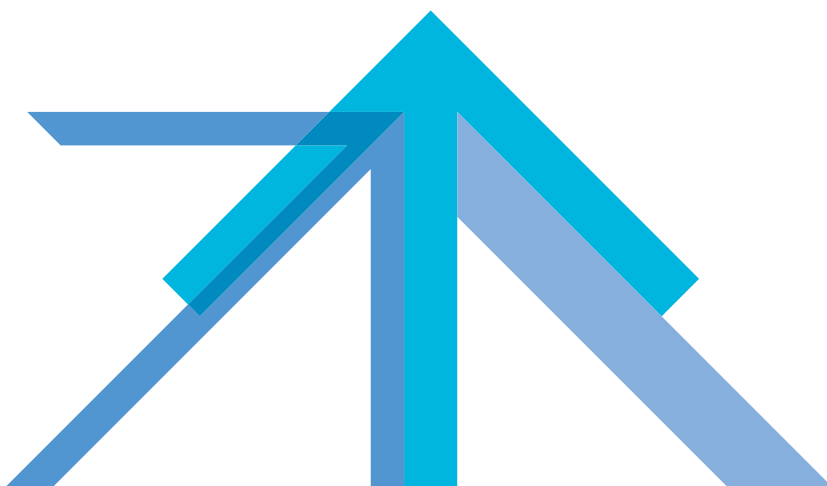


*Out of the Ordinary®*



# Results presentation

for the year ended  
31 | 03 | 09





# Corporate information

## Investec plc and Investec Limited

### Secretary and Registered Office

#### Investec plc

David Miller  
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United Kingdom  
Telephone (44) 20 7597 4541  
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#### Investec Limited

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### Internet address

[www.investec.com](http://www.investec.com)

### Registration number

Investec plc  
Reg. No. 3633621  
Investec Limited  
Reg. No. 1925/002833/06

### Auditors

Ernst & Young LLP  
Ernst & Young Inc.

### Transfer Secretaries in the UK

Computershare Investor Services PLC  
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Bristol BS99 6ZY  
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Telephone (44) 870 702 0001

### Transfer Secretaries in South Africa

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Johannesburg 2001  
PO Box 61051  
Marshalltown 2107  
Telephone (27 11) 370 5000

### Directorate

#### Executive directors

Stephen Koseff (Chief Executive Officer)  
Bernard Kantor (Managing Director)  
Glynn R Burger (Group Risk and Finance Director)  
Alan Tapnack

#### Non-executive directors

Hugh S Herman (Non-executive Chairman)  
Sam E Abrahams  
George FO Alford  
Cheryl C Carolus  
Haruko Fukuda OBE  
Geoffrey MT Howe  
Ian R Kantor  
Sir Chips Keswick (Senior Independent NED)  
Peter M Malungani  
Sir David Prosser  
Peter RS Thomas  
Fani Titi

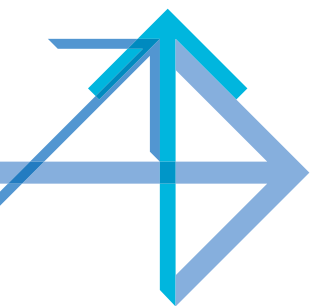
### For queries regarding information in this document:

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[www.investec.com/en\\_za/#home/investor\\_relations.html](http://www.investec.com/en_za/#home/investor_relations.html)





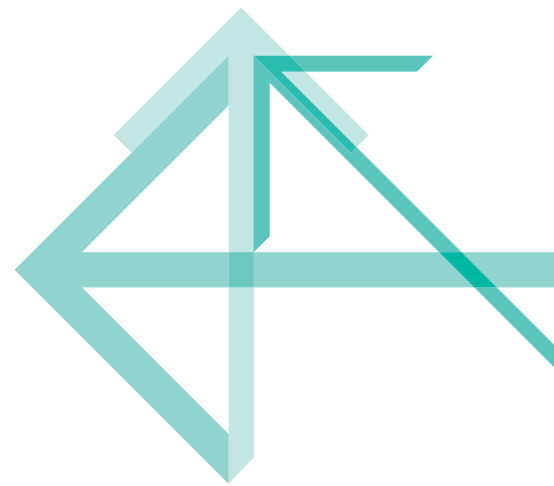


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Overview of results





# Presentation of financial information

## Introduction

Investec operates under a Dual Listed Companies (DLC) structure with 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 year end 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.

All references in this document to Investec or the group relate to the combined DLC group comprising Investec plc and Investec Limited.

## Exchange rates

Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial condition of our individual companies are reported in the local currencies of the countries 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 our combined consolidated financial results. 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 £1.00	31 March 2009		31 March 2008	
	Period end	Average	Period end	Average
South African Rand	13.58	14.83	16.17	14.31
Australian Dollar	2.07	2.19	2.18	2.32
Euro	1.08	1.21	1.25	1.42
US Dollar	1.43	1.73	1.99	2.01

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 Rand: Pounds Sterling exchange rate over the year has depreciated by 3.6% and the closing rate has appreciated by 16.0% since 31 March 2008.

The following table provides an analysis of the impact of the Rand depreciation/appreciation on our reported numbers.

	Results as reported at 31 March 2009	Currency neutral results at 31 March 2009**
Southern African operating profit (£'000)*	303 769	309 611
Southern African profit after tax and minorities (£'000)*	212 588	217 178
Total group operating profit before tax (£'000)*	400 088	405 930
Total group adjusted earnings attributable to ordinary shareholders (£'000)*	269 195	272 772
Adjusted EPS (pence)*	42.4	43.0
Total assets (£'million)	37 105	34 256
Total shareholders' equity (£'million)	2 621	2 488

\* Before goodwill and non-operating items

\*\* For balance sheet items we have assumed that the Rand: Pounds Sterling closing exchange rate has remained neutral since 31 March 2008. For income statement items we have used the average Rand: Pounds Sterling exchange rate that was applied in the prior period, i.e. 14.31



# Presentation of financial information

## Operating environment

Key macro-economic data pertaining to the group's three principal geographies: the UK, South Africa and Australia is set out below.

	31 March 2009		31 March 2008	
	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	0.50%	3.62%	5.25%	5.54%
LIBOR - 3 month	1.65%	4.62%	6.01%	6.05%
South Africa Prime Overdraft Rate	13.00%	15.07%	14.50%	13.61%
JIBAR - 3 month	8.80%	11.64%	11.38%	10.38%
Reserve Bank of Australia cash target rate	3.25%	5.85%	7.25%	6.57%
FTSE All Share Index	1 984.2	2 486.6	2 927.1	3 245.0
JSE All Share Index	20 363.9	24 758.9	29 587.5	28 977.8
Australian All Ordinaries Index	3 532.3	4 481.4	5 409.7	6 189.8

Source: Datastream



Overview of results



# Overview of results

	31 March 2009	31 March 2008	% change
<b>Income statement and selected returns</b>			
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000) <sup>1</sup>	269 215	344 695	(21.9%)
Headline earnings attributable to ordinary shareholders (£'000) <sup>1</sup>	261 627	301 499	(13.2%)
Operating profit before goodwill, non-operating items, taxation and after minorities (£'000)	396 766	508 717	(22.0%)
Operating profit before goodwill, non-operating items, taxation and after minorities: SA (% of total)	74.0%	66.7%	
Operating profit before goodwill, non-operating items, taxation and after minorities: Non-SA (% of total)	26.0%	33.3%	
Cost to income ratio	55.9%	56.1%	
Staff compensation to operating income ratio	34.9%	37.2%	
Return on average adjusted shareholders' equity (post tax) <sup>2</sup>	14.8%	23.6%	
Return on average adjusted tangible shareholders' equity (post tax) <sup>2</sup>	17.4%	28.6%	
Operating profit per employee (£'000) <sup>3</sup>	62.6	84.4	(25.8%)
Net interest income as a percentage of operating income net of insurance claims	46.6%	39.3%	
Non-interest income as a percentage of operating income net of insurance claims	53.4%	60.7%	
Recurring income as a percentage of total operating income net of insurance claims	70.0%	65.1%	
Effective operational tax rate	21.1%	22.6%	
<b>Balance sheet</b>			
Total capital resources (including subordinated liabilities) (£'million)	3 762	3 275	14.9%
Total shareholders' equity (including preference shares and minority interests) (£'million)	2 621	2 210	18.6%
Shareholders' equity (excluding minority interests) (£'million)	2 297	1 911	20.2%
Total assets (£'million)	37 105	34 104	8.8%
Core loans and advances to customers (including own originated securitised assets) (£'million)	16 228	12 854	26.2%
Core loans and advances to customers as a percentage of total assets	43.7%	37.7%	
Customer deposits (accounts) (£'million)	14 573	12 133	20.1%
Third party assets under management (£'million)	50 268	52 749	(4.7%)
Capital adequacy ratio: Investec plc <sup>4</sup>	16.2%	15.3%	
Capital adequacy ratio: Investec Limited <sup>4</sup>	14.2%	13.9%	
<b>Salient financial features and key statistics</b>			
Adjusted earnings per share (pence) <sup>1</sup>	42.4	56.9	(25.5%)
Headline earnings per share (pence) <sup>1</sup>	41.2	49.7	(17.1%)
Basic earnings per share (pence) <sup>1</sup>	38.5	57.7	(33.3%)
Diluted earnings per share (pence) <sup>1</sup>	36.1	54.0	(33.1%)
Dividends per share (pence)	13.0	25.0	(48.0%)
Dividend cover (times)	3.3	2.3	43.3%
Net tangible asset value per share (pence) <sup>5</sup>	266.3	215.0	23.9%
Weighted number of ordinary shares in issue (million) <sup>1</sup>	634.6	606.2	4.7%
Total number of shares in issue (million)	713.2	657.6	8.5%
Closing share price (pence)	292	339	(13.9%)
Market capitalisation (£'million) <sup>6</sup>	2 083	2 229	(6.6%)
Number of employees in the group	5 951	6 333	(6.0%)
Closing ZAR/£ rate	13.58	16.17	(16.0%)
Average ZAR/£ rate	14.83	14.31	3.6%

## Notes:

- 1 Refer to definitions and calculations on page 20
- 2 Refer to calculations on page 39
- 3 Refer to calculations on page 44
- 4 Refer to calculations on pages 36 to 38
- 5 Refer to calculations on page 35
- 6 Refer to calculations on page 51



# Commentary

## Overall performance

The group's strategy of maintaining a solid recurring revenue base; geographical and operational diversity; strong capital ratios; low leverage ratios; and strict management of liquidity and risk has enabled Investec to navigate through the present challenging operating environment. Market conditions have, however, negatively impacted activity levels, asset valuations and credit loss ratios, resulting in a 25.5% decline in adjusted earnings per share (EPS) before goodwill and non-operating items to 42.4 pence (2008: 56.9 pence).

The main features of the period under review are:

- Operating profit before goodwill, non-operating items and taxation and after minorities ("operating profit") decreased 22.0% to £396.8 million (2008: £508.7 million).
- Operating profit before impairment losses on loans and advances increased 4.8% to £652.9 million (2008: £622.9 million).
- Adjusted earnings attributable to shareholders before goodwill and non-operating items decreased 21.9% to £269.2 million (2008: £344.7 million).
- Recurring income as a percentage of total operating income increased to 70.0% (2008: 65.1%).
- Net asset value per share increased to 308.8 pence (2008: 260.6 pence) and net tangible asset value per share (which excludes goodwill and intangible assets) increased to 266.3 pence (2008: 215.0 pence).
- Core loans and advances to customers increased 26.2% to £16.2 billion (2008: £12.9 billion) – an increase of 11.7% on a currency neutral basis.
- Third party assets under management decreased by 4.7% to £50.3 billion (2008: £52.7 billion) – a decrease of 12.0% on a currency neutral basis.
- Customer accounts (deposits) increased 20.1% to £14.6 billion (2008: £12.1 billion) – an increase of 6.3% on a currency neutral basis.
- Cash and near cash balances amounted to £4.9 billion (2008: £5.0 billion).
- Tier 1 and total capital adequacy ratios have strengthened in both Investec plc and Investec Limited (refer to "Operational review" section below).
- Low gearing ratios represented by core loans and advances to equity at 6.2 times (2008: 5.8 times) and total assets (excluding assurance assets) to equity at 12.9 times (2008: 13.8 times).
- The board proposes a final dividend of 5.0 pence per ordinary share equating to a full year dividend of 13.0 pence (2008: 25.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 3.3 times (2008: 2.3 times), consistent with the group's dividend policy, as revised in November 2008.

## Operational review

### Liquidity and funding

A core strategy for many years has been the maintenance of cash reserves and a stock of readily available, high quality liquid assets well in excess of minimum regulatory requirements. During the financial year the group has on average held approximately £4.9 billion of cash and near cash to support its activities. These balances have ranged between £3.7 billion and £6.2 billion over the period, representing 20% to 30% of the group's liability base. The group continues to focus on diversifying its funding sources and maintaining a low reliance on interbank wholesale funding to fund core lending. Customer deposits have held up well over the period and the group has been successful in securing medium term syndicated loans due to its long standing counterparty relationships. The Private Bank and Capital Markets divisions have implemented a number of initiatives to increase private client and retail deposits. Active campaigns to build the group's retail deposit franchise were launched in the UK, Ireland and Australia towards the end of 2008, and more recently in South Africa. The group has been successful in increasing retail deposits with total net inflows since December 2008 amounting to approximately £1 billion.

In addition, Investec Bank plc in the UK has received an Institution Certificate under the UK Government's Credit Guarantee Scheme 2008 and is accordingly eligible to apply under the Scheme Rules for Eligibility Certificates in respect of debt instruments issued by it. Investec Bank (Australia) Limited is also eligible to issue government backed debt.

### Capital adequacy

The group holds capital well in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised in a vastly changed banking world. Accordingly, as announced in November 2008, the group has adjusted its capital adequacy targets and is focusing on increasing its capital base, targeting a minimum tier one capital ratio of 11% and a total capital adequacy ratio of 14% to 17% on a consolidated basis for Investec plc and Investec Limited, respectively. Investec has made good progress in this regard and intends on meeting these targets by the end of calendar year 2010.

Further information is available on pages 36 to 38.

### Asset quality

The bulk of Investec's credit and counterparty risk arises through its Private Banking and Capital Markets activities. The Private Bank lends mainly to high net worth and high income individuals, whilst the Capital Markets division primarily transacts with mid to large sized corporates, public sector bodies and institutions. Investec continues to focus on asset quality and credit risk in all geographies. Impairments and defaults on core loans and advances have increased as a result of weak economic conditions in all geographies.

Further information is available on pages 45 to 49.





# Commentary



## Business unit review

### Private Client Activities

Private Client Activities, comprising Private Bank and Private Client Portfolio Management and Stockbroking divisions, reported a decline in operating profit of 46.0% to £104.6 million (2008: £193.7 million).

#### Private Banking

Operating profit from the Private Banking division decreased by 51.6% to £80.5 million. (2008: £166.4 million). Higher average advances and a diversified set of revenues continued to drive operating income. However, activity levels have declined and impairment losses on loans and advances have increased in all geographies as a result of the weaker credit environment. The private client core lending book grew by 24.3% to £11.1 billion (2008: £8.9 billion) and the division increased its deposit book by 17.0% to £7.7 billion (2008: £6.6 billion). Funds under advice decreased 11.2% to £3.3 billion (2008: £3.7 billion).

#### Private Client Portfolio Management and Stockbroking

Private Client Portfolio Management and Stockbroking reported a decrease in operating profit of 11.8% to £24.1 million (2008: £27.3 million). The Private Client business in South Africa was negatively impacted by lower turnover and valuations and the absence of performance fees on alternative investments. Funds under management, expressed in Rands, decreased by 24.6% to R85.0 billion (2008: R112.7 billion). The results of the UK operations include Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc.

#### Capital Markets

Capital Markets reported an increase in operating profit of 22.3% to £141.4 million (2008: £115.6 million). The division's advisory, structuring and trading activities performed well. The results of the Principal Finance division improved substantially as current year write downs on US structured credit investments of £13 million were significantly less than the prior period of £49 million. Core loans and advances increased 26.5% to £4.8 billion from £3.8 billion at 31 March 2008. Kensington Group plc ("Kensington") produced a stable performance and reported operating profit of £37.1 million (2008: £24.3 million; the business was acquired on 8 August 2007).

#### Investment Banking

The Investment Banking division reported a decrease of 61.1% in operating profit to £28.2 million (2008: £72.5 million) reflecting a mixed performance across geographies and business activity. The agency divisions closed fewer deals in comparison to the prior year but reported higher trading revenues. The UK operations were impacted by a much weaker performance from certain of the investments held within the Private Equity and Direct Investments division, whilst the South African Private Equity operations recorded another steady performance.

#### Asset Management

Asset Management reported a decrease in operating profit of 13.4% to £66.2 million (2008: £76.4 million) largely as a result of a tougher mutual fund environment and weak equity markets. The division continued to benefit from a shift in the mix of funds managed, good investment performance and solid net inflows, notably within its institutional portfolio. Assets under management increased by 0.3% to £28.8 billion (2008: £28.7 billion).

#### Property Activities

Property Activities generated operating profit of £24.7 million (2008: £36.3 million). The results of the division, based mainly in South Africa, were supported by fees earned on projects completed in the current year and a satisfactory performance from the investment property portfolio.

#### Group Services and Other Activities

Group Services and Other Activities contributed £31.7 million to operating profit (2008: £14.1 million). The Central Funding division performed well benefiting from increased cash holdings and higher average interest rates in South Africa. Central Services costs declined by 11.9%.



# Commentary

## Financial statement analysis

Please refer to pages 22 to 43 for a detailed financial statement analysis.

## Strategy


Investec is a focused, niche specialist banking group striving to be distinctive in all that it does. In order to deliver value to shareholders through economic cycles and achieve the group's growth objectives the group will continue to focus on:

- Moderate loan growth, shifting emphasis to increasing the proportion of its non-lending revenue base;
- Maintaining credit quality;
- Strictly managing risk and liquidity;
- Creating additional operational efficiencies and containing costs;
- Building business depth rather than business breadth by deepening existing client relationships and generating high quality income through diversified, sustainable revenue streams.

## Outlook

Investec's geographical and operational diversity has enabled it to navigate a steady course during a year of unprecedented turmoil in financial markets. The group has adapted its business model in response to this environment. The outlook for the global economy is uncertain and markets are likely to remain volatile. Investec has a sound balance sheet and believes that the market upheaval since September last year will present opportunities to strengthen its market position across core geographies.

On behalf of the boards of Investec plc and Investec Limited



Hugh Herman  
Chairman



Stephen Koseff  
Chief Executive Officer



Bernard Kantor  
Managing Director







## Notes to the commentary section on pages 5 to 7

### Accounting policies and disclosures

Accounting policies applied are consistent with those of the prior year except as noted below.

The group has elected to early adopt IFRS 8 (Operating Segments) as of 1 April 2008. This standard requires disclosure of information about the group's operating segments on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Adoption of this standard did not have any impact on the financial position or performance of the group. The group determined that operating segments were the same as the business segments previously identified under IAS 14 (Segment Reporting).

IAS 39 (Financial Instruments: Recognition and Measurement) was amended with effect from October 2008. Following the amendment, a non-derivative financial asset held for trading may be transferred out of the fair value through profit and loss category in the following circumstances:

- In rare circumstances, the asset is no longer held for the purpose of selling or repurchasing in the near term; or
- The asset is no longer held for the purpose of selling or repurchasing in the near term, it would have met the definition of a loan and receivable at initial recognition and the group has the intention and ability to hold it for the foreseeable future or until maturity.

The initial value of the financial asset that has been reclassified, per the above, is the fair value at the date of reclassification. The group has not applied the initial transitional rules. This change in accounting policy has had no impact in the prior and current year.

### Reclassifications

The group had previously included the par value and share premium received on the issue of perpetual preference shares (an equity instrument) in a single line item within equity on the balance sheet. The presentation has been amended to include the share premium received of £299.5 million (2008: £272.2 million) within the share premium account. This change in presentation has no impact on overall equity, assets and liabilities.

## Proviso

- 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 International Financial Reporting Standards (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 21 May 2009.



# Dividend announcements

## Investec plc

Registration number: 3633621

Share code: INP

ISIN: GB00BI7BBQ50

### Ordinary dividend announcement

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 final dividend (No. 14) of 5.0 pence (2008: 13.5 pence) per ordinary share has been declared by the board in respect of the financial year ended 31 March 2009 payable to shareholders recorded in the members' register of the company at the close of business on Friday 31 July 2009, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 5.0 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment on the SA DAS share equivalent to 5.0 pence per ordinary share

The relevant dates for the payment of the dividends are as follows:

**Last day to trade cum-dividend:**

- |  |                      |
|--|----------------------|
| - On the London Stock Exchange (LSE)       | Tuesday 28 July 2009 |
| - On the Johannesburg Stock Exchange (JSE) | Friday 24 July 2009  |

**Shares commence trading ex-dividend:**

- |  |                        |
|--|------------------------|
| - On the London Stock Exchange (LSE)       | Wednesday 29 July 2009 |
| - On the Johannesburg Stock Exchange (JSE) | Monday 27 July 2009    |

<b>Record date (on the LSE and the JSE)</b>	Friday 31 July 2009
---	---------------------

<b>Payment date (on the LSE and the JSE)</b>	Tuesday 18 August 2009
--	------------------------

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday 27 July 2009 and Friday 31 July 2009, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday 27 July 2009 and Friday 31 July 2009, both dates inclusive.

Shareholders registered on the South African register are advised that the distribution of 5.0 pence, equivalent to 66.0 cents per share, has been arrived at using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday 20 May 2009.

By order of the board



D Miller  
Company Secretary  
20 May 2009





# Dividend announcements



## Investec plc

Registration number: 3633621

Share code: INPP

ISIN: GB00B19RX541

Overview of results

### Non-redeemable non-cumulative non-participating preference shares

#### Declaration of dividend number 6

Notice is hereby given that preference dividend number 6 has been declared for the period 1 October 2008 to 31 March 2009 amounting to 16.03 pence 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 19 June 2009.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 16.03 pence per share is equivalent to 211.00 cents per share, which has been determined using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday 20 May 2009.

The relevant dates relating to the payment of dividend number 6 are as follows:

**Last day to trade cum-dividend:**

- |  |                       |
|--|-----------------------|
| - On the Johannesburg Stock Exchange (JSE)     | Thursday 11 June 2009 |
| - On the Channel Islands Stock Exchange (CISX) | Tuesday 16 June 2009  |

**Shares commence trading ex-dividend:**

- |  |                        |
|--|------------------------|
| - On the Johannesburg Stock Exchange (JSE)     | Friday 12 June 2009    |
| - On the Channel Islands Stock Exchange (CISX) | Wednesday 17 June 2009 |

<b>Record date (on the JSE and CISX)</b>	Friday 19 June 2009
--	---------------------

<b>Payment date (on the JSE and CISX)</b>	Thursday 2 July 2009
---	----------------------

Share certificates may not be dematerialised or rematerialised between Friday 12 June 2009 and Friday 19 June 2009, both dates inclusive, nor may transfers between the UK and SA registers may take place between Friday 12 June 2009 and Friday 19 June 2009, both dates inclusive.

By order of the board

D Miller  
Company Secretary  
20 May 2009



# Dividend announcements

## Investec Limited

Registration number: 1925/002833/06  
Share code: INL  
ISIN: ZAE000081949

### Ordinary dividend announcement

Notice is hereby given that a final dividend (No. 107) of 66.0 cents (2008: 202.0 cents) per ordinary share has been declared by the board in respect of the financial year ended 31 March 2009 payable to shareholders recorded in the members' register of the company at the close of business on Friday 31 July 2009.

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

Last day to trade cum-dividend	Friday 24 July 2009
Shares commence trading ex-dividend	Monday 27 July 2009
Record date	Friday 31 July 2009
Payment date	Tuesday 18 August 2009

The final dividend of 66.0 cents per ordinary share has been determined by converting the Investec plc distribution of 5.0 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday 20 May 2009.

Share certificates may not be dematerialised or rematerialised between Monday 27 July 2009 and Friday 31 July 2009, both dates inclusive.

By order of the board



B Coetsee  
Company Secretary  
20 May 2009





# Dividend announcements



## Investec Limited

Registration number: 1925/002833/06

Share code: INPR

ISIN: ZAE000063814

Overview of results

### Non-redeemable non-cumulative non-participating preference shares

#### Declaration of dividend number 9

Notice is hereby given that preference dividend number 9 has been declared for the period 1 October 2008 to 31 March 2009 amounting to 518.77 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 19 June 2009.

The relevant dates for the payment of dividend number 9 are as follows:

Last day to trade cum-dividend	Thursday 11 June 2009
Shares commence trading ex-dividend	Friday 12 June 2009
Record date	Friday 19 June 2009
Payment date	Thursday 2 July 2009

Share certificates may not be dematerialised or rematerialised between Friday 12 June 2009 and Friday 19 June 2009, both dates inclusive.

By order of the board

**B Coetsee**  
Company Secretary  
20 May 2009



# Dividend announcements

## Investec Bank Limited

Registration number: 1969/004763/06  
Share code: INLP  
ISIN: ZAE000048393

### Non-redeemable non-cumulative non-participating preference shares Declaration of dividend number 12

Notice is hereby given that preference dividend number 12 has been declared for the period 1 October 2008 to 31 March 2009 amounting to 555.82 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 19 June 2009.

The relevant dates for the payment of dividend number 12 are as follows:

Last day to trade cum-dividend	Thursday 11 June 2009
Shares commence trading ex-dividend	Friday 12 June 2009
Record date	Friday 19 June 2009
Payment date	Tuesday 2 July 2009

Share certificates may not be dematerialised or rematerialised between Friday 12 June 2009 and Friday 19 June 2009, both dates inclusive.

