

Investec Bank Limited

Unaudited consolidated SA GAAP financial results in Rand for the six months ended 30 September 2004

Consolidated income statements

(R millions)	6 months ended 30 Sept. 2004 Unaudited	6 months ended 30 Sept. 2003* Unaudited	Year ended 31 March 2004* Audited
Interest received	3,182	3,894	6,551
Interest paid	(2,359)	(3,010)	(5,242)
Net interest income	823	884	1,309
Impairment of advances	(38)	(23)	(173)
	785	861	1,136
Other income	462	370	962
Total income	1,247	1,231	2,098
Operating expenses	(535)	(508)	(1,076)
Operating profit before taxation	712	723	1,022
Taxation	(82)	(14)	(131)
Operating profit after taxation	630	709	891
Earnings attributable to minority shareholders	-	-	(1)
Earnings attributable to shareholders	630	709	890
Calculation of headline earnings			
Earnings attributable to shareholders	630	709	890
Headline adjustments	(14)	-	(3)
Revaluation of investment properties	(14)	-	-
Profit on disposal of subsidiaries and fixed assets	-	-	(3)
Headline earnings attributable to shareholders	616	709	887
Compulsorily convertible debenture interest	(134)	(134)	(268)
Preference dividends declared	(67)	(22)	(22)
Headline earnings attributable to ordinary shareholders	415	553	597

Statements of changes in shareholder's funds

(R millions)	6 months ended 30 Sept. 2004 Unaudited	6 months ended 30 Sept. 2003* Unaudited	Year ended 31 March 2004* Audited
Balance at the beginning of the period	9,671	7,974	7,974
Adjustments to opening reserves as a result of the adoption of AC133	-	160	160
Restated balance at the beginning of the period	9,671	8,134	8,134
Net issue of perpetual preference shares	-	1,491	1,491
Earnings attributable to shareholders	630	709	890
Compulsorily convertible debenture interest	(134)	(134)	(268)
Preference dividends declared	(67)	(22)	(22)
Dividends paid	-	-	(500)
Movement in foreign currency translation reserves	(1)	28	(59)
(Decrease)/increase in cash flow hedge fair value adjustments	(10)	-	10
Net movement in investment revaluation reserves	-	(67)	(5)
Balance at the end of the period	10,089	10,139	9,671

Abridged cash flow statements

(R millions)	6 months ended 30 Sept. 2004 Unaudited	6 months ended 30 Sept. 2003* Unaudited	Year ended 31 March 2004* Audited
Cash inflow from operating activities	556	605	331
Cash inflow/(outflow) from banking operations	3,201	(5,669)	(5,130)
Cash (outflow)/inflow from investing activities	(17)	640	161
Cash inflow from financing activities	296	397	1,979
Net increase/(decrease) in cash and short-term funds	4,036	(4,027)	(2,659)
Cash and short-term funds at the beginning of the period	11,764	14,423	14,423
Cash and short-term funds at the end of the period	15,800	10,396	11,764

Consolidated balance sheets at

(R millions)	30 Sept. 2004 Unaudited	30 Sept. 2003* Unaudited	31 March 2004* Audited
Assets			
Cash and short-term funds	15,800	10,396	11,764
Short-term negotiable securities	3,781	9,514	6,336
Investment and trading securities	14,889	14,001	16,710
Other assets	495	561	629
Advances	40,103	33,354	35,726
Intergroup	10,798	12,322	10,548
Property and equipment	690	150	686
Intangible assets	-	1	-
	86,556	80,299	82,399
Equity and liabilities			
Capital and reserves			
Ordinary share capital	16	16	16
Perpetual preference shares	1,491	1,492	1,491
Compulsorily convertible debentures	1,938	1,938	1,938
Reserves	6,644	6,693	6,226
	10,089	10,139	9,671
Interest of minority shareholder in subsidiary	19	33	29
Total shareholders' funds	10,108	10,172	9,700
Subordinated debt	2,961	2,945	2,961
	13,069	13,117	12,661
Liabilities			
Redeemable preference shares	2,294	1,608	1,740
Deposits and other accounts	70,980	65,514	67,866
Taxation	213	60	132
	86,556	80,299	82,399

