



Investec plc and Investec Limited

(combined results)

Out of the Ordinary™

 **Investec**

Specialist Bank and
Asset Manager



Unaudited combined consolidated financial results in Pounds Sterling for the six months to 30 September 2013

Investec, the international specialist bank and asset manager, announces today its results for the six months to 30 September 2013.

Highlights

- Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests ("operating profit") increased 13.8% in Rands to R3,394 million (2012: R2,982 million)
- Asset Management reported results in Rands 23.9% ahead of the prior year and Wealth & Investment's results increased by 56.3% in Rands, with both divisions benefiting from higher levels of average funds under management and combined net inflows in excess of R27 billion
- The Specialist Banking business reported an increase in operating profit of 2.0% in Rands
- The South African Specialist Bank posted a strong performance from the majority of businesses, with operating profit increasing 45.4% in Rands
- In the UK Specialist Bank the ongoing business reported an operating profit of R1,144 million, whilst the legacy business reported a loss of R740 million
- In Australia a review of the business was undertaken and a number of businesses subsequently, closed down. Continuing operations reported an operating profit of R110 million
- Recurring income as a percentage of total operating income amounted to 72.1% (2012: 69.4%)
- Impairments have decreased by 16.6% in Rands, with the credit loss charge as a percentage of average gross core loans and advances improving from 0.84% at 31 March 2013 to 0.71%
- The group maintained a sound capital position with core/common equity tier one ratios of 9.1% for Investec plc (per Basel II) and 9.5% for Investec Limited (per Basel III).
- Liquidity remains strong with cash and near cash balances amounting to R140 billion

Financial features

As the group's results have been negatively impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of approximately 16% over the period, both Rand and Pound Sterling financial features are reflected in the table below:

	Results in Pounds Sterling			Results in Rand		
	Six months to 30 September 2013	Six months to 30 September 2012	% change	Six months to 30 September 2013	Six months to 30 September 2012	% change
Adjusted operating profit before taxation* (million)	£223	£228	(2.3)	R3 394	R2 982	13.8
Earnings attributable to shareholders (million)	£164	£167	(1.8)	R2 503	R2 187	14.4
Adjusted earnings attributable to shareholders** (million)	£164	£167	(1.8)	R2 499	R2 210	13.1
Adjusted earnings per share**	19.1p	19.5p	(2.1)	291c	258c	12.8
Basic earnings per share	16.3p	16.6p	(1.8)	249c	217c	14.7
Headline earnings per share	15.6p	15.8p	(1.3)	238c	207c	15.0
Dividends per share	8.0p	8.0p	–	131c	112c	17.0
Cost to income ratio	67.5%	64.8%				
	At 30 September 2013	At 31 March 2013	% change	At 30 September 2013	At 31 March 2013	% change
Net asset value per share	374.0p	384.2p	(2.7)	6 091c	5 362c	13.6
Total equity (million)	£4 005	£3 942	1.6	R65 225	R55 008	18.6
Total assets (million)	£47 530	£52 010	(8.6)	R774 036	R725 861	6.6
Core loans and advances (million)	£17 391	£18 415	(5.6)	R283 215	R257 002	10.2
Cash and near cash balances (million)	£8 619	£9 828	(12.3)	R140 362	R137 161	2.3
Customer deposits (million)	£23 231	£24 461	(5.3)	R378 320	R341 377	10.8
Third party assets under management (million)	£106 658	£110 678	3.6	R1 735 541	R1 544 639	12.4
Return on average adjusted shareholders' equity	10.0%	9.40%				
Return on average risk-weighted assets	1.13%	1.06%				
Defaults (net of impairments and before collateral) as a percentage of net core loans	2.74%	2.73%				
Loans and advances to customers as a percentage of customer deposits	71.1%	71.5%				

* Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests.

** Before goodwill, acquired intangibles, non-operating items and after total non-controlling interests.

Business highlights – operating profit in Rands

- Asset Management: increase of 23.9% to R1,081 million (2012: R873 million)
- Wealth & Investment: increase of 56.3% to R463 million (2012: R296 million)
- Specialist Banking: increase of 2.0% to R1,849 million (2012:R1,813 million)

About Investec

Investec is an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets, the United Kingdom, South Africa and Australia as well as certain other countries. The group was established in 1974 and currently has approximately 8 200 employees.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

In July 2002 the Investec group implemented a dual listed company structure with listings on the London and Johannesburg Stock Exchanges. The combined group's current market capitalisation is approximately R61 billion.

For further information

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Presentation/conference call details

A presentation on the results will commence at 9:00 UK time/11:00 SA time. Viewing options as below:

- Live on South African TV (Business day TV channel 412 DSTV)
- A live and delayed video webcast at www.investec.com
- Toll free numbers for the telephone conference facilities
 - SA participants: 0800 200 648
 - UK participants: 0800 917 7042
 - rest of Europe and other participants: +800 246 78 700
 - Australian participants: 1800 350 100
 - USA participants: 1866 752 6302

Investec plc
Incorporated in England and Wales
(Registration number 3633621)

JSE share code: INP

LSE share code: INV

ISIN: GB00B17BBQ50

Registered office:

2 Gresham Street

London, EC2V 7QP

United Kingdom

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

70 Marshall Street, Johannesburg, 2001

Company secretary:

D Miller*

Directors: Sir David J Prosser* (Joint Chairman), F Titi (Joint Chairman), S Koseff* (Chief Executive), B Kantor* (Managing Director), G F O Alford*, G R Burger*, C A Carolus, P K O Crosthwaite*, O C Dickson*, H J du Toit*, B Fried*, D Friedland, H Fukuda OBE*, I R Kantor, M P Malungani, P R S Thomas *Executive *British

S E Abrahams did not offer himself for re-election at the AGM held on 08 August 2013.

Sponsor: Investec Bank Limited

Investec Limited
Incorporated in the Republic of South Africa
(Registration number 1925/002833/06)

JSE share code: INL

NSX share code: IVD

BSE share code: INVESTEC

ISIN: ZAE000081949

Registered office:

100 Grayston Drive

Sandown

Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

70 Marshall Street, Johannesburg, 2001

Company secretary:

B Coetsee



Investec plc and Investec Limited

(combined results)



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Specialist Bank and
Asset Manager



Combined consolidated income statement

£'000	Six months to 30 September 2013	Six months to 30 September 2012*	Year to 31 March 2013*
Interest income	979 825	1 127 497	2 132 715
Interest expense	(661 411)	(777 731)	(1 429 108)
Net interest income	318 414	349 766	703 607
Fee and commission income	561 079	534 981	1 110 398
Fee and commission expense	(76 203)	(73 270)	(143 578)
Investment income	61 828	73 791	181 992
Trading income arising from			
– customer flow	54 431	34 223	70 859
– balance sheet management and other trading activities	13 668	25 408	34 038
Other operating income	8 577	20 976	42 153
Total operating income before impairment losses on loans and advances	941 794	965 875	1 999 469
Impairment losses on loans and advances	(83 087)	(115 640)	(251 012)
Operating income	858 707	850 235	1 748 457
Operating costs	(633 526)	(619 601)	(1 303 033)
Depreciation on operating leased assets	(3 856)	(9 765)	(16 072)
Operating profit before goodwill and acquired intangibles	221 325	220 869	429 352
Impairment of goodwill	(854)	(4 751)	(15 175)
Amortisation of acquired intangibles	(6 702)	(6 631)	(13 313)
Operating costs arising from integration, restructuring and partial disposal of subsidiaries	(15 239)	(9 462)	(13 119)
Operating profit	198 530	200 025	387 745
Non-operational costs arising from acquisition of subsidiary	–	(1 903)	(1 249)
Profit before taxation	198 530	198 122	386 496
Taxation on operating profit before goodwill and acquired intangibles	(38 616)	(42 222)	(79 064)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	5 827	4 022	5 977
Profit after taxation	165 741	159 922	313 409
Profit attributable to Asset Management non-controlling interests	(2 950)	(183)	(243)
Losses/(profit) attributable to other non-controlling interests	1 493	7 201	(3 074)
Earnings attributable to shareholders	164 284	166 940	310 092
Earnings attributable to shareholders	164 284	166 940	310 092
Impairment of goodwill	854	4 751	15 175
Amortisation of acquired intangibles, net of taxation	875	4 907	9 852
Operating costs arising from integration, restructuring and partial disposal of subsidiaries	15 239	9 067	11 852
Preference dividends paid	(23 961)	(25 021)	(39 104)
Additional earnings attributable to other equity holders	5 411	5 818	109
Currency hedge attributable to perpetual equity instruments	1 419	581	1 334
Earnings before goodwill impairment and non-operating items	164 121	167 043	309 310
Headline adjustments	(29 783)	(32 202)	(44 083)
Headline earnings	134 338	134 841	265 227
Earnings per share (pence)			
– Basic	16.3	16.6	31.7
– Diluted	15.4	15.7	29.8
Adjusted earnings per share (pence)			
– Basic	19.1	19.5	36.1
– Diluted	18.1	18.5	34.0
Headline earnings per share (pence)			
– Basic	15.6	15.8	31.0
– Diluted	14.8	14.9	29.2
Number of weighted average shares – (million)	859.6	855.2	856.0

