



Interim condensed consolidated financial results for the six months ended 30 September 2015

Salient features

	30 September 2015	30 September 2014	% change	31 March 2015
Total operating income before impairment losses on loans and advances (R'million)	5 199	4 350	19.5%	8 946
Operating costs (R'million)	2 811	2 195	28.1%	4 818
Profit before taxation (R'million)	2 088	1 936	7.9%	3 673
Headline earnings attributable to ordinary shareholders (R'million)	1 807	1 644	9.9%	3 014
Cost to income ratio (%)	54.1	50.5		53.9
Total capital resources (including subordinated liabilities) (R'million)	41 023	38 231	7.3%	39 348
Total shareholders equity (R'million)	30 615	27 586	11.0%	28 899
Total assets (R'million)	365 637	313 675	16.6%	332 706
Net core loans and advances (R'million)	195 842	165 362	18.4%	177 528
Customer accounts (deposits) (R'million)	250 099	217 550	15.0%	221 377
Cash and near cash balances (R'million)	100 042	82 252	21.6%	88 691
Capital adequacy ratio (%)	14.5	15.6		15.4
Tier 1 ratio (%)	10.8	11.2		11.4
Common equity tier 1 ratio (%)	10.4	10.7		11.0
Leverage ratio (%)	7.9	8.4		8.3
Defaults (net of impairments) as a % of net core loans and advances (%)	1.13	1.30		1.46
Credit loss ratio (i.e. income statement impairment charge as a % of average core loans and advances) (%)	0.28	0.30		0.29
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	11.9x	11.3x		11.4x
Loans and advances to customers: customer accounts (deposits) (%)	75.4	74.6		78.1

Commentary

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

Overview of results

Investec Bank Limited, a subsidiary of Investec Limited, posted an increase in headline earnings attributable to ordinary shareholders of 9.9% to R1,807 million (2014: R1,644 million). The balance sheet remains strong with a capital adequacy ratio of 14.5% (31 March 2015: 15.4%). For full information on the Investec Group results, refer to the combined results of Investec plc and Investec Limited or the group's website <http://www.investec.com>.

Financial review

Unless the context indicates otherwise, all comparatives referred to in the financial review relate to the six months ended 30 September 2014.

Salient operational features for the period under review include:

Total operating income before impairment losses on loans and advances increased by 19.5% to R5,199million (2014: R4,350 million). The components of operating income are analysed further below:

- Net interest income increased 10.9% to R3,061 million (2014: R2,759 million) with the bank benefiting from a solid increase in its loan portfolio.
- Net fee and commission income increased 27.4% to R879 million (2014: R690 million) as a result of a good performance from the private banking professional finance business and the corporate lending and treasury businesses. In addition, the acquisition of the Blue Strata group (refer below) had a positive impact on net fee and commission income.
- Investment income increased 42.5% to R1,002 million (2014: R703 million) with the bank's unlisted investments portfolio continuing to perform well.
- Trading income arising from customer flow and other trading activities increased 34.3% to R266 million (2014: R198 million) largely reflecting increased activity levels and foreign currency gains.

Impairments on loans and advances increased from R219 million to R287 million. The credit loss charge as a percentage of average gross core loans and advances has remained in line with 31 March 2015 at 0.28%. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounts to 1.13% (31 March 2015: 1.46%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.68 times (31 March 2015: 1.44 times).

The ratio of total operating costs to total operating income amounts to 54.1% (2014: 50.5%). Total operating expenses at R2,811 million were 28.1% higher than the prior period (2014: R2,195 million) largely as a result of: an increase in headcount and system infrastructure costs to support growth initiatives; the acquisition of the Blue Strata group (refer below); and an increase in variable remuneration given improved profitability.

As a result of the foregoing factors profit before taxation and acquired intangibles increased by 8.5% to R2,101 million (2014: R1,936 million).

Additional information

Acquisition of Blue Strata

On 1 July 2015, Investec Bank Limited acquired the remaining 51.5% of the Blue Strata group and in doing so obtained control. Investec Bank Limited paid R367 million for the additional 51.5% interest. For the post acquisition period 1 July 2015 to 30 September 2015, the operating income of the Blue Strata group was R61.9 million and the profit before taxation amounted to R28.1 million. Blue Strata group's business is import logistics and trade finance. Their main source of revenue is commission earned from services and is reflected in 'fee and commission income'.

On behalf of the Board of Investec Bank Limited

Fani Titi Stephen Koseff Bernard Kantor
Chairman Chief Executive Officer Managing Director

18 November 2015

Preference share dividend announcement

Investec Bank Limited

Incorporated in the Republic of South Africa

Registration number: 1969/004763/06

Share code: INLP

ISIN: ZAE000048393

Preference share dividend announcement

Non-redeemable non-cumulative non-participating preference shares ("preference shares")

Declaration of dividend number 25

Notice is hereby given that preference dividend number 25 has been declared by the Board from income reserves for the period 01 April 2015 to 30 September 2015 amounting to a gross preference dividend of 390.39534 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, 04 December 2015.

The relevant dates for the payment of dividend number 25 are as follows:

Last day to trade cum-dividend	Friday, 27 November 2015
Shares commence trading ex-dividend	Monday, 30 November 2015
Record date	Friday, 04 December 2015
Payment date	Monday, 14 December 2015

Share certificates may not be dematerialised or rematerialised between Monday, 30 November 2015 and Friday, 04 December 2015, both dates inclusive.

Additional information to take note of:

- Investec Bank Limited company tax reference number: 9675/053/71/5
- The issued preference share capital of Investec Bank Limited is 15 447 630 preference shares in this specific class
- The dividend paid by Investec Bank Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend amounts to 331.83604 cents per preference share for shareholders liable to pay the Dividend Tax and 390.39534 cents per preference share for preference shareholders exempt from paying the dividend tax.

By order of the board

N van Wyk
Company Secretary

18 November 2015

Registered office

100 Grayston Drive
Sandown, Sandton, 2196

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001

Investec Bank Limited

(Registration number 1969/004763/06)

Share code: INLP ISIN: ZAE000048393

Company Secretary:

N van Wyk

Directors

F Titi (Chairman)
D M Lawrence[^] (Deputy Chairman)
S Koseff[^] (Chief Executive)
B Kantor[^] (Managing Director)
S E Abrahams, Z B M Bassa
G R Burger[^], D Friedland,
K L Shuenyane, K X T Socikwa*
B Tapnack[^], P R S Thomas

[^] Executive

* Did not seek re-election at the annual general meeting on 06 August 2015

For further information

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full reviewed announcement published on SENS on Thursday, 19 November 2015, and is also available on our website www.investec.com.

The full announcement is also available at our registered offices for inspection at no charge, during office hours.

Copies of the full announcement may be requested by contacting Investor Relations on:

Telephone: (+27) 11 286 7000

e-mail: investorrelations@investec.com

Sponsor: Investec Bank Limited