

Investec Bank Limited

Reviewed preliminary condensed consolidated financial results for
the year ended 31 March 2008

Consolidated income statement

For the year ended 31 March

	Reviewed	Audited
R' million	2008	2007
Interest income	15,731	10,339
Interest expense	(12,216)	(7,785)
Net interest income	3,515	2,554
Fee and commission income	1,084	910
Fee and commission expense	(30)	(46)
Principal transactions	1,202	1,000
Operating loss from associates	(1)	(10)
Other income	2,255	1,854
Total operating income	5,770	4,408
Impairment losses on loans and advances	(466)	(122)
Operating income	5,304	4,286
Administrative expenses	(2,713)	(2,150)
Depreciation and amortisation of property, equipment and intangibles	(69)	(51)
Operating profit	2,522	2,085
(Loss)/profit on disposal of group entities	(38)	39
Profit before taxation	2,484	2,124
Taxation	(686)	(572)
Profit after taxation	1,798	1,552
Earnings attributable to minority interests	-	3
Earnings attributable to shareholders	1,798	1,549
	1,798	1,552
Headline earnings		
Earnings attributable to shareholders	1,798	1,549
Preference dividends paid	(142)	(121)
Earnings attributable to ordinary shareholders	1,656	1,428
Headline adjustments	38	(39)
Loss/(profit) on disposal of group entities	38	(39)
Headline earnings attributable to ordinary shareholders	1,694	1,389

Consolidated balance sheet
At 31 March

R' million	Reviewed 2008	Audited 2007*
Assets		
Cash and balances at central banks	2,811	851
Loans and advances to banks	14,418	20,141
Cash equivalent advances to customers	7,782	7,214
Reverse repurchase agreements and cash collateral on securities borrowed	5,752	2,916
Trading securities	17,913	13,472
Derivative financial instruments	9,668	5,693
Investment securities	350	29
Loans and advances to customers	95,021	69,174
Securitised assets	6,275	11,807
Interest in associated undertakings	195	221
Deferred taxation assets	285	263
Other assets	1,056	1,062
Property and equipment	144	104
Investment properties	5	3
Intangible assets	75	61
Loans to group companies	5,812	9,753
	167,562	142,764
Liabilities		
Deposits by banks	9,427	12,959
Derivative financial instruments	10,152	5,576
Other trading liabilities	266	255
Repurchase agreements and cash collateral on securities lent	1,533	2,378
Customer accounts	115,654	91,035
Debt securities in issue	2,524	1,343
Liabilities arising on securitisation	5,637	11,735
Current taxation liabilities	697	307
Deferred taxation liabilities	323	284
Other liabilities	3,679	3,770
	149,892	129,642
Subordinated liabilities (including convertible debt)	4,710	3,066
	154,602	132,708

Equity		
Ordinary share capital	19	16
Share premium	6,786	4,732
Equity portion of convertible debentures	22	229
Perpetual preference shares	1,491	1,491
Other reserves	911	738
Retained income	3,731	2,850
Total equity	12,960	10,056
Total liabilities and equity	167,562	142,764

Condensed consolidated statement of changes in equity

For the year ended 31 March

	Reviewed	Audited
R' million	2008	2007
Balance at the beginning of the year	10,056	8,812
Foreign currency adjustments	1	12
Earnings for the year attributable to shareholders	1,798	1,549
Earnings for the year attributable to minority interests	-	3
Dividends paid to ordinary shareholders	(650)	(190)
Dividends paid to perpetual preference shareholders	(142)	(121)
Issue of shares	2,057	-
Redemption of compulsory convertible debentures	(207)	-
Fair value gain on available for sale assets	47	2
Decrease in minorities on disposals	-	(5)
Dividends paid to minorities	-	(6)
Balance at the end of the year	12,960	10,056

Condensed consolidated cash flow statement
For the year ended 31 March

	Reviewed 2008	Audited 2007*
R' million		
Net cash inflow from operating activities	2,792	1,606
Net cash outflow from banking activities	(3,017)	(724)
Net cash outflow from investing activities	(99)	(284)
Net cash inflow/(outflow) from financing activities	2,678	(317)
Net increase in cash and cash equivalents	2,354	281
Cash and cash equivalents at the beginning of the year	7,960	7,679
Cash and cash equivalents at the end of the year	10,314	7,960

Cash and cash equivalents are defined as including: cash and balances at central banks, on demand loans and advances to banks and cash equivalent advances to customers (all of which have a maturity profile of less than three months).

* Comparative figures have been reclassified to conform to changes in presentation in the current year.

Condensed consolidated segmental information
For the year ended 31 March 2008

Reviewed	Private				
	Client	Capital	Investment		
R' million	Activities	Markets	Banking	Other	Total
Operating income	2,139	1,780	542	843	5,304
Operating expenses	(1,322)	(849)	(217)	(394)	(2,782)
Operating profit	817	931	325	449	2,522
Cost to income ratio (%)	57.8%	41.5%	38.6%	45.2%	48.2%

For the year ended 31 March 2007

Audited	Private				
R' million	Client	Capital	Investment	Other	Total
	Activities	Markets	Banking		
Operating income	1,550	1,448	584	704	4,286
Operating expenses	(995)	(608)	(204)	(394)	(2,201)
Operating profit	555	840	380	310	2,085
Cost to income ratio (%)	61.7%	40.3%	34.9%	56.2%	49.9%

These preliminary 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.

