

**Investec a distinctive specialist banking group**

**Interim results**

**For the six months ended 30 September 2004**



# Summary of results

<b>UK GAAP</b>	<b>30 Sep 2004</b>	<b>% Change</b>	<b>30 Sep 2003</b>	<b>31 Mar 2004</b>
Attributable earnings* (£'000)	66 208	40.9	47 003	106 203
EPS* (pence) - restated	61.7	31.3	47.0	103.8
EPS* (pence) – as previously reported	61.7	25.4	49.2	
DPS (pence)	30.0	7.1	28.0	58.0
Dividend cover (times)	2.06		1.68	1.79
Total assets under admin (£'mn)	52 305	19.4	43 817	47 763

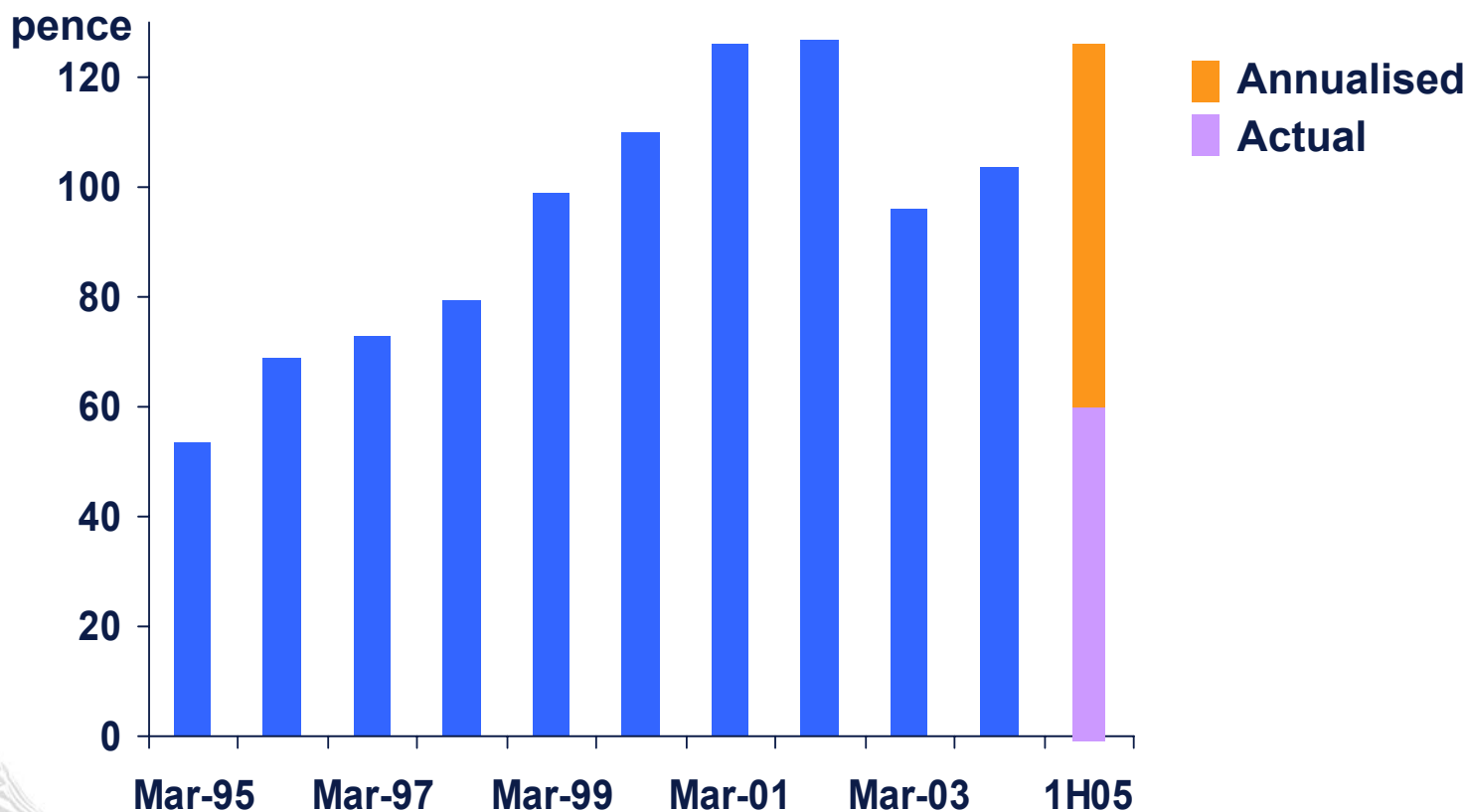


*\*Before exceptional items and amortisation of goodwill*

# Financial objectives

EPS\* growth target: RPI +10%