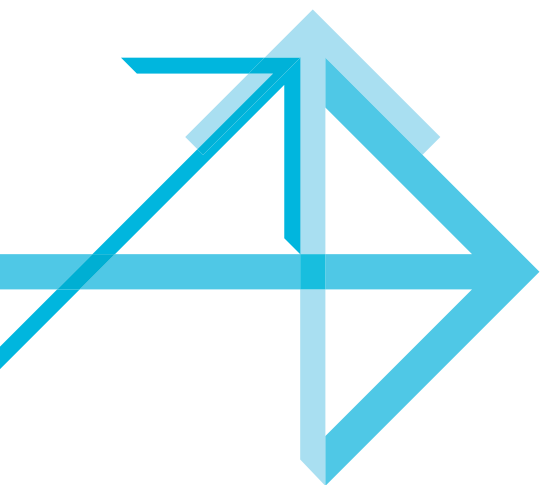
By order of the board



**B Coetsee**  
Company Secretary  
20 May 2009







Financial results (Investec plc  
and Investec Limited)





# Combined consolidated income statement

£'000	Year to 31 March 2009	Year to 31 March 2008
Interest income	2 596 913	2 083 380
Interest expense	(1 902 882)	(1 499 960)
<b>Net interest income</b>	<b>694 031</b>	<b>583 420</b>
Fee and commission income	592 814	614 357
Fee and commission expense	(61 292)	(63 061)
Principal transactions	276 521	276 705
Operating income from associates	12 438	12 138
Investment income on assurance activities	74 584	89 593
Premiums and reinsurance recoveries on insurance contracts	18 773	40 849
Other operating (loss)/income	(30 240)	50 043
<b>Other income</b>	<b>883 598</b>	<b>1 020 624</b>
Claims and reinsurance premiums on insurance business	(88 108)	(120 358)
<b>Total operating income net of insurance claims</b>	<b>1 489 521</b>	<b>1 483 686</b>
Impairment losses on loans and advances	(256 173)	(114 185)
<b>Operating income</b>	<b>1 233 348</b>	<b>1 369 501</b>
Administrative expenses	(803 158)	(807 500)
Depreciation and amortisation of property, equipment and intangibles	(30 102)	(24 330)
<b>Operating profit before goodwill</b>	<b>400 088</b>	<b>537 671</b>
Goodwill	(32 467)	(62 765)
<b>Operating profit</b>	<b>367 621</b>	<b>474 906</b>
Profit on disposal of group operations	721	72 855
<b>Profit before taxation</b>	<b>368 342</b>	<b>547 761</b>
Taxation	(81 675)	(127 249)
<b>Profit after taxation</b>	<b>286 667</b>	<b>420 512</b>
(Losses)/earnings attributable to minority interests	(5 355)	28 954
<b>Earnings attributable to shareholders</b>	<b>292 022</b>	<b>391 558</b>
Earnings per share (pence)		
- basic	38.5	57.7
- diluted	36.1	54.0
Adjusted earnings per share (pence)		
- basic	42.4	56.9
- diluted	39.7	53.2
Headline earnings per share (pence)		
- basic	41.2	49.7
- diluted	38.6	46.6
Dividends per share (pence)		
- interim	8.0	11.5
- final	5.0	13.5



Financial results



# Combined consolidated balance sheet



Financial results

£'000	31 March 2009	31 March 2008*
<b>Assets</b>		
Cash and balances at central banks	1 105 089	788 472
Loans and advances to banks	2 018 089	2 153 773
Cash equivalent advances to customers	396 173	504 382
Reverse repurchase agreements and cash collateral on securities borrowed	569 770	794 153
Trading securities	2 313 845	1 984 580
Derivative financial instruments	1 582 908	1 305 264
Investment securities	1 063 569	1 130 872
Loans and advances to customers	15 390 519	12 011 261
Loans and advances to customers - Kensington warehouse assets	1 897 878	2 034 874
Securitised assets	5 628 347	6 082 975
Interests in associated undertakings	93 494	82 576
Deferred taxation assets	136 757	84 493
Other assets	894 062	882 209
Property and equipment	174 532	141 352
Investment properties	189 156	134 975
Goodwill	255 972	271 932
Intangible assets	34 402	31 506
	<b>33 744 562</b>	<b>30 419 649</b>
Other financial instruments at fair value through income in respect of		
- liabilities to customers	3 358 338	2 878 894
- assets related to reinsurance contracts	1 768	805 009
	<b>37 104 668</b>	<b>34 103 552</b>
<b>Liabilities</b>		
Deposits by banks	3 781 153	3 489 032
Deposits by banks - Kensington warehouse funding	1 412 961	1 778 438
Derivative financial instruments	1 196 326	881 577
Other trading liabilities	344 561	450 580
Repurchase agreements and cash collateral on securities lent	915 850	382 384
Customer accounts	14 572 568	12 133 120
Debt securities in issue	1 014 871	777 769
Liabilities arising on securitisation	5 203 473	5 760 208
Current taxation liabilities	155 395	132 656
Deferred taxation liabilities	120 135	79 172
Other liabilities	1 264 144	1 279 373
Pension fund liabilities	1 212	-
	<b>29 982 649</b>	<b>27 144 309</b>
Liabilities to customers under investment contracts	3 352 863	2 862 916
Insurance liabilities, including unit-linked liabilities	5 475	15 978
Reinsured liabilities	1 768	805 009
	<b>33 342 755</b>	<b>30 828 212</b>
Subordinated liabilities (including convertible debt)	1 141 376	1 065 321
	<b>34 484 131</b>	<b>31 893 533</b>
<b>Equity</b>		
Called up share capital	190	177
Perpetual preference share capital	151	151
Share premium	1 769 040	1 632 634
Treasury shares	(173 068)	(114 904)
Equity portion of convertible instruments	-	2 191
Other reserves	42 509	(42 057)
Profit and loss account	658 129	433 012
<b>Shareholders' equity excluding minority interests</b>	<b>2 296 951</b>	<b>1 911 204</b>
Minority interests	323 586	298 815
- Perpetual preferred securities issued by subsidiaries	295 084	251 637
- Minority interests in partially held subsidiaries	28 502	47 178
<b>Total shareholders' equity</b>	<b>2 620 537</b>	<b>2 210 019</b>
<b>Total liabilities and equity</b>	<b>37 104 668</b>	<b>34 103 552</b>

\* As restated for reclassifications detailed on page 8 of this report.



# Combined consolidated statement of total recognised income and expenses

£'000

	Year to 31 March 2009	Year to 31 March 2008
Profit after taxation	286 667	420 512
Fair value movements on cash flow hedges	(16 293)	-
Fair value movements on available for sale assets	(4 223)	(38 907)
Foreign currency movements	215 653	(79 591)
Pension fund actuarial (losses)/gains	(9 722)	7 619
<b>Total recognised income and expenses</b>	<b>472 082</b>	<b>309 633</b>
Total recognised income and expenses attributable to minority shareholders	21 285	17 365
Total recognised income and expenses attributable to ordinary shareholders	376 020	270 327
Total recognised income and expenses attributable to perpetual preferred securities	74 777	21 941
<b>Total recognised income and expenses</b>	<b>472 082</b>	<b>309 633</b>



Financial results

## Combined summarised consolidated cash flow statement

£'000

	Year to 31 March 2009	Year to 31 March 2008
Cash flows from operations	631 378	610 450
Decrease/increase in operating assets	46 724	(655 805)
(Decrease)/increase in operating liabilities	(323 255)	1 080 433
<b>Net cash inflow from operating activities</b>	<b>354 847</b>	<b>1 035 078</b>
Net cash outflow from investing activities	(63 670)	(65 642)
Net cash outflow from financing activities	(184 981)	(54 893)
Effects of exchange rate changes on cash and cash equivalents	226 277	(97 791)
<b>Net increase in cash and cash equivalents</b>	<b>332 473</b>	<b>816 752</b>
Cash and cash equivalents at the beginning of the year	1 951 876	1 135 124
<b>Cash and cash equivalents at the end of the year</b>	<b>2 284 349</b>	<b>1 951 876</b>

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



# Consolidated statements of changes in equity



Financial results

£'000

	Called up share capital	Perpetual preference share capital	Share premium account	Treasury shares	Equity portion of convertible instruments
<b>At 1 April 2007</b>	<b>169</b>	<b>151</b>	<b>1 421 881</b>	<b>(109 279)</b>	<b>2 191</b>
<b>Movement in reserves 1 April 2007 – 31 March 2008</b>					
Foreign currency movements	-	-	(19 838)	-	-
Profit for the year	-	-	-	-	-
Pension fund actuarial gains	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Profit on realisation of available for sale assets recycled through income	-	-	-	-	-
Total recognised gains and losses for the year	-	-	(19 838)	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Dividends paid to minorities	-	-	-	-	-
Issue of ordinary shares	8	-	230 656	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Share issue expenses	-	-	(65)	-	-
Movement of treasury shares	-	-	-	(5 625)	-
Transfer from capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
<b>At 31 March 2008</b>	<b>177</b>	<b>151</b>	<b>1 632 634</b>	<b>(114 904)</b>	<b>2 191</b>
<b>Movement in reserves 1 April 2008 – 31 March 2009</b>					
Foreign currency movements	-	-	27 274	-	-
Profit for the year	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Fair value movements on cash flow hedges	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Losses on realisation or impairment of available for sale assets recycled through income	-	-	-	-	-
Total recognised gains and losses for the year	-	-	27 274	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	13	-	91 751	-	-
Conversion of convertible instruments	-	-	17 381	-	(2 191)
Issue of equity by subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	(58 164)	-
Transfer to capital reserves	-	-	-	-	-
Transfer from regulatory general risk reserve	-	-	-	-	-
<b>At 31 March 2009</b>	<b>190</b>	<b>151</b>	<b>1 769 040</b>	<b>(173 068)</b>	<b>-</b>





Capital reserve	Available for sale account	Other reserves Regulatory general reserve	Cash flow hedge risk reserve	Foreign currency reserve	Profit and loss account reserves	Shareholder's equity excluding minority interests	Minority interests	Total
12 542	30 642	71 940	-	(74 579)	186 827	1 542 485	277 931	1 820 416
-	-	-	-	(48 164)	-	(68 002)	(11 589)	(79 591)
-	-	-	-	-	391 558	391 558	28 954	420 512
-	-	-	-	-	7 619	7 619	-	7 619
-	(66 306)	-	-	-	-	(66 306)	-	(66 306)
-	27 399	-	-	-	-	27 399	-	27 399
-	(38 907)	-	-	(48 164)	399 177	292 268	17 365	309 633
-	-	-	-	-	39 182	39 182	-	39 182
-	-	-	-	-	(145 926)	(145 926)	-	(145 926)
-	-	-	-	-	(41 779)	(41 779)	-	(41 779)
-	-	-	-	-	-	-	(3 923)	(3 923)
-	-	-	-	-	-	230 664	-	230 664
-	-	-	-	-	-	-	6 777	6 777
-	-	-	-	-	-	-	665	665
-	-	-	-	-	-	(65)	-	(65)
-	-	-	-	-	-	(5 625)	-	(5 625)
(5 609)	-	-	-	-	5 609	-	-	-
-	-	10 078	-	-	(10 078)	-	-	-
6 933	(8 265)	82 018	-	(122 743)	433 012	1 911 204	298 815	2 210 019
-	-	-	-	-	-	-	-	-
-	-	459	-	158 664	2 616	189 013	26 640	215 653
-	-	-	-	-	292 022	292 022	(5 355)	286 667
-	-	-	-	-	(9 722)	(9 722)	-	(9 722)
-	-	-	(16 293)	-	-	(16 293)	-	(16 293)
-	(9 511)	-	-	-	-	(9 511)	-	(9 511)
-	5 288	-	-	-	-	5 288	-	5 288
-	(4 223)	459	(16 293)	158 664	284 916	450 797	21 285	472 082
-	-	-	-	-	92 848	92 848	-	92 848
-	-	-	-	-	(143 995)	(143 995)	-	(143 995)
-	-	-	-	-	(47 503)	(47 503)	-	(47 503)
-	-	-	-	-	-	91 764	-	91 764
-	-	-	-	-	(15 190)	-	-	-
-	-	-	-	-	-	-	3 486	3 486
-	-	-	-	-	-	(58 164)	-	(58 164)
4 949	-	-	-	-	(4 949)	-	-	-
-	-	(58 990)	-	-	58 990	-	-	-
11 882	(12 488)	23 487	(16 293)	35 921	658 129	2 296 951	323 586	2 620 537



# Dividends and earnings per share



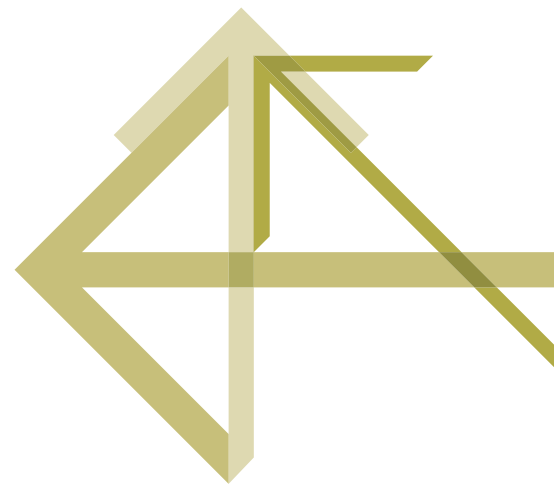
	31 March 2009	31 March 2008
<b>Ordinary dividends – pence per share</b>		
Interim	8.0	11.5
Final	5.0	13.5
<b>Total</b>	<b>13.0</b>	<b>25.0</b>
<b>Earnings</b>	<b>£'000</b>	<b>£'000</b>
Earnings attributable to shareholders	292 022	391 558
Preference dividends paid	(47 503)	(41 779)
<b>Earnings attributable to ordinary shareholders</b>	<b>244 519</b>	<b>349 779</b>
Earnings resulting from future dilutive convertible instruments	184	736
<b>Diluted earnings attributable to ordinary shareholders</b>	<b>244 703</b>	<b>350 515</b>
<b>Weighted number of shares in issue</b>		
Weighted total average number of shares in issue during the year	679 078 556	640 059 998
Weighted average number of treasury shares	(44 477 037)	(33 894 292)
<b>Weighted average number of shares in issue during the year</b>	<b>634 601 519</b>	<b>606 165 706</b>
Weighted average number of shares resulting from future dilutive potential shares	42 397 113	35 390 062
Weighted average number of shares resulting from future dilutive convertible instruments	1 778 343	7 489 820
<b>Adjusted weighted number of shares potentially in issue</b>	<b>678 776 975</b>	<b>649 045 588</b>
<b>Earnings per share – pence</b>		
Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.	38.5	57.7
<b>Diluted earnings per share – pence</b>		
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the period.	36.1	54.0
<b>Adjusted earnings per share – pence</b>		
Adjusted earnings per share is calculated by dividing the earnings before goodwill and non-operating items attributable to the ordinary shareholders and after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the period.	42.4	56.9
<b>Earnings attributable to shareholders</b>	<b>£'000</b>	<b>£'000</b>
Goodwill	292 022	391 558
Goodwill attributable to minorities	32 467	62 765
Profit on disposal of group operations (net of taxation)	(8 677)	-
Preference dividends paid	(721)	(64 345)
Additional earnings attributable to other equity holders*	(47 503)	(41 779)
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	1 627	(3 504)
<b>Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items</b>	<b>269 215</b>	<b>344 695</b>
<b>Headline earnings per share – pence</b>		
Headline earnings per share has been calculated in accordance with the definition in the Institute of Investment Management Research Statement of Investment Practice No. 1 "The Definition of Headline Earnings" and is disclosed in accordance with the JSE listing requirements and in terms of circular 8/2007 issued by the South African Institute of Chartered Accountants.	41.2	49.7
<b>Earnings attributable to shareholders</b>	<b>£'000</b>	<b>£'000</b>
Goodwill	292 022	391 558
Goodwill attributable to minorities	32 467	62 765
Profit on disposal of group operations	(8 677)	-
Preference dividends paid	(721)	(64 345)
Other headline adjustments**	(47 503)	(41 779)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>261 627</b>	<b>301 499</b>

\* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises, i.e. on declaration by the board of directors and approval by the shareholders, where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS

\*\* Other headline adjustments include the fair value of investment properties and realised gains/losses on available for sale instruments as well as impairments recognised against available for sale instruments



Financial review and  
additional information





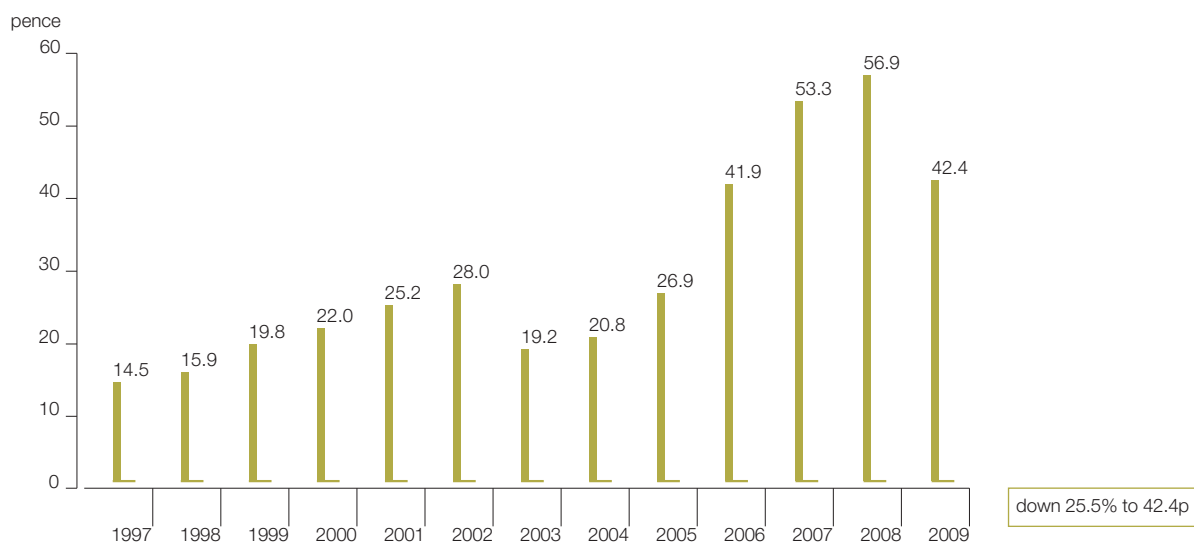
# Financial review



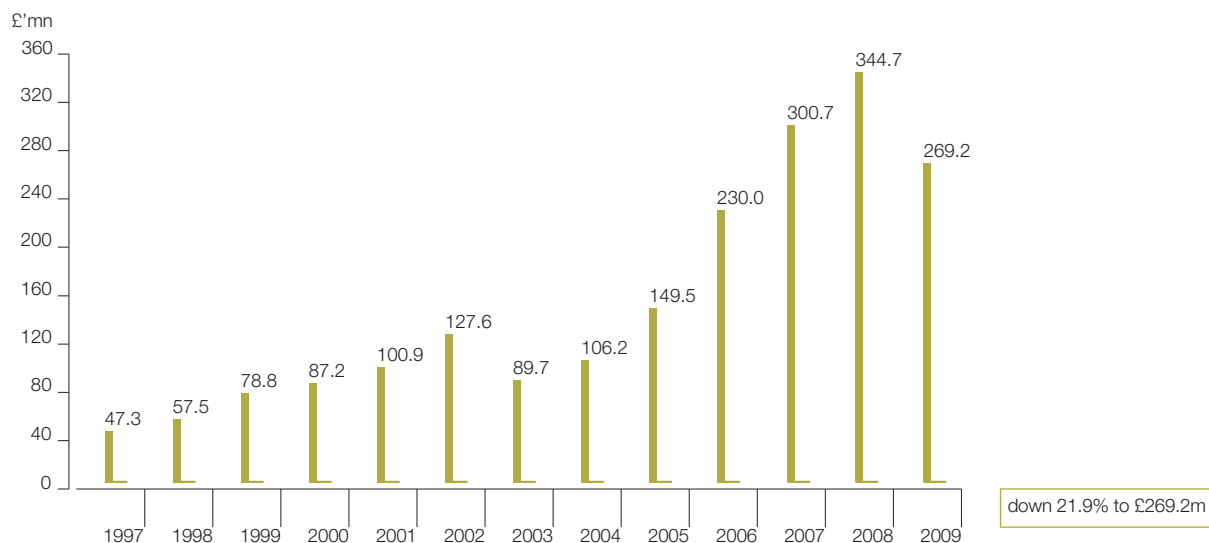
This commentary and analysis of our financial results for the year ended 31 March 2009 provides an overview of our financial performance relative to the group's results for the year ended 31 March 2008. Further detail on the performance of our business divisions is provided in the Divisional Review section of this report. The commentary and analysis are based on our consolidated financial results presented in accordance with IFRS and denominated in Pounds Sterling. The financial information discussed below is based on the period under review, and may not necessarily reflect the financial condition or results of the operations of the group going forward.

## Track record

### Adjusted earnings per share before goodwill and non-operating items\*



### Adjusted attributable earnings before goodwill and non-operating items



**Note:**

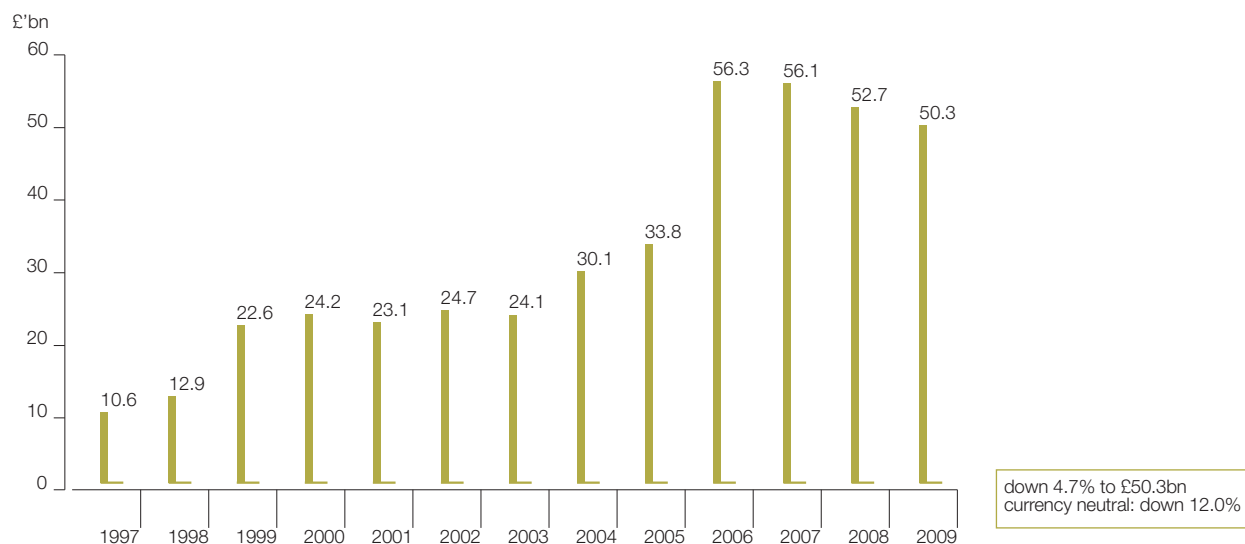
Results are shown for the year ended 31 March. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS

\* Historical EPS numbers have been adjusted for the 5:1 share split that took place on 4 September 2006

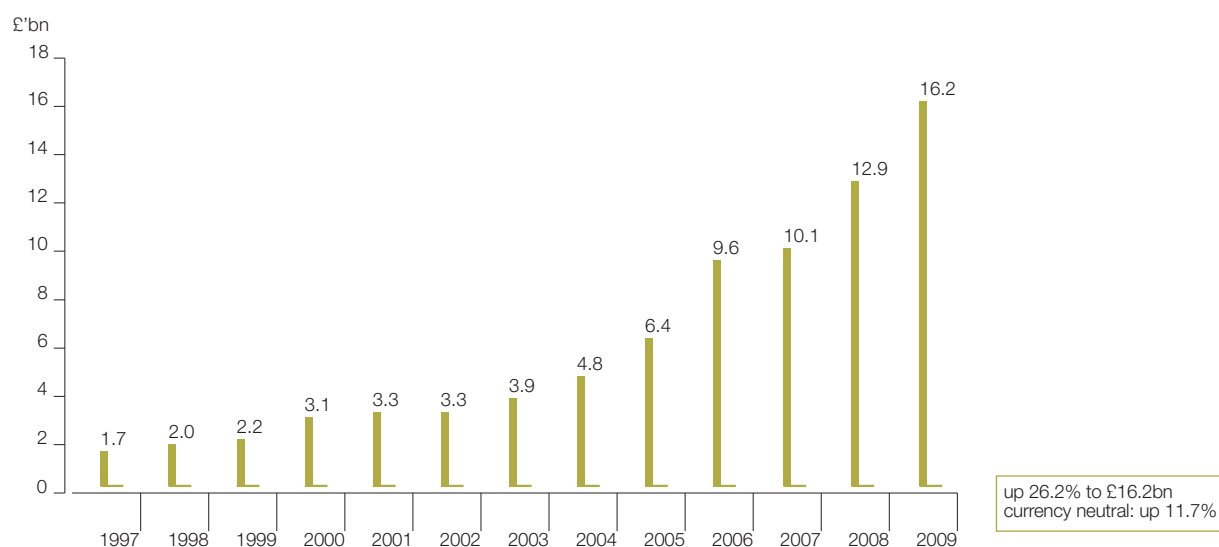


# Financial review

## Third party assets under management



## Core loans and advances



### Note:

Results are shown for the year ended 31 March. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS

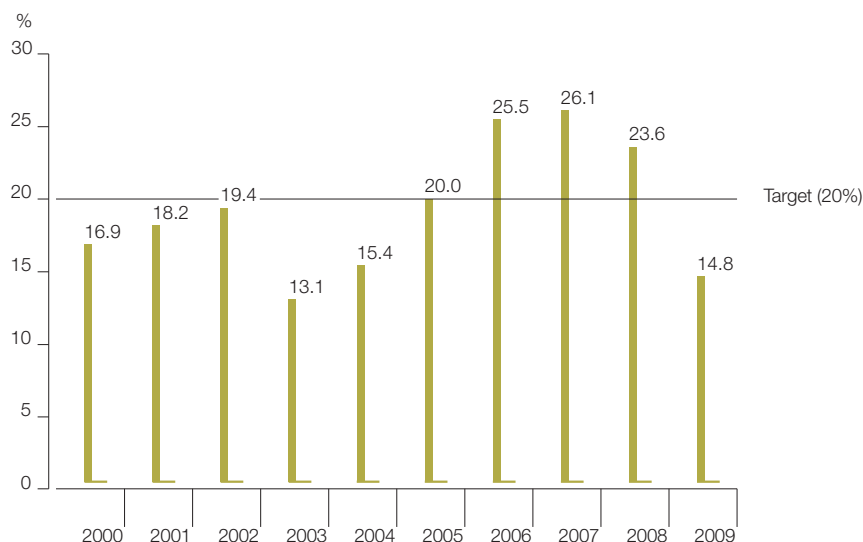




# Financial review

## Financial objectives

ROE\*

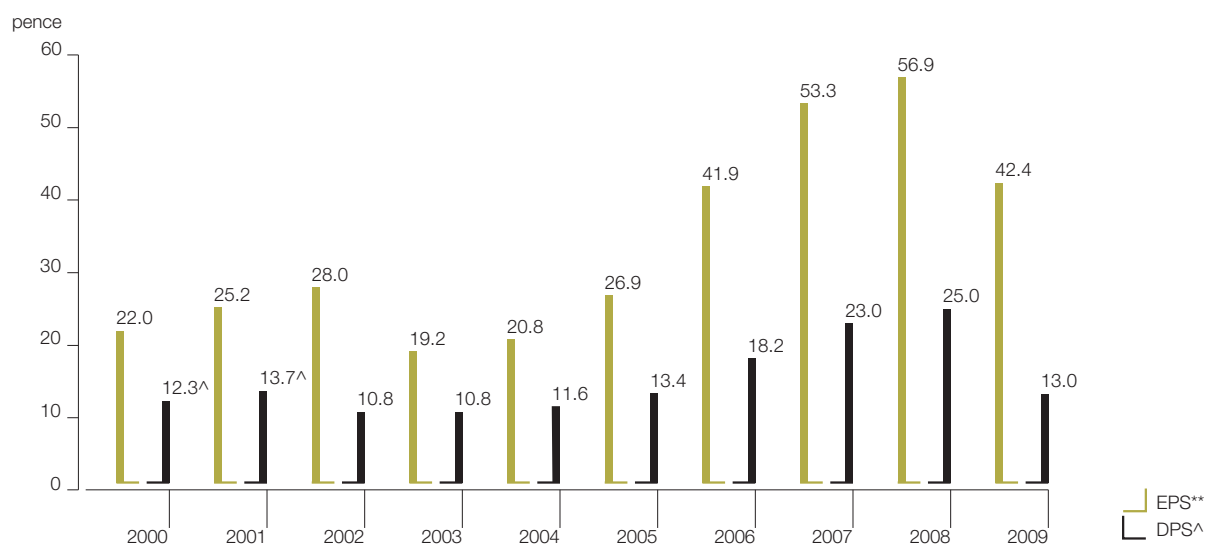


\* ROE is post-tax return on adjusted average shareholder's equity (inclusive of compulsory convertible instruments) as calculated on page 39

We set out the following targets over the medium to long-term

- Group ROE: Greater than 20% in Pounds Sterling

Adjusted earnings per share (EPS) and dividends per share (DPS)



