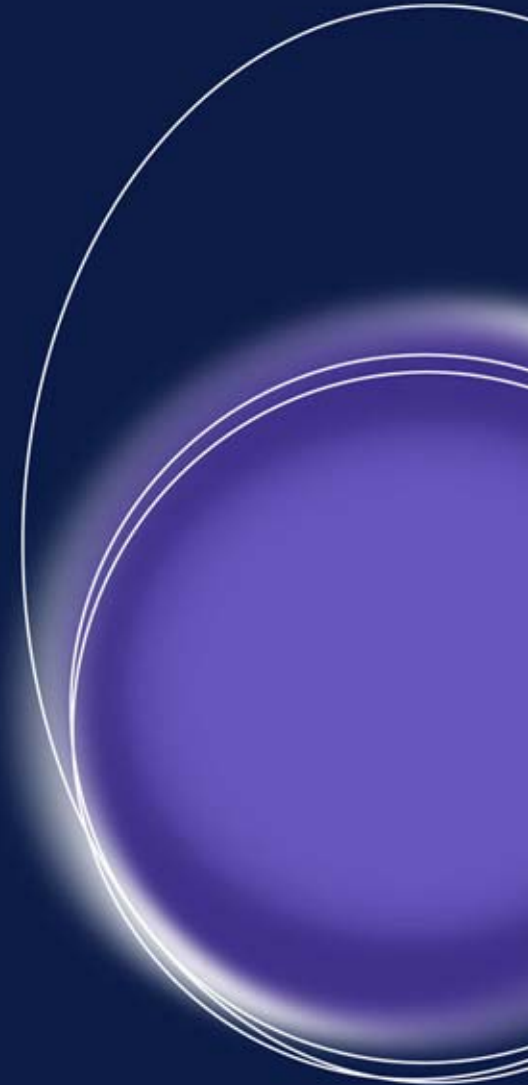


Investec Group Limited

Interim Results Presentation 2001

 Investec



Snapshot of results



Investec Group...


2001 interim results in a snapshot

	30 Sept 2001	% change	30 Sept 2000	31 Mar 2001
Headline Attributable Earnings (R'mn)	760	31.0	580	1 314
Headline EPS (cents)	827.9	15.1	719.3	1 628.2
DPS (cents)	375.0	21.0	310.0	750.0
Return on Equity (%)	26.4	-	24.3	26.9
Assets Under Administration (R'bn)	594	18.1	503	514

Headline and attributable earnings

R'mn	30 Sept 2001	30 Sept 2000	31 Mar 2001
Headline Earnings	760	580	1314
Headline Adjustments	(202)	(233)	(468)
Share of Associates Exceptional Items	82	(100)	(156)
Goodwill Amortised	(284)	(133)	(312)
Attributable Earnings	558	347	846

Operating environment

- The Group experienced a mixed operating environment overall:
 - Banking and interest rate activities benefited from declining interest rates
 - Equity related activities negatively impacted by weak equity markets
 - US and Israeli operations further impacted by market disruptions
 - SA markets have proved to be particularly resilient
- 

Operating environment

- Overall credible financial results = Benefits of balanced portfolio effect
- The Group's conservative risk management and prudent liquidity policies, in addition to its regional and product diversity, contained the effects of weak financial markets



Divisional review

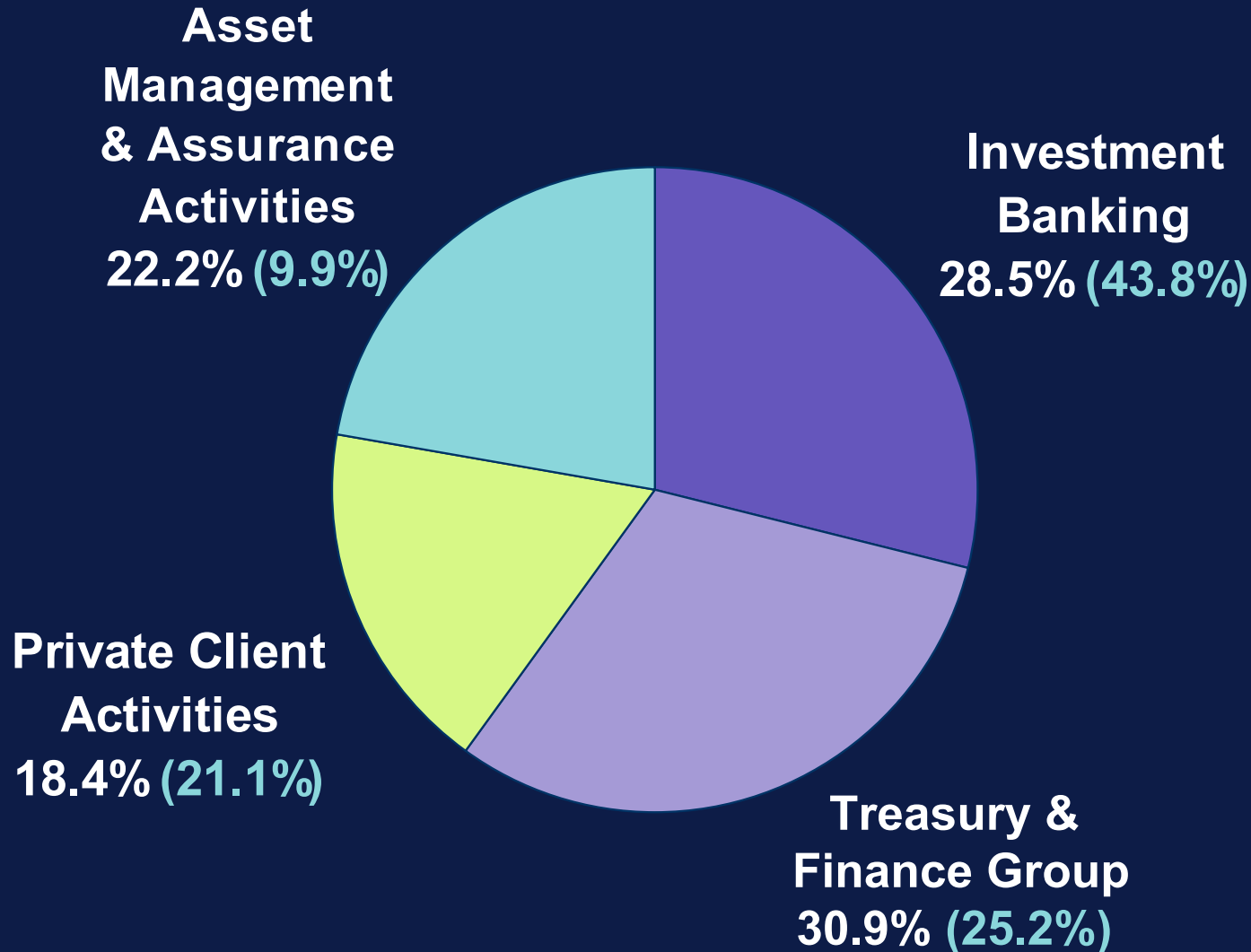


Divisional review

- Difficult period for Investment Banking **↓ 32%**
 - Mixed performance from Private Client Activities **↓ 9%**
 - Credible performance from Treasury and Finance Group **↑ 29%**
 - Strong financial performance by Asset Management **↑ 34%**
 - Property Activities **↑ 100%**
- 

Contribution analysis

% of headline NIBT (excluding “other” activities)



Sept 2001
(Sept 2000)

Investment Banking

- Includes: Corporate Finance, Institutional Stockbroking, Private Equity, Direct Investments

	30 Sept 2001	30 Sept 2000	% Change
Net Operating Income (R'mn)	617	660	(6.5)
Operating Expenses (R'mn)	292	185	57.8
Headline NIBT (R'mn)	325	475	(31.6)
Cost to Income Ratio (%)	47.3	28.1	-

Investment Banking - developments

- SA Corporate Finance - experienced satisfactory results in a challenging yet opportunistic operating environment
- Institutional Stockbroking SA -Structured Equity Desk performed well supplementing deflated revenue stream arising out of depressed agency volumes
- USA - PMG off to a slow start, negatively impacted by market disruptions

Investment Banking - developments

- Australia - the acquisition of Wentworth's has substantially raised Investec's profile and credibility in the market with a number of deals concluded
- IHC – Headline NIBT down 54%, but coming off a high base.