Result:  31.3%

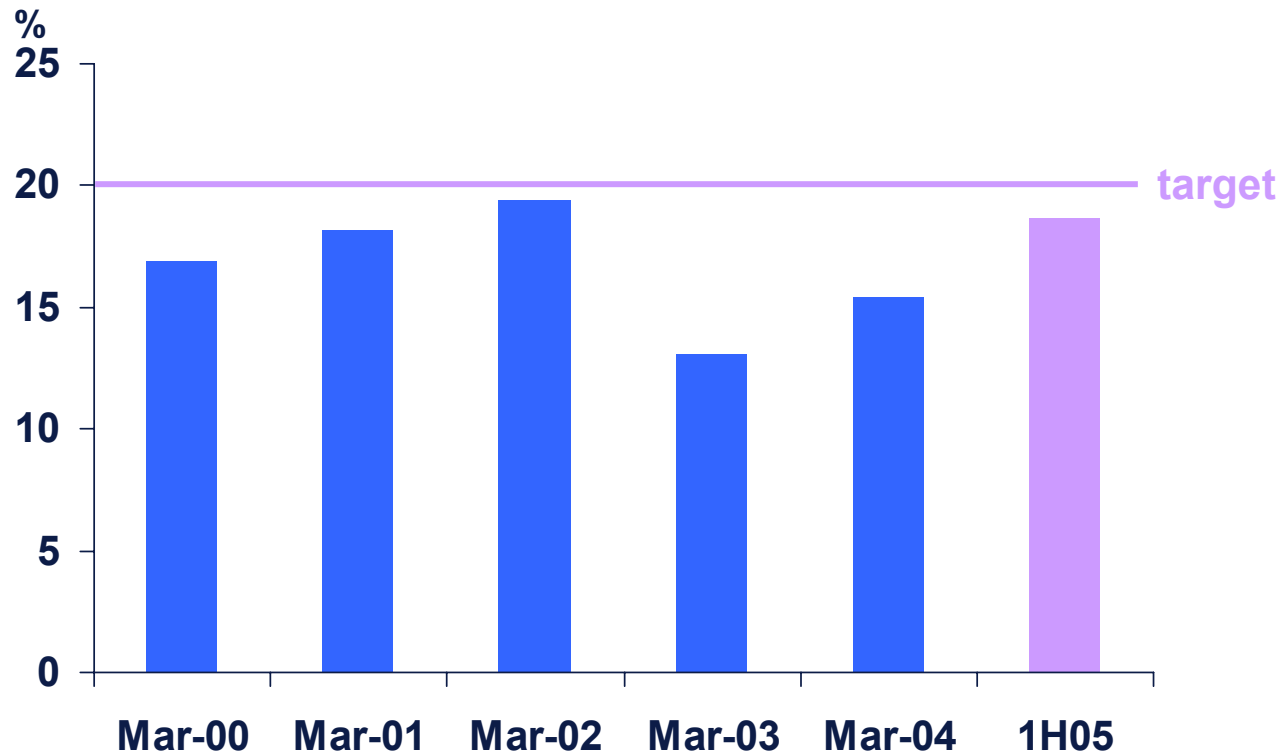


*\*Before exceptional items and amortisation of goodwill*

# Financial objectives

**ROE\*** target: 20%

**Result: 18.7%**

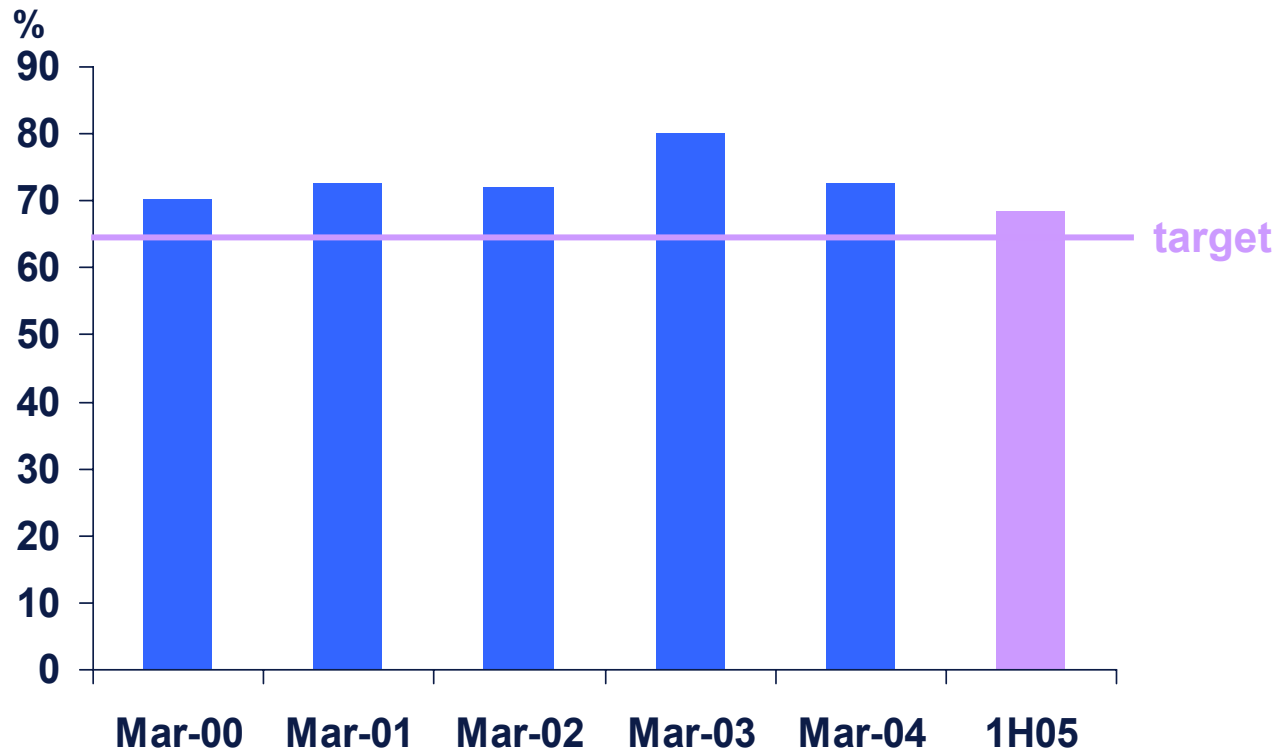


*\*Return on adjusted equity shareholders' funds (inclusive of compulsorily convertible instruments).*