\*\* Adjusted EPS before goodwill and non-operating items as defined on page 20

^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006

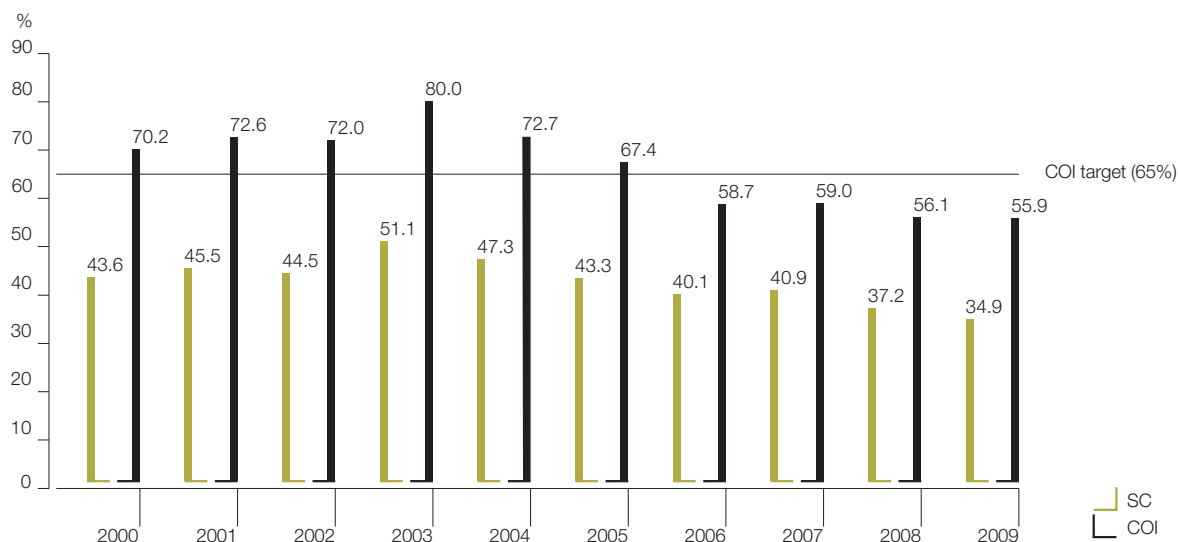
In the medium to long-term, we aim to achieve adjusted EPS growth of 10% in excess of UK inflation (in Pounds Sterling). We continually strive to build and maintain a sustainable business model. We intend to maintain a dividend cover of between 1.7 to 3.5 times based on earnings per share as defined above, denominated in Pounds Sterling

Refer to note on page 25



# Financial review

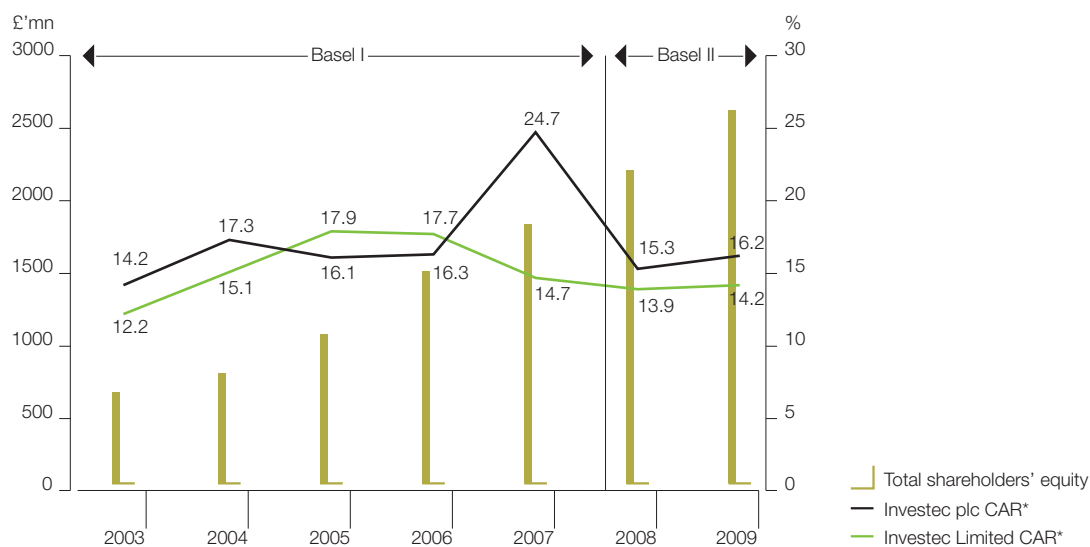
## Cost to income ratio (COI) and staff compensation to operating income ratio (SC)



We have set the following targets over the medium to long-term:

- Group COI ratio: less than 65% in Pounds Sterling

## Total shareholders' equity and capital adequacy ratios (CAR)



\* Capital adequacy figures prior to 2008 are disclosed under Basel I and thereafter under Basel II

We intend to maintain a sufficient level of capital to satisfy regulatory requirements, as well as take advantage of opportunities that may arise in the financial services industry focusing on increasing our return on equity in the medium to long-term. We target a capital adequacy ratio of between 14% to 17% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio of in excess of 11%

### Note:

The numbers shown in the financial objectives graphs on pages 24 and 25 are for the years ended 31 March. The numbers prior to 2005 are reported in terms of UK GAAP





# Financial review



## An overview of our key income drivers

We provide a wide range of financial products and services to a niche client base in three principal markets, the UK, South Africa and Australia. We are organised as a network comprising five principal business divisions: Private Client Activities, Capital Markets Investment Banking, Asset Management and Property Activities.

In addition, our head office provides certain group-wide integrating functions such as Risk Management, Information Technology Finance, Investor Relations, Marketing, Human Resources and Organisational Development. It is also responsible for our central funding and other activities, such as our Trade Finance operations.

There are therefore a number of key income drivers for our business which are discussed below.

Business activity	Key income drivers	Income impacted primarily by	Income statement - reflected as
<b>Private Client Activities</b>			
Private Banking	<ul style="list-style-type: none"> <li>• Interest earned in connection with the bank's lending activities</li> <li>• Fees earned for advisory banking and lending services</li> <li>• Income earned in respect of growth and acquisition finance activities</li> </ul>	<ul style="list-style-type: none"> <li>• Size of loan portfolio</li> <li>• Interest rate environment</li> <li>• Levels of activity</li> <li>• Quality of transactions and deal flow</li> </ul>	<ul style="list-style-type: none"> <li>• Net interest income</li> <li>• Net interest income and fees and commissions</li> <li>• Fees and commissions and principal transactions</li> </ul>
Private Client Portfolio Management and Stockbroking	<ul style="list-style-type: none"> <li>• Fees levied as a percentage of assets under management</li> <li>• Commissions earned for executing transactions for clients</li> <li>• Performance fees paid for achieving outperformance against benchmark</li> </ul>	<ul style="list-style-type: none"> <li>• Movement in the value of assets underlying client portfolios</li> <li>• The level of clients' investment activity, which, in turn, is affected by, among other things, the performance of the global stock markets, the equity investment risk appetite of our clients and market liquidity</li> </ul>	<ul style="list-style-type: none"> <li>• Fees and commissions</li> </ul>
<b>Capital Markets</b>			
	<ul style="list-style-type: none"> <li>• Trading and hedging</li> <li>• Product structuring and distribution</li> <li>• Asset creation</li> <li>• Advisory</li> </ul>	<ul style="list-style-type: none"> <li>• Client activity</li> <li>• Market opportunities</li> <li>• Market risk factors primarily volatility and liquidity</li> <li>• The level of clients' investment activity, which, in turn, is affected by among other things, the performance of the global markets and the investment risk appetite of our clients</li> <li>• Distribution channels</li> <li>• Ability to create innovative products</li> <li>• Rate environment</li> <li>• Size of loan portfolio</li> <li>• Credit spreads</li> <li>• Clients capital and infrastructural investments</li> <li>• The demand for our specialised advisory services, which, in turn is affected by applicable tax, regulatory and other economic factors e.g. project activity in the relevant markets</li> </ul>	<ul style="list-style-type: none"> <li>• Principal transactions</li> <li>• Fees and commissions and principal transactions</li> <li>• Fees and commissions</li> <li>• Net interest income</li> <li>• Principal transactions (in certain cases)</li> <li>• Fees and commissions</li> </ul>



# Financial review

## An overview of our key income drivers

Business activity	Key income drivers	Income impacted primarily by	Income statement - reflected as
<b>Investment Banking</b>			
Corporate Finance	<ul style="list-style-type: none"> <li>• Fees resulting from the provision of capital raising and financial advisory work</li> </ul>	<ul style="list-style-type: none"> <li>• Macro- and micro- economic fundamentals</li> <li>• Industry-specific trends</li> <li>• Underlying stock market activity particularly in our primary markets</li> <li>• Idea generation</li> </ul>	<ul style="list-style-type: none"> <li>• Fees and commissions</li> </ul>
Institutional Research, Sales and Trading	<ul style="list-style-type: none"> <li>• Brokerage commissions</li> <li>• Trading and market making activities</li> </ul>	<ul style="list-style-type: none"> <li>• Stock market trading volume and volatility</li> <li>• Client allocation of broking transactions</li> <li>• Our ability to source securities and execute trades on behalf of our clients</li> </ul>	<ul style="list-style-type: none"> <li>• Fees and commissions and principal transactions</li> </ul>
Private Equity and Direct Investments	<ul style="list-style-type: none"> <li>• Sale of investments and revaluation of trading investments</li> <li>• Dividends</li> </ul>	<ul style="list-style-type: none"> <li>• Macro- and micro- economic market conditions</li> <li>• Availability of profitable exit routes</li> <li>• Whether appropriate market conditions exist to maximise gains on sale</li> <li>• Attractive investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Principal transactions</li> </ul>
<b>Asset Management</b>			
	<ul style="list-style-type: none"> <li>• Fixed fees as a percentage of assets under management</li> <li>• Variable performance fees</li> </ul>	<ul style="list-style-type: none"> <li>• Movements in the value of the assets underlying client portfolios</li> <li>• Performance of portfolios against set benchmarks</li> <li>• Net sales</li> </ul>	<ul style="list-style-type: none"> <li>• Fees and commissions</li> </ul>
<b>Property Activities</b>			
	<ul style="list-style-type: none"> <li>• Fees levied as a percentage of assets under management</li> <li>• Trading and development activities</li> </ul>	<ul style="list-style-type: none"> <li>• Movements in the value of assets underlying client portfolios</li> <li>• Macro- and micro- economic market conditions</li> <li>• Availability of profitable exit routes</li> <li>• Whether appropriate market conditions exist to maximise gains on sale</li> </ul>	<ul style="list-style-type: none"> <li>• Fees and commissions</li> <li>• Principal transactions</li> </ul>
<b>Group Services and Other Activities</b>			
<ul style="list-style-type: none"> <li>• International Trade Finance</li> <li>• Central Funding</li> </ul>	<ul style="list-style-type: none"> <li>• These businesses earn a variety of management and banking fees, brokerage commissions</li> <li>• As this division is responsible for the group's central funding requirements, this income is offset by the cost of group funding (net of return on the group's central capital)</li> </ul>	<p>A variety of factors including:</p> <ul style="list-style-type: none"> <li>• Interest rate environment</li> <li>• Rand/Dollar exchange rate in the case of the International Trade Finance operations</li> <li>• Level of client activity</li> </ul>	<ul style="list-style-type: none"> <li>• All categories of income other than net operating income from associates and assurance activities</li> </ul>





# Financial review



## Salient features of our results during the year under review

A number of significant corporate actions were undertaken during the prior year which have a bearing on our relative performance and these are highlighted below:

- The sale of the South African property fund management and property administration business to Growthpoint Properties Limited ("Growthpoint"), as approved by the Competition Tribunal of South Africa on 18 October 2007. A non-operating exceptional gain of £72.9 million (pre-tax) was made on the sale of this business. The purchase consideration was satisfied by the issue of new Growthpoint linked units. Furthermore, as announced on 6 November 2007, Investec disposed of 152 473 544 Growthpoint linked units representing its entire shareholding in Growthpoint, inter alia, monetising the proceeds on the disposal of the property fund management and property administration business.
- Investec Bank (Australia) Limited acquired Experien (Pty) Ltd ("Experien") as of 1 October 2007.
- Investec plc acquired Kensington Group plc ("Kensington") with effect from 8 August 2007. The business was acquired for £216.3 million, via the issue of 36.8 million Investec plc shares, with a net asset value at date of acquisition of £100.2 million (after a special dividend of £13.7 million). Kensington now forms part of the Capital Markets business in the UK.

## Income statement analysis

The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the period under review. Further details on the key income drivers and significant variances in the various components of our operating income, expenses and profit can be found in the description of our principal businesses on pages 52 to 95.

## Total operating income

Total operating income net of insurance claims of £1 490 million is in line with the prior year. The various components of total operating income are analysed below.

£'000	31 March 2009	% of total income	31 March 2008	% of total income	% change
Net interest income	694 031	46.6%	583 420	39.3%	19.0%
Other income	795 490	53.4%	900 266	60.7%	(11.6%)
Net fee and commission income	531 522	35.7%	551 296	37.2%	(3.6%)
Principal transactions	276 521	18.6%	276 705	18.6%	(0.1%)
Operating income from associates	12 438	0.8%	12 138	0.8%	2.5%
Net income on Assurance Activities	5 249	0.4%	10 084	0.7%	47.9%
Other operating (loss)/income	(30 240)	(2.1%)	50 043	3.4%	(>100.0%)
<b>Total operating income net of insurance claims</b>	<b>1 489 521</b>	<b>100.0%</b>	<b>1 483 686</b>	<b>100.0%</b>	<b>0.4%</b>

The following table sets out information on total operating income by geography for the period under review.

£'000	31 March 2009	% of total income	31 March 2008	% of total income	% change
UK and Europe	732 808	49.2%	686 830	46.3%	6.7%
Southern Africa	683 890	45.9%	700 523	47.2%	(2.4%)
Australia	72 823	4.9%	96 333	6.5%	(24.4%)
<b>Total operating income net of insurance claims</b>	<b>1 489 521</b>	<b>100.0%</b>	<b>1 483 686</b>	<b>100.0%</b>	<b>0.4%</b>

The following table sets out information on total operating income by division for the period under review.

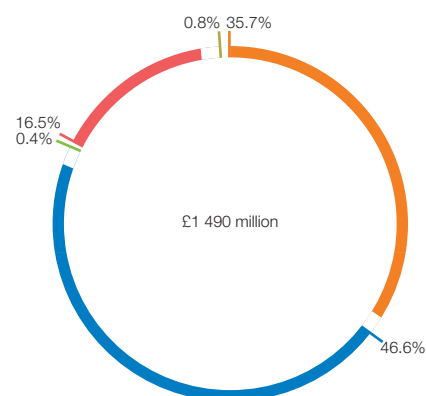
£'000	31 March 2009	% of total income	31 March 2008	% of total income	% change
Private Banking	380 864	25.6%	418 466	28.2%	(9.0%)
Private Client Portfolio Management and Stockbroking	46 237	3.0%	49 774	3.4%	(7.1%)
Capital Markets	542 639	36.4%	411 737	27.8%	31.8%
Investment Banking	138 286	9.3%	204 739	13.8%	(32.5%)
Asset Management	200 514	13.5%	218 700	14.7%	(8.3%)
Property Activities	38 091	2.6%	55 526	3.7%	(31.4%)
Group Services and Other Activities	142 890	9.6%	124 744	8.4%	14.5%
<b>Total operating income net of insurance claims</b>	<b>1 489 521</b>	<b>100.0%</b>	<b>1 483 686</b>	<b>100.0%</b>	<b>0.4%</b>



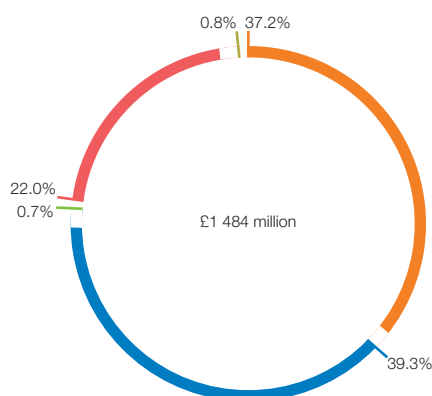
# Financial review

## % of total operating income net of insurance claims

31 March 2009



31 March 2008



■ Net fees and commissions income   
 ■ Net interest income   
 ■ Net income on assurance activities  
■ Principal transactions and other operating income   
 ■ Operating income from associates

## Net interest income

Net interest income increased by 19.0% to £694 million (2008: £583.4 million) as a result of growth in average advances, the acquisitions of Kensington and Experien, and a solid performance from the Central Funding division.

£'000	31 March 2009	31 March 2008	Variance	% change
Private Banking	274 236	272 666	1 570	0.6%
Private Client Portfolio Management and Stockbroking	2 051	76	1 975	>100.0%
Capital Markets	286 712	227 174	59 538	26.2%
Investment Banking	2 612	(8 463)	11 075	>100.0%
Asset Management	7 821	7 558	263	3.5%
Property Activities	(6 886)	(10 513)	3 627	(34.5%)
Group Services and Other Activities	127 485	94 922	32 563	34.3%
<b>Net interest income</b>	<b>694 031</b>	<b>583 420</b>	<b>110 611</b>	<b>19.0%</b>

## Net fee and commission income

Net fee and commission income decreased by 3.6% to £531.5 million (2008: £551.3 million). Transactional activity and asset levels have been significantly impacted by the economic environment. However, the group benefited from a solid performance from the Capital Markets advisory and structuring businesses.

£'000	31 March 2009	31 March 2008	Variance	% change
Private Banking	97 959	111 109	(13 150)	(11.8%)
Private Client Portfolio Management and Stockbroking	32 100	36 564	(4 464)	(12.2%)
Capital Markets	115 465	86 831	28 634	33.0%
Investment Banking	69 041	88 603	(19 562)	(22.1%)
Asset Management	197 732	207 483	(9 751)	(4.7%)
Property Activities	22 724	20 764	1 960	9.4%
Group Services and Other Activities	(3 499)	(58)	(3 441)	(>100.0%)
<b>Net fee and commission income</b>	<b>531 522</b>	<b>551 296</b>	<b>(19 774)</b>	<b>(3.6%)</b>





# Financial review



## Principal transactions

Income from principal transactions remained in line with the prior year at £276.5 million (2008: £276.7 million) reflecting a strong contribution from our Capital Markets trading businesses and an improved performance from our Principal Finance businesses. This was offset by a reduced profit from revaluations and realisations in the current year.

£'000	31 March 2009	31 March 2008	Variance	% change
Private Banking	7 823	34 667	(26 844)	(77.4%)
Private Client Portfolio Management and Stockbroking	42	1 205	(1 163)	(96.5%)
Capital Markets	140 462	97 998	42 464	43.3%
Investment Banking	91 159	79 583	11 576	14.5%
Asset Management	(30)	56	(86)	(>100.0%)
Property Activities	22 539	45 275	(22 736)	(50.2%)
Group Services and Other Activities	14 526	17 921	(3 395)	(18.9%)
<b>Principal transactions</b>	<b>276 521</b>	<b>276 705</b>	<b>(184)</b>	<b>(0.1%)</b>

## Operating income from associates

Operating income from associates increased by 2.5% to £12.4 million (2008: £12.1 million). The figure includes Investec's 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc for the year ended 31 March 2009.

## Other operating loss

The consolidation of the operating results of certain investments held within the group's Private Equity portfolio resulted in an operating loss of £30.2 million (2008: income of £50 million).

## Impairment losses on loans and advances

As a result of the weaker credit cycle we have seen a decline in the performance of the loan portfolio resulting in an increase in impairment losses on loans and advances from £58.8 million to £162.9 million (excluding Kensington). The credit loss charge as a percentage of average gross core loans and advances has increased from 0.5% to 1.1% since 31 March 2008. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances has increased from 1.3% to 3.3% since 31 March 2008. The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.20 times (2008: 1.21 times). Further information on our asset quality is provided on pages 45 to 49.

Impairment losses on loans and advances relating to the Kensington business amount to £93.2 million (2008: £55.4 million). The total Kensington book has been managed down to £5.2 billion from £6.1 billion at 31 March 2008. Arrears have increased as the book seasons in a weak environment.

£'000	31 March 2009	31 March 2008	Variance	% change
Private Banking	(90 094)	(33 326)	(56 768)	>100.0%
Capital Markets	(155 841)	(79 336)	(76 505)	96.4%
Investment Banking	(3 858)	(1 356)	(2 502)	>100.0%
Group Services and Other Activities	(6 380)	(167)	(6 213)	>100.0%
<b>Impairment losses on loans and advances</b>	<b>(256 173)</b>	<b>(114 185)</b>	<b>(141 988)</b>	<b>&gt;100.0%</b>

## Total expenses

The ratio of total operating expenses to total operating income improved to 55.9% from 56.1%.

Total expenses increased by 0.2% to £833.3 million (2008: £831.8 million). Variable remuneration decreased by 29.9% to £144.8 million. Other operating expenses increased by 10.2% to £688.5 million largely as a result of the acquisitions of Kensington and Experien and an increase in average headcount and associated costs in certain of the businesses. Total headcount is being tightly managed and expense growth (excluding variable remuneration) is targeted below the respective inflation rates in each of the group's core geographies. The group has also introduced a non-cash deferred component to variable remuneration payments.



# Financial review



Financial review and additional information

£'000	31 March 2009	% of total expenses	31 March 2008	% of total expenses	% change
Staff costs (including directors' remuneration)	520 159	62.4%	552 211	66.4%	(5.8%)
- fixed	375 343	45.0%	345 518	41.6%	8.6%
- variable	144 816	17.4%	206 693	24.8%	(29.9%)
Business expenses	153 890	18.5%	141 593	17.0%	8.7%
Equipment (excluding depreciation)	47 205	5.7%	37 087	4.5%	27.3%
Premises (excluding depreciation)	47 632	5.7%	45 737	5.5%	4.1%
Marketing expenses	34 272	4.1%	30 872	3.7%	11.0%
Depreciation	30 102	3.6%	24 330	2.9%	23.7%
<b>Total expenses</b>	<b>833 260</b>	<b>100.0%</b>	<b>831 830</b>	<b>100.0%</b>	<b>0.2%</b>

The following table sets out certain information on total expenses by geography for the year under review.

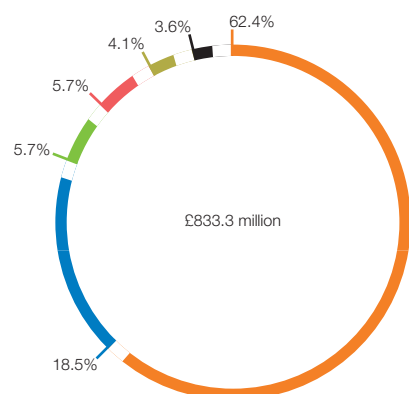
£'000	31 March 2009	% of total expenses	31 March 2008	% of total expenses	% change
UK and Europe	454 456	54.5%	445 213	53.5%	2.1%
Southern Africa	328 669	39.4%	329 709	39.7%	(0.3%)
Australia	50 135	6.1%	56 908	6.8%	(11.9%)
<b>Total expenses</b>	<b>833 260</b>	<b>100.0%</b>	<b>831 830</b>	<b>100.0%</b>	<b>0.2%</b>

The following table sets out certain information on total expenses by division for the year under review.

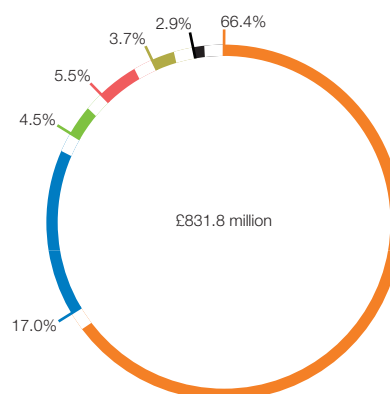
£'000	31 March 2009	% of total expenses	31 March 2008	% of total expenses	% change
Private Banking	210 307	25.2%	218 746	26.3%	(3.9%)
Private Client Portfolio Management and Stockbroking	22 135	2.7%	22 432	2.7%	(1.3%)
Capital Markets	246 195	29.5%	216 651	26.0%	13.6%
Investment Banking	128 493	15.4%	126 053	15.2%	1.9%
Asset Management	134 047	16.1%	141 879	17.1%	(5.5%)
Property Activities	13 410	1.6%	19 205	2.3%	(30.2%)
Group Services and Other Activities	78 673	9.5%	86 864	10.4%	(9.4%)
<b>Total expenses</b>	<b>833 260</b>	<b>100.0%</b>	<b>831 830</b>	<b>100.0%</b>	<b>0.2%</b>

## % of total expenses

31 March 2009



31 March 2008





## Financial review



### Operating profit before goodwill, non-operating items, taxation and after minorities

As a result of the foregoing factors, our operating profit before goodwill, non-operating items, taxation and after minorities decreased by 22.0% from £508.7 million to £396.8 million.

The following tables set out information on operating profit before goodwill, non-operating items, taxation and after minorities by geography and by division for the period under review.

#### For the year to 31 March 2009

£'000	UK and Europe	Southern Africa	Australia	Total group	% change	% of total
Private Banking	42 034	35 954	2 475	80 463	(51.6%)	20.3%
Private Client Portfolio Management and Stockbroking	12 044	12 058	-	24 102	(11.8%)	6.1%
Capital Markets	78 015	61 150	2 209	141 374	22.3%	35.6%
Investment Banking	(30 810)	66 065	(7 089)	28 166	(61.2%)	7.1%
Asset Management	17 149	49 037	-	66 186	(13.4%)	16.7%
Property Activities	774	21 769	2 138	24 681	(32.0%)	6.2%
Group Services and Other Activities	(18 316)	47 395	2 715	31 794	>100.0%	8.0%
<b>Total group</b>	<b>100 890</b>	<b>293 428</b>	<b>2 448</b>	<b>396 766</b>	<b>(22.0%)</b>	<b>100.0%</b>
Minority interest - equity				3 322		
<b>Operating profit before goodwill</b>				<b>400 088</b>		
% change	(26.7%)	(13.5%)	(92.3%)	(22.0%)		
% of total	25.4%	74.0%	0.6%	100.0%		

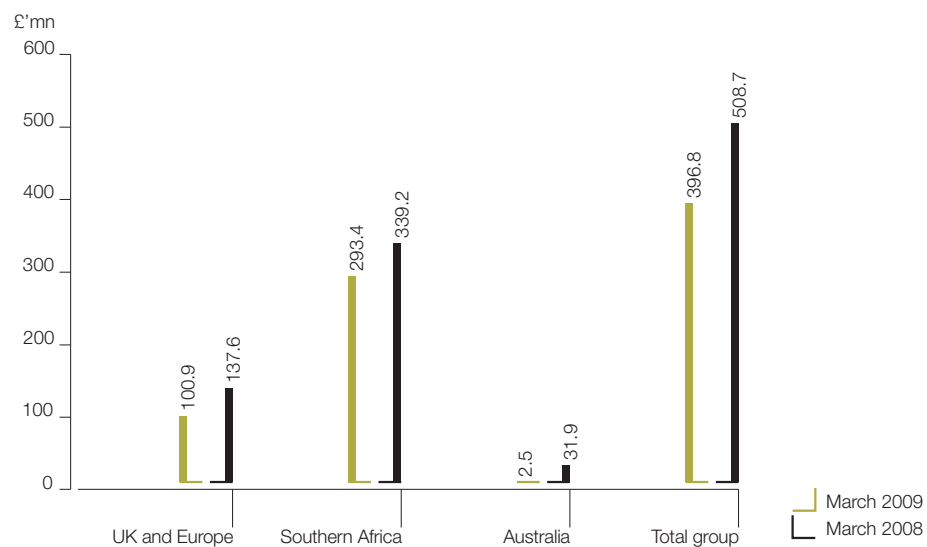
#### For the year to 31 March 2008

£'000	UK and Europe	Southern Africa	Australia	Total group	% of total
Private Banking	91 619	56 760	18 015	166 394	32.7%
Private Client Portfolio Management and Stockbroking	11 929	15 413	-	27 342	5.4%
Capital Markets	39 187	68 118	8 326	115 631	22.7%
Investment Banking	3 995	64 775	3 756	72 526	14.3%
Asset Management	24 940	51 471	-	76 411	15.0%
Property Activities	144	36 078	99	36 321	7.1%
Group Services and Other Activities	(34 205)	46 612	1 685	14 092	2.8%
<b>Total group</b>	<b>137 609</b>	<b>339 227</b>	<b>31 881</b>	<b>508 717</b>	<b>100.0%</b>
Minority interest - equity				28 954	
<b>Operating profit before goodwill</b>				<b>537 671</b>	
% of total	27.0%	66.7%	6.3%	100.0%	

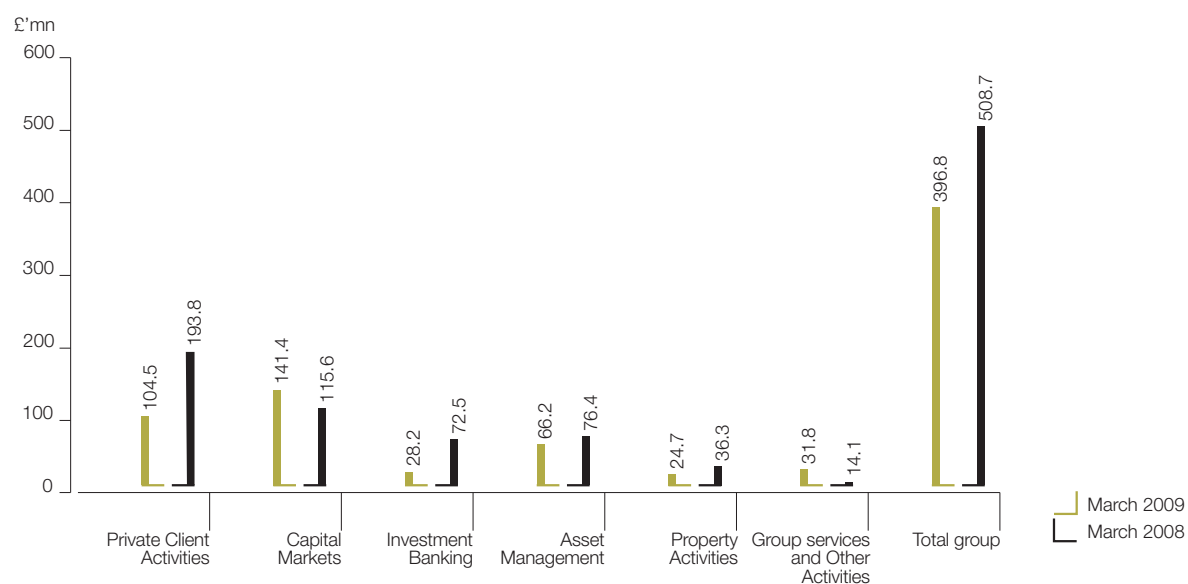


## Financial review

Operating profit before goodwill, non-operating items, taxation and after minorities by geography



Operating profit before goodwill, non-operating items, taxation and after minorities by division





# Financial review



## Goodwill

The current year goodwill impairment largely relates to certain of the consolidated investments held within the group's Private Equity portfolio.

