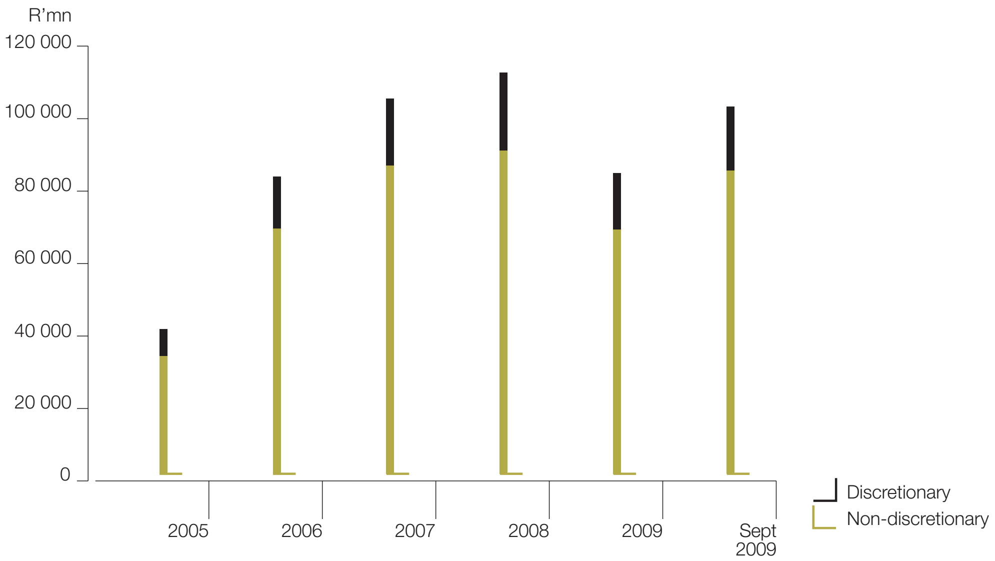
Funds under management as at	30 Sept 2008 R'million	31 March 2008 R'million	% change	30 Sept 2008 £'million	31 March 2008 £'million	% change
Discretionary	19 079	21 406	(10.9%)	1 274	1 323	(3.7%)
Non-discretionary	84 523	91 338	(7.5%)	5 642	5 649	(0.1%)
Total	103 602	112 744	(8.1%)	6 916	6 972	(0.8%)

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Net inflows at cost over the period	30 Sept 2008	31 March 2008
	R'million	
Discretionary	(13)	1 865
Non-discretionary	(929)	5 431
Total	(942)	7 296

Further analysis of South African funds under management



Trend reflects numbers as at the year ended 31 March unless stated otherwise.

Outlook, risks and uncertainties

South Africa

- Moving into the second half of the financial year, and given the current sense of uncertainty and ongoing risk aversion tendencies amongst most private clients, we would expect relatively subdued interest in equities unless hard evidence of economic recovery starts to become apparent. Therefore, brokerage related revenues are likely to slow down - particularly revenues directly attributed to speculative trading activity which benefitted from extreme levels of market volatility a few months ago - as investors take time to adjust to higher share price/valuation levels and become more comfortable with equity market associated risk.
- As far as our private client discretionary portfolio management business is concerned, we should start to see the benefits of asset base effects improving in line with higher market prices and portfolio values compared to the previous six month period - this is subject to stable market conditions and the sustainability of current price levels. Under this scenario, we anticipate that annuity revenue growth should largely offset any tempering of non-discretionary revenues related to our advisory and execution stock broking business.
- Overall, we are satisfied with our mixture of businesses and alternative revenue streams and believe that we are appropriately positioned in the current environment and, also, for any improvement in the markets going forward.

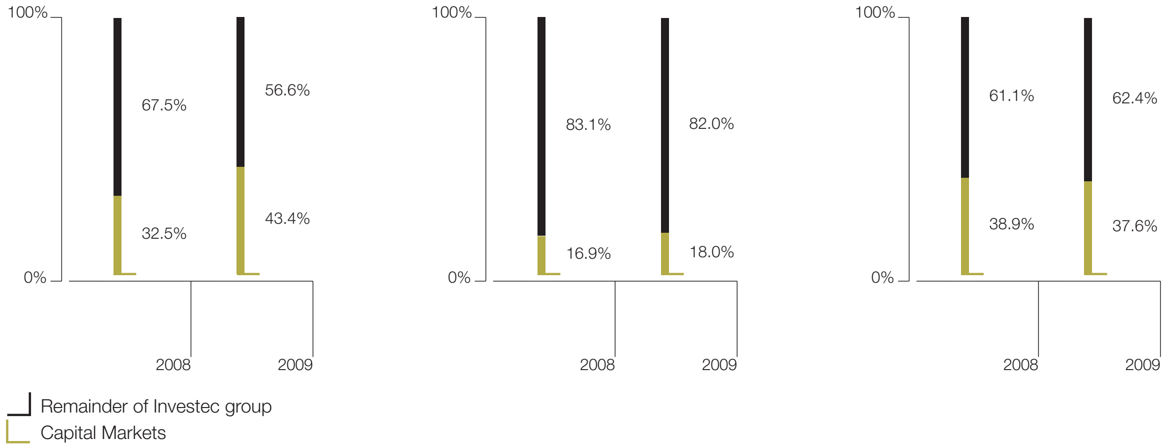
Capital Markets

Specialist structuring and advisory business

Overview and financial analysis

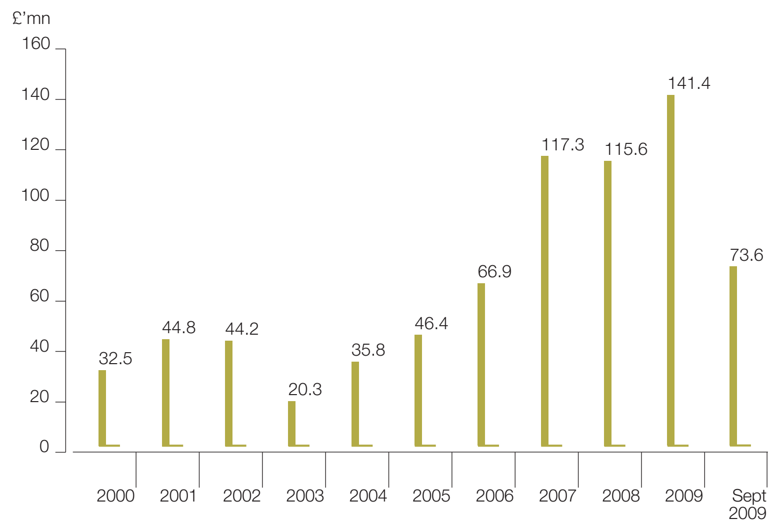
- Operating profit increased by 2.1% to £73.6 million, contributing 43.4% to group profit.
- Core loans and advances have increased by 1.8% to £4.9 billion since 31 March 2009.
- Investec plc acquired Kensington with effect from 8 August 2007. The Kensington business now forms part of the Capital Markets division in the UK.

Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
** As calculated on page 80

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 from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Capital Markets

Specialist structuring and advisory business

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	156 311	136 337	19 974	14.7%
Net fee and commission income	36 906	69 772	(32 866)	(47.1%)
Principal transactions	80 643	19 057	61 586	>100.0%
Other operating income and operating income from associates	63	-	63	100.0%
Total operating income	273 923	225 166	48 757	21.7%
Impairment losses on loans and advances	(72 264)	(36 625)	(35 639)	97.3%
Admin expenses and depreciation	(128 016)	(116 411)	(11 605)	10.0%
Operating profit before goodwill, non-operating items and taxation	73 643	72 130	1 513	2.1%
Earnings attributable to minority interests	(6)	-	(6)	(100.0%)
Operating profit before goodwill, non-operating items, taxation and after minorities	73 637	72 130	1 507	2.1%
UK and Europe	41 161	39 488	1 673	4.2%
Southern Africa	30 695	31 212	(517)	(1.7%)
Australia	1 781	1 430	351	24.5%
Operating profit before goodwill, non-operating items, taxation and after minorities	73 637	72 130	1 507	2.1%
Adjusted shareholders' equity*	882 780	692 420	190 360	27.5%
ROE (pre-tax)*	16.1%	21.1%		
Cost to income ratio	46.7%	51.7%		
Operating profit per employee (£'000)*	70.4	67.3	3.1	4.6%

* As calculated on pages 80 and 81

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

- The increase in net interest income reflects a mixed performance across geographies and business activity:
  - UK and Europe: benefited from an enhanced return on select structured credit investments and an increase in average spreads across the loan book as assets that were redeemed have been replaced at higher net margins.
  - South Africa: negatively impacted by the significant decline in interest rates over the past six months.
  - Australia: net interest is lower due to higher liquidity levels, and overall lower investment yields. Some higher margins have been achieved as a result of investments in select debt/credit instruments purchased at opportunistic prices.
- The decrease in net fee and commission income is largely attributable to the downturn in the Irish economy with the Irish business earning £21.2 million less than the prior period. Activity levels in the advisory business are lower than historic trends across all of our businesses.
- The increase in principal transactions primarily reflects opportunistic repurchases of select distressed debt and credit instruments, notably in our UK and European operations. The interest rate trading desk in South Africa performed well, benefitting from the declining rate environment. The division was also successful in realising gains on the sale of certain of its investments, notably in South Africa and Australia.
- Impairment losses on loans and advances have increased mainly due to increased provisions in the UK and European Acquisition Finance business, Kensington and Australia.
- Expenses have increased largely due to an increase in headcount for certain growing businesses and the amortisation of expenses related to new systems implemented.

Capital Markets

Specialist structuring and advisory business

Analysis of total operating income by geography

£'000	30 Sept 2009	30 Sept 2008	Variance
UK and Europe	185 486	151 829	33 657
Trading Activities	30 119	50 108	(19 989)
Principal Finance	43 086	9 601	33 485
Commodities and Resource Finance	2 569	(4 187)	6 756
Structured and Asset Finance	12 750	23 376	(10 626)
Kensington	96 962	72 931	24 031
Southern Africa	76 077	65 975	10 102
Trading Activities	12 074	14 800	(2 726)
Treasury Activities	26 523	23 230	3 293
Financial Products	12 763	10 100	2 663
Lending Activities	24 717	17 845	6 872
Australia	12 360	7 362	4 998
Trading Activities	912	1 553	(641)
Treasury/Balance Sheet Management	4 995	2 990	2 005
Financial Products	1 742	1 694	48
Lending Activities	3 575	(405)	3 980
Structured Finance	1 136	1 530	(394)
Total	273 923	225 166	48 757

Core loans and advances (excluding Kensington)

£'million	UK and Europe		Southern Africa		Australia		Total		%
As at	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	change
Total gross core loans and advances	2 129	2 279	2 647	2 418	168	170	4 943	4 867	1.5%
Specific impairments	(29)	(37)	(16)	(24)	(8)	(3)	(52)	(64)	(18.8%)
Portfolio Impairments	(1)	(1)	(1)	(1)	-	-	(2)	(2)	0.0%
Net core loans and advances	2 099	2 241	2 630	2 393	160	167	4 889	4 801	1.8%
Asset quality									
Gross defaults	123	116	25	44	22	12	170	172	(1.2%)
Collateral value	(95)	(81)	(9)	(33)	(14)	(10)	(119)	(124)	(4.0%)
Specific impairments	(29)	(37)	(16)	(24)	(8)	(3)	(52)	(64)	(18.8%)
Net defaults (limited to zero)	-	-	-	-	-	-	-	-	-
Gross defaults as a % of gross core loans and advances	5.8%	5.1%	0.9%	1.8%	13.0%	7.3%	3.4%	3.6%	
Defaults (net of impairments) as a % of net core loans and advances	4.5%	3.5%	0.3%	0.9%	8.7%	5.9%	2.4%	2.2%	
Credit loss ratio	1.9%	1.7%	0.5%	1.1%	6.0%	1.6%	1.3%	1.4%	

Capital Markets

Specialist structuring and advisory business

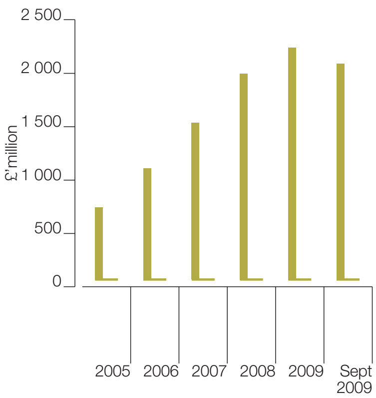
Net core loans and advances as at	30 Sept 2009	31 March 2009	% change	30 Sept 2009	31 March 2009	% change
	£'million			Home currency 'million		
UK and Europe	2 099	2 241	(6.3%)	£2 099	£2 241	(6.3%)
Southern Africa	2 630	2 393	9.9%	R31 524	R32 484	(3.0%)
Australia	160	167	(4.2%)	A$290	A$345	(15.9%)
Net core loans and advances	4 889	4 801	1.8%			

Net core loans and advances as at	30 Sept 2008	31 March 2008	% change	30 Sept 2008	31 March 2008	% change
	£'million			Home currency 'million		
UK and Europe	2 164	1 997	8.4%	£2 164	£1 997	8.4%
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%			

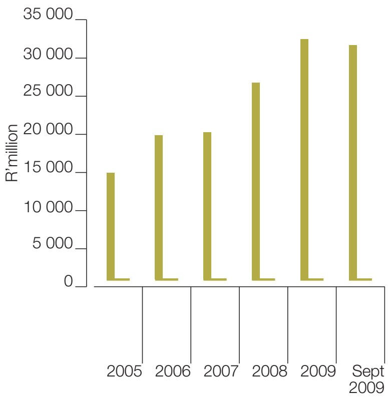
Further analysis of core loans and advances

Net core loans and advances (excluding Kensington)

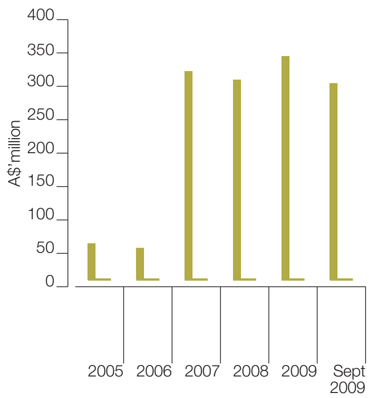
UK and Europe



Southern Africa



Australia



Trend reflects numbers as at the year ended 31 March unless stated otherwise.

Kensington Group plc – salient financial information

Summary income statement for the six months to

£'000	30 Sept 2009	30 Sept 2008
Total operating income	96 962	72 931
Impairment losses on loans and advances	(39 982)	(28 457)
Admin expenses and depreciation	(31 920)	(25 112)
Operating profit before goodwill, non-operating items and taxation	25 060	19 362

Key statistics

As at 30 September 2009	Warehouse book	Securitised portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	1 874	3 043	4 917	
IFRS adjustments	10	61	71	
Mortgage assets under management (£'million)	1 864	2 982	4 846	
First charge % of total mortgage assets under management	93.3%	94.3%	93.9%	
Second charge % of total mortgage assets under management	6.7%	5.7%	6.1%	
Fixed rate loans % of total mortgage assets under management	47.3%	10.7%	24.8%	
Number of accounts	16 863	32 627	49 490	
Average loan balance (first charge)	143 097	110 765	121 231	
Largest loan balance	1 121 927	1 225 180	1 225 180	
Weighted average loan mature margin %	4.1%	4.6%	4.4%	
Product mix (pre-IFRS adjustments) (£'million)	1 864	2 982	4 846	100.0%
Prime	9	1	10	0.2%
Near prime	654	500	1 154	23.9%
Prime Buy to Let	1	-	1	-
Adverse	472	1 996	2 468	50.9%
Adverse Buy to Let and Right to Buy	79	148	227	4.7%
Start - Irish operations	649	337	986	20.3%
Geographic distribution (£'million)	1 864	2 982	4 846	100.0%
UK - North	381	853	1 234	25.5%
UK - South West	93	185	278	5.7%
UK - South East	273	551	824	17.0%
Outer London	179	321	500	10.3%
Inner London	89	195	284	5.9%
Midlands	200	540	740	15.3%
Start - Irish operations	649	337	986	20.3%
Spread of value of properties (%)	100.0%	100.0%	100.0%	
>£500 000	3.8%	1.4%	2.3%	
>£250 000 <=£500 000	23.6%	12.6%	16.3%	
>£200 000 <=£250 000	15.8%	11.8%	13.2%	
>£150 000 <=£200 000	19.9%	19.4%	19.6%	
>£100 000 <=£150 000	23.6%	28.5%	26.8%	
>£70 000 <=£100 000	11.7%	19.7%	16.9%	
>£50 000 <=£70 000	1.5%	5.3%	4.0%	
<£50 000	0.1%	1.3%	0.9%	
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price deflation*)	86.3%	79.7%	82.2%	

* Bad debt provision is based on the following house price decline assumptions: calendar year 2009: -7.5% and an extra -10% haircut to the price to reflect forced sale discount.

Kensington key statistics (continued)

As at 30 September 2009	Warehouse book	Securitised portfolio	Total	% of total
LTV spread - % of book	100.0%	100.0%	100.0%	
<= 65%	19.2%	23.4%	21.7%	
>65% - <70%	4.3%	5.7%	5.2%	
>70% - <75%	4.7%	6.4%	5.8%	
>75% - <80%	5.5%	8.2%	7.1%	
>80% - <85%	6.2%	10.1%	8.6%	
>85% - <90%	7.4%	11.5%	9.9%	
>90% - <95%	9.0%	12.3%	11.1%	
>95% - <100%	11.0%	9.6%	10.2%	
> 100%	32.7%	12.8%	20.4%	
% of accounts > 90 days in arrears	25.3%	29.2%	27.9%	
number of accounts > 90 in arrears	4 262	9 523	13 785	
Total capital lent in arrears (£'million)	701	1 362	2 063	100.0%
Arrears 0 - 60 days	104	212	316	15.3%
Arrears 61 - 90 days	79	146	225	10.9%
Arrears >90 days	487	911	1 398	67.8%
Possession	31	93	124	6.0%
Debt to income ratio of clients	21.1%	19.6%	20.2%	
Investec investment/exposure to assets reflected above (£'million)	523	160	683	
On balance sheet provision (£'million)	(63)	(56)	(119)	
Investec net investment/exposure to assets reflected above (£'million)	460	104	564	

Divisional and segmental review

Kensington key statistics (continued)

As at 31 March 2009	Warehouse book	Securitised portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	1 897	3 268	5 165	
IFRS adjustments (£'million)	12	47	59	
Mortgage assets under management (£'million)	1 885	3 221	5 106	
First charge % of total mortgage assets under management	92.8%	94.2%	93.7%	
Second charge % of total mortgage assets under management	7.2%	5.8%	6.3%	
Fixed rate loans % of total mortgage assets under management	57.8%	23.6%	36.2%	
Number of accounts	17 151	35 056	52 207	
Average loan balance (first charge)	£144 513	£111 444	£121 630	
Largest loan balance	£1 127 239	£1 224 368	£1 224 368	
Weighted average loan mature margin	3.8%	4.1%	4.0%	
Product mix (pre-IFRS adjustments) (£'million)	1 885	3 221	5 106	100.0%
Prime	11	-	11	0.2%
Near prime	656	536	1 192	23.4%
Prime Buy to Let	1	-	1	-
Adverse	478	2 174	2 652	51.9%
Adverse Buy to Let and Right to Buy	82	160	242	4.7%
Start - Irish operations	657	351	1 008	19.8%
Geographic distribution (£'million)	1 885	3 221	5 106	100.0%
UK - North	383	927	1 310	25.6%
UK - South West	95	201	296	5.8%
UK - South East	276	597	873	17.1%
Outer London	181	354	535	10.5%
Inner London	93	212	305	6.0%
Midlands	200	579	779	15.3%
Start - Irish operations	657	351	1 008	19.7%
Spread of value of properties (%)	100.0%	100.0%	100.0%	
>£500 000	3.9%	1.5%	2.3%	
>£250 000 - <=£500 000	24.1%	12.6%	16.4%	
>£200 000 - <=£250 000	15.6%	11.7%	13.0%	
>£150 000 - <=£200 000	19.9%	19.4%	19.5%	
>£100 000 - <=£150 000	23.4%	28.6%	26.9%	
>£70 000 - <=£100 000	11.6%	19.6%	17.0%	
>£50 000 - <=£70 000	1.4%	5.3%	4.0%	
<£50 000	0.1%	1.3%	0.9%	
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price deflation)*	87.5%	80.8%	83.3%	

* Bad debt provision is based on the following house price decline assumptions: calendar year 2008: -15%, calendar year 2009: -15% and an extra -10% haircut to the price to reflect forced sale discount.

Kensington key statistics (continued)

As at 31 March 2009	Warehouse book	Securitised portfolio	Total	% of total
LTV spread - % of book	100.0%	100.0%	100.0%	
<= 65%	18.4%	22.3%	20.8%	
>65% - <70%	4.2%	5.3%	4.9%	
>70% - <75%	4.4%	6.2%	5.5%	
>75% - <80%	5.4%	7.6%	6.8%	
>80% - <85%	5.8%	9.5%	8.2%	
>85% - <90%	7.1%	11.8%	10.0%	
>90% - <95%	8.2%	12.5%	10.9%	
>95% - <100%	11.0%	11.7%	11.5%	
> 100%	35.5%	13.1%	21.4%	
% of accounts >90 days in arrears	19.8%	25.1%	23.4%	
Number of accounts >90 in arrears	3 404	8 793	12 197	
Total capital lent in arrears (£'million)	605	1 377	1 982	100.0%
Arrears 0 - 60 days	118	252	370	18.7%
Arrears 61 - 90 days	84	192	276	13.9%
Arrears >90 days	369	806	1 175	59.3%
Possession	34	127	161	8.1%
Debt to income ratio of clients	22.4%	24.3%	23.6%	
Investec investment/exposure to assets reflected above (£'million)	474	169	643	
On balance sheet provision (£'million)	(61)	(66)	(127)	
Investec net investment/exposure to assets reflected above (£'million)	413	103	516	

Capital Markets

Specialist structuring and advisory business

Developments

UK and Europe

- The Project Finance team continues to be a leader in the UK PFI advisory business, and the office in Canada, set up to service the North American PFI market, is performing well.
- The Acquisition Finance book is still under pressure and is being monitored closely, but economic conditions appear to have stabilised.
- The trading desks showed a varied performance and activity levels across our advisory and structuring businesses have been muted.
- The Structured Equity retail distribution platforms have been established and we have recently opened Launch 12 in the UK market. The desk has won numerous awards, including Income Product of the Year 2008 and Product Provider of the Year 2009 at the Professional Adviser Structured Products Provider Awards.
- The Treasury Products and Distribution desk has been established to actively market structured solutions, foreign exchange and interest rate products to the corporate market and is gaining traction in client acquisition and volumes traded.
- The uncertain credit markets continue to impact activity in the Principal Finance division but this has been offset by positive trading conditions.

Southern Africa

- There has been declining activity across all areas of treasury, trading and specialised lending. Customer flows, hedging volumes and lending volumes declined. We were able to partly offset the effect of this with a build up of a credit portfolio where spreads were acquired at attractive levels. In addition, our lending areas benefited from the increased lending books from the prior year.
- Declining volatilities across all trading asset classes have made trading activities difficult and profitability is below the prior year.
- Significant interest rate cuts have resulted in a margin squeeze in the treasury balance sheet management area.

Australia

- Conditions in our core lending markets improved during the course of the last 6 months; in particular activity in the resources, infrastructure and renewable energy sectors.
- The Treasury division continues to maintain a high level of liquidity and Capital Markets continues to be able to tap institutional and mid-market investors for wholesale funding. Prudent investment of this liquidity has also enabled the division to realise capital gains as margins on highly rated bank and RMBS paper contracted over the 6 month period.
- The performance of the Investec Global Aircraft Fund has met its targeted return hurdles and the fund is now fully invested at A$95 million. We are now advanced in a second round of capital raising and in discussions with a number of institutional investors.

Outlook, risks and uncertainties

- We remain committed to building a sustainable business franchise with diversified revenue streams in our core geographies.
- 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 current negative cycle is a time to shape the business for the future and to position ourselves for growth in a changed competitive landscape.
- This stage of the cycle is likely to see continuing defaults and losses in our lending portfolios. Additional effort and resources will be spent on asset management to ensure our portfolios perform optimally in poor economic conditions.
- Looking at the environment in our core geographies:
  - In South Africa the impact of the global recession is now being felt. We are generally well positioned in this market with a reasonably robust credit portfolio. The effects of the recession have led to reduced activity in the structuring and lending businesses and trading volumes are down. Reduced activity is to some extent offset by wider margins.
  - In the UK the environment remains weak. We expect impairments to continue, however, trading conditions remain favourable and the dislocated markets continue to present opportunities. Overall we continue to be reasonably well positioned and activity is starting to increase.
  - In Australia the environment is improving and we are seeing an increase in business flows. Overall we are positioning ourselves for growth.
- The environment has changed but so to has the competitive landscape. A large amount of capacity has been removed from the market and the number of players in our core geographies has reduced substantially. This plays to our strengths of being a specialist and bespoke service provider. In the short-term we expect conditions to remain challenging, however, we believe that in the medium-term this is an excellent opportunity to grow market share and deepen our franchise.

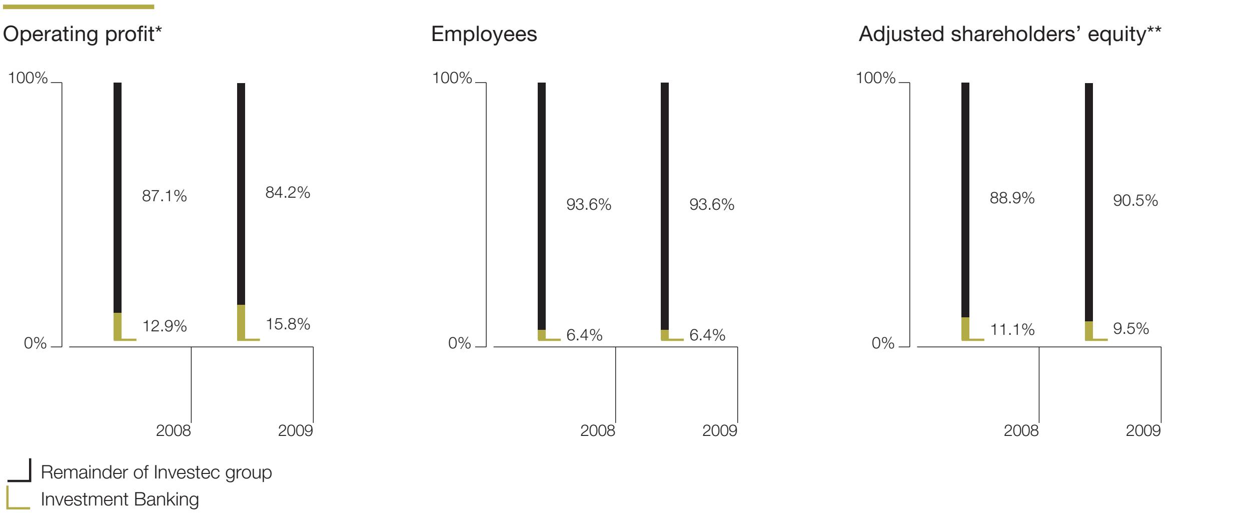
Investment Banking

Integrated business focused on local client delivery with international access

Overview and financial analysis

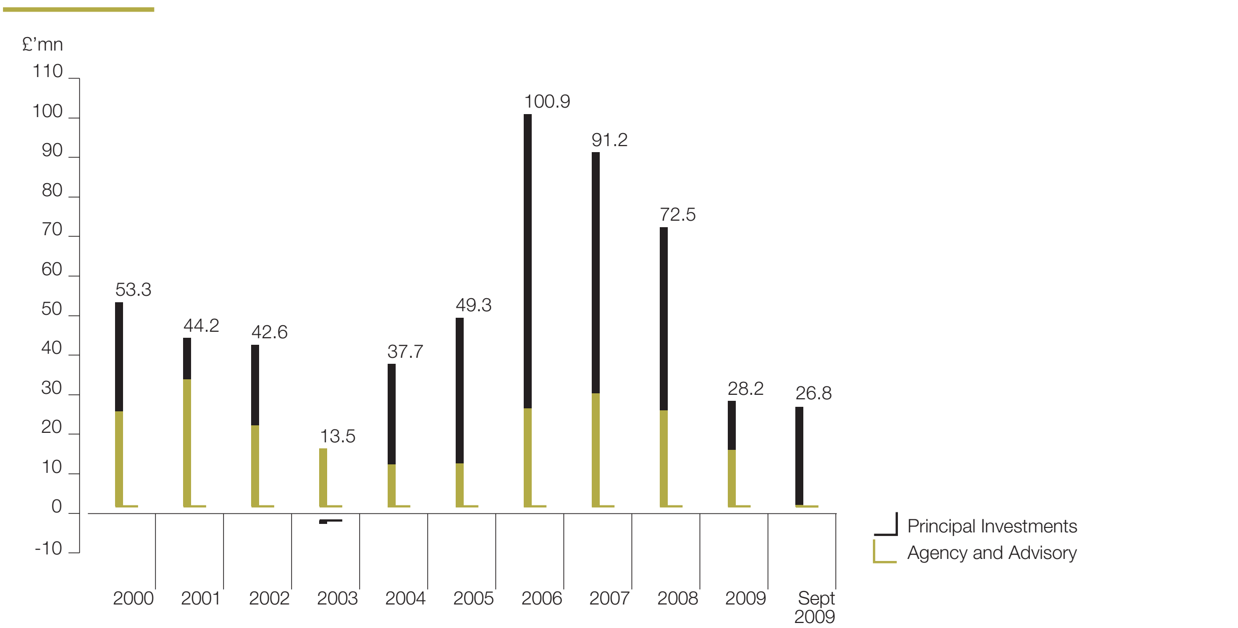
- Operating profit decreased by 6.2% to £26.8 million, contributing 15.8% to group profit.

Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
** As calculated on page 80

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 from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Investment Banking

Integrated business focused on local client delivery with international access

Divisional and segmental review

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	(6 389)	6 089	(12 478)	(>100.0%)
Net fee and commission income	29 537	40 792	(11 255)	(27.6%)
Principal transactions	49 500	43 571	5 929	13.6%
Other operating income and operating income from associates	7 045	(11 724)	18 769	>100.0%
Total operating income	79 693	78 728	965	1.2%
Impairment losses on loans and advances	3	-	3	100.0%
Admin expenses and depreciation	(64 939)	(67 709)	2 770	(4.1%)
Operating profit before goodwill, non-operating items and taxation	14 757	11 019	3 738	33.9%
Losses attributable to minority interests	12 027	17 537	(5 510)	(31.4%)
Operating profit before goodwill, non-operating items, taxation and after minorities	26 784	28 556	(1 772)	(6.2%)
Corporate Finance	(934)	5 496	(6 430)	(>100.0%)
Institutional Research, Sales and Trading	2 727	8 456	(5 729)	(67.8%)
Direct Investments	(2 332)	(1 084)	(1 248)	(>100.0%)
Private Equity	27 323	15 688	11 635	74.2%
Operating profit before goodwill, non-operating items, taxation and after minorities	26 784	28 556	(1 772)	(6.2%)
UK and Europe	(1 527)	1 199	(2 726)	(>100.0%)
Southern Africa	27 192	29 402	(2 210)	(7.5%)
Australia	1 119	(2 045)	3 164	>100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	26 784	28 556	(1 772)	(6.2%)
Adjusted shareholders' equity*	223 437	197 640	25 797	13.1%
ROE (pre-tax)*	18.7%	17.6%		
Cost to income ratio	81.5%	86.0%		
Cost to income ratio excluding investments that are consolidated	57.1%	48.0%		
Operating profit per employee (£'000)*	73.6	74.1	(0.5)	(0.7%)

* As calculated on pages 80 and 81

A further analysis of operating profit

30 September 2009 £'000	UK and Europe	Southern Africa	Australia	Total
Corporate Finance	(1 697)	2 153	(1 390)	(934)
Institutional Research, Sales and Trading	1 942	785	-	2 727
Principal Investments (Direct Investments and Private Equity)	9 934	24 254	1 579	35 767
	10 179	27 192	189	37 560
Consolidated investments	(11 706)	-	930	(10 776)
Total	(1 527)	27 192	1 119	26 784

30 September 2008 £'000	UK and Europe	Southern Africa	Australia	Total
Corporate Finance	4 272	1 867	(643)	5 496
Institutional Research, Sales and Trading	6 128	2 328	-	8 456
Principal Investments (Direct Investments and Private Equity)	5 309	25 207	1 139	31 655
	15 709	29 402	496	45 607
Consolidated investments	(14 510)	-	(2 541)	(17 051)
Total	1 199	29 402	(2 045)	28 556

Investment Banking

Integrated business focused on local client delivery with international access

Corporate Finance and Institutional Research, Sales and Trading

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	(284)	274	(558)	(>100.0%)
Net fee and commission income	26 647	41 306	(14 659)	(35.5%)
Principal transactions	9 513	14 438	(4 925)	(34.1%)
Total operating income	35 876	56 018	(20 142)	(36.0%)
Admin expenses and depreciation	(34 083)	(42 066)	7 983	(19.0%)
Operating profit before goodwill and non-operating items, taxation and after minorities	**1 793**	**13 952**	**(12 159)**	**(87.1%)**

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

- Corporate activity and fees earned have reduced across all three geographies.
- The Institutional Research, Sales and Trading operations in South Africa and the UK were negatively impacted by challenging market conditions. Ongoing market share gains in the South African Prime Broking operation cushioned the full impact of the difficult market conditions experienced.

Principal Investments

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	(6 105)	5 815	(11 920)	(>100.0%)
Net fee and commission income	2 890	(514)	3 404	>100.0%
Principal transactions	39 987	29 133	10 854	37.3%
Other operating income and operating income from associates	7 045	(11 724)	18 769	>100.0%
Total operating income	43 817	22 710	21 107	92.9%
Impairment losses on loans and advances	3	-	3	100.0%
Admin expenses and depreciation	(30 856)	(25 643)	(5 213)	20.3%
Operating profit before goodwill, non-operating items and taxation	**12 964**	**(2 933)**	**15 897**	**>100.0%**
Losses attributable to minority interests	12 027	17 537	(5 510)	(31.4%)
Operating profit before goodwill, non-operating items, taxation and after minorities	**24 991**	**14 604**	**10 387**	**71.1%**

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 70.4%, respectively. The results of these investments have been consolidated. These investments generated a net loss before taxation of £10.8 million.

Value of trading investments on balance sheet as at 30 September 2009

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	17	26	-	43
SA Direct Investments	29	105	19	153
SA Private Equity	-	230	35	265
Australia	7	22	-	29
Hong Kong Direct Investments	11	29	-	40
	64	412	54	530

Note:
Book value of consolidated investments of £37 million is not included in table above.

Investment Banking

Integrated business focused on local client delivery with international access

Divisional and segmental review

Value of trading investments on balance sheet at 30 September 2008

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	19	35	-	54
SA Direct Investments	13	69	13	95
SA Private Equity	-	118	18	136
Australia	-	14		14
Hong Kong Direct Investments	-	30	-	30
	32	266	31	329

Note:
Book value of consolidated investments of £58 million is not included in table above.

Analysis of operating profit for the six months to 30 September 2009

£'million	Realised	Un-realised	Divi-dends	Funding costs	Principal trans-actions	Interest and other	Net income	Expenses	Net profit	Minori-ties	Operat-ing profit
UK Private Equity and Direct Investments	-	3.2	0.2	-	3.4	(0.4)	3.0	(19.7)	(16.7)	11.9	(4.8)
SA Direct Investments	1.7	(2.4)	0.3	(6.0)	(6.4)	0.2	(6.2)	(0.4)	(6.6)	-	(6.6)
SA Private Equity	12.3	25.3	4.1	(3.6)	38.1	1.3	39.4	(8.5)	30.9	-	30.9
Australia	0.3	-	0.4	-	0.7	2.7	3.4	(1.0)	2.4	0.1	2.5
Hong Kong Direct Investments	-	4.2	-	-	4.2	0.1	4.3	(1.3)	3.0	-	3.0
Total	14.3	30.3	5.0	(9.6)	40.0	3.9	43.9	(30.9)	13.0	12.0	25.0

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

£'million	Realised	Un-realised	Divi-dends	Funding costs	Principal trans-actions	Interest and other	Net income	Expenses	Net profit	Minori-ties	Operat-ing profit
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

Investment Banking

Integrated business focused on local client delivery with international access

Developments

Corporate Finance

UK and Europe

- The difficult market conditions severely restricted corporate activity within our client base. There were no IPOs and limited fundraisings.
- We completed 6 M&A transactions with a value of £0.4 billion (2008: 14 transactions with a value of £1.9 billion).
- We completed 3 fundraisings during the period raising in aggregate £197 million (2008: 9 fundraisings raising £352 million).
- We strengthened our operation by employing eight experienced corporate financiers.
- We continue to build the quality and size of the corporate client list, gaining 11 new brokerships during the period. We now have 95 quoted clients with an average market cap of £280 million, of which 28 are FTSE 250 companies.

Southern Africa

- We have maintained our strong positioning.
- Our focus was on M&A, black economic empowerment, capital raisings and restructuring transactions.
- We retained all our major clients and gained several new mandates during the period.
- Numerous new mandates were entered into, however, it remains difficult to close deals in volatile markets.

Australia

- Corporate Advisory has focused on servicing its existing and prospective client base through strategic advice, market commentary and industry intelligence. In doing so, these parties have been reassured of Investec's value proposition despite the absence of corporate transactions.
- Stronger cooperation and collaboration with Corporate Finance in Johannesburg and London has led to a number of cross-border opportunities, resulting in a number of mandates and completed transactions in Australia and overseas.

Institutional Research, Sales and Trading

UK and Europe

- Volatile markets and difficult market conditions have restricted secondary commission growth.
- We have strengthened our UK research team over the year with the addition of three experienced analysts.
- We continue to expand the capacity of our New York sales team.

Southern Africa

- Our equity research coverage objective is in place - this is important in underpinning our South African distinctiveness.
- Good progress has been achieved in moving closer to meeting our internal client rating target.
- Our distribution platform into the USA is largely is place, progress has been made in targeting select continental Europe clients.
- The upgrade of the Prime Broking system was successfully completed.

Investment Banking

Integrated business focused on local client delivery with international access

Principal Investments

Southern Africa

- The Direct Investments portfolio increased to R1 831 million at 30 September 2009 (March 2009: R1 824 million). This was driven by a good performance of the underlying investments over the year 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 R3 174 million at 30 September 2009 (March 2009: R2 525 million).

Australia

- The total size of the Private Equity Funds is A$460 million.
- The current investment portfolio continues to perform satisfactorily.
- Private Equity is experiencing increasing levels of activity in terms of new investment opportunities.

Outlook, risks and opportunities

Corporate Finance

- The increase in the number and size of our corporate clients in the UK has been encouraging. While market conditions remain uncertain the pipeline is looking more positive.
- Black economic empowerment, M&A and capital raising and restructuring transactions are expected to continue to support activity in South Africa. Activity level is similar to the previous period and it remains difficult to close deals in volatile markets.
- In Australia, the recent rebound in equity market conditions, improved availability of debt and equity funding and some distressed opportunities have resulted in a marked increase in transaction enquiries, particularly in the areas of IPOs and M&A. Such enquiries are beginning to translate into live mandates, some of which are sizable and company transforming transactions. Closer working arrangements with other areas of the bank, particularly Private Equity, Property Private Equity and Capital Markets, are assisting in providing a comprehensive approach to clients' needs.

Institutional Research, Sales and Trading

- In the UK, commissions are dependent on market activity which has been negatively impacted by current market conditions. Given the improvements to our business (through selective investments in sales, trading and research) and the difficulties currently faced by the traditional brokers, we believe that we are well positioned to gain market share.
- The South African operation strengthened its position in the industry over the past six months and is now well placed to benefit from any improvement in its operating environment.

Principal Investments

- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio. The business is well placed to take advantage of new investment opportunities.
- The companies in our South African Private Equity portfolio are all trading in line with expectations and the outlook remains positive.
- The Australian business continues to add value to existing investments and is well placed to take advantage of new investment opportunities as they emerge.

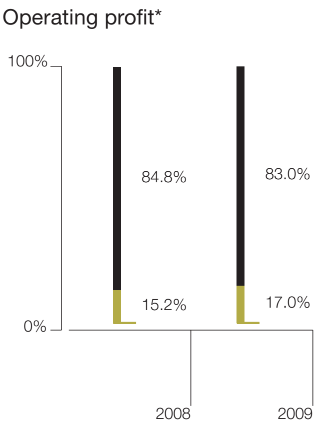
Asset Management

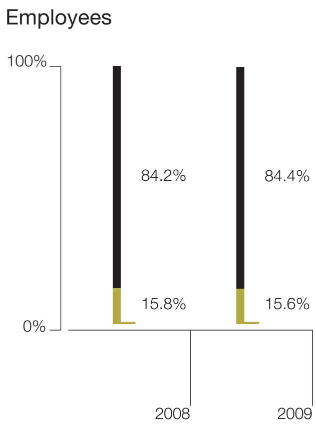
Investment specialist focused on performance and client needs

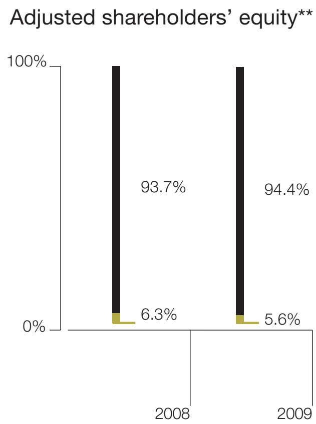
Overview and financial analysis

- Operating profit decreased by 14.1% to £28.9 million, contributing 17.0% to group profit.
- Assets under management increased by 32.6% to £38.2 billion, and over the period there have been record net inflows of £2.1 billion.

Contribution analysis



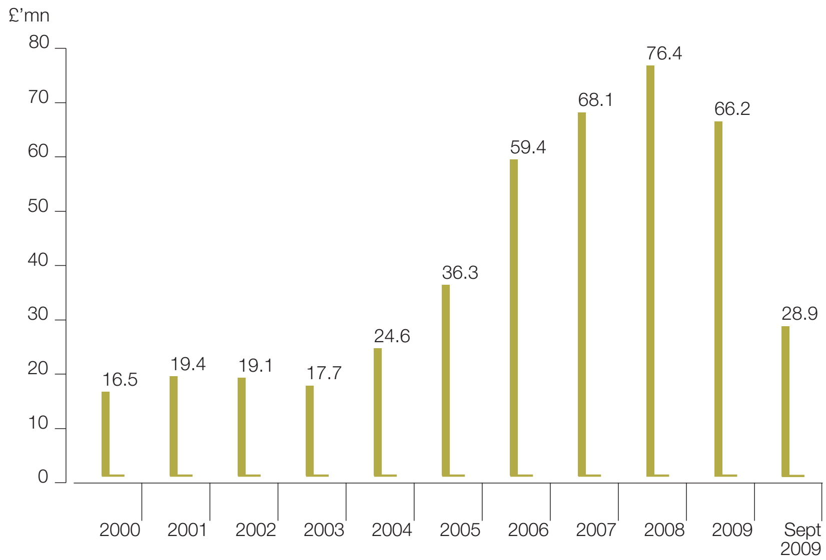




Remainder of Investec group
Asset Management

* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
** As calculated on page 80

Operating profit^ - track record



^ Trend reflects numbers as at the year ended 31 March unless otherwise stated. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Asset Management

Investment specialist focused on performance and client needs

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	1 014	3 413	(2 399)	(70.3%)
Net fee and commission income	98 695	103 322	(4 627)	(4.5%)
Other income	2 821	(2 538)	5 359	>100.0%
Total operating income	102 530	104 197	(1 667)	(1.6%)
Admin expenses and depreciation	(73 443)	(70 513)	(2 930)	4.2%
Operating profit before goodwill, non-operating items and taxation	29 087	33 684	(4 597)	(13.6%)
Earnings attributable to minority interests	(155)	-	(155)	(>100.0%)
Operating profit before goodwill, non-operating items, taxation and after minorities	28 932	33 684	(4 752)	(14.1%)
UK and international	7 513	11 189	(3 676)	(32.9%)
Southern Africa	21 419	22 495	(1 076)	(4.8%)
Operating profit before goodwill, non-operating items, taxation and after minorities	28 932	33 684	(4 752)	(14.1%)
Adjusted shareholders' equity*	131 397	111 860	19 537	17.5%
ROE (pre-tax)*	32.0%	43.2%		
Cost to income ratio	71.6%	67.7%		
Operating profit per employee (£'000)*	31.2	33.5	(2.3)	(6.9%)

* As calculated on pages 80 and 81

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

UK and international
- Operating profit in the UK and international region declined 32.9% to £7.5 million.
- The decrease in profitability of the UK and international business is due to lower average assets under management on the prior period.
- Assets under management are £17.6 billion.

Southern Africa
- Operating profit in the Southern Africa region declined 4.8% to £21.4 million.
- The decrease in profitability of the Southern Africa business is also due to lower average assets under management. Performance fee revenue declined to R50 million (2008: R141 million).
- Assets under management are £20.6 billion.

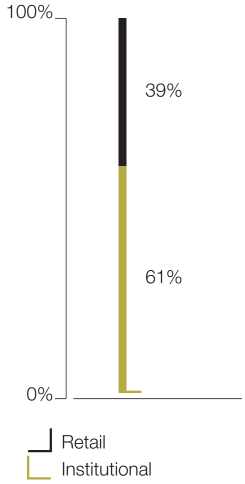
Expenses
The increase in expenses is primarily attributable to increases in various business expenses over the period and the effects of a stronger Rand.

Asset Management

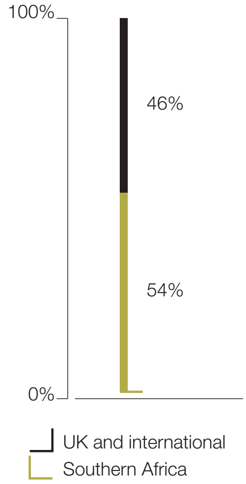
Investment specialist focused on performance and client needs

Assets under management*

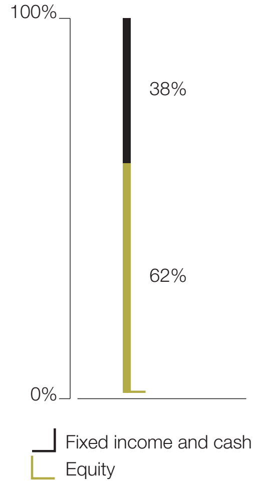
Business type



Geographic



Asset class



Movement in assets under management*

	Total	UK and international	Southern Africa	
	£'million	£'million	£'million	R'million
31 March 2009	28 835	13 108	15 727	213 509
New clients/funds	1 704	510	1 194	15 010
Existing client/fund net flows	450	1 201	(751)	(9 549)
Net flows	2 154	1 711	443	5 461
Market/FX movement	7 250	2 764	4 486	28 610
30 September 2009	38 239	17 583	20 656	247 580
Institutional	23 277	8 813	14 464	173 370
Retail	14 962	8 770	6 192	74 210

£'million	Total	Institutional	Retail
31 March 2009	28 835	17 918	10 917
New clients/funds	1 704	1 704	-
Existing client/fund net flows	450	(1 211)	1 661
Net flows	2 154	493	1 661
Market/FX movement	7 250	4 866	2 384
30 September 2009	38 239	23 277	14 962
UK and international	17 583	8 813	8 770
Southern Africa	20 656	14 464	6 192

Sales (gross inflows for the six months to 30 September)

£'million	Sept 2009	Sept 2008
Institutional	6 729	3 345
Retail	3 978	3 987
	10 707	7 332

£'million	Sept 2009	Sept 2008
Fixed interest and cash	5 555	2 331
Equity	4 476	4 646
Balanced	676	355
	10 707	7 332

* 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 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/FX 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/FX 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

* Managed basis

Developments

- Our widened geographic distribution reach has helped us gain £2.1 billion of net inflows. Of this £1.7 billion came from outside Southern Africa, a record amount for the business.
- Mutual fund flows across the industry have picked up significantly over the period and we experienced £1.7 billion of net inflows in the period.
- We continue to achieve good long term performance in our mutual fund range.
  - 71% by value and 60% by number of our mutual funds based outside Southern Africa are in the first or second quartile over three years.
  - 75% by value and 83% by number of our mutual funds based in Southern Africa are in the first or second quartile over three years.
- 100% of institutional propositions outperformed their benchmarks since GIPS (Global Investment Performance Standards) inception outside of Southern Africa and in Southern Africa, 91% of propositions outperformed their benchmarks.

Investec Asset Management in the UK mutual fund industry

£'million	2009	2008	2007
IAM assets under management	5 282	3 828	4 801
Total industry size	463 418	380 014	468 306
Market share	1.1%	1.0%	1.0%
Size ranking in industry	31st of 108	32nd of 111	33rd of 111
Industry gross retail sales	69 942	64 977	65 311
IAM % of industry gross retail sales	2.4%	2.6%	2.9%

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

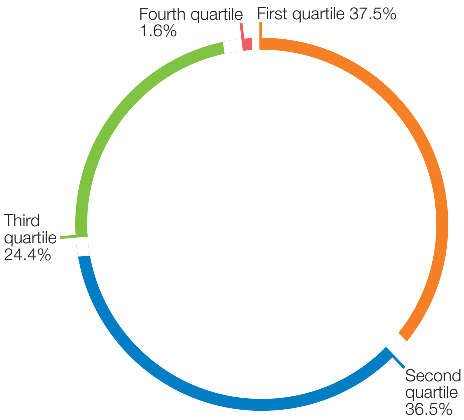
Asset Management

Investment specialist focused on performance and client needs

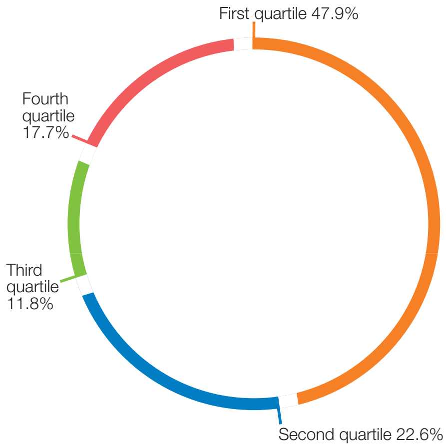
UK and global mutual fund investment performance

By value of funds

One year

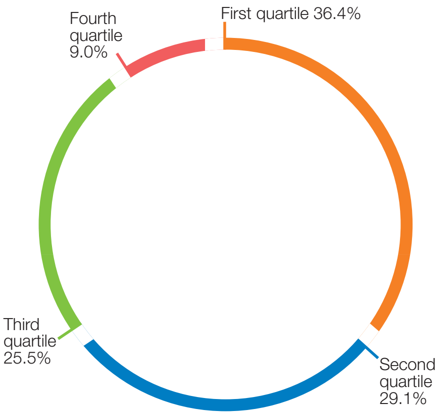


Three years

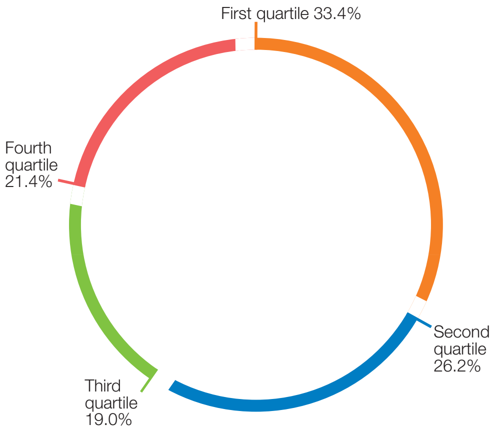


By number of funds

One year



Three years

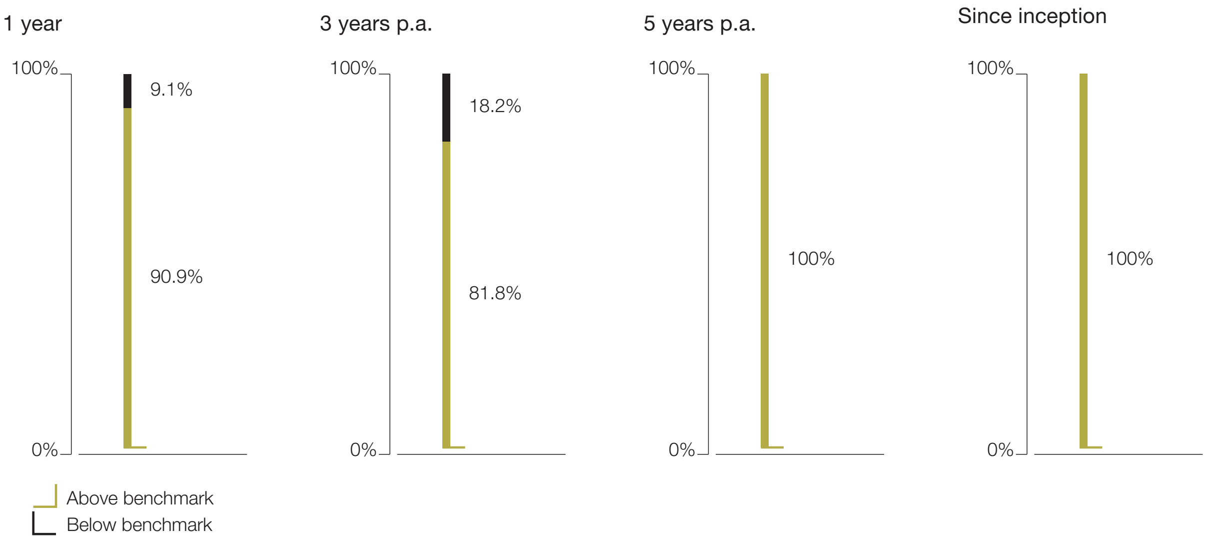


Calculated from Lipper data
Excludes cash, cash plus and liquidity funds

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	2009	2008	2007
IAM assets under management	66 051	61 003	61 142
Total industry size	748 873	647 446	639 348
Market share	8.8%	9.4%	9.6%
Size ranking in industry	5th of 38	4th of 39	4th of 36
Industry net sales	97 909	42 246	77 929
IAM % of industry net sales	6.4%	10.0%	9.6%
Industry gross sales	614 316	561 764	544 340
IAM % of industry gross sales	7.3%	7.7%	7.7%

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

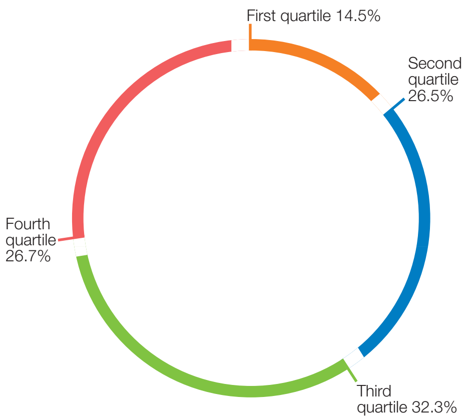
Asset Management

Investment specialist focused on performance and client needs

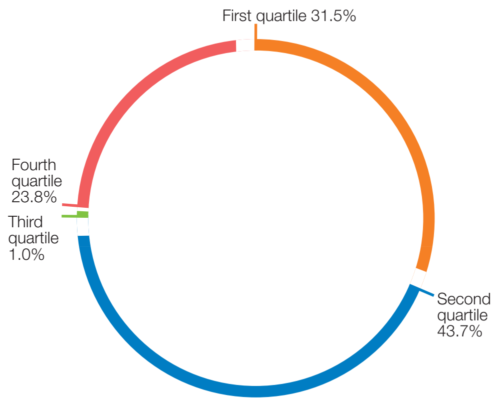
South African mutual fund investment performance

By value of funds

One year

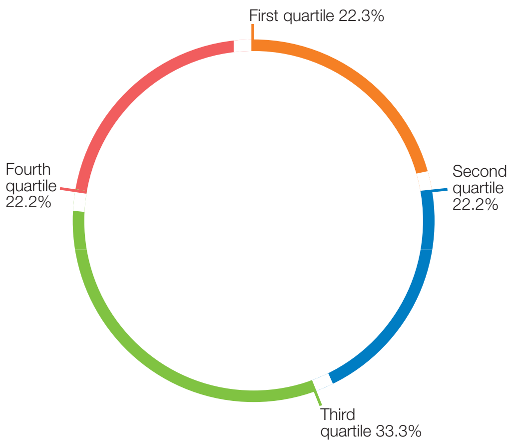


Three years

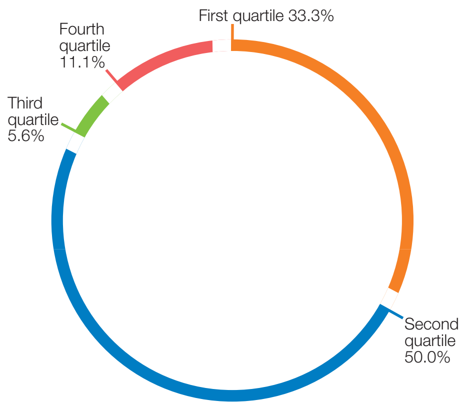


By number of funds

One year



Three years

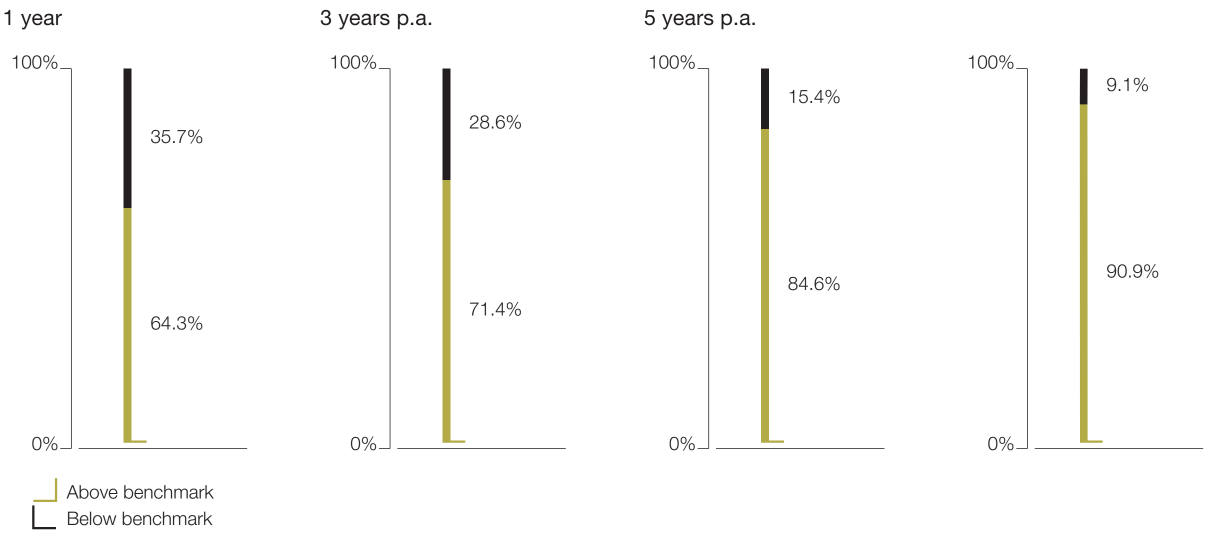


Calculated from Standard and Poors' Datastream data

Asset Management

Investment specialist focused on performance and client needs

South African institutional investment performance



Calculated from StatPro

Outlook, risks and uncertainties

- Markets have improved on their lows at the end of the previous financial year. Business and earnings momentum is positive.
- Our long-term strategy remains unchanged and we are committed to managing our clients' money to the highest standard possible.

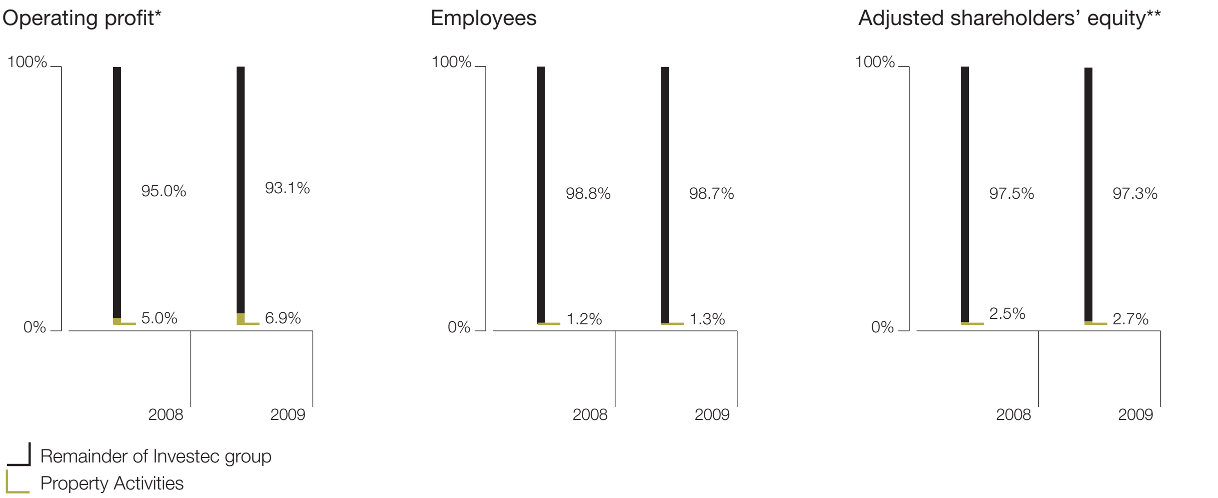
Property Activities

Leading fund and asset manager, seeking selective trading opportunities

- Operating profit increased by 5.3% to £11.7 million, contributing 6.9% to group profit.