# Financial objectives

**Cost ratio target: 65%**

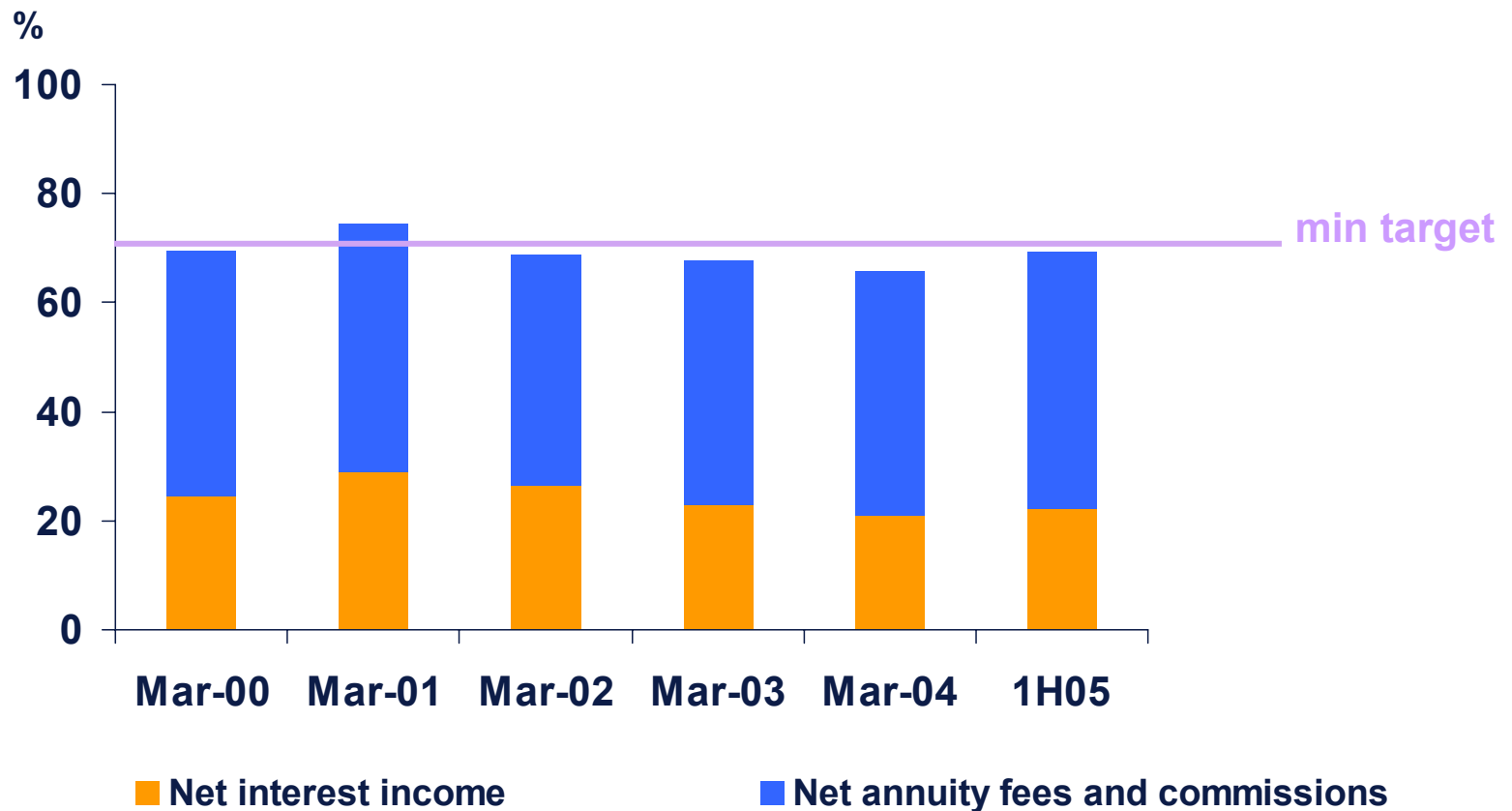
**Result: 68.6%**



# Financial objectives

**Annuity income target: 70 -75%**

**Result: 69.2%**



# Financial objectives

**CAR** target: 13 -16%

Result: Ltd 15.0% plc 17.0%

- Maintain CAR ratio AND
- Deliver required ROE
- Across all businesses and geographies








# Operational review





# Private Client Activities

**Partner of choice – from wealth creation to wealth management**

- Operating profit\*  63.1% to £40.9 million
- Loan book  19.5% to £3.8 billion
- Retail deposit book  17.5% to £3.0 billion
- FUM  1.8% to £8.6 billion
- Non-interest income  30.8%

*\*Before exceptional items and amortisation of goodwill*

# Treasury and Specialised Finance

## Specialist service, advisory focused

- Operating profit\*      ↑      39.5% to £21.5 million
- Net interest income      ↑      16.8%
- Non-interest income      ↑      16.0%

