



Investec Limited (excluding the results of Investec plc)

Consolidated financial information for the six months ended 30 September 2007

IFRS - Rand

Overview of results

IFRS				
	30 Sept 2007	30 Sept 2006	% Change	31 March 2007
Profit before taxation (R'million)	1,918	1,673	14.6%	3,797
Headline earnings attributable to ordinary shareholders (R'million)	1,125	975	15.4%	2,325
Cost to income ratio	55.0%	51.4%		50.4%
Total capital resources (including subordinated liabilities) (R'million)	15,308	13,147	16.4%	14,308
Total shareholders' equity (excluding minority interest) (R'million)	10,786	8,503	26.8%	9,768
Total assets (R'million)	224,679	195,294	15.0%	210,829
Core loans and advances to customers (R'million)	88,132	75,072	17.4%	77,591
Core loans and advances to customers as a percentage of total assets	39.2%	38.4%	2.0%	36.8%
Capital adequacy ratio	13.7%	14.7%		14.7%
Tier 1 ratio	9.9%	10.3%		10.4%

Consolidated income statement

R'million	6 months to 30 Sept 2007	6 months to 30 Sept 2006	Year to 31 March 2007
Interest income	6,534	4,102	9,725
Interest expense	(5,059)	(3,011)	(7,402)
Net interest income	1,475	1,091	2,323
Fees and commissions income	1,930	1,466	3,407
Fees and commissions expense	(134)	(87)	(164)
Principal transactions	853	1,171	2,446
Operating income / (loss) from associates	15	(27)	(10)
Investment income on assurance activities	816	194	521
Premiums and reinsurance recoveries on insurance contracts	419	788	1,137
Other operating income	17	1	39
Other income	3,916	3,506	7,376
Claims and reinsurance premiums on insurance business	(1,186)	(969)	(1,575)
Total operating income net of insurance claims	4,205	3,628	8,124
Impairment losses on loans and advances	24	(90)	(121)
Operating income	4,229	3,538	8,003
Administrative expenses	(2,269)	(1,838)	(4,028)
Depreciation and impairment of property, equipment and software	(42)	(27)	(65)
Operating profit before goodwill impairment	1,918	1,673	3,910
Impairment of goodwill	-	(28)	(115)
Operating profit	1,918	1,645	3,795
Profit on disposal of subsidiary	-	-	2
Profit before taxation	1,918	1,645	3,797
Taxation	(535)	(477)	(1,115)
Profit after taxation	1,383	1,168	2,682
Earnings attributable to minority shareholders	6	30	37
Earnings attributable to shareholders	1,377	1,138	2,645
	1,383	1,168	2,682
Calculation of headline earnings			
Earnings attributable to shareholders	1,377	1,138	2,645
Headline adjustments	(88)	(23)	(33)
Goodwill impairment	-	28	115
Revaluation of investment properties	(88)	(51)	(148)
Headline earnings attributable to shareholders	1,289	1,115	2,612
Preference dividends paid	(164)	(140)	(287)
Headline earnings attributable to ordinary shareholders	1,125	975	2,325