Notwithstanding:


- Succeeded in diversifying its revenue streams
- Sound performance of market making activities
- Strong positioning in mining, oils and leisure sectors
- Completed 16 M&A transactions and 10 capital raisings

Treasury and Finance Group

- Includes: majority of the Group's Financial Markets, Deposit-Taking, Corporate Lending and Structuring Activities

	30 Sept 2001	30 Sept 2000	% Change
Net Operating Income (R'mn)	601	464	29.5
Operating Expenses (R'mn)	248	191	29.8
Headline NIBT (R'mn)	353	273	29.3
Cost to Income Ratio (%)	41.2	37.9	-

Treasury and Finance Group - developments

- Solid performance – particularly by the division's banking related activities
 - Trading activities impacted by:
 - Difficult operating environment
 - Business development
 - Risk management - stood up in volatile times
- 

Treasury and Finance Group - developments


- SA Project Finance team - appointed as sole arranger and joint underwriter of the first infrastructure bonds to be listed on the Bond Exchange (iro the Platinum Toll Road project)
- Irish Project Finance team rated “No 1 Global Water Advisor” iro PPP initiatives
- Australia – recruitment of a structured finance team has extended the Group’s capabilities in that market

Private Client Activities


- Includes: Private Banking, Private Client Portfolio Management and Stockbroking

	30 Sept 2001	30 Sept 2000	% Change
Net Operating Income (R'mn)	883	756	16.8
Operating Expenses (R'mn)	673	526	28.0
Headline NIBT (R'mn)	210	230	(8.7)
Cost to Income Ratio (%)	72.0	66.5	-

Private Banking - developments

- Impressive performance from Private Banking with headline NIBT up 28% excluding Australia which is still in a development stage
 - The declining interest rate environment benefited operations in both the UK and SA
 - The Group grew its lending book from R20.2bn in March 2001 to R23.7bn, an increase of 17.2%
- 

Private Banking - developments

- SA – Continued to expand and enhance product offering, entrenching its market positioning
 - UK - notable performance as a result of:
 - Recent trust and fiduciary acquisitions
 - Division continues to position itself as a fully-fledged niched private bank
 - Australia - major restructuring resulted in substantial increase in both lending and deposit taking activities, but division remains considerably under scale
- 

Private Client Stockbroking - developments

- Headline NIBT for Private Client Stockbroking down 43%
 - Earnings negatively impacted by low market volumes, investor apathy and an aversion to equities
 - Global FUM increased by 8.3% to R148.8bn since year-end
 - ISL FUM increased marginally by 7% to R19.8bn
 - CSC FUM declined by 9% to £5.5bn despite inflows of £350m
- 

Private Client Stockbroking - developments

- CSC acquired two teams from the Gerrard Group
 - focus on providing a comprehensive international offering
- US – performance lagging
 - Average margin balances declined from \$561m to \$321m




Asset Management

- Includes: Institutional, Retail and Investment Trust Asset Management and Linked Product Provider Business

	30 Sept 2001	30 Sept 2000	% Change
Net Operating Income (R'mn)	533	426	25.1
Operating Expenses (R'mn)	390	319	22.3
Headline NIBT (R'mn)	143	107	33.6
Cost to Income Ratio (%)	73.2	74.9	-


Asset Management - developments

- Strong profit growth from Asset Management with headline NIBT up 34%
 - Profit largely attributable to the leverage effect of additional Fedsure assets on top of scalable SA institutional platform
 - Assets under management have grown 30.8% from R172bn to R225bn
 - Growth = Fedsure and Rand depreciation
- 

Asset Management - developments

- Retail funds performed well – weathering turbulent markets
 - Created appropriate Dublin-listed UCITS product range aimed at the European market
 - Offshore funds listed in Guernsey and Dublin - net inflows of R1.5bn
 - UK Unit Trust Business: R900mn net inflows
 - The SA Institutional business has shown a strong recovery in both performance and new business production
- 

Asset Management - developments

- The UK Institutional business continued to win fixed income mandates - R3bn net inflows in this area
 - The SA Personal Investments business successfully integrated Fedsure businesses to form the largest Unit Trust and Linked Product complex in SA
 - In summary, the core SA businesses have once again proven their resilience while the division's international expansion prospects are promising
- 

Other business lines

- Includes: Property Group, Clearing and Execution Business in USA, Reichmans, Share Capital and Centralised Funding, Central Services

R'mn	30 Sept 2001	30 Sept 2000	% Change
Property Group	118	59	99.7
Traded Endowments	26	-	-
Centralised Funding	(103)	(99)	4.0
Capital, Central Services	(49)	(189)	74.2
Total	(8)	(229)	96.5

Fedsure - achieved what we set out to do

Objective

Action

Perpetuate individual life assurance through a merger or outsourcing arrangement

Concluded reinsurance transaction with Capital Alliance - majority of individual life book dealt with

Critically assess EB business with a view to developing more dynamic and transparent products and “cleaning up” asset portfolio

In process of redesigning “unlinked” business and rebalancing asset portfolios to match underlying liabilities. Wrote down overvalued properties

Fedsure - achieved what we set out to do

Objective

Action

Integrate asset and property management businesses

Completed full conversion by October 2001 - businesses are fully integrated with Investec's existing activities

Disposal of non-core businesses

Sold Credit Life, Fedlife Namibia, Fedsure General SA, Fedsure General Namibia and NSP Holdings. Other businesses (NMG, Irish Life, Safrican, Saambou) still need to be dealt with

Fedsure - achieved what we set out to do

Objective

Action

Rationalisation of
Fedsure head office
and central services

Closure of SA and
international head offices -
overall staff down from 2781
to 841

Fedsure - developments

- **All of this within the space of six and a half months from management control (19 March 2001) without business discontinuity**



Fedsure - the facts “at acquisition”

○ Financial Information

Net Asset Value at 1 June 2001 (R'mn)

Life Assurance 1 169

Free Assets 2 271

Inadmissible Assets 37

Minorities' Interest (39)

Capital Injected by Investec (1 100)

International Operations 351

Balance of Financial Services (129)

Total 1 391

Purchase consideration 4 511

Goodwill 3 120

Fedsure - the facts “at acquisition”

○ Other Relevant Information

Embedded Value of In-Force (R'm) 207

**Excess Value of International
Businesses over NAV (R'm) 364**

Acquired Funds Under Management (R'bn) 48.2

Institutional 34.8

Linked Products 6.5

Unit Trusts 4.2

Property 2.7

Fedsure - earnings

- Earnings attributable to Fedsure acquisition for four months to 30 September 2001

R'mn	Life Business	Financial Services	International	Total
Revenue	284	76	58	418
Costs	(174)	(15)	(31)	(220)
Net Income	110	61	27	198
Tax	(28)	(15)	(7)	(50)
NIAT	82	46	20	148

Fedsure - revisit to forecasts

	Life Business	Financial Services	International	Total
Previously disclosed projected annualised NIBT	357	227	120	704
Revised projection	300	175	100	575

Fedsure - income from long term assurance business

R'mn	4 mths ended 30 Sept 2001	2 mths ended 31 May 2001
Premium Income	1 264	675
Investment Income	655	337
Total Income	1 919	1 012
Total Outgo	2 190	1 427
Benefits Paid	1 966	1 222
Commission	50	31
Marketing and Admin Expenses	155	139
Taxation	19	35
Income less Outgo	(271)	(415)
Transfer from the Life Fund	381	473
Operational income	110	58

Fedsure - impact on profitability

- Impact of Fedsure acquisition on interim profitability

R'mn	30 Sept 2001	30 Sept 2000	
Headline Earnings as reported	760	580	
Associated Earnings	(10)	(44)	
Fedsure Subsidiary Earnings	(148)	-	
Headline Earnings excl. Fedsure	602	536	
Weighted number of shares (million)	80.7	80.6	
Headline EPS (cents)	744.7	665.0	12.0%