*\*Before exceptional items and amortisation of goodwill*

# Investment Banking

**Super-boutique strategy targeting specific clients and market niches**

- Operating profit\*      ↓      10.4% to £18.0 million
- Agency and advisory profit      ↑      51.6% to £9.6 million
- DI and PE profit      ↓      38.8% to £8.4 million

*\*Before exceptional items and amortisation of goodwill*

*NOTE: DI and PE refers to the group's Direct Investment and Private Equity businesses*

# Asset Management

**Investment specialist focused on performance and client needs**

- Operating profit\*      ↑      37.0% to £14.9 million
- FUM                      ↑      7.2% to £22.1 billion
- Net inflows            ↑      £302 million
- Investment performance    ↑

*\*Before exceptional items and amortisation of goodwill*



## Other Activities

- Assurance profit\* ↑ 60.3% to £3.5 million
- Property Activities profit\* ↑ 68.9% to £6.7 million
- Central Funding\* ↑ 35.3% to -£4.6 million



*\*Before exceptional items and amortisation of goodwill*

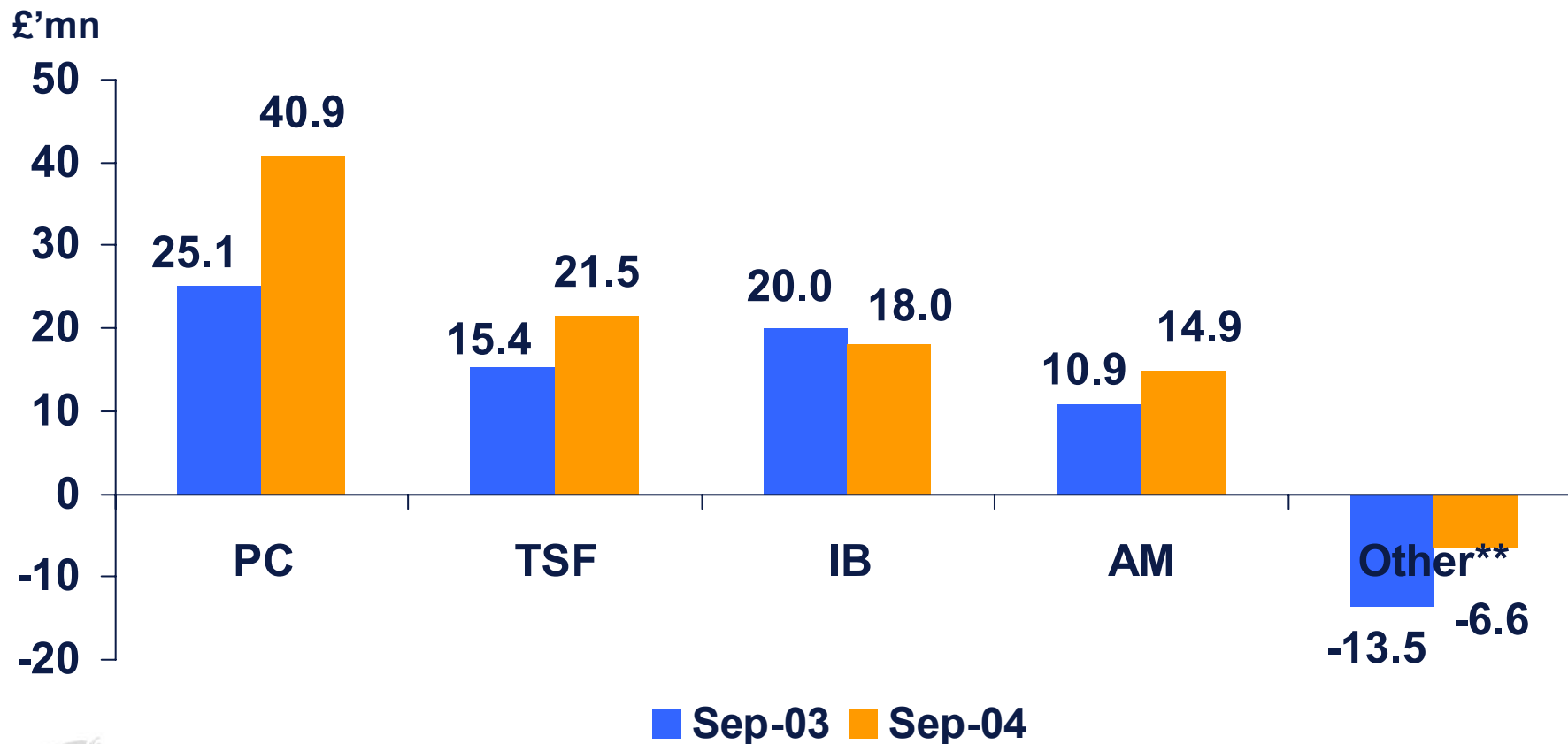
# General

- Exceptional items -£14.7 million
- Effective tax rate  From 21.8% to 26.3%
- Weighted shares  From 100.1 to 107.4