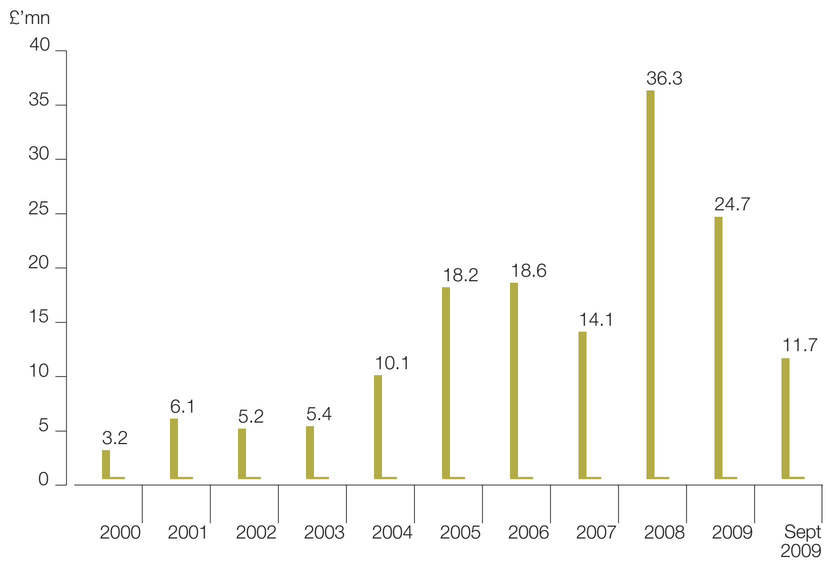
Overview and financial analysis

Contribution analysis



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
** As calculated on page 80

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 from 2008 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities.

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Income statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income	(3 812)	(4 436)	624	(14.1%)
Net fee and commission income	6 146	10 421	(4 275)	(41.0%)
Other income	17 295	11 391	5 904	51.8%
Total operating income	19 629	17 376	2 253	13.0%
Admin expenses and depreciation	(7 896)	(6 232)	(1 664)	26.7%
Operating profit before goodwill, non-operating items, taxation and after minorities	11 733	11 144	589	5.3%
UK and Europe	619	(363)	982	>100.0%
Southern Africa	9 464	11 173	(1 709)	(15.3%)
Australia	1 650	334	1 316	>100.0%
Operating profit before goodwill, non-operating items, taxation and after minorities	11 733	11 144	589	5.3%
Adjusted shareholders' equity*	62 376	44 040	18 336	41.6%
ROE (pre-tax)*	28.6%	46.2%		
Cost to income ratio	40.2%	35.9%		
Operating profit per employee (£'000)*	152.4	150.6	1.8	1.2%

* As calculated on pages 80 and 81

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

- The revaluation of investment properties net of funding costs amounted to R135.7 million (2008: R52.7 million). The investments business has been negatively impacted by the state of the listed property investments market. The prior period included significant fees earned on the completion of a number of projects.
- Investment in the UK's GLL Global Special Opportunities Real Estate Fund has started to generate revenue. Development of the UK REITs fund has resulted in fees, dividends and profits from the sale of underlying investments.
- Increased levels of activity in the Australian property fund have resulted in higher fee revenue. The division has also benefited from revenue earned on the sale of an investment.

Developments

UK and Europe

- The business is in the process of implementing the Investec Big Ben Property Fund which is due to be launched on 1 December 2009.
- UK REITs investment business has been implemented and will source suitable stock and investments from the UK REIT sector for client investment purposes.
- The Investec GLL Global Special Opportunities Real Estate Fund has invested in six properties located in Chile (2), Argentina, United States of America, Hungary and the United Kingdom. Two further properties located in the USA and Poland have been identified for investment.
- The fund will continue to invest in international direct commercial real estate with caution and endeavour to unlock value in the medium term. A total of €375 million has been raised to date and of this, €110 million has been invested.

South Africa

- A slow down in global economic activity has hampered initiatives for new development. However, the business is underpinned by a good quality pipeline and the Property Investments business which provides annuity income.
- Notwithstanding the negative outlook for property in the short-term, prospects remain positive with numerous projects underway and opportunities to convert and refurbish existing holdings.
- The ability to fund new grassroots developments is extremely expensive with anticipated entry and exit yields hindering progress.
- The global property products to be launched in 2010 new calendar year are expected to provide a broader range of investment products for local investors, e.g. Investec Big Ben Property Fund and investing into UK REITs.
- Private client funds under management have decreased 23% from R846 million to R688 million since 31 March 2009.
- Total funds under advice are R7.8 billion (31 March 2009: R7.3 billion).

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Australia

- As at 30 September 2009, the Investec Property Opportunity Fund has invested A$100 million, with A$16 million available for future investment and/or development opportunities.
- The Property division sub-underwrote the Abacus Property Group rights issue in March 2009. These rights were converted into units in April 2009, a portion of which were sold during the period ending September 2009.
- The business is in the process of raising a second Opportunity Fund in the first quarter of 2010.
- Total funds under management are A$252 million.

Outlook, risks and uncertainties

UK and Europe

- Repricing of the UK property market has resulted in the business being able to source potentially attractive real estate for the Investec GLL Global Special Opportunities Real Estate Fund.
- Investment in UK REITs provides access for our clients to a diverse portfolio of prime properties across different sectors in the UK and in some cases Europe. Repricing in the sector and recapitalisation has reduced downside risks.
- The Investec Big Ben Property Fund is being launched to take advantage of investment opportunities that exist given the current state of the UK property market and funding available for property acquisitions.

South Africa

- Property, like all the other sectors in the economy, is susceptible to weakness when the economy experiences a slow down as the underlying tenants become vulnerable to the vagaries of the economy.
- New developments have been hampered as there has been a reduction in tenant demand, and many current opportunities are not able to achieve the required rental levels that would give an acceptable return.
- Opportunities to enhance value of existing portfolios remain positive.
- The growth in assets under advice is limited to the size of the listed property sector.
- Listed property is forecast to deliver better total returns than bonds and this could result in increased asset allocation by asset managers.

Australia

- Following significant write-downs in the value of property across all the sectors, the market has seen sales volumes gathering momentum.
- Yield softening is starting to plateau, rents are stabilising and the decline in land values is slowing.
- We are well positioned in current market conditions to take advantage of opportunities for property and development acquisitions, together with the launch of additional funds.

Group Services and Other Activities

Overview and financial analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
International Trade Finance	3 154	3 589	(435)	(12.1%)
Central Funding	75 060	46 368	28 692	61.9%
Central Services	(32 038)	(30 067)	(1 971)	6.6%
Operating profit before goodwill, non-operating items, taxation and after minorities	**46 176**	**19 890**	**26 286**	**132.2%**

£'000	UK and Europe	Southern Africa	Australia	Total group
30 Sept 2009				
International Trade Finance	1 142	2 012	-	3 154
Central Funding	36 102	35 873	3 085	75 060
Central Services	(12 428)	(16 400)	(3 210)	(32 038)
Operating profit before goodwill, non-operating items, taxation and after minorities	**24 816**	**21 485**	**(125)**	**46 176**
30 Sept 2008				
International Trade Finance	1 613	1 976	-	3 589
Central Funding	(4 223)	44 435	6 156	46 368
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**

Developments

Central Services

- 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 £32.0 million (2008: £30.1 million). However, a portion thereof (£29.6 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 80 for further details.
- Central costs are higher than the prior year mainly due to the appreciation of the Rand against Pounds Sterling.

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.

Group Services and Other Activities

Central Funding (continued)

£'000	30 Sept 2009	30 Sept 2008	Variance	% change
Net interest income (excluding interest on sub-debt and debentures)	41 438	94 517	(52 598)	(55.9%)
Principal transactions	82 133	(496)	82 636	>100.0%
Other income	(964)	1 221	(2 086)	(>100.0%)
	122 607	95 242	27 952	29.5%
Interest paid on sub-debt and debentures	(34 902)	(43 086)	8 184	(19.0%)
Impairment losses on loans and advances	(7 084)	(941)	(6 143)	(>100.0%)
Admin expenses and depreciation	(4 538)	(2 038)	(3 628)	(>100.0%)
Operating profit before goodwill, non-operating items and taxation	76 083	49 177	26 365	53.0%
Earnings attributable to minority interests	(1 023)	(2 809)	1 786	(63.6%)
Operating profit before goodwill, non-operating items, taxation and after minorities	75 060	46 368	28 151	60.0%

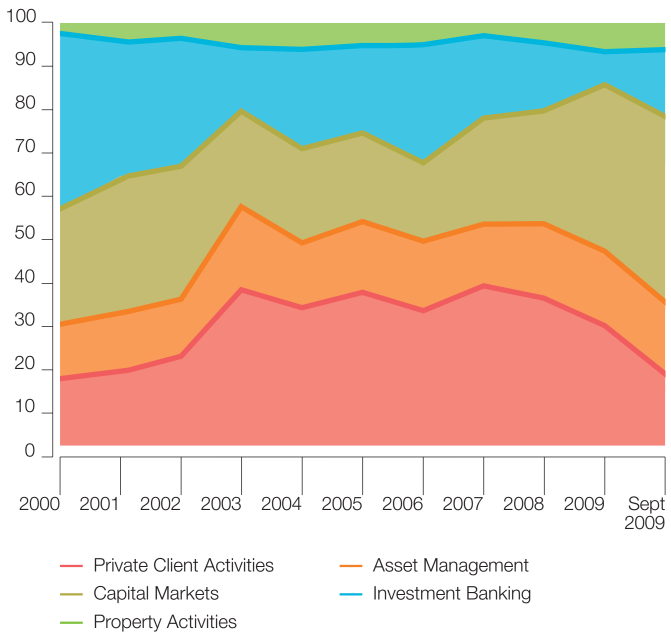
The variance in operating profit over the period can be explained as follows:

- Net interest income was largely impacted by:
  - A negative endowment impact as a result of the declining rate environment.
  - The decrease in interest paid on sub-debt is as a result of a decline in interest rates in South Africa.
- The increase in principal transaction income largely reflects the benefit of purchasing the group's debt in the UK and an improved return on certain investments held in the South African portfolio.
- The group has increased its portfolio impairments.

A diversified portfolio of businesses

- We will continue to balance our operational risk businesses with financial risk businesses to build a sustainable business model.

% contribution to operating profit



Segmental geographic analysis – income statement

For the 6 months to 30 Sept 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
Interest income	300 509	590 171	83 436	974 116
Interest expense	(163 914)	(459 512)	(53 333)	(676 759)
Net interest income	**136 595**	**130 659**	**30 103**	**297 357**
Fee and commission income	133 564	112 049	11 037	256 650
Fee and commission expense	(23 921)	(4 276)	(2 025)	(30 222)
Principal transactions	120 786	100 271	9 764	230 821
Operating income/(loss) from associates	*5 793	(5)	141	5 929
Investment income on assurance activities	-	68 573	-	68 573
Premiums and reinsurance recoveries on insurance contracts	-	2 179	-	2 179
Other operating income/(loss)	11 181	2 681	(3 392)	10 470
Other income	**247 403**	**281 472**	**15 525**	**544 400**
Claims and reinsurance premiums on insurance business	-	(68 777)	-	(68 777)
Total operating income net of insurance claims	**383 998**	**343 354**	**45 628**	**772 980**
Impairment losses on loans and advances	(88 493)	(33 002)	(12 801)	(134 296)
Operating income	**295 505**	**310 352**	**32 827**	**638 684**
Administrative expenses	(211 870)	(177 583)	(28 507)	(417 960)
Depreciation, amortisation and impairment of property, equipment and intangibles	(10 401)	(4 589)	(598)	(15 588)
Operating profit before goodwill	**73 234**	**128 180**	**3 722**	**205 136**
Losses/(earnings) attributable to minority interests	13 491	(3 023)	375	10 843
Operating profit before goodwill and after minorities	**86 725**	**125 157**	**4 097**	**215 979**
Goodwill	-	(1 234)	-	(1 234)
Profit before taxation and after minorities	**86 725**	**123 923**	**4 097**	**214 745**
Taxation	(3 472)	(31 373)	(1 366)	(36 211)
Earnings attributable to shareholders	**83 253**	**92 550**	**2 731**	**178 534**
Selected returns and key statistics				
ROE (post-tax)	17.4%	16.9%	1.6%	14.8%
Cost to income ratio	57.9%	53.1%	63.8%	56.1%
Staff compensation to operating income	33.7%	34.2%	45.7%	34.6%
Operating profit per employee (£'000)	44.8	33.4	11.1	35.6
Effective operational tax rate	5.1%	24.5%	38.1%	18.2%
Total assets (£'million)	16 492	21 287	2 555	40 334

* This number is net of tax of approximately £2.0 million.

Segmental geographic analysis – income statement

For the 6 months to 30 Sept 2008 £'000	UK and 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/(loss) 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	(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, amortisation and impairment of property, equipment and intangibles	(11 298)	(2 759)	(382)	(14 439)
Operating profit before goodwill	**57 418**	**162 276**	**7 336**	**227 030**
(Losses)/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	-	-	-	-
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)	35.2	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

* The number is net of tax of £2.8 million.

Segmental business analysis – income statement

For the 6 months to 30 Sept 2009 £'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
Net interest income	137 226	156 311	(6 389)	1 014	(3 812)	13 007	297 357
Fee and commission income	61 732	38 437	32 546	118 910	7 245	(2 220)	256 650
Fee and commission expense	(4 300)	(1 531)	(3 009)	(20 215)	(1 099)	(68)	(30 222)
Principal transactions	1 096	80 643	49 500	2	17 402	82 178	230 821
Operating income from associates	**5 527	63	75	-	-	264	5 929
Investment income on assurance activities	-	-	-	-	-	68 573	68 573
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	2 179	2 179
Other operating (loss)/income	(2)	-	6 970	2 819	(107)	790	10 470
Other income	64 053	117 612	86 082	101 516	23 441	151 696	544 400
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(68 777)	(68 777)
Total operating income net of insurance claims	201 279	273 923	79 693	102 530	19 629	95 926	772 980
Impairment losses on loans and advances	(53 522)	(72 264)	3	-	-	(8 513)	(134 296)
Operating income	147 757	201 659	79 696	102 530	19 629	87 413	638 684
Administrative expenses	(116 609)	(124 273)	(59 351)	(72 952)	(7 888)	(36 887)	(417 960)
Depreciation, amortisation and impairment of property, equipment and intangibles	(2 431)	(3 743)	(5 588)	(491)	(8)	(3 327)	(15 588)
Operating profit before goodwill	28 717	73 643	14 757	29 087	11 733	47 199	205 136
Losses/(earnings) attributable to minority interests	-	(6)	12 027	(155)	-	(1 023)	10 843
Operating profit before goodwill and after minorities	28 717	73 637	26 784	28 932	11 733	46 176	215 979
Goodwill	-	-	-	(1 234)	-	-	(1 234)
Operating profit after minorities	28 717	73 637	26 784	27 698	11 733	46 176	214 745
Selected returns and key statistics							
ROE (pre-tax)	7.0%	16.1%	18.7%	32.0%	28.6%	89.0%	18.1%
Cost to income ratio	59.1%	46.7%	81.5%	71.6%	40.2%	41.9%	56.1%
Staff compensation to operating income	32.5%	26.5%	42.0%	45.7%	25.3%	45.9%	34.6%
Operating profit per employee (£'000)	9.8	70.4	73.6	31.2	152.4	40.9	35.6
Total assets (£'million)	13 467	20 253	1 010	376	301	4 927	40 334

* 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 tax of approximately £2.0 million.

Segmental business analysis – income statement

For the 6 months to 30 Sept 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, amortisation and impairment of property, equipment and intangibles	(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
(Losses)/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	-	-	-	-	-	-	-
Operating profit 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

** The number is net of tax of £2.8 million.

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

For the 6 months to 30 Sept 2009 £'000	UK and Europe	Southern Africa	Australia	Total group	% change	% of total
Private Banking	8 754	8 283	(328)	16 709	(73.6%)	7.7%
Private Client Portfolio Management and Stockbroking	5 389	6 619	-	12 008	(8.5%)	5.6%
Capital Markets	41 161	30 695	1 781	73 637	2.1%	34.1%
Investment Banking	(1 527)	27 192	1 119	26 784	(6.2%)	12.4%
Asset Management	7 513	21 419	-	28 932	(14.1%)	13.4%
Property Activities	619	9 464	1 650	11 733	5.3%	5.4%
Group Services and Other Activities	24 816	21 485	(125)	46 176	>100.0%	21.4%
Total group	86 725	125 157	4 097	215 979	(10.7%)	100%
Minority interest - equity				(10 843)		
Operating profit				205 136		
% change	15.8%	(20.6%)	(55.6%)	(10.7%)		
% of total	40.2%	57.9%	1.9%	100.0%		

For the 6 months to 30 Sept 2008 £'000	UK and Europe	Southern Africa	Australia	Total group	% of total
Private Banking	35 080	22 614	5 532	63 226	26.2%
Private Client Portfolio Management and Stockbroking	6 579	6 549	-	13 128	5.4%
Capital Markets	39 488	31 212	1 430	72 130	29.8%
Investment Banking	1 199	29 402	(2 045)	28 556	11.8%
Asset Management	11 189	22 495	-	33 684	13.9%
Property Activities	(363)	11 173	334	11 144	4.6%
Group Services and Other Activities	(18 287)	34 199	3 978	19 890	8.2%
Total group	74 885	157 644	9 229	241 758	100.0%
Minority interest - equity				(14 728)	
Operating profit				227 030	
% of total	31.0%	65.2%	3.8%	100.0%	

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

£'000	6 months to 30 Sept 2009	6 months to 30 Sept 2008	% Change
Private Client Activities			
Private Banking	16 709	63 226	(73.6%)
Private Client Portfolio Management and Stockbroking	12 008	13 128	(8.5%)
	28 717	76 354	(62.4%)
Capital Markets	73 637	72 130	2.1%
Investment Banking			
Corporate Finance	(934)	5 496	(>100.0%)
Institutional Research, Sales and Trading	2 727	8 456	(67.8%)
Principal Investments	24 991	14 604	71.1%
	26 784	28 556	(6.2%)
Asset Management	28 932	33 684	(14.1%)
Property Activities	11 733	11 144	5.3%
Group Services and Other Activities			
International Trade Finance	3 154	3 589	(12.1%)
Central Funding	75 060	46 368	61.9%
Central Services Costs	(32 038)	(30 067)	6.6%
	46 176	19 890	>100.0%
Total group	215 979	241 758	(10.7%)

Segmental geographic analysis - balance sheet

At 30 Sept 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	1 171 818	291 415	10 971	1 474 204
Loans and advances to banks	930 354	707 873	140 877	1 779 104
Cash equivalent advances to customers	-	496 792	-	496 792
Reverse repurchase agreements and cash collateral on securities borrowed	215 395	345 029	-	560 424
Trading securities	251 252	3 318 413	78	3 569 743
Derivative financial instruments	669 512	737 148	47 144	1 453 804
Investment securities	463 468	77 962	694 863	1 236 293
Loans and advances to customers	5 981 135	9 394 507	1 063 277	16 438 919
Loans and advances to customers - Kensington warehouse assets	1 873 778	-	-	1 873 778
Securitised assets	3 862 786	992 302	513 915	5 369 003
Interests in associated undertakings	89 331	4 515	4 621	98 467
Deferred taxation assets	74 120	50 115	15 376	139 611
Other assets	544 249	459 538	18 274	1 022 061
Property and equipment	139 771	14 892	4 399	159 062
Investment properties	-	200 695	-	200 695
Goodwill	198 784	24 393	37 810	260 987
Intangible assets	25 768	6 534	3 612	35 914
	16 491 521	17 122 123	2 555 217	36 168 861
Other financial instruments at fair value through income in respect of				-
- Liabilities to customers	-	4 162 088	-	4 162 088
- Assets related to reinsurance contracts	-	3 196	-	3 196
Total assets	16 491 521	21 287 407	2 555 217	40 334 145
Liabilities				
Deposits by banks	2 201 234	849 048	-	3 050 282
Deposits by banks - Kensington warehouse funding	1 354 737	-	-	1 354 737
Derivative financial instruments	407 446	692 818	54 271	1 154 535
Other trading liabilities	97 267	208 503	-	305 770
Repurchase agreements and cash collateral on securities lent	333 882	321 674	-	655 556
Customer accounts	5 725 447	11 388 295	899 770	18 013 512
Debt securities in issue	385 993	93 604	686 789	1 166 386
Liabilities arising on securitisation	3 508 931	733 908	506 790	4 749 629
Current taxation liabilities	75 053	108 077	(15 042)	168 088
Deferred taxation liabilities	40 743	98 540	-	139 283
Other liabilities	442 924	876 825	22 969	1 342 718
Pension fund liabilities	934	-	-	934
	14 574 591	15 371 292	2 155 547	32 101 430
Liabilities to customers under investment contracts	-	4 155 535	-	4 155 535
Insurance liabilities, including unit-linked liabilities	-	6 553	-	6 553
Reinsured liabilities	-	3 196	-	3 196
	14 574 591	19 536 576	2 155 547	36 266 714
Subordinated liabilities	617 447	412 761	43 833	1 074 041
Total liabilities	15 192 038	19 949 337	2 199 380	37 340 755

Segmental geographic analysis - balance sheet

Divisional and segmental review

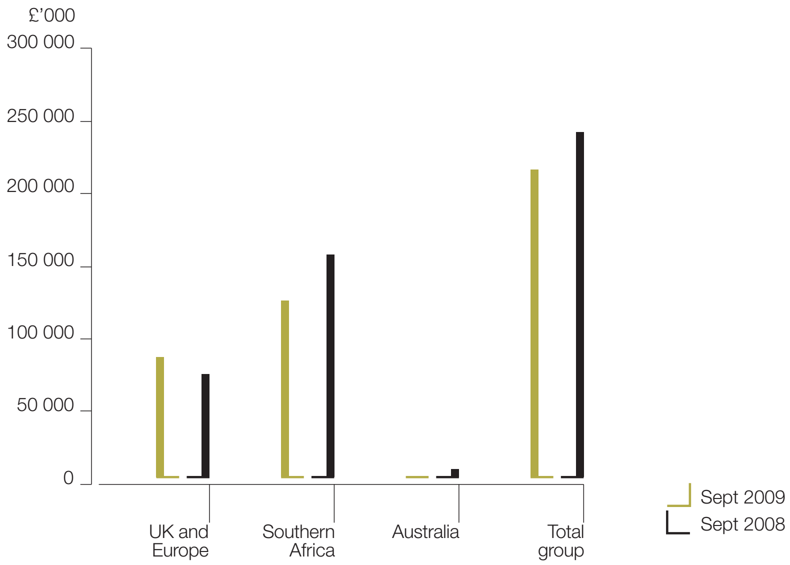
At 31 March 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	872 101	232 654	334	1 105 089
Loans and advances to banks	987 859	897 559	132 671	2 018 089
Cash equivalent advances to customers	-	396 173	-	396 173
Reverse repurchase agreements and cash collateral on securities borrowed	253 247	316 523	-	569 770
Trading securities	356 147	1 951 962	5 736	2 313 845
Derivative financial instruments	747 225	736 353	99 330	1 582 908
Investment securities	367 456	46 806	649 307	1 063 569
Loans and advances to customers	6 178 269	8 245 665	966 585	15 390 519
Loans and advances to customers - Kensington warehouse assets	1 897 878	-	-	1 897 878
Securitised assets	4 228 165	958 598	441 584	5 628 347
Interests in associated undertakings	87 164	2 489	3 841	93 494
Deferred taxation assets	74 325	37 456	24 976	136 757
Other assets	527 547	347 786	18 729	894 062
Property and equipment	156 495	13 981	4 056	174 532
Investment properties	-	189 156	-	189 156
Goodwill	200 208	22 601	33 163	255 972
Intangible assets	24 024	6 519	3 859	34 402
	16 958 110	14 402 281	2 384 171	33 744 562
Other financial instruments at fair value through income in respect of				-
- Liabilities to customers	-	3 358 338	-	3 358 338
- Assets related to reinsurance contracts	-	1 768	-	1 768
Total assets	16 958 110	17 762 387	2 384 171	37 104 668
Liabilities				
Deposits by banks	2 783 331	895 710	102 112	3 781 153
Deposits by banks - Kensington warehouse funding	1 412 961	-	-	1 412 961
Derivative financial instruments	349 404	773 865	73 057	1 196 326
Other trading liabilities	191 897	152 664	-	344 561
Repurchase agreements and cash collateral on securities lent	747 177	168 673	-	915 850
Customer accounts	4 376 051	9 345 797	850 720	14 572 568
Debt securities in issue	314 429	70 252	630 190	1 014 871
Liabilities arising on securitisation	3 946 872	817 655	438 946	5 203 473
Current taxation liabilities	68 642	94 127	(7 374)	155 395
Deferred taxation liabilities	50 022	70 113	-	120 135
Other liabilities	416 449	826 568	21 127	1 264 144
Pension fund liabilities	1 212	-	-	1 212
	14 658 447	13 215 424	2 108 778	29 982 649
Liabilities to customers under investment contracts	-	3 352 863	-	3 352 863
Insurance liabilities, including unit-linked liabilities	-	5 475	-	5 475
Reinsured liabilities	-	1 768	-	1 768
	14 658 447	16 575 530	2 108 778	33 342 755
Subordinated liabilities	739 819	363 034	38 523	1 141 376
Total liabilities	15 398 266	16 938 564	2 147 301	34 484 131

Segmental geographic analysis - balance sheet

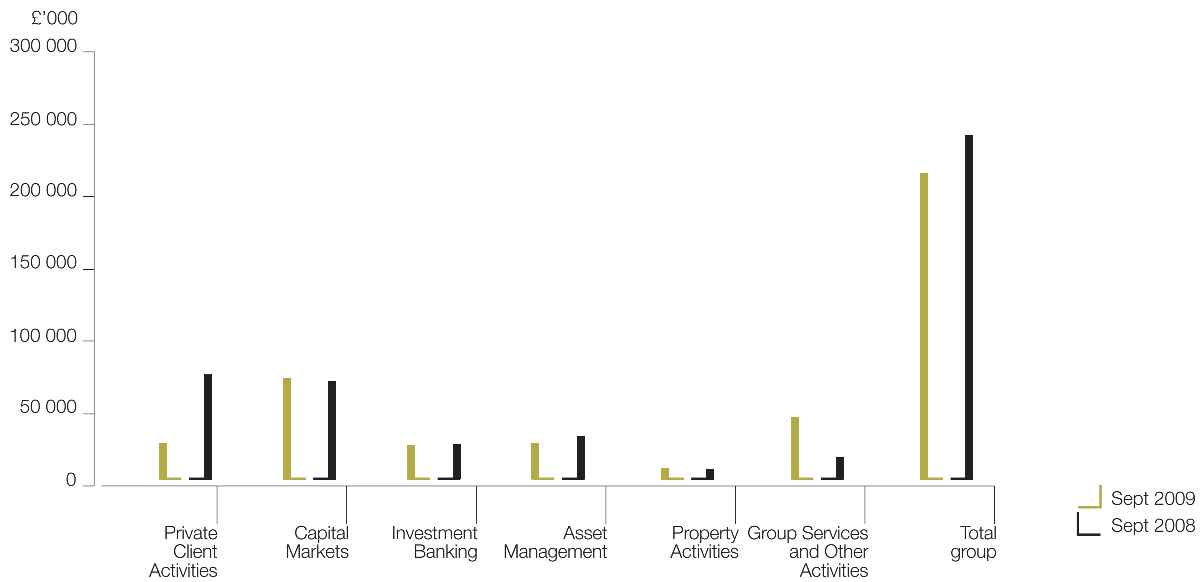
At 30 Sept 2008 £'000	UK and Europe	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	180 767	207 173	22 804	410 744
Loans and advances to banks	1 278 988	1 153 695	142 113	2 574 796
Cash equivalent advances to customers	1 207	483 789	-	484 996
Reverse repurchase agreements 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
Total assets	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	523 917	765 431	19 488	1 308 836
Pension fund liabilities	-	-	-	-
	14 710 505	11 959 535	1 581 203	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
	14 710 505	16 176 864	1 581 203	32 468 572
Subordinated liabilities	748 907	327 878	33 998	1 110 783
Total liabilities	15 459 412	16 504 742	1 615 201	33 579 355

Segmental geographical and business analysis

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



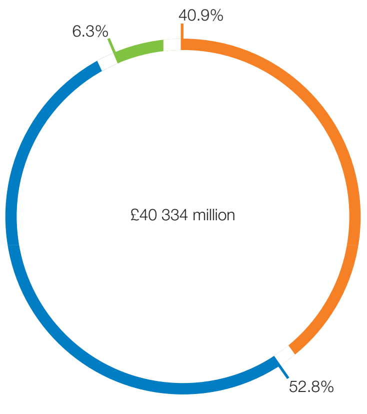
Operating profit before goodwill, non-operating items,taxation and after minorities by line of business



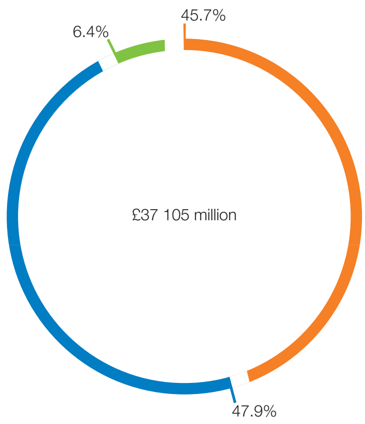
Segmental geographical and business analysis

Assets by geography

30 Sept 2009



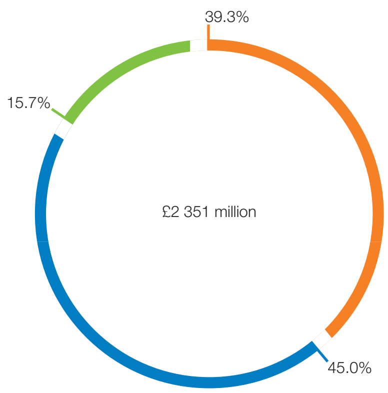
31 March 2009



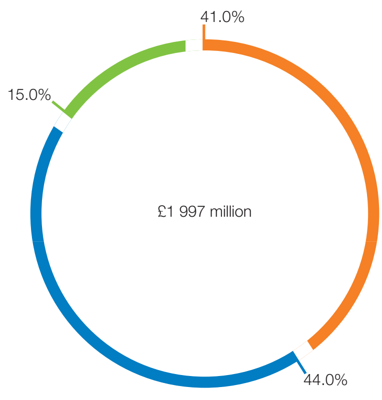
UK and Europe | Southern Africa | Australia