Fedsure -Investec's share of Associate's exceptional items

2 mths ended May 01

Attributable to Fedsure Life **650**

Reinsurance of Individual Life Business to Cap Alliance 620

Sale of Credit Life and Fedsure Namibia Life 35

Investment Gain 156

Restructure Costs (161)

Other restructure costs (remaining businesses) **(84)**

Write-off of FBC funds **(138)**

Total **428**

Investec's share thereof (19.08%) **82**

Fedsure - Embedded Value of Fedsure Life

R 'mn	Dec	Mar	May	Sept
NAV	880	1 563	2 271	2 381
VIF	1 285	967	207	264
Embedded Value	2 165	2 530	2 478	2 645

Fedsure - Embedded Value of Fedsure Life

○ Statement of Actuarial Values of Assets and Liabilities

Total Value of Assets	43 306	42 956	29 662	28 875
Inadmissible Assets for FSV	-	(52)	(37)	-
Market Value of Assets	43 306	42 904	29 625	28 875
Less: Liabilities	42 426	41 341	27 354	26 494
Actuarial Value of Policy Liab.	40 966	39 843	25 519	22 520
Long-term & Current Liab.	1 460	1 498	1 835	3 974
Excess of Assets over Liab.	880	1 563	2 271	2 381

Fedsure - Analysis of key movements in embedded value

	1 Jan to 31 Mar
Opening Embedded Value	2 165
Add:	
Operational Earnings	92
Additional Capital Injection	600
Norwich Merger	716
	3 573
Less:	
Exceptional Investment Deficit	(683)
Annuity Mismatching	(216)
Inadmissible Assets	(52)
Other net movements	(92)
Closing Embedded Value	2 530

Fedsure - Analysis of key movements in embedded value

	1 Apr to 31 May
Opening Embedded Value	2 530
Add:	
Operational Earnings	58
Exceptional Gain Attributable to Fedsure Life	650
	3 238
Less:	
Value of In-Force Attributable to Individual Life	(429)
Increase in Asset Management Charges	(150)
Reduction in Future EB Charges	(125)
Decrease in Inadmissible Assets	15
Other Net Movements	(71)
Closing Embedded Value	2 478

Fedsure - Analysis of key movements in embedded value

1 Jun to 30 Sep '01

Opening Embedded Value

2 478

Add:

Operational Earnings

110

Increase in Value of In-Force

57

Closing Embedded Value

2 645



Geographic review



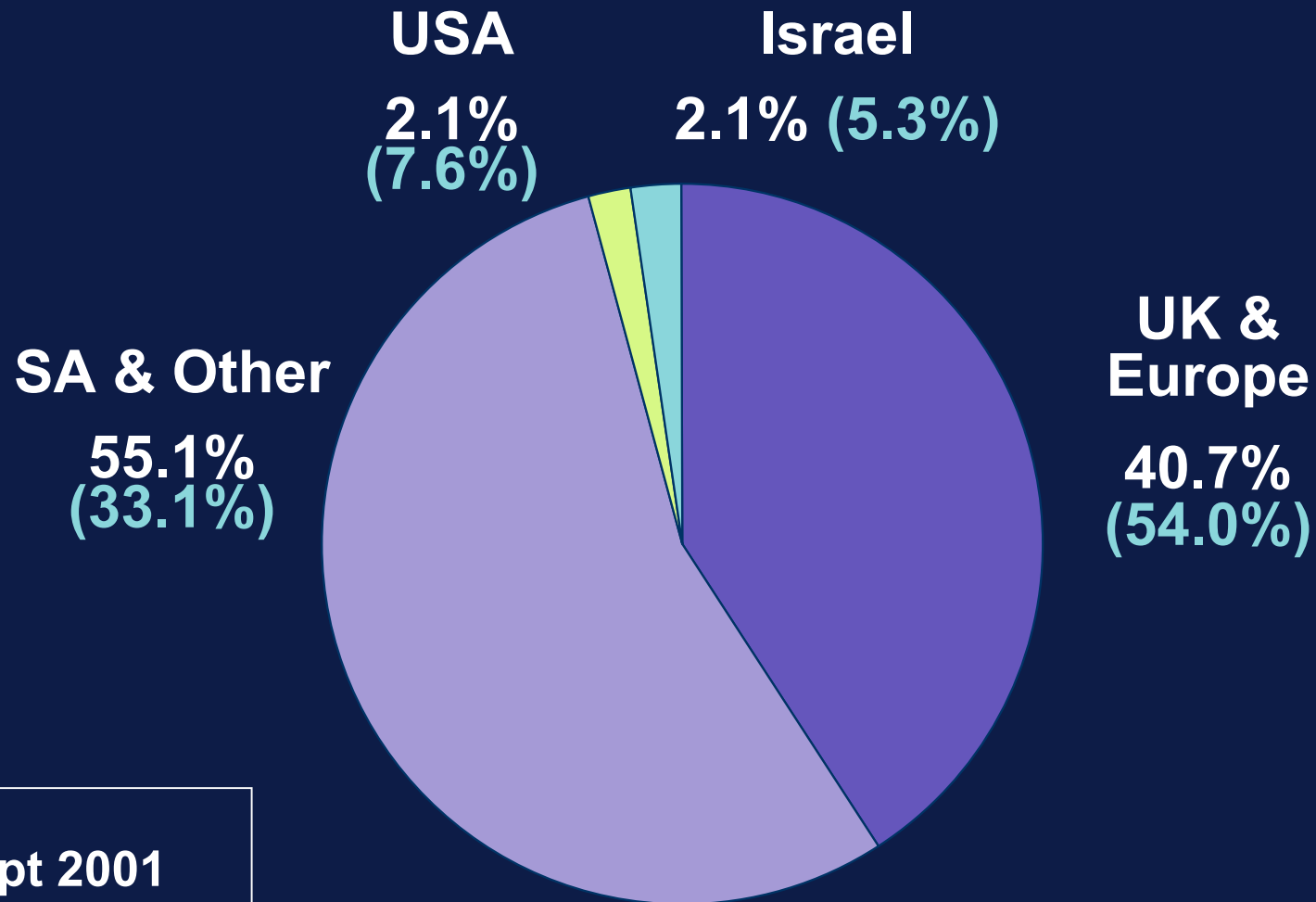
Geographic review

	Pre-Tax	Post-Tax
• UK & Europe	↓ 8%	↓ 2%
• USA	↓ 65%	↓ 63%
• Israel	↓ 35%	↓ 39%
• Southern Africa & Other	↑ 122%	↑ 104%



As a result...