*As restated for restatements detailed in the commentary section of this report.

Combined consolidated statement of comprehensive income

£'000	Six months to 30 September 2013	Six months to 30 September 2012*	Year to 31 March 2013*
Profit after taxation	165 741	159 922	313 409
Other comprehensive (loss)/ income:			
Fair value movements on cash flow hedges taken directly to other comprehensive income [†]	(7 772)	(9 535)	(16 202)
Gains on realisation of available-for-sale assets recycled through the income statement [†]	(3 123)	(11 007)	(1 713)
Fair value movements on available-for-sale assets recycled through other comprehensive income [†]	(17 588)	10 778	4 387
Foreign currency adjustments on translating foreign operations	(276 215)	(144 687)	(182 532)
Pension fund actuarial losses [^]	–	–	(7 078)
Total comprehensive (loss)/income	(138 957)	5 471	110 271
Total comprehensive loss attributable to non-controlling interests	(16 188)	(19 607)	(15 815)
Total comprehensive (loss)/income attributable to ordinary shareholders	(146 730)	57	86 982
Total comprehensive income attributable to perpetual preferred securities	23 961	25 021	39 104
Total comprehensive (loss)/income	(138 957)	5 471	110 271

* As restated for restatements detailed in the commentary section of this report.

[†]Net of taxation of six months to 30 September 2013: £2.4 million; (six months to September 2012: £3.1 million; Year to 31 March 2013: £8.2 million).

[^]Pension fund actuarial losses will not be reclassified to the income statement.

Summarised combined consolidated statement of changes in equity

£'000	Six months to 30 September 2013	Six months to 30 September 2012*	Year to 31 March 2013*
Balance at the beginning of the period	3 941 515	3 958 125	3 958 125
Total comprehensive (loss)/income for the period	(138 957)	5 471	110 271
Share-based payments adjustments	33 204	34 382	63 154
Dividends paid to ordinary shareholders	(81 906)	(78 622)	(147 660)
Dividends paid to perpetual preference shareholders	(23 961)	(25 021)	(39 104)
Dividends paid to non-controlling interests	(265)	(116)	(230)
Issue of ordinary shares	31 650	34 685	34 685
Issue of perpetual preference shares	–	24 263	24 263
Acquisition of non-controlling interests	(254)	(4 111)	(3 814)
Non-controlling interest relating to disposal of subsidiaries	–	220	220
Movement of treasury shares	(46 614)	(27 315)	(58 395)
Capital conversion of subsidiary**	126 681	–	–
Non-controlling interests relating to partial disposal of subsidiaries [^]	164 067	–	–
Balance at the end of the period	4 005 160	3 921 961	3 941 515

* As restated for restatements detailed in the commentary section of this report.

** On 16 August 2013 the Investec Property Fund converted subordinated debt in issue to equity.

[^] The increase in equity of £164 million relates to the 15% disposal of Investec Asset Management

Combined consolidated balance sheet

At £'000	30 September 2013	31 March 2013*	30 September 2012*	31 March 2012*
Assets				
Cash and balances at central banks	1 943 845	1 782 447	1 964 616	2 593 851
Loans and advances to banks	2 420 703	3 136 051	2 554 623	2 725 471
Non-sovereign and non-bank cash placements	474 151	420 960	736 548	642 480
Reverse repurchase agreements and cash collateral on securities borrowed	1 565 256	2 358 672	2 268 021	975 992
Sovereign debt securities	3 465 113	4 077 217	4 078 756	4 067 093
Bank debt securities	1 733 907	1 879 105	2 452 196	3 081 061
Other debt securities	574 285	449 216	379 491	377 832
Derivative financial instruments	2 001 005	1 983 132	1 941 073	1 913 650
Securities arising from trading activities	978 648	931 603	742 879	640 146
Investment portfolio	852 199	928 893	807 996	863 664
Loans and advances to customers	16 519 838	17 484 524	16 834 925	17 192 208
Own originated loans and advances to customers securitised	871 161	930 449	917 033	1 034 174
Other loans and advances	1 899 718	2 033 973	2 153 433	2 789 489
Other securitised assets	3 806 822	4 003 208	4 179 537	4 021 378
Interests in associated undertakings	25 728	27 950	27 425	27 506
Deferred taxation assets	132 750	165 457	153 849	150 381
Other assets	1 720 278	1 959 550	1 407 648	1 798 687
Property and equipment	124 398	134 101	137 550	175 773
Investment properties	395 277	451 975	395 202	407 295
Goodwill	456 284	466 906	470 716	468 320
Intangible assets	167 871	178 567	187 249	192 099
	42 129 237	45 783 956	44 790 766	46 138 550
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	5 400 964	6 226 142	6 234 294	6 265 846
	47 530 201	52 010 098	51 025 060	52 404 396
Liabilities				
Deposits by banks	2 351 429	3 047 636	2 799 154	3 035 323
Derivative financial instruments	1 208 577	1 443 325	1 560 408	1 421 130
Other trading liabilities	850 068	851 939	676 970	612 884
Repurchase agreements and cash collateral on securities lent	1 333 388	1 940 158	1 936 204	1 864 137
Customer accounts (deposits)	23 231 372	24 460 666	24 621 676	25 275 876
Debt securities in issue	1 636 276	1 901 776	1 624 648	2 243 948
Liabilities arising on securitisation of own originated loans and advances	892 173	926 335	922 347	1 036 674
Liabilities arising on securitisation of other assets	3 036 339	3 303 606	3 411 951	3 314 737
Current taxation liabilities	200 818	210 475	210 724	209 609
Deferred taxation liabilities	108 181	109 628	113 254	102 478
Other liabilities	1 865 756	1 895 091	1 337 263	1 570 853
	36 714 377	40 090 635	39 214 599	40 687 649
Liabilities to customers under investment contracts	5 399 181	6 224 062	6 232 217	6 263 913
Insurance liabilities, including unit-linked liabilities	1 782	2 080	2 077	1 933
	42 115 340	46 316 777	45 448 893	46 953 495
Subordinated liabilities	1 409 701	1 751 806	1 654 206	1 492 776
	43 525 041	48 068 583	47 103 099	48 446 271
Equity				
Ordinary share capital	224	223	223	221
Perpetual preference share capital	153	153	153	153
Share premium	2 490 408	2 494 618	2 502 909	2 457 019
Treasury shares	(62 762)	(89 545)	(74 746)	(72 820)
Other reserves	(376 541)	(93 537)	(59 105)	82 327
Retained income	1 543 448	1 349 560	1 276 139	1 195 118
Shareholders' equity excluding non-controlling interests	3 594 930	3 661 472	3 645 573	3 662 018
Non-controlling interests	410 230	280 043	276 388	296 107
– Perpetual preferred securities issued by subsidiaries	261 425	279 041	273 880	291 769
– Non-controlling interests in partially held subsidiaries	148 805	1 002	2 508	4 338
Total equity	4 005 160	3 941 515	3 921 961	3 958 125
Total liabilities and equity	47 530 201	52 010 098	51 025 060	52 404 396

* As restated for restatements detailed in the commentary section of this report.