# Divisional performance

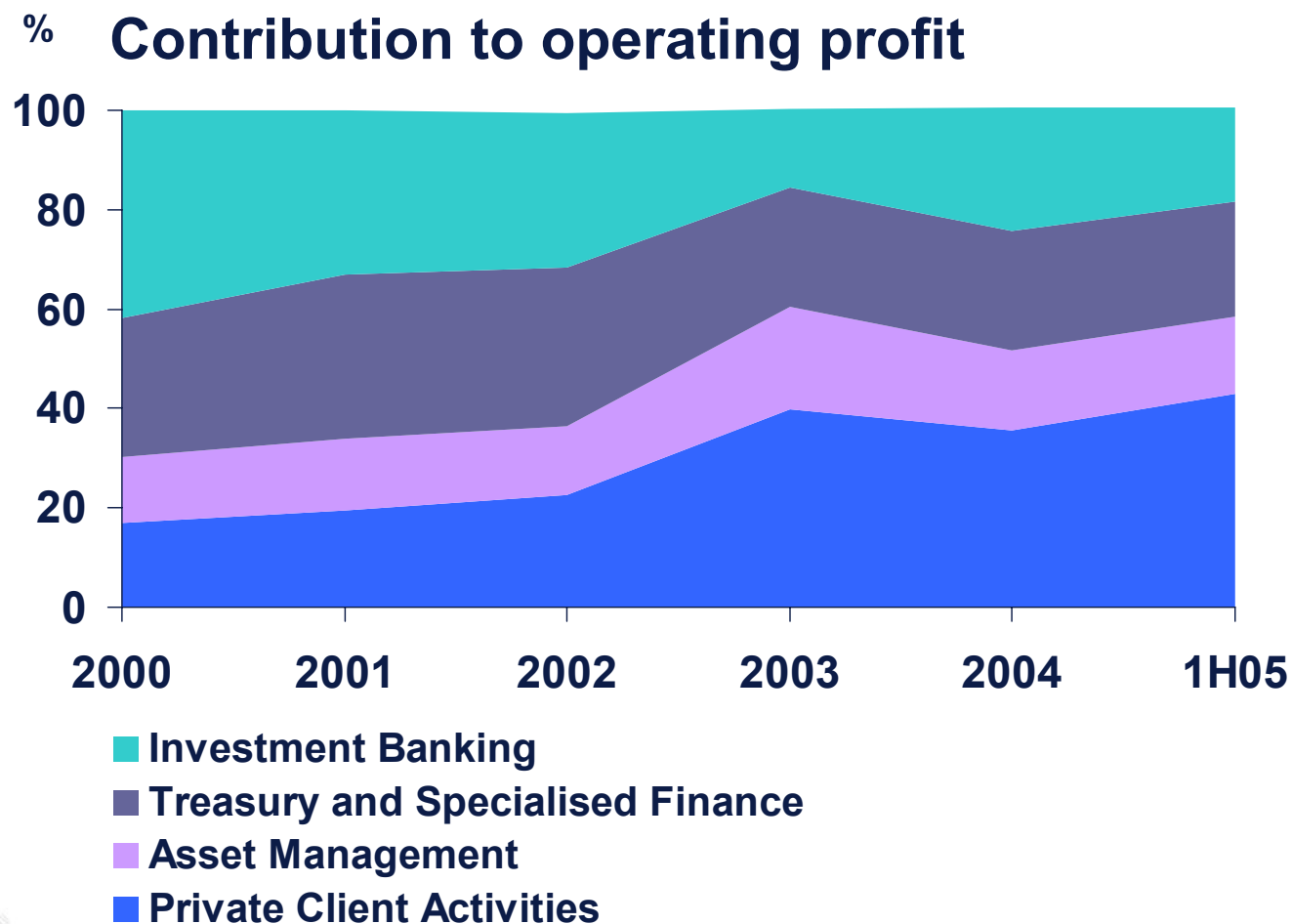
## Operating profit\*



\*Before taxation, exceptional items and amortisation of goodwill

\*\*Includes Group Services and Other Activities and Assurance Activities. PC=Private Client Activities; TSF=Treasury and Specialised Finance; IB= Investment Banking; AM = Asset Management