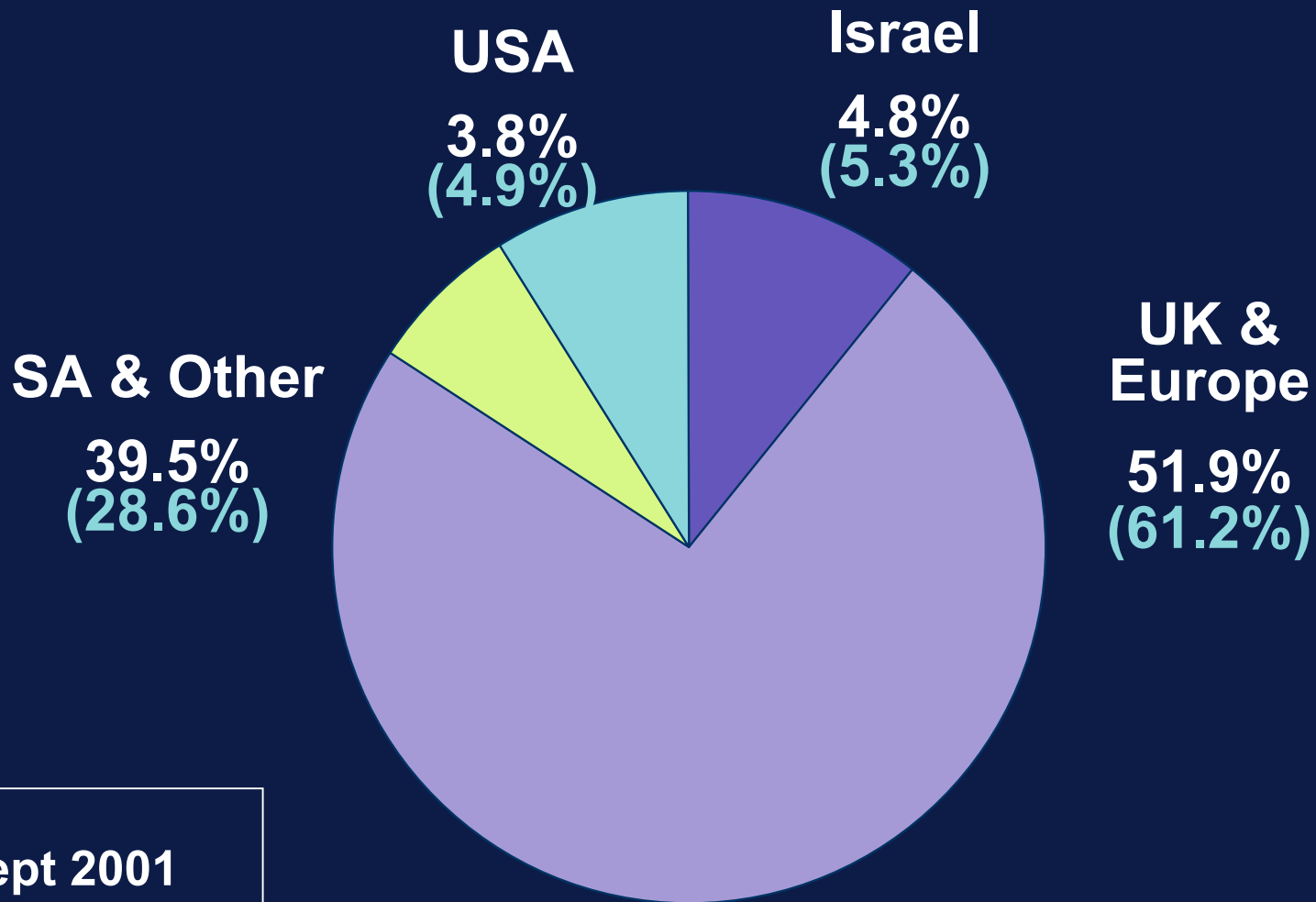
Headline earnings by geography



Sept 2001
(Sept 2000)

As a result...

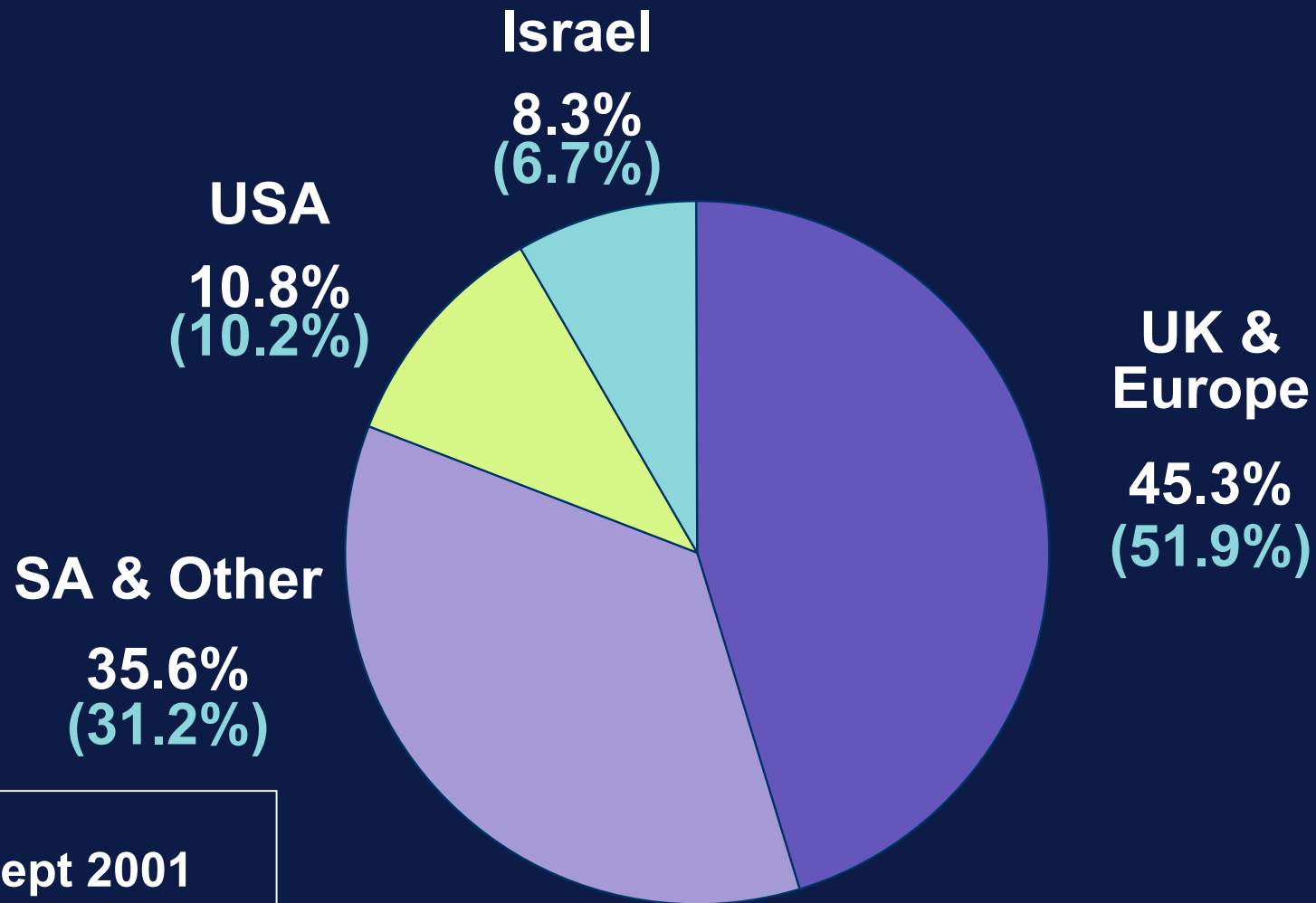
Assets by geography



Sept 2001
(Sept 2000)

As a result...

Tangible NAV by geography



Sept 2001
(Sept 2000)

Salient financial features - UK & Europe

	30 Sept 2001	30 Sept 2000	% Change
Assets (R'bn)	129.8	123.3	5.3
Headline NIBT (R'mn)	381	415	(8.2)
Headline NIAT (R'mn)	309	313	(1.3)
Staff	1 510	1 424	6.0
Return on Tangible NAV (%)	21.5	23.7	-

Salient financial features - USA

	30 Sept 2001	30 Sept 2000	% Change
Assets (R'bn)	9.4	9.9	(0.1)
Headline NIBT (R'mn)	27	78	(65.4)
Headline NIAT (R'mn)	16	43	(62.8)
Staff	747	749	(0.3)
Return on Tangible NAV (%)	4.9	18.6	-

Salient financial features - Israel

	30 Sept 2001	30 Sept 2000	% Change
Assets (R'bn)	12.0	10.7	12.1
Headline NIBT (R'mn)	33	51	(35.3)
Headline NIAT (R'mn)	25	41	(39.0)
Staff	246	228	7.9
Return on Tangible NAV (%)	6.0	16.2	-

Salient financial features - Southern Africa & other

	30 Sept 2001	30 Sept 2000	% Change
Assets (R'bn)	99.0	57.6	71.9
Headline NIBT (R'mn)	692	312	121.8
Headline NIAT (R'mn)	560	274	104.4
Staff	3 060	2 265	35.1
Return on Tangible NAV (%)	41.7	28.1	-

Group performance



Salient financial features

○ Balance Sheet (R'mn)

	30 Sept 2001	% Change	30 Sept 2000	31 Mar 2001
Shareholders' Funds	12 940	57.2	8 230	9 028
Total Capital Resources	15 229	59.8	9 532	11 240
Total Assets	250 214	24.1	201 634	194 732
Advances	42 671	27.3	33 525	38 062
Third Party FUM	343 606	13.8	301 838	319 897