### Goodwill and intangible assets analysis - balance sheet information

£'000	31 March 2009	31 March 2008
<b>UK and Europe</b>	<b>216 812</b>	<b>232 145</b>
Private Banking	18 622	18 031
Capital Markets	74 890	80 248
Investment Banking	35 255	45 822
Asset Management	88 045	88 044
<b>South Africa</b>	<b>22 601</b>	<b>20 790</b>
Private Client Portfolio Management and Stockbroking	2 661	2 240
Asset Management	19 616	18 278
Property Activities	324	272
<b>Australia</b>	<b>35 585</b>	<b>36 608</b>
Private Banking	19 483	18 536
Investment Banking	16 102	18 072
<b>Software</b>	<b>15 376</b>	<b>13 895</b>
<b>Total group</b>	<b>290 374</b>	<b>303 438</b>

## Taxation

The effective operational tax rate of the group decreased from 22.6% to 21.1% as a result of the decrease in tax rates in key geographies and an increase in income earned that is subject to lower tax rates or is non-taxable.

	Effective operational tax rates 31 March 2009	Effective operational tax rates 31 March 2008	31 March 2009 £'000	31 March 2008 £'000	Variance £'000	% change
UK and Europe	15.8%	20.3%	(13 203)	(30 964)	17 761	(57.4%)
Southern Africa	24.0%	24.1%	(72 802)	(90 289)	17 487	(19.4%)
Australia	n/a	18.1%	4 330	(5 996)	10 326	(>100.0%)
<b>Taxation</b>	<b>21.1%</b>	<b>22.6%</b>	<b>(81 675)</b>	<b>(127 249)</b>	<b>45 574</b>	<b>(35.8%)</b>

## Losses attributable to minority interests

Losses attributable to minority interests of £5.4 million largely comprise:

- £30.9 million relating to investments consolidated in the Private Equity division; offset by
- £25.8 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of minority interests. (The transaction is hedged and a forex transaction profit arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to minorities).

## Earnings attributable to shareholders

As a result of the foregoing factors, earnings attributable to shareholders decreased from £391.6 million to £292.0 million.

## Dividends and earnings per share

Information with respect to dividends and earnings per share is provided on pages 9 to 13 and page 20.



# Financial review

## Balance sheet analysis

Since 31 March 2008:

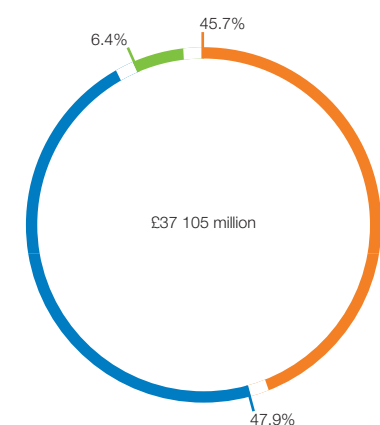
- Total shareholders' equity (including minority interests) increased by 18.6% to £2.6 billion largely as a result of retained earnings and foreign currency translation gains.
- Net asset value per share increased from 260.6 pence to 308.8 pence and net tangible asset value per share (which excludes goodwill and intangible assets) increased from 215.0 pence to 266.3 pence.
- Total assets increased from £34.1 billion to £37.1 billion largely as a result of foreign currency adjustments.

The return on adjusted average shareholders' equity decreased from 23.6% to 14.8%.

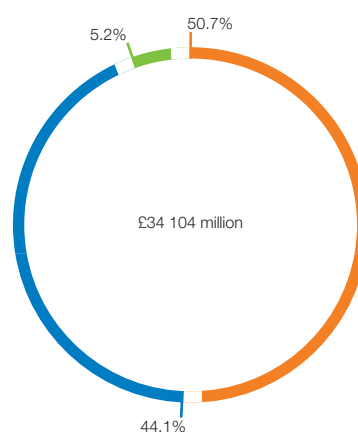
The compulsorily convertible debentures that were outstanding at 31 March 2008 were converted to shares on 31 July 2008. This resulted in an increase in share capital and share premium with no impact on total equity.

## Assets by geography

31 March 2009



31 March 2008



UK and Europe

Southern Africa

Australia

## Net tangible asset value per share

In calculating net tangible asset value per share we assume that all previously issued Compulsory Convertible Debentures (CCD's) are treated as equity. Under IFRS, however, a portion of these CCD's are treated as debt and not included in shareholders equity. As a result, adjustments must be made to the shareholder base which would be more appropriately reflect their permanent capital nature.

£'000	31 March 2009	31 March 2008	Notes
Shareholders' equity	2 296 951	1 911 204	
Less: perpetual preference shares issued by holding companies	(299 609)	(272 335)	
Convertible debt included in subordinated liabilities	-	14 056	These CCD's converted into equity in July 2008
Less: goodwill and intangible assets (excluding software)	(274 998)	(289 543)	
<b>Net tangible asset value</b>	<b>1 722 344</b>	<b>1 363 382</b>	
Number of shares in issue	713.3	657.6	
CCD's	-	7.6	Relates to convertible debt mentioned above
Treasury shares	(66.5)	(31.0)	
<b>Number of shares in issue in this calculation (million)</b>	<b>646.8</b>	<b>634.2</b>	
<b>Net tangible asset value per share (pence)</b>	<b>266.3</b>	<b>215.0</b>	



# Financial review

## Capital adequacy

Investec plc and Investec Limited are the two listed holding companies in terms of the DLC structure. Investec Bank plc (IBP) and Investec Bank Limited (IBL) are the main banking subsidiaries of Investec plc and Investec Limited, respectively. Investec Bank (Australia) Limited (IBAL) is a subsidiary of IBP.

The group holds capital well in excess of regulatory requirements and intends to perpetuate this philosophy and ensure that it remains well capitalised in a vastly changed banking world. Accordingly, as announced in November 2008, the group has adjusted its capital adequacy targets and is focusing on increasing its capital base, targeting a minimum tier one capital ratio of 11% and a total capital adequacy ratio of 14% to 17% on a consolidated basis for Investec plc and Investec Limited, respectively. Investec has made good progress in this regard and intends on meeting these targets by the end of calendar year 2010.

	Investec plc £'million	IBP* £'million	IBAL* A\$'million	Investec Limited R'million	IBL* R'million
<b>As at 31 March 2009</b>					
<b>Regulatory capital</b>					
<b>Tier 1</b>					
Called up share capital	-	655	292	-	22
Share premium	839	37	-	6 063	7 565
Perpetual preference share capital	-	-	-	3 799	1 491
Retained income	340	275	336	7 872	5 098
Treasury shares	(39)	-	-	(1 758)	-
Other reserves	115	50	(7)	340	6
Minority interests in subsidiaries	156	(11)	-	-	-
Goodwill	(296)	(72)	-	-	-
Total Tier 1	1 115	934	621	16 316	14 182
Less: deductions	(41)	(18)	(183)	(451)	(242)
	<b>1 074</b>	<b>916</b>	<b>438</b>	<b>15 865</b>	<b>13 940</b>
<b>Tier 2</b>					
Aggregate amount	745	604	134	5 106	5 106
Less: deductions	(41)	(18)	(17)	(142)	(142)
	<b>704</b>	<b>586</b>	<b>117</b>	<b>4 964</b>	<b>4 964</b>
<b>Tier 3</b>					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(67)	(105)	-	-	-
<b>Total capital</b>	<b>1 721</b>	<b>1 407</b>	<b>555</b>	<b>20 829</b>	<b>18 904</b>
<b>As at 31 March 2008</b>					
<b>Regulatory capital</b>					
<b>Tier 1</b>					
Called up share capital	-	555	292	-	19
Share premium	781	37	-	5 146	6 786
Perpetual preference share capital	-	-	-	3 277	1 491
Retained income	299	275	345	6 508	4 328
Treasury shares	(16)	-	-	(1 227)	-
Other reserves	90	27	(2)	48	5
Minority interests in subsidiaries	159	-	-	-	-
Goodwill	(308)	(74)	-	-	-
Total Tier 1	1 005	820	635	13 752	12 629
Less: deductions	(69)	(29)	(174)	(642)	(403)
	<b>936</b>	<b>791</b>	<b>461</b>	<b>13 110</b>	<b>12 226</b>
<b>Tier 2</b>					
Aggregate amount	736	602	118	5 290	5 006
Less: deductions	(69)	(29)	(26)	(204)	(204)
	<b>667</b>	<b>573</b>	<b>92</b>	<b>5 086</b>	<b>4 802</b>
<b>Tier 3</b>					
Aggregate amount	18	18	-	-	-
Other deductions from Tier 1 and Tier 2	(67)	(116)	-	-	-
<b>Total capital</b>	<b>1 554</b>	<b>1 266</b>	<b>553</b>	<b>18 196</b>	<b>17 028</b>



# Financial review

## Capital adequacy (continued)

As at 31 March 2009	Investec plc	IBP*	IBAL*	Investec Limited	IBL*
	£'million	£'million	A\$'million	R'million	R'million
<b>Risk-weighted assets (banking and trading)</b>	<b>10 645</b>	<b>8 856</b>	<b>3 028</b>	<b>146 855</b>	<b>133 180</b>
Credit risk - prescribed standardised exposure classes	8 492	7 220	2 612	120 331	113 478
Corporates	2 641	2 701	1 882	96 359	89 547
Secured on real estate property	3 060	2 459	44	10 186	10 186
Counterparty risk on trading positions	308	308	136	3 678	3 678
Short term claims on institutions and corporates	365	312	176	3 077	3 036
Retail	514	514	126	2 640	2 640
Institutions	199	175	83	3 489	3 489
Other exposure classes	1 405	751	165	902	902
Securitisation exposures	218	206	-	1 778	1 778
Equity risk - standardised approach	199	197	83	6 573	6 061
Listed equities	29	27	7	1 009	497
Unlisted equities	170	170	76	5 564	5 564
Market risk - portfolios subject to internal models approach	359	360	11	1 804	1 118
Interest rate	171	171	10	182	182
Foreign Exchange	12	12	1	406	406
Commodities	2	3	-	83	83
Equities	174	174	-	1 133	447
Operational risk - standardised approach	1 377	873	322	16 369	10 745
<b>Capital requirements</b>	<b>852</b>	<b>709</b>	<b>393</b>	<b>13 951</b>	<b>12 652</b>
Credit risk - prescribed standardised exposure classes	680	578	339	11 431	10 780
Corporates	211	216	245	9 154	8 507
Secured on real estate property	245	197	6	968	968
Counterparty risk on trading positions	25	25	18	349	349
Short term claims on institutions and corporates	29	25	23	292	288
Retail	41	41	16	251	251
Institutions	17	14	11	331	331
Other exposure classes	112	60	21	86	86
Securitisation exposures	17	16	-	169	169
Equity risk - standardised approach	16	16	11	625	576
Listed equities	2	2	1	96	47
Unlisted equities	14	14	10	529	529
Market risk - portfolios subject to internal models approach	29	29	1	171	106
Interest rate	14	14	1	17	17
Foreign Exchange	1	1	-	39	39
Commodities	-	-	-	8	8
Equities	14	14	-	107	42
Operational risk - standardised approach	110	70	42	1 555	1 021
<b>Capital adequacy ratio</b>	<b>16.2%</b>	<b>15.9%</b>	<b>18.3%</b>	<b>14.2%</b>	<b>14.2%</b>
Tier 1 ratio	10.1%	10.3%	14.5%	10.8%	10.5%
<b>Capital adequacy ratio - pre operational risk</b>	<b>18.6%</b>	<b>17.6%</b>	<b>20.5%</b>	<b>16.0%</b>	<b>15.4%</b>
Tier 1 ratio - pre operational risk	11.6%	11.5%	16.2%	12.2%	11.4%

\* Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited



Financial review and additional information



# Financial review



## Capital adequacy (continued)

As at 31 March 2008	Investec plc £'million	IBP* £'million	IBAL* A\$'million	Investec Limited R'million	IBL* R'million
<b>Risk-weighted assets (banking and trading)</b>	<b>10 162</b>	<b>8 688</b>	<b>2 944</b>	<b>130 474</b>	<b>118 792</b>
Credit risk - prescribed standardised exposure classes	8 364	7 301	2 521	110 123	104 357
Corporates	2 991	2 953	1 973	85 784	80 042
Secured on real estate property	3 108	2 441	73	7 935	7 935
Counterparty risk on trading positions	504	504	87	5 104	5 104
Short term claims on institutions and corporates	406	247	163	2 630	2 606
Retail	355	355	164	3 293	3 293
Institutions	343	279	22	4 430	4 430
Other exposure classes	657	522	39	947	947
Securitisation exposures	75	63	-	1 237	1 237
Equity risk - standardised approach	142	138	100	3 798	3 644
Listed equities	38	34	24	471	317
Unlisted equities	104	104	76	3 327	3 327
Market risk - portfolios subject to internal models approach	372	372	19	2 046	605
Interest rate	255	255	17	95	95
Foreign Exchange	13	13	2	184	184
Commodities	33	33	-	36	36
Equities	71	71	-	1 731	290
Operational risk - standardised approach	1 209	814	304	13 270	8 949
<b>Capital requirements</b>	<b>813</b>	<b>695</b>	<b>442</b>	<b>12 395</b>	<b>11 285</b>
Credit risk - prescribed standardised exposure classes	669	584	378	10 462	9 914
Corporates	239	236	296	8 150	7 604
Secured on real estate property	249	196	11	753	753
Counterparty risk on trading positions	40	40	13	485	485
Short term claims on institutions and corporates	33	20	24	250	248
Retail	28	28	25	313	313
Institutions	27	22	3	421	421
Other exposure classes	53	42	6	90	90
Securitisation exposures	6	5	-	118	118
Equity risk - standardised approach	11	11	15	361	346
Listed equities	3	3	4	45	30
Unlisted equities	8	8	11	316	316
Market risk - portfolios subject to internal models approach	30	30	3	193	57
Interest rate	20	20	3	9	9
Foreign Exchange	1	1	-	17	17
Commodities	3	3	-	3	3
Equities	6	6	-	164	28
Operational risk - standardised approach	97	65	46	1 261	850
<b>Capital adequacy ratio</b>	<b>15.3%</b>	<b>14.6%</b>	<b>18.8%</b>	<b>13.9%</b>	<b>14.3%</b>
Tier 1 ratio	9.2%	9.1%	15.7%	10.0%	10.3%
<b>Capital adequacy ratio - pre operational risk</b>	<b>17.4%</b>	<b>16.1%</b>	<b>20.9%</b>	<b>15.5%</b>	<b>15.5%</b>
Tier 1 ratio - pre operational risk	10.5%	10.0%	17.5%	11.2%	11.1%

\* Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited



# Financial review

## ROE - assessment of economic capital utilised

In order to assess the return on economic capital utilised, the group believes that certain adjustments as detailed in the tables below should be made to the income statement analysis and balance sheet analysis as reflected under IFRS. The group believes that these adjustments are necessary as they reflect the actual utilisation of capital and return thereon, notwithstanding accounting conventions.

### Return on capital by segment

The methodology applied in accessing the utilisation of the group's economic capital is as follows:

- A notional return on capital (net of the cost of subordinated debt) which is managed and borne in the centre is allocated from Group Services and Other Activities ("GSO") to the business segments based on their total capital utilisation.
- Shareholders' equity is increased to reflect permanent capital which is reflected under subordinated debt (applicable prior to March 2009).

£'000	31 March 2009	31 March 2008	Average	31 March 2007	Average
<b>Calculation of average shareholders' equity</b>					
Ordinary shareholders' equity	1 997 342	1 638 869	1 818 106	1 250 312	1 444 590
Add: Convertible debt included in subordinated liabilities	-	14 056	7 028	19 079	16 568
<b>Adjusted shareholders' equity</b>	<b>1 997 342</b>	<b>1 652 925</b>	<b>1 825 134</b>	<b>1 269 391</b>	<b>1 461 158</b>
Goodwill and intangible assets (excluding software)	(274 998)	(289 543)	(282 271)	(219 854)	(254 699)
<b>Adjusted tangible shareholders' equity</b>	<b>1 722 344</b>	<b>1 363 382</b>	<b>1 542 863</b>	<b>1 049 537</b>	<b>1 206 459</b>

£'000	31 March 2009	31 March 2008
Operating profit before goodwill impairment and non-operating items	400 088	537 671
Operating profit before goodwill attributable to minorities	(3 322)	(28 954)
Preference dividends	(45 876)	(45 283)
<b>Profit before taxation</b>	<b>350 890</b>	<b>463 434</b>
Tax on ordinary activities	(81 675)	(118 739)
<b>Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items</b>	<b>269 215</b>	<b>344 695</b>
Pre-tax return on average adjusted shareholders' equity	19.2%	31.7%
Post-tax return on average adjusted shareholders' equity	14.8%	23.6%
Pre-tax return on average adjusted tangible shareholders' equity	22.7%	38.4%
Post-tax return on average adjusted tangible shareholders' equity	17.4%	28.6%





# Financial review



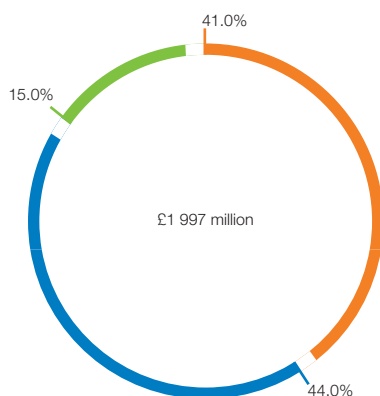
## ROE by geography

Financial review and additional information

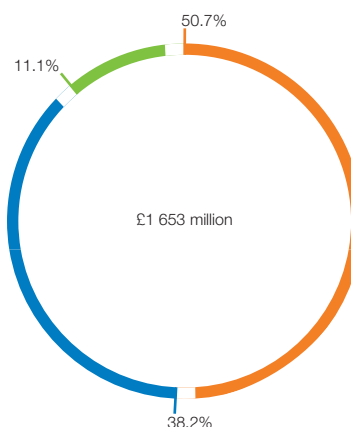
For the year ended 31 March £'000	UK and Europe	Southern Africa	Australia	Total group
Total operating profit	96 316	303 769	3	400 088
Tax on profit on ordinary activities	(13 203)	(72 802)	4 330	(81 675)
Minority interests	4 574	(10 341)	2 445	(3 322)
Preference dividends	(18 698)	(27 178)	-	(45 876)
<b>Profit on ordinary activities after taxation - March 2009</b>	<b>68 989</b>	<b>193 448</b>	<b>6 778</b>	<b>269 215</b>
Profit on ordinary activities after taxation - March 2008	86 773	232 037	25 885	344 695
<b>Adjusted shareholders' equity - 31 March 2009</b>	<b>818 736</b>	<b>878 830</b>	<b>299 776</b>	<b>1 997 342</b>
Goodwill and intangible assets (excluding software)	216 812	22 601	35 585	274 998
<b>Adjusted tangible shareholders' equity - 31 March 2009</b>	<b>601 924</b>	<b>856 229</b>	<b>264 191</b>	<b>1 722 344</b>
<b>Adjusted shareholders' equity - 31 March 2008</b>	<b>837 978</b>	<b>632 186</b>	<b>182 761</b>	<b>1 652 925</b>
Goodwill and intangible assets (excluding software)	232 145	20 790	36 608	289 543
<b>Adjusted tangible shareholders' equity - 31 March 2008</b>	<b>605 833</b>	<b>611 396</b>	<b>146 153</b>	<b>1 363 382</b>
<b>Adjusted average shareholders' equity - 31 March 2009</b>	<b>828 357</b>	<b>755 508</b>	<b>241 269</b>	<b>1 825 134</b>
Adjusted average shareholders' equity - 31 March 2008	734 966	553 607	172 585	1 461 158
<b>Post-tax return on average shareholders' equity - 2009</b>	<b>8.3%</b>	<b>25.6%</b>	<b>2.8%</b>	<b>14.8%</b>
Post-tax return on average shareholders' equity - 2008	11.8%	41.9%	15.0%	23.6%

## Adjusted shareholders' equity by geography

31 March 2009



31 March 2008



UK and Europe

Southern Africa

Australia



# Financial review

## ROE by division

For the year ended 31 March £'000	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
<b>Total operating profit after minority interests</b>	<b>80 463</b>	<b>24 102</b>	<b>141 374</b>	<b>28 166</b>	<b>66 186</b>	<b>24 681</b>	<b>31 794</b>	<b>396 766</b>
Notional return on regulatory capital	58 752	1 270	55 381	12 058	1 761	6 290	(135 512)	-
Notional cost of statutory capital	(2 663)	(2 682)	(7 066)	-	(12 642)	(3 953)	29 006	-
Cost of subordinated debt	(16 668)	(444)	(20 615)	(3 573)	(520)	(1 402)	43 222	-
Cost of preference shares	(13 722)	(348)	(15 278)	(2 886)	(443)	(1 389)	(11 810)	(45 876)
Absorption of additional residual costs**	(13 441)	(3 780)	(16 777)	(8 357)	(5 292)	(5 527)	53 174	-
<b>Adjusted earnings - 2009</b>	<b>92 721</b>	<b>18 118</b>	<b>137 019</b>	<b>25 408</b>	<b>49 050</b>	<b>18 700</b>	<b>9 874</b>	<b>350 890</b>
Adjusted earnings - 2008	171 133	23 774	117 844	52 675	65 928	30 534	1 546	463 434
<b>Adjusted shareholders' equity - 31 March 2009</b>	<b>696 664</b>	<b>17 619</b>	<b>818 328</b>	<b>190 655</b>	<b>120 421</b>	<b>48 915</b>	<b>104 740</b>	<b>1 997 342</b>
Goodwill and intangible assets (excluding software)	38 105	2 661	74 890	51 357	107 661	324	-	274 998
<b>Adjusted tangible shareholders' equity - 31 March 2009</b>	<b>658 559</b>	<b>14 958</b>	<b>743 438</b>	<b>139 298</b>	<b>12 760</b>	<b>48 591</b>	<b>104 740</b>	<b>1 722 344</b>
<b>Adjusted shareholders' equity - 31 March 2008</b>	<b>552 908</b>	<b>29 609</b>	<b>646 998</b>	<b>175 913</b>	<b>116 459</b>	<b>29 773</b>	<b>101 265</b>	<b>1 652 925</b>
Goodwill and intangible assets (excluding software)	36 566	2 240	80 248	63 894	106 382	213	-	289 543
<b>Adjusted tangible shareholders' equity - 31 March 2008</b>	<b>516 342</b>	<b>27 369</b>	<b>566 750</b>	<b>112 019</b>	<b>10 077</b>	<b>29 560</b>	<b>101 265</b>	<b>1 363 382</b>
<b>Adjusted average shareholders' equity - 31 March 2009</b>	<b>624 786</b>	<b>23 614</b>	<b>732 663</b>	<b>183 284</b>	<b>118 440</b>	<b>39 344</b>	<b>103 003</b>	<b>1 825 134</b>
Adjusted average shareholders' equity - 31 March 2008	515 927	36 271	502 861	153 365	119 835	24 874	108 025	1 461 158
<b>Pre-tax return on adjusted average shareholders' equity - 2009</b>	<b>14.8%</b>	<b>76.7%</b>	<b>18.7%</b>	<b>13.9%</b>	<b>41.4%</b>	<b>47.5%</b>	<b>9.6%</b>	<b>19.2%</b>
Pre-tax return on adjusted average shareholders' equity - 2008	33.2%	65.5%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%

\* Where: PB = Private Banking PCSB = Private Client Stockbroking CM = Capital Markets IB = Investment Banking  
AM = Asset Management PA = Property Activities GSO = Group Services and Other Activities

\*\* This allocation represents a portion of the costs remaining in the centre which are indirectly allocated to operating divisions as they facilitate their operations but are excluded in calculating performance incentive remuneration. These allocations are based on managements' estimates of relative benefit derived





# Financial review



## Total third party assets under management

Financial review and additional information

£'million	31 March 2009	31 March 2008
Private Banking funds under advice	3 270	3 681
UK and Europe	1 415	1 770
South Africa	1 615	1 598
Australia	240	313
Private Client Portfolio Management and Stockbroking	17 710	19 922
South Africa Private Client Securities	6 260	6 972
Rensburg Sheppards plc	*11 450	12 950
Property Activities, South Africa	62	73
Investec Asset Management	28 835	28 751
UK and international	13 108	13 834
Southern Africa	15 727	14 917
Private Equity and Property Private Equity, Australia	391	322
Total third party assets under management	50 268	52 749

31 March 2009 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Private Banking	1 415	1 615	240	3 270
Private Client Portfolio Management and Stockbroking	*11 450	6 260	-	17 710
Discretionary	-	1 149	-	n/a
Non-discretionary	-	5 111	-	n/a
Institutional	7 992	10 760	-	18 752
Retail	5 116	4 967	-	10 083
Property Activities	-	62	-	62
Australia Private Equity and Property funds under management	-	-	391	391
Total third party assets under management	25 973	23 664	631	50 268

31 March 2008 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Private Banking	1 770	1 598	313	3 681
Private Client Portfolio Management and Stockbroking	12 950	6 972	-	19 922
Discretionary	-	1 323	-	n/a
Non-discretionary	-	5 649	-	n/a
Institutional	7 428	10 270	-	17 698
Retail	6 406	4 647	-	11 053
Property Activities	-	73	-	73
Australia Private Equity and Property funds under management	-	-	322	322
Total third party assets under management	28 554	23 560	635	52 749