Adjusted shareholders' equity by geography

30 Sept 2009



31 March 2009

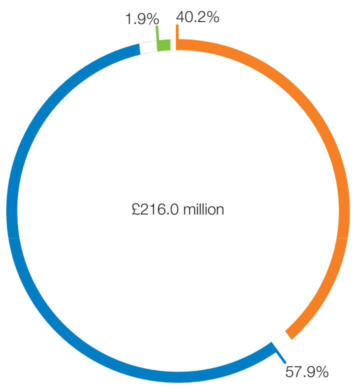


UK and Europe | Southern Africa | Australia

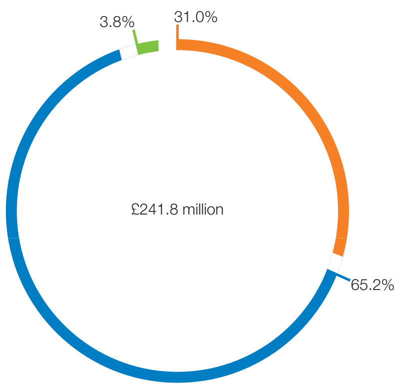
Segmental geographical and business analysis

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

30 Sept 2009



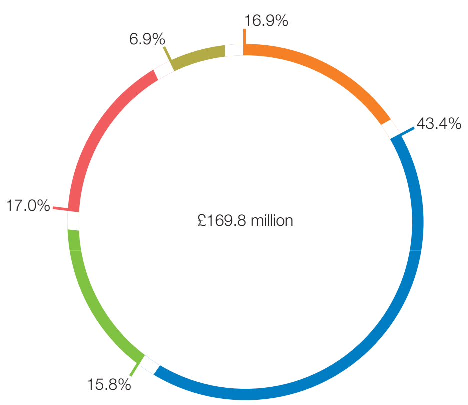
30 Sept 2008



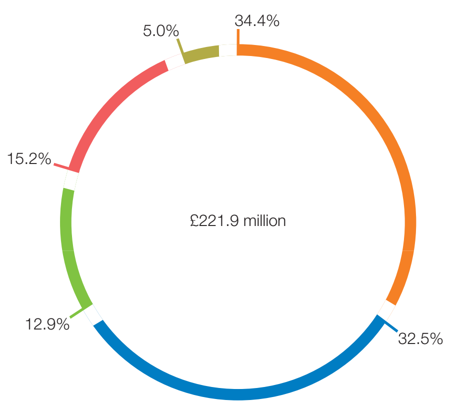
UK and Europe
Southern Africa
Australia

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

30 Sept 2009



30 Sept 2008

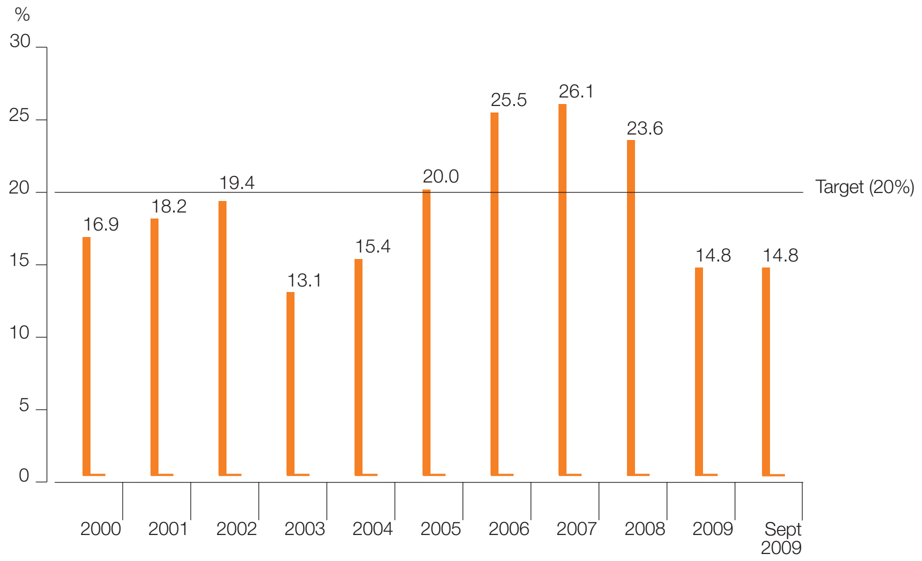


Private Client Activities
Asset Management
Capital Markets
Property Activities
Investment Banking

Financial objectives and additional information

Financial objectives

ROE*

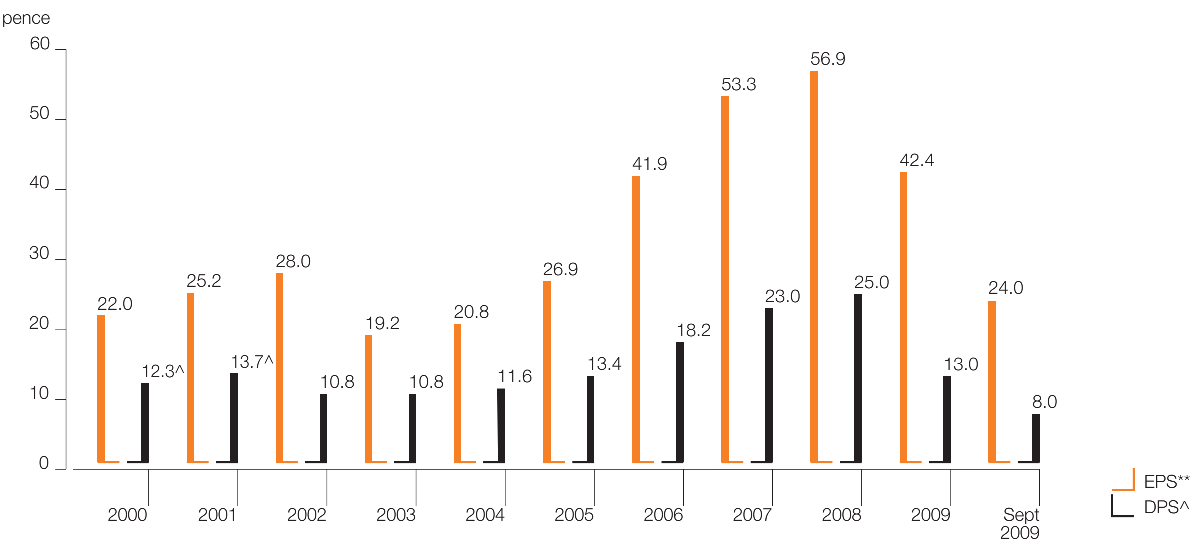


* ROE is post-tax return on adjusted average shareholder's equity (inclusive of compulsory convertible instruments) as calculated on page 78.

We have set the following target over the medium to long-term.

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

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



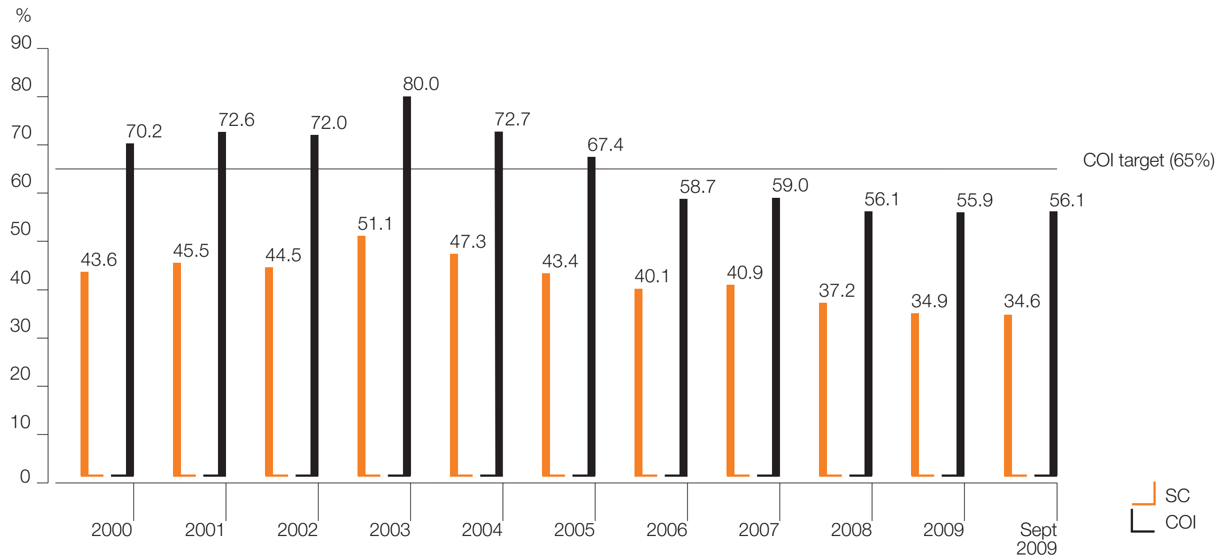
** Adjusted EPS before goodwill and non-operating items as defined on page 16.
^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling.
The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.

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

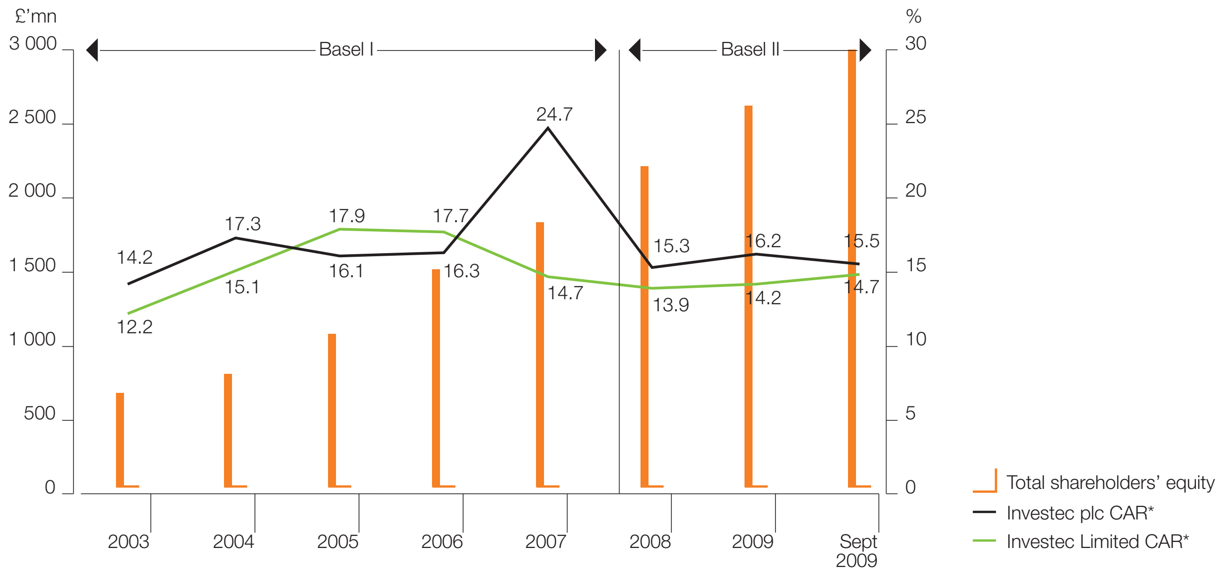
Cost to income ratio (COI) and staff compensation to operating income ratio (SC)



We have set the following target 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 thereafter 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 70 and 71 are for the years ended 31 March, unless stated otherwise. The numbers prior to 2005 are reported in terms of UK GAAP.

Income statement analysis

The overview that follows will highlight 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 2009	30 Sept 2008	Variance	% Change
Net interest income	297 357	343 628	(46 271)	(13.5%)
Private Banking	136 718	145 571	(8 853)	(6.1%)
Private Client Portfolio Management and Stockbroking	508	12	496	>100.0%
Capital Markets	156 311	136 337	19 974	14.7%
Investment Banking	(6 389)	6 089	(12 478)	(>100.0%)
Asset Management	1 014	3 413	(2 399)	(70.3%)
Property Activities	(3 812)	(4 436)	624	(14.1%)
Group Services and Other Activities	13 007	56 642	(43 635)	(77.0%)

Net interest income decreased by 13.5% to £297.4 million (2008: £343.6 million) largely as a result of the endowment impact, with a lower return generated on excess cash held given the declining rate environment.

£'000	30 Sept 2009	30 Sept 2008	Variance	% Change
Net fee and commission income	226 428	301 788	(75 360)	(25.0%)
Private Banking	40 092	59 770	(19 678)	(32.9%)
Private Client Portfolio Management and Stockbroking	17 340	17 092	248	1.5%
Capital Markets	36 906	69 772	(32 866)	(47.1%)
Investment Banking	29 537	40 792	(11 255)	(27.6%)
Asset Management	98 695	103 322	(4 627)	(4.5%)
Property Activities	6 146	10 421	(4 275)	(41.0%)
Group Services and Other Activities	(2 288)	619	(2 907)	(>100.0%)

Net fee and commission income decreased by 25.0% to £226.4 million (2008: £301.8 million). Transactional activity and average asset levels, although improving, have been impacted by the economic environment over the period.

£'000	30 Sept 2009	30 Sept 2008	Variance	% Change
Principal transactions	230 821	82 298	148 523	>100.0%
Private Banking	64	8 398	(8 334)	(99.2%)
Private Client Portfolio Management and Stockbroking	1 032	363	669	>100.0%
Capital Markets	80 643	19 057	61 586	>100.0%
Investment Banking	49 500	43 571	5 929	13.6%
Asset Management	2	1	1	100.0%
Property Activities	17 402	11 391	6 011	52.8%
Group Services and Other Activities	82 178	(483)	82 661	>100.0%

Income from principal transactions increased from £82.3 million to £230.8 million. The group has benefited from the repurchase of its debt, opportunities taken in the dislocated credit markets and good trading conditions across all geographies.

Operating income from associates

Operating income from associates decreased by 23.2% to £5.9 million (2008: £7.7 million). The figure includes Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc for the six months ended 30 September 2009.

Other operating income

The consolidation of the operating results of certain investments held within the group's Private Equity portfolio is partly reflected in other operating income/loss, which increased from a loss of £13.7 million to a gain of £10.5 million.

Financial statement analysis

£'000	30 Sept 2009	30 Sept 2008	Variance	% Change
Impairment losses on loans and advances	(134 296)	(76 780)	(57 516)	74.9%
Private Banking	(53 522)	(38 428)	(15 094)	39.3%
Capital Markets	(72 264)	(36 625)	(35 639)	97.3%
Investment Banking	3	-	3	-
Group Services and Other Activities	(8 513)	(1 727)	(6 786)	(>100.0%)

The weaker credit cycle has caused a decline in the performance of the loan portfolio. In line with previous guidance provided, impairment losses on loans and advances have increased from £48.3 million to £94.3 million (excluding Kensington). The credit loss charge as a percentage of average gross core loans and advances is 1.1%, in line with 31 March 2009. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances has increased from 3.3% to 3.9% since 31 March 2009. The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.28 times (31 March 2009: 1.22 times). Further information on our asset quality is provided on pages 94 to 107.

Impairment losses on loans and advances relating to the Kensington business amount to £40.0 million (2008: £28.5 million). The total Kensington book has been managed down to £4.9 billion from £5.2 billion at 31 March 2009. The percentage of accounts in arrears has increased as the book continues to run-off.

£'000	30 Sept 2009	30 Sept 2008	Variance	% Change
Administrative expenses and depreciation	(433 548)	(419 919)	(13 629)	3.2%
Private Banking	(106 782)	(112 926)	6 144	(5.4%)
Private Client Portfolio Management and Stockbroking	(12 258)	(10 918)	(1 340)	12.3%
Capital Markets	(128 016)	(116 411)	(11 605)	10.0%
Investment Banking	(64 939)	(67 709)	2 770	(4.1%)
Asset Management	(73 443)	(70 513)	(2 930)	4.2%
Property Activities	(7 896)	(6 232)	(1 664)	26.7%
Group Services and Other Activities	(40 214)	(35 210)	(5 004)	14.2%

The ratio of total operating expenses to total operating income improved to 56.1% from 58.0%.

Total expenses increased by 3.2% to £433.5 million (2008: £419.9 million). Variable remuneration decreased by 15.0% to £69.4 million. Other operating expenses increased by 7.7% to £364.1 million largely as a result of the appreciation of the Rand. Total headcount is being tightly managed and has decreased by 5.6%.

Impairment of goodwill

The current period goodwill impairment relates to Asset Management businesses acquired in prior years.

Taxation

The operational effective tax rate of the group decreased from 23.8% to 18.2% as a result of certain legislative changes in the UK 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 £10.8 million largely comprise:

- £8.7 million relating to investments consolidated in the Private Equity division;
- £2.3 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 profit arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to minorities).

Balance sheet analysis

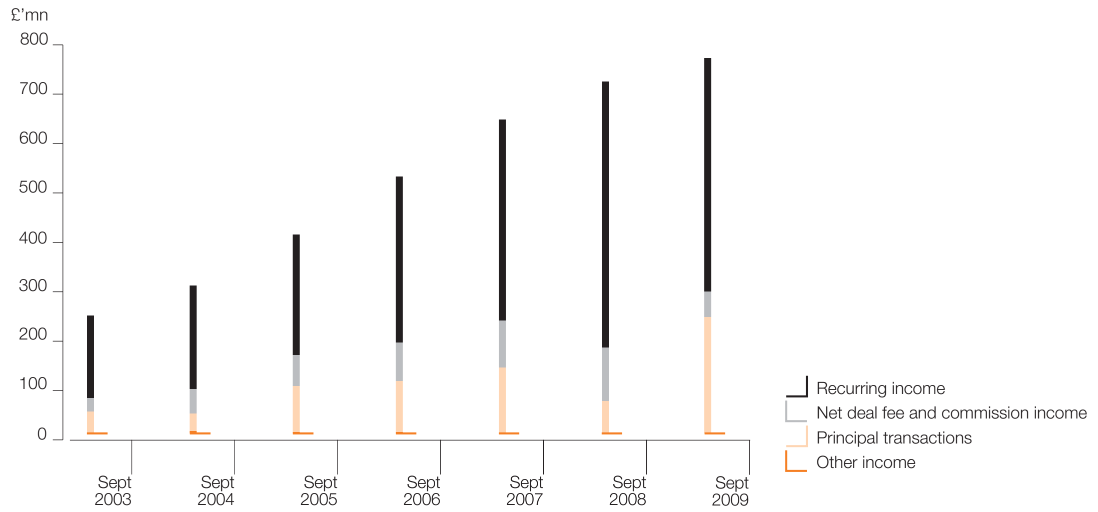
Since 31 March 2009:

- Total shareholders' equity (including minority interests) increased by 14.2% to £3.0 billion largely as a result of retained earnings, foreign currency translation gains and the issues of shares.
- Total assets increased from £37.1 billion to £40.3 billion largely as a result of increased cash holdings and movement in exchange rates.
- The return on annualised adjusted average shareholders' equity remained at 14.8%.

An analysis of operating income

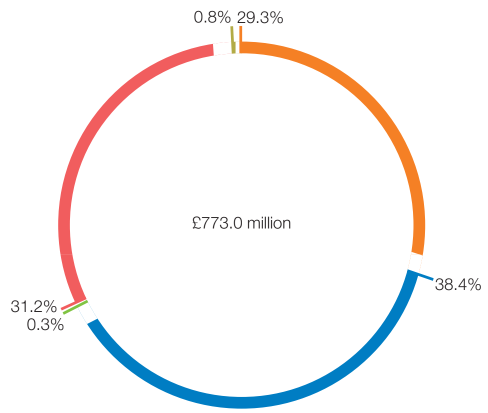
£'000	30 Sept 2009	30 Sept 2008	% Change
Net interest income	297 357	343 628	(13.5%)
Other income	475 623	380 101	25.1%
Net fee and commission income	226 428	301 788	(25.0%)
Principal transactions	230 821	82 298	>100.0%
Operating income from associates	5 929	7 724	(23.2%)
Net income on assurance activities	1 975	2 035	(2.9%)
Other operating income	10 470	(13 744)	>100.0%
Total operating income net of insurance claims	772 980	723 729	6.8%

Strong base of recurring income



% of total income

30 Sept 2009



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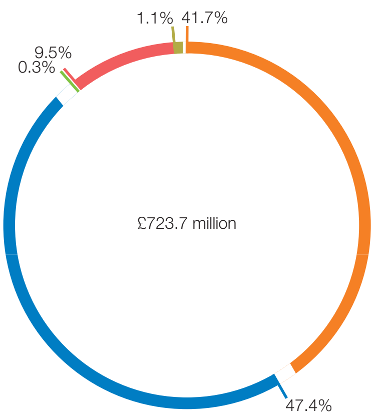


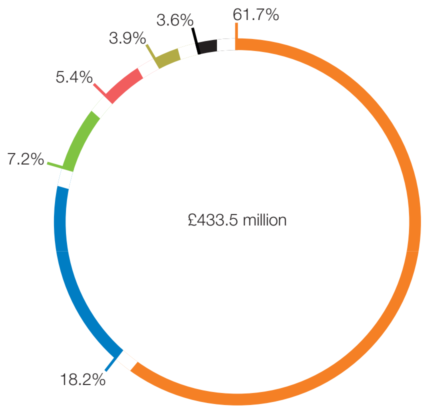
Net fee and commission income
Principal transactions and other operating income
Net interest income
Operating income from associates
Net income on assurance activities

An analysis of expenses

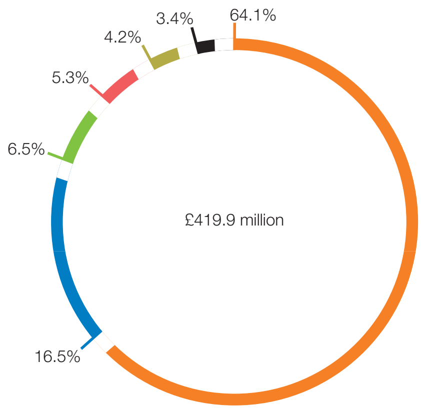
£'000	30 Sept 2009	30 Sept 2008	% Change
Staff costs	267 365	268 979	(0.6%)
- fixed	197 979	187 320	5.7%
- variable	69 386	81 659	(15.0%)
Business expenses	78 880	69 453	13.6%
Equipment (excluding depreciation)	23 510	22 221	5.8%
Premises (excluding depreciation)	31 281	27 210	15.0%
Marketing expenses	16 924	17 617	(3.9%)
Depreciation	15 588	14 439	8.0%
Total expenses	433 548	419 919	3.2%

% of total expenses

30 Sept 2009



30 Sept 2008



Staff costs
Equipment
Business expenses
Marketing
Premises
Depreciation

Total third party assets under management

£'million	30 Sept 2009	31 March 2009	30 Sept 2008
Private Banking funds under advice	3 372	3 270	3 605
UK and Europe	1 411	1 415	1 674
South Africa	1 636	1 615	1 654
Australia	325	240	277
Private Client Portfolio Management and Stockbroking	20 741	16 270	18 366
South Africa Private Client Securities	8 611	6 260	6 916
Rensburg Sheppards plc	*12 130	10 010	11 450
Property Activities South Africa	57	62	63
Investec Asset Management	38 239	28 835	29 629
UK and international	17 583	13 108	14 229
Southern Africa	20 656	15 727	15 400
Private Equity and Property Australia	446	391	315
Total third party assets under management	62 855	48 828	51 978

30 Sept 2009 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Private Banking	1 411	1 636	325	3 372
Private Client Portfolio Management and Stockbroking	*12 130	8 611	-	20 741
- Discretionary	n/a	1 465	-	n/a
- Non-discretionary	n/a	7 146	-	n/a
Institutional	8 813	14 464	-	23 277
Retail	8 770	6 192	-	14 962
Property Activities	-	57	-	57
Australia Private Equity and Property funds under management	-	-	446	446
Total third party assets under management	31 124	30 960	771	62 855

31 March 2009 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Private Banking	1 415	1 615	240	3 270
Private Client Portfolio Management and Stockbroking	10 010	6 260	-	16 270
- Discretionary	n/a	1 149	-	n/a
- Non-discretionary	n/a	5 111	-	n/a
Institutional	7 992	10 760	-	18 752
Retail	5 116	4 967	-	10 083
Property Activities	-	62	-	62
Australia Private Equity and Property funds under management	-	-	391	391
Total third party assets under management	24 533	23 664	631	48 828

30 Sept 2008 £'million	UK, Europe and 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

* As reported by Rensburg Sheppards plc.

Net tangible asset value per share

£'000	30 Sept 2009	31 March 2009	30 Sept 2008
Shareholders' equity	2 672 822	2 296 951	2 064 468
Less: perpetual preference shares issued by holding companies	(321 976)	(299 609)	(283 668)
Less: goodwill and intangible assets (excluding software)	(270 426)	(274 998)	(294 670)
Net tangible asset value	2 080 420	1 722 344	1 486 130
Number of shares in issue (million)	737.7	713.3	686.8
Treasury shares (million)	(37.0)	(66.5)	(49.4)
Number of shares in issue in this calculation (million)	700.7	646.8	637.4
Net tangible asset value per share (pence)	296.9	266.3	233.2

Goodwill and intangible assets analysis - balance sheet information

£'000	30 Sept 2009	31 March 2009	30 Sept 2008
UK and Europe	198 784	200 208	216 438
Private Banking	18 698	18 622	17 991
Capital Markets	74 826	74 890	76 497
Investment Banking	17 348	18 651	33 905
Asset Management	87 912	88 045	88 045
South Africa	24 393	22 601	22 484
Private Client Portfolio Management and Stockbroking	3 015	2 661	2 413
Asset Management	21 011	19 616	19 777
Property Activities	367	324	294
Australia	37 810	33 163	35 006
Private Banking	22 213	19 483	17 798
Investment Banking	15 597	13 680	17 208
Intangibles	35 914	34 402	31 584
Total group	296 901	290 374	305 512

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 (applicable prior to March 2009).

£'000	30 Sept 2009	31 March 2009	Average	30 Sept 2008	31 March 2008	Average
Calculation of average shareholders' equity						
Ordinary shareholders' equity	2 350 695	1 997 342	2 174 019	1 780 800	1 638 869	1 709 835
Add: Convertible debt included in subordinated liabilities	-	-	-	-	14 056	7 028
Adjusted shareholders' equity	2 350 695	1 997 342	2 174 019	1 780 800	1 652 925	1 716 863
Goodwill	(270 426)	(274 998)	(272 712)	(294 670)	(289 543)	(292 107)
Adjusted tangible shareholders' equity	2 080 269	1 722 344	1 901 307	1 486 130	1 363 382	1 424 756

£'000	30 Sept 2009	30 Sept 2008	31 March 2009
Operating profit before goodwill impairment and non-operating items	205 136	227 030	400 088
Minority interests	10 843	14 728	(3 322)
Preference dividends	(19 346)	(23 872)	(45 876)
Profit before taxation	196 633	217 886	350 890
Tax on ordinary activities	(36 211)	(52 254)	(81 675)
Adjusted earnings attributable to ordinary shareholders' before goodwill and non-operating items	160 422	165 632	269 215
Pre-tax return on average adjusted shareholders' equity	18.1%	25.4%	19.2%
Post-tax return on average adjusted shareholders' equity	14.8%	19.3%	14.8%
Pre-tax return on average adjusted tangible shareholders' equity	20.7%	30.6%	22.7%
Post-tax return on average adjusted tangible shareholders' equity	16.9%	23.3%	17.4%

ROE by geography

For the period to 30 Sept £'000	UK and Europe	Southern Africa	Australia	Total group
Total operating profit	73 234	128 180	3 722	205 136
Tax on profit on ordinary activities	(3 472)	(31 373)	(1 366)	(36 211)
Minority interests	13 491	(3 023)	375	10 843
Preference dividends	(7 374)	(11 972)	-	(19 346)
Profit on ordinary activities after taxation - 30 Sept 2009	75 879	81 812	2 731	160 422
Profit on ordinary activities after taxation - 30 Sept 2008	53 717	107 054	4 861	165 632
Adjusted shareholders' equity at 30 Sept 2009	922 690	1 058 523	369 482	2 350 695
Goodwill and intangible assets (excluding software)	(207 750)	(24 457)	(38 219)	(270 426)
Adjusted tangible shareholders' equity at 30 Sept 2009	714 940	1 034 066	331 263	2 080 269
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 31 March 2009	818 736	878 830	299 776	1 997 342
Adjusted average shareholders' equity at 30 Sept 2009	870 713	968 677	334 629	2 174 019
Adjusted average shareholders' equity at 30 Sept 2008	795 043	685 759	236 061	1 716 863
Adjusted average shareholders' equity at 31 March 2009	828 357	755 508	241 269	1 825 134
Post-tax return on average shareholders' equity at 30 Sept 2009	17.4%	16.9%	1.6%	14.8%
Post-tax return on average shareholders' equity at 30 Sept 2008	13.5%	31.2%	4.1%	19.3%
Post-tax return on average shareholders' equity at 30 March 2009	8.3%	25.6%	2.8%	14.8%

ROE by division

For the period to 30 Sept £'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Total operating profit after minority interests	16 709	12 008	73 637	26 784	28 932	11 733	46 176	215 979
Notional return on regulatory capital	31 196	608	25 424	6 776	884	3 183	(68 071)	-
Notional cost of statotury capital	(5 140)	(1 316)	(10 861)	-	(6 606)	(2 418)	26 341	-
Cost of subordinated debt	(11 753)	(224)	(6 810)	(2 578)	(338)	(1 291)	22 994	-
Cost of preference shares	(6 196)	(140)	(5 943)	(1 363)	(188)	(582)	(4 934)	(19 346)
Absorption of additional residual costs**	(5 275)	(1 831)	(7 058)	(10 239)	(2 563)	(2 677)	29 644	-
Adjusted earnings - 30 Sept 2009	19 541	9 105	68 389	19 380	20 121	7 948	52 150	196 633
Adjusted earnings - 30 Sept 2008	61 753	8 562	70 562	16 475	24 700	8 518	27 316	217 886
Adjusted shareholders' equity at 30 Sept 2009	900 805	20 363	882 780	223 437	131 397	62 376	129 537	2 350 695
Goodwill and intangible assets (excluding software)	(38 220)	(3 015)	(74 989)	(44 640)	(108 924)	(367)	(271)	(270 426)
Adjusted tangible shareholders' equity at 30 Sept 2009	862 585	17 348	807 791	178 797	22 473	62 009	129 266	2 080 269
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 31 March 2009	696 664	17 619	818 328	190 655	120 421	48 915	104 740	1 997 342
Adjusted average shareholders' equity at 30 Sept 2009	798 735	18 991	850 554	207 046	125 909	55 646	117 138	2 174 019
Adjusted average shareholders' equity at 30 Sept 2008	590 978	23 054	668 603	186 986	114 276	36 898	96 068	1 716 863
Adjusted average shareholders' equity at 31 March 2009	624 786	23 614	732 663	183 284	118 440	39 344	103 003	1 824 134
Pre-tax return on adjusted average shareholders' equity - 30 Sept 2009	4.9%	95.9%	16.1%	18.7%	32.0%	28.6%	89.0%	18.1%
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 - 31 March 2009	14.8%	76.7%	18.7%	13.9%	41.4%	47.5%	9.6%	19.2%

* 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 management's estimates of relative benefit derived.