Summarised combined consolidated cash flow statement

£'000	Six months to 30 September 2013	Six months to 30 September 2012*	Year to 31 March 2013*
Cash inflows from operations	340 100	364 831	709 989
(Decrease)/increase in operating assets	300 556	(1 788 447)	(4 262 373)
(Decrease)/increase in operating liabilities	(104 398)	600 505	2 151 009
Net cash inflow/(outflow) from operating activities	536 258	(823 111)	(1 401 375)
Net cash inflow/(outflow) from investing activities	128 257	(79 796)	(25 733)
Net cash (outflow)/inflow from financing activities	(254 137)	203 386	187 894
Effects of exchange rate changes on cash and cash equivalents	(195 790)	(118 413)	(142 019)
Net increase/(decrease) in cash and cash equivalents	214 588	(817 934)	(1 381 233)
Cash and cash equivalents at the beginning of the period	3 561 573	4 942 806	4 942 806
Cash and cash equivalents at the end of the period	3 776 161	4 124 872	3 561 573

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

* As restated for restatements detailed in the commentary section of this report.



Investec

Segmental geographic and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests for the six months to 30 September 2013

£'000	UK and other	Southern Africa	Australia	Total group
Asset Management	33 446	38 494	–	71 940
Wealth & Investment	20 690	10 151	–	30 841
Specialist Banking	26 881	107 081	(13 925)	120 037
ongoing business	76 159	107 081	7 848	191 088
legacy business	(49 278)	–	(21 773)	(71 051)
Total group	81 017	155 726	(13 925)	222 818
Non-controlling interest – equity				(1 493)
Operating profit before goodwill and acquired intangibles				221 325

Commentary

Investec plc and Investec Limited (combined results)
Unaudited combined consolidated financial results for the six months to 30 September 2013

OVERALL GROUP PERFORMANCE

Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after other non-controlling interests ("operating profit") decreased 2.3% to GBP222.8 million (2012: GBP228.1 million). Overall group results have been negatively impacted by the depreciation of the average Rand: Pounds Sterling exchange rate of approximately 16% over the period.

Asset Management reported results 6.8% ahead of the prior year and Wealth & Investment's results increased 35.0%, with both divisions benefitting from higher levels of average funds under management and net inflows of GBP1.4 billion and GBP400 million, respectively. Operating profit in the Specialist Banking business declined 12.9% largely due to the depreciation of the Rand and lower investment and fee income earned in the UK and Australian banking businesses, partially offset by a strong performance from the South African banking business and a substantial decline in impairments.

The combined South African business reported an increase in operating profit of 35.6% in Rand terms benefitting from growth in revenue and fixed cost containment. The combined UK business reported results behind the prior period, but significantly ahead of the second half of the 2013 financial year. The Australian business was strategically restructured with a focus on improving profitability and returns and enhancing operational efficiencies.

Salient features of the period under review are:

- Adjusted earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items decreased 1.7% to GBP164.1 million (2012: GBP167.0 million) – an increase of 13.2% on a currency neutral basis.
- Adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items decreased 2.1% from 19.5 pence to 19.1 pence – an increase of 12.4% on a currency neutral basis.
- Recurring income as a percentage of total operating income amounted to 72.1% (2012: 69.4%).
- The annualised credit loss charge as a percentage of average gross core loans and advances has improved from 0.84% at 31 March 2013 to 0.71%, with impairments decreasing by 28.2% to GBP83.1 million.
- Third party assets under management decreased 3.6% to GBP106.7 billion (31 March 2013: GBP110.7 billion) – an increase of 2.6% on a currency neutral basis.
- Customer accounts (deposits) decreased 5.3% to GBP23.2 billion (31 March 2013: GBP24.5 billion) - an increase of 4.3% on a currency neutral basis.
- Core loans and advances decreased 5.6% to GBP17.4 billion (31 March 2013: GBP18.4 billion) - an increase of 4.7% on a currency neutral basis.
- The board declared a dividend of 8.0 pence per ordinary share (2012: 8.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 2.4 times (2012: 2.5 times), consistent with the group's dividend policy.

BUSINESS UNIT REVIEW

The group's asset management and wealth management businesses have sound franchises and remain focused on broadening their client base and generating net inflows. Further investment in distribution platforms, IT and online infrastructure and experienced portfolio managers is important for supporting future revenue growth in these businesses. The challenge for the group remains to ensure its Specialist Banking businesses are in the best possible shape to take advantage of the upturn in markets and generate the appropriate shareholder returns. The group has made progress in this regard with the focus remaining on efficiency and balance sheet optimisation, whilst growing the business organically and managing down the legacy portfolios.

Asset Management

Asset Management increased operating profit 6.8% to GBP71.9 million (2012: GBP67.4 million) benefitting from higher average funds under management and net inflows of GBP1.4 billion. Total funds under management amount to GBP66.2 billion (31 March 2013: GBP69.8 billion). Operating margin has remained stable at 34.3%. The division's long-term investment performance remains solid with 88% of portfolios outperforming benchmarks on a 10-year annualised basis. The sale of the 15% stake in the business to management was completed on 31 July 2013.

Wealth & Investment

Wealth & Investment operating profit increased by 35.0% to GBP30.8 million (2012: GBP22.9 million) supported by higher average funds under management, net inflows of GBP0.4 billion and improved operating margins. Total funds under management amount to GBP40.0 billion (31 March 2013: GBP40.4 billion). The business in the UK has expanded its footprint across the region, successfully completing the integration of the Williams de Broë business. In addition, the business in South Africa has benefitted from greater co-operation with the Private Bank in leveraging the group's private client platform, and has made progress in integrating and leveraging off the division's global investment platform.

Specialist Banking

Specialist Banking operating profit decreased by 12.9% to GBP120.0 million (2012: GBP137.8 million).

South Africa saw strong growth in net fee and commission income driven largely by an increase in corporate and property fund fees. Improved customer flow activity has resulted in an increase in trading income. The unlisted private equity portfolio performed well during the period. The group continued to grow its professional finance business and the investment and trading property portfolios delivered a sound performance.

In the UK the principal investment portfolios performed well and the division recorded good growth in its professional and specialised lending and asset finance loan portfolios. Lower fee and commission income was recorded in the period however, deal pipelines remain sound. Investment and trading income was negatively impacted by lower returns earned on the fixed income portfolio. The ongoing business reported operating profit of GBP76.1 million, whilst the legacy business reported a loss of GBP49.2 million.

Following a review conducted in Australia, a number of businesses which lacked scale or alignment with the greater group were closed. The restructure costs resulting from this action are included in the current period's results. Focus remains on building businesses in select niches which are strategically aligned with the broader group. The continuing operations made an operating profit of A\$11.9 million during the period.

Further information on key developments within each of the business units is provided in a detailed report published on the group's website: <http://www.investec.com>

FINANCIAL STATEMENT ANALYSIS

Total operating income

Total operating income before impairment losses on loans and advances decreased by 2.5% to GBP941.8 million (2012: GBP965.9 million).

Net interest income decreased by 9.0% to GBP318.4 million (2012: GBP349.8 million) largely due to a lower return earned on the group's liquid asset and cash portfolio in South Africa following a decrease in interest rates, and less interest earned on the legacy portfolios which are running down. This was partially offset by loan book growth and lower cost of funding, notably in the UK and Australia.

Net fee and commission income increased by 5.0% to GBP484.9 million (2012: GBP461.7 million) as a result of higher average funds under management and net inflows in the asset management and wealth management businesses. The Specialist Banking business recorded a decrease in net fees and commissions due to lower corporate fees earned in the UK and Australia, with the South African business benefitting from increased client activity.

Investment income decreased by 16.2% to GBP61.8 million (2012: GBP73.8 million). The group's private equity investment portfolios performed well, however, results were offset by lower income earned on the fixed income portfolio in the UK.