\* As last reported by Rensburg Sheppards plc



# Financial review

## Number of employees

### By division - permanent employees

	31 March 2009	31 March 2008
<b>Private Banking</b>		
UK and Europe	521	566
Southern Africa	1 400	1 507
Australia	181	199
<b>Total</b>	<b>2 102</b>	<b>2 272</b>
<b>Private Client Stockbroking</b>		
Southern Africa	202	205
<b>Total</b>	<b>202</b>	<b>205</b>
<b>Private Client Activities Total</b>		
UK and Europe	521	566
Southern Africa	1 602	1 712
Australia	181	199
<b>Total</b>	<b>2 304</b>	<b>2 477</b>
<b>Capital Markets</b>		
UK and Europe	541	589
Southern Africa	428	405
Australia	43	48
<b>Total</b>	<b>1 012</b>	<b>1 042</b>
<b>Investment Banking</b>		
UK, Europe and Hong Kong	147	148
Southern Africa	162	167
Australia	38	41
USA	12	12
<b>Total</b>	<b>359</b>	<b>368</b>
<b>Asset Management</b>		
UK and Europe and Other	273	280
Southern Africa	605	626
<b>Total</b>	<b>878</b>	<b>906</b>
<b>Property Activities</b>		
UK and Europe	5	7
Southern Africa	62	58
Australia	8	6
<b>Total</b>	<b>75</b>	<b>71</b>
<b>Group Services and Other Activities</b>		
UK and Europe	231	222
Southern Africa	682	698
Australia	82	130
<b>Total</b>	<b>995</b>	<b>1 050</b>
<b>Total number of permanent employees</b>	<b>5 623</b>	<b>5 914</b>

### By geography

	31 March 2009	31 March 2008	31 March 2007	31 March 2006	31 March 2005
UK and Europe	1 706	1 812	1 294	1 166	1 308
Southern Africa	3 541	3 666	3 476	3 114	2 648
Australia	354	424	235	168	140
USA	22	12	5	5	67
Temps and contractors	328	419	420	*	*
<b>Total number of employees</b>	<b>5 951</b>	<b>6 333</b>	<b>5 430</b>	<b>4 453</b>	<b>4 163</b>

\* The treatment of temps and contractors for headcount disclosure purposes was not consistently applied across all divisions. The line of business information now only reflects permanent headcount. The geographical information has been presented for comparative purposes. Historical information did include temps and contractors





## Financial review



### Operating profit before goodwill, non-operating items, taxation and after minorities per employee

#### By division

	PB*	PCSB*	CM*	IB*	AM*	PA*	GSO*	Total group
Number of employees - 31 March 2009	2 200	208	1 060	366	925	78	1 114	5 951
Number of employees - 31 March 2008	2 379	215	1 106	376	1 027	73	1 157	6 333
Number of employees - 31 March 2007	1 941	205	715	336	924	273	1 036	5 430
Average employees - 12 months to 31 March 2009	2 290	212	1 083	371	976	76	1 135	6 143
Average employees - 12 months to 31 March 2008	2 160	210	911	356	976	173	1 096	5 882
Operating profit <sup>^</sup> - 31 March 2009 (£'000)	80 643	12 058	141 374	27 918	66 186	24 681	31 468	384 328
Operating profit <sup>^</sup> - 31 March 2008 (£'000)	166 370	15 413	115 897	72 311	76 411	36 321	13 856	496 579
Operating profit per employee <sup>^^</sup> - 31 March 2009 (£'000)	35.2	56.9	130.5	75.3	67.8	324.8	27.7	62.6
Operating profit per employee <sup>^^</sup> - 31 March 2008 (£'000)	77.0	73.4	127.2	203.1	78.3	209.9	12.6	84.4

#### By geography

	UK and Europe	Southern Africa	Australia	Other geo-graphies	Total group
Number of employees - 31 March 2009	1 803	3 794	354	22	5 951
Number of employees - 31 March 2008	1 946	3 963	424	21	6 333
Number of employees - 31 March 2007	1 417	3 778	235	5	5 430
Average employees - 12 months to 31 March 2009	1 875	3 879	389	21	6 143
Average employees - 12 months to 31 March 2008	1 682	3 871	330	13	5 882
Operating profit <sup>^</sup> - 31 March 2009 (£'000)	88 266	293 433	2 629	-	384 328
Operating profit <sup>^</sup> - 31 March 2008 (£'000)	125 409	339 238	31 932	-	496 579
Operating profit per employee <sup>^^</sup> - 31 March 2009 (£'000)	47.1	75.6	6.8	-	62.6
Operating profit per employee <sup>^^</sup> - 31 March 2008 (£'000)	74.6	87.6	96.8	-	84.4

\* Where: PB=Private Bank PCSB=Private Client Stockbroking CM=Capital Markets IB = Investment Banking  
AM=Asset Management PA= Property Activities GSO=Group Services and Other Activities

<sup>^</sup> Excluding operating income from associates

<sup>^^</sup> Based on average number of total employees over the period



# Asset quality

## Core loans and advances to customers

In order to assess and analyse the credit risk associated with loans and advances we believe that certain adjustments should be made to "loans and advances to customers" as reflected on the IFRS consolidated balance sheet. We believe that these adjustments are necessary in order to derive a number that reflects actual core lending activities. In this regard the following methodology has been applied:

- Loans and advances which have been originated by the group and securitised primarily to provide an alternative source of funding are added to loans and advances
- Warehouse facilities and warehouse assets arising out of our Securitisation and Principal Finance activities have been deducted

### Calculation of core loans and advances to customers

£'000	31 March 2009	31 March 2008
Loans (pre-impairments) as per balance sheet	15 563 108	14 125 466
Less: warehouse facilities and warehouse assets arising out of our Securitisation and Principal Finance activities (pre-impairments)	(298 239)	(2 131 513)
Add: own-originated securitised assets	1 128 334	913 814
<b>Gross core loans and advances to customers (pre-impairments)</b>	<b>16 393 203</b>	<b>12 907 767</b>

The tables that follow provide information with respect to the asset quality of our core loans and advances to customers.

£'000	31 March 2009	31 March 2008
<b>Gross core loans and advances to customers</b>	<b>16 393 203</b>	<b>12 907 767</b>
<b>Total impairments</b>	<b>(166 660)</b>	<b>(54 011)</b>
Portfolio impairments	(9 696)	(6 695)
Specific impairments	(156 964)	(47 316)
<b>Net core loans and advances to customers</b>	<b>16 226 543</b>	<b>12 853 756</b>
<b>Average core loans and advances to customers</b>	<b>14 650 485</b>	<b>11 521 052</b>
Current loans and advances to customers	15 015 290	12 182 609
Total gross non-current loans and advances to customers	1 377 913	725 158
Past due loans and advances to customers (1-60 days and management not concerned)	598 630	400 764
Special mention loans and advances to customers	79 662	103 978
Default loans and advances to customers	699 621	220 416
<b>Gross core loans and advances to customers</b>	<b>16 393 203</b>	<b>12 907 767</b>
<b>Total gross non-current core loans and advances to customers</b>	<b>1 377 913</b>	<b>725 158</b>
Default loans that are current	12 624	-
Gross core loans and advances to customers that are past due but not impaired	838 419	567 802
Gross core loans and advances to customers that are impaired	526 870	157 356
<b>Total income statement charge for impairments on core loans</b>	<b>(162 927)</b>	<b>(58 785)</b>
Gross default loans and advances to customers	699 621	220 416
Specific impairments	(156 964)	(47 316)
<b>Defaults net of specific provisions</b>	<b>542 657</b>	<b>173 100</b>
Collateral and other credit enhancements	649 219	210 217
<b>Net default loans and advances to customers (limited to zero)</b>	<b>-</b>	<b>-</b>
<b>Ratios:</b>		
Specific impairments as a % of gross core loans and advances to customers	0.96%	0.37%
Portfolio impairments as a % of gross core loans and advances to customers	0.06%	0.05%
Total impairments as a % of gross core loans and advances to customers	1.02%	0.42%
Specific impairments as a % of gross default loans	22.44%	21.47%
Gross defaults as a % of gross core loans and advances to customers	4.27%	1.71%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.34%	1.35%
Net defaults as a % of gross core loans and advances to customers	-	-
Credit loss ratio as a % of average gross core loans and advances	1.11%	0.51%



# Asset quality

## An analysis of core loans and advances to customers and asset quality by geography

Financial review and additional information

£'000	UK and 31 March 2009	Europe 31 March 2008	Southern Africa 31 March 2009	31 March 2008	Australia 31 March 2009	31 March 2008	Total 31 March 2009	31 March 2008
Gross core loans and advances to customers	6 038 586	5 295 713	8 930 812	6 430 418	1 423 805	1 181 636	16 393 203	12 907 767
Total impairments	(76 057)	(21 854)	(74 969)	(23 367)	(15 634)	(8 790)	(166 660)	(54 011)
Portfolio impairments	(3 032)	(2 053)	(6 664)	(4 642)	-	-	(9 696)	(6 695)
Specific impairments	(73 025)	(19 801)	(68 305)	(18 725)	(15 634)	(8 790)	(156 964)	(47 316)
Net core loans and advances to customers	5 962 529	5 273 859	8 855 843	6 407 051	1 408 171	1 172 846	16 226 543	12 853 756
% of total	36.7%	41.0%	54.6%	49.8%	8.7%	9.1%	100.0%	100.0%
% change since 31 March 2008	13.1%	-	38.2%	-	20.1%	-	26.3%	-
Average gross core loans and advances to customers	5 667 150	4 635 210	7 680 615	5 958 499	1 302 721	927 345	14 650 485	11 521 052
Current loans and advances to customers	5 287 746	4 816 940	8 481 356	6 276 582	1 246 188	1 089 087	15 015 290	12 182 609
Total gross non-current loans and advances to customers	750 840	478 772	449 456	153 836	177 617	92 550	1 377 913	725 158
Past due loans and advances to customers (1-60 days and management not concerned)	442 966	283 445	139 021	73 219	16 643	44 100	598 630	400 764
Special mention loans and advances to customers	22 445	56 165	47 378	18 282	9 839	29 531	79 662	103 978
Default loans and advances to customers	285 429	139 162	263 057	62 335	151 135	18 919	699 621	220 416
Gross core loans and advances to customers	6 038 586	5 295 712	8 930 812	6 430 418	1 423 805	1 181 637	16 393 203	12 907 767
Total gross non-current loans and advances to customers	750 840	478 772	449 456	153 836	177 617	92 550	1 377 913	725 158
Default loans that are current	11 056	-	1 568	-	-	-	12 624	-
Gross core loans and advances to customers that are past due but not impaired	590 726	399 965	221 211	92 187	26 482	75 649	838 419	567 802
Gross core loans and advances to customers that are impaired	149 058	78 807	226 677	61 649	151 135	16 901	526 870	157 356
Total income statement charge for impairments on core loans	(88 790)	(21 589)	(51 452)	(30 844)	(22 685)	(6 352)	(162 927)	(58 785)
Gross default loans and advances to customers	285 429	139 163	263 057	62 334	151 135	18 919	699 621	220 416
Specific impairments	(73 025)	(19 801)	(68 305)	(18 725)	(15 634)	(8 790)	(156 964)	(47 316)
Defaults net of specific provisions	212 404	119 362	194 752	43 609	135 501	10 129	542 657	173 100
Collateral and other credit enhancements	218 000	114 011	267 767	83 844	163 452	12 362	649 219	210 217
Net default loans and advances to customers (limited to zero)	-	5 351	-	-	-	-	-	-



## Asset quality

### An analysis of core loans and advances to customers and asset quality by geography (continued)

£'000	UK and Europe		South Africa		Australia		Total	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Specific impairments as a % of gross core loans and advances to customers	1.21%	0.37%	0.76%	0.29%	1.10%	0.74%	0.96%	0.37%
Portfolio impairments as a % of gross core loans and advances to customers	0.05%	0.04%	0.07%	0.07%	-	-	0.06%	0.05%
Total impairments as a % of gross core loans and advances to customers	1.26%	0.41%	0.84%	0.36%	1.10%	0.74%	1.02%	0.42%
Specific impairments as a % of gross default loans	25.58%	14.23%	25.97%	30.04%	10.34%	46.46%	22.44%	21.47%
Gross defaults as a % of gross core loans and advances to customers	4.73%	2.63%	2.95%	0.97%	10.61%	1.60%	4.27%	1.71%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.56%	2.26%	2.20%	0.68%	9.62%	0.86%	3.34%	1.35%
Net defaults as a % of gross core loans and advances to customers	-	0.10%	-	-	-	-	-	-
Credit loss ratio as a % of average gross core loans and advances	1.57%	0.47%	0.67%	0.52%	1.74%	0.69%	1.11%	0.51%



# Asset quality

## An analysis of core loans and advances to customers and asset quality by geography and by division

Financial review and additional information

As at 31 March 2009 £'000	UK and Europe	Private Bank Southern Africa	Australia	Total
<b>Gross core loans and advances to customers</b>	<b>3 682 761</b>	<b>6 228 923</b>	<b>1 252 814</b>	<b>11 164 498</b>
<b>Total impairments</b>				
Portfolio impairments	(2 132)	(4 754)	-	(6 886)
Specific impairments	(35 594)	(32 865)	(13 050)	(81 509)
<b>Net core loans and advances to customers</b>				
<b>Average gross core loans and advances</b>	<b>3 513 898</b>	<b>5 399 705</b>	<b>1 145 563</b>	<b>10 059 165</b>
Current loans and advances to customers	3 124 164	5 860 702	1 088 511	10 073 377
Total gross non current loans and advances to customers	558 597	368 221	164 303	1 091 121
Past due loans and advances to customers (1-60 days and management not concerned)	386 846	126 146	15 975	528 966
Special mention loans and advances to customers	3 087	42 878	9 611	55 576
Default loans and advances to customers	168 664	199 197	138 717	506 578
<b>Gross core loans and advances to customers</b>				
<b>Total gross non-current loans and advances to customers</b>				
Default loans that are current	6 398	1 567	-	7 965
Gross core loans and advances to customers that are past due but not impaired	463 215	203 837	25 586	692 638
Gross core loans and advances to customers that are impaired	88 984	162 817	138 717	390 518
<b>Total income statement charge for impairments on core loans</b>				
Gross default loans and advances to customers	168 664	199 197	138 717	506 578
Specific impairments	(35 594)	(32 865)	(13 050)	(81 509)
<b>Defaults net of specific impairments</b>	<b>133 070</b>	<b>166 332</b>	<b>125 667</b>	<b>425 069</b>
Collateral and other credit enhancements	136 986	223 679	153 617	514 282
<b>Net default loans and advances to customers (limited to zero)</b>				
Specific impairments as a % of gross core loans and advances to customers	0.97%	0.53%	1.04%	0.73%
Portfolio impairments as a % of gross core loans and advances to customers	0.06%	0.08%	-	0.06%
Total impairments as a % of gross core loans and advances to customers	1.02%	0.60%	1.04%	0.79%
Specific impairments as a % of gross default loans	21.10%	16.50%	9.41%	16.09%
Gross defaults as a % of gross core loans and advances to customers	4.58%	3.20%	11.07%	4.54%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.65%	2.69%	10.14%	3.84%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-
Credit loss ratio as a % of average gross core loans and advances	1.49%	0.33%	1.76%	0.90%





UK and Europe	Capital Markets			Total	UK and Europe	Other		Total	Group total
	Southern Africa	Australia				Southern Africa	Australia		
2 279 316	2 418 052	169 747		4 867 115	76 509	283 838	1 243	361 590	16 393 203
(38 331)	(25 161)	(2 583)		(66 075)	-	(12 190)	-	(12 190)	(166 660)
(899)	(1 413)	-		(2 312)	-	(498)	-	(498)	(9 696)
(37 432)	(23 748)	(2 583)		(63 763)	-	(11 692)	-	(11 692)	(156 964)
2 240 985	2 392 891	167 164		4 801 040	76 509	271 648	1 243	349 400	16 226 543
2 139 842	2 159 310	155 930		4 455 084	13 410	121 599	1 227	136 236	14 650 485
2 087 437	2 366 177	156 434		4 610 048	76 145	254 478	1 243	331 866	15 015 290
191 879	51 874	13 314		257 067	364	29 360	-	29 724	1 377 913
56 120	4 616	668		61 404	-	8 260	-	8 260	598 630
19 358	2 972	228		22 558	-	1 527	-	1 527	79 662
116 401	44 286	12 418		173 105	364	19 573	-	19 937	699 621
2 279 316	2 418 051	169 748		4 867 115	76 509	283 838	1 243	361 590	16 393 203
191 879	51 874	13 314		257 067	364	29 360	-	29 724	1 377 912
4 659	-	-		4 659	-	-	-	-	12 624
127 510	7 588	896		135 994	-	9 786	-	9 786	838 418
59 710	44 286	12 418		116 414	364	19 574	-	19 938	526 870
(36 596)	(23 515)	(2 484)		(62 595)	-	(10 238)	-	(10 238)	(162 928)
116 401	44 286	12 418		173 105	364	19 573	-	19 937	699 621
(37 432)	(23 748)	(2 583)		(63 763)	-	(11 692)	-	(11 692)	(156 964)
78 969	20 538	9 835		109 342	364	7 881	-	8 245	542 657
80 684	33 061	9 835		123 580	330	11 027	-	11 357	649 219
-	-	-		-	34	-	-	-	-
1.64%	0.98%	1.52%		1.31%	-	4.12%	-	3.23%	0.96%
0.04%	0.06%	-		0.05%	-	0.18%	-	0.14%	0.06%
1.68%	1.04%	1.52%		1.36%	-	4.29%	-	3.37%	1.02%
32.16%	53.62%	20.80%		36.83%	-	59.74%	-	58.65%	22.44%
5.11%	1.83%	7.32%		3.56%	0.48%	6.90%	-	5.51%	4.27%
3.52%	0.86%	5.88%		2.28%	0.48%	2.90%	-	2.36%	3.34%
-	-	-		-	0.04%	-	-	-	-
1.71%	1.09%	1.59%		1.41%	-	8.42%	-	7.51%	1.11%



# Shareholder analysis



We have implemented a Dual Listed Companies (DLC) structure in terms of which we have primary listings both in Johannesburg and London. Investec plc which houses the majority of our non-Southern African businesses was listed on the London Stock Exchange on 29 July 2002. Investec plc also has a secondary listing on the JSE Limited (JSE). Investec Limited which houses our Southern African and Mauritius operations has been listed in South Africa since 1986.

As at 31 March 2009 Investec plc and Investec Limited had 444.9 million and 268.4 million ordinary shares in issue respectively.

## Largest shareholders as at 31 March 2009

In accordance with the terms provided for in Section 793 of the UK Companies Act 2006 and Section 140A of the South African Companies Act 1973 the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

### Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1 PIC (ZA)	37 643 896	8.5
2 Old Mutual Asset Managers (ZA)	33 107 398	7.4
3 Investec Securities (Pty) Limited (ZA)*	24 363 100	5.5
4 Investec Staff Share Schemes (ZA and UK)	22 706 079	5.1
5 Legal & General Investment Mgmt Ltd (UK)	18 356 041	4.1
6 RMB Asset Management (ZA)	18 116 305	4.1
7 J.P. Morgan Asset Management (UK)	15 411 731	3.5
8 Coronation Fund Managers (ZA)	14 108 806	3.2
9 Polaris Capital (Pty) Limited (ZA)	13 556 175	3.0
10 Schroder Investments (UK)	10 360 243	2.3
<b>Cumulative total</b>	<b>207 729 774</b>	<b>46.7</b>

The top 10 shareholders account for 46.7% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this which may cause the above figures to be marginally understated.

### Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1 PIC (ZA)	40 439 405	15.1
2 Investec Staff Share Schemes (ZA)	36 340 281	13.5
3 Old Mutual Asset Managers (ZA)	18 360 474	6.8
4 Tiso INL Investments (Pty) Ltd (ZA)**	14 000 000	5.2
5 Entrepreneurial Development Trust (ZA)**	14 000 000	5.2
6 PEU INL Investment 1 (Pty) Ltd (ZA)**	13 055 555	4.9
7 Coronation Fund Managers (ZA)	9 686 030	3.6
8 Investec Securities (Pty) Limited (ZA)*	8 320 456	3.1
9 STANLIB Asset Management (ZA)	7 512 249	2.8
10 Barclays Global Investors (US and UK)	7 215 071	2.7
<b>Cumulative total</b>	<b>168 929 521</b>	<b>62.9</b>

The top 10 shareholders account for 62.9% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

\* Managed on behalf of clients

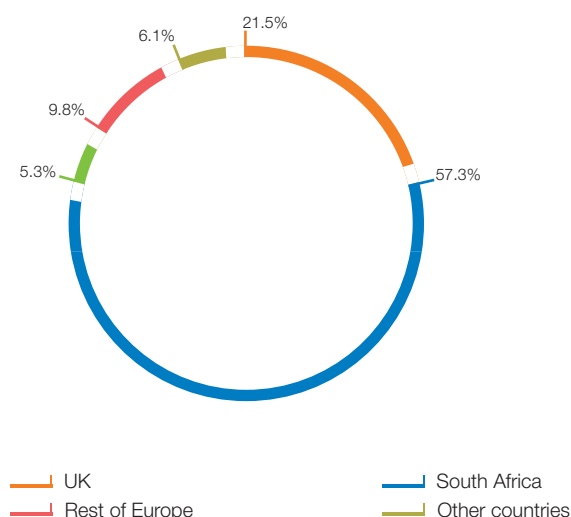
\*\* In November 2003, Investec Limited implemented an empowerment transaction in which empowerment partners and an employee share scheme acquired 25.1% of the equity shareholding in Investec Limited



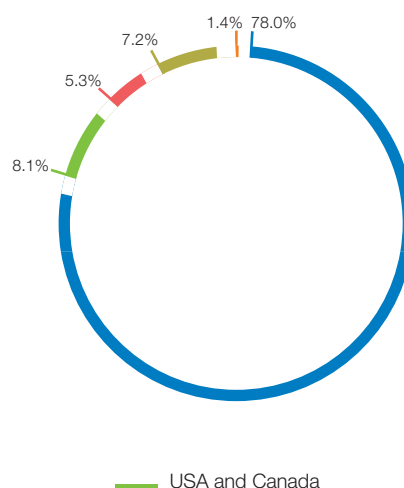
# Shareholder analysis

## Geographic holding by beneficial owner as at 31 March 2009

Investec plc



Investec Limited



## Share statistics

### Investec plc ordinary shares in issue

For the year ended 31 March <sup>1</sup>	2009	2008	2007	2006	2005	2004	2003
Closing market price per share (Pounds) <sup>2</sup>							
- year end	2.92	3.39	6.58	5.88	3.11	2.18	1.23
- highest	4.21	7.65	6.76	6.07	3.47	2.36	1.92
- lowest	1.69	2.94	4.95	3.04	1.84	1.22	1.21
Number of ordinary shares in issue (million) <sup>2</sup>	444.9	423.3	381.6	373.0	373.0	373.0	373.0
Market capitalisation (£'million) <sup>3</sup>	1 299	1 435	2 511	2 194	1 160	812	459
Daily average volume of shares traded ('000)	2 603.6	3 925.9	2 832.5	1 489.0	741.0	498.0	349.5
Price earnings ratio <sup>4</sup>	6.9	6.0	12.4	14.0	11.6	10.5	6.3
Dividend cover (times) <sup>4</sup>	3.3	2.3	2.3	2.3	2.0	1.8	1.8
Dividend yield (%) <sup>4</sup>	4.5	7.4	3.5	3.1	4.3	5.3	8.8
Earnings yield (%) <sup>4</sup>	14.5	16.7	8.1	7.1	8.6	9.5	15.6

### Investec Limited ordinary shares in issue

For the year ended 31 March <sup>1</sup>	2009	2008	2007	2006	2005	2004	2003
Closing market price per share (Rands) <sup>2</sup>							
- year end	38.86	57.43	93.30	62.60	35.60	25.06	15.30
- highest	63.19	104.40	94.60	66.50	38.00	30.20	34.88
- lowest	27.20	50.90	59.06	34.10	21.56	15.50	15.30
Number of ordinary shares in issue (million) <sup>2</sup>	268.4	234.3	227.7	220.0	220.0	220.0	192.0
Market capitalisation (R'million) <sup>5</sup>	27 715	37 766	56 848	37 121	21 111	14 860	8 645
Market capitalisation (£'million)	2 083	2 229	4 009	3 488	1 844	1 292	695
Daily average volume of shares traded ('000)	1 167.8	840.6	619.7	478.0	510.5	495.0	527.0

#### Notes:

<sup>1</sup> Investec plc has been listed on the LSE since 29 July 2002

<sup>2</sup> On 4 September 2006 the group implemented a 5:1 share split of Investec plc and Investec Limited shares. Historical information has been restated for comparative purposes

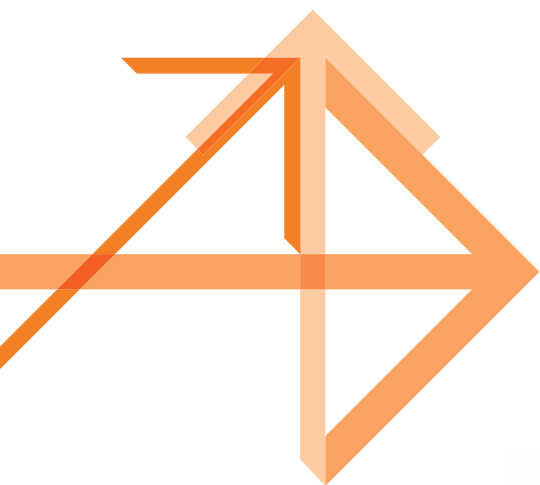
<sup>3</sup> The LSE only include the shares in issue for Investec plc i.e. 444.9 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK

<sup>4</sup> Calculations are based on the group's consolidated earnings per share before goodwill and non-operating items and dividends per share as prepared in accordance with IFRS and denominated in Pounds Sterling

<sup>5</sup> The JSE have agreed to use the total number of shares in issue for the combined group, comprising Investec Limited and Investec plc, in calculating market capitalisation i.e. a total of 713.2 million shares in issue







Divisional and segmental review





# Divisional review

## Integrated global management structure

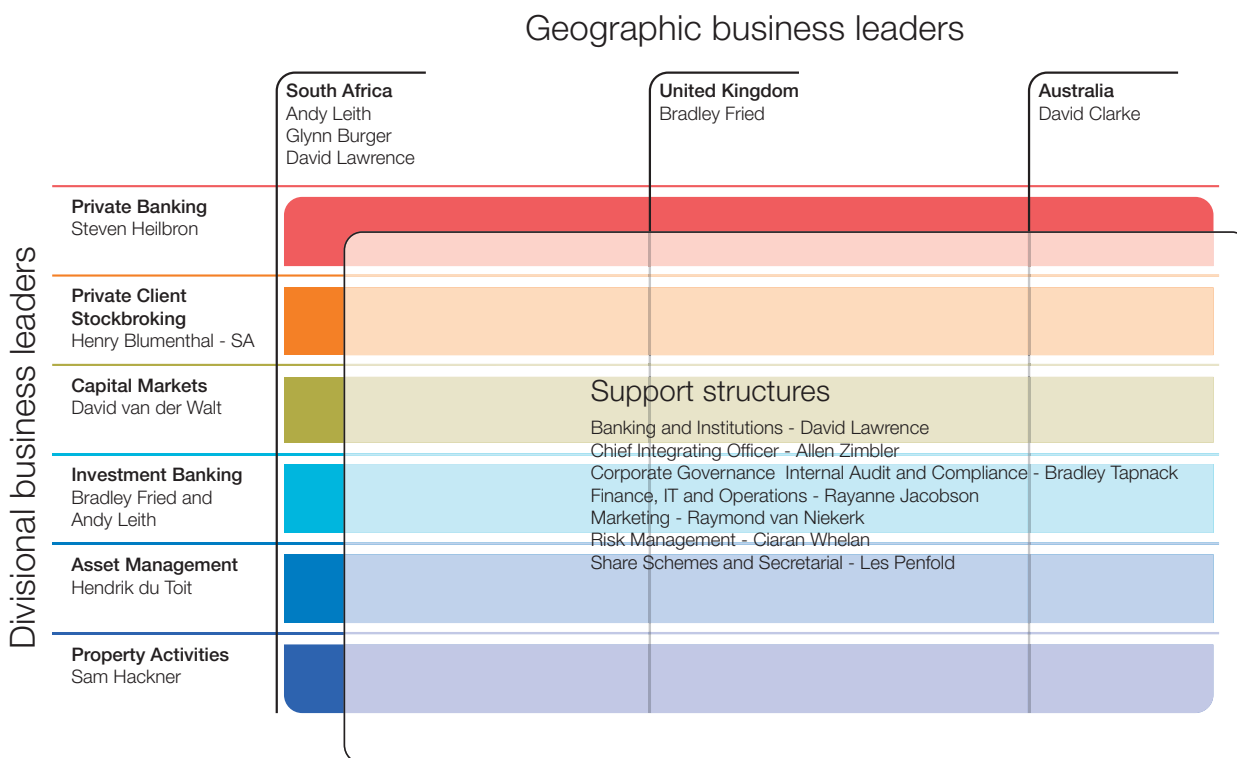
### Global roles

Chief Executive Officer - Stephen Koseff  
Managing Director - Bernard Kantor

Executive Director - Alan Tapnack  
Group Risk and Finance Director - Glynn Burger

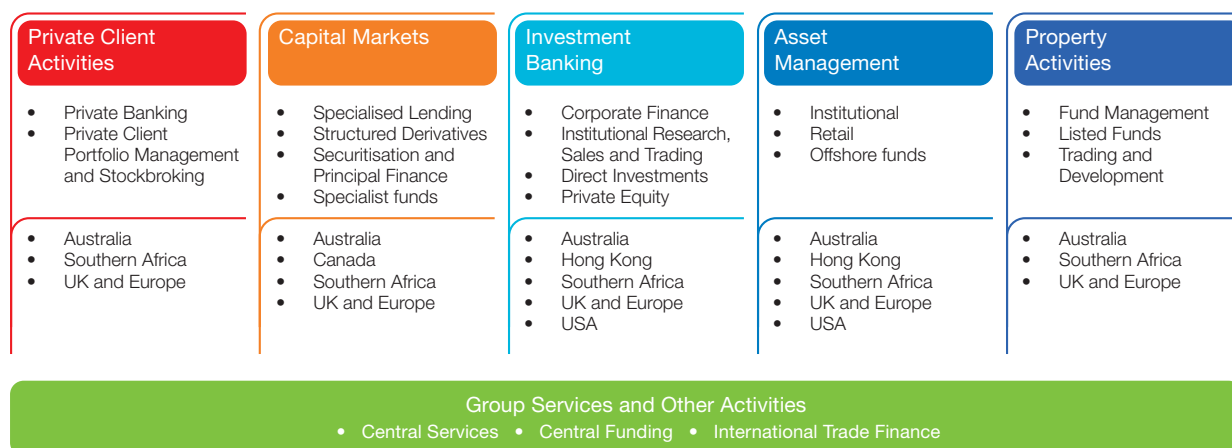


Divisional review



## Group operating structure

Our strategic goals and objectives are motivated by the desire to develop an efficient and integrated business on an international scale through the active pursuit of clearly established core competencies in our principal business areas. Our core philosophy has been to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.