Segmental information

For the 6 months ended 30 September 2004

(R millions)	Private Client Activities	Treasury & Specialised Finance	Investment Banking	Other	Total
Total income – headline	417	351	175	290	1,233
Operating expenses	(239)	(166)	(41)	(89)	(535)
Operating profits before headline adjustments and taxation	178	185	134	201	698
Cost to income ratio (%)	53.9	47.3	23.3	16.4	41.6

For the 6 months ended 30 September 2003*

(R millions)	Private Client Activities	Treasury & Specialised Finance	Investment Banking	Other	Total
Total income – headline	311	317	208	395	1,231
Operating expenses	(208)	(176)	(27)	(97)	(508)
Operating profits before headline adjustments and taxation	103	141	181	298	723
Cost to income ratio (%)	61.9	56.6	12.9	25.3	40.5

These consolidated interim financial results are published to provide information to holders of Investec Bank Limited's listed non-cumulative, non-redeemable, non-participating preference shares.

The impact of AC133 (Financial Instruments: Recognition and Measurement) is detailed in the table below:

6 months ended 30 September 2004

(R millions)	Pre AC133	AC133 adj	Post AC133
Operating profit before taxation	717	(5)	712
Taxation	(82)	-	(82)
Profit after taxation	635	(5)	630

6 months ended 30 September 2003*

(R millions)	Pre AC133	AC133 adj	Post AC133
Operating profit before taxation	632	91	723
Taxation	(14)	-	(14)
Profit after taxation	618	91	709

Commentary

Overview of results

Investec Bank Limited, a subsidiary of Investec Limited, posted a marginal decrease in operating profit before taxation from R723 million to R712 million for the six months ended 30 September 2004. Excluding the impact of AC133, however, operating profit before taxation increased by 13.4% to R717 million while operating profit after taxation increased marginally by 2.8% to R635 million as a result of a substantial increase in taxation.

Salient operational features of the six months (incorporating AC133) include:

- The Private Banking division posted a significant increase in operating profit of 72.8% to R178 million driven by solid growth in advances and non-interest income.
- The Treasury and Specialised Finance reported an improvement in operating profit from R141 million to R185 million. The division benefited from a relatively stable interest rate environment, a sound result from the advisory and lending businesses, and an increase in dealing profits following a poor performance reported by the trading activities in the prior period.
- The Investment Banking division posted a decline in operating profit of 26.0% to R134 million. The Corporate Finance division delivered a sound performance. Off a high base in the prior period, Direct Investments and Private Equity divisions posted a lower operating profit.

For further information on the Investec group results, refer to the results of Investec plc (incorporating the results of Investec Limited).

Accounting policies

Basis of preparation

The financial information has been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the South African Companies Act of 1973 and are consistent with that of the prior year.

* Restatements to comparative figures

- Interest on compulsorily convertible debentures, which are classified as equity instruments, has been reflected in the statement of changes in equity.
- Following from the consolidation of the staff share scheme in the Investec Limited financial statements, loans to the staff share scheme have been reclassified from other assets to intergroup balances.

On behalf of the Board of Investec Bank Limited

Hugh Herman
Chairman

Stephen Koseff
Chief Executive Officer

Bernard Kantor
Managing Director

S Noik
Company Secretary

25 November 2004



Investec Bank Limited
(Registration number 1969/004763/06)

JSE Code: INLP ISIN: ZAE000048393

Directors: H S Herman (Chairman), D M Lawrence* (Deputy Chairman), S Koseff* (Chief Executive), B Kantor* (Managing), S E Abrahams, G R Burger*, D E Jowell, M P Malungani, D R Motsepe, Dr M Z Nkosi, B Tapack*, P R S Thomas, F Titi, R A P Upton.

*Executive
Company secretary: S Noik