Balance sheet

R'million	30 Sept 2007	31 March 2007	30 Sept 2006
Assets			
Cash and balances at central banks	2,015	851	1,420
Loans and advances to banks	14,964	22,565	16,178
Cash equivalent advances to customers	12,760	9,436	10,332
Reverse repurchase agreements and cash collateral on securities borrowed	4,307	2,917	2,121
Trading securities	23,545	20,695	17,166
Derivative financial instruments	7,016	5,902	12,755
Investment securities	430	414	157
Loans and advances to customers	78,861	68,995	62,314
Securitised assets	12,170	11,807	8,933
Interests in associated undertakings	250	221	251
Deferred taxation assets	419	444	344
Other assets	8,028	7,570	5,428
Property and equipment	124	124	121
Investment properties	1,371	1,213	1,248
Goodwill	384	384	471
Intangible assets	244	255	100
	166,888	153,793	139,339
Other financial instruments at fair value through income in respect of:			
- liabilities to customers	44,173	42,942	40,667
- assets related to reinsurance contracts	13,618	14,094	15,288
	224,679	210,829	195,294
Liabilities			
Deposits by banks	9,052	12,959	8,798
Derivative financial instruments	6,882	5,670	10,120
Other trading liabilities	4,122	3,203	4,824
Repurchase agreements and cash collateral on securities lent	3,021	2,378	2,496
Customer accounts	79,877	73,074	61,105
Debt securities in issue	23,735	19,304	18,754
Liabilities arising on securitisation	12,140	11,735	8,917
Current taxation liabilities	924	918	723
Deferred taxation liabilities	726	605	355
Other liabilities	11,102	9,639	10,099
	151,581	139,485	126,192
Liabilities to customers under investment contracts	43,871	42,648	39,325
Insurance liabilities, including unit-linked liabilities	301	294	1,342
Reinsured liabilities	13,618	14,094	15,288
	209,371	196,521	182,147
Subordinated liabilities (including convertible debt)	3,006	3,029	3,050
	212,377	199,550	185,197
Equity			
Ordinary share capital	1	1	1
Share premium	5,074	4,951	4,881
Treasury shares	(1,292)	(1,177)	(1,143)
Equity portion of convertible debentures	22	22	22
Perpetual preference shares	2,309	2,309	2,308
Other reserves	1,195	1,078	802
Retained income	3,477	2,584	1,632
Shareholders' equity excluding minority interest	10,786	9,768	8,503
Minority interest	1,516	1,511	1,594
- Perpetual preferred securities issued by subsidiaries	1,491	1,491	1,491
- Minority interest in partially held subsidiaries	25	20	103
Total equity	12,302	11,279	10,097
Total liabilities and equity	224,679	210,829	195,294

Statement of changes in equity (summarised)

R'million	6 months to 30 Sept 2007	Year to 31 March 2007	6 months to 30 Sept 2006
Balance at the beginning of the period	11,279	9,221	9,221
Foreign currency adjustments	(5)	87	94
Earnings for the period attributable to ordinary shareholders	1,377	2,645	1,138
Earnings for the period attributable to minority interests	6	37	30
Share based payments adjustments	135	239	111
Fair value movements on available for sale assets	31	150	61
Dividends paid to ordinary shareholders	(364)	(628)	(287)
Dividends paid to perpetual preference shareholders	(164)	(287)	(140)
Movement of treasury shares	(115)	(344)	(310)
Movement of minorities on disposals and acquisitions	-	-	(1)
Issue of ordinary shares	123	250	180
Dividends/ capital reduction paid to minorities	(1)	(91)	-
Balance at the end of the period	12,302	11,279	10,097

Segmental information - business analysis

For the six months to 30 September 2007

R'million	Private Client Activities	Capital Markets	Investment Banking	Asset Management	Property Activities	Group Services and Other Activities	Total group
Net interest income	763	361	15	17	(61)	380	1,475
Fees and commissions income	536	173	276	714	210	21	1,930
Fees and commissions expense	(83)	(5)	(38)	0	0	(8)	(134)
Principal transactions	84	295	535	1	177	(239)	853
Operating income from associates	0	0	0	0	0	15	15
Investment income on assurance activities	0	0	0	0	0	816	816
Premiums and reinsurance recoveries on insurance contracts	0	0	0	0	0	419	419
Other operating income	0	0	0	17	0	0	17
Other income	537	463	773	732	387	1,024	3,916
Claims and reinsurance premiums on insurance business	0	0	0	0	0	(1,186)	(1,186)
Total operating income net of insurance claims	1,300	824	788	749	326	218	4,205
Impairment losses on loans and advances	(39)	56	(16)	-	-	23	24
Operating income	1,261	880	772	749	326	241	4,229
Administrative expenses	(807)	(424)	(260)	(395)	(150)	(233)	(2,269)
Depreciation and impairment of property, equipment and software	(11)	(1)	-	(6)	(3)	(21)	(42)
Profit before taxation	443	455	512	348	173	(13)	1,918
Cost to income ratio	62.9%	51.6%	33.0%	53.5%	46.9%	116.5%	55.0%