# Private Client Activities

Partner of choice from wealth creation to wealth management

## Scope of activities

Private Client Activities comprises two businesses: Private Banking and Private Client Portfolio Management and Stockbroking

### Private Banking

---

Activities	<ul style="list-style-type: none"><li>- Banking activities</li><li>- Growth and acquisition finance</li><li>- Private wealth management</li><li>- Specialised lending</li><li>- Structured property finance</li><li>- Trust and fiduciary services</li></ul>
Target market	<ul style="list-style-type: none"><li>- Ultra high net worth individuals</li><li>- Active wealthy entrepreneurs</li><li>- High income professionals, self-employed entrepreneurs, owner managers in mid-market companies and sophisticated investors</li></ul>

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### Private Client Portfolio Management and Stockbroking

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Activities	<ul style="list-style-type: none"><li>- Portfolio management</li><li>- Stockbroking</li><li>- Alternative investments</li><li>- Investment advisory services</li><li>- Electronic trading services</li><li>- Retirement portfolios</li></ul>
Target Market	- Private Client Securities, South Africa and Rensburg Sheppards plc, UK: High net worth individuals

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## Strategic focus

### Private Banking

Investec Private Bank positions itself as the 'investment bank for private clients', offering both credit and investment services to our select clientele. Through strong partnerships, we have created a community of clients who thrive on being part of an entrepreneurial and innovative environment.

### Private Client Portfolio Management and Stockbroking

#### South Africa

**Mission:** To be the premier South African portfolio management and stockbroking house

We differentiate ourselves through:

- The quality of investment professionals we employ and the relationships we build with our clients
- A dynamic and focused investment process that provides consistent and superior returns
- The provision of innovative investment products and services
- Leveraging the outstanding opportunities available to our clients within the broader Investec group



# Private Client Activities

Partner of choice from wealth creation to wealth management

## Management structure

### Private Banking

Global Head of Private Banking Steven Heilbron

#### UK and Europe

Regional Head  
Structured Property Finance  
Specialised Lending  
Growth and Acquisition Finance  
Specialised Banking

#### Private Wealth Management

Trust and Fiduciary Guernsey  
Trust and Fiduciary Jersey  
Trust and Fiduciary Switzerland  
Investec Bank Channels Islands  
Investec Bank Switzerland  
Investec Bank Ireland  
Marketing  
Operating Officer  
Finance  
IT

Steven Heilbron  
Paul Stevens  
David Drewienka  
Avron Epstein  
Wayne Preston  
Linda McBain  
Nicky Walden  
Robert Gottlieb  
Kim Hillier  
Jane Kerins  
Mike Spittal  
Xavier Isaac  
Mort Mirghavameddin  
Oliver Betz  
Michael Cullen  
Antonia Kerr  
Chris Forsyth  
Liza Jacobs  
Alan Bletcher

#### South Africa

Regional Head  
Regional Head Cape Town  
Regional Head Durban  
Regional Head Johannesburg  
Regional Head Pretoria  
Regional Head Port Elizabeth  
Banking  
Private Wealth Management  
Treasury  
Compliance  
Credit Risk  
Finance  
IT  
Marketing  
Risk Management

Wessel Oosthuysen  
Rob Nicolella  
Brendan Stewart  
Colin Franks  
Charl Wiid  
Andy Vogel  
Carol-Ann van der Merwe  
Warren King  
Les Scott  
Gordon Malcolm  
Michael Leisegang  
Jodi Joseph  
Denton Muil  
Carol-Ann van der Merwe  
Tim Till

#### Australia

Regional Head  
  
Growth and Acquisition Finance  
Investec Professional Lending  
Private Advisers/Wealth Management  
Private Client Treasury  
Property Investment Banking  
Specialised Lending  
Regional Head Melbourne  
Regional Head Brisbane

Paul Siviour  
Paul Hanley  
Mark Joffe  
Barry Lanesman  
Robert Lipman  
Ivan Katz  
Tim Johansen  
Michael Sack  
Colin Jensen  
Jeff Miller

### Private Client Portfolio Management and Stockbroking

Head of Private Client Securities  
South Africa  
Regional Head Cape Town

Regional Head Durban  
Regional Head Johannesburg  
Regional Head Pietermaritzburg  
Regional Head Port Elizabeth  
Regional Head Pretoria  
Alternative Investments  
Investment Specialists  
Compliance  
Finance and Operations  
Finance  
IT

Risk Management  
Settlements

Henry Blumenthal  
Jonathan Bloch  
Stephen Glanz  
Craig Hudson  
Paul Deuchar  
Andrew Smythe  
Andy Vogel  
Len Olivier  
Peter Armitage  
Raymond Goss  
Bernadette Ghenne  
Joubert Hay  
Bella Ferreira  
Lyndon Subroyen  
Alex van Niekerk  
Alex Harding  
Hennie de Waal

Divisional review





# Private Client Activities

Partner of choice from wealth creation to wealth management

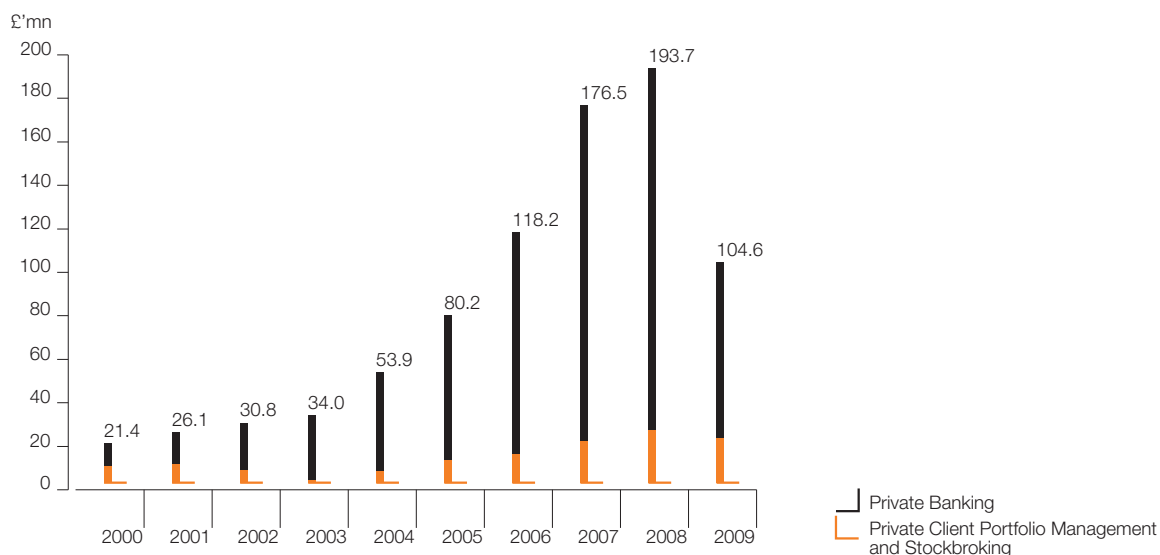
## Contribution analysis



\* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)

\*\* As calculated on page 41

## Operating profit<sup>^</sup> - track record



<sup>^</sup> Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts for 2008 and 2009 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities



# Private Banking

Partner of choice from wealth creation to wealth management

## Overview and financial analysis

- Operating profit decreased by 51.6% to £80.5 million, contributing 22.0% to group profit.
- Higher average advances and a diversified set of revenues continued to drive operating income.
- Activity levels have declined and impairment losses on loans and advances have increased in all geographies as a result of the weaker credit environment.
- Key earnings drivers:
  - Core loans and advances increased by 24.3% to £11.1 billion since 31 March 2008.
  - The deposit book increased by 17.0% to £7.7 billion since 31 March 2008.
  - Funds under advice decreased by 11.2% to £3.3 billion since 31 March 2008.

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	274 236	272 666	1 570	0.6%
Net fee and commission income	97 959	111 109	(13 150)	(11.8%)
Principal transactions	7 823	34 667	(26 844)	(77.4%)
Other operating income and operating income from associates	846	24	822	>100.0%
Total operating income	380 864	418 466	(37 602)	(9.0%)
Impairment losses on loans and advances	(90 094)	(33 326)	(56 768)	>100.0%
Admin expenses and depreciation	(210 307)	(218 746)	8 439	(3.9%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>80 463</b>	<b>166 394</b>	<b>(85 931)</b>	<b>(51.6%)</b>
UK and Europe	42 034	91 619	(49 585)	(54.1%)
Southern Africa	35 954	56 760	(20 806)	(36.7%)
Australia	2 475	18 015	(15 540)	(86.3%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>80 463</b>	<b>166 394</b>	<b>(85 931)</b>	<b>(51.6%)</b>
Adjusted shareholders' equity*	696 664	552 908	143 756	26.0%
ROE (pre-tax)*	14.8%	33.2%		
Cost to income ratio	55.2%	52.3%		
Operating profit per employee (£'000)*	35.2	77.0	(41.8)	(54.3%)

\* As calculated on pages 41 and 44

The variance in operating profit over the year can be explained as follows:

- Net interest income increased marginally compared to the prior year impacted by:
  - Higher average advances.
  - Income from Experien included for the full period compared to six months in the prior year.
  - Decreased arrangement fees, exit fees and deferred income as a result of lower activity levels.
  - Tighter net interest margins resulting from an increase in the cost of funding.
- The impact of IAS 18 has resulted in a cumulative R576 million (31 March 2008: R648 million) of lending fees in the South African business being deferred for future recognition.
- The decrease in net fees and commissions receivable reflects reduced contributions across all three geographies. Europe fell the most off a higher base. General Banking, Private Wealth Management and Trust and Fiduciary had similar contributions to the prior year. Each of the lending specialisations had lower contributions as a result of reduced activity levels and limited exit fees.
- Principal transactions include the revaluations and realisations of equity and warrant positions held (these are associated with our lending activities and the manner in which certain of our deals are structured). The decrease in principal transactions reflects difficult market conditions which have impacted the quantum and timing of revaluations and exit opportunities. Furthermore, a number of significant transactions were recorded in the prior year.
- Impairment losses on loans and advances have increased in all three geographies as a result of the weaker credit environment.
- The decrease in expenses is mainly a result of lower variable remuneration in line with reduced profitability.



Divisional review



# Private Banking

Partner of choice from wealth creation to wealth management

## Loans, deposits and funds under advice

Divisional review

£'million	UK and Europe		Southern Africa		Australia		Total		%
As at	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	change
Loans secured by	2009	2008	2009	2008	2009	2008	2009	2008	
Residential mortgages	736	746	2 111	1 592	17	27	2 864	2 365	21.1%
Residential developments	888	823	399	357	373	257	1 660	1 437	15.5%
Commercial property investment	1 050	910	2 522	1 574	147	88	3 719	2 572	44.6%
Commercial property development	344	274	115	219	229	255	688	748	(8.0%)
Cash and securities backed lending	280	220	478	358	6	-	764	578	32.2%
Asset backed lending	244	273	284	225	256	266	784	764	2.6%
Unlisted shares and general corporate lending	77	57	221	145	48	62	346	264	31.1%
Unsecured lending	64	43	99	100	177	84	340	227	49.7%
<b>Total gross core loans and advances</b>	<b>3 683</b>	<b>3 346</b>	<b>6 229</b>	<b>4 570</b>	<b>1 253</b>	<b>1 039</b>	<b>11 165</b>	<b>8 955</b>	<b>24.7%</b>
Specific impairments	(36)	(17)	(33)	(16)	(13)	(9)	(82)	(42)	95.2%
Portfolio impairments	(2)	(2)	(5)	(3)	-	-	(7)	(5)	40.0%
<b>Net core loans and advances</b>	<b>3 645</b>	<b>3 327</b>	<b>6 191</b>	<b>4 551</b>	<b>1 240</b>	<b>1 030</b>	<b>11 076</b>	<b>8 908</b>	<b>24.3%</b>
<b>Asset quality</b>									
Gross defaults	169	105	199	58	139	17	507	180	>100.0%
Collateral value	(137)	(84)	(224)	(42)	(154)	(8)	(515)	(134)	>100.0%
Specific impairments	(36)	(17)	(33)	(16)	(13)	(9)	(82)	(42)	95.2%
<b>Net defaults (limited to zero)</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>(&gt;100.0%)</b>
Gross defaults as a % of gross core loans and advances	4.6%	3.1%	3.2%	1.3%	11.1%	1.6%	4.5%	2.0%	-
Defaults (net of impairments) as a % of net core loans and advances	3.7%	2.7%	2.7%	1.0%	10.1%	0.8%	3.8%	1.6%	-
Credit loss ratio	1.5%	0.6%	0.3%	0.2%	1.8%	0.8%	0.9%	0.4%	-

Net core loans and advances as at	31 March	31 March	%	31 March	31 March	%
	2009	2008	change	2009	2008	change
		£'million			Home currency 'million	
UK and Europe	3 645	3 327	9.6%	£3 645	£3 327	*9.6%
Southern Africa	6 191	4 551	36.0%	R84 048	R73 562	14.3%
Australia	1 240	1 030	20.4%	A\$2 561	A\$2 248	**13.9%
<b>Net core loans and advances</b>	<b>11 076</b>	<b>8 908</b>	<b>24.3%</b>			

\* Largely as a result of foreign currency movements of Pounds Sterling against the Euro

\*\* Largely relating to the business of Investec Experien

Deposits as at	31 March	31 March	%	31 March	31 March	%
	2009	2008	change	2009	2008	change
		£'million			Home currency 'million	
UK and Europe	4 077	3 961	2.9%	£4 077	£3 961	2.9%
Southern Africa	2 990	2 220	34.7%	R40 586	R35 887	13.1%
Australia	657	423	55.3%	A\$1 358	A\$931	45.9%
<b>Total deposits</b>	<b>7 724</b>	<b>6 604</b>	<b>17.0%</b>			

Funds under advice as at	31 March	31 March	%	31 March	31 March	%
	2009	2008	change	2009	2008	change
		£'million			Home currency 'million	
UK and Europe	1 415	1 770	(20.1%)	£1 415	£1 770	(20.1%)
Southern Africa	1 615	1 598	1.1%	R21 926	R25 835	(15.1%)
Australia	240	313	(23.3%)	A\$496	A\$689	(28.0%)
<b>Total funds under advice</b>	<b>3 270</b>	<b>3 681</b>	<b>(11.2%)</b>			



# Private Banking

Partner of choice from wealth creation to wealth management

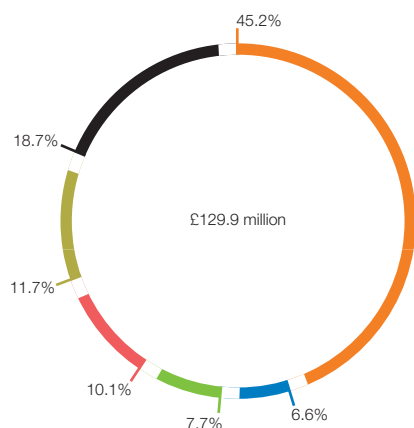
## Analysis of total operating income by geography and area of specialisation

31 March 2009

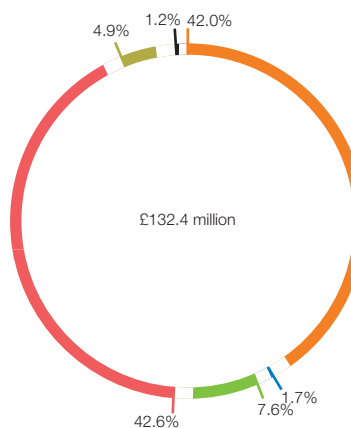


Divisional review

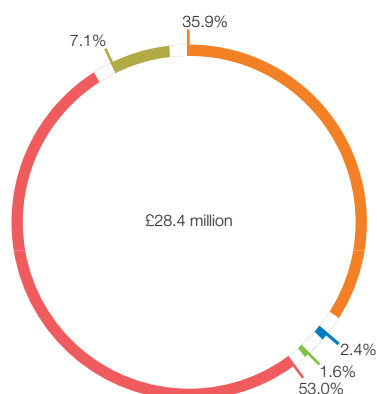
UK and Europe



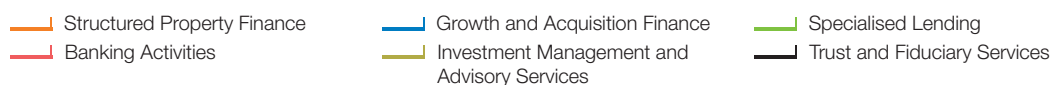
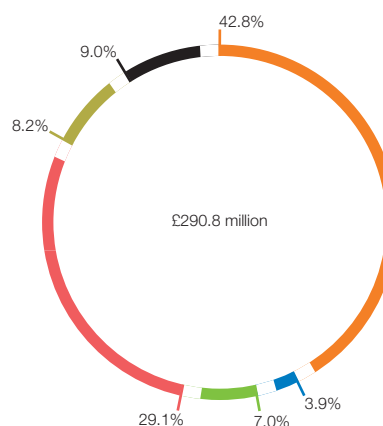
Southern Africa



Australia



Total





# Private Banking

Partner of choice from wealth creation to wealth management

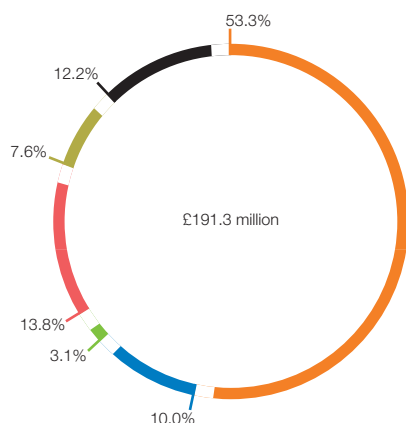


Divisional review

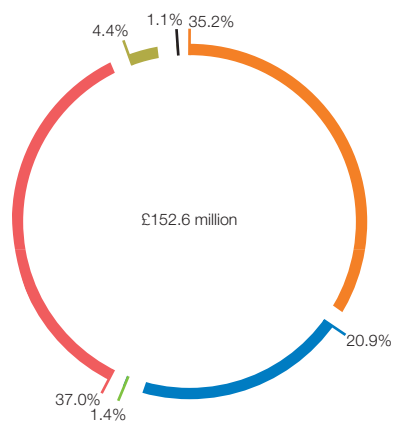
## Analysis of total operating income by geography and area of specialisation

31 March 2008

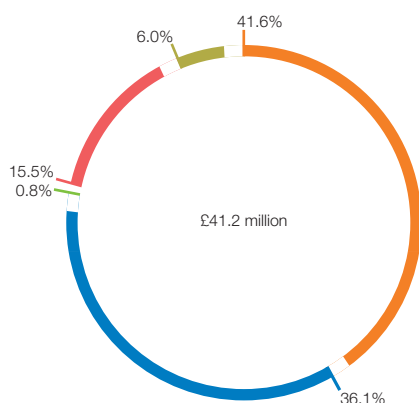
### UK and Europe



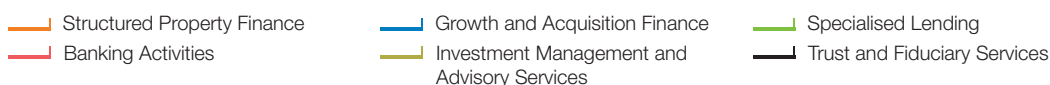
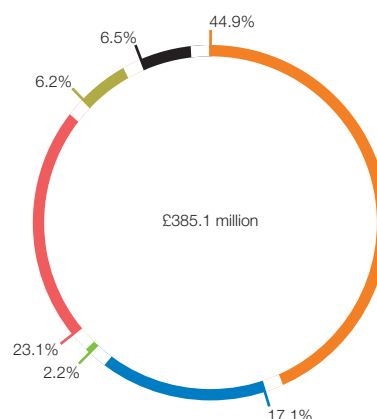
### Southern Africa



### Australia



### Total



## Developments

### UK and Europe

- Trading conditions in the UK and Europe have been difficult throughout the period, particularly during the second half of the year.
- Customer deposits showed a net outflow in the third quarter of the year at the height of the upheaval in the financial markets. This trend was reversed during December 2008 when net inflows were recorded and growth has been strong ever since.
- The Banking business continues to be a key focus area where distribution teams, product and marketing have all benefited from a significant increase in investment. The High 5, a three month notice deposit, has been particularly successful in attracting new clients to the Investec brand.
- Activity levels in the lending specialisations have been lower. The focus has been on managing underperforming loans and seeking out the opportunistic transactions which arise in this market. In certain areas the competitive landscape has been completely reshaped, presenting an opportunity for Investec Private Bank to build a portfolio and brand which previously would have been impossible.
- The Private Wealth Management business has been under pressure as a result of market conditions and the performance of certain special opportunities. This specialisation remains a key area of focus and will continue to benefit from investment over the coming period.



# Private Banking

Partner of choice from wealth creation to wealth management

- The Trust and Fiduciary business has again shown modest growth in revenues on the back of reduced activity levels from private clients. Investec Administration Services, a Guernsey based funds administration business, was sold during the fourth quarter of the year. The sale had an immaterial impact on overall profits.

## Southern Africa

- Trading conditions deteriorated in South Africa during the second half of the year.
- Customer deposits showed a net outflow in the second and third quarters of the year at the height of the upheaval in the financial markets. This trend was reversed during December 2008 when net inflows were recorded and growth has been positive ever since.
- Money markets were tight throughout the period, making funding through securitisation vehicles more difficult than in the past.
- Assets under management were under pressure as a result of market conditions, as well as the performance of certain special opportunities. This specialisation did however attract R2.7 billion of new money over the period.
- The Structured Property Finance specialisation is experiencing lower activity levels, particularly in the residential development space. The commercial property market is showing resilience despite current market conditions.
- In the Growth and Acquisition specialisation activity levels have remained strong throughout the year. Exits have, however, been delayed due to the economic environment and some write-downs have been taken on equity stakes and profit shares held.
- The loan portfolio in the Banking business performed well albeit in more difficult economic conditions. This serves to illustrate the sound credit quality of our client base. The private bank account business did, however, suffer from reduced point of sale income as private client spending was lower.
- The Insurance business was sold to Santam Ltd with effect from 1 December 2008. This had an immaterial impact on overall profits.

## Australia

- The professional finance business of Investec-Experien has been fully integrated into Investec Private Bank and now operates under the Investec-Experien brand. This business has provided a diversification to the historical lending portfolio and has achieved book growth of 30%.
- Through product innovation, broadening of distribution channels and the depositor base, and the introduction of the Government Guarantee scheme, private client deposits have increased by 46% during the period under review. The cost of retail funds has however, also increased.
- Lending activities in Structured Property Finance, Specialised Lending and Growth and Acquisition Finance have been negatively affected by the economic environment. Activity levels are down and there have been no material realisations of equity stakes and profit shares.

## Outlook, risks and uncertainties

- Current market conditions continue to have a negative impact on impairments, realisations and activity levels across each of the lending specialisations.
- We expect growth in the combined total loan portfolio to be flat for the year ahead, and we will continue to re-price existing assets.
- Substantial investment will continue to be made in our general banking business targeting retail deposits.
- The drive to accelerate the contribution of our Private Wealth Management business will be supported by further investment.
- We will continue to focus on realigning costs to future revenues.
- Management of impairments and underperforming loans remains a key focus in all geographies for the forthcoming period.
- The business will continue to seek out opportunistic transactions resulting from the fallout in the broader market.



Divisional review



# Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

## Overview and financial analysis

- Operating profit decreased by 11.8% to £24.1 million contributing 6.6% to group profit.
- Since 31 March 2008, private client funds under management, expressed in Rands, decreased by 24.6% from R112.7 billion to R85 billion.

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	2 051	76	1 975	>100.0%
Net fee and commission income	32 100	36 564	(4 464)	(12.2%)
Principal transactions	42	1 205	(1 163)	(96.5%)
Other operating income and operating income from associates	12 044	11 929	115	1.0%
Total operating income	46 237	49 774	(3 537)	(7.1%)
Admin expenses and depreciation	(22 135)	(22 432)	297	(1.3%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>24 102</b>	<b>27 342</b>	<b>(3 240)</b>	<b>(11.8%)</b>
UK and Europe	12 044	11 929	115	1.0%
Southern Africa	12 058	15 413	(3 355)	(21.8%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>24 102</b>	<b>27 342</b>	<b>(3 240)</b>	<b>(11.8%)</b>
Adjusted shareholders' equity*	17 619	29 609	(11 990)	(40.5%)
ROE (pre-tax)*	76.7%	65.5%		
Cost to income ratio excluding income from associates	64.7%	59.3%		
Cost to income ratio	47.9%	45.1%		
Operating profit per employee (£'000)*	56.9	73.4	(16.5)	(22.5%)

\* As calculated on pages 41 and 44

The variance in operating profit over the year can be explained as follows:

- The South African Private Client Portfolio Management and Stockbroking business has been negatively impacted by lower market volumes and the absence of performance fees on alternative investments.
- Investec's UK Private Client Stockbroking business, Carr Sheppards Crosthwaite, was sold to Rensburg plc on 6 May 2005. We retain a 47.3% interest in the combined entity, Rensburg Sheppards plc. Post the 6 May 2005 the results of the combined entity Rensburg Sheppards plc have been equity accounted and the directors' estimate of these results are included in the line item 'operating income from associates' (the £12 million income reflected above is post an estimate for tax of approximately £4.7 million).