Trading income arising from customer flow increased 59.0% to GBP54.4 million (2012:GBP34.2 million) whilst trading income from other trading activities decreased by 46.2% to GBP13.7 million (2012: GBP25.4 million) due to gains arising from the sale of bonds not repeated in the current period.

Other operating income includes associate income and income earned on an operating lease portfolio.

Impairment losses on loans and advances

Impairments on loans and advances decreased from GBP115.6 million to GBP83.1 million. Australia reported an increase whilst impairments in the UK and South Africa were much improved.

Since 31 March 2013 gross defaults have improved from GBP792.2 million to GBP757.5 million. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounted to 2.74% (31 March 2013: 2.73%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.17 times (31 March 2013: 1.26 times).

Operating costs

The ratio of total operating costs to total operating income was 67.5% (2012:64.8%).

Total operating costs grew by 2.2% to GBP633.5 million (2012: GBP619.6 million) as a result of growth in the asset management and wealth management businesses. Costs in the Specialist Bank have remained flat to marginally higher in home currencies.

Impairment of goodwill

The current period's goodwill impairment largely relates to Asset Management businesses acquired in prior years.

Amortisation of acquired intangibles

Amortisation of acquired intangibles relates to the Wealth & Investment business and mainly comprises amortisation of amounts attributable to client relationships.

Operating costs arising from restructuring and partial disposal of subsidiaries

Operating costs arising from restructuring and partial disposal of subsidiaries includes costs associated with the restructuring of the Australian business, as mentioned above, and operational costs associated with the implementation of the Asset Management transaction.

Taxation

The effective tax rate amounts to 17.4% (2012:19.1%).

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests mainly comprises:

- GBP2.9 million profit attributable to non-controlling interests in the asset management business.
- GBP0.4 million profit attributable to other non-controlling interests.
- A loss of GBP1.9 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of non-controlling interests. (The transaction is hedged and a forex transaction loss arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to non-controlling interests).

Balance sheet analysis

Since 31 March 2013:

- Total shareholders' equity (including non-controlling interests) increased by 1.6% to GBP4.0 billion – an increase of 8.6% on a currency neutral basis. The weakening of the closing Rand and Australian exchange rates relative to Pounds Sterling has resulted in a reduction in total equity of GBP276 million.
- Net asset value per share decreased 2.7% to 374.0 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 2.2% to 304.1 pence largely as a result of the depreciation of the Rand as described above. On a currency neutral basis net asset value per share and net tangible asset value per share increased by 5.1% and 7.0%, respectively.
- The return on adjusted average shareholders' equity increased from 9.4% to 10.0%.

Liquidity and funding

Diversifying funding sources has been a key element in improving the resilience of the group's balance sheet and reducing its reliance on wholesale funding. As at 30 September 2013 the group held GBP8.6 billion in cash and near cash balances (GBP4.0 billion in Investec plc and R74.5 billion in Investec Limited) which amounted to 31.0% of its liability base. Loans and advances to customers as a percentage of customer deposits amounted to 71.1% (31 March 2013: 71.3%).

Capital adequacy and leverage ratios

The group is targeting a minimum core/common equity tier one capital ratio above 10% by March 2016 and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited respectively. Basel III was implemented on 1 January 2013 in South Africa and Australia and this had a moderate effect on capital ratios. The group's anticipated fully loaded Basel III core tier 1 capital adequacy ratios in both Investec plc and Investec Limited are reflected in the table below.

Segmental geographic and business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests for the six months to 30 September 2012*

£'000	UK and other	Southern Africa	Australia	Total group
Asset Management	28 081	39 299	–	67 380
Wealth & Investment	14 223	8 628	–	22 851
Specialist Banking	47 328	85 756	4 755	137 839
ongoing business	82 415	85 756	17 020	185 191
legacy business	(35 087)	–	(12 265)	(47 352)
Total group	89 632	133 683	4 755	228 070
Non-controlling interest – equity				(7 201)
Operating profit before goodwill and acquired intangibles				220 869

* As restated for restatements detailed in the commentary section of this report.

	30 Sep 2013	31 Mar 2013
Investec plc		
Capital adequacy ratio (as reported in terms of Basel II)	16.7%	16.7%
Tier 1 ratio (as reported in terms of Basel II)	11.2%	11.0%
Core tier 1 ratio (as reported in terms of Basel II)	9.1%	8.8%
Core tier 1 ratio (anticipated Basel III "fully loaded")	8.7%	
Leverage ratio (current)	7.7%	
Leverage ratio (anticipated Basel III "fully loaded")	6.0%	
Investec Limited		
Capital adequacy ratio (as reported in terms of Basel III)	15.4%	15.6%
Tier 1 ratio (as reported in terms of Basel III)	11.2%	10.8%
Common equity tier 1 ratio (as reported in terms of Basel III)	9.5%	8.9%
Common equity tier 1 ratio (anticipated Basel III "fully loaded")	9.4%	
Leverage ratio (current)	7.5%	
Leverage ratio (anticipated Basel III "fully loaded")	6.5%	

*Based on the group's understanding of current and draft regulations. "Fully loaded" is based on Basel III capital requirements as fully phased in by 2022.

OUTLOOK

Whilst economic conditions remain mixed, the overall group is improving in shape and capability. Significant progress has been made in identifying and addressing the drag on overall performance. The group will continue to realign the business model to position the business appropriately for future growth and development and the achievement of its financial targets.

On behalf of the boards of Investec plc and Investec Limited

Sir David J Prosser <i>Joint Chairman</i>	Fani Titi <i>Joint Chairman</i>	Stephen Koseff <i>Chief Executive Officer</i>	Bernard Kantor <i>Managing Director</i>
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20 November 2013

NOTES TO THE COMMENTARY SECTION ABOVE

• Presentation of financial information

Investec operates under a Dual Listed Companies (DLC) structure with premium/primary listings of Investec plc on the London Stock Exchange and Investec Limited on the JSE Limited.

In terms of the contracts constituting the DLC structure, Investec plc and Investec Limited effectively form a single economic enterprise in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The directors of the two companies consider that for financial reporting purposes, the fairest presentation is achieved by combining the results and financial position of both companies.

Accordingly, the interim results for Investec plc and Investec Limited present the results and financial position of the combined DLC group under International Financial Reporting Standards (IFRS), denominated in Pounds Sterling. In the commentary above, all references to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

Unless the context indicates otherwise, all comparatives included in the commentary above relate to the six months ended 30 September 2012.

Amounts represented on a currency neutral basis for balance sheet items assume that the closing exchange rates of the group's relevant exchange rates, as reflected below, remain the same as at 30 September 2013 when compared to 31 March 2013. Amounts represented on a currency neutral basis for income statement items assume that the average exchange rates of the group's relevant exchange rates, as reflected below, remain the same as at 30 September 2013 when compared to 30 September 2012.

• Foreign currency impact

The group's reporting currency is Pounds Sterling. Certain of the group's operations are conducted by entities outside the UK. The results of operations and the financial position of the individual companies are reported in the local currencies in which they are domiciled, including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in the group's combined consolidated financial statements. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period:

Currency per GBP1.00	Six months to 30 Sep 2013		Year to 31 Mar 2013		Six months to 30 Sep 2012	
	Period end	Average	Period end	Average	Period end	Average
South African Rand	16.29	15.03	13.96	13.44	13.39	12.96
Australian Dollar	1.73	1.63	1.46	1.53	1.55	1.54
Euro	1.20	1.17	1.18	1.23	1.26	1.24
US Dollar	1.62	1.54	1.52	1.58	1.61	1.58

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average exchange rate over the period has depreciated by 16.0% and the closing rate has depreciated by 16.7% since 31 March 2013.

• ACCOUNTING POLICIES AND DISCLOSURES

These unaudited summarised combined consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34, (Interim Financial Reporting).

The accounting policies applied in the preparation of the results for the period to 30 September 2013 are consistent with those adopted in the financial statements for the year ended 31 March 2013 except as noted below.

