



Investec Bank (UK) Limited

Unaudited consolidated financial information for the six months ended 30 September 2007

IFRS - Pounds Sterling

Overview of results

IFRS	30 Sept 2007	30 Sept 2006	% Change	31 March 2007
Operating profit* (£'000)	73,263	85,156	-14.0%	174,489
Earnings attributable to ordinary shareholders* (£'000)	47,957	58,385	-17.9%	116,288
Cost to income ratio	66.9%	60.5%		62.6%
Total capital resources (including subordinated liabilities) (£'000)	1,513,127	1,108,079	36.6%	1,479,543
Total shareholders' equity (including minority interest) (£'000)	906,422	840,617	7.8%	876,499
Total assets (£'000)	11,104,695	9,312,015	19.3%	11,145,794
Total loans and advances to customers, including securitised assets (£'000)	6,053,475	4,456,311	35.8%	4,619,771
Total loans and advances to customers, including securitised assets, as a percentage of total assets	54.5%	47.9%	13.9%	41.4%
Capital adequacy ratio	18.3%	18.2%	n/a	24.2%
Tier 1 ratio	11.5%	14.6%	n/a	14.1%

* before goodwill.

Consolidated income statement

£'000	6 months to 30 Sept 2007	6 months to 30 Sept 2006	Year to 31 March 2007
Interest income	314,347	187,620	491,700
Interest expense	(221,445)	(109,770)	(323,800)
Net interest income	92,902	77,850	167,900
Fees and commissions receivable	94,352	101,595	197,058
Fees and commissions payable	(4,145)	(3,178)	(7,678)
Principal transactions	27,519	32,703	81,990
Operating income from associates	469	342	864
Other operating income	26,840	9,983	46,765
Other income	145,035	141,445	318,999
Total operating income	237,937	219,295	486,899
Impairment losses on loans and advances	(5,464)	(1,447)	(7,490)
Operating income	232,473	217,848	479,409
Administrative expenses	(152,486)	(129,420)	(296,825)
Depreciation and impairment of property, equipment and intangibles	(6,724)	(3,272)	(8,095)
Operating profit before goodwill impairment	73,263	85,156	174,489
Goodwill	-	9,552	10,680
Operating profit	73,263	94,708	185,169
Non-operating exceptional items	-	-	-
Profit before taxation	73,263	94,708	185,169
Taxation	(18,491)	(24,905)	(48,977)
Profit after taxation	54,772	69,803	136,192
Earnings attributable to minority shareholders	6,815	1,866	9,224
Profit attributable to shareholders	47,957	67,937	126,968
	54,772	69,803	136,192

Consolidated Balance sheet

£'000	30 Sept 2007	31 March 2007	30 Sept 2006
Assets			
Cash and balances at central banks	19,381	42,827	18,589
Loans and advances to banks	1,146,544	781,167	611,973
Cash equivalent advances to customers	607	23,210	55
Reverse repurchase agreements and cash collateral on securities borrowed	637,575	1,979,936	834,118
Trading securities	334,314	544,641	74,141
Derivative financial instruments	368,289	332,862	528,173
Investment securities	1,909,076	1,747,047	1,739,313
Loans and advances to customers	5,689,321	4,619,771	4,456,311
Securitised assets	364,154	-	-
Interests in associated undertakings	13,766	12,433	12,229
Deferred taxation assets	24,892	25,136	23,929
Other assets	387,198	829,920	823,878
Property and equipment	120,577	120,910	111,658
Goodwill	68,470	68,193	75,983
Intangible assets	20,531	17,741	1,665
	11,104,695	11,145,794	9,312,015
Liabilities			
Deposits by banks	2,072,126	1,371,779	1,357,546
Derivative financial instruments	154,555	114,384	106,574
Other trading liabilities	62,901	96,252	92,504
Repurchase agreements and cash collateral on securities lent	345,337	1,598,128	477,217
Customer accounts	5,209,600	4,448,656	4,067,227
Debt securities in issue	999,279	1,077,436	1,255,174
Liabilities arising on securitisation	335,701	-	-
Current taxation liabilities	49,051	51,860	42,516
Deferred taxation liabilities	11,180	8,540	6,693
Other liabilities	351,838	899,216	798,485
	9,591,568	9,666,251	8,203,936
Subordinated liabilities	606,705	603,044	267,462
	10,198,273	10,269,295	8,471,398
Equity			
Called up share capital	555,000	505,000	505,000
Share premium account	37,365	37,365	37,365
Other reserves	1,415	14,922	10,920
Profit and loss account	228,641	252,734	222,768
Shareholders' equity excluding minority interest	822,421	810,021	776,053
Minority interest	84,001	66,478	64,564
Total equity	906,422	876,499	840,617
Total liabilities and equity	11,104,695	11,145,794	9,312,015