## Developments

### UK and Europe

- Rensburg Sheppards plc will be releasing its results for the year ended 31 March 2009 in June 2009.

### Southern Africa

Funds under management as at	31 March 2009	31 March 2008 R'million	% change	31 March 2009	31 March 2008 £'million	% change
Discretionary	15 594	21 406	(27.2%)	1 149	1 323	(13.2%)
Non-discretionary	69 386	91 338	(24.0%)	5 111	5 649	(9.5%)
<b>Total</b>	<b>84 980</b>	<b>112 744</b>	<b>(24.6%)</b>	<b>6 260</b>	<b>6 972</b>	<b>(10.2%)</b>

Net (outflows)/inflows at cost over the period	31 March 2009	31 March 2008 R'million
Discretionary	(897)	1 865
Non-discretionary	(2 097)	5 431
<b>Total</b>	<b>(2 994)</b>	<b>7 296</b>



# Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

## Outlook, risks and uncertainties

### Southern Africa

- JSE market volumes are expected to decline year-on-year as record investment activity in recent times, which was largely credit induced, starts slowing down in line with a maturing recessionary cycle.
- Ongoing deterioration in international economies and the consequent effects on corporate profits should add to investor disaffection towards equities notwithstanding good, long-term value currently presented in certain parts of the market. Similarly speculative trading activity is expected to decrease as volatility subsides and share price inefficiencies gradually diminish, thereby reducing prospective short-term returns.
- We are reasonably confident that current and future business strategies which focus on alternative commission and brokerage revenue, together with the large annuity fee income stream earned from discretionary assets under management, should help offset reductions in traditional share trading and other non-discretionary brokerage income. Furthermore, our conservative risk management policies in prior years leaves us relatively unexposed to the direct effects of the credit market collapse particularly where this relates to trading activity in leveraged derivative instruments (Single Stock Futures and CFDs) and client carry accounts.
- We continue to focus on disciplined cost management and are optimistic that expenses can be controlled without detracting from client service quality levels and the high calibre staff resources that we employ.
- We are confident that our business strategies and various specialised services are suited to the current environment and that our solid position will allow us to capitalise on any distressed opportunities within the industry.



Divisional review



# Capital Markets

Specialist structuring and advisory business

## Scope of activities

The Capital Markets division provides a wide range of specialist products, services and solutions to select corporate clients, public sector bodies and institutions. The division undertakes the bulk of Investec's wholesale debt, structuring, proprietary trading, capital markets and derivatives business.

## Strategic focus

Our objectives include:

- Continuing to remain a focused and specialised business, targeting markets and products where we can be distinctive and competitive
- Through a strong disciplined approach centred on clients and delivery of structured products, we seek:
  - Select asset creation opportunities
  - Product structuring and distribution opportunities
  - Trading, hedging and proprietary market opportunities
  - Advisory mandates
  - Specialist fund opportunities
- Continuing to concentrate on systems, processes and automation to ensure maximum competitive advantage and long-term cost savings

## Management structure

Global Head of Capital Markets David Van Der Walt

### UK and Europe

Regional Head	David Van Der Walt
Treasury Products and Distribution	Chris Meyer
Fixed Income	David Kantor
Balance Sheet Management	John Barbour
Commodities and Resource Finance	George Rogers
Structured Equity Derivatives	Andrew Brogden
Principal Finance	Andy Clapham
Structured and Asset Finance	Alistair Crowther
Project Finance (UK and International)	Maurice Hochschild
Operations (UK and International)	Kevin McKenna
Regional Head Ireland	Michael Cullen
Treasury products and distribution Ireland	Aisling Dodgson
Equity Finance Ireland	Loman Gallagher

### South Africa

Regional Head	Richard Wainwright
Resource and Infrastructure Finance	Michael Meeser
Equity Derivatives and Foreign Exchange Trading	Milton Samios
Financial Products and Corporate Treasury	Mark Currie
Structured and Asset Finance	David Kuming
Balance Sheet Management and Interest Rate Trading	Clive Sindelman
Regional Head Mauritius	Craig McKenzie
Operations	Stuart Spencer

### Australia

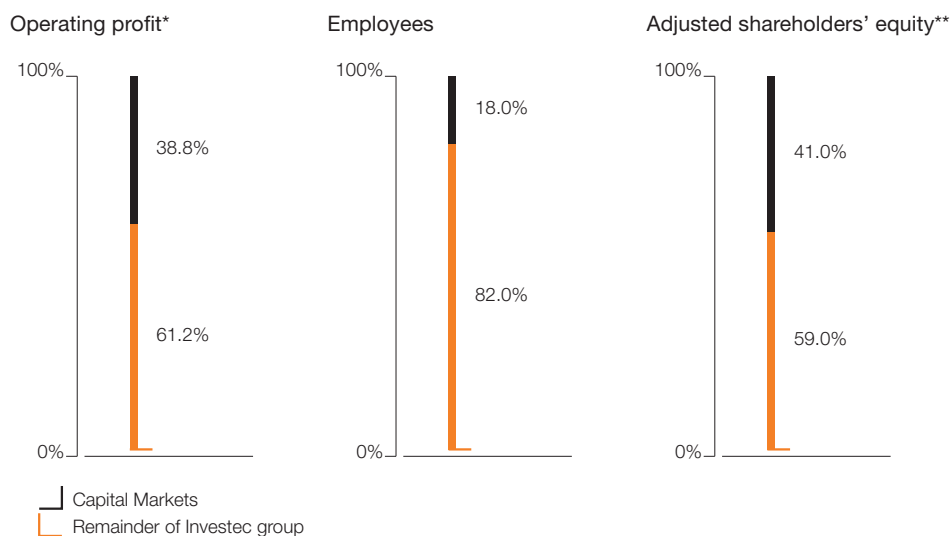
Regional Head and Commodities and Resource Finance (International)	José de Nobrega
Commodities and Resource Finance	Anthony Hawke
Project Finance	Peter Mansfield
Financial Products	Mark Schneider
Structured Finance	Dean You Lee
Treasury	David Phillips
Operations	Jeff Duncan-Nagy
	Carl Dennis



# Capital Markets

Specialist structuring and advisory business

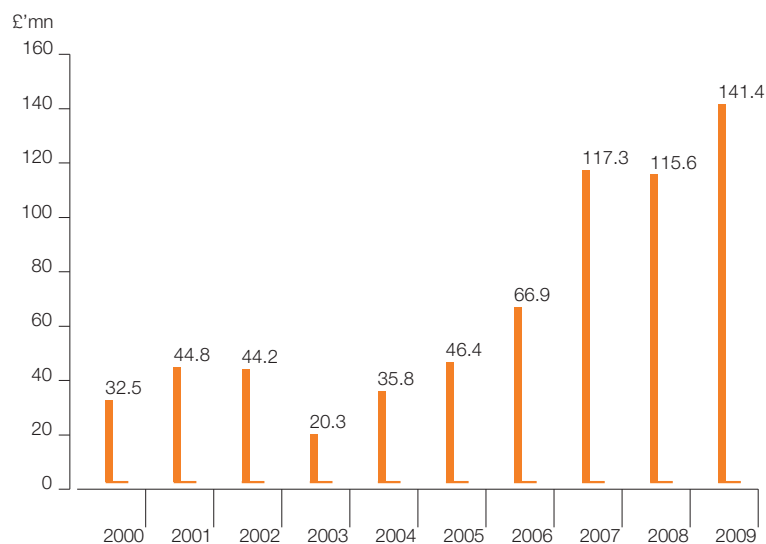
## Contribution analysis



\* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)

\*\* As calculated on page 41

## Operating profit<sup>^</sup> - track record



<sup>^</sup> Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts for 2008 and 2009 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities



Divisional review



# Capital Markets

Specialist structuring and advisory business



Divisional review

## Overview and financial analysis

- Operating profit increased by 22.3% to £141.4 million, contributing 38.8% to group profit.
- The advisory, structuring and trading businesses continued to perform well.
- The results of the Principal Finance division improved substantially as current year write downs on US structured credit investments of £13 million were significantly less than the prior period of £49 million.
- Core loans and advances have grown by 26.5% to £4.8 billion since 31 March 2008.
- Investec plc acquired Kensington with effect from 8 August 2007. The businesses of Kensington now form part of the Capital Markets business in the UK. Salient information with respect to Kensington is provided below and should be taken into account when assessing the variance analysis provided.

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	286 712	227 174	59 538	26.2%
Net fee and commission income	115 465	86 831	28 634	33.0%
Principal transactions	140 462	97 998	42 464	43.3%
Other operating income and operating income from associates	-	(266)	266	100.0%
Total operating income	542 639	411 737	130 902	31.8%
Impairment losses on loans and advances	(155 841)	(79 336)	(76 505)	96.4%
Admin expenses and depreciation	(246 195)	(216 651)	(29 544)	13.6%
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>140 603</b>	<b>115 750</b>	<b>24 853</b>	<b>21.5%</b>
Earnings attributable to minority interests	771	(119)	890	>100.0%
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>141 374</b>	<b>115 631</b>	<b>25 743</b>	<b>22.3%</b>
UK and Europe	78 015	39 187	38 828	99.1%
Southern Africa	61 150	68 118	(6 968)	(10.2%)
Australia	2 209	8 326	(6 117)	(73.5%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>141 374</b>	<b>115 631</b>	<b>25 743</b>	<b>22.3%</b>
Adjusted shareholders' equity*	818 328	646 998	171 330	26.5%
ROE (pre-tax)*	18.7%	23.4%		
Cost to income ratio	45.4%	52.6%		
Operating profit per employee (£'000)*	130.5	127.2	3.3	2.6%

\* As calculated on pages 41 and 44

The variance in operating profit over the year can be explained as follows:

- Net interest income has benefited from an increase in average advances in the UK and South Africa, higher average spreads and from the acquisition of Kensington.
- The increase in net fee and commission income is attributable to another solid performance from the advisory and structuring businesses.
- The increase in principal transactions primarily reflects a lower level of losses on the US structured credit investments in the current period of £13 million compared to £49 million written off in the prior year, the acquisition of Kensington and the improved performance of the trading desks.
- Impairment losses on loans and advances have increased by £76.5 million mainly due to increased write-downs on resource finance transactions, the Acquisition Finance book and Kensington.
- Expenses have increased largely due to an increase in average headcount to support the new initiatives on the trading desks, the continued investment in product development and IT infrastructure and a full year of Kensington ownership.



# Capital Markets

Specialist structuring and advisory business

## Analysis of total operating income by geography

£'000	31 March 2009	31 March 2008	Variance
<b>UK and Europe</b>	<b>370 953</b>	<b>240 794</b>	<b>130 159</b>
Trading Activities	88 158	48 790	39 368
Principal Finance	57 073	(13 507)	70 580
Commodities and Resource Finance	(2 704)	15 706	(18 410)
Structured and Asset Finance	50 301	70 196	(19 895)
Kensington	178 125	119 609	58 516
<b>Southern Africa</b>	<b>156 002</b>	<b>150 096</b>	<b>5 906</b>
Trading Activities	46 905	34 838	12 067
Treasury Activities	53 248	42 507	10 741
Financial Products	20 252	17 921	2 331
Lending Activities	35 597	54 830	(19 233)
<b>Australia</b>	<b>15 684</b>	<b>20 847</b>	<b>(5 163)</b>
Trading Activities	2 058	1 829	229
Treasury/Balance Sheet Management	612	4 014	(3 402)
Financial Products	2 282	2 845	(563)
Lending Activities	5 275	11 144	(5 869)
Structured Finance	5 457	1 015	4 442
<b>Total</b>	<b>542 639</b>	<b>411 737</b>	<b>130 902</b>

Divisional review

## Core loans and advances (excluding Kensington)

£'million As at	UK and Europe		Southern Africa		Australia		Total		% change
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008	
<b>Total gross core loans and advances</b>	<b>2 279</b>	<b>2 000</b>	<b>2 418</b>	<b>1 658</b>	<b>170</b>	<b>141</b>	<b>4 867</b>	<b>3 799</b>	<b>28.1%</b>
Specific impairments	(37)	(3)	(24)	-	(3)	-	(64)	(3)	>100.0%
Portfolio impairments	(1)	-	(1)	-	-	-	(2)	-	>100.0%
<b>Net core loans and advances</b>	<b>2 241</b>	<b>1 997</b>	<b>2 393</b>	<b>1 658</b>	<b>167</b>	<b>141</b>	<b>4 801</b>	<b>3 796</b>	<b>26.5%</b>
<b>Asset quality</b>									
Gross defaults	116	34	44	-	12	-	172	34	>100.0%
Collateral value	(81)	(30)	(33)	-	(10)	-	(124)	(30)	>100.0%
Specific impairments	(37)	(3)	(24)	-	(3)	-	(64)	(3)	>100.0%
<b>Net defaults (limited to zero)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
Gross defaults as a % of gross core loans and advances	5.1%	1.7%	1.8%	-	7.3%	-	3.6%	0.9%	-
Defaults (net of impairments) as a % of net core loans and advances	3.5%	1.6%	0.9%	-	5.9%	-	2.2%	0.9%	-
Credit loss ratio	1.7%	0.3%	1.1%	1.2%	1.6%	-	1.4%	0.7%	-

Net core loans and advances as at	31 March 2009	31 March 2008	% change	31 March 2009	31 March 2008	% change
		£'million		Home currency 'million		
UK and Europe	2 241	1 997	12.2%	£2 241	£1 997	*12.2%
Southern Africa	2 393	1 658	44.3%	R32 484	R26 811	21.2%
Australia	167	141	18.4%	\$345	A\$310	11.3%
<b>Net core loans and advances</b>	<b>4 801</b>	<b>3 796</b>	<b>26.5%</b>			

\* Largely as a result of foreign currency movements of Pounds Sterling against the Euro



# Capital Markets

Specialist structuring and advisory business

## Kensington Group plc – salient financial information

### Summary income statement

£'000	Year ended 31 March 2009	Period 8 Aug 2007 to 31 March 2008
<b>Total operating income</b>	<b>178 125</b>	<b>119 609</b>
Impairment losses on loans and advances	(93 246)	(55 400)
Admin expenses and depreciation	(47 738)	(39 938)
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>37 141</b>	<b>24 271</b>

### Key statistics

As at 31 March 2009	Warehouse book	Securitised portfolio	Total	% of total
<b>Assets and business activity statistics</b>				
Mortgage assets under management (£'million)	1 897	3 268	5 165	
IFRS adjustments	12	47	59	
Mortgage assets under management (£'million)	1 885	3 221	5 106	
First charge % of total mortgage assets under management	92.8%	94.2%	93.7%	
Second charge % of total mortgage assets under management	7.2%	5.8%	6.3%	
Fixed rate loans % of total mortgage assets under management	57.8%	23.6%	36.2%	
Number of accounts	17 151	35 056	52 207	
Average loan balance (first charge)	£144 513	£111 444	£121 630	
Largest loan balance	£1 127 239	£1 224 368	£1 224 368	
Weighted average loan mature margin	3.8%	4.1%	4.0%	
<b>Product mix (pre-IFRS adjustments) (£'million)</b>	<b>1 885</b>	<b>3 221</b>	<b>5 106</b>	<b>100.0%</b>
Prime	11	-	11	0.2%
Near prime	656	536	1 192	23.3%
Prime Buy to Let	1	-	1	-
Adverse	478	2 174	2 652	51.9%
Adverse Buy to Let and Right to Buy	82	160	242	4.7%
Start - Irish operations	657	351	1 008	19.7%
<b>Geographic distribution (£'million)</b>	<b>1 885</b>	<b>3 221</b>	<b>5 106</b>	<b>100.0%</b>
UK - North	383	927	1 310	25.6%
UK - South West	95	201	296	5.8%
UK - South East	276	597	873	17.1%
Outer London	181	354	535	10.5%
Inner London	93	212	305	6.0%
Midlands	200	579	779	15.3%
Start - Irish operations	657	351	1 008	19.7%
<b>Spread of value of properties</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
>£500 000	3.9%	1.5%	2.3%	
>£250 000 - <=£500 000	24.1%	12.6%	16.4%	
>£200 000 - <=£250 000	15.6%	11.7%	13.0%	
>£150 000 - <=£200 000	19.9%	19.4%	19.5%	
>£100 000 - <=£150 000	23.4%	28.6%	26.9%	
>£70 000 - <=£100 000	11.6%	19.6%	17.0%	
>£50 000 - <=£70 000	1.4%	5.3%	4.0%	
<£50 000	0.1%	1.3%	0.9%	
<b>Asset quality statistics</b>				
Weighted average current LTV of active portfolio (adjusted for house price deflation)*	87.5%	80.8%	83.3%	

\* Bad debt provision is based on a house price decline assumption of circa -40% i.e. 2008: -15% 2009: -15%, and an extra -10% haircut to the price to reflect forced sale discount



# Capital Markets

Specialist structuring and advisory business

## Key statistics (continued)

As at 31 March 2009

	Warehouse book	Securitised portfolio	Total	% of total
<b>LTV spread - % of book</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<= 65%	18.4%	22.3%	20.8%	
>65% - <70%	4.2%	5.3%	4.9%	
>70% - <75%	4.4%	6.2%	5.5%	
>75% - <80%	5.4%	7.6%	6.8%	
>80% - <85%	5.8%	9.5%	8.2%	
>85% - <90%	7.1%	11.8%	10.0%	
>90% - <95%	8.2%	12.5%	10.9%	
>95% - <100%	11.0%	11.7%	11.5%	
> 100%	35.5%	13.1%	21.4%	
% of accounts >90 days in arrears	19.8%	25.1%	23.4%	
Number of accounts >90 in arrears	3 404	8 793	12 197	
<b>Total capital lent in arrears (£'million)</b>	<b>605</b>	<b>1 377</b>	<b>1 982</b>	<b>100.0%</b>
Arrears 0 - 60 days	118	252	370	18.7%
Arrears 61 - 90 days	84	192	276	13.9%
Arrears >90 days	369	806	1 175	59.3%
Possession	34	127	161	8.1%
Debt to income ratio of clients	22.4%	24.3%	23.6%	
Investec investment/exposure to assets reflected above (£'million)	474	169	643	
On balance sheet provision (£'million)	(61)	(66)	(127)	
<b>Investec net investment/exposure to assets reflected above (£'million)</b>	<b>413</b>	<b>103</b>	<b>516</b>	



Divisional review



# Capital Markets

Specialist structuring and advisory business

## Key statistics (continued)

As at 31 March 2008	Warehouse book	Securitised portfolio	Total	% of total
<b>Assets and business activity statistics</b>				
Mortgage assets under management (£'million)	2 035	4 063	6 098	
IFRS adjustments	69	(59)	10	
Mortgage assets under management	1 966	4 122	6 088	
First charge % of total mortgage assets under management	91.5%	94.2%	93.3%	
Second charge % of total mortgage assets under management	8.5%	5.8%	6.7%	
Fixed rate loans % of total mortgage assets under management	60.9%	44.2%	49.6%	
Number of accounts	19 443	45 407	64 850	
Average loan balance (first charge)	£135 369	£109 793	£116 782	
Largest loan balance	£1 001 672	£1 075 835	£1 075 835	
Weighted average loan mature margin	3.5%	3.7%	3.6%	
<b>Product mix (pre-IFRS adjustments) (£'million)</b>	<b>1 966</b>	<b>4 122</b>	<b>6 088</b>	<b>100.0%</b>
Prime	67	-	67	1.1%
Near prime	690	694	1 384	22.7%
Prime Buy to Let	12	-	12	0.2%
Adverse	551	2 842	3 393	55.7%
Adverse Buy to Let and Right to Buy	87	212	299	4.9%
Start - Irish operations	559	374	933	15.4%
<b>Geographic distribution (£'million)</b>	<b>1 966</b>	<b>4 122</b>	<b>6 088</b>	<b>100.0%</b>
UK - North	438	1 216	1 654	27.1%
UK - South West	108	259	367	6.0%
UK - South East	317	781	1 098	18.0%
Outer London	207	464	671	11.0%
Inner London	106	277	383	6.3%
Midlands	231	751	982	16.2%
Start - Irish operations	559	374	933	15.4%
<b>Spread of value of properties</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
>£500 000	3.0%	1.3%	1.8%	
>£250 000 - <£500 000	21.3%	11.7%	14.5%	
>£200 000 - <£250 000	16.1%	11.6%	13.0%	
>£150 000 - <£200 000	21.3%	20.0%	20.4%	
>£100 000 - <£150 000	24.7%	29.0%	27.7%	
>£70 000 - <£100 000	12.1%	19.8%	17.5%	
>£50 000 - <£70 000	1.4%	5.4%	4.2%	
<£50 000	0.1%	1.2%	0.9%	
Weighted average current LTV of active portfolio (adjusted for house price deflation)*	73.7%	68.1%	69.9%	
<b>LTV spread - % of book</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<= 65%	29.3%	24.7%	26.2%	
>65% - <70%	7.3%	6.8%	7.0%	
>70% - <75%	8.7%	10.5%	9.9%	
>75% - <80%	9.9%	13.4%	12.2%	
>80% - <85%	15.8%	17.8%	17.2%	
>85% - <90%	27.2%	24.3%	25.3%	
>90% - <95%	1.1%	2.4%	1.9%	
>95% - <100%	0.2%	0.1%	0.1%	
>100%	0.5%	-	0.2%	

\* Bad debt provision is based on a house price decline assumption of circa -35% i.e. 2008: -10% 2009: -5%, and an extra -20% haircut to the price to reflect forced sale discount



# Capital Markets

Specialist structuring and advisory business

## Key statistics (continued)

As at 31 March 2008	Warehouse book	Securitised portfolio	Total	% of total
% of accounts > 90 days in arrears	5.4%	13.9%	11.3%	
Number of accounts > 90 in arrears	1 041	6 303	7 344	
<b>Total capital lent in arrears (£'million)</b>	<b>269</b>	<b>1 267</b>	<b>1 536</b>	<b>100.0%</b>
Arrears 0 - 60 days	98	377	475	30.9%
Arrears 61 - 90 days	50	215	265	17.3%
Arrears >90 days	113	551	664	43.2%
Possession	8	124	132	8.6%
Debt to income ratio of clients	23.4%	26.0%	25.1%	
Investec investment/exposure to assets reflected above (£'million)	162	172	334	
On balance sheet provision (£'million)	(34)	(70)	(104)	
Investec net investment/exposure to assets reflected above (£'million)	<b>128</b>	<b>102</b>	<b>230</b>	



Divisional review

## Developments

### UK and Europe

- The Project Finance team continues to be a leader in the UK PFI advisory business, and the new office in Canada, set up to service the North American PFI market, is performing well.
- The Acquisition Finance book is under pressure as a result of deteriorating economic conditions, and is being monitored closely.
- The Asset Finance business is now ranked in the top three in the small ticket leasing market.
- We are considered one of the top ten European banks in aircraft finance.
- The trading desks showed an improved performance benefiting from market volatility, the introduction of new products and increased staff in certain areas. The Corporate Foreign Exchange and Structured Equity desks are now fully operational.
- The Structured Equity retail distribution platforms have been established and have recently launched eight in the UK market. The desk has won numerous awards, including Income Product of the Year 2008 and Product Provider of the Year 2009 at the Professional Adviser Structured Products Provider Awards and best Online Branding Campaign at the Online Finance Awards 2008.
- The Treasury Products and distribution desk has been established to actively market structured solutions, foreign exchange and interest rates to the corporate market.
- The uncertain credit markets continue to impact activity in the Principal Finance division.

### Southern Africa

- Deal activity in our lending areas has been good during the year. This has been the case in most of the specialist asset classes and with increases experienced in average margins.
- The division has seen a marginal increase in impairments compared to the prior year.
- The division continues to hold a number of equity related positions associated with our lending activities, the revaluation of our positions has negatively impacted on our results for the year.
- Profitability on the Foreign Exchange and Interest Rate trading desks has been excellent with historic levels of volatility offering good trading and client flow opportunities. Customer deal flow in Equity Derivatives was reduced during the year as a result of severe market volatility and a declining equity market.
- The Foreign Exchange trading desk has captured significant market share in the listed currency futures market.
- Debt Capital Markets concluded three successful securitisations during the year although the outlook for this area of business is negative.



# Capital Markets

Specialist structuring and advisory business



Divisional review

## Australia

- The Investec Global Aircraft Fund (IGAF) is now fully invested. The fund has a portfolio of seven aircraft with a value of A\$669 million. A second capital raising for the fund is currently underway.
- The strategic intention of sourcing and developing clean energy assets resulted in the realisation of a profit share on the sale of two wind farm assets. The pipeline remains good.
- We successfully issued an institutional government guaranteed medium term note in February 2009 in which we raised A\$600 million (A\$400 million of three year funding and A\$200 million of five year funding).
- The liquidity position remains very strong.
- The marketing strategy for the Commodities and Resource Finance business continues to be cautious in light of sustained commodity price and capital market volatility. However, an immediate business goal is to increase exposure to mid tier resource companies, with resource assets in production, where the current risk return profiles are very attractive.

## Outlook, risks and opportunities

- We continue to be a focused business targeting markets where we can be distinctive and competitive focusing on our core value drivers.
- We remain committed to building a sustainable scale business with diversified revenue streams.
- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we continue to look for opportunities to broaden our franchise.
- The current negative cycle is a time to shape the business for the future and to position ourselves for a return to a more normal market.
- This stage of the cycle is likely to see a rise in corporate defaults and losses in the acquisition finance portfolio. Additional effort and resources will be spent on asset management to ensure our portfolios perform optimally in poor economic conditions.
- Looking at the environment in our core geographies:
  - South Africa remains the least affected although the impact of the global recession is now starting to be felt. We are generally well positioned in this market with a reasonably robust credit portfolio. Conditions and volumes remain good for the trading businesses. The effects of the recession may lead to reduced activity in the structuring and lending businesses.
  - In the UK and Australia the environment remains weak and it is too early to say if the green shoots represent any sustained change. We expect impairments to continue, however, trading conditions remain favourable and the dislocated markets continue to present opportunities. Overall we continue to be reasonably well positioned to weather the storm in conditions that are similar to last year.
- The environment has changed but so too has the competitive landscape. A large amount of capacity has been removed from the market and the number of players in our core geographies has reduced substantially. This plays to our strengths of being a specialist and bespoke service provider. In the short term we expect conditions to remain challenging, however, we believe that in the medium term this is an excellent opportunity to grow market share and deepen our franchise.



# Investment Banking

Integrated business focused on local client delivery with international access

## Scope of activities

We engage in a range of investment banking activities and position ourselves as an integrated business focused on local client delivery with international access. We target clients seeking a highly customised service which we offer through a combination of domestic depth and expertise within each geography and a client centric approach.

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Activities	<ul style="list-style-type: none"><li>- Corporate finance</li><li>- Institutional research, sales and trading</li><li>- Direct investments</li><li>- Private equity</li></ul>
Target market	<ul style="list-style-type: none"><li>- Listed and unlisted companies</li><li>- Fund managers</li><li>- Government</li><li>- Parastatals</li></ul>

---

## Strategic focus

**Mission: To be an integrated entrepreneurial investment banking business**

Our primary objectives are to secure our current positionings and to continue building our operations, with a strong focus on generating a higher level of core sustainable earnings.