# Diversified portfolio





# Outlook



# Outlook

## Key growth drivers

Third party assets under management

UK

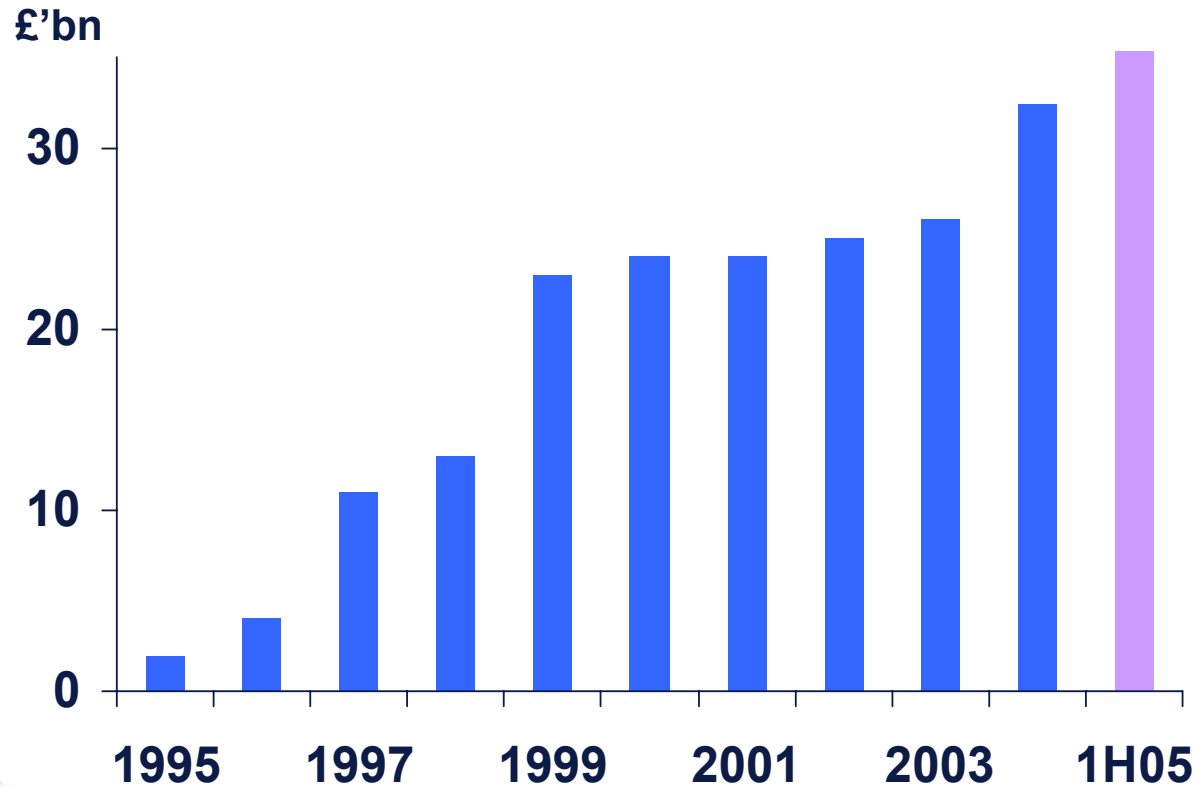
Aus

SA

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# Outlook

## Key growth drivers

Loans and advances

UK

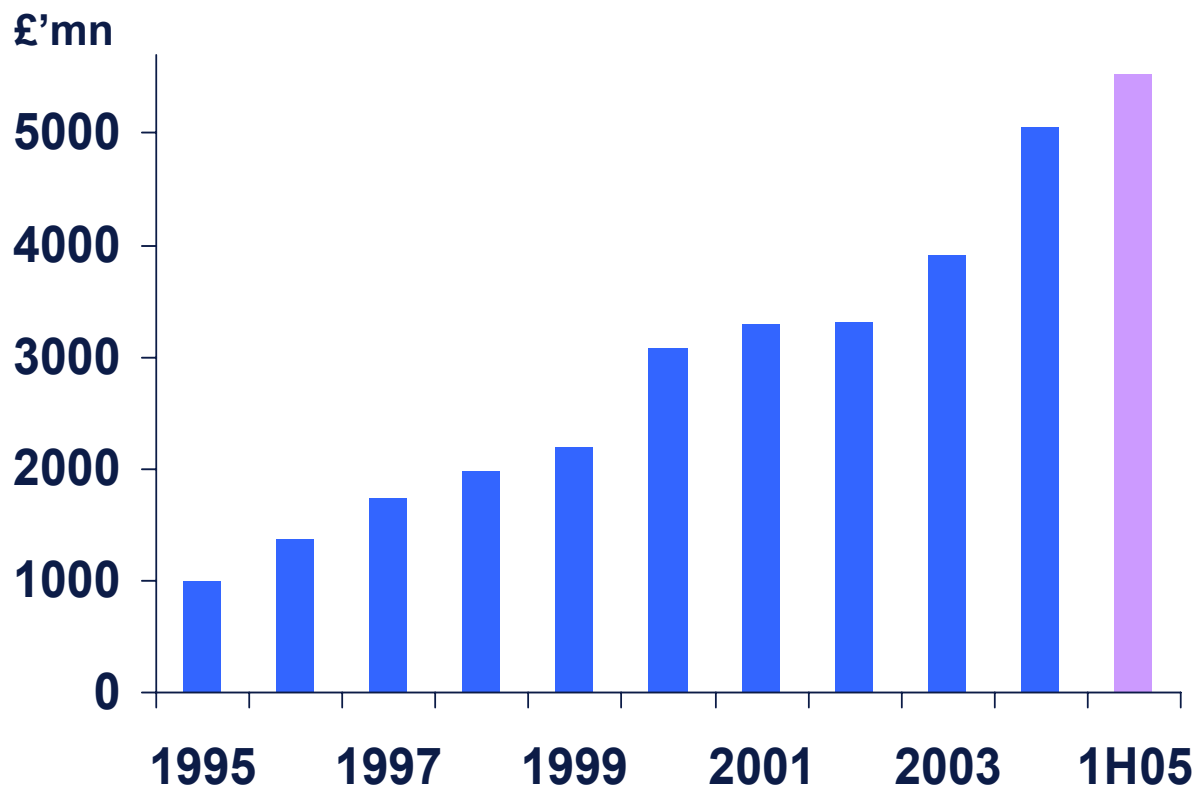
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# Outlook

**Key growth drivers**

**UK**

**Aus**

**SA**

**Transactional activity**

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↑



# Outlook

**Key growth drivers**

**UK**

**Aus**

**SA**

**Stock market activity**

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# Outlook

**Key growth drivers**

**UK**

**Aus**

**SA**

**General economic conditions**

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# Outlook



## Individual flair.

**We have a distinctive approach.** Single minded and focused. Always seeking to challenge and innovate. To provide you with a world-class range of specialist banking and investment products and services.

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Nevada • South Africa • Switzerland • United Kingdom &  
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*Out of the Ordinary*

 **Investec**