Consolidated statement of total recognised income and expenses

£'000	6 months to 30 Sept 2007	Year to 31 March 2007	6 months to 30 Sept 2006
Earnings attributable to shareholders	54,772	136,192	69,803
Total gains and losses recognised directly in equity	(10,449)	9,316	(1,256)
Fair value movements on available for sale assets	(18,581)	5,223	1,210
Foreign currency movements	8,132	4,093	(2,466)
Total recognised income and expenses	44,323	145,508	68,547
Total recognised income and expenses attributable to minority shareholders	9,994	12,581	1,866
Total recognised income and expenses attributable to ordinary shareholders	34,329	132,927	66,681
	44,323	145,508	68,547



Consolidated statement of changes in equity (summarised)

£'000	6 months to 30 Sept 2007	Year to 31 March 2007	6 months to 30 Sept 2006
Balance at the beginning of the period	876,499	587,794	587,794
Foreign currency adjustments	8,132	4,093	(2,466)
Issue of ordinary shares	50,000	151,000	151,000
Retained profit for the period attributable to ordinary shareholders	47,957	126,968	67,937
Retained profit for the period attributable to minority interests	6,815	9,224	1,866
Share based payments adjustments	(1,929)	3,533	1,224
Fair value movements on available for sale assets	(18,581)	5,223	1,210
Dividends paid to ordinary shareholders	(70,000)	(65,000)	(30,000)
Dividends paid to minority shareholders	-	(6,410)	-
Issue of equity instruments by subsidiaries	7,529	36,885	42,904
Movement of minorities on disposals and acquisitions	-	23,189	19,148
Balance at the end of the period	906,422	876,499	840,617

Segmental information - business analysis

For the six months to 30 September 2007

£'000	Private Client Activities	Capital Markets	Investment Banking	Property Activities	Group Services and Other Activities	Total Group
Net interest income	67,177	21,974	(3,842)	(56)	7,649	92,902
Fees and commissions receivable	32,543	24,556	36,348	224	681	94,352
Fees and commissions payable	(2,430)	(315)	(1,299)	-	(101)	(4,145)
Principal transactions	20,672	(3,228)	6,322	177	3,576	27,519
Operating income from associates	472	(44)	41	-	-	469
Other operating income	-	-	26,274	-	566	26,840
Other income	51,257	20,969	67,686	401	4,722	145,035
Total operating income	118,434	42,943	63,844	345	12,371	237,937
Impairment losses on loans and advances	(4,355)	(1,109)	-	-	-	(5,464)
Net operating income	114,079	41,834	63,844	345	12,371	232,473
Administrative expenses	(52,317)	(39,777)	(44,491)	(818)	(15,083)	(152,486)
Depreciation and impairment of property, equipment and intangibles	(510)	(1,867)	(3,341)	-	(1,006)	(6,724)
Operating profit before goodwill	61,252	190	16,012	(473)	(3,718)	73,263
Goodwill	-	-	-	-	-	-
Profit before taxation	61,252	190	16,012	(473)	(3,718)	73,263
Cost to income ratio	44.6%	97.0%	74.9%	237.1%	130.1%	66.9%

For the six months to 30 September 2006

£'000	Private Client Activities	Capital Markets	Investment Banking	Property Activities	Group Services and Other Activities	Total Group
Net interest income	55,868	18,677	(1,251)	(105)	4,661	77,850
Fees and commissions receivable	46,563	28,093	27,614	17	(692)	101,595
Fees and commissions payable	(2,086)	(222)	(870)	-	-	(3,178)
Principal transactions	6,847	22,323	3,094	278	161	32,703
Operating income from associates	177	(11)	78	-	98	342
Other operating income	-	-	9,308	-	675	9,983
Other income	51,501	50,183	39,224	295	242	141,445
Total operating income	107,369	68,860	37,973	190	4,903	219,295
Impairment losses on loans and advances	(1,325)	(122)	-	-	-	(1,447)
Net operating income	106,044	68,738	37,973	190	4,903	217,848
Administrative expenses	(49,385)	(39,191)	(25,030)	(73)	(15,741)	(129,420)
Depreciation and impairment of property, equipment and intangibles	(576)	(104)	(1,837)	-	(755)	(3,272)
Operating profit before goodwill	56,083	29,443	11,106	117	(11,593)	85,156
Goodwill	3,184	3,184	-	-	3,184	9,552
Profit before taxation	59,267	32,627	11,106	117	(8,409)	94,708
Cost to income ratio	46.5%	57.1%	70.8%	38.4%	336.4%	60.5%