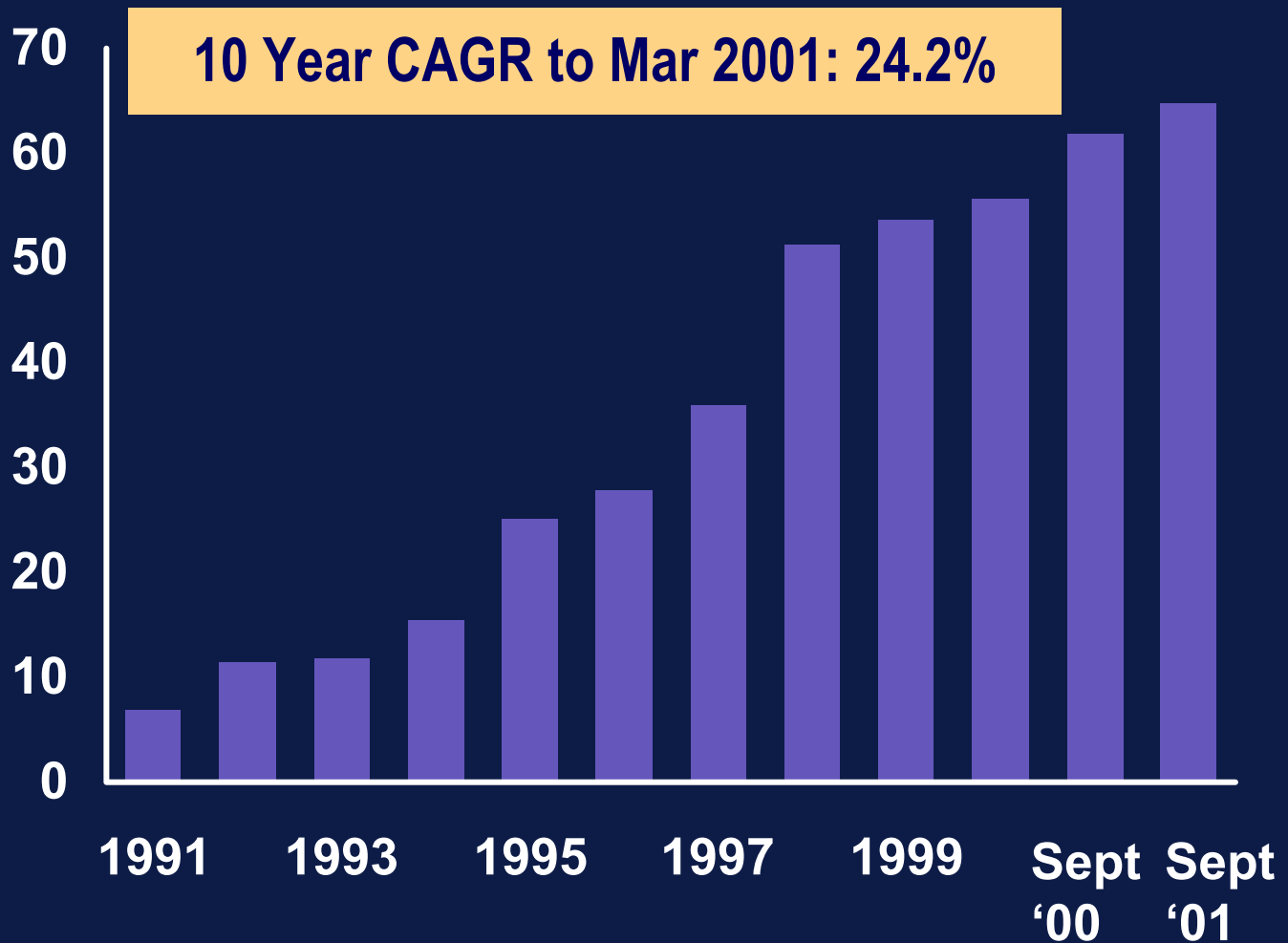
Salient financial features

○ Income Statement (R'mn)

	30 Sept 2001	% Change	30 Sept 2000	31 Mar 2001
Net Interest Income	1 001	37.7	727	1 878
Provision for Bad & Doubtful Debts	110	(0.9)	111	198
Other Income	2 369	28.5	1 844	3 621
Operating Expenses	2 127	32.6	1 604	3 476
Net Income before Taxation	1 133	32.4	856	1 825
Headline Earnings	760	31.0	580	1 314

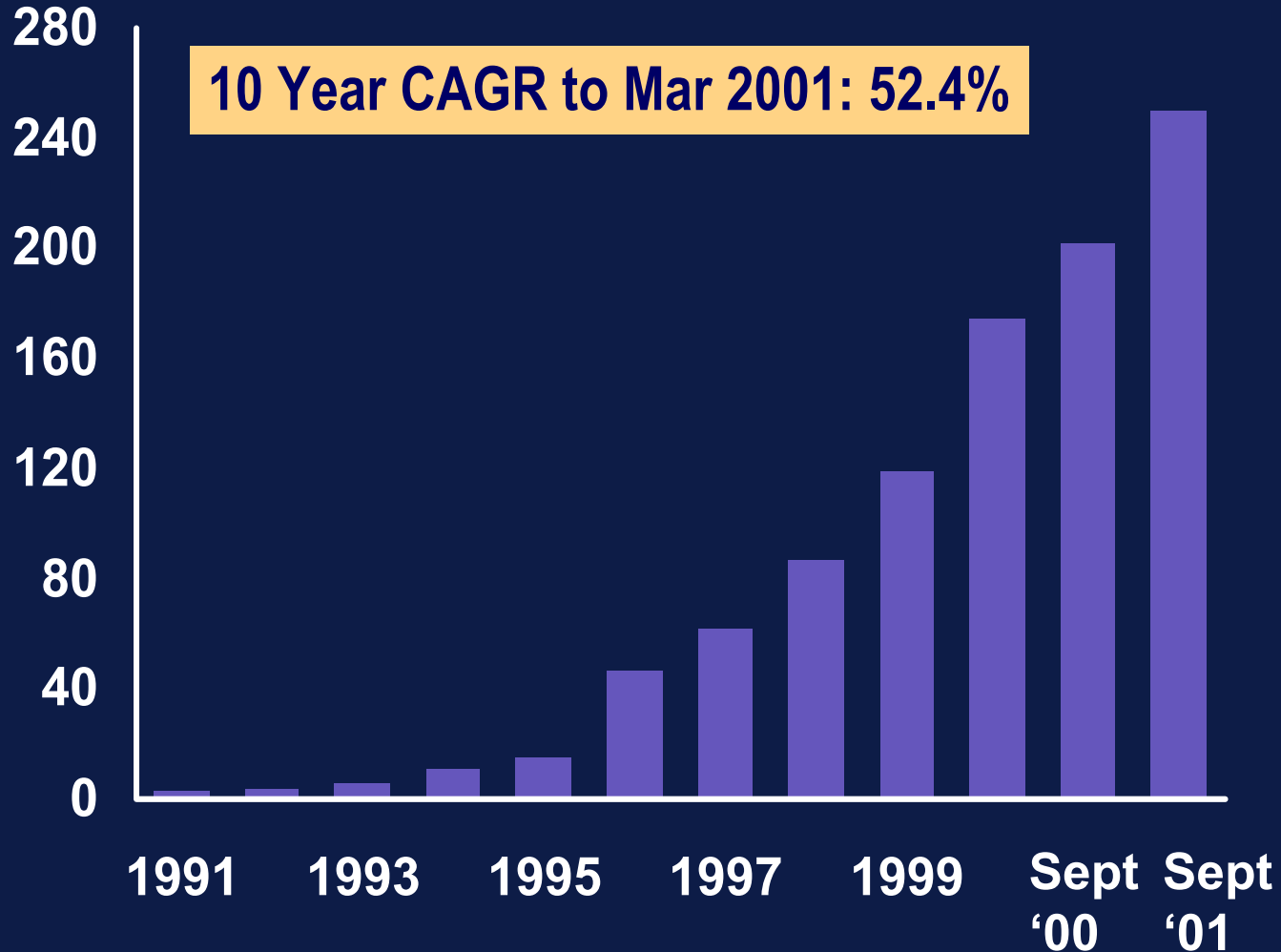
Growth in net tangible asset value per share

