

Investec Bank (UK) Limited

Unaudited consolidated financial information for the six months
ended 30 September 2006

IFRS - Pounds Sterling



Overview of results

IFRS	30 Sept 2006	30 Sept 2005	% Change	31 March 2006
Operating profit before goodwill, non-operating items and taxation (£'000)	85,156	54,218	57.1%	116,141
Earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000)	58,385	38,214	52.8%	83,796
Cost to income ratio	60.5%	59.4%		62.1%
Total capital resources (including subordinated liabilities) (£'000)	1,108,079	802,714	38.0%	813,477
Total shareholders' equity (including minority interest) (£'000)	840,617	568,052	48.0%	587,794
Total assets (£'000)	9,312,015	6,491,552	43.4%	7,464,104
Loans and advances to customers (£'000)	4,456,311	3,235,986	37.7%	3,553,646
Loans and advances to customers as a percentage of total assets	47.9%	49.8%	-4.0%	47.6%
Capital adequacy ratio	18.2%	16.9%	n/a	19.0%
Tier 1 ratio	14.6%	14.4%	n/a	14.4%



Consolidated income statements

£'000	6 months to 30 Sept 2006	6 months to 30 Sept 2005	Year to 31 March 2006
Interest received	187,620	148,372	314,158
Interest paid	(109,770)	(89,309)	(190,480)
Net interest income	77,850	59,063	123,678
Fees and commissions receivable	101,595	62,517	144,773
Fees and commissions payable	(3,178)	(3,460)	(5,662)
Principal transactions	32,703	22,856	60,682
Operating income from associates	342	66	447
Other operating income	9,983	705	1,578
Other income	141,445	82,684	201,818
Total operating income	219,295	141,747	325,496
Impairment losses on loans and advances	(1,447)	(3,273)	(7,241)
Operating income	217,848	138,474	318,255
Administrative expenses	(129,420)	(82,954)	(199,395)
Depreciation and amortisation of property, equipment and software	(3,272)	(1,302)	(2,719)
Operating profit before goodwill	85,156	54,218	116,141
Goodwill	9,552	-	-
Operating profit	94,708	54,218	116,141
Profit/(loss) on disposal or termination of group operations	-	-	(1,071)
Net income before taxation	94,708	54,218	115,070
Taxation	(24,905)	(16,000)	(32,333)
Profit after taxation	69,803	38,218	82,737
Earnings attributable to minority interests	1,866	4	12
Earnings attributable to shareholders	67,937	38,214	82,725
Earnings attributable to shareholders' equity	69,803	38,218	82,737



Consolidated balance sheets

£'000	30 Sept 2006	31 March 2006	30 Sept 2005
Assets			
Cash and balances at central banks	18,589	10,870	14,084
Loans and advances to banks	611,973	661,028	429,179
Cash equivalent advances to customers	55	54	53
Reverse repurchase agreements and cash collateral on securities borrowed	834,118	643,172	611,747
Trading securities	74,141	160,130	71,407
Derivative financial instruments	528,173	254,595	168,242
Investment securities	1,739,313	1,237,069	1,156,255
Loans and advances to customers	4,456,311	3,553,646	3,235,986
Interests in associated undertakings	12,229	12,023	11,664
Deferred taxation asset	23,929	22,744	17,117
Other assets	823,878	855,595	725,169
Property and equipment	111,658	15,674	15,581
Goodwill	75,983	36,191	33,722
Intangible assets	1,665	1,313	1,346
	9,312,015	7,464,104	6,491,552
Liabilities			
Deposits by banks	1,357,546	1,059,167	1,037,148
Derivative financial instruments	106,574	48,777	48,722
Other trading liabilities	92,504	123,791	182,582
Repurchase agreements and cash collateral on securities lent	477,217	272,584	31,313
Customer accounts	4,067,227	3,645,604	3,005,402
Debt securities in issue	1,255,174	717,958	730,969
Current taxation liabilities	42,516	37,050	20,955
Deferred taxation liabilities	6,693	1,513	1,827
Other liabilities	798,485	744,183	629,920
	8,203,936	6,650,627	5,688,838
Subordinated liabilities	267,462	225,683	234,662
	8,471,398	6,876,310	5,923,500
Equity			
Called up share capital	505,000	354,000	354,000
Share premium account	37,365	37,365	37,365
Other reserves	10,661	6,951	3,450
Profit and loss account	223,027	189,245	173,014
Shareholders' equity excluding minority interests	776,053	587,561	567,829
Minority interests - equity	64,564	233	223
Total shareholders' equity	840,617	587,794	568,052
Total liabilities and shareholders' equity	9,312,015	7,464,104	6,491,552



Summarised consolidated statements of changes in equity

£'000	6 months to 30 Sept 2006	Year to 31 March 2006	6 months to 30 Sept 2005
Balance at the beginning of the period	587,794	548,870	548,870
Foreign currency adjustments	(2,466)	(54)	508
Issue of ordinary shares	151,000	-	-
Retained profit for the period attributable to ordinary shareholders	67,937	82,725	38,214
Retained profit for the period attributable to minority interests	1,866	12	4
Share based payments adjustments	1,224	1,576	-
Fair value movements on available for sale assets	1,210	(2,835)	(4,544)
Dividends paid to ordinary shareholders	(30,000)	(42,500)	(15,000)
Issue of equity instruments by subsidiaries	42,904	-	-
Movement on minorities on disposals and acquisitions	19,148	-	-
Balance at the end of the period	840,617	587,794	568,052



Segmental information - business analysis

For the six months to 30 September 2006

£'000	Private Client Activities	Treasury and Specialised Finance	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)
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 amortisation of property, equipment and software	(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
Operating profit	59,267	32,627	11,106	117	(8,409)	94,708
Profit on disposal or termination of group operations	-	-	-	-	-	-
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%