Segmental information - geographical analysis

For the six months to 30 September 2007

£'000	UK and Europe	Australia	Total Group
Net interest income	67,634	25,268	92,902
Fees and commissions receivable	82,432	11,920	94,352
Fees and commissions payable	(3,915)	(230)	(4,145)
Principal transactions	12,252	15,267	27,519
Operating income from associates	274	195	469
Other operating income	24,546	2,294	26,840
Other income	115,589	29,446	145,035
Total operating income	183,223	54,714	237,937
Impairment losses on loans and advances	(618)	(4,846)	(5,464)
Net operating income	182,605	49,868	232,473
Administrative expenses	(124,909)	(27,577)	(152,486)
Depreciation and impairment of property, equipment and intangibles	(6,425)	(299)	(6,724)
Operating profit before goodwill	51,271	21,992	73,263
Goodwill	-	-	-
Profit before taxation	51,271	21,992	73,263
Taxation	(15,050)	(3,441)	(18,491)
Profit after taxation	36,221	18,551	54,772
Cost to income ratio	71.7%	50.9%	66.9%

For the six months to 30 September 2006

£'000	UK and Europe	Australia	Total Group
Net interest income	60,472	17,378	77,850
Fees and commissions receivable	90,101	11,494	101,595
Fees and commissions payable	(3,044)	(134)	(3,178)
Principal transactions	31,046	1,657	32,703
Operating income from associates	391	(49)	342
Other operating income	7,991	1,992	9,983
Other income	126,485	14,960	141,445
Total operating income	186,957	32,338	219,295
Impairment losses on loans and advances	(1,404)	(43)	(1,447)
Net operating income	185,553	32,295	217,848
Administrative expenses	(111,415)	(18,005)	(129,420)
Depreciation and impairment of property, equipment and intangibles	(2,607)	(665)	(3,272)
Operating profit before goodwill	71,531	13,625	85,156
Goodwill	-	9,552	9,552
Profit before taxation	71,531	23,177	94,708
Taxation	(20,288)	(4,617)	(24,905)
Profit after taxation	51,243	18,560	69,803
Cost to income ratio	61.0%	57.7%	60.5%

Asset quality

£'million	30 Sept 2007	31 March 2007
Loans and advances to customers (gross of impairments)*	5,633	4,595
less: assets warehoused for securitisation	(207)	(242)
Gross core loans and advances to customers	5,426	4,353
Net core loans and advances to customers	5,407	4,335
Specific impairments	17	16
Portfolio impairments	2	2
Total impairments	19	18
Gross default loans	51	51
Sub standard	12	13
Doubtful	1	1
Loss	38	37
Less: security	29	34
Net default loans (pre impairments held against these loans)	22	17
Adequacy of impairments		
Specific impairments as a % of gross core loans and advances to customers	0.31%	0.37%
Portfolio impairments as a % of net core loans and advances to customers	0.04%	0.05%
Total impairments as a % of gross core loans and advances to customers	0.35%	0.41%
Total impairments as a % of gross default loans	37.25%	35.29%
Total impairments as a % of net default loans	86.36%	105.88%
Specific impairments as a % of gross default loans	33.33%	31.37%
Specific impairments as a % of net default loans	77.27%	94.12%
Gross default loans as a % of gross core loans and advances to customers	0.94%	1.17%

* Excludes intergroup loans.

Capital adequacy

£'000	Restated		
	30 Sept 2007	31 March 2007	30 Sept 2006
Risk-weighted assets - banking activities	6,343,419	4,955,841	4,472,236
Trading activities - notional assets	482,608	358,333	547,988
Risk-weighted assets	6,826,027	5,314,174	5,020,224
Tier 1	838,326	803,311	769,265
Tier 2	601,850	606,693	247,782
Tier 3	16,994	21,254	20,720
Goodwill and impairments	(210,726)	(147,196)	(122,899)
Net qualifying capital	1,246,444	1,284,062	914,868
Qualifying capital as a percentage of RWA	18.3%	24.2%	18.2%
Tier 1 ratio	11.5%	14.1%	14.6%