

Investec Bank Limited

Reviewed interim condensed consolidated financial results

for the six months to 30 September 2006

Consolidated income statements

R' million	6 months to 30 Sept. 2006	6 months to 30 Sept. 2005	Year to 31 March 2006
Interest received	4,374	3,639	7,827
Interest paid	(3,174)	(2,644)	(5,827)
Net interest income	1,200	995	2,000
Fees and commissions receivable	342	323	647
Fees and commissions payable	(20)	(21)	(28)
Principal transactions	513	331	637
Operating loss from associates	(27)	-	-
Other income	808	633	1,256
Total operating income	2,008	1,628	3,256
Impairment losses on loans and advances	(90)	(37)	17
Net operating income	1,918	1,591	3,273
Administrative expenses	(995)	(773)	(1,722)
Depreciation and amortisation of property, equipment and software	(20)	(18)	(38)
Profit before taxation	903	800	1,513
Taxation	(210)	(178)	(305)
Profit after taxation	693	622	1,208
Earnings attributable to minority interests	3	3	32
Earnings attributable to shareholders	690	619	1,176
Earnings attributable to shareholders' equity	693	622	1,208
Calculation of headline earnings			
Earnings attributable to shareholders	690	619	1,176
Headline adjustments	-	-	(1)
Realisation of available for sale financial asset	-	-	(1)
Headline earnings attributable to shareholders	690	619	1,175
Preference dividends paid	(59)	(62)	(121)
Headline earnings attributable to ordinary shareholders	631	557	1,054

Consolidated balance sheets at

R' million	30 Sept. 2006	31 March 2006	30 Sept. 2005
Assets			
Cash and balances at central banks	1,654	1,930	1,249
Loans and advances to banks	13,831	12,473	9,214
Cash equivalent advances to customers	6,367	5,217	4,806
Reverse repurchase agreements and cash collateral on securities borrowed	2,121	1,224	793
Trading securities	13,599	12,208	10,023
Derivative financial instruments	12,630	9,032	7,889
Investment securities	27	31	1,361
Loans and advances to customers	69,027	62,885	53,037
Interest in associated undertakings	251	-	-
Deferred taxation assets	250	241	201
Other assets	900	682	621
Property and equipment	99	83	95
Investment properties	1	7	9
Intangible assets	39	26	18
Loans to group companies	7,512	6,508	8,796
	128,308	112,547	98,112
Liabilities			
Deposits by banks	8,794	7,776	4,867
Derivative financial instruments	10,219	7,138	6,476
Other trading liabilities	59	266	321
Repurchase agreements and cash collateral on securities lent	2,496	919	582
Customer accounts	61,105	56,201	52,105
Debt securities in issue	27,531	23,502	17,396
Current taxation liabilities	244	422	295
Deferred taxation liabilities	268	164	244
Other liabilities	5,019	4,207	4,091
	115,735	100,595	86,377
Subordinated liabilities (including convertible debt)	3,105	3,140	3,173
	118,840	103,735	89,550
Equity			
Ordinary share capital	16	16	16
Share premium	4,732	4,732	4,732
Equity portion of convertible debentures	229	229	229
Perpetual preference shares	1,491	1,491	1,491
Other reserves	546	512	438
Profit and loss account	2,443	1,824	1,554
Shareholders' equity excluding minority interests	9,457	8,804	8,460
Minority interests	11	8	102
Total shareholders' equity	9,468	8,812	8,562
Total liabilities and shareholders' equity	128,308	112,547	98,112

Statements of changes in equity

R' million	6 months to 30 Sept. 2006	6 months to 30 Sept. 2005	Year to 31 March 2006
Balance at the beginning of the period	8,812	8,459	8,459
Foreign currency adjustments	16	(3)	(6)
Earnings for the period attributable to shareholders	690	619	1,176
Earnings for the period attributable to minority interests	3	3	32
Share based payments adjustments	6	-	-
Dividends paid to ordinary shareholders	-	(440)	(640)
Dividends paid to perpetual preference shareholders	(59)	(62)	(121)
Cash flow hedge fair value gain	-	(33)	16
Movement of minorities on disposals and acquisitions	-	19	(104)
Balance at the end of the period	9,468	8,562	8,812