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

By division	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 30 Sept 2009	2 136	204	1 030	359	927	75	1 132	5 863
Number of employees - 31 March 2009	2 200	208	1 060	366	925	78	1 114	5 951
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
Average employees - 6 months to 30 Sept 2009	2 168	206	1 045	363	926	77	1 122	5 907
Average employees - 6 months to 30 Sept 2008	2 392	213	1 072	382	1 005	74	1 137	6 275
Operating profit^ - 30 Sept 2009 (£'000)	16 568	6 622	73 574	26 709	28 932	11 733	45 912	210 050
Operating profit^ - 30 Sept 2008 (£'000)	62 499	6 549	72 130	28 307	33 684	11 144	19 721	234 034
Operating profit per employee^^ - 30 Sept 2009 (£'000)	7.6	32.1	70.4	73.6	31.2	152.4	40.9	35.6
Operating profit per employee^^ - 30 Sept 2008 (£'000)	26.1	30.7	67.3	74.1	33.5	150.6	17.3	37.3

By geography	UK, Europe and other	Southern Africa	Australia	Total group
Number of employees - 30 Sept 2009	1 808	3 696	359	5 863
Number of employees - 31 March 2009	1 803	3 794	354	5 951
Number of employees - 30 Sept 2008	1 907	3 906	400	6 213
Number of employees - 31 March 2008	1 946	3 963	424	6 333
Average employees - 6 months to 30 Sept 2009	1 805	3 745	357	5 907
Average employees - 6 months to 30 Sept 2008	1 928	3 935	412	6 275
Operating profit^ - 30 Sept 2009 (£'000)	80 932	125 162	3 956	210 050
Operating profit^ - 30 Sept 2008 (£'000)	67 884	157 648	8 502	234 034
Operating profit per employee^^ - 30 Sept 2009 (£'000)	44.8	33.4	11.1	35.6
Operating profit per employee^^ - 30 Sept 2008 (£'000)	35.2	40.1	20.6	37.3

Note:

* 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

Financial objectives and additional information

Number of employees

By division - permanent employees	30 Sept 2009	31 March 2009	30 Sept 2008
Private Banking			
UK and Europe	511	521	602
Southern Africa	1317	1 400	1 490
Australia	174	181	210
Total	2 002	2 102	2 302
Private Client Stockbroking			
Southern Africa	195	202	201
Total	195	202	201
Private Client Activities total			
UK and Europe	511	521	602
Southern Africa	1 512	1 602	1 691
Australia	174	181	210
Total	2 197	2 304	2 503
Capital Markets			
UK and Europe	552	541	520
Southern Africa	414	428	420
Australia	41	43	48
Total	1 007	1 012	988
Investment Banking			
UK, Europe and Hong Kong	157	147	157
Southern Africa	154	162	164
Australia	31	38	43
USA	10	12	11
Total	352	359	375
Asset Management			
UK, Europe and other	266	273	291
Southern Africa	604	605	628
Total	870	878	919
Property Activities			
UK and Europe	5	5	6
Southern Africa	57	62	56
Australia	7	8	8
Total	69	75	70
Group Services and Other Activities			
UK and Europe	236	231	238
Southern Africa	677	682	650
Australia	81	82	89
Total	994	995	977
Total number of permanent employees	5 489	5 623	5 832

By geography	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008	31 March 2007	31 March 2006
UK, Europe and other	1 735	1 728	1 825	1 824	1 299	1 171
Southern Africa	3 418	3 541	3 609	3 666	3 476	3 114
Australia	336	354	398	424	235	168
Temps and contractors	374	328	381	419	420	*
Total number of employees	5 863	5 951	6 213	6 333	5 430	4 453

* 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 2009 Investec plc and Investec Limited had 468.9 million and 268.7 million ordinary shares in issue, respectively.

Largest shareholders as at 30 September 2009

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	PIC (ZA)	43 477 644	9.3
2	Stanlib Asset Management (ZA)	25 879 399	5.5
3	Old Mutual Asset Managers (ZA)	25 750 584	5.5
4	Investec Securities (Pty) Ltd (ZA)*	23 180 030	4.9
5	Investec Asset Management (ZA)*	19 495 654	4.2
6	Legal & General Investment Management (UK)	19 487 401	4.2
7	Sanlam Investment Management (ZA)	16 128 148	3.4
8	Schroder Investment Management Ltd (UK)	13 266 357	2.8
9	J P Morgan Asset Management (UK)	11 941 255	2.6
10	AXA Financial SA (UK and US)	11 497 191	2.5
	Cumulative total	210 103 663	44.9

The top 10 shareholders account for 44.9% 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	PIC (ZA)	41 265 905	15.4
2	Investec Staff Share Schemes (ZA)	30 447 519	11.3
3	Old Mutual Asset Managers (ZA)	16 344 858	6.1
4	Tiso INL Investments (Pty) Ltd (ZA)**	14 000 000	5.2
5	Entrepreneurial Development Trust (ZA)**	14 000 000	5.2
6	Stanlib Asset Management (ZA)	13 109 439	4.9
7	Investec Securities (Pty) Ltd (ZA)*	8 655 540	3.2
8	Coronation Fund Managers (ZA)	7 779 885	2.9
9	Barclays Global Investors (US and UK)	7 745 592	2.9
10	RMB Asset Management (ZA)	6 600 293	2.5
	Cumulative total	159 949 031	59.6

The top 10 shareholders account for 59.6% 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.

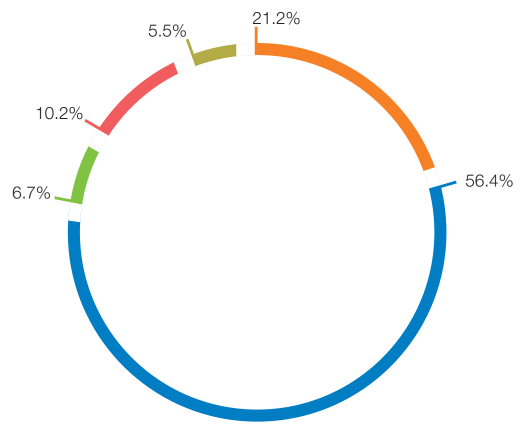
* Managed on behalf of clients

** 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

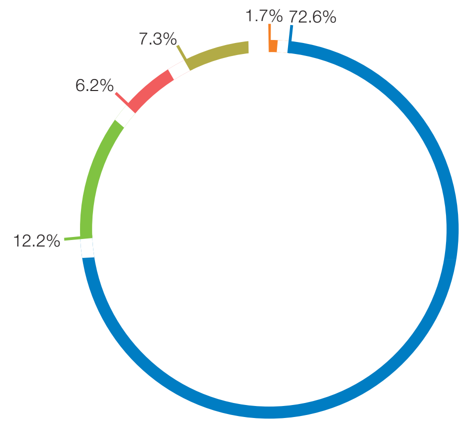
Shareholder analysis

Geographic holding by beneficial owner as at 30 September 2009

Investec plc



Investec Limited



UK
Rest of Europe
South Africa
Other countries
USA and Canada

Calculated from Standard and Poors' Datastream data

Share statistics

Investec plc ordinary shares in issue

For the period ended	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008	30 Sept 2007	31 March 2007
Closing market price per share (Pounds)						
- period ended	4.58	2.92	3.02	3.39	5.12	6.58
- highest	4.58	4.21	5.81	7.65	7.65	6.76
- lowest	2.87	1.69	2.77	2.94	4.80	4.95
Number of ordinary shares in issue (million)	468.9	444.9	424.2	423.3	422.1	381.6
Market capitalisation (£'million)[1]	2 148	1 299	1 281	1 435	2 161	2 511
Daily average volumes of share traded ('000)	2 230	2 604	1 744	3 926	4 369	2 832

Investec Limited ordinary shares in issue

For the period ended	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008	30 Sept 2007	31 March 2007
Closing market price per share (Rands)						
- period ended	57.13	38.86	47.50	57.43	73.99	93.30
- highest	58.63	63.19	80.85	104.40	104.40	94.60
- lowest	37.51	27.20	42.00	50.90	71.70	59.06
Number of ordinary shares in issue (million)	268.7	268.3	262.6	234.3	231.4	227.7
Market capitalisation (R'million)[2]	42 139	27 715	36 623	37 766	48 353	56 848
Market capitalisation (£'million)	3 515	2 083	2 074	2 229	3 346	4 009
Daily average volumes of share traded ('000)	1 226	1 168	489	841	843	620

Notes

1 The LSE only include the shares in issue for Investec plc i.e. currently 468.9 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. currently a total of 737.7 million shares in issue

Risk management

Philosophy and approach

The group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, our comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with each of our businesses.

Risk awareness, control and compliance are embedded in all our day-to-day activities.

Group Risk Management (part of Group Services) is independent from the business units and monitors, manages and reports on our risk to ensure it is within the stated appetite as mandated by the board of directors through the Board Risk and Capital Committee. Business units are ultimately responsible for managing risks that arise.

We monitor and control risk exposure through credit, market, liquidity, operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

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

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

Group Risk Management's objectives

Group Risk Management's objectives are to:
- Be the custodian of our risk management culture
- To ensure the business operates within the board stated appetite
- Set, approve and monitor adherence to risk parameters and limits across the group and ensure they are implemented and adhered to consistently
- Aggregate and monitor our exposure across risk classes
- Co-ordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the boards reasonable assurance that the risks we are exposed to are identified and, to the best extent possible, managed and controlled
- Run appropriate risk committees, as mandated by the board.

Executive summary of the period in review from a risk perspective

Investec has maintained a sound balance sheet with low leverage and a diversified business model which has enabled it to navigate through the present challenging operating environment.

This has been supported by the following key operating fundamentals:
- Intimate involvement of senior management ensuring stringent management of risk, liquidity and capital.
- Strong risk and capital management culture; embedded into our day-to-day activities and values. We seek to achieve an appropriate balance between risk and reward in our business, taking cognisance of all stakeholders' interests.
- Reward programmes that align directors' and employees' interests with those of stakeholders, ensuring that these programmes promote effective risk management. Annual bonuses are closely linked to business performance, determined in the main by realised Economic Value Added profit performance against pre-determined targets above a risk and capital weighted return. This model has been consistently applied for in excess of ten years.
- Credit and counterparty exposures to a select target market; our risk appetite continues to favour lower risk, income-based lending, with credit risk taken over a short to medium term. Exposure is taken against defined target clients displaying a profile of good character, sound financial strength and integrity, a core competency and a sound track record in the activity funded. We have, however, experienced an increase in impairments and defaults as a result of weak economic conditions. The credit loss ratio is at 1.1% of core loans and advances, in line with guidance previously provided.
- Limited exposure to rated and unrated structured credit investments; representing less than 2% of total assets.
- A low leverage ratio of approximately 12 times.
- Low equity (investment) risk exposure; within total investments comprising less than 3% of total assets.
- Modest proprietary market risk within our trading portfolio; value at risk and stress testing scenarios remain at prudent levels. Potential losses that could arise in our trading book portfolio stress tested under extreme market conditions (15 standard deviations) amount to approximately 1% of total annualised operating income.
- A high level of readily available, high quality liquid assets; average cash and near cash of approximately £5.4 billion for the six month period, representing 20% to 30% of our liability base. We continue to maintain a low reliance on interbank wholesale funding to fund core lending asset growth.
- A strong increase in retail customer deposits and access to longer term funding initiatives.
- Healthy capital ratios; we have always held capital in excess of regulatory requirements and we intend to perpetuate this philosophy. We have strengthened our capital base and increased our net tangible asset value during the period.
- Geographical and operational diversity with a high level of recurring income which continues to support sustainability of operating profit, albeit at a lower level.

Strictly managing risk and liquidity and continuing to grow our capital base remain strategic imperatives for the year ahead.

As per Basel II regulations, the following risk management and capital section will provide detail on the quantitative risk disclosures required 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 2009

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 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; and
- 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

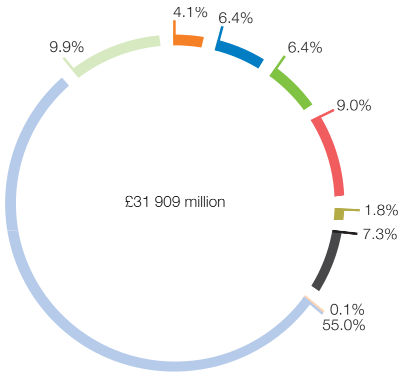
£'000	30 Sept 2009	31 March 2009	% change	Average*	30 Sept 2008
On-balance sheet exposures	28 754 129	26 044 284	10.4%	27 399 208	23 808 364
Securitisation exposures arising from securitisation/principal finance activities	1 303 139	1 132 465	15.1%	1 217 802	990 120
Rated instruments	359 340	243 344	47.7%	301 342	185 942
Unrated instruments	277 566	274 150	1.2%	275 858	282 361
Other	666 233	614 971	8.3%	640 602	521 817
Debt instruments (NCDs, bonds held, debentures)	2 054 217	1 702 216	20.7%	1 878 217	1 302 749
Bank placements	2 038 274	2 185 643	(6.7%)	2 111 959	3 095 411
Sovereign, government placements	2 863 107	1 687 885	69.6%	2 275 496	884 423
Call facilities (non-bank entities)	559 089	423 923	31.9%	491 506	556 248
Trading exposures (positive fair value excluding potential future exposures)	2 345 241	2 473 241	(5.2%)	2 409 241	2 210 182
Other credit exposures	31 739	45 708	(30.6%)	38 724	160 738
Gross core loans and advances to customers**	17 559 323	16 393 203	7.1%	16 976 263	14 608 493
Off-balance sheet exposures	3 155 314	3 035 446	3.9%	3 095 381	3 596 967
Guarantees	591 353	570 368	3.7%	580 861	700 103
Contingent liabilities, committed facilities, other	2 563 961	2 465 078	4.0%	2 514 520	2 896 864
Total gross credit and counterparty exposures pre collateral or other credit enhancements	31 909 443	29 079 730	9.7%	30 494 589	27 405 331

* Where the average is based on a straight line average for the period 31 March 2009 to 30 September 2009.

** As calculated on page 94.

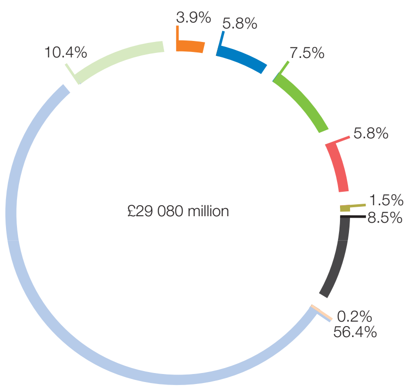
Risk management

30 Sept 2009

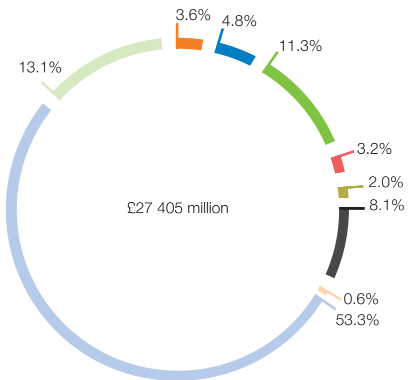


Securitisation exposures
Debt instruments
Bank placements
Sovereign, government placements
Call facilities (non-bank entities)
Trading exposures
Other credit exposures
Gross core loans and advances to customers
Off-balance sheet exposures

31 March 2009



30 Sept 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

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 September 2009					
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	74 585	28 524	46 061	-	948 191
Derivative financial instruments	26 541	-	-	26 541	-
Investment securities	36 521	36 521	-	-	1 084 620
Loans and advances to customers	321 197	161 908	52 736	106 553	-
Loans and advances to customers - Kensington warehouse assets	523 080	-	-	523 080	-
Securitised assets	315 455	132 387	178 769	4 299	-
Deferred taxation assets	-	-	-	-	-
Other assets	5 760	-	-	5 760	21 406
Interests in associated undertakings	-	-	-	-	-
Property and equipment	-	-	-	-	-
Investment property	-	-	-	-	-
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Insurance assets	-	-	-	-	-
Total	1 303 139	359 340	277 566	666 233	2 054 217
As at 31 March 2009					
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	46 861	336	41 964	4 561	686 893
Derivative financial instruments	31 733	-	-	31 733	-
Investment securities	538	-	538	-	954 422
Loans and advances to customers	280 639	141 352	44 830	94 457	-
Loans and advances to customers - Kensington warehouse assets	474 302	-	-	474 302	-
Securitised assets	293 634	101 656	186 818	5 160	-
Deferred taxation assets	-	-	-	-	-
Other assets	4 758	-	-	4 758	60 901
Interests in associated undertakings	-	-	-	-	-
Property and equipment	-	-	-	-	-
Investment property	-	-	-	-	-
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Insurance assets	-	-	-	-	-
Total	1 132 465	243 344	274 150	614 971	1 702 216

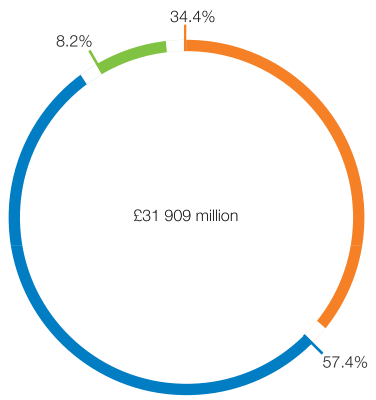
Notes:
1. Largely relates to exposures that are classified as equity risk in the banking book. Further information is provided on pages 112 and 113.
2. Largely relates to impairments and the impact of hedge accounting.
3. Whilst the group manages all risks (including credit risk) from a day to day operational perspective, these assets are within special purpose vehicles that ring fence the assets to specific credit providers and limits security to the assets in the vehicle. The table above reflects the net credit exposure in the vehicles that the group has reflected in the "total credit and counterparty exposure" with the maximum credit exposure referenced to credit providers external to the group in the column headed "assets that we do not hold legal credit risk or have no credit risk".
4. Largely relates to net investments in Kensington securitised vehicles to which Investec has no direct exposure as discussed on pages 34 and 35. Also includes liquidity facilities provided to third party corporate securitisation vehicles in South Africa. These facilities have remained undrawn and are reflected as a contingent liability, i.e. off-balance sheet exposure of the bank.

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	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note refer-ence	Total balance sheet
9	1 465 538	-	8 634	-	-	1 474 181	23		1 474 204
1 750 476	-	-	28 410	218	-	1 779 104	-		1 779 104
-	-	486 464	10 328	-	-	496 792	-		496 792
247 795	-	72 625	240 004	-	-	560 424	-		560 424
-	1 353 312	-	477 150	-	-	2 853 238	716 505	1	3 569 743
-	-	-	1 166 664	6 941	-	1 200 146	253 658	1	1 453 804
-	44 257	-	7	-	-	1 165 405	70 888		1 236 293
-	-	-	-	-	16 347 101	16 668 298	(229 379)	2	16 438 919
-	-	-	-	-	-	523 080	1 350 698	3	1 873 778
-	-	-	-	-	1 212 222	1 527 677	3 841 326	4	5 369 003
-	-	-	-	-	-	-	139 611		139 611
39 994	-	-	414 044	24 580	-	505 784	516 277		1 022 061
-	-	-	-	-	-	-	98 467		98 467
-	-	-	-	-	-	-	159 062		159 062
-	-	-	-	-	-	-	200 695		200 695
-	-	-	-	-	-	-	260 987		260 987
-	-	-	-	-	-	-	35 914		35 914
-	-	-	-	-	-	-	4 165 284		4 165 284
2 038 274	2 863 107	559 089	2 345 241	31 739	17 559 323	28 754 129	11 580 015		40 334 145
2 582	1 101 552	-	935	-	-	1 105 069	20		1 105 089
1 983 044	-	-	34 944	101	-	2 018 089	-		2 018 089
-	-	379 978	12 918	3 277	-	396 173	-		396 173
144 129	-	43 945	381 696	-	-	569 770	-		569 770
-	540 238	-	498 329	-	-	1 772 321	541 524	1	2 313 845
-	-	-	1 257 912	7 758	-	1 297 403	285 505	1	1 582 908
-	46 095	-	-	16	-	1 001 071	62 498		1 063 569
-	-	-	-	-	15 264 870	15 545 509	(154 990)	2	15 390 519
-	-	-	-	-	-	474 302	1 423 576	3	1 897 878
-	-	-	-	-	1 128 333	1 421 967	4 206 380	4	5 628 347
-	-	-	-	-	-	-	136 757		136 757
55 888	-	-	286 507	34 556	-	442 610	451 452		894 062
-	-	-	-	-	-	-	93 494		93 494
-	-	-	-	-	-	-	174 532		174 532
-	-	-	-	-	-	-	189 156		189 156
-	-	-	-	-	-	-	255 972		255 972
-	-	-	-	-	-	-	34 402		34 402
-	-	-	-	-	-	-	3 360 106		3 360 106
2 185 643	1 687 885	423 923	2 473 241	45 708	16 393 203	26 044 284	11 060 384		37 104 668

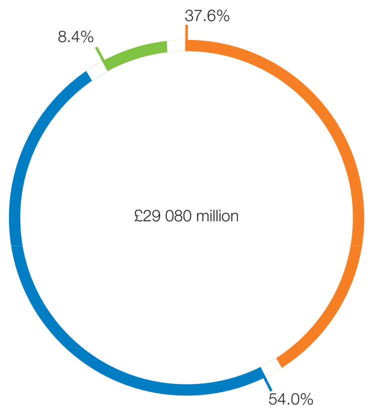
An analysis of gross credit and counterparty exposures by geography

£'000	UK and Europe		Southern Africa		Australia		Total	
	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009
On-balance sheet exposures	10 594 505	10 458 448	15 689 820	13 296 566	2 469 804	2 289 270	28 754 129	26 044 284
Securitisation exposures arising from securitisation/principal finance activities	1 126 618	1 001 191	140 564	131 274	35 957	-	1 303 139	1 132 465
Rated instruments	323 383	243 344	-	-	35 957	-	359 340	243 344
Unrated instruments	231 576	226 703	45 990	47 447	-	-	277 566	274 150
Other	571 659	531 144	94 574	83 827	-	-	666 233	614 971
Debt instruments (NCDs, bonds held, debentures)	382 026	289 838	1 043 613	779 242	628 578	633 136	2 054 217	1 702 216
Bank placements	970 146	1 044 213	927 251	1 008 501	140 877	132 929	2 038 274	2 185 643
Sovereign, government placements	1 216 020	916 748	1 644 722	771 137	2 365	-	2 863 107	1 687 885
Call facilities (non-bank entities)	-	-	559 089	423 923	-	-	559 089	423 923
Trading exposures (positive fair value excluding potential future exposures)	1 046 513	1 155 297	1 242 980	1 218 544	55 748	99 400	2 345 241	2 473 241
Other credit exposures	1 506	12 575	30 233	33 133	-	-	31 739	45 708
Gross core loans and advances to customers	5 851 676	6 038 586	10 101 368	8 930 812	1 606 279	1 423 805	17 559 323	16 393 203
Off-balance sheet exposures	384 268	486 136	2 619 584	2 400 469	151 462	148 841	3 155 314	3 035 446
Guarantees	12 834	32 909	542 929	508 118	35 590	29 341	591 353	570 368
Contingent liabilities,committed facilities,other	371 434	453 227	2 076 655	1 892 351	115 872	119 500	2 563 961	2 465 078
Total gross credit and counterparty exposures pre collateral or other credit enhancements	10 978 773	10 944 584	18 309 404	15 697 035	2 621 266	2 438 111	31 909 443	29 079 730

30 Sept 2009



31 March 2009



UK and Europe   Southern Africa   Australia

Summary analysis of gross credit and counterparty exposures by industry

£'000	Gross core loans and advances		Other credit and counterparty exposures		Total	
	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009
HNW and professional individuals	12 199 474	11 166 476	2 423 790	2 350 916	14 623 264	13 517 392
Agriculture	54 339	71 116	4 535	4 007	58 874	75 123
Electricity, gas and water (utility services)	186 230	165 475	53 378	50 234	239 608	215 709
Public and non-business services	221 330	269 928	2 863 236	1 695 168	3 084 566	1 965 096
Business service	99 652	216 286	52 643	57 518	152 295	273 804
Finance and insurance	1 307 841	1 161 634	7 274 484	6 877 722	8 582 325	8 039 356
Retailers and wholesalers	268 351	344 903	171 586	178 976	439 937	523 879
Manufacturing and commerce	1 043 555	649 240	214 055	293 109	1 257 610	942 349
Real estate	961 033	1 074 856	956 172	807 191	1 917 205	1 882 047
Mining and resources	248 891	250 383	194 609	200 908	443 500	451 291
Leisure, entertainment and tourism	203 153	334 444	18 780	18 755	221 933	353 199
Transport and communication	765 474	688 462	122 852	70 068	888 326	758 530
Other*	-	-	-	81 955	-	81 955
Total	17 559 323	16 393 203	14 350 120	12 686 527	31 909 443	29 079 730

* Only includes securitised exposures where the industry is not clearly defined.

Detailed analysis 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 services	Finance and insurance
As at 30 September 2009						
On-balance sheet exposures	12 222 212	58 874	222 786	3 084 530	148 244	8 108 660
Securitisation exposures arising from securitisation/principal finance activities	-	-	-	-	-	397 327
Rated instruments	-	-	-	-	-	190 996
Unrated instruments	-	-	-	-	-	98 797
Other	-	-	-	-	-	107 534
Debt instruments (NCDs, bonds held, debentures)	-	-	3 683	-	-	2 030 873
Bank placements	-	-	-	-	-	2 038 274
Sovereign, government placements	-	-	-	2 863 107	-	-
Call facilities (non-bank entities)	-	4 202	17 906	-	18 503	225 448
Trading exposures (positive fair value excluding potential future exposures)	22 645	333	14 967	93	30 089	2 084 266
Other credit exposures	93	-	-	-	-	24 631
Gross core loans and advances to customers	*12 199 474	54 339	186 230	221 330	99 652	1 307 841
Off-balance sheet exposures	2 401 052	-	16 822	36	4 051	473 665
Guarantees	436 801	-	7 165	21	4 051	101 377
Contingent liabilities, committed facilities, other	1 964 251	-	9 657	15	-	372 288
Total gross credit and counterparty exposures pre collateral or other credit enhancements	14 623 264	58 874	239 608	3 084 566	152 295	8 582 325
As at 31 March 2009						
On-balance sheet exposures	11 191 566	75 123	194 043	1 958 081	257 100	7 694 163
Securitisation exposures arising from securitisation/principal finance activities	-	-	-	-	-	300 667
Rated instruments	-	-	-	-	-	122 966
Unrated instruments	-	-	-	-	-	86 585
Other	-	-	-	-	-	91 116
Debt instruments (NCDs, bonds held, debentures)	-	-	4 413	-	-	1 678 876
Bank placements	-	-	-	-	-	2 185 643
Sovereign, government placements	-	-	-	1 687 885	-	-
Call facilities (non-bank entities)	-	3 725	18 230	-	27 171	95 729
Trading exposures (positive fair value excluding potential future exposures)	15 780	274	5 895	186	13 555	2 258 435
Other credit exposures	9 310	8	30	82	88	13 179
Gross core loans and advances to customers	*11 166 476	71 116	165 475	269 928	216 286	1 161 634
Off-balance sheet exposures	2 325 826	-	21 666	7 015	16 704	345 193
Guarantees	466 475	-	43	19	7 855	15 212
Contingent liabilities, committed facilities, other	1 859 351	-	21 623	6 996	8 849	329 981
Total gross credit and counterparty exposures pre collateral or other credit enhancements	13 517 392	75 123	215 709	1 965 096	273 804	8 039 356

* A further analysis of our private banking loan book is provided on page 21.
** Largely relating to our principal finance/securitisation activities.

Retailers and wholesalers	Manu-facturing and commerce	Real estate	Mining and resources	Leisure, entertainment and tourism	Transport and com-munication	Other**	Total
429 006	1 147 424	1 917 168	354 168	208 177	852 880	-	28 754 129
9 170	-	896 642	-	-	-	-	1 303 139
-	-	168 344	-	-	-	-	359 340
4 871	-	173 898	-	-	-	-	277 566
4 299	-	554 400	-	-	-	-	666 233
5 941	8 468	-	-	-	5 252	-	2 054 217
-	-	-	-	-	-	-	2 038 274
-	-	-	-	-	-	-	2 863 107
119 207	85 219	-	27 697	-	60 907	-	559 089
25 597	9 243	59 312	72 454	5 024	21 218	-	2 345 241
740	939	181	5 126	-	29	-	31 739
268 351	1 043 555	961 033	248 891	203 153	765 474	-	17 559 323
10 931	110 186	37	89 332	13 756	35 446	-	3 155 314
25	24 154	-	17 531	-	228	-	591 353
10 906	86 032	37	71 801	13 756	35 218	-	2 563 961
439 937	1 257 610	1 917 205	443 500	221 933	888 326	-	31 909 443
484 081	792 713	1 852 816	397 242	334 731	730 670	81 955	26 044 284
9 270	-	740 573	-	-	-	81 955	1 132 465
-	-	57 438	-	-	-	62 940	243 344
4 110	-	182 708	-	-	-	747	274 150
5 160	-	500 427	-	-	-	18 268	614 971
5 157	-	-	11 722	-	2 048	-	1 702 216
-	-	-	-	-	-	-	2 185 643
-	-	-	-	-	-	-	1 687 885
115 122	117 371	-	20 093	-	26 482	-	423 923
6 744	13 512	36 576	109 002	85	13 197	-	2 473 241
2 885	12 590	811	6 042	202	481	-	45 708
344 903	649 240	1 074 856	250 383	334 444	688 462	-	16 393 203
39 798	149 636	29 231	54 049	18 468	27 860	-	3 035 446
15 044	38 177	4 709	18 791	16	4 027	-	570 368
24 754	111 459	24 522	35 258	18 452	23 833	-	2 465 078
523 879	942 349	1 882 047	451 291	353 199	758 530	81 955	29 079 730

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 IFRS consolidated balance sheet. We believe that these adjustments are necessary in order to derive a number 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, warehouse assets and structured credit investments arising out of our securitisation and principal finance activities have been deducted. The risks associated with our securitisation and principal finance activities are discussed on page 109.