The group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 13 Fair Value Measurement, Presentation of other comprehensive income (Amendments to IAS 1), IAS19 Employee Benefits.

The financial results have been prepared under the supervision of Glynn Burger, the Group Risk and Finance Director. The financial statements for the six months to 30 September 2013 will be posted to stakeholders on 29 November 2013. These accounts will be available on the group's website at the same date.

ACCOUNTING RESTATEMENTS AND ADOPTION OF IFRS 13

The group has adopted the following new or revised standards from 1 April 2013:

IFRS 10 – Consolidations

The revised standard on consolidation has been applied retrospectively, with the impact to prior reported periods disclosed in the restatement tables below. The application of the single definition of control contained in the standard has resulted in the consolidation of certain special purpose vehicles in which the group has exposure to variable returns (not necessarily the majority thereof) and has the ability to affect such returns by exercising control over the activities of the entity.

IFRS 13 – Fair value

The new accounting standard has been applied prospectively from 1 April 2013. The standard defines fair value as being a market-based measurement and sets out in a single IFRS a framework for the measurement of fair value. Application of the standard has not had a material impact on the recognition and measurement of assets and liabilities of the group.

IAS 19 – Employee Benefits

The revisions to the standard have been applied retrospectively. For the group the standard has revised the basis on which the return on assets is determined, with a relatively immaterial impact.

The impact to the comparative balance sheets and income statements are provided in the tables below:

Combined consolidated balance sheet

£'000	31 March 2013 As reported	IFRS 10	31 March 2013 Restated
Assets			
Cash and balances at central banks	1 782 447	–	1 782 447
Loans and advances to banks	3 129 646	6 405	3 136 051
Non-sovereign and non-bank cash placements	420 960	–	420 960
Reverse repurchase agreements and cash collateral on securities borrowed	2 358 672	–	2 358 672
Sovereign debt securities	4 077 217	–	4 077 217
Bank debt securities	1 879 105	–	1 879 105
Other debt securities	457 652	(8 436)	449 216
Derivative financial instruments	1 982 571	561	1 983 132
Securities arising from trading activities	931 603	–	931 603
Investment portfolio	960 364	(31 471)	928 893
Loans and advances to customers	17 484 524	–	17 484 524
Own originated loans and advances to customers securitised	930 449	–	930 449
Other loans and advances	2 117 743	(83 770)	2 033 973
Other securitised assets	2 882 592	1 120 616	4 003 208
Interests in associated undertakings	27 950	–	27 950
Deferred taxation assets	165 457	–	165 457
Other assets	1 960 438	(888)	1 959 550
Property and equipment	126 538	7 563	134 101
Investment properties	451 975	–	451 975
Goodwill	466 906	–	466 906
Intangible assets	178 567	–	178 567
	44 773 376	1 010 580	45 783 956
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	6 226 142	–	6 226 142
	50 999 518	1 010 580	52 010 098
Liabilities			
Deposits by banks	2 976 464	71 172	3 047 636
Derivative financial instruments	1 443 325	–	1 443 325
Other trading liabilities	851 939	–	851 939
Repurchase agreements and cash collateral on securities lent	1 940 158	–	1 940 158
Customer accounts (deposits)	24 531 838	(71 172)	24 460 666
Debt securities in issue	1 901 776	–	1 901 776
Liabilities arising on securitisation of own originated loans and advances	926 335	–	926 335
Liabilities arising on securitisation of other assets	2 237 581	1 066 025	3 303 606
Current taxation liabilities	210 475	–	210 475
Deferred taxation liabilities	109 628	–	109 628
Other liabilities	1 887 402	7 689	1 895 091
	39 016 921	1 073 714	40 090 635
Liabilities to customers under investment contracts	6 224 062	–	6 224 062
Insurance liabilities including unit-linked liabilities	2 080	–	2 080
	45 243 063	1 073 714	46 316 777
Subordinated liabilities	1 751 806	–	1 751 806
	46 994 869	1 073 714	48 068 583
Equity			
Ordinary share capital	223	–	223
Perpetual preference share capital	153	–	153
Share premium	2 494 618	–	2 494 618
Treasury shares	(89 545)	–	(89 545)
Other reserves	(93 082)	(455)	(93 537)
Retained income	1 412 239	(62 679)	1 349 560
Shareholders' equity excluding non-controlling interests	3 724 606	(63 134)	3 661 472
Non-controlling interests	280 043	–	280 043
– Perpetual preferred securities issued by subsidiaries	279 041	–	279 041
– Non controlling interests in partially held subsidiaries	1 002	–	1 002
Total equity	4 004 649	(63 134)	3 941 515
Total liabilities and equity	50 999 518	1 010 580	52 010 098

Combined consolidated balance sheet

£'000	30 September 2012 As reported	IFRS 10	30 September 2012 Restated
Assets			
Cash and balances at central banks	1 964 616	–	1 964 616
Loans and advances to banks	2 548 691	5 932	2 554 623
Non-sovereign and non-bank cash placements	736 548	–	736 548
Reverse repurchase agreements and cash collateral on securities borrowed	2 268 021	–	2 268 021
Sovereign debt securities	4 078 756	–	4 078 756
Bank debt securities	2 452 196	–	2 452 196
Other debt securities	379 491	–	379 491
Derivative financial instruments	1 941 073	–	1 941 073
Securities arising from trading activities	742 879	–	742 879
Investment portfolio	835 136	(27 140)	807 996
Loans and advances to customers	16 834 925	–	16 834 925
Own originated loans and advances to customers securitised	917 033	–	917 033
Other loans and advances	2 193 571	(40 138)	2 153 433
Other securitised assets	3 303 116	876 421	4 179 537
Interests in associated undertakings	27 425	–	27 425
Deferred taxation assets	153 849	–	153 849
Other assets	1 410 455	(2 807)	1 407 648
Property and equipment	132 491	5 059	137 550
Investment properties	395 202	–	395 202
Goodwill	470 716	–	470 716
Intangible assets	187 249	–	187 249
	43 973 439	817 327	44 790 766
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	6 234 294	–	6 234 294
	50 207 733	817 327	51 025 060
Liabilities			
Deposits by banks	2 732 271	66 883	2 799 154
Derivative financial instruments	1 560 408	–	1 560 408
Other trading liabilities	676 970	–	676 970
Repurchase agreements and cash collateral on securities lent	1 936 204	–	1 936 204
Customer accounts (deposits)	24 688 559	(66 883)	24 621 676
Debt securities in issue	1 624 648	–	1 624 648
Liabilities arising on securitisation of own originated loans and advances	922 347	–	922 347
Liabilities arising on securitisation of other assets	2 541 900	870 051	3 411 951
Current taxation liabilities	210 724	–	210 724
Deferred taxation liabilities	113 254	–	113 254
Other liabilities	1 335 279	1 984	1 337 263
	38 342 564	872 035	39 214 599
Liabilities to customers under investment contracts	6 232 217	–	6 232 217
Insurance liabilities including unit-linked liabilities	2 077	–	2 077
	44 576 858	872 035	45 448 893
Subordinated liabilities	1 654 206	–	1 654 206
	46 231 064	872 035	47 103 099
Equity			
Ordinary share capital	223	–	223
Perpetual preference share capital	153	–	153
Share premium	2 502 909	–	2 502 909
Treasury shares	(74 746)	–	(74 746)
Other reserves	(60 326)	1 221	(59 105)
Retained income	1 332 068	(55 929)	1 276 139
Shareholders' equity excluding non-controlling interests	3 700 281	(54 708)	3 645 573
Non-controlling interests	276 388	–	276 388
– Perpetual preferred securities issued by subsidiaries	273 880	–	273 880
– Non controlling interests in partially held subsidiaries	2 508	–	2 508
Total equity	3 976 669	(54 708)	3 921 961
Total liabilities and equity	50 207 733	817 327	51 025 060