Consolidated cash flow statements

R' million	6 months to 30 Sept. 2006	6 months to 30 Sept. 2005	Year to 31 March 2006
Net cash inflow from operating activities	653	202	470
Net cash outflow from investing activities	(315)	(19)	(78)
Net cash inflow/(outflow) from banking activities	1,332	947	(34)
Net cash (outflow)/inflow from financing activities	(988)	(299)	1,963
Net increase in cash and cash equivalents	682	831	2,321
Cash and cash equivalents at the beginning of the period	7,679	5,358	5,358
Cash and cash equivalents at the end of the period	8,361	6,189	7,679

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

Segmental information

For the 6 months to 30 September 2006

R' million	Private Client Activities	Treasury & Specialised Finance	Investment Banking	Other	Total
Net operating income	693	672	202	351	1,918
Operating expenses	(467)	(293)	(76)	(179)	(1,015)
Operating profit before taxation	226	379	126	172	903
Cost to income ratio (%)	64.2	40.1	37.6	51.4	50.5

For the 6 months to 30 September 2005

R' million	Private Client Activities	Treasury & Specialised Finance	Investment Banking	Other	Total
Net operating income	457	507	242	385	1,591
Operating expenses	(306)	(231)	(80)	(174)	(791)
Operating profit before taxation	151	276	162	211	800
Cost to income ratio (%)	66.7	43.3	32.3	45.0	48.6

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

Commentary

Overview of results

We are pleased to announce that Investec Bank Limited, a subsidiary of Investec Limited, posted an increase in headline earnings attributable to ordinary shareholders of 13.3% from R557 million to R631 million.

For full information on the Investec group results, refer to the combined results of Investec plc and Investec Limited.

Business unit review

Unless the context indicates otherwise, all comparatives referred to in the business unit review, relate to the six months ended 30 September 2005. Operating profit is before taxation and after headline adjustments.

Salient operational features of the period under review include:

- The Private Client Activities division posted an increase of 49.7% in operating profit from R151 million to R226 million. The Private Bank has benefited from strong growth in advances, non-interest income and a solid performance recorded across its areas of specialisation. The average private client lending book has grown by 39.6% to R44.5 billion (2005: R31.9 billion) and the division increased its average retail deposit book by 55.3% to R20.4 billion (2005: R13.1 billion).
- The Treasury and Specialised Finance division posted operating profit of R379 million (2005: R276 million), an increase of 37.3%. Growth was underpinned by a strong performance from the division's advisory, structuring, trading, asset creation and distribution activities with average advances increasing by 21.4% to R19.1 billion.
- Operating profit of the Investment Banking division decreased by 22.2% to R126 million (2005: R162 million). The Corporate Finance division benefited from a high level of activity. The results of the Private Equity division are not comparable to the previous period as certain of the recent Private Equity investments have been acquired by other subsidiaries of Investec Limited.
- Other Activities posted a 18.5% decrease in operating profit to R172 million (2005: R211 million) largely as a result of a decline in the value of some of the investments within the central funding portfolio.

Accounting policies

This interim financial report is prepared in accordance with International Financial Reporting Standards ("IFRS"). To be added under the Accounting policies heading. The accounting policies applied in the preparation of the results for the six months ended 30 September 2006 are consistent with those adopted in the financial statements for the year ended 31 March 2006, except for the adoption of accounting standards interpretations issued with effect from 1 January 2006. The adoption of these interpretations has had no material reportable impact on the financial results, position or cash flows of the consolidated group.

On behalf of the Board of Investec Bank Limited

Hugh Herman
Chairman

Stephen Koseff
Chief Executive Officer

Bernard Kantor
Managing Director

16 November 2006

These interim results have been reviewed by KPMG Inc. and Ernst and Young Inc. and their review conclusion is available for inspection at the company's registered office.

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

Notice is hereby given that preference dividend number 7 amounting to 412.50 cents per share has been declared for the period 1 April 2006 to 30 September 2006. The dividend is 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 8 December 2006.

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

Last day to trade cum-dividend	Friday, 1 December 2006
Shares trade ex-dividend	Monday, 4 December 2006
Record date	Friday, 8 December 2006
Payment date	Monday, 11 December 2006

Share certificates may not be dematerialised or rematerialised between Monday, 4 December 2006 and Friday, 8 December 2006, both dates inclusive.

By order of the board

S. Noik
Company Secretary

Sandton
16 November 2006

Registered office

100 Grayston Drive
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2196

Transfer secretaries

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2004 (Pty) Ltd
70 Marshall Street
Johannesburg 2001

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, K X T Socikwa, B Tapnack*, P R S Thomas, F Titi, C B Tshili.

*Executive

Company Secretary: S Noik