£'000	30 Sept 2009	31 March 2009	30 Sept 2008
Loans (pre-impairments) as per balance sheet	16 668 298	15 545 509	13 713 303
Less: warehouse facilities, warehouse assets and structured credit investments arising out of our securitisation and principal finance activities (pre-impairments)	(321 197)	(280 639)	(124 139)
Add: own-originated securitised assets	1 212 222	1 128 333	1 019 329
Gross core loans and advances to customers (pre impairments)	17 559 323	16 393 203	14 608 493

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

Overall asset quality

£'000	30 Sept 2009	31 March 2009	30 Sept 2008
Gross core loans and advances to customers	17 559 323	16 393 203	14 608 493
Total impairments	(217 502)	(166 660)	(59 593)
Portfolio impairments	(32 933)	(9 696)	(7 247)
Specific impairments	(184 569)	(156 964)	(52 346)
Net core loans and advances to customers	17 341 821	16 226 543	14 548 900
Average gross core loans and advances to customers	16 976 263	14 650 485	13 758 130
Current loans and advances to customers	16 045 406	15 015 290	13 584 000
Total gross non-current loans and advances to customers	1 513 917	1 377 913	1 024 493
Past due loans and advances to customers (1 – 60 days and management not concerned)	415 412	598 630	531 999
Special mention loans and advances to customers	199 865	79 662	133 925
Default loans and advances to customers	898 640	699 621	358 569
Gross core loans and advances to customers	17 559 323	16 393 203	14 608 493
Total gross non-current core loans and advances to customers	1 513 917	1 377 913	1 024 493
Default loans that are current and not impaired	12 949	12 624	67 272
Gross core loans and advances to customers that are past due but not impaired	877 957	929 865	772 767
Gross core loans and advances to customers that are impaired	623 011	435 424	184 544
Total income statement charge for impairments against core loans	(94 314)	(162 927)	(48 323)
Gross default loans and advances to customers	898 640	699 621	358 569
Specific impairments	(184 569)	(156 964)	(52 346)
Portfolio impairments	(32 933)	(9 696)	(7 247)
Defaults net of impairments	681 138	532 961	298 976
Collateral and other credit enhancements	872 949	649 219	348 531
Net default loans and advances to customers (limited to zero)	-	-	-
Ratios:			
Specific impairments as a % of gross core loans and advances to customers	1.05%	0.96%	0.36%
Portfolio impairments as a % of gross core loans and advances to customers	0.19%	0.06%	0.05%
Total impairments as a % of gross core loans and advances to customers	1.24%	1.02%	0.41%
Specific impairments as a % of gross default loans	20.54%	22.44%	14.60%
Gross defaults as a % of gross core loans and advances to customers	5.12%	4.27%	2.45%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.93%	3.28%	2.05%
Net defaults as a % of gross core loans and advances to customers	-	-	-
Annualised credit loss ratio (i.e. income statement charge as a % of average gross core loans and advances)	1.11%	1.11%	0.70%

Risk management

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

£'000	30 Sept 2009	30 March 2009
Default loans that are current	68 503	95 523
1 - 60 days	481 991	658 046
61 - 90 days	178 851	90 352
91 - 180 days	359 854	284 058
181 - 365 days	168 221	148 275
>365 days	256 497	101 659
Total gross non-current loans and advances to customers (actual capital exposure)	1 513 917	1 377 913
Default loans that are current	-	-
1 - 60 days	64 378	35 929
61 - 90 days	16 214	14 691
91 - 180 days	134 984	53 092
181 - 365 days	84 112	65 763
>365 days	150 524	61 247
Total gross non-current loans and advances to customers (actual amount in arrears)	450 212	230 722

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

£'000	Current	1 – 60 days	61 – 90 days	91 – 180 days	181 – 365 days	>365 days	Total
As at 30 September 2009							
Default loans that are current and not impaired							
Total capital exposure	12 949	-	-	-	-	-	12 949
Amount in arrears	-	-	-	-	-	-	-
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	460 394	147 359	123 649	31 953	114 602	877 957
Amount in arrears	-	58 362	9 359	35 583	4 622	81 683	189 609
Gross core loans and advances to customers that are impaired							
Total capital exposure	55 554	21 597	31 492	236 205	136 268	141 895	623 011
Amount in arrears	-	6 016	6 855	99 401	79 490	68 841	260 603
As at 31 March 2009							
Default loans that are current and not impaired							
Total capital exposure	12 624	-	-	-	-	-	12 624
Amount in arrears	-	-	-	-	-	-	-
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	614 629	64 001	98 105	97 255	55 875	929 865
Amount in arrears	-	21 752	8 136	15 519	38 129	23 959	107 495
Gross core loans and advances to customers that are impaired							
Total capital exposure	82 899	43 417	26 351	185 953	51 020	45 784	435 424
Amount in arrears	-	14 177	6 555	37 573	27 634	37 288	123 227

An age analysis of gross non-current core loans and advances to customers as at 30 September 2009 (based on capital exposure)

£'000	Current	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1 - 60 days)	-	415 412	-	-	-	-	415 412
Special mention	-	41 996	146 032	10 877	667	293	199 865
Special mention (1 - 90 days)	-	41 996	7 208	*10 877	*667	*293	61 041
Special mention (61 - 90 days and item well secured)	-	-	138 824	-	-	-	138 824
Default	68 503	24 583	32 819	348 977	167 554	256 204	898 640
Sub-standard	21 620	3 188	11 755	138 022	44 046	160 480	379 111
Doubtful	46 679	21 395	21 064	157 215	122 388	94 497	463 238
Loss	204	-	-	53 740	1 120	1 227	56 291
Total	68 503	481 991	178 851	359 854	168 221	256 497	1 513 917

An age analysis of gross non-current core loans and advances to customers as at 30 September 2009 (based on actual amount in arrears)

£'000	Current	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1 - 60 days)	-	34 748	-	-	-	-	34 748
Special mention	-	23 038	9 348	1 856	143	76	34 461
Special mention (1 - 90 days)	-	23 038	391	*1 856	*143	*76	25 504
Special mention (61 - 90 days and item well secured)	-	-	8 957	-	-	-	8 957
Default	-	6 592	6 866	133 128	83 969	150 448	381 003
Sub-standard	-	782	212	34 540	4 779	81 772	122 085
Doubtful	-	5 810	6 654	98 588	79 138	67 622	257 812
Loss	-	-	-	-	52	1 054	1 106
Total	-	64 378	16 214	134 984	84 112	150 524	450 212

* 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 control of Investec, these exposures have been classified as special mention and will remain there until settled or their credit quality deteriorates.

An age analysis based of gross non-current core loans and advances to customers as at 31 March 2009 (based on total capital exposure)

£'000	Current	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1 - 60 days)	-	598 630	-	-	-	-	598 630
Special mention	-	12 964	62 559	3 103	745	291	79 662
Special mention (1 - 90 days)	-	12 964	4 894	*3 103	*745	*291	21 997
Special mention (61 - 90 days and item well secured)	-	-	57 665	-	-	-	57 665
Default	95 523	46 452	27 793	280 955	147 530	101 368	699 621
Sub-standard	17 912	3 837	5 599	149 721	104 608	57 110	338 787
Doubtful	77 468	42 615	22 194	113 619	42 922	43 182	342 000
Loss	143	-	-	17 615	-	1 076	18 834
Total	95 523	658 046	90 352	284 058	148 275	101 659	1 377 913

An age analysis based of gross non-current core loans and advances to customers as at 31 March 2009 (based on actual amount in arrears)

£'000	Current	1 - 60 days	61 - 90 days	91 - 180 days	181 - 365 days	>365 days	Total
Past due (1 - 60 days)	-	18 902	-	-	-	-	18 902
Special mention	-	2 835	8 121	1 711	603	248	13 518
Special mention (1 - 90 days)	-	2 835	3 954	*1 711	*603	*248	9 351
Special mention (61 - 90 days and item well secured)	-	-	4 167	-	-	-	4 167
Default	-	14 192	6 570	51 381	65 160	60 999	198 302
Sub-standard	-	457	1 463	19 008	43 173	29 169	93 270
Doubtful	-	13 735	5 107	32 343	21 982	30 770	103 937
Loss	-	-	-	30	5	1 060	1 095
Total	-	35 929	14 691	53 092	65 763	61 247	230 722

* 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 control of Investec, these exposures have been classified as special mention and will remain there until settled or their credit quality deteriorates.

An analysis of core loans and advances to customers

£'000	Gross core loans and advances that are 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 2009				
Current core loans and advances	16 045 406	-	-	16 045 406
Past due (1 - 60 days)	-	415 412	-	415 412
Special mention	-	199 865	-	199 865
Special mention (1 - 90 days)	-	61 041	-	61 041
Special mention (61 - 90 days and item well secured)	-	138 824	-	138 824
Default	12 949	262 680	623 011	898 640
Sub-standard	12 949	262 680	103 482	379 111
Doubtful	-	-	463 238	463 238
Loss	-	-	56 291	56 291
Total	16 058 355	877 957	623 011	17 559 323
As at 31 March 2009				
Current core loans and advances	15 015 290	-	-	15 015 290
Past due (1 - 60 days)	-	598 630	-	598 630
Special mention	-	79 662	-	79 662
Special mention (1 - 90 days)	-	21 997	-	21 997
Special mention (61 - 90 days and item well secured)	-	57 665	-	57 665
Default	12 624	251 573	435 424	699 621
Sub-standard	12 624	251 573	74 590	338 787
Doubtful	-	-	342 000	342 000
Loss	-	-	18 834	18 834
Total	15 027 914	929 865	435 424	16 393 203

Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears
-	(26 619)	16 018 787	-
-	(2 892)	412 520	34 748
-	(1 135)	198 730	34 461
-	(739)	60 302	25 504
-	(336)	138 428	8 957
(184 569)	(2 287)	711 784	381 003
(25 562)	(1 490)	352 059	122 085
(133 173)	(797)	329 268	257 812
(25 834)	-	30 457	1 106
(184 569)	(32 933)	17 341 821	450 212
-	(9 006)	15 006 284	-
-	(238)	598 392	18 902
-	(452)	79 210	13 518
-	(451)	21 546	9 351
-	(1)	57 664	4 167
(156 964)	-	542 657	198 302
(50 155)	-	288 632	93 270
(98 272)	-	243 728	103 937
(8 537)	-	10 297	1 095
(156 964)	(9 696)	16 226 543	230 722

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)	Special mention (1 - 90 days)	Special mention (61 - 90 days and well secured)
As at 30 September 2009				
Private Banking professional and HNW individuals	10 982 657	339 023	57 464	106 243
Corporate sector	3 401 409	67 158	3 577	31 131
Banking, insurance, financial services (excluding sovereign)	1 307 306	-	-	-
Public and government sector (including central banks)	221 037	-	-	-
Trade finance	132 997	9 231	-	1 450
Total gross core loans and advances to customers	16 045 406	415 412	61 041	138 824
As at 31 March 2009				
Private Banking professional and HNW individuals	10 071 673	528 967	21 997	37 260
Corporate sector	3 380 375	61 404	-	18 878
Banking, insurance, financial services (excluding sovereign)	1 161 413	-	-	-
Public and government sector (including central banks)	269 564	-	-	-
Trade finance	132 265	8 259	-	1 527
Total gross core loans and advances to customers	15 015 290	598 630	21 997	57 665

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

£'000	30 Sept 2009	31 March 2009
Private Banking professional and HNW individuals	12 199 474	11 166 476
Corporate sector	3 673 152	3 639 141
Banking, insurance, financial services (excluding sovereign)	1 307 841	1 161 634
Public and government sector (including central banks)	221 330	269 928
Trade finance	157 526	156 024
Total gross core loans and advances to customers	17 559 323	16 393 203

Sub-standard	Doubtful	Loss	Total gross core loans and advances to customers	Portfolio impairments	Specific impairments	Total impairments
306 449	352 080	55 558	12 199 474	(28 602)	(122 863)	(151 465)
71 187	97 957	733	3 673 152	(2 839)	(54 929)	(57 768)
-	535	-	1 307 841	(695)	(393)	(1 088)
-	293	-	221 330	-	(170)	(170)
1 475	12 373	-	157 526	(797)	(6 214)	(7 011)
379 111	463 238	56 291	17 559 323	(32 933)	(184 569)	(217 502)
231 717	256 723	18 139	11 166 476	(6 887)	(81 510)	(88 397)
100 276	77 513	695	3 639 141	(1 826)	(69 713)	(71 539)
-	221	-	1 161 634	(983)	(161)	(1 144)
-	364	-	269 928	-	(227)	(227)
6 794	7 179	-	156 024	-	(5 353)	(5 353)
338 787	342 000	18 834	16 393 203	(9 696)	(156 964)	(166 660)

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

£'000	UK and Europe		Southern Africa		Australia		Total	
	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009
Gross core loans and advances to customers	5 851 676	6 038 586	10 101 368	8 930 812	1 606 279	1 423 805	17 559 323	16 393 203
Total impairments	(93 482)	(76 057)	(94 935)	(74 969)	(29 085)	(15 634)	(217 502)	(166 660)
Portfolio impairments	(8 121)	(3 032)	(24 812)	(6 664)	-	-	(32 933)	(9 696)
Specific impairments	(85 361)	(73 025)	(70 123)	(68 305)	(29 085)	(15 634)	(184 569)	(156 964)
Net core loans and advances to customers	5 758 194	5 962 529	10 006 433	8 855 843	1 577 194	1 408 171	17 341 821	16 226 543
% of total	33.2%	36.7%	57.7%	54.6%	9.1%	8.7%	100%	100.0%
% change since 31 March 2009	(3.4%)		*13.0%		*12.0%		*6.9%	
Average gross core loans and advances to customers	5 945 131	5 667 150	9 516 090	7 680 615	1 515 042	1 302 720	16 976 263	14 650 485
Current loans and advances to customers	5 236 736	5 287 746	9 433 936	8 481 356	1 374 734	1 246 188	16 045 406	15 015 290
Total gross non current loans and advances to customers	614 940	750 840	667 432	449 456	231 545	177 617	1 513 917	1 377 913
Past due loans and advances to customers (1 - 60 days)	244 926	442 966	151 543	139 021	18 943	16 643	415 412	598 630
Special mention loans and advances to customers	36 717	22 445	131 393	47 378	31 755	9 839	199 865	79 662
Default loans and advances to customers	333 297	285 429	384 496	263 057	180 847	151 135	898 640	699 621
Gross core loans and advances to customers	5 851 676	6 038 586	10 101 368	8 930 812	1 606 279	1 423 805	17 559 323	16 393 203
Total gross non-current loans and advances to customers	614 940	750 840	667 432	449 456	231 545	177 617	1 513 917	1 377 913
Default loans that are current and not impaired	3 074	11 056	9 875	1 568	-	-	12 949	12 624
Gross core loans and advances to customers that are past due but not impaired	372 837	590 726	346 420	221 211	158 700	117 928	877 957	929 865
Gross core loans and advances to customers that are impaired	239 029	149 058	311 137	226 677	72 845	59 689	623 011	435 424
Total income statement charge for impairments on core loans	(48 511)	(88 790)	(33 002)	(51 452)	(12 801)	(22 685)	(94 314)	(162 927)
Gross default loans and advances to customers	333 297	285 429	384 496	263 057	180 847	151 135	898 640	699 621
Specific impairments	(85 361)	(73 025)	(70 123)	(68 305)	(29 085)	(15 634)	(184 569)	(156 964)
Portfolio impairments	(8 121)	(3 032)	(24 812)	(6 664)	-	-	(32 933)	(9 696)
Defaults net of impairments	239 815	209 372	289 561	188 088	151 762	135 501	681 138	532 961
Collateral and other credit enhancements	267 476	218 000	429 535	267 767	175 938	163 452	872 949	649 219
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-	-	-

* Largely as a result of Rand and Australian Dollar appreciation against the Pound.

An analysis of core loans and advances to customers and asset quality by geography (continued)

	UK and Europe		Southern Africa		Australia		Total	
	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009	30 Sept 2009	31 March 2009
Specific impairments as a % of gross core loans and advances to customers	1.46%	1.21%	0.69%	0.76%	1.81%	1.10%	1.05%	0.96%
Portfolio impairments as a % of gross core loans and advances to customers	0.14%	0.05%	0.25%	0.07%	-	-	0.19%	0.06%
Total impairments as a % of gross core loans and advances to customers	1.60%	1.26%	0.94%	0.84%	1.81%	1.10%	1.24%	1.02%
Specific impairments as a % of gross default loans	25.61%	25.58%	18.24%	25.97%	16.08%	10.34%	20.54%	22.44%
Gross defaults as a % of gross core loans and advances to customers	5.70%	4.73%	3.81%	2.95%	11.26%	10.61%	5.12%	4.27%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.16%	3.51%	2.89%	2.12%	9.62%	9.62%	3.93%	3.28%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-	-	-
Annualised credit loss ratio (i.e. income statement charge as a % of average gross core loans and advances)	1.63%	1.57%	0.69%	0.67%	1.69%	1.74%	1.11%	1.11%

An analysis of core loans and advances to customers and asset quality by geography and division

As at 30 September 2009

£'000	UK and Europe	Private Bank Southern Africa	Australia	Total
Gross core loans and advances to customers	3 658 433	7 104 263	1 436 778	12 199 474
Total impairments	(63 470)	(60 120)	(21 238)	(144 828)
Portfolio impairments	(6 631)	(15 333)	-	(21 964)
Specific impairments	(56 839)	(44 787)	(21 238)	(122 864)
Net core loans and advances to customers	3 594 963	7 044 143	1 415 540	12 054 646
Average gross core loans and advances	3 670 597	6 666 593	1 344 796	11 681 986
Current loans and advances to customers	3 252 313	6 503 295	1 227 049	10 982 657
Total gross non current loans and advances to customers	406 120	600 968	209 729	1 216 817
Past due loans and advances to customers (1 - 60 days)	190 658	129 421	18 943	339 022
Special mention loans and advances to customers	5 585	126 367	31 755	163 707
Default loans and advances to customers	209 877	345 180	159 031	714 088
Gross core loans and advances to customers	3 658 433	7 104 263	1 436 778	12 199 474
Total gross non-current loans and advances to customers	406 120	600 968	209 729	1 216 817
Default loans that are current and not impaired	3 073	9 876	-	12 949
Gross core loans and advances to customers that are past due but not impaired	221 937	319 270	153 693	694 900
Gross core loans and advances to customers that are impaired	181 110	271 822	56 036	508 968
Total income statement charge for impairments on core loans	(27 855)	(17 924)	(7 744)	(53 523)
Gross default loans and advances to customers	209 877	345 180	159 031	714 088
Specific impairments	(56 839)	(44 787)	(21 238)	(122 864)
Portfolio impairments	(6 631)	(15 333)	-	(21 964)
Defaults net of impairments	146 407	285 060	137 793	569 260
Collateral and other credit enhancements	171 794	412 491	161 528	745 813
Net default loans and advances to customers (limited to zero)	-	-	-	-
Specific impairments as a % of gross core loans and advances to customers	1.55%	0.63%	1.48%	1.01%
Portfolio impairments as a % of gross core loans and advances to customers	0.18%	0.22%	-	0.18%
Total impairments as a % of gross core loans and advances to customers	1.73%	0.85%	1.48%	1.19%
Specific impairments as a % of gross default loans	27.08%	12.97%	13.35%	17.21%
Gross defaults as a % of gross core loans and advances to customers	5.74%	4.86%	11.07%	5.85%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.07%	4.05%	9.73%	4.72%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-
Annualised credit loss ratio (i.e. income statement charge as a % of average gross core loans and advances)	1.52%	0.54%	1.15%	0.92%

* Largely includes lending activities within our Central Funding and International Trade Finance businesses.

Capital Markets				Other*				Total
UK and Europe	Southern Africa	Australia	Total	UK and Europe	Southern Africa	Australia	Total	
2 128 523	2 647 260	168 137	4 943 920	64 720	349 845	1 364	415 929	17 559 323
(30 012)	(17 062)	(7 847)	(54 921)	-	(17 753)	-	(17 753)	(217 502)
(1 490)	(1 480)	-	(2 970)	-	(7 999)	-	(7 999)	(32 933)
(28 522)	(15 582)	(7 847)	(51 951)	-	(9 754)	-	(9 754)	(184 569)
2 098 511	2 630 198	160 290	4 888 999	64 720	332 092	1 364	398 176	17 341 821
2 203 919	2 532 656	168 943	4 905 518	70 615	316 842	1 304	388 760	16 976 263
1 919 787	2 605 801	146 322	4 671 910	64 635	324 840	1 364	390 839	16 045 406
208 736	41 459	21 815	272 010	85	25 005	-	25 090	1 513 917
54 268	12 890	-	67 158	-	9 232	-	9 232	415 412
31 131	3 577	-	34 708	-	1 450	-	1 450	199 865
123 337	24 992	21 815	170 144	85	14 323	-	14 408	898 640
2 128 523	2 647 260	168 137	4 943 920	64 720	349 845	1 364	415 929	17 559 323
208 736	41 459	21 815	272 010	85	25 005	-	25 090	1 513 917
-	-	-	-	-	-	-	-	12 949
150 902	16 467	5 006	172 375	-	10 682	-	10 682	877 957
57 834	24 992	16 809	99 635	85	14 323	-	14 408	623 011
(20 656)	(6 570)	(5 057)	(32 283)	-	(8 508)	-	(8 508)	(94 314)
123 337	24 992	21 815	170 144	85	14 323	-	14 408	898 640
(28 522)	(15 582)	(7 847)	(51 951)	-	(9 754)	-	(9 754)	(184 569)
(1 490)	(1 480)	-	(2 970)	-	(7 999)	-	(7 999)	(32 933)
93 325	7 930	13 968	115 223	85	(3 430)	-	(3 344)	681 138
95 099	9 410	14 409	118 918	583	7 635	-	8 218	872 949
-	-	-	-	-	-	-	-	-
1.34%	0.59%	4.67%	1.05%	-	2.79%	-	2.35%	1.05%
0.07%	0.06%	-	0.06%	-	2.29%	-	1.92%	0.19%
1.41%	0.64%	4.67%	1.11%	-	5.07%	-	4.27%	1.24%
23.13%	62.35%	35.97%	30.53%	-	68.10%	-	67.69%	20.54%
5.79%	0.94%	12.98%	3.44%	0.13%	4.09%	-	3.46%	5.12%
4.45%	0.30%	8.71%	2.36%	0.13%	(1.03%)	-	(0.84%)	3.93%
-	-	-	-	-	-	-	-	-
1.87%	0.52%	5.99%	1.32%	-	5.37%	-	4.38%	1.11%

An analysis of core loans and advances to customers and asset quality by geography and division

As at 31 March 2009

£'000	Private Bank UK and Europe	Private Bank Southern Africa	Private Bank Australia	Total
Gross core loans and advances to customers	3 682 761	6 228 923	1 252 814	11 164 498
Total impairments	(37 726)	(37 619)	(13 050)	(88 395)
Portfolio impairments	(2 132)	(4 754)	-	(6 886)
Specific impairments	(35 594)	(32 865)	(13 050)	(81 509)
Net core loans and advances to customers	3 645 035	6 191 304	1 239 764	11 076 103
Average gross core loans and advances	3 513 898	5 399 705	1 145 563	10 059 166
Current loans and advances to customers	3 124 164	5 860 702	1 088 511	10 073 377
Total gross non current loans and advances to customers	558 597	368 221	164 303	1 091 121
Past due loans and advances to customers (1 - 60 days)	386 846	126 145	15 975	528 966
Special mention loans and advances to customers	3 087	42 879	9 611	55 577
Default loans and advances to customers	168 664	199 197	138 717	506 578
Gross core loans and advances to customers	3 682 761	6 228 923	1 252 814	11 164 498
Total gross non-current loans and advances to customers	558 597	368 221	164 303	1 091 121
Default loans that are current and not impaired	6 399	1 568	-	7 966
Gross core loans and advances to customers that are past due but not impaired	463 215	203 836	116 611	783 662
Gross core loans and advances to customers that are impaired	88 984	162 817	47 692	299 493
Total income statement charge for impairments on core loans	(52 195)	(17 699)	(20 200)	(90 094)
Gross default loans and advances to customers	168 664	199 197	138 717	506 578
Specific impairments	(35 594)	(32 865)	(13 050)	(81 509)
Portfolio impairments	(2 132)	(4 754)	-	(6 886)
Defaults net of impairments	130 938	161 578	125 667	418 184
Collateral and other credit enhancements	136 986	223 679	153 617	514 282
Net default loans and advances to customers (limited to zero)	-	-	-	-
Specific impairments as a % of gross core loans and advances to customers	0.97%	0.53%	1.04%	0.73%
Portfolio impairments as a % of gross core loans and advances to customers	0.06%	0.08%	-	0.06%
Total impairments as a % of gross core loans and advances to customers	1.02%	0.60%	1.04%	0.79%
Specific impairments as a % of gross default loans	21.10%	16.50%	9.41%	16.09%
Gross defaults as a % of gross core loans and advances to customers	4.58%	3.20%	11.07%	4.54%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.59%	2.61%	10.14%	3.78%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-
Credit loss ratio (i.e. income statement charge as a % of average gross core loans and advances)	1.49%	0.33%	1.76%	0.90%

* Largely includes lending activities within our Central Funding and International Trade Finance businesses.

Capital Markets				Other*				Total
UK and Europe	Southern Africa	Australia	Total	UK and Europe	Southern Africa	Australia	Total	
2 279 315	2 418 052	169 748	4 867 115	76 509	283 838	1 243	361 590	16 393 203
(38 331)	(25 161)	(2 583)	(66 075)	-	(12 190)	-	(12 190)	(166 660)
(899)	(1 413)	-	(2 312)	-	(498)	-	(498)	(9 696)
(37 432)	(23 748)	(2 583)	(63 763)	-	(11 692)	-	(11 692)	(156 964)
2 240 984	2 392 891	167 165	4 801 040	76 509	271 648	1 243	349 400	16 226 543
2 139 842	2 159 311	155 930	4 455 083	13 410	121 599	1 227	136 236	14 650 485
2 087 437	2 366 177	156 434	4 610 047	76 144	254 478	1 243	331 866	15 015 290
191 878	51 875	13 314	257 067	365	29 360	-	29 725	1 377 913
56 119	4 617	668	61 404	-	8 260	-	8 260	598 630
19 358	2 972	228	22 558	-	1 527	-	1 527	79 662
116 401	44 286	12 418	173 105	365	19 573	-	19 938	699 621
2 279 315	2 418 052	169 748	4 867 114	76 509	283 838	1 243	361 590	16 393 203
191 879	51 875	13 314	257 067	365	29 360	-	29 725	1 377 913
4 658	-	-	4 658	-	-	-	-	12 624
127 510	7 589	1 316	136 415	-	9 788	-	9 787	929 865
59 710	44 286	11 998	115 994	365	19 572	-	19 938	435 424
(36 596)	(23 515)	(2 484)	(62 595)	-	(10 238)	-	(10 238)	(162 927)
116 401	44 286	12 418)	173 105	365	19 573	-	19 938	699 621
(37 432)	(23 748)	(2 583)	(63 763)	-	(11 692)	-	(11 692)	(156 964)
(899)	(1 413)	-	(2 312)	-	(498)	-	(498)	(9 696)
78 070	19 125	9 835	107 030	365	7 383	-	7 748	532 961
80 684	33 061	9 835	123 580	331	11 026	-	11 358	649 219
-	-	-	-	34	-	-	-	-
1.64%	0.98%	1.52%	1.31%	-	4.12%	-	3.23%	0.96%
0.04%	0.06%	-	0.05%	-	0.18%	-	0.14%	0.06%
1.68%	1.04%	1.52%	1.36%	-	4.29%	-	3.37%	1.02%
32.16%	53.62%	20.80%	36.83%	-	59.74%	-	58.65%	22.44%
5.11%	1.83%	7.32%	3.56%	0.48%	6.90%	-	5.51%	4.27%
3.48%	0.80%	5.88%	2.23%	0.48%	2.72%	-	2.22%	3.28%
-	-	-	-	0.04%	-	-	-	-
1.71%	1.09%	1.59%	1.41%	-	8.42%	-	7.51%	1.11%

Collateral

£'000	Collateral held against: Gross core loans and advances	Collateral held against: Other credit and counterparty exposures*	Total
As at 30 September 2009			
Eligible financial collateral	1 784 526	369 476	2 154 002
Listed shares	1 284 591	97 540	1 382 131
Cash	498 003	170 693	668 696
Debt securities issued by sovereigns	1 932	101 243	103 175
Mortgage bonds	19 997 020	39 118	20 036 138
Residential mortgages	6 536 450	26 123	6 562 573
Residential development	2 126 504	8 284	2 134 788
Commercial property development	1 407 860	1 785	1 409 645
Commercial property investments	9 926 206	2 926	9 929 132
Other collateral	5 415 608	215 502	5 631 110
Unlisted shares	353 157	11 051	364 208
Bonds other than mortgage bonds	801 897	170 607	972 504
Debtors, stock, other corporate assets	2 333 172	6 664	2 339 836
Guarantees	884 653	19 482	904 135
Credit derivatives	-	-	-
Other	1 042 729	7 698	1 050 427
Total collateral	27 197 154	624 096	27 821 250
Suretyships	2 390 779	6 768	2 397 547
Collateral including suretyships	29 587 933	630 864	30 218 797
As at 31 March 2009			
Eligible financial collateral	2 062 959	533 935	2 596 894
Listed shares	1 527 665	49 154	1 576 819
Cash	530 905	255 234	786 139
Debt securities issued by sovereigns	4 389	229 547	233 936
Mortgage bonds	18 038 180	28 625	18 066 805
Residential mortgages	5 562 385	14 493	5 576 878
Residential development	3 092 006	12 167	3 104 173
Commercial property development	1 999 913	1 954	2 001 867
Commercial property investments	7 383 876	11	7 383 887
Other collateral	5 085 153	326 508	5 411 661
Unlisted shares	188 949	4 788	193 737
Bonds other than mortgage bonds	654 132	173 139	827 271
Debtors, stock, other corporate assets	2 701 979	5 924	2 707 903
Guarantees	809 363	100 491	909 854
Credit derivatives	32 764	-	32 764
Other	697 966	42 166	740 132
Total collateral	25 186 292	889 068	26 075 360
Suretyships	1 071 279	-	1 071 279
Collateral including suretyships	26 257 571	889 068	27 146 639

* 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.

Securitisation/principal finance activities and exposures

Developments within the international economy have impacted on securitisation/principal finance activities and have limited our strategic initiatives in this space. The information below sets out the initiatives we have focused on over the past few years, albeit that some of these business lines have been significantly curtailed given the current economic climate.

UK and Europe

The UK has developed a Principal Finance business over the last four 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.

We retain residual net exposures amounting to £564 million to the assets originated, warehoused and securitised by Kensington. Further information is provided on pages 34 and 35.

South Africa

In South Africa, our securitisation business, which forms part of our Structured Finance unit, was established approximately eight 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.

We have also assisted in the development of select securitisation platforms with external third party originating intermediaries. At present we have provided limited warehouse funding lines to these intermediaries.

Furthermore, we provide standby liquidity facilities to two conduits, namely the Grayston Conduit 1 (Pty) Ltd Series 1 and Series 2, and to the securitisation structure of the Growthpoint Note Issuer Company (Series 1 Tranche 1; Series 1 Tranche 2; Series 2; and Series 3). These facilities, which totalled R3.2 billion as at 30 September 2009, have not been drawn on and are thus reflected as off-balance sheet contingent exposures in terms of our credit analysis (refer to pages 110 and 111). The liquidity risk associated with these facilities is included in the stress testing for the group and is managed in accordance with our overall liquidity position.

In addition 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 R8.4 billion (31 March 2009: R9.3 billion) and include auto loans (R0.9 billion), residential mortgages (R6.1 billion) and commercial mortgages (R1.4 billion).These securitisation structures have all been rated by Moody's.

Australia

Investec Bank (Australia) Limited acquired Experien in 2007. As is the case in the South African Private Banking division assets originated by the business have been securitised. These amount to A$931 million (31 March 2009: A$914 million) and include leases and instalment debtors (A$521 million), residential mortgages (A$41 million), commercial mortgages (A$218 million) and other loans, for example overdrafts (A$151 million).These securitisation structures have all been rated by Standard and Poor's.