Combined consolidated balance sheet

£'000	31 March 2012 As reported	IFRS 10	31 March 2012 Restated
Assets			
Cash and balances at central banks	2 593 851	–	2 593 851
Loans and advances to banks	2 725 347	124	2 725 471
Non-sovereign and non-bank cash placements	642 480	–	642 480
Reverse repurchase agreements and cash collateral on securities borrowed	975 992	–	975 992
Sovereign debt securities	4 067 093	–	4 067 093
Bank debt securities	3 081 061	–	3 081 061
Other debt securities	377 832	–	377 832
Derivative financial instruments	1 913 650	–	1 913 650
Securities arising from trading activities	640 146	–	640 146
Investment portfolio	890 702	(27 038)	863 664
Loans and advances to customers	17 192 208	–	17 192 208
Own originated loans and advances to customers securitised	1 034 174	–	1 034 174
Other loans and advances	2 829 189	(39 700)	2 789 489
Other securitised assets	3 101 422	919 956	4 021 378
Interests in associated undertakings	27 506	–	27 506
Deferred taxation assets	150 381	–	150 381
Other assets	1 802 121	(3 434)	1 798 687
Property and equipment	171 685	4 088	175 773
Investment properties	407 295	–	407 295
Goodwill	468 320	–	468 320
Intangible assets	192 099	–	192 099
	45 284 554	853 996	46 138 550
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	6 265 846	–	6 265 846
	51 550 400	853 996	52 404 396
Liabilities			
Deposits by banks	2 967 428	67 895	3 035 323
Derivative financial instruments	1 421 130	–	1 421 130
Other trading liabilities	612 884	–	612 884
Repurchase agreements and cash collateral on securities lent	1 864 137	–	1 864 137
Customer accounts (deposits)	25 343 771	(67 895)	25 275 876
Debt securities in issue	2 243 948	–	2 243 948
Liabilities arising on securitisation of own originated loans and advances	1 036 674	–	1 036 674
Liabilities arising on securitisation of other assets	2 402 043	912 694	3 314 737
Current taxation liabilities	209 609	–	209 609
Deferred taxation liabilities	102 478	–	102 478
Other liabilities	1 575 154	(4 301)	1 570 853
	39 779 256	908 393	40 687 649
Liabilities to customers under investment contracts	6 263 913	–	6 263 913
Insurance liabilities including unit-linked liabilities	1 933	–	1 933
	46 045 102	908 393	46 953 495
Subordinated liabilities	1 492 776	–	1 492 776
	47 537 878	908 393	48 446 271
Equity			
Ordinary share capital	221	–	221
Perpetual preference share capital	153	–	153
Share premium	2 457 019	–	2 457 019
Treasury shares	(72 820)	–	(72 820)
Other reserves	82 327	–	82 327
Retained income	1 249 515	(54 397)	1 195 118
Shareholders' equity excluding non-controlling interests	3 716 415	(54 397)	3 662 018
Non-controlling interests	296 107	–	296 107
– Perpetual preferred securities issued by subsidiaries	291 769	–	291 769
– Non controlling interests in partially held subsidiaries	4 338	–	4 338
Total equity	4 012 522	(54 397)	3 958 125
Total liabilities and equity	51 550 400	853 996	52 404 396

Combined consolidated income statement

For the year to £'000	31 March 2013 As reported	IFRS 10	IAS 19	31 March 2013 Restated
Interest income	2 131 765	(301)	1 251	2 132 715
Interest expense	(1 429 239)	131	–	(1 429 108)
Net interest income	702 526	(170)	1 251	703 607
Fee and commission income	1 117 551	(7 153)	–	1 110 398
Fee and commission expense	(144 876)	1 298	–	(143 578)
Investment income	182 889	(897)	–	181 992
Trading income arising from	–	–	–	–
– customer flow	70 859	–	–	70 859
– balance sheet management and other trading activities	35 398	(1 360)	–	34 038
Other operating income	42 153	–	–	42 153
Total operating income before impairment on loans and advances	2 006 500	(8 282)	1 251	1 999 469
Impairment losses on loans and advances	(251 012)	–	–	(251 012)
Operating income	1 755 488	(8 282)	1 251	1 748 457
Operating costs	(1 302 929)	–	(104)	(1 303 033)
Depreciation on operating leased assets	(16 072)	–	–	(16 072)
Operating profit before goodwill and acquired intangibles	436 487	(8 282)	1 147	429 352
Impairment of goodwill	(15 175)	–	–	(15 175)
Amortisation of acquired intangibles	(13 313)	–	–	(13 313)
Cost arising from integration of acquired subsidiaries	(13 119)	–	–	(13 119)
Operating profit	394 880	(8 282)	1 147	387 745
Non-operational costs arising from acquisition of subsidiary	(1 249)	–	–	(1 249)
Profit before taxation	393 631	(8 282)	1 147	386 496
Taxation on operating profit before goodwill	(78 800)	–	(264)	(79 064)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	5 977	–	–	5 977
Profit after taxation	320 808	(8 282)	883	313 409
Operating (income)/losses attributable to non-controlling interests	(3 317)	–	–	(3 317)
Earnings attributable to shareholders	317 491	(8 282)	883	310 092

Combined consolidated income statement

For the year to £'000	30 September 2012 As reported	IFRS 10	30 September 2012 Restated
Interest income	1 127 516	(19)	1 127 497
Interest expense	(777 797)	66	(777 731)
Net interest income	349 719	47	349 766
Fee and commission income	534 981	–	534 981
Fee and commission expense	(73 270)	–	(73 270)
Investment income	75 775	(1 984)	73 791
Trading income arising from	–	–	–
– customer flow	34 223	–	34 223
– balance sheet management and other trading activities	25 003	405	25 408
Other operating income	20 976	–	20 976
Total operating income before impairment on loans and advances	967 407	(1 532)	965 875
Impairment losses on loans and advances	(115 640)	–	(115 640)
Operating income	851 767	(1 532)	850 235
Operating costs	(619 601)	–	(619 601)
Depreciation on operating leased assets	(9 765)	–	(9 765)
Operating profit before goodwill and acquired intangibles	222 401	(1 532)	220 869
Impairment of goodwill	(4 751)	–	(4 751)
Amortisation of acquired intangibles	(6 631)	–	(6 631)
Cost arising from integration of acquired subsidiaries	(9 462)	–	(9 462)
Operating profit	201 557	(1 532)	200 025
Non-operational costs arising from acquisition of subsidiary	(1 903)	–	(1 903)
Profit before taxation	199 654	(1 532)	198 122
Taxation on operating profit before goodwill	(42 222)	–	(42 222)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	4 022	–	4 022
Profit after taxation	161 454	(1 532)	159 922
Operating (income)/losses attributable to non-controlling interests	7 018	–	7 018
Earnings attributable to shareholders	168 472	(1 532)	166 940

Analysis of assets and liabilities at fair value and amortised cost				
			Non-financial instruments and insurance related	
at 30 September 2013 £'000	Total instruments at fair value	Total instruments at amortised cost		Total
Assets				
Cash and balances at central banks	–	1 943 845	–	1 943 845
Loans and advances to banks	100 134	2 320 569	–	2 420 703
Non-sovereign and non-bank cash placements	899	473 252	–	474 151
Reverse repurchase agreements and cash collateral on securities borrowed	730 361	834 895	–	1 565 256
Sovereign debt securities	3 260 779	204 334	–	3 465 113
Bank debt securities	807 385	926 522	–	1 733 907
Other debt securities	466 512	107 773	–	574 285
Derivative financial instruments	2 001 005	–	–	2 001 005
Securities arising from trading activities	978 648	–	–	978 648
Investment portfolio	852 199	–	–	852 199
Loans and advances to customers	917 223	15 602 615	–	16 519 838
Own originated loans and advances to customers securitised	–	871 161	–	871 161
Other loans and advances	–	1 899 718	–	1 899 718
Other securitised assets	1 375 283	2 431 539	–	3 806 822
Interests in associated undertakings	–	–	25 728	25 728
Deferred taxation assets	–	–	132 750	132 750
Other assets	385 961	886 956	447 361	1 720 278
Property and equipment	–	–	124 398	124 398
Investment properties	–	–	395 277	395 277
Goodwill	–	–	456 284	456 284
Intangible assets	–	–	167 871	167 871
	11 876 389	28 503 179	1 749 669	42 129 237
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	–	5 400 964	5 400 964
	11 876 389	28 503 179	7 150 633	47 530 201
Liabilities				
Deposits by banks	185	2 351 244	–	2 351 429
Derivative financial instruments	1 208 577	–	–	1 208 577
Other trading liabilities	850 068	–	–	850 068
Repurchase agreements and cash collateral on securities lent	511 187	822 201	–	1 333 388
Customer accounts (deposits)	720 911	22 510 461	–	23 231 372
Debt securities in issue	176 518	1 459 758	–	1 636 276
Liabilities arising on securitisation of own originated loans and advances	–	892 173	–	892 173
Liabilities arising on securitisation of other assets	1 240 617	1 795 722	–	3 036 339
Current taxation liabilities	–	–	200 818	200 818
Deferred taxation liabilities	–	–	108 181	108 181
Other liabilities	359 414	986 764	519 578	1 865 756
	5 067 477	30 818 323	828 577	36 714 377
Liabilities to customers under investment contracts	–	–	5 399 181	5 399 181
Insurance liabilities including unit-linked liabilities	–	–	1 782	1 782
	5 067 477	30 818 323	6 229 540	42 115 340
Subordinated liabilities	–	1 409 701	–	1 409 701
	5 067 477	32 228 024	6 229 540	43 525 041

Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (ie as prices) or indirectly (ie derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Assets and liabilities related to the long-term assurance business attributable to policyholders have been excluded from the analysis as the change in fair value of related assets is attributable to policyholders.

at 30 September 2013 £'000	Total instruments at fair value	Fair value measurement		
		Level 1	Level 2	Level 3
2013				
Assets				
Loans and advances to banks	100 134	53 788	46 346	–
Non-sovereign and non-bank cash placements	899	–	899	–
Reverse repurchase agreements and cash collateral on securities borrowed	730 361	–	730 361	–
Sovereign debt securities	3 260 779	2 896 159	364 620	–
Bank debt securities	807 385	186 652	620 733	–
Other debt securities	466 512	312 588	119 138	34 786
Derivative financial instruments	2 001 005	508 729	1 428 937	63 339
Securities arising from trading activities	978 648	971 486	7 162	–
Investment portfolio	852 199	106 615	90 163	655 421
Loans and advances to customers	917 223	–	865 996	51 227
Other securitised assets	1 375 283	–	742 746	632 537
Other assets	385 961	385 145	–	816
	11 876 389	5 421 162	5 017 101	1 438 126
Liabilities				
Deposits by banks	185	–	185	–
Derivative financial instruments	1 208 577	263 869	942 353	2 355
Other trading liabilities	850 068	850 068	–	–
Repurchase agreements and cash collateral on securities lent	511 187	–	511 187	–
Customer accounts (deposits)	720 911	–	720 911	–
Debt securities in issue	176 518	–	176 518	–
Liabilities arising on securitisation of other assets	1 240 617	35 111	674 768	530 738
Other liabilities	359 414	318 340	41 074	–
	5 067 477	1 467 388	3 066 996	533 093

The following table is a reconciliation of the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy:

		Fair value movements through other comprehensive income	Fair value movements through other comprehensive income
£'000	Total level 3 financial instruments		
Balance as at 1 April 2013	522 716	493 792	28 924
Transfers due to application of IFRS 10	(33 645)	(33 645)	–
Transfers due to application of IFRS 13*	533 098	533 098	–
Restated opening balance	1 022 169	993 245	28 924
Total gains or losses	37 837	39 358	(1 521)
In the income statement	39 358	39 358	–
In the statement of other comprehensive income	(1 521)	–	(1 521)
Purchases	7 190	7 190	–
Sales	(50 024)	(50 024)	–
Issues	(10 488)	(10 488)	–
Settlements	(17 046)	(17 046)	–
Transfers into level 3	9 759	6 956	2 803
Transfers out of level 3	(2 366)	(2 366)	–
Foreign exchange adjustments	(91 998)	(91 964)	(34)
Balance as at 30 September 2013	905 033	874 861	30 172

*All reclassifications occurred as a result of inputs to the valuation model being regarded as unobservable when applying IFRS 13. Observable inputs are defined as inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability. All other inputs have been considered to be unobservable.

The following table quantifies the gains or losses included in the income statement recognised on level 3 financial instruments:

for the six months to 30 September 2013 £'000	
Total gains or losses included in the income statement	
Net interest income	946
Fee and commission income	1 995
Fee and commission expense	(5 113)
Investment income	40 369
Trading income arising from customer flow	3 115
Trading income arising from balance sheet management and other trading activities	(1 890)
Other operating income	(64)
	39 358

Total gains or losses included in other comprehensive income comprises available-for-sale reserves.

Sensitivity of fair values to reasonably possible alternative assumptions by Level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions determined at a transactional level:

		Reflected in the income statement (£'000)	
At 30 September 2013 £'000	Significant unobservable input changed	Range which unobservable input has been stressed	Favourable changes Unfavourable changes
Assets			
Other debt securities	Discount rates, credit spreads	(24%)-24%	1 498 (1 068)
Derivative financial instruments	Discount rates, credit spreads, volatilities, cash flows, EBITDA, price earnings multiples	(20%)-25%	32 708 (9 718)
Investment portfolio	Discount rates, cash flows, EBITDA, price earnings multiple,net asset value,WACC,	(25%)-18%	101 608 (81 825)
Loans and advances to customers	Cash flows	(5%)-5%	2 888 (2 888)
Other securitised assets*	Credit spreads, prices from illiquid markets	(10%)-10%	9 575 (6 167)
Other assets	Discount rates	(5%)-5%	38 (71)
Liabilities			
Derivative financial instruments	Basis risk and yield curve	(10 bps)-10bps	1 107 (1 332)
			149 422 (103 069)

*The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

at 30 September 2013 £'000	Carrying amount	Fair value
Assets		
Cash and balances at central banks	1 943 845	1 943 845
Loans and advances to banks	2 320 569	2 320 437
Non-sovereign and non-bank cash placements	473 252	473 252
Reverse repurchase agreements and cash collateral on securities borrowed	834 895	834 895
Sovereign debt securities	204 334	210 888
Bank debt securities	926 522	959 509
Other debt securities	107 773	110 259
Loans and advances to customers	15 602 615	15 628 489
Own originated loans and advances to customers securitised	871 161	882 335
Other loans and advances	1 899 718	1 776 202
Other securitised assets	2 431 539	2 376 102
Other assets	886 956	881 012
	28 503 179	28 397 225
Liabilities		
Deposits by banks	2 351 244	2 365 111
Repurchase agreements and cash collateral on securities lent	822 201	826 277
Customer accounts (deposits)	22 510 461	22 530 649
Debt securities in issue	1 459 758	1 413 749
Liabilities arising on securitisation of own originated loans and advances	892 173	892 173
Liabilities arising on securitisation of other assets	1 795 722	1 766 796
Other liabilities	986 764	986 615
Subordinated liabilities	1 409 701	1 412 317
	32 228 024	32 193 667

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- Please note that matters discussed in this announcement may contain forward looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:
 - the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS.
 - domestic and global economic and business conditions.
 - market related risks.
- A number of these factors are beyond the group's control.
- These factors may cause the group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed or implied.
- Any forward looking statements made are based on the knowledge of the group at 20 November 2013.
- The information in the announcement for the six months ended 30 September 2013, which was approved by the board of directors on 20 November 2013, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2013 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act.
- The interim financial statements for the six months ended 30 September 2013 will be posted to shareholders on 29 November 2013.

Investec plc
Ordinary dividend announcement
Registration number: 3633621
Share code: INP
ISIN: GB00BI7BBQ50

Declaration of dividend number 23

In terms of the DLC structure, Investec plc shareholders who are not South African resident shareholders may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Investec Limited.

Investec plc shareholders who are South African residents, may receive all or part of their dividend entitlements through dividends declared and paid by Investec plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Investec Limited.