Rands



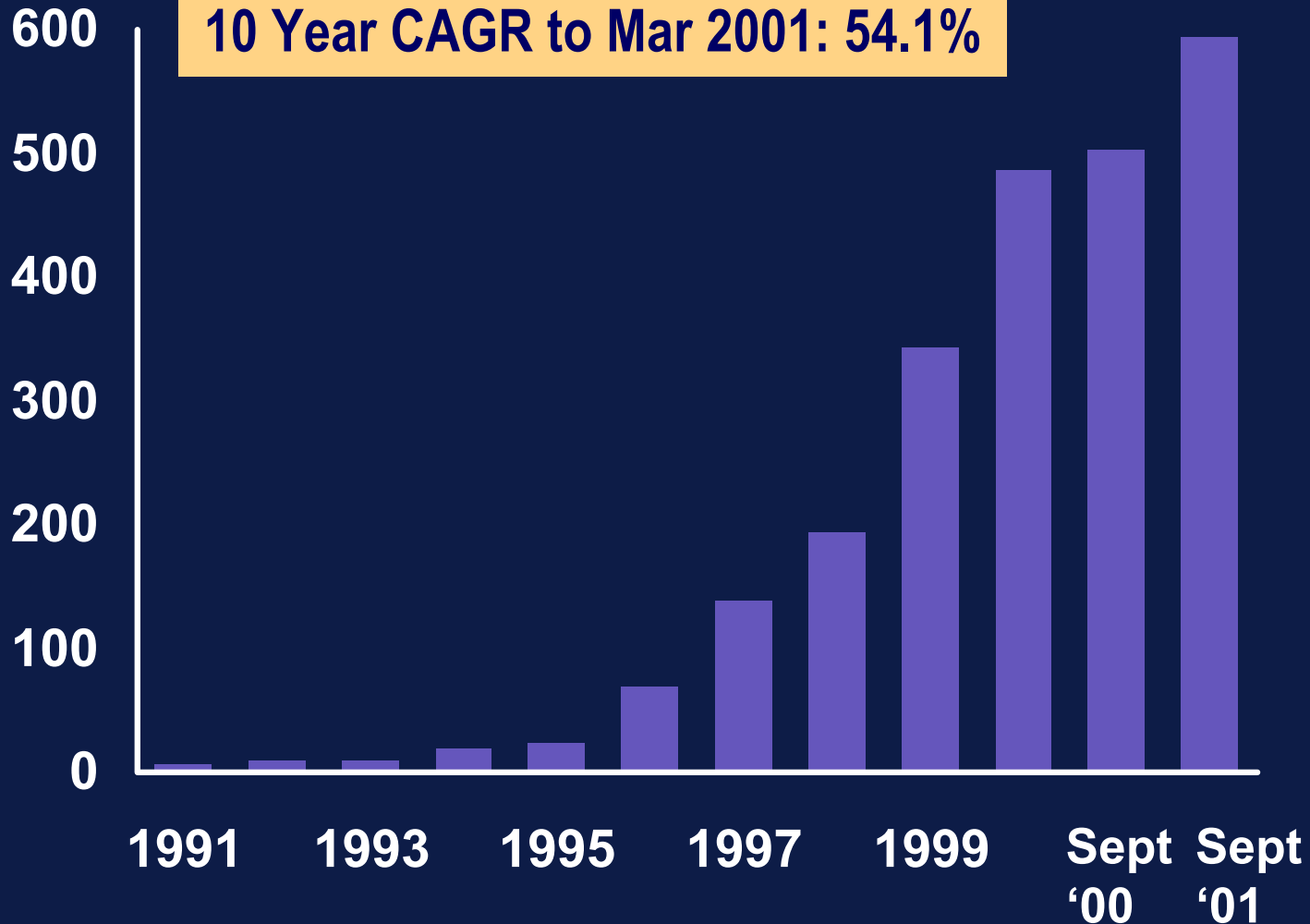
Growth in total assets

R'bn

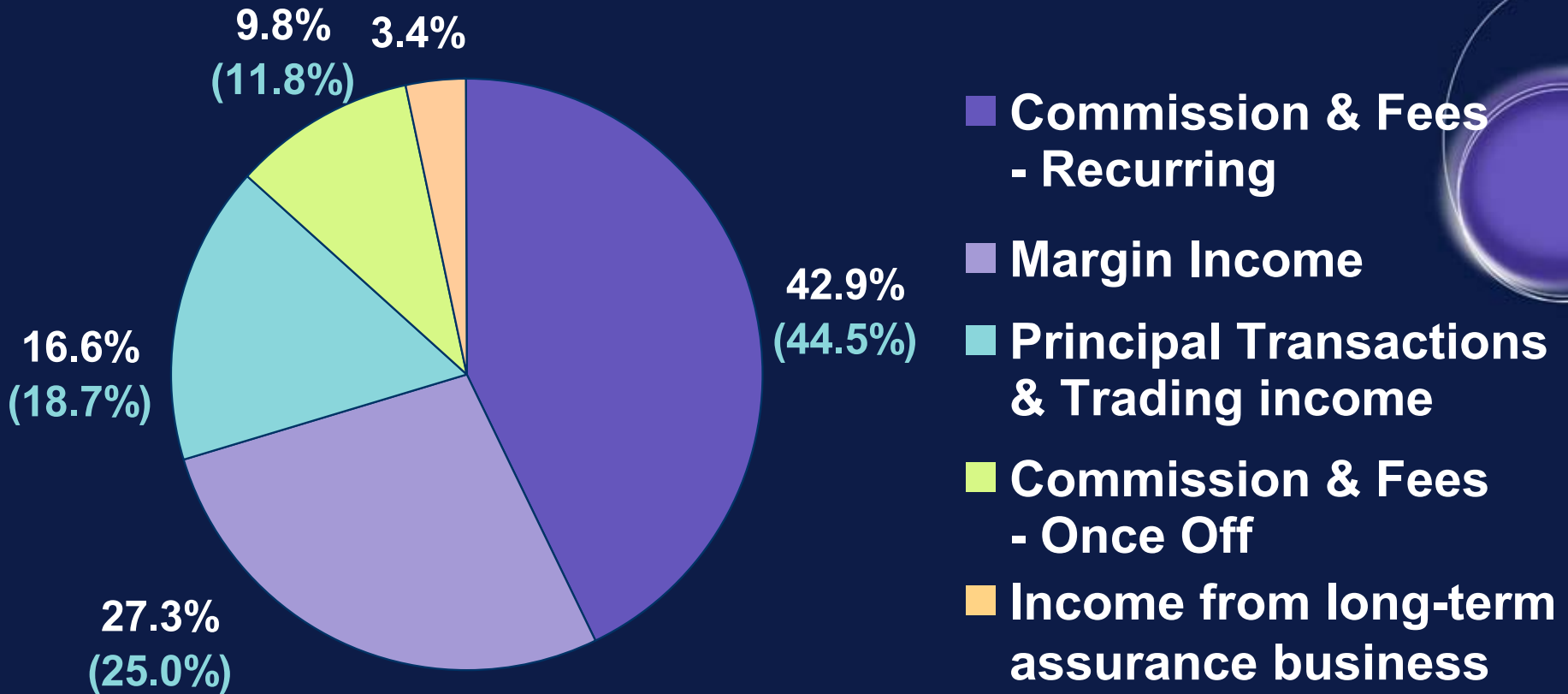


Growth in assets under management

R'bn

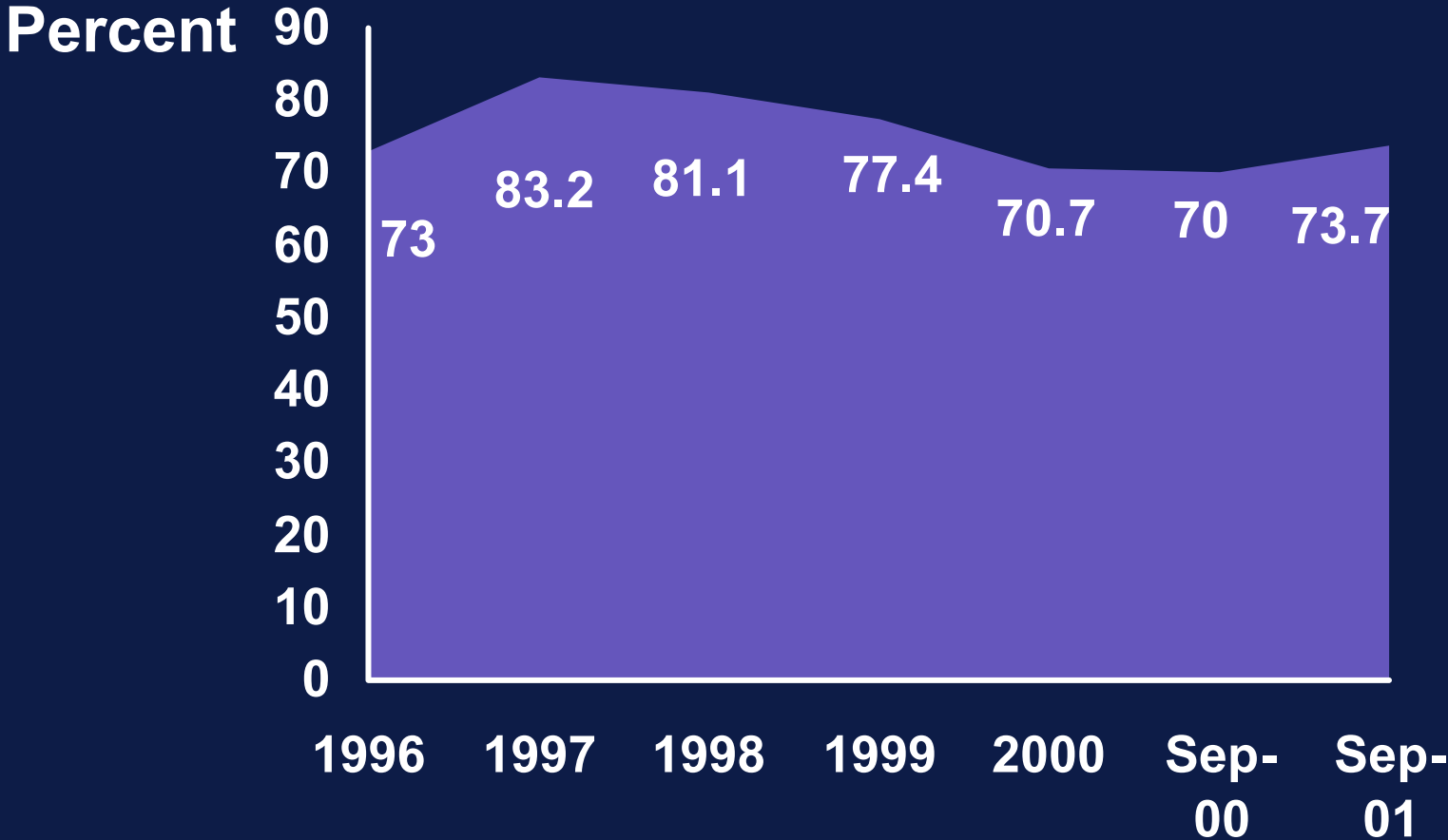


Operating income by type



Sept 2001
(Sept 2000)