Commentary

Overview of results

We are pleased to announce that Investec Bank Limited, a subsidiary of Investec Limited, posted an increase in headline earnings attributable to ordinary shareholders of 22.0% from R1,389 million to R1,694 million. For full information on the Investec group results, refer to the combined results of Investec plc and Investec Limited.

Business unit review

Unless the context indicates otherwise, all comparatives referred to in the business unit review relate to the year ended 31 March 2007. Operating profit is before taxation and headline adjustments.

Salient operational features of the year under review include:

- The Private Client Activities division posted an increase of 47.2% in operating profit to R817 million (2007: R555 million). Strong earnings from lending continued to drive profitability. The division benefited from increased distribution capacity and greater penetration across all areas of specialisation, most notably Wealth Management and Growth and Acquisition Finance. The private client core lending book grew by 19.4% to R66.6 billion (2007: R55.8 billion) and the division increased its retail deposit book by 36.6% to R35.9 billion (2007: R26.3 billion).

Funds under advice grew 42.6% to R25.8 billion (2007: R18.1 billion).

- The Capital Markets division posted operating profit of R931 million (2007: R840 million), an increase of 10.8%. Growth was underpinned by a good performance from the division's advisory, structuring, asset creation and distribution activities. The division's lending book has grown by 20.5% to R25.9 billion (2007: R21.5 billion).
- Operating profit of the Investment Banking division decreased by 14.5% to R325 million (2007: R380 million). The Corporate Finance division had a stable pipeline, however large fees on a few transactions earned in the prior year were not repeated. The unlisted investments held within the Direct Investment and Private Equity portfolios continued to perform well. Results were however, impacted by a weaker performance from some of the listed investments.
- Other Activities posted a 44.8% increase in operating profit to R449 million (2007: R310 million) largely as a result of a strong increase in net interest income and a solid performance from some of the investments within the central funding portfolio.

Basis of preparation

The preliminary condensed consolidated financial statements of Investec Bank Limited ("the Bank") as at and for the year ended 31 March 2008 comprise the Bank and its subsidiaries ("the Group").

The Bank's principal accounting policies have been applied consistently over the current and prior financial years. During the year the Bank has adopted IFRS 7, Financial Instruments: Disclosure and IAS 1, Presentation of Financial Statements - Capital Disclosures (amendment). The adoption of IFRS 7 and the amendment to IAS 1 impacted the type and amount of disclosures made in the financial statements, but had no impact on the reported profit or financial position of the Bank.

These preliminary condensed consolidated financial statements 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.

Comparative figures

Comparative figures have been reclassified to conform to changes in presentation in the current year. These are further described below:

Securitised assets and liabilities arising on securitisation

Securitized assets and related liabilities, which continue to be recognised on the balance sheet, are now disclosed as separate line items on the face of the balance sheet. In prior periods, securitized assets were included within loans and advances to customers and trading securities, and liabilities arising on securitisation were included in debt securities in issue. This change in disclosure is to provide more relevant and useful information to users.

IFRS 7, Financial Instruments: Disclosure

Following the implementation and adoption of IFRS 7, the classification of certain financial instruments into balance sheet classes were refined to achieve more appropriate disclosure. A reclassification to the prior year balance sheet of R17.9 billion reclassified from debt securities in issue to customer accounts.

Cash flow statement reclassifications

In order to more appropriately present the cash flow information, the following reclassifications were made to the prior year cash flow statement:

- Dividends paid of R311 million have been reclassified from operating activities to financing activities as they are seen to be a cost of obtaining financial resources; and
- Cash flows relating to amounts due from group companies of R3.25 billion have been reclassified from financing activities to banking activities as this better reflects the nature of these amounts.

Total assets, total liabilities, and amounts recognised in the income statement and equity were not affected by these reclassifications.

On behalf of the Board of Investec Bank Limited

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

15 May 2008

Review conclusion

KPMG Inc. and Ernst & Young Inc, the Group's independent auditors, have reviewed the preliminary condensed consolidated financial statements, and have issued an unmodified review conclusion on the preliminary condensed consolidated financial statements, which is available for inspection at the company's registered office.

Non-redeemable non-cumulative non-participating preference shares

Declaration of dividend number 10

Notice is hereby given that preference dividend number 10 amounting to 537.23 cents per share has been declared for the period 1 October 2007 to 31 March 2008. The dividend is 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 20 June 2008.

The relevant dates for the payment of dividend number 10 are as follows:

Last day to trade cum-dividend	Thursday, 12 June 2008
Shares commence trading ex-dividend	Friday, 13 June 2008
Record date	Friday, 20 June 2008
Payment date	Thursday, 3 July 2008

Share certificates may not be dematerialised or rematerialised between Friday, 13 June 2008 and Friday, 20 June 2008, both dates inclusive.

By order of the board

B Coetsee
Company Secretary

Sandton

15 May 2008

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)
JSE Code: INLP ISIN: ZAE000048393
Directors: F Titi (Chairman), D M Lawrence* (Deputy Chairman),
S Koseff* (Chief Executive), B Kantor* (Managing Director), S E
Abrahams, G R Burger*,
M P Malungani, K X T Socikwa, B Tapnack*, P R S Thomas, C B
Tshili.

*Executive

DE Jowell retired as a board member with effect from 30 September
2007.

Company Secretary: B Coetsee