Notice is hereby given that an interim dividend number 23 of 8 pence (2012: 8 pence) per ordinary share has been declared by the board in respect of the six months ended 30 September 2013 payable to shareholders recorded in the members' register of the company at the close of business on Friday, 13 December 2013, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc from income reserves of 8 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment by Investec Limited, on the SA DAS share, payable from income reserves, equivalent to 8 pence per ordinary share

The relevant dates for the payment of dividend number 23 are as follows:

Last day to trade cum-dividend	
On the London Stock Exchange (LSE)	Tuesday, 10 December 2013
On the Johannesburg Stock Exchange (JSE)	Friday, 06 December 2013
Shares commence trading ex-dividend	
On the London Stock Exchange (LSE)	Wednesday, 11 December 2013
On the Johannesburg Stock Exchange (JSE)	Monday, 09 December 2013
Record date (on the JSE and LSE)	
Friday, 13 December 2013	
Payment date (on the JSE and LSE)	
Friday, 27 December 2013	

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 09 December 2013 and Friday, 13 December 2013, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 09 December 2013 and Friday, 13 December 2013, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African register are advised that the distribution of 8 pence, equivalent to a gross dividend of 131 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 20 November 2013.
- Investec plc UK tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 608 756 343 ordinary shares.
- The dividend paid by Investec Limited to South African resident shareholders on the SA DAS share is subject to South African Dividend Tax ("Dividend Tax") of 15% (subject to any available exemptions as legislated).
- No Secondary Tax on Companies ("STC") credits have been utilised in respect of the ordinary share dividend declarations.
- Shareholders registered on the South African register who are exempt from paying the Dividend Tax will receive a net dividend of 131 cents per share paid by Investec Limited on the SA DAS share.
- Shareholders registered on the South African register who are not exempt from paying the Dividend Tax will receive a net dividend of 111.35 cents per share paid by Investec Limited on the SA DAS share (gross dividend of 131 cents per share less Dividend Tax of 19.65 cents per share).

By order of the board

D Miller
Company Secretary
20 November 2013

Investec Limited
Ordinary share dividend announcement
Registration number: 1925/002833/06
Share code: INL
ISIN: ZAE000081949

Declaration of dividend number 116

Notice is hereby given that an interim dividend number 116 of 131 cents (2012: 112 cents) per ordinary share has been declared by the board from income reserves in respect of the six months ended 30 September 2013 payable to shareholders recorded in the shareholder's register of the company at the close of business on Friday, 13 December 2013.

The relevant dates for the payment of dividend number 116 are as follows:

Last day to trade cum-dividend		Friday, 06 December 2013
Shares commence trading ex-dividend		Monday, 09 December 2013
Record date (on the JSE)		Friday, 13 December 2013
Payment date (on the JSE)		Friday, 27 December 2013

The interim gross dividend of 131 cents per ordinary share has been determined by converting the Investec plc distribution of 8 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 20 November 2013.

Share certificates may not be dematerialised or rematerialised between Monday, 09 December 2013 and Friday, 13 December 2013, both dates inclusive.

Additional information to take note of:

- The Investec Limited company tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 282 934 529 ordinary shares.
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
- No Secondary Tax on credits ("STC") have been utilised in respect of this ordinary share dividend declaration
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 131 cents per ordinary share.
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 111.35 cents per ordinary share (gross dividend of 131 cents per ordinary share less Dividend Tax of 19.65 cents per ordinary share).

By order of the board

B Coetsee
Company Secretary
20 November 2013

Investec plc
Preference share dividend announcement
Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541
Non-redeemable non-cumulative non-participating preference shares (“preference shares”)
Declaration of dividend number 15

Notice is hereby given that preference dividend number 15 has been declared for the period 01 April 2013 to 30 September 2013 amounting to 7.52055 pence per preference share 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 Friday, 06 December 2013.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.52055 pence per preference share is equivalent to a gross dividend of 123.56264 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA Time) on Wednesday, 20 November 2013.

The relevant dates relating to the payment of dividend number 15 are as follows:

Last day to trade cum-dividend	
On the Channel Islands Stock Exchange (CISX)	Tuesday, 03 December 2013
On the Johannesburg Stock Exchange (JSE)	Friday, 29 November 2013
Shares commence trading ex-dividend	
On the Channel Islands Stock Exchange (CISX)	Wednesday, 04 December 2013
On the Johannesburg Stock Exchange (JSE)	Monday, 02 December 2013
Record date (on the JSE and CISX)	
Friday, 06 December 2013	
Payment date (on the JSE and CISX)	
Tuesday, 17 December 2013	

Share certificates may not be dematerialised or rematerialised between Monday, 02 December 2013 and Friday, 06 December 2013 both dates inclusive, nor may transfers between the UK and SA registers may take place between Monday, 02 December 2013 and Friday, 06 December 2013 both dates inclusive.

- For SA resident preference shareholders, additional information to take note of:
- Investec plc tax reference number: 2683967322360
 - The issued preference share capital of Investec plc is 15 081 149 preference shares.
 - The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
 - No Secondary Tax on Companies (“STC”) Credits have been utilised in respect of this preference share dividend declaration.
 - The net dividend amounts to 105.02824 cents per preference share for preference shareholders liable to pay the Dividend Tax and 123.56264 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary
20 November 2013

Investec plc
Rand denominated preference share dividend announcement
Registration number: 3633621
Share code: INPPR
ISIN: GB00B4B0Q974
Rand denominated non-redeemable, non-cumulative, non-participating perpetual preference shares (“preference shares”)
Declaration of dividend number 5

Notice is hereby given that preference dividend number 5 has been declared for the period 01 April 2013 to 30 September 2013 amounting to 404.85616 cents per preference share payable to holders of the Rand denominated non-redeemable non-cumulative non-participating perpetual preference shares as recorded in the books of the company at the close of business on Friday, 06 December 2013.

The relevant dates relating to the payment of dividend number 5 are as follows:

Last day to trade cum-dividend		Friday, 29 November 2013
Shares commence trading ex-dividend		Monday, 02 December 2013
Record date		Friday, 06 December 2013
Payment date		Tuesday, 17 December 2013

Share certificates may not be dematerialised or rematerialised between Monday, 02 December 2013 and Friday, 06 December 2013, both dates inclusive.

- For SA resident preference shareholders, additional information to take note of:
- Investec plc tax reference number: 2683967322360
 - The issued preference share capital of Investec plc is 2 275 940 preference shares.
 - The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
 - No Secondary Tax on Companies (“STC”) Credits have been utilised in respect of this preference share dividend declaration.
 - The net dividend amounts to 344.12774 cents per preference share for preference shareholders liable to pay the Dividend Tax and 404.85616 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary
20 November 2013

Investec Limited
Preference share dividend announcement
Registration number: 1925/002833/06
Share code: INPR
ISIN: ZAE000063814
Non-redeemable non-cumulative non-participating preference shares (“preference shares”)
Declaration of dividend number 18

Notice is hereby given that preference dividend number 18 has been declared for the period 01 April 2013 to 30 September 2013 amounting to 331.42804 cents per share 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 Friday, 06 December 2013.

The relevant dates for the payment of dividend number 18 are as follows:

Last day to trade cum-dividend		Friday, 29 November 2013
Shares commence trading ex-dividend		Monday, 02 December 2013
Record date		Friday, 06 December 2013
Payment date		Tuesday, 17 December 2013

Share certificates may not be dematerialised or rematerialised between Monday, 02 December 2013 and Friday, 06 December 2013, both dates inclusive.

- Additional information to take note of:
- The Investec Limited company tax reference number: 9800/181/71/2
 - The issued preference share capital of Investec Limited is 32 214 499 preference shares in this specific class.
 - The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated).
 - No Secondary Tax on Companies (“STC”) credits have been utilised in respect of this preference share dividend declaration.
 - The net dividend amounts to 281.71383 cents per preference share for shareholders liable to pay the Dividend Tax and 331.42804 cents per preference share for preference shareholders exempt from paying the dividend tax.

By order of the board

B Coetsee
Company Secretary
20 November 2013

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