Credit analysis

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 2009 £'mn	Exposure as at 31 March 2009 £'mn	Credit analysis internal risk classification	Asset quality - relevant comments	Capital treatment
Structured credit investments	490	376	On-balance sheet securitisation/principal finance exposure	During the period we wrote off approximately £10 million against these exposures	Risk-weighted or supervisory deductions against primary and secondary capital
Rated	359	243			
Unrated	82	76			
Other	49	57			
Kensington – mortgage assets: Net exposures (after impairments) to the securitised book (i.e. those assets that have been securitised)	104	103	On-balance sheet securitisation/principal finance exposure. Classified as 'unrated'. 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 pages 34 and 35	Risk-weighted or supervisory deductions against primary and secondary capital
Kensington – mortgage assets: Net exposures (after impairments) to the warehouse book (i.e. those assets that have been orginated and placed in special purpose vehicles awaiting securitisation)	460	413	On-balance sheet securitisation/principal finance exposure. Classified as 'other'. 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 pages 34 and 35	Risk-weighted
UK – residual investments in other assets which have been securitised by us (unrated)	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"		Risk-weighted or supervisory deductions against primary and secondary capital

Risk management

Nature of exposure/activity	Exposure as at 30 Sept 2009 £'mn	Exposure as at 31 March 2009 £'mn	Credit analysis internal risk classification	Asset quality - relevant comments	Capital treatment
South Africa – warehouse lines provided to, and investment in third party intermediary originating platforms (mortgage and auto loans)	93	78	On-balance sheet securitisation/principal finance exposure	During the period we wrote off £2 million largely against the net investments within these platforms	Risk-weighted depending on rating of counterparty
Private Banking division assets	1 212	1 128	On-balance sheet exposure – reclassified from "accounting securitsed 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 94	We apply securitisation rules: either risk-weighted or supervisory deductions against primary and secondary capital
South Africa – liquidity facilities provided to third party corporate securitisation vehicles	271	292	Off-balance sheet credit exposure as these facilities have remained undrawn and reflect a contingent liability of the bank		Unutilised facility that is risk-weighted

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): 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.

Country/category £'000	Income (pre funding costs) – for the period Unrealised	Realised	Dividends, net interest and other	Total	Fair value through the balance sheet
Six months to 30 September 2009					
Unlisted investments	16 619	13 532	352	30 503	(110)
UK and Europe	(5 016)	(338)	(5 067)	(10 421)	(874)
South Africa	21 635	11 795	4 799	38 229	-
Australia	-	2 075	620	2 695	764
Listed equities	21 495	7 919	(4 282)	25 132	2 729
UK and Europe	10 409	21	(4 702)	5 728	(302)
South Africa	11 109	5 980	254	17 343	58
Australia	(23)	1 918	166	2 061	2 973
Investment and trading properties	12 781	55	(90)	12 746	(230)
UK and Europe	-	55	3	58	(230)
South Africa	12 781	-	(93)	12 688	-
Warrants, profit shares and other embedded derivatives	2 993	5 728	(537)	8 184	-
UK and Europe	600	5 956	(1 042)	5 514	-
South Africa	2 668	(228)	505	2 945	-
Australia	(275)	-	-	(275)	-
Total	53 888	27 234	(4 557)	70 565	2 389
Year ended 31 March 2009					
Unlisted investments	20 363	21 024	25 175	66 562	(1 012)
UK and Europe	(13 373)	832	(6 783)	(19 324)	(572)
South Africa	35 082	23 831	31 601	90 514	-
Australia	(1 346)	(3 639)	357	(4 628)	(440)
Listed equities	(18 892)	(2 248)	(8 231)	(29 371)	(5 569)
UK and Europe	(11 392)	(1 529)	(8 458)	(21 379)	(4 582)
South Africa	(7 184)	(710)	563	(7 331)	(203)
Australia	(316)	(9)	(336)	(661)	(784)
Investment and trading properties	16 717	42	7 631	24 390	-
UK and Europe	-	42	-	42	-
South Africa	16 717	-	7 631	24 348	-
Warrants, profit shares and other embedded derivatives	1 101	27 735	1 026	29 862	-
UK and Europe	1 868	20 277	273	22 418	-
South Africa	2 184	7 458	753	10 395	-
Australia	(2 951)	-	-	(2 951)	-
Total	19 289	46 553	25 601	91 443	(6 581)

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.

Country/category £'000	On-balance sheet value of investments 30 Sept 2009	Valuation change stress test* 30 Sept 2009	On-balance sheet value of investments 31 March 2009	Valuation change stress test* 31 March 2009
Unlisted investments	592 571	88 886	490 982	73 647
UK and Europe	126 625	18 994	120 689	18 103
South Africa	443 282	66 492	350 364	52 555
Australia	22 664	3 400	19 929	2 989
Listed equities	132 058	32 284	115 793	27 628
UK and Europe	40 658	9 434	37 060	7 945
South Africa	84 021	21 005	77 558	19 389
Australia	7 379	1 845	1 175	294
Investment and trading properties	344 957	41 880	228 884	27 082
UK and Europe	6 677	1 335	8 480	1 696
South Africa	338 280	40 545	220 404	25 386
Warrants, profit shares and other embedded derivatives	117 409	41 093	103 199	36 120
UK and Europe	66 796	23 379	63 463	22 212
South Africa	50 535	17 687	38 866	13 603
Australia	78	27	870	305
Total	1 186 995	204 143	938 858	164 477

* 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	15%
Listed	25%
Trading properties	20%
Investment properties	10%
Property sold to third parties	5%
Warrants / Profit Shares and Other embedded derivatives	35%

Stress testing summary

Based on the information as at 30 September 2009, as reflected above we could have a £201 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. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is very low, although the probability of listed equities being negatively impacted at the same time is very high.

Traded market risk management

Traded market risk description

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 strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate clients in deal execution.

Management and measurement of traded market risk

Market risk management teams review the market risks on our books. Detailed risk reports are produced daily for each trading desk. These reports are distributed to management and the traders on the desk. Any unauthorised excesses are recorded and require a satisfactory explanation from the desk for the excess. The production of risk reports allows for the monitoring of every instrument traded against prescribed limits. Trading is also limited to the most liquid instruments and each traded instrument undergoes various stresses to assess potential losses. Each trading desk is monitored on an overall basis as an additional control. Trading limits are generally tiered with the most liquid and least "risky" instruments being assigned the largest limits.

The market risk teams perform a profit attribution, where our daily traded income is attributed to the various underlying risk factors on a day-to-day basis. An understanding of the sources of profit and loss is essential to understanding the risks of the business.

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.

In South Africa, we use our internal models for market risk measurement which in effect puts us at the level of the advanced approach for Basel II. In terms of this model, trading capital is calculated as a function of the 99% 10-day VaR. Backtesting results and a detailed stress testing pack are submitted to the regulator on a monthly basis. In the UK, all desks are currently on Capital Adequacy (CAD) 1 level, while we are in the process of applying for CAD1 model extensions for the Structured Equity desk.

VaR

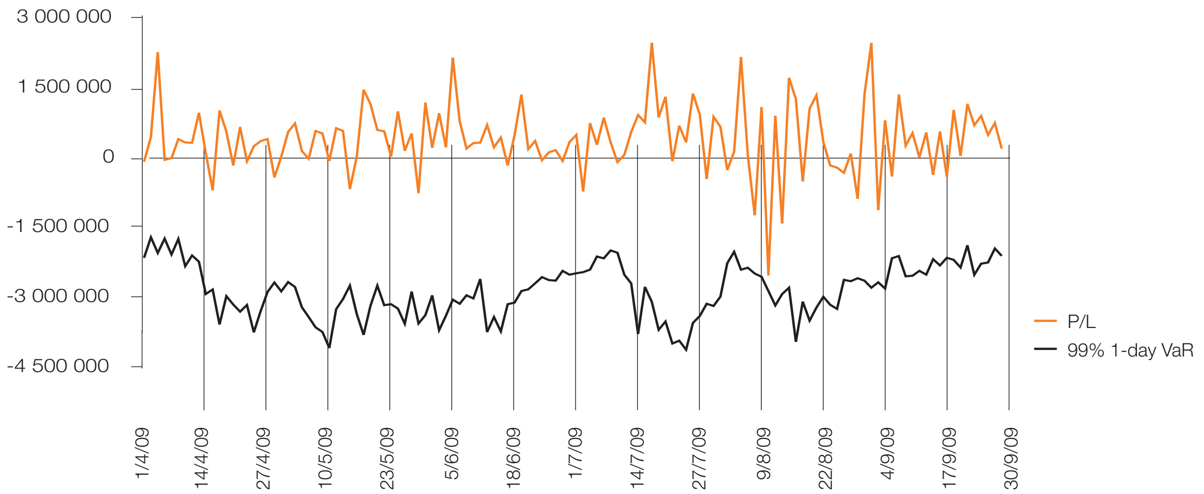
	UK and Europe 95% (one-day) £'000	Australia 99% (one-day) A$'000	South Africa 95% (one-day) R'mn
30 Sept 2009			
Commodities	30	-	0.1
Equity derivatives	1 416	-	1.5
Foreign exchange	13	23	2.2
Interest rates	233	191	1.6
Consolidated*	1 393	214	3.1
High	2 598	231	17.0
Low	1 024	69	2.4
Average	1 697	133	5.1
31 March 2009			
Commodities	42	-	0.3
Equity derivatives	629	-	2.8
Foreign exchange	25	14	2.9
Interest rates	759	52	0.9
Consolidated*	996	66	4.1
High	2 497	307	15.3
Low	341	60	2.1
Average	738	139	4.5

* 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.

The graphs below show total daily VaR and profit and loss figures for our trading activities over the 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.

UK and Europe

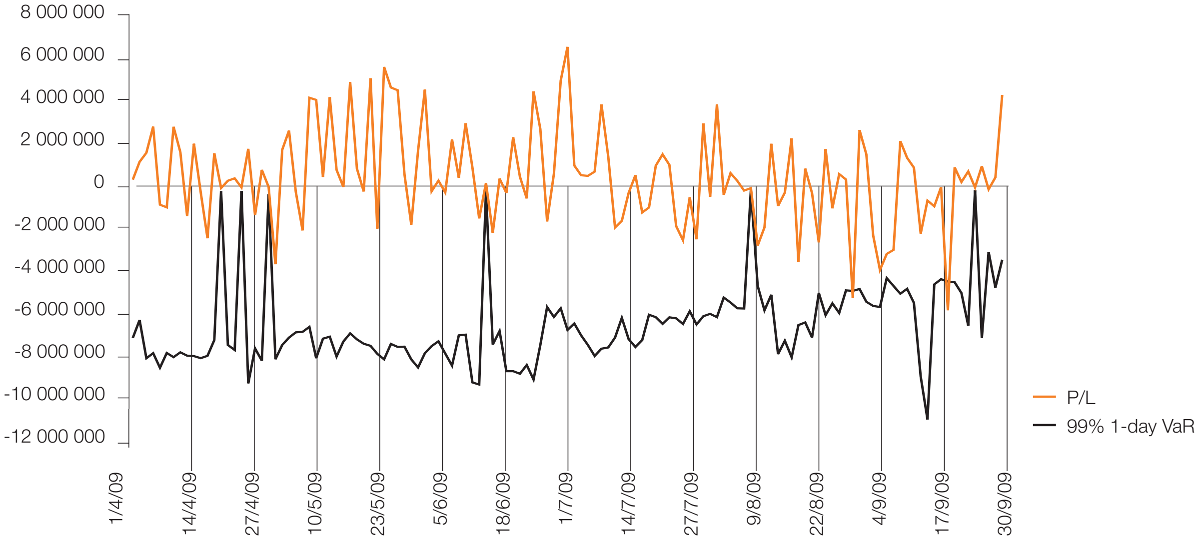
99% 1-day VaR Backtesting (GBP)



There have been no exceptions i.e. where the loss is greater than the VaR.

South Africa

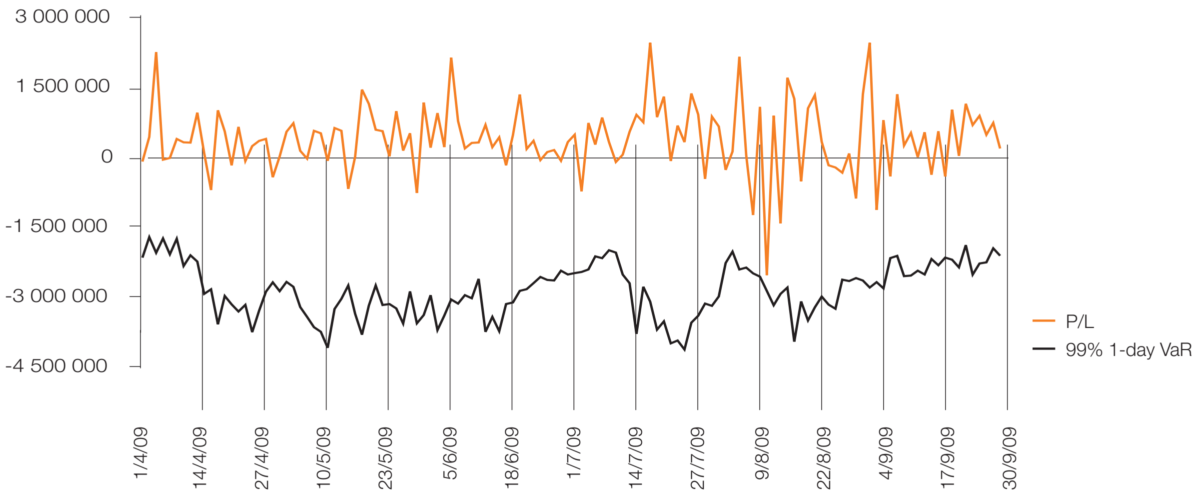
99% 1-day VaR Backtesting (Rands)



There have been two exceptions in the 6-month period, i.e. where the loss is greater than the VaR. The total number of exceptions for 250 days data is also 2. Both exceptions were in line with the 99% confidence interval expectations.

Investec Bank (Australia) Limited

99% 1-day VaR Backtesting (A$)



There have been no exceptions, i.e. where the loss is greater than the VaR.

ETL

	Investec plc 95% (one-day) £'000	Limited 95% (one-day) R'mn
30 Sept 2009		
Commodities	64	0.2
Equity derivatives	1 988	2.3
Foreign exchange	19	3.6
Interest rates	355	2.6
Consolidated*	1 908	4.4
31 March 2009		
Commodities	78	0.6
Equity derivatives	929	4.4
Foreign exchange	39	5.4
Interest rates	1 359	1.4
Consolidated*	1 653	6.8

* The consolidated VaR for each desk and each entity is lower than the sum of the individual ETL's. This arises from the correlation offset beween 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).

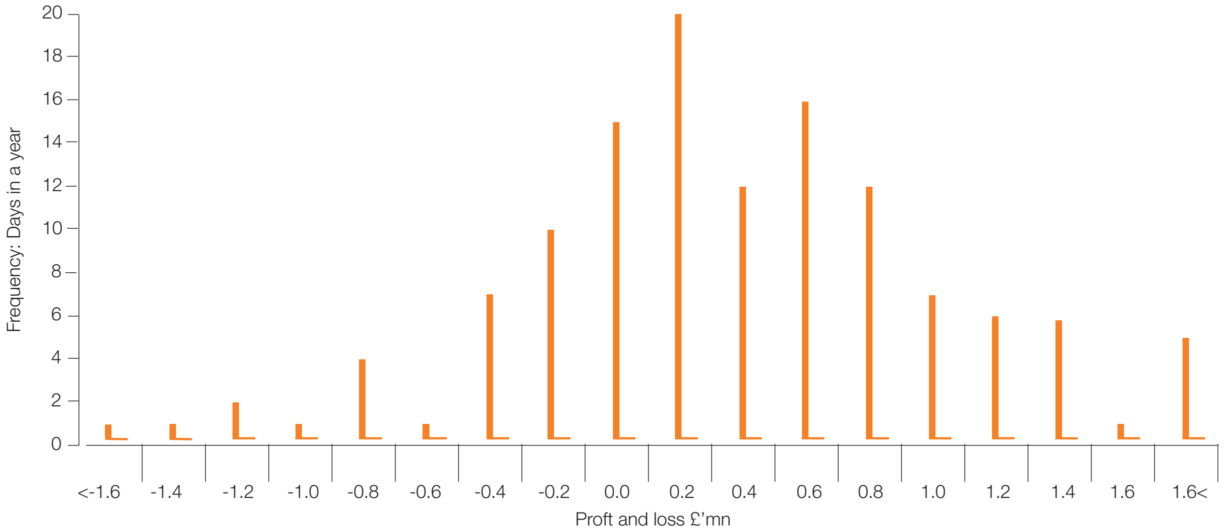
	UK and Europe using VaR £'000	Australia using VaR A$'000	South Africa using VaR R'mn
30 Sept 2009			
Commodities	230	-	0.9
Equity derivatives	10 837	-	11.7
Foreign exchange	99	133	16.8
Interest rates	1 783	1 110	11.9
Consolidated	12 949	1 243	41.3
31 March 2008			
Commodities	324	-	2.3
Equity derivatives	4 812	-	21.7
Foreign exchange	193	81	22.1
Interest rates	5 812	302	7.2
Consolidated	11 414	383	53.3

Risk management

Profit and loss histograms

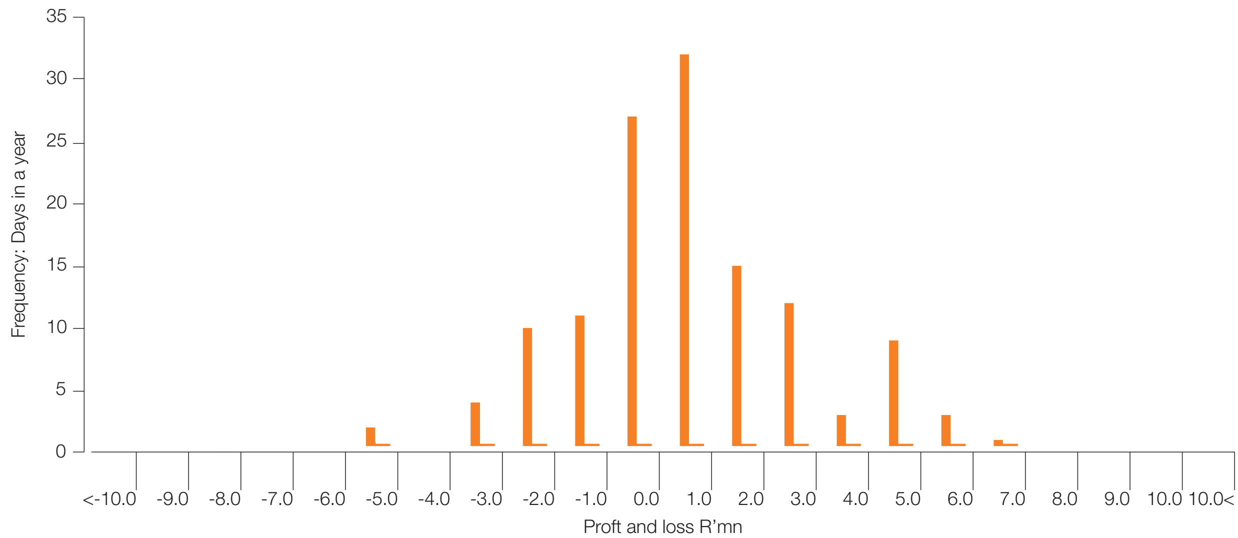
UK and Europe

The histogram below illustrates the distribution in daily revenue during the 6 months ending 30 September 2009 for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 84 days out of a total of 126 days in the trading business. The average daily trading revenue generated for the six months ending 30 September 2009 was £226 260.



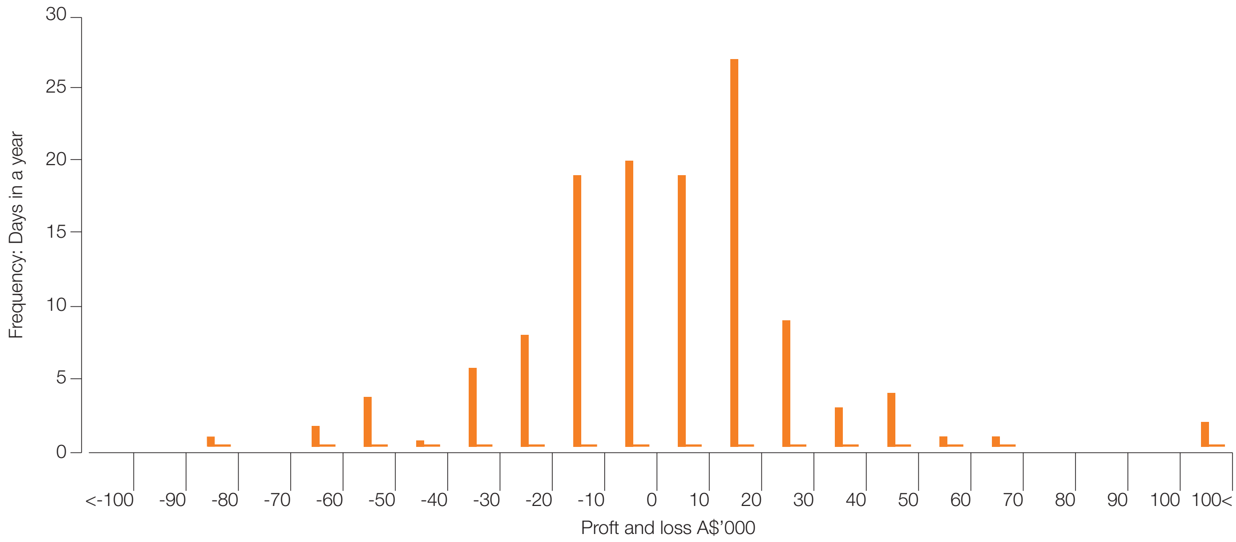
South Africa

The histogram below illustrates the distribution in daily revenue during the 6 months ending 30 September 2009 for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 75 days out of a total of 129 days in the trading business. The average daily trading revenue generated for the six months ending 30 September 2009 was R500 903.

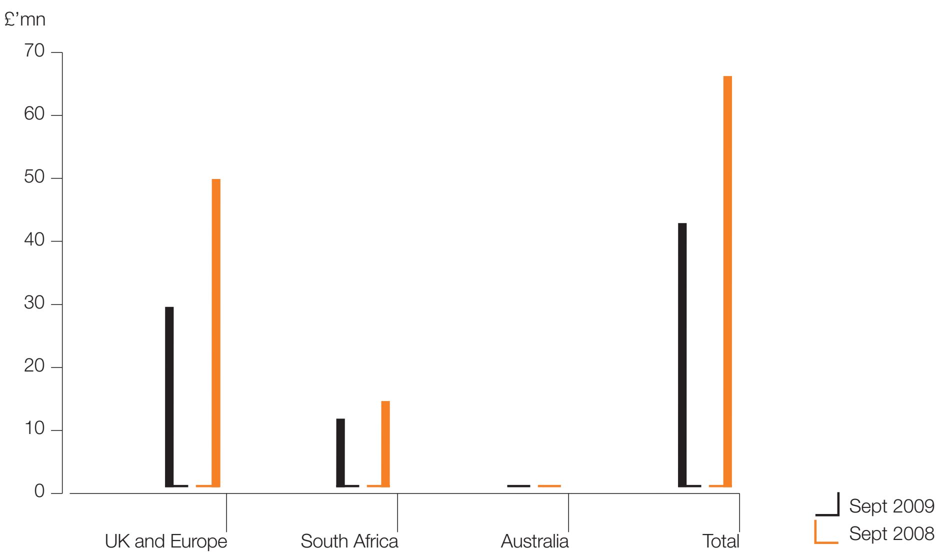


Australia

The histogram below illustrates the distribution in daily revenue during the 6 months ending 30 September 2009 for our trading businesses. The distribution is more normally distributed , the graph shows that trading revenue was realised on 86 days out of a total of 127 days in the trading business. The average daily trading revenue generated for the six months ending 30 September 2009 was AUD 655.



Revenue from trading activities within our Capital Markets division



Balance sheet risk management

Balance sheet risk management encompasses the independent monitoring and prudential management of 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.

Interest rate sensitivity gap

The tables below show our non-trading interest rate mismatch. These exposures affect the interest rate margin realised between lending income and borrowing costs assuming no management intervention.

UK and Europe – interest rate sensitivity

£'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	1 940	-	2	-	-	-	1 942
Cash and short term funds - non-banks	-	-	-	-	-	-	-
Investment/trading assets	792	23	17	37	6	258	1 133
Securitised assets	3 826	7	30	-	-	-	3 863
Advances	6 320	633	337	416	119	-	7 825
Other assets	-	-	-	-	-	971	971
Assets	**12 878**	**663**	**386**	**453**	**125**	**1 229**	**15 734**
Deposits - banks	(3 223)	(98)	(23)	(93)	-	-	(3 438)
Deposits - non-banks	(4 792)	(205)	(247)	(336)	(154)	-	(5 733)
Negotiable paper	(238)	(2)	(7)	(119)	(20)	-	(387)
Investment/trading liabilities	(440)	-	(34)	-	-	(27)	(501)
Securitised liabilities	(3 509)	-	-	-	-	-	(3 509)
Subordinated liabilities	(84)	-	-	(257)	(276)	-	(617)
Other liabilities	-	-	-	-	-	(560)	(560)
Liabilities	**(12 286)**	**(305)**	**(311)**	**(805)**	**(450)**	**(587)**	**(14 744)**
Shareholders' funds	-	-	-	-	-	(1 241)	(1 241)
Balance sheet	**592**	**358**	**75**	**(352)**	**(325)**	**(599)**	**(251)**
Off-balance sheet	(627)	126	37	382	325	-	243
Repricing gap	**(35)**	**484**	**112**	**30**	**-**	**(599)**	**(8)**
Cumulative repricing gap	**(35)**	**449**	**561**	**591**	**591**	**(8)**	

South Africa – interest rate sensitivity

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	7 879	-	-	-	-	3 752	11 631
Cash and short-term funds - non-banks	5 954	-	-	-	-	-	5 954
Investment/trading assets	19 178	7 688	1 569	266	201	15 338	44 240
Securitised assets	10 750	41	57	239	23	784	11 894
Advances	95 271	1 145	1 220	10 617	4 381	-	112 634
Other assets	871	-	-	-	-	5 318	6 189
Assets	139 903	8 874	2 846	11 122	4 605	25 192	192 542
Deposits - banks	(9 987)	(145)	(12)	-	-	(33)	(10 177)
Deposits - non-banks	(112 677)	(7 432)	(8 130)	(3 284)	(623)	(1 269)	(133 415)
Negotiable paper	(250)	(657)	(200)	-	-	(15)	(1 122)
Investment/trading liabilities	(1 994)	-	-	-	-	(2 074)	(4 068)
Securitised liabilities	(7 473)	(342)	(116)	(865)	-	-	(8 796)
Subordinated liabilities	(1 141)	-	-	(3 750)	(200)	-	(5 091)
Other liabilities	(2 964)	(206)	(258)	(462)	(136)	(8 369)	(12 394)
Liabilities	(136 486)	(8 782)	(8 716)	(8 361)	(959)	(11 759)	(175 063)
Intercompany loans	182	(375)	99	(450)	93	15	(436)
Shareholders' funds	(2 701)	-	-	-	(1 040)	(13 335)	(17 076)
Balance sheet	898	(283)	(5 771)	2 311	2 699	113	(33)
Off-balance sheet	5 471	(778)	2 447	(4 512)	(2 595)	-	33
Repricing gap	6 369	(1 061)	(3 254)	(2 201)	104	113	-
Cumulative repricing gap	6 369	5 308	1 984	(217)	(113)	-	

Australia – interest rate sensitivity

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	275	-	-	-	-	-	275
Cash and short-term funds - non-banks	-	-	-	-	-	-	-
Investment/trading assets	1 016	46	6	135	35	114	1 353
Securitised assets	255	59	117	511	8	(19)	931
Advances	1 667	53	46	164	11	(14)	1 927
Other assets	-	-	-	-	-	164	164
Assets	3 213	158	169	810	54	245	4 650
Deposits - banks	-	-	-	-	-	-	-
Deposits - non-banks	(1 208)	(109)	(156)	(132)	(8)	(18)	(1 631)
Negotiable paper	(774)	(29)	(61)	(401)	-	21	(1 244)
Investment/trading liabilities	-	-	-	-	-	(98)	(98)
Securitised liabilities	(918)	-	-	-	-	-	(918)
Subordinated liabilities	(100)	-	-	-	-	(1)	(101)
Other liabilities	-	-	-	-	-	(14)	(14)
Liabilities	(3 000)	(138)	(217)	(533)	(8)	(110)	(4 006)
Intercompany loans	21	-	-	(4)	-	10	27
Shareholders' funds	-	-	-	-	-	(669)	(669)
Balance sheet	234	20	(48)	273	46	(524)	2
Off-balance sheet	329	(25)	83	(327)	(50)	(10)	-
Repricing gap	563	(6)	35	(54)	3	(534)	1
Cumulative repricing gap	563	557	593	539	535	1	-

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 assuming no management intervention, i.e. the numbers represent the change in our net asset value should such a hypothetical scenario arise.

UK and Europe

’million	Sensitivity to the following interest rates (expressed in original currencies)				All
	GBP	USD	EUR	Other (GBP)	(GBP)
200bp Down	4.0	0.3	(0.1)	0.2	4.5
200bp Up	(4.0)	(0.3)	0.1	(0.2)	(4.5)

South Africa

’million	Sensitivity to the following interest rates (expressed in original currencies)						All
	ZAR	GBP	USD	EUR	A$	Other (ZAR)	(ZAR)
200bp Down	(204.9)	0.1	1.5	0.8	(0.1)	0.6	(184.5)
200bp Up	188.5	(0.1)	(0.5)	(0.6)	0.1	(0.6)	176.7

Australia

’million	A$
200bp Down	1.8
200bp Up	(1.8)

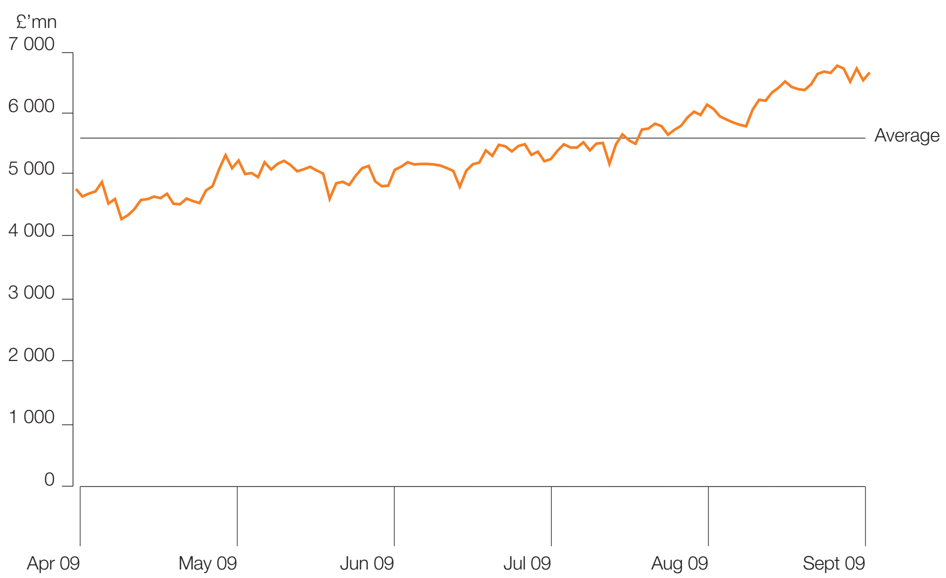
Liquidity risk description

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.