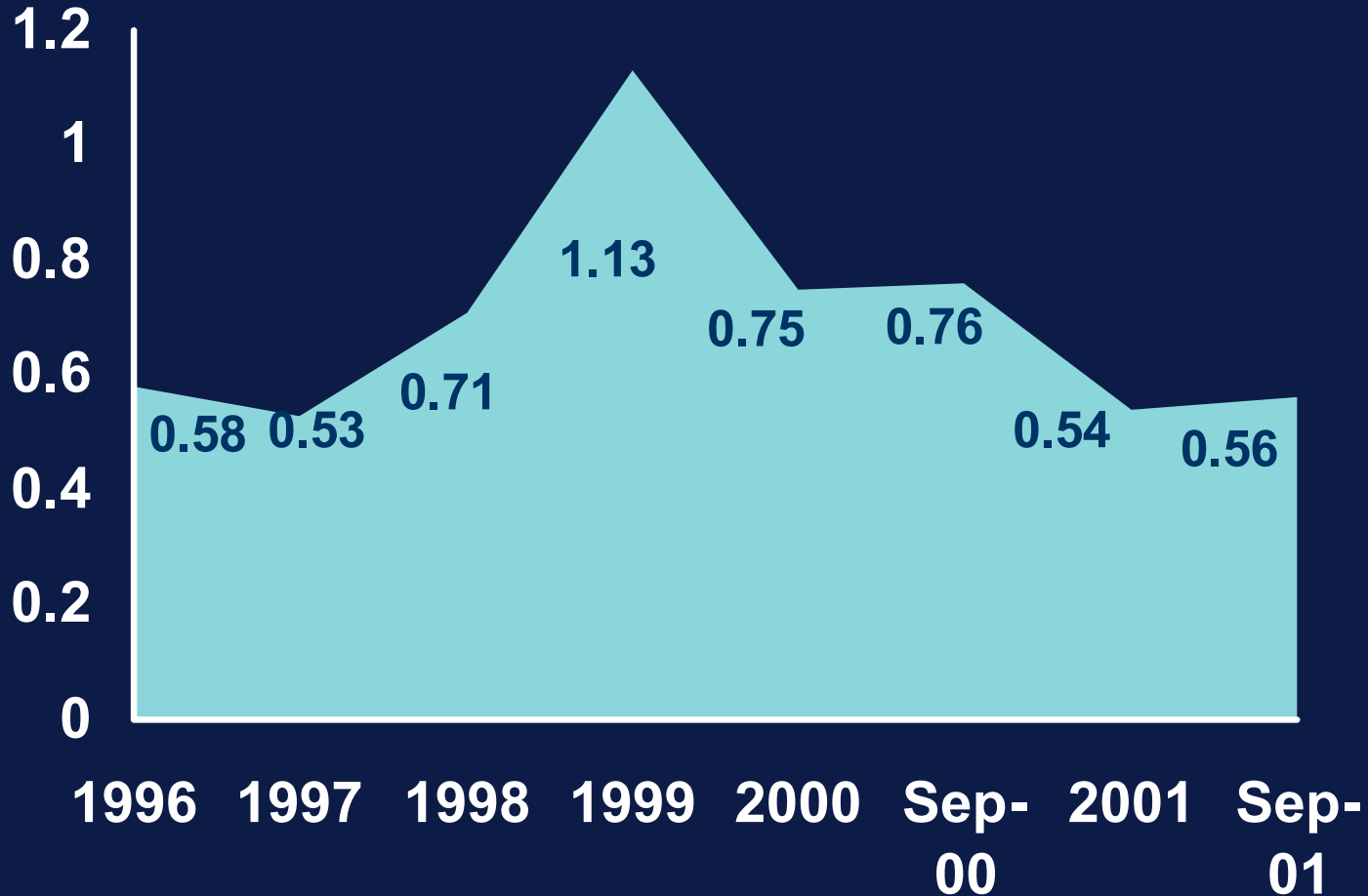
Annuity as a % of total income



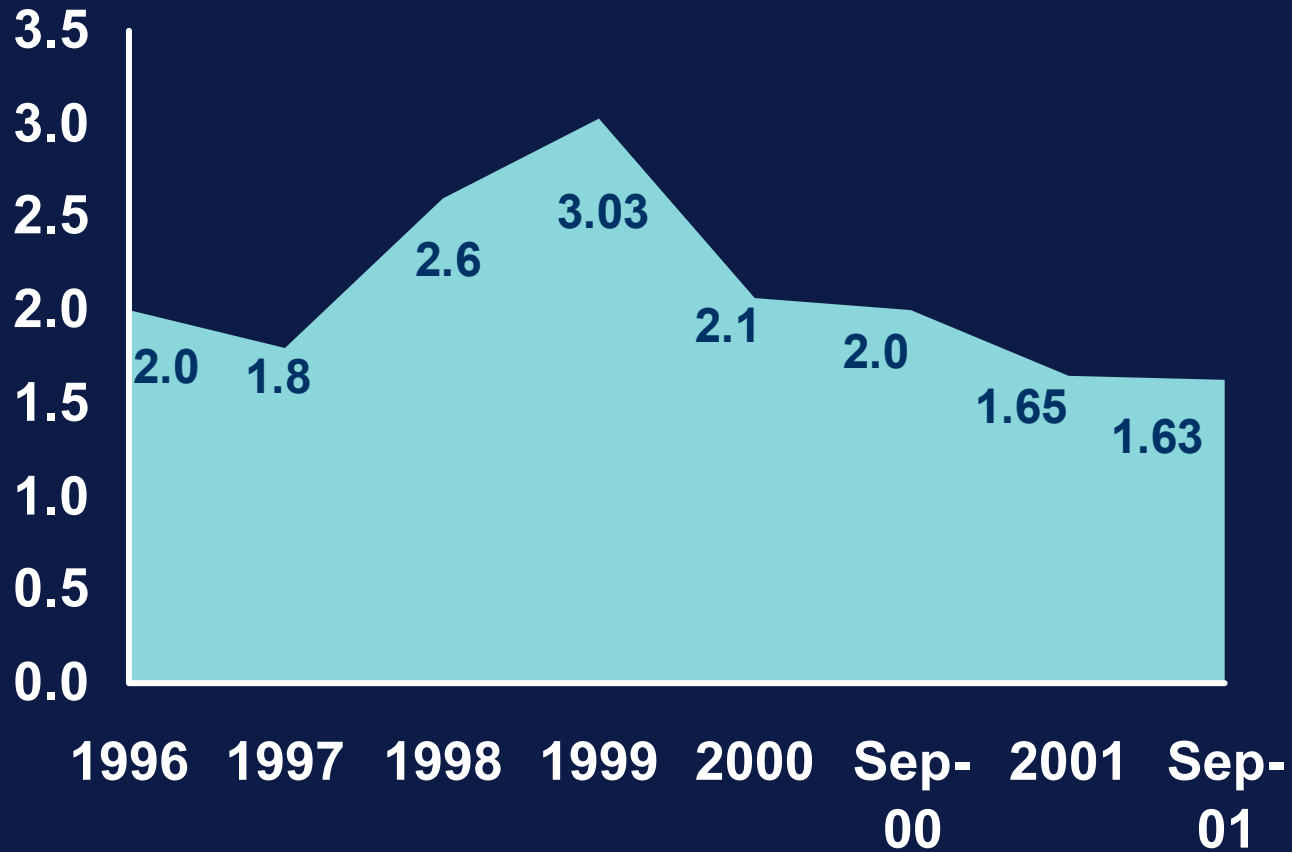
Operational issues



Bad debt charge as a % of average advances



Gross NPLs as a % total loans & advances



Capital adequacy

R'mn	30 Sept 2001
Tier 1	11 491
Tier 2 - Permanent	2 776
Tier 2 - Redeemable	1 720
Total	15 987
Capital Reserved for Non-Banking Activities	(2 622)
Impairments	(5 944)
Capital available for Banking Activities	7421
Risk Weighted Assets	49 306
Capital Adequacy Ratio	15.1%

Deploying capital productively

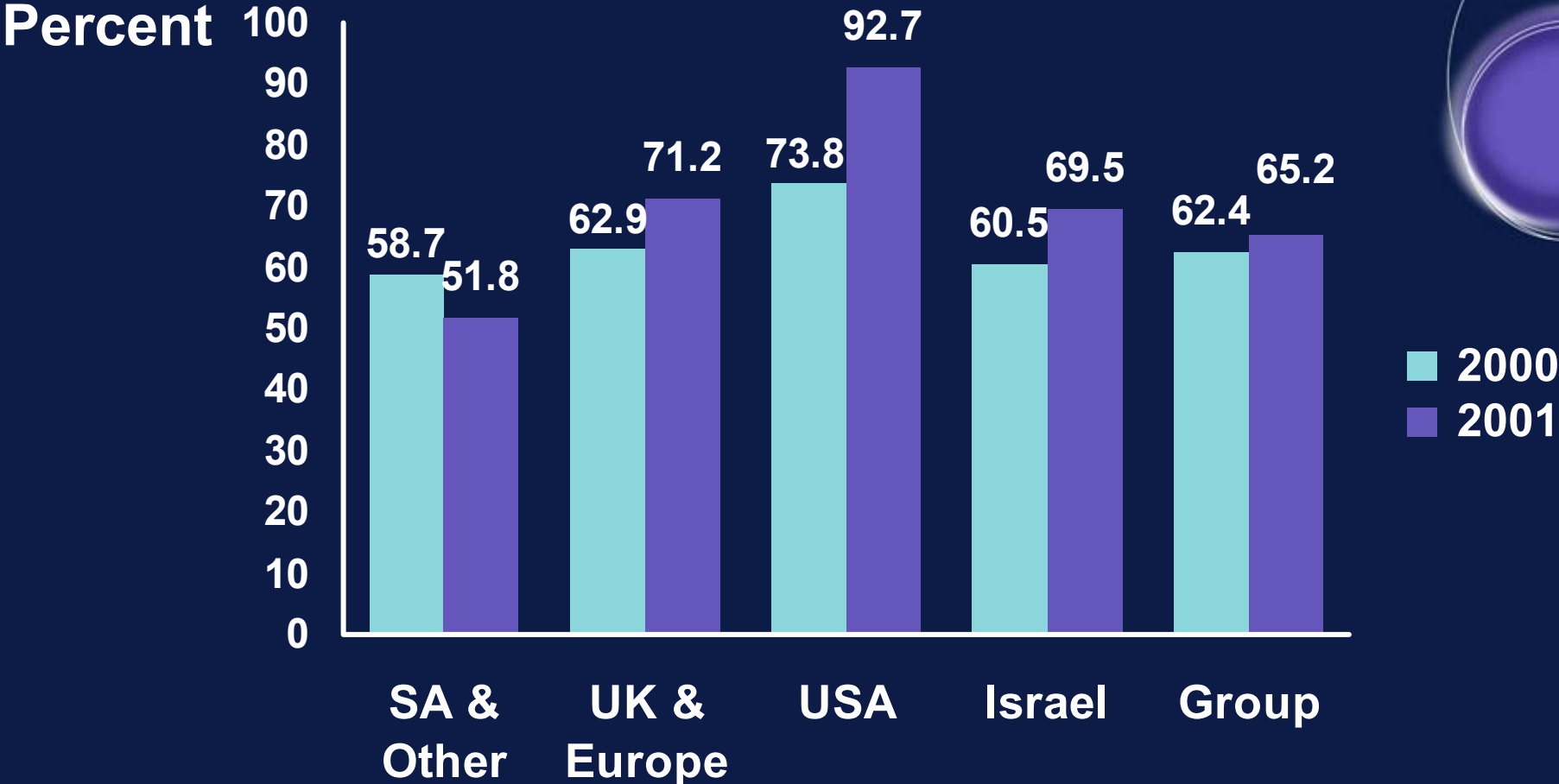
	30 Sept 2001	30 Sept 2000	31 Mar 2001
Return on Equity (%)	26.4	24.3	26.9
Return on Investment (%)	15.7	16.5	17.6
Return on RWA (%)	3.1	2.7	3.0

Analysis of expenses

- Excluding Fedsure's assurance activities, the ratio of operating expenses to total income increased from 62.4% last year to 65.2%




Operational cost to income by geography



Analysis of expenses

R'mn	30 Sept 2001	30 Sept 2000	% Change
Premises	139	116	19.8
Personnel	1 221	842	45.0
Equipment	265	211	25.6
Business Expenses	411	338	21.6
Marketing Expenses	91	97	(6.2)
Total	2 127	1 604	32.6


Analysis of expenses

- Of the growth of 32% in expenses:
 - 40.3% is attributable to acquisitions and new activities
 - 39.4% to exchange rate devaluation
 - Organic growth after extracting above - 6.6%
- 

Looking forward



Looking forward

- The outlook for global markets remains uncertain
 - Difficult, therefore, to predict performance with any degree of certainty
 - These results reflect that our business model is more defensive than other investment banks
 - Notwithstanding difficult conditions, we were still able to show growth well above inflation
- 

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