For the six months to 30 September 2006

R'million	Private Client Activities	Capital Markets	Investment Banking	Asset Management	Property Activities	Group Services and Other Activities	Total group
Net interest income	586	299	1	23	(34)	216	1,091
Fees and commissions income	340	150	183	610	163	20	1,466
Fees and commissions expense	(54)	(20)	(19)	-	-	6	(87)
Principal transactions	50	284	354	12	78	393	1,171
Operating loss from associates	-	-	-	-	-	(27)	(27)
Investment income on assurance activities	-	-	-	-	-	194	194
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	788	788
Other operating income	-	-	-	-	-	1	1
Other income	336	414	518	622	241	1,375	3,506
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(969)	(969)
Total operating income net of insurance claims	922	713	519	645	207	622	3,628
Impairment losses on loans and advances	(33)	(59)	-	-	-	2	(90)
Operating income	889	654	519	645	207	624	3,538
Administrative expenses	(588)	(328)	(188)	(340)	(121)	(273)	(1,838)
Depreciation and impairment of property, equipment and software	(8)	(1)	-	(5)	(1)	(12)	(27)
Operating profit before goodwill impairment	293	325	331	300	85	339	1,673
Impairment of goodwill	-	-	-	-	(28)	-	(28)
Profit before taxation	293	325	331	300	57	339	1,645
Cost to income ratio	64.6%	46.1%	36.2%	53.5%	58.9%	45.8%	51.4%

Segmental analysis of operating profit before goodwill, non-operating items and taxation

R'million	6 months to 30 Sept 2007	6 months to 30 Sept 2006	% Change
Private Client Activities			
Private Banking	326	222	46.8%
Private Client Portfolio Management and Stockbroking	117	71	64.8%
	443	293	51.2%
Capital Markets	455	325	40.0%
Investment Banking			
Corporate Finance	63	43	46.5%
Institutional Research, Sales and Trading	55	60	-8.3%
Direct Investments	93	82	13.4%
Private Equity	301	146	>100.0%
	512	331	54.7%
Asset Management	348	300	16.0%
Property Activities	173	85	>100.0%
Group Services and Other Activities			
International Trade Finance	21	11	90.9%
Assurance Activities	12	10	20.0%
Central Funding	138	463	-70.2%
Central Services Costs	(184)	(145)	26.9%
	(13)	339	(>100.0%)
Total group	1,918	1,673	14.6%

Asset quality

R'million	30 Sept 2007	31 March 2007
Total core loans and advances to customers (gross of impairments)	79,136	69,311
Securitised loans and advances	9,271	8,596
Total core loans and advances to customers (gross of impairments)	88,407	77,907
Net core loans and advances to customers	88,132	77,591
Specific impairments	202	241
Portfolio impairments	73	75
Total impairments	275	316
Gross default loans	956	1,010
Sub-standard	504	410
Doubtful	446	573
Loss	7	27
Less: security	(771)	(839)
Net default loans (pre impairments held against these loans)	185	171
Adequacy of impairments		
Specific impairments as a % of core loans and advances to customers	0.23%	0.31%
Portfolio impairments as a % of net core loans and advances to customers	0.08%	0.10%
Total impairments as a % of core loans and advances to customers	0.31%	0.41%
Total impairments as a % of gross default loans	28.76%	31.29%
Total impairments as a % of net default loans	148.33%	184.80%
Specific impairments as a % of gross default loans	21.13%	23.86%
Specific impairments as a % of net default loans	108.95%	140.94%
Gross default loans as a % of core loans and advances to customers	1.08%	1.30%

Note:

As part of our Basel process we have revisited the definitions applied in terms of our asset quality information and refined these across divisions and geographies. There have been some minor changes as a result, and the 2006 information as depicted above has been restated accordingly.



Capital adequacy

R'million	30 Sept 2007	31 March 2007	30 Sept 2006
Primary capital (Tier 1)	10,566	9,973	8,786
Secondary capital (Tier 2)	3,951	3,991	3,941
Total	14,517	13,964	12,727
Less: impairments	(367)	(277)	(185)
Net qualifying capital	14,150	13,687	12,542
Risk weighted assets (banking and trading assets)	103,536	93,075	85,304
Capital adequacy ratio	13.7%	14.7%	14.7%
Tier 1 ratio	9.9%	10.4%	10.3%