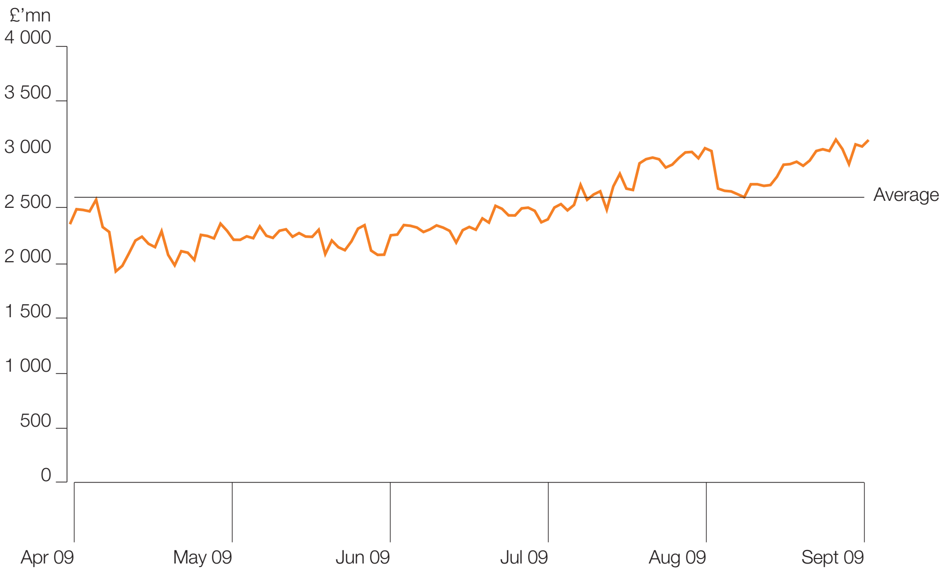
Sources of liquidity risk include unforeseen withdrawals of demand deposits, restricted access to new funding with appropriate maturity and interest rate characteristics, inability to liquidate a marketable asset timeously with minimal risk of capital loss, unpredicted customer non-payment of a loan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

Total Investec group cash and near cash trend

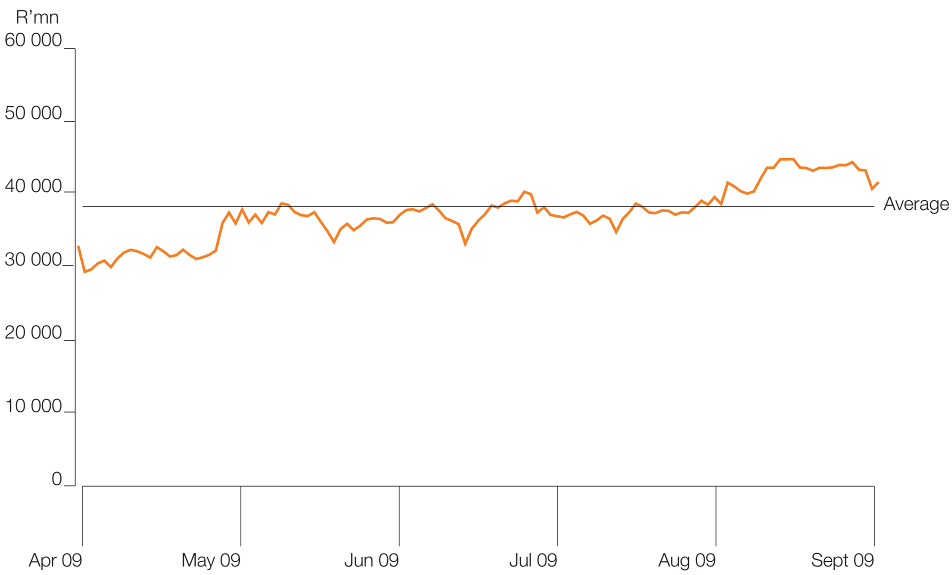


Risk management

Investec plc cash and near cash trend



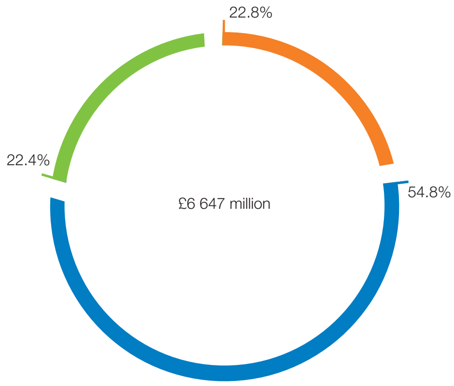
Investec Limited cash and near cash trend



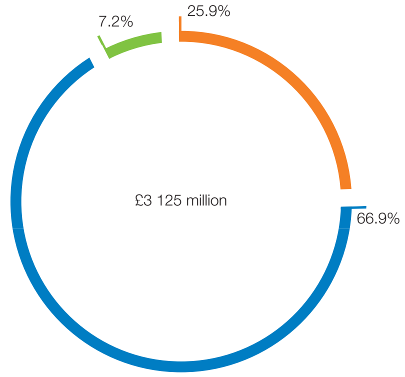
Risk management

An analysis of cash and near-cash as at 30 September 2009

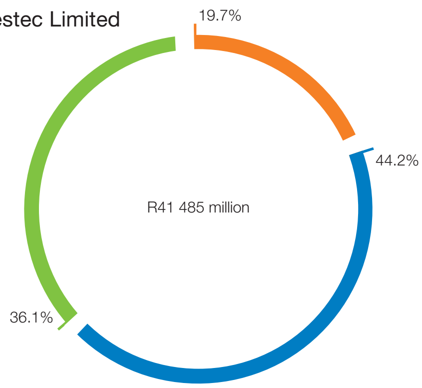
Total group



Investec plc



Investec Limited



- Cash
- Near cash (Central Bank guaranteed liquidity)
- Near cash (other “monetisable” assets)

Risk management

Liquidity mismatch

The tables that follow show our liquidity mismatch across our core geographies. The tables reflect that loans and advances to customers are largely financed by stable funding sources.

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, we maintain a liquidity buffer in the form of unencumbered cash, government, or bank paper (typically eligible for repurchase with the central bank), and near cash as a buffer against both expected and unexpected cash flows.
- The actual contractual profile of this asset class is of little consequence, as practically Investec would meet any unexpected net cash outflows by selling these securities. 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. An internal analysis model is used, based on statistical research of the historical series of products, which models the point of probable maturity. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.

UK and Europe

Contractual liquidity

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	1 773	449	-	-	-	26	-	2 248
Cash and short-term funds - non-banks	11	87	-	-	-	-	-	98
Investment/trading assets	266	308	236	43	100	180	346	1 479
Securitised assets	9	-	-	1	1	8	3 844	3 863
Advances	112	661	669	424	760	1 985	3 244	7 855
Other assets	170	255	50	8	2	89	397	971
Assets	2 341	1 760	955	476	863	2 288	7 831	16 514
Deposits - banks	(579)	(318)	(639)	(91)	(284)	(1 889)	(155)	(3 955)
Deposits - non-banks	(408)	(837)	(2 128)	(1 562)	(254)	(396)	(151)	(5 736)
Negotiable paper	-	(8)	(13)	(2)	(6)	(336)	(21)	(386)
Securitised liabilities	-	-	-	-	-	-	(3 509)	(3 509)
Investment/trading liabilities	(255)	(142)	-	(1)	(3)	(109)	-	(510)
Subordinated liabilities	-	-	(10)	-	-	(257)	(350)	(617)
Other liabilities	(131)	(266)	(33)	(31)	(82)	(17)	-	(560)
Liabilities	(1 373)	(1 571)	(2 823)	(1 687)	(629)	(3 004)	(4 186)	(15 273)
Shareholders' funds	-	-	-	-	-	-	(1 241)	(1 241)
Contractual liquidity gap	968	189	(1 868)	(1 211)	234	(716)	2 404	-
Cumulative liquidity gap	968	1 157	(711)	(1 922)	(1 688)	(2 404)	-	

Behavioural liquidity (as discussed above)

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural Liquidity Gap	1 225	189	(1 261)	(1 212)	234	(1 303)	-	-
Cumulative	1 225	1 414	154	(1 057)	(823)	(2 126)	-	-

South Africa

Contractual liquidity

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Cash and short-term funds - banks *	9 009	1 788	388	19	37	430	307	11 978
Cash and short-term funds - non-banks	5 954	-	-	-	-	-	-	5 954
Investment/trading assets and statutory liquids **	22 931	10 806	2 117	1 120	1 441	8 417	9 648	56 480
Securitised assets	784	90	78	298	700	3 924	6 020	11 894
Advances	7 271	5 001	8 626	8 911	13 095	41 692	28 008	112 604
Other assets	908	2 056	26	55	46	1 376	2 735	7 202
Assets	**46 857**	**19 741**	**11 235**	**10 403**	**15 319**	**55 839**	**46 718**	**206 112**
Deposits - banks	(2 146)	(742)	(329)	(145)	(12)	(6 803)	-	(10 177)
Deposits - non-banks	(38 648)	(32 891)	(24 448)	(14 527)	(16 566)	(5 101)	(4 317)	(136 498)
Negotiable paper	-	-	(35)	(657)	(430)	-	-	(1 122)
Securitised liabilities	(113)	(652)	(2 069)	(342)	(116)	(4 324)	(1 180)	(8 796)
Investment/trading liabilities	(1 762)	(1 338)	(1 337)	(1 199)	(1 071)	(6 620)	(1 332)	(14 659)
Subordinated liabilities	-	-	-	-	-	(4 691)	(400)	(5 091)
Other liabilities	(2 854)	(964)	(645)	(1 572)	(887)	(1 448)	(4 393)	(12 763)
Liabilities	**(45 523)**	**(36 587)**	**(28 863)**	**(18 442)**	**(19 082)**	**(28 987)**	**(11 622)**	**(189 106)**
Shareholders' funds	-	-	-	-	-	-	(17 005)	(17 005)
Contractual liquidity gap	**1 334**	**(16 846)**	**(17 628)**	**(8 039)**	**(3 763)**	**26 852**	**18 091**	**1**
Cumulative liquidity gap	1 334	(15 512)	(33 140)	(41 179)	(44 942)	(18 090)	1	

Note: Contractual profile of "cash and near cash" asset class

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
*Cash and short-term funds - banks	5 567	1 788	388	19	37	430	3 749	11 978
**Investment/trading assets and statutory liquids	6 457	3 717	9 939	10 105	7 109	9 085	10 068	56 480

Behavioural liquidity

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Behavioural Liquidity Gap	7 054	(832)	(672)	(4 567)	(8 428)	(11 931)	19 377	1
Cumulative	7 054	6 222	5 550	983	(7 445)	(19 376)	1	-

Australia

Contractual liquidity

A$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	270	5	-	-	-	-	-	275
Investment/trading assets*	979	87	8	12	10	87	170	1 353
Securitised assets	1	33	69	90	173	554	11	931
Advances	410	84	167	245	338	563	119	1 926
Other assets	27	-	-	-	-	-	165	192
Assets	**1 687**	**209**	**244**	**347**	**521**	**1 204**	**465**	**4 677**
Deposits - banks	-	-	-	-	-	-	-	-
Deposits - non-banks	(506)	(288)	(358)	(122)	(199)	(150)	(8)	(1 631)
Negotiable paper	-	(98)	(75)	(71)	(202)	(790)	(9)	(1 245)
Securitised liabilities	(1)	(32)	(68)	(572)	(79)	(166)	-	(918)
Investment/trading liabilities	(1)	(10)	(4)	(6)	(16)	(36)	(25)	(98)
Subordinated liabilities	-	-	-	-	-	-	(101)	(101)
Other liabilities	-	-	-	-	-	-	(14)	(14)
Liabilities	**(508)**	**(428)**	**(505)**	**(771)**	**(496)**	**(1 142)**	**(157)**	**(4 007)**
Shareholders' funds	-	-	-	-	-	-	(669)	(669)
Contractual liquidity gap	**1 179**	**(219)**	**(261)**	**(424)**	**25**	**62**	**(361)**	**1**
Cumulative liquidity gap	1 179	960	699	275	300	362	1	-

Note: contractual liquidity adjustments

A$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
*Investment/trading assets	1	315	103	61	26	676	171	1 353

Behavioural liquidity

A$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural liquidity gap	1 624	(278)	(544)	(522)	(80)	60	259	1
Cumulative	1 624	1 346	802	280	199	260	1	-

Capital management and allocation

Investec plc and Investec Limited are the two listed holding companies in terms of the DLC structure. Investec Bank plc (IBP) 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 IBP. The tables that follow provide information on our capital structure and capital adequacy.

Capital structure

	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
As at 30 September 2009					
Regulatory capital					
Tier 1					
Called up share capital	-	703	292	-	24
Share premium	922	47	-	9 875	10 054
Retained income	380	318	338	8 524	5 630
Treasury shares	(8)	-	-	(1 177)	-
Other reserves	106	59	(2)	174	6
Minority interests in subsidiaries	174	(9)	-	-	-
Goodwill	(305)	(82)	(89)	(372)	(78)
Total Tier 1	1 269	1 036	539	17 024	15 636
Less: deductions	(66)	(46)	(121)	(140)	(240)
	1 203	990	418	16 884	15 396
Tier 2 capital					
Aggregate amount	605	552	152	5 264	5 264
Less: deductions	(66)	(46)	(26)	(140)	(140)
	539	506	126	5 124	5 124
Tier 3 capital					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(69)	(101)	-	-	-
Total capital	1 683	1 405	544	22 008	20 520
As at 31 March 2009					
Regulatory capital					
Tier 1					
Called up share capital	-	655	292	-	22
Share premium	839	37	-	9 862	9 056
Retained income	340	275	336	7 872	5 098
Treasury shares	(39)	-	-	(1 758)	-
Other reserves	115	50	(7)	340	6
Minority interests in subsidiaries	156	(11)	-	-	-
Goodwill	(296)	(72)	(89)	(309)	-
Total Tier 1	1 115	934	532	16 007	14 182
Less: deductions	(41)	(18)	(94)	(141)	(242)
	1 074	916	438	15 866	13 940
Tier 2 capital					
Aggregate amount	745	604	134	5 106	5 106
Less: deductions	(41)	(18)	(17)	(142)	(142)
	704	586	117	4 964	4 964
Tier 3 capital					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(67)	(105)	-	-	-
Total capital	1 721	1 407	555	20 830	18 904

* Where IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited.

Capital requirements

	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
As at 30 September 2009					
Capital requirements	872	716	360	14 186	12 951
Credit risk - prescribed standardised exposure classes	678	563	306	11 525	10 932
Corporates	221	225	210	7 164	6 619
Secured on real estate property	245	192	3	1 100	1 100
Counterparty risk on trading positions	19	17	7	367	319
Short-term claims on institutions and corporates	25	21	14	1 638	1 638
Retail	28	28	16	646	646
Institutions	13	13	12	541	541
Other exposure classes	127	67	44	69	69
Securitisation exposures	14	14	-	162	162
Equity risk - standardised approach	18	17	10	642	623
Listed equities	3	3	2	63	44
Unlisted equities	15	14	8	579	579
Market risk - portfolios subject to internal models approach	52	52	2	211	100
Interest rate	12	12	2	28	28
Foreign Exchange	1	1	-	38	38
Commodities	-	-	-	1	1
Equities	39	39	-	144	33
Operational risk - standardised approach	110	70	42	1 646	1 134
As at 31 March 2009					
Capital requirements	852	709	394	13 951	12 652
Credit risk - prescribed standardised exposure classes	680	578	340	11 431	10 780
Corporates	211	216	245	9 154	8 507
Secured on real estate property	245	197	6	968	968
Counterparty risk on trading positions	25	25	18	349	349
Short-term claims on institutions and corporates	29	25	23	292	288
Retail	41	41	16	251	251
Institutions	17	14	11	331	331
Other exposure classes	112	60	21	86	86
Securitisation exposures	17	16	-	169	169
Equity risk - standardised approach	16	16	11	625	576
Listed equities	2	2	1	96	47
Unlisted equities	14	14	10	529	529
Market risk - portfolios subject to internal models approach	29	29	1	171	106
Interest rate	14	14	1	17	17
Foreign Exchange	1	1	-	39	39
Commodities	-	-	-	8	8
Equities	14	14	-	108	42
Operational risk – standardised approach	110	70	42	1 555	1 021

* Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited.

Capital adequacy

As at 30 September 2009	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
Tier 1 capital	1 269	1 036	539	17 024	15 636
Less: deductions	(66)	(46)	(121)	(140)	(240)
	1 203	990	418	16 884	15 396
Tier 2 capital					
Aggregate amount	605	552	152	5 264	5 264
Less: deductions	(66)	(46)	(26)	(140)	(140)
	539	506	126	5 124	5 124
Tier 3 capital					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(69)	(101)	-	-	-
Total capital	1 683	1 405	544	22 008	20 520
Risk-weighted assets (banking and trading)	10 887	8 955	2 781	149 339	136 336
Credit risk - prescribed standardised exposure classes	8 461	7 043	2 360	121 326	115 087
Corporates	2 758	2 814	1 613	75 405	69 678
Secured on real estate property	3 058	2 401	25	11 582	11 582
Counterparty risk on trading positions	232	216	51	3 867	3 355
Short-term claims on institutions and corporates	313	260	110	17 244	17 244
Retail	354	354	127	6 801	6 801
Institutions	163	163	93	5 696	5 696
Other exposure classes	1 583	835	341	731	731
Securitisation exposures	174	169	-	1 700	1 700
Equity risk - standardised approach	222	217	79	6 760	6 554
Listed equities	38	36	18	665	459
Unlisted equities	184	181	61	6 095	6 095
Market risk - portfolios subject to internal models approach	653	653	18	2 225	1 060
Interest rate	153	153	16	294	294
Foreign Exchange	9	9	2	401	401
Commodities	-	-	-	14	14
Equities	491	491	-	1 516	351
Operational risk - standardised approach	1 377	873	324	17 328	11 935
Capital adequacy ratio	15.5%	15.7%	19.6%	14.7%	15.1%
Tier 1 ratio	11.0%	11.1%	15.0%	11.3%	11.3%
Capital adequacy ratio - pre operational risk	17.7%	17.4%	22.1%	16.7%	16.5%
Tier 1 ratio – pre operational risk	12.6%	12.2%	17.0%	12.8%	12.4%

* Where IBP is Investec Bank plc; IBAL is Investec Bank (Autralia) Limited and IBL is Investec Bank Limited.

Capital adequacy (continued)

As at 31 March 2009	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
Tier 1 capital	1 115	934	621	16 007	14 182
Less: deductions	(41)	(18)	(183)	(141)	(242)
	1 074	916	438	15 866	13 940
Tier 2 capital					
Aggregate amount	745	604	134	5 106	5 106
Less: deductions	(41)	(18)	(17)	(142)	(142)
	704	586	117	4 964	4 964
Tier 3 capital					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(67)	(105)	-	-	-
Total capital	1 721	1 407	555	20 830	18 904
Risk-weighted assets (banking and trading)	10 645	8 855	3 028	146 856	133 180
Credit risk - prescribed standardised exposure classes	8 492	7 220	2 612	120 331	113 478
Corporates	2 641	2 701	1 882	96 359	89 547
Secured on real estate property	3 060	2 459	44	10 186	10 186
Counterparty risk on trading positions	308	308	136	3 678	3 678
Short-term claims on institutions and corporates	365	312	176	3 077	3 036
Retail	514	514	126	2 640	2 640
Institutions	199	175	83	3 489	3 489
Other exposure classes	1 405	751	165	902	902
Securitisation exposures	218	206	-	1 778	1 778
Equity risk - standardised approach	199	197	83	6 573	6 060
Listed equities	29	27	7	1 009	497
Unlisted equities	170	170	76	5 564	5 564
Market risk - portfolios subject to internal models approach	359	359	11	1 805	1 118
Interest rate	171	171	10	182	182
Foreign Exchange	12	12	1	405	405
Commodities	2	2	-	83	83
Equities	174	174	-	1 135	447
Operational risk - standardised approach	1 377	873	322	16 369	10 745
Capital adequacy ratio	16.2%	15.9%	18.3%	14.2%	14.2%
Tier 1 ratio	10.1%	10.3%	14.5%	10.8%	10.5%
Capital adequacy ratio - pre operational risk	18.6%	17.6%	20.5%	16.0%	15.4%
Tier 1 ratio - pre operational risk	11.6%	11.5%	16.2%	12.2%	11.4%

* Where IBP is Investec Bank plc; IBAL is Investec Bank (Autralia) Limited and IBL is Investec Bank Limited.

Analysis of rated counterparties in each standardised credit risk exposure class

The table below shows the exposure amounts associated with the credit quality steps and the relevant risk weightings as at 30 September 2009.

Investec plc

Credit quality steps	Risk weight	30 Sept 2009 Exposure £'mn	30 Sept 2009 Exposure after credit risk mitigation £'mn	31 March 2009 Exposure £'mn	31 March 2009 Exposure after credit risk mitigation £'mn
Central Banks and Sovereigns:					
1	0%	1 269	1 269	1 117	1 117
2	20%	-	-	-	-
3	50%	-	-	-	-
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Institutions original effective maturity of more than three months:					
1	20%	865	456	657	492
2	50%	97	16	173	173
3	50%	74	43	85	57
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Short-term claims on institutions:					
1	20%	964	964	680	680
2	20%	158	166	497	497
3	20%	5 399	3 163	36	36
4	50%	-	-	-	-
5	50%	-	-	-	-
6	150%	-	-	-	-
*Counterparty credit risk - effective original maturity of more than three months:					
1	20%	216	120	-	-
2	50%	83	80	-	-
3	50%	46	20	-	-
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
*Counterparty credit risk - effective original maturity of less than three months:					
1	20%	544	5	-	-
2	20%	181	132	-	-
3	20%	274	7	-	-
4	50%	-	-	-	-
5	50%	-	-	-	-
6	150%	-	-	-	-
Corporates:					
1	20%	21	21	2	2
2	50%	-	8	-	-
3	100%	11	5	-	-
4	100%	5	5	5	5
5	150%	1	1	-	-
6	150%	-	-	-	-
Securitisation positions:					
1	20%	126	126	113	113
2	50%	7	7	15	15
3	100%	41	41	66	66
4	350%	26	28	14	14
5	1250%	25	-	4	4
Total rated counterparty exposure		10 429	6679	3 464	3 271

* The capital requirement disclosed as held against credit risk as at 31 March 2009 included a small amount of capital held against counterparty credit risk, mainly with the groups trading businesses. On the basis of materiality no detail was provided as at 31 March 2009.

Analysis of rated counterparties in each standardised credit risk exposure class (continued)

Investec Limited

Credit quality steps	Risk weight	30 Sept 2009 Exposure R'mn	30 Sept 2009 Exposure after credit risk mitigation R'mn	31 March 2009 Exposure R'mn	31 March 2009 Exposure after credit risk mitigation R'mn
Central Banks and Sovereigns:					
1	0%	19 675	19 675	10 468	10 468
2	20%	-	-		
3	50%	51	51	24	24
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Institutions original effective maturity of more than three months:					
1	20%	-	-	-	-
2	50%	386	385	4 253	4 253
3	50%	9 497	9 492	2 368	2 368
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Short-term claims on institutions and corporates:					
1	20%	1 518	1 518	2 982	2 982
2	20%	1 746	1 746	4 933	4 933
3	20%	3 467	3 467	6 477	6 477
4	50%	-	-	4	4
5	50%	-	-	-	-
6	150%	-	-	-	-
Corporates:					
1	20%	-	-	186	186
2	50%	277	277	60	60
3	100%	75	75	87	87
4	100%	-	-	99	99
5	150%	-	-	-	-
6	150%	-	-	-	-
Securitisation positions:					
1	20%	267	267	101	101
2	50%	1 476	1 476	2 397	2 397
3	100%	189	189	189	189
4	350%	116	116	37	37
5	1250%	367	367	360	360
Total rated counterparty exposures		39 107	39 102	35 025	35 025

Annexures

Annexure 1 Definitions

Adjusted shareholders' equity	Refer to calculation on page 78
Cost to income ratio	Administrative expenses and depreciation divided by operating income
Core loans and advances	Refer to calculation on page 94
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 16
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to page 16
Effective operational tax rate	Tax on profit on ordinary activities (excluding exceptional items) divided by operating profit (excluding profit from associates)
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 77
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 81
Recurring income	Net interest income plus net annuity fees and commissions expressed as a percentage of total operating income net of insurance claims
Return on average adjusted shareholders' equity	Refer to calculation on page 78
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 78
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 16

Annexure 2 Dividend announcements

Annexures

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. 15) of 8.0 pence (2008: 8.0 pence) per ordinary share has been declared by the board in respect of the six months ended 30 September 2009 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 11 December 2009, 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 by Investec plc of 3.0 pence per ordinary share and through a dividend paid, on the SA DAS share equivalent to 5.0 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 8 December 2009
- On the Johannesburg Stock Exchange (JSE)	Friday 4 December 2009
Shares commence trading ex-dividend	
- On the London Stock Exchange (LSE)	Wednesday 9 December 2009
- On the Johannesburg Stock Exchange (JSE)	Monday 7 December 2009
Record date (on the LSE and the JSE)	Friday 11 December 2009
Payment date (on the LSE and the JSE)	Friday 18 December 2009

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 7 December 2009 and Friday, 11 December 2009, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 7 December 2009 and Friday, 11 December 2009, both dates inclusive.

Shareholders registered on the South African register are advised that the distribution of 8.0 pence, equivalent to 100 cents per share, has been arrived at using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 18 November 2009.

By order of the board

D Miller
Company Secretary
18 November 2009

Annexure 2 Dividend announcements

Investec plc

Registration number:3633621
Share code: INPP
ISIN: GB00B19RX541

Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 7

Notice is hereby given that preference dividend number 7 has been declared for the period 1 April 2009 to 30 September 2009 amounting to 7.52 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, 27 November 2009.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.52 pence per share is equivalent to 94 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 18 November 2009.

The relevant dates relating to the payment of dividend number 7 are as follows:

Last day to trade cum-dividend	
- On the Johannesburg Stock Exchange (JSE)	Friday 20 November 2009
- On the Channel Islands Stock Exchange (CISX)	Tuesday 24 November 2009
Shares commence trading ex-dividend	
- On the Johannesburg Stock Exchange (JSE)	Monday 23 November 2009
- On the Channel Islands Stock Exchange (CISX)	Wednesday 25 November 2009
Record date (on the JSE and CISX)	Friday 27 November 2009
Payment date (on the JSE and CISX)	Tuesday 8 December 2009

Share certificates may not be dematerialised or rematerialised between Monday, 23 November 2009 and Friday, 27 November 2009, both dates inclusive, nor may transfers between the UK and SA registers may take place between Monday, 23 November 2009 and Friday, 27 November 2009, both dates inclusive.

By order of the board

D Miller
Company Secretary
18 November 2009

Annexure 2 Dividend announcements

Investec Limited

Registration number: 1925/002833/06
Share code: INL
ISIN: ZAE000081949

Ordinary dividend announcement

Notice is hereby given that an interim dividend (No. 108) of 100 cents (2008: 128 cents) per ordinary share has been declared by the board in respect of the six months ended 30 September 2009 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 11 December 2009.

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

Last day to trade cum-dividend	Friday 4 December 2009
Shares commence trading ex-dividend	Monday 7 December 2009
Record date	Friday 11 December 2009
Payment date	Friday 18 December 2009

The interim dividend of 100 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, 18 November 2009.

Share certificates may not be dematerialised or rematerialised between Monday, 7 December 2009 and Friday, 11 December 2009, both dates inclusive.

By order of the board

B Coetsee
Company Secretary
18 November 2009

Annexure 2 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 10

Notice is hereby given that preference dividend number 10 has been declared for the period 1 April 2009 to 30 September 2009 amounting to 398.91 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, 27 November 2009.

The relevant dates for the payment of dividend number 10 are as follows:

Last day to trade cum-dividend	Friday 20 November 2009
Shares commence trading ex-dividend	Monday 23 November 2009
Record date	Friday 27 November 2009
Payment date	Tuesday 8 December 2009

Share certificates may not be dematerialised or rematerialised between Monday, 23 November 2009 and Friday, 27 November 2009, both dates inclusive.

By order of the board

B Coetsee
Company Secretary
18 November

Annexure 2 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 13

Notice is hereby given that preference dividend number 13 has been declared for the period 1 April 2009 to 30 September 2009 amounting to 427.40 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, 27 November 2009.

The relevant dates for the payment of dividend number 13 are as follows:

Last day to trade cum-dividend	Friday 20 November 2009
Shares commence trading ex-dividend	Monday 23 November 2009
Record date	Friday 27 November 2009
Payment date	Tuesday 8 December 2009

Share certificates may not be dematerialised or rematerialised between Monday, 23 November 2009 and Friday, 27 November 2009, both dates inclusive.

By order of the board

B Coetsee
Company Secretary
18 November 2009

Annexure 3 - 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

18 November 2009

Annexure 4 - Auditors' Review Reports

Independent Review Report to Investec plc

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 2009 which comprises the combined consolidated income statement, combined summarised consolidated statement of comprehensive income, combined consolidated balance sheet, combined summarised consolidated cash flow statement and consolidated statement of changes in equity. 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 9, 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 2009 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

Ernst & Young LLP
London
18 November 2009

Annexure 4 - Auditors' Review Reports

Independent Auditor's Review Report to the members of Investec Limited

Introduction

We have reviewed the accompanying interim financial statements of Investec Limited which comprise the consolidated balance sheet as at 30 September 2009 and the related consolidated income statement, summarised consolidated statement of other comprehensive income, summarised consolidated statement of changes in equity and summarised consolidated cash flow statement for the six month period then ended, and selected explanatory notes. Our responsibility is to express a conclusion on this interim financial information based on our review.

Directors' responsibility for the interim financial statements

The company's directors are responsible for the preparation and fair presentation of the interim financial information in accordance with International Financial Reporting Standards applicable to interim financial reporting, the JSE Limited Listing Requirements and the manner required by the Companies Act of South Africa.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements 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 statements are not fairly presented, in all material respects, in accordance with International Financial Reporting Standards, which includes IAS 34, Interim Financial Reporting, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc
Registered Auditor

Per JP Grist
Chartered Accountant (SA)
Registered Auditor
Director
18 November 2009

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