For the six months to 30 September 2005

£'000	Private Client Activities	Treasury and Specialised Finance	Investment Banking	Property Activities	Group Services and Other Activities	Total group
Net interest income	40,177	12,803	(31)	(545)	6,659	59,063
Fees and commissions receivable	16,472	11,557	27,909	27	6,552	62,517
Fees and commissions payable	(1,242)	(1,409)	(798)	-	(11)	(3,460)
Principal transactions	8,941	3,639	14,201	1,441	(5,366)	22,856
Operating income from associates	93	(75)	48	-	-	66
Other operating income	-	-	-	-	705	705
Other income	24,264	13,712	41,360	1,468	1,880	82,684
						-
Total operating income	64,441	26,515	41,329	923	8,539	141,747
Impairment losses on loans and advances	(1,058)	(562)	-	-	(1,653)	(3,273)
Operating income	63,383	25,953	41,329	923	6,886	138,474
Administrative expenses	(33,368)	(19,622)	(22,020)	(248)	(7,696)	(82,954)
Depreciation and amortisation of property, equipment and software	(561)	(48)	(94)	-	(599)	(1,302)
Operating profit before goodwill	29,454	6,283	19,215	675	(1,409)	54,218
Goodwill	-	-	-	-	-	-
Operating profit	29,454	6,283	19,215	675	(1,409)	54,218
Profit on disposal or termination of group operations	-	-	-	-	-	-
Profit before taxation	29,454	6,283	19,215	675	(1,409)	54,218
Cost to income ratio	52.7%	74.2%	53.5%	26.9%	97.1%	59.4%

Segmental information - geographical analysis

For the 6 months to 30 September 2006

£'000	United Kingdom & 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)
Operating income	185,553	32,295	217,848
Administrative expenses	(111,415)	(18,005)	(129,420)
Depreciation and amortisation of property, equipment and software	(2,607)	(665)	(3,272)
Operating profit before goodwill	71,531	13,625	85,156
Goodwill	-	9,552	9,552
Operating profit	71,531	23,177	94,708
Profit on disposal or termination of group operations	-	-	-
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
Earnings attributable to minority interests	(917)	(949)	(1,866)
Earnings attributable to shareholders	50,326	17,611	67,937
Cost to income ratio	61.0%	57.7%	60.5%

For the 6 months to 30 September 2005

£'000	United Kingdom & Europe	Australia	Total group
Net interest income	46,797	12,266	59,063
Fees and commissions receivable	56,131	6,386	62,517
Fees and commissions payable	(3,306)	(154)	(3,460)
Principal transactions	21,487	1,369	22,856
Operating income from associates	193	(127)	66
Other operating income	705	-	705
Other income	75,210	7,474	82,684
Total operating income	122,007	19,740	141,747
Impairment losses on loans and advances	(2,795)	(478)	(3,273)
Operating income	119,212	19,262	138,474
Administrative expenses	(72,490)	(10,465)	(82,955)
Depreciation and amortisation of property, equipment and software	(1,040)	(262)	(1,302)
Operating profit before goodwill	45,682	8,535	54,217
Goodwill	-	-	-
Operating profit	45,682	8,535	54,217
Profit on disposal or termination of group operations	-	-	-
Profit before taxation	45,682	8,535	54,217
Taxation	(13,237)	(2,763)	(16,000)
Profit after taxation	32,445	5,772	38,217
Earnings attributable to minority interests	(4)	-	(4)
Earnings attributable to shareholders	32,441	5,772	38,213
Cost to income ratio	60.3%	54.3%	59.4%



Asset quality

£'000	30 Sept 2006	31 March 2006	30 Sept 2005
Total loans and advances to customers (gross of impairments) *	4,430,608	3,556,853	3,113,030
Managed book	(47,577)	(44,925)	(39,498)
Net loans and advances to customers	4,383,031	3,511,928	3,073,532
Specific impairments	11,468	8,679	6,480
Portfolio impairments	1,367	1,369	987
Total impairments	12,835	10,048	7,467
Gross non-performing loans	23,694	38,644	27,626
Less: security	(12,668)	(26,690)	(21,168)
Net non-performing loans	11,026	11,954	6,458
Adequacy of impairments			
Specific impairments as a % of loans and advances to customers	0.26%	0.24%	0.21%
Portfolio impairments as a % of net loans and advances to customers	0.03%	0.04%	0.03%
Total impairments as a % of loans and advances to customers	0.29%	0.28%	0.24%
Total impairments as a % gross non-performing loans	54.17%	26.00%	27.03%
Total impairments as a % of net non-performing loans	116.41%	84.06%	115.62%
Specific impairments as a % of gross non-performing loans	48.40%	22.46%	23.46%
Specific impairments as a % of net non-performing loans	104.01%	72.60%	100.34%
Gross non-performing loans as a % of loans and advances to customers	0.53%	1.09%	0.89%

Note:

* Excludes intergroup loans.



Capital adequacy

£'000	30 Sept 2006	31 March 2006	30 Sept 2005
Total assets - banking activities	4,472,236	3,591,541	3,227,893
Trading - notional assets	547,988	223,850	256,367
Risk-weighted assets	5,020,224	3,815,391	3,484,260
Tier 1	769,265	583,984	533,069
Tier 2	247,782	203,055	200,612
Tier 3	20,720	13,560	19,403
Goodwill and impairments	(122,899)	(75,269)	(163,754)
Net qualifying capital	914,868	725,330	589,330
Qualifying capital as a percentage of RWA	18.2%	19.0%	16.9%
Tier 1 ratio	14.6%	14.4%	14.4%