### UK and Europe

Our strategic objectives are to:

- Become the pre-eminent full service mid-market UK investment bank
- Act as trusted advisor to our institutional, corporate and private equity clients
- Leverage our highly rated product and service offering internationally, specifically in the US and Europe
- Increase the use of capital to reinforce our mid market offering

### Southern Africa

#### Corporate Finance

Our strategy is to:

- Take advantage of our leading position in the South African market
- Identify appropriate investment banking transactions as well as mergers and acquisitions and restructuring advisory opportunities
- Improve cross border activity

#### Institutional Research, Sales and Trading

Our strategic objectives are to:

- Be the top rated South African specialist broker as determined by our target market
- Ensure comprehensive research coverage to underpin our South African distinctiveness
- Fully leverage our business platforms:
  - Distribution of our research product into Europe and the United States
  - Electronic execution - capture market share through innovation and tailor made solutions
  - Prime Broking - entrench our position as a leading player in the South African market
- Continue focusing on our people and their performance, cost control and internal efficiencies

#### Principal Investments (Direct Investments and Private Equity)

Our strategy is to:

- Focus on quality, not quantity, of investments in selected industries
- Identify and pursue transactions with the potential for significant value unlocking in the short to medium term
- Target platform investments that can be grown significantly through the implementation of an agreed strategy operating in industries that will benefit strongly from economic growth in South Africa
- Co-invest with experienced executives and non-executives with a proven track record, strategic investors and empowerment partnerships built on trust
- Concentrate on opportunities with black economic empowerment platform investee companies



Divisional review





# Investment Banking

Integrated business focused on local client delivery with international access

## Australia

Our objectives are to:

- Build an integrated business model of advisory, private equity and direct investments to maximise market opportunities
- Continue to focus on global collaboration to enhance cross-border activity
- Maintain a disciplined approach to private equity and direct investment activities

## Management structure

### Joint Global Heads of Investment Banking

Bradley Fried  
Andy Leith

### UK and Europe

Regional Head  
Investment Banking and Securities

Bradley Fried  
David Currie  
Craig Tate  
Michael Cullen  
Ray Milner

Ireland  
Finance

### South Africa

Regional Head  
Corporate Finance

Andy Leith  
Kevin Kerr  
Hugo Steyn

Institutional Research, Sales and  
Trading

Principal Investments  
Finance: Corporate Finance and  
Principal Investments

Kevin Brady  
Thomas Prins

Caroline Thomson  
Robert Slater

Operations: Institutional Research,  
Sales and Trading

Joubert Hay

### Australia

Corporate Advisory  
Principal Investments

Ben Smith  
John Murphy

### Hong Kong

Regional Head

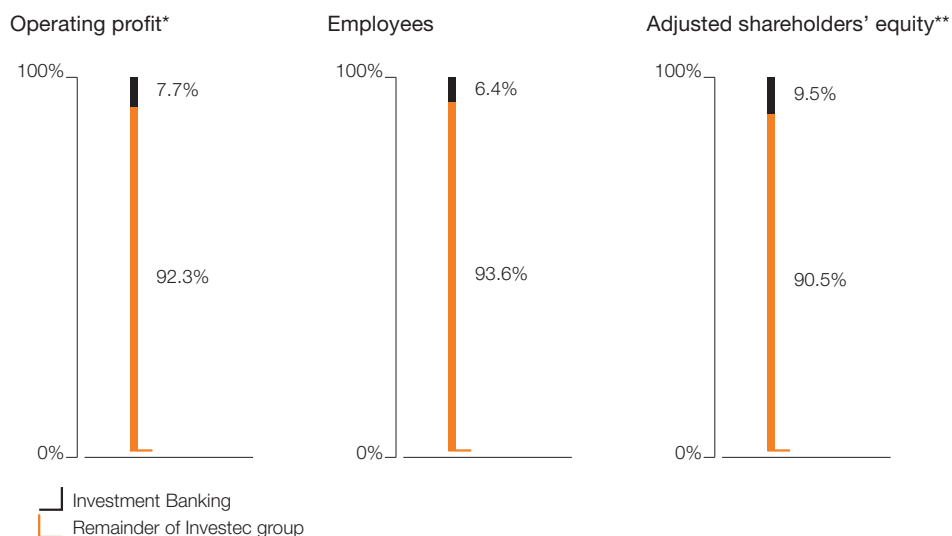
Richard Forlee



# Investment Banking

Integrated business focused on local client delivery with international access

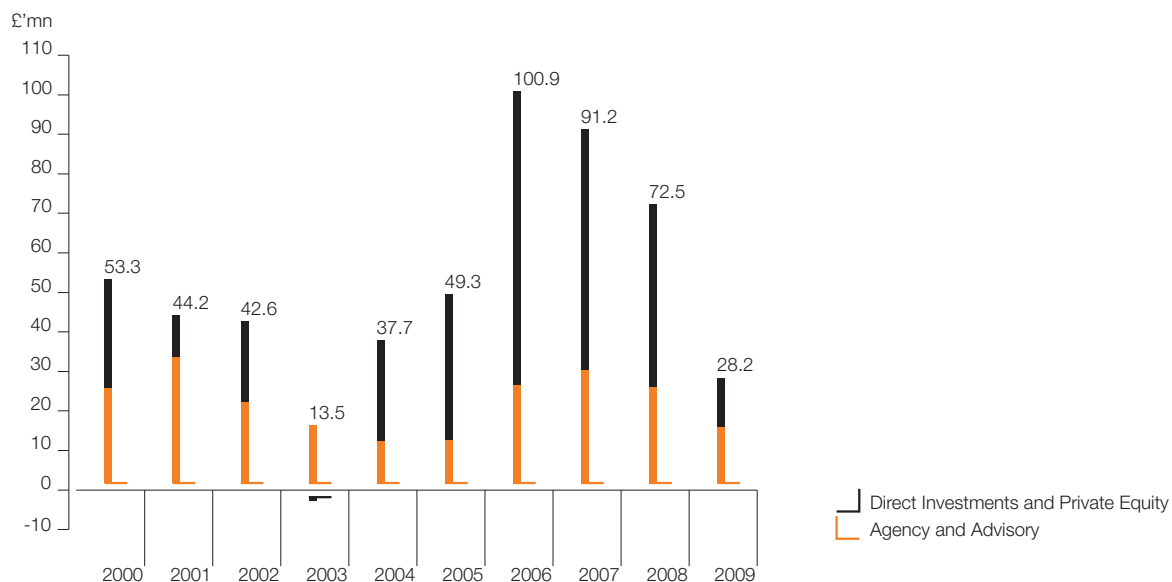
## Contribution analysis



\* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)

\*\* As calculated on page 41

## Operating profit<sup>^</sup> - track record



<sup>^</sup> Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts for 2008 and 2009 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities



Divisional review



# Investment Banking

Integrated business focused on local client delivery with international access

## Overview and financial analysis

- Operating profit decreased by 61.0% to £28.2 million, contributing 7.7% to group profit reflecting a mixed performance across geographies and business activity.

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	2 612	(8 463)	11 075	>100.0%
Net fee and commission income	69 041	88 603	(19 562)	(22.1%)
Principal transactions	91 159	79 583	11 576	14.5%
Other operating income and operating income from associates	(24 526)	45 016	(69 542)	(>100.0%)
Total operating income	138 286	204 739	(66 453)	(32.5%)
Impairment losses on loans and advances	(3 858)	(1 356)	(2 502)	>100.0%
Admin expenses and depreciation	(128 493)	(126 053)	(2 440)	1.9%
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>5 935</b>	<b>77 330</b>	<b>(71 395)</b>	<b>(92.3%)</b>
Earnings attributable to minority interests	22 231	(4 804)	27 035	>100.0%
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>28 166</b>	<b>72 526</b>	<b>(44 360)</b>	<b>(61.2%)</b>
Corporate Finance	5 630	14 277	(8 647)	(60.6%)
Institutional Research, Sales and Trading	10 231	12 422	(2 191)	(17.6%)
Direct Investments	(5 735)	15 990	(21 725)	(>100.0%)
Private Equity	18 040	29 837	(11 797)	(39.5%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>28 166</b>	<b>72 526</b>	<b>(44 360)</b>	<b>(61.2%)</b>
UK and Europe	(30 810)	3 995	(34 805)	(>100.0%)
Southern Africa	66 065	64 775	1 290	2.0%
Australia	(7 089)	3 756	(10 845)	(>100.0%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>28 166</b>	<b>72 526</b>	<b>(44 360)</b>	<b>(61.2%)</b>
Adjusted shareholders' equity*	190 655	175 913	14 742	8.4%
ROE (pre-tax)*	13.9%	34.3%		
Cost to income ratio	92.8%	61.6%		
Cost to income ratio excluding investments that are consolidated	63.9%	53.9%		
Operating profit per employee (£'000)*	75.3	203.1	(127.8)	(62.9%)

\* As calculated on pages 41 and 44

## A further analysis of operating profit

31 March 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
Corporate Finance	2 219	5 522	(2 111)	5 630
Institutional Research, Sales and Trading	4 719	5 512	-	10 231
Principal Investments (Direct Investments and Private Equity)	(20 950)	55 031	(3 454)	30 627
	<b>(14 012)</b>	<b>66 065</b>	<b>(5 565)</b>	<b>46 488</b>
Consolidated investments	(16 798)	-	(1 524)	(18 322)
<b>Total</b>	<b>(30 810)</b>	<b>66 065</b>	<b>(7 089)</b>	<b>28 166</b>

31 March 2008 £'000	UK and Europe	Southern Africa	Australia	Total group
Corporate Finance	4 837	7 807	1 633	14 277
Institutional Research, Sales and Trading	4 459	7 963	-	12 422
Principal Investments (Direct Investments and Private Equity)	9	49 005	2 187	51 201
	<b>9 305</b>	<b>64 775</b>	<b>3 820</b>	<b>77 900</b>
Consolidated investments	(5 310)	-	(64)	(5 374)
<b>Total</b>	<b>3 995</b>	<b>64 775</b>	<b>3 756</b>	<b>72 526</b>



# Investment Banking

Integrated business focused on local client delivery with international access

## Corporate Finance and Institutional Research, Sales and Trading

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	2 733	817	1 916	>100.0%
Net fee and commission income	70 076	84 174	(14 098)	(16.7%)
Principal transactions	20 452	15 875	4 577	28.8%
Impairment losses on loans and advances	-	(4)	4	100.0%
Admin expenses and depreciation	(77 400)	(74 163)	(3 237)	4.4%
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>15 861</b>	<b>26 699</b>	<b>(10 838)</b>	<b>(40.6%)</b>

The variance in operating profit over the year can be explained as follows:

- Corporate activity and fees earned have reduced across all three geographies.
- The Institutional Research, Sales and Trading operations in South Africa were negatively impacted by difficult market conditions. This offset a strong performance from the division's Prime Broking operation. The UK division's trading operations performed well.

## Principal Investments

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	(122)	(9 280)	9 158	>100.0%
Net fee and commission income	(1 036)	4 429	(5 465)	(>100.0%)
Principal transactions	70 708	63 708	7 000	11.0%
Other operating income and operating income from associates	(24 526)	45 016	(69 542)	(>100.0%)
Impairment losses on loans and advances	(3 858)	(1 352)	(2 506)	>100.0%
Admin expenses and depreciation	(51 092)	(51 890)	798	(1.5%)
<b>Operating profit/(loss) before goodwill, non-operating items and taxation</b>	<b>(9 926)</b>	<b>50 631</b>	<b>(60 557)</b>	<b>(&gt;100.0%)</b>
Earnings attributable to minority interests	22 231	(4 804)	27 035	>100.0%
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>12 305</b>	<b>45 827</b>	<b>(33 522)</b>	<b>(73.1%)</b>

The variance in operating profit over the year can be explained as follows:

- Principal transaction income represents the year to date cumulative increase/decrease in the value of the division's direct investments and private equity portfolios, the profit/loss on realisation of these investments and dividends and other income received (further analysis provided below).
- All other income categories largely relate to our investment in two private equity investments in which we hold 68.3% and 73.1%, respectively. The results of these investments have been consolidated. These investments generated a net loss before tax of £18.3 million.

## Value of trading investments on balance sheet at 31 March 2009

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	11	23	-	34
SA Direct Investments	24	95	20	139
SA Private Equity	-	165	21	186
Australia	1	28	-	29
Hong Kong Direct Investments	1	37	-	38
	<b>37</b>	<b>348</b>	<b>41</b>	<b>426</b>

Note:

Value of consolidated investments of £48 million not included in table above



Divisional review



# Investment Banking

Integrated business focused on local client delivery with international access



Divisional review

## Value of trading investments on balance sheet at 31 March 2008

£'million	Listed	Unlisted	Advances	Total
UK Private Equity and Direct Investments	26	25	-	51
SA Direct Investments	12	42	12	66
SA Private Equity	-	106	16	122
Australia	1	10	-	11
Hong Kong Direct Investments	1	13	-	14
	40	196	28	264

### Note:

Value of consolidated investments of £65 million not included in table above

## Analysis of operating profit for the year to 31 March 2009

£'million	Realised	Un-realised	Dividends	Funding costs	Principal transactions total	Interest and other	Net income	Ex-penses	Net profit	Minorities	Operating profit
UK Private Equity and Direct Investments	-	(3.1)	1.4	-	(1.7)	(25.8)	(27.5)	(31.3)	(58.8)	19.8	(39.0)
SA Direct Investments	9.5	8.8	0.2	(10.1)	8.4	(2.6)	5.8	(1.4)	4.4	-	4.4
SA Private Equity	3.5	36.0	26.3	(2.5)	63.3	1.5	64.8	(14.1)	50.7	-	50.7
Australia	-	(2.9)	-	-	(2.9)	(2.0)	(4.9)	(2.5)	(7.4)	2.4	(5.0)
Hong Kong Direct Investments	(1.9)	5.5	-	-	3.6	(0.6)	3.0	(1.8)	1.2	-	1.2
Total	11.1	44.3	27.9	(12.6)	70.7	(29.5)	41.2	(51.1)	(9.9)	22.2	12.3

## Analysis of operating profit for the year to 31 March 2008

£'million	Realised	Un-realised	Dividends	Funding costs	Principal transactions total	Interest and other	Net income	Ex-penses	Net profit	Minorities	Operating profit
UK Private Equity and Direct Investments	0.1	4.1	1.6	(2.3)	3.5	34.6	38.1	(37.2)	0.9	(3.6)	(2.7)
SA Direct Investments	15.4	12.2	0.4	(6.6)	21.4	(0.7)	20.7	(3.4)	17.3	-	17.3
SA Private Equity	1.0	29.1	11.1	(2.9)	38.2	1.0	39.2	(7.5)	31.7	-	31.7
Australia	1.6	-	-	-	1.6	4.0	5.6	(2.3)	3.3	(1.2)	2.1
Hong Kong Direct Investments	0.6	(1.6)	-	-	(1.0)	(0.1)	(1.1)	(1.5)	(2.6)	-	(2.6)
Total	18.7	43.8	13.1	(11.8)	63.7	38.8	102.5	(51.9)	50.6	(4.8)	45.8

## Developments

### Corporate Finance

#### UK and Europe

- The difficult market conditions led to fewer corporate transactions, especially in the second half of the year. There were no IPOs and limited fund-raising.
- Most notable was a £290 million joint fund-raising for Melrose in connection with their purchase of FKI Plc.
- We completed 20 M&A transactions with a value of £3.5 billion (2008: 26 transactions with a value of £2.3 billion).
- We completed 13 fundraisings during the period raising in aggregate £599 million (2008: 18 fund-raising raising £299 million).
- We continue to build the quality and size of the corporate client list, gaining 25 new brokerages during the year. At year end we had 94 quoted clients.



# Investment Banking

Integrated business focused on local client delivery with international access



Divisional review

## Southern Africa

- We maintained our strong positioning with a lower level of activity.
- Our main focus was on M&A, restructuring and black economic empowerment transactions.
- We retained all our major clients and gained several new mandates during the period.
- The total value of Corporate Finance transactions decreased to R23.4 billion (2008: R113 billion) during the period and the number of transactions decreased to 60 (2008:109).
- Sponsor broker deals completed during the period decreased to 96 (2008:165) with the value also decreasing to R51 billion (2008:R149 billion).
- The Corporate Finance division was ranked first in volume of listed M&A transactions and second in general corporate finance by volume in Dealmakers Magazine Survey for Corporate Finance (2008 calendar year). This is the fifth year out of six that we have been awarded the M&A Gold Medal.
- The Sponsor division was ranked first in volume of M&A transactions and in general corporate finance in the Dealmakers Magazine Survey for Sponsors (2008 calendar year). This is the sixth year running that we have won this M&A award.
- The Corporate Finance and Sponsor divisions were also both ranked first in volume of M&A transactions in the Ernst & Young review for M&A (2008 calendar year).

## Australia

- There is increasing awareness and recognition of the Investec brand within the Australian market and we have continued to increase the quality and size of our client list.
- During the period we strengthened our team in Sydney and Brisbane.
- We have continued to expand our sector specialisation, with our Natural Resources team showing the strongest pipeline.
- Despite the challenging market conditions, we are currently active on a number of mandates.

## Institutional Research, Sales and Trading

### UK and Europe

- Volatile and difficult market conditions have restricted secondary commission growth.
- Trading revenues have showed considerable improvement.
- We have strengthened our UK research team over the year with the addition of a number of experienced analysts.
- We continue to expand the capacity of our New York sales team.
- We have also seen market share gains in large cap trading.
- Market share gains continue across our trading platform.

### Southern Africa

- A decline in income from our core equity broking operation was cushioned by a strong performance from the prime broking business.
- The remaining gaps in our research team have been filled and we are well on track to meet our coverage objective.
- The prime broking operation signed up a number of new clients over the period and initiated a system upgrade, further entrenching itself as one of the leading players in the industry.
- Activity through the electronic execution platform recorded healthy growth and a number of new and updated algorithms were released to our client base.

## Principal Investments

### UK, Europe and Hong Kong

- Performance has been impacted by volatile market conditions.

### Southern Africa

- The Direct Investments portfolio increased to R1 824 million at 31 March 2009 (March 2008: R1 051 million). The increase in value was driven by a good performance from the underlying investments and a few selective new investments.
- The Private Equity portfolio was R2 525 million at 31 March 2009 (March 2008: R1 976 million). We continued to expand the capacity of our private equity investments through bolt-on acquisitions and capital expenditure. During the year under review we have had significant realisation through dividends and a few disposals.

### Australia

- The total size of the Private Equity funds is A\$460 million.
- Performance has been impacted by market conditions.



# Investment Banking

Integrated business focused on local client delivery with international access



Divisional review

## Outlook, risks and uncertainties

### Corporate Finance

- While market conditions remain uncertain and problematic for transactions, we are well positioned to take advantage of the changing competitive landscape. The increase in our number of corporate clients in the UK, especially in the FTSE 250, is testimony to this.
- Black economic empowerment, restructuring and M&A transactions are expected to continue to drive activity at a reasonable level in South Africa.
- In Australia M&A mandates are scarcer and transactions are taking longer to complete. However, the strong relationships established by the corporate advisory team will provide a solid platform for future growth opportunities when market conditions improve.

### Institutional Research, Sales and Trading

- The UK business has, through ongoing investment, substantially strengthened its positioning across sales, trading and research. The market conditions however, remain difficult.
- The outlook for the South African business remains challenging with the sharp decline in the value of trading activity experienced on the JSE unlikely to reverse in the near term. Nevertheless, our continued investment in the business, broad revenue base, market share gains and tight cost control, position us well for the next economic upswing.

### Principal Investments

- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and the building of black economic empowerment platforms in South Africa.
- The majority of the companies in our Private Equity portfolio in South Africa are trading in line with expectations in very difficult market conditions and the overall outlook remains positive.
- The Australian business continues to add value to existing investments and is well placed to take advantage of new investment opportunities.



# Asset Management

Investment specialist focused on performance and client needs

## Scope of activities

- We offer a comprehensive range of portfolio management services and products to institutional and retail fund clients. Our range of investment capabilities is shown below.



- We sell our investment capabilities in the following regions: UK, Africa, Europe, Australia, the Americas, Asia and cross border.
- We have a broad client range including sovereign wealth funds, central banks, pension funds, banks, private banks, family offices, independent financial advisors and individual investors.

## Strategic focus

We are totally focused on managing our clients' money to the highest possible standard.

## Management structure

Global Head of Asset Management

Chief Operating Officer  
Business Development Director  
Co-Chief Investment Officer  
Co-Chief Investment Officer

Hendrik du Toit  
Kim McFarland  
John Green  
Domenico Ferrini  
John McNab



Divisional review

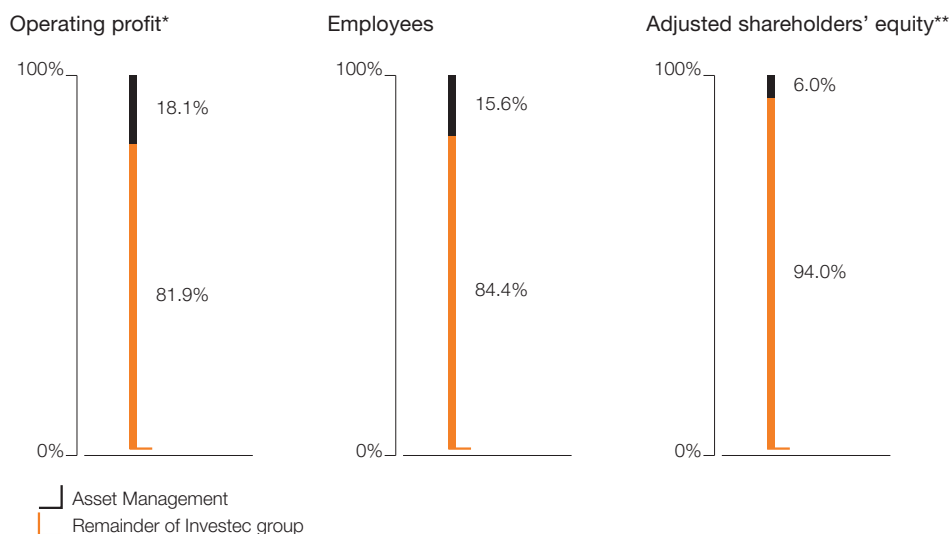


# Asset Management

Investment specialist focused on performance and client needs

## Contribution analysis

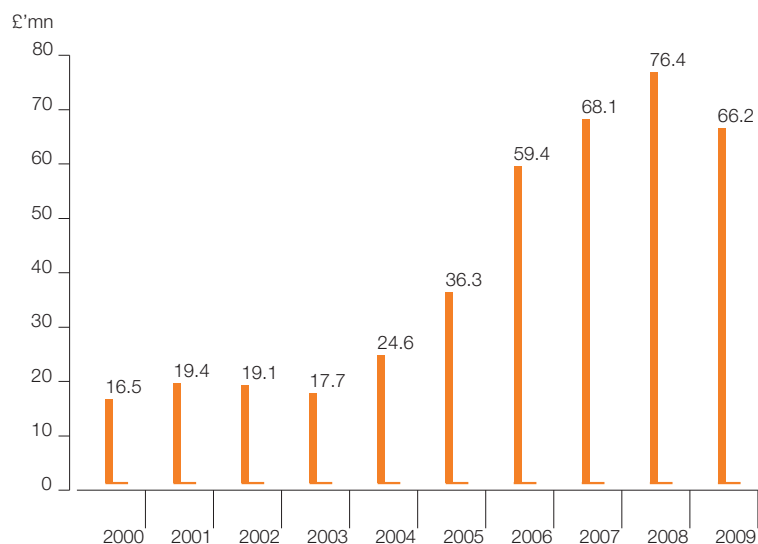
Divisional review



\* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)

\*\* As calculated on page 41

## Operating profit<sup>^</sup> - track record



<sup>^</sup> Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts for 2008 and 2009 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities



# Asset Management

Investment specialist focused on performance and client needs

## Overview and financial analysis

- Operating profit decreased by 13.4% to £66.2 million, contributing 18.1% to group profit.
- The division was impacted by a tougher mutual fund environment and weak equity markets. The division did benefit from good investment performance and solid net inflows, notably from the institutional channel.
- Assets under management have remained flat at £28.8 billion since 31 March 2008.

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	7 821	7 558	263	3.5%
Net fee and commission income	197 732	207 483	(9 751)	(4.7%)
Other income	(5 039)	3 659	(8 698)	(>100.0%)
Total operating income	200 514	218 700	(18 186)	(8.3%)
Admin expenses and depreciation	(134 047)	(141 879)	7 832	(5.5%)
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>66 467</b>	<b>76 821</b>	<b>(10 354)</b>	<b>(13.5%)</b>
Earnings attributable to minority interests	(281)	(410)	129	(31.5%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>66 186</b>	<b>76 411</b>	<b>(10 225)</b>	<b>(13.4%)</b>
UK	17 149	24 940	(7 791)	(31.2%)
Southern Africa	49 037	51 471	(2 434)	(4.7%)
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>66 186</b>	<b>76 411</b>	<b>(10 225)</b>	<b>(13.4%)</b>
Adjusted shareholders' equity*	120 421	116 459	3 962	(3.4%)
ROE (pre-tax)*	41.4%	55.0%		
Cost to income ratio	66.9%	64.9%		
Operating profit per employee (£'000)*	67.8	78.3	(10.5)	(13.4%)

\* As calculated on pages 41 and 44

The variance in operating profit over the year can be explained as follows:

### United Kingdom and international

- Operating profit decline of 31.2% to £17.1 million.
- The reduction in profitability of the UK and international operations was underpinned by reduced assets under management following the negative market movements during the year and net outflows on the retail side of the business.
- Assets under management decreased by 5.2% to £13.1 billion. The institutional book showed strong growth over the period with net inflows of approximately £1.6 billion.

### Southern Africa

- Operating profit of the Southern Africa operations in Rands of R717.0 million is 2.9% lower than the prior period of R738.1 million.
- Investment performance remained good and as a result performance fee revenue increased significantly to R354.5 million (2008: R252.7 million).
- Assets under management in Rands decreased from R241.2 billion to R213.5 billion. The retail side of the business experienced net inflows of R1.9 billion for the period and there were R5.1 billion of institutional outflows.

### Costs

- The decrease in expenses is largely due to a decrease in variable remuneration in line with the decrease in profitability and the effect of tighter cost control.



Divisional review



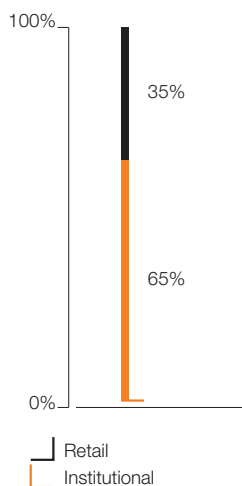
# Asset Management

Investment specialist focused on performance and client needs

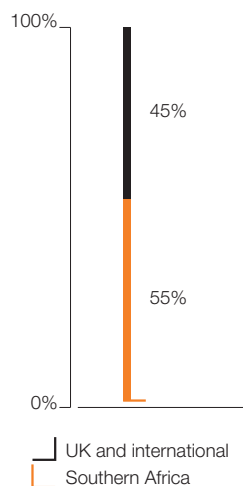
## Assets under management\*

Divisional review

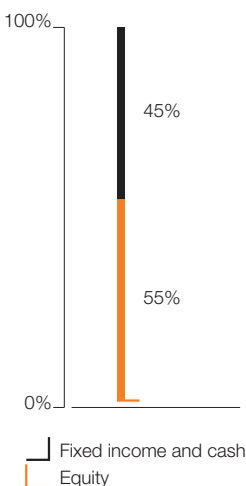
Business type



Geographic



Asset class



## Movement in assets under management\*

	Total £'million	UK and international £'million	Southern Africa	
			£'million	R'million
31 March 2008	28 751	13 834	14 917	241 189
New clients/funds	2 260	1 729	531	2 685
Existing client/fund net flows	(1 509)	(751)	(758)	(5 885)
Net flows	751	978	(227)	(3 200)
Market/FX movement	(667)	(1 704)	1 037	(24 480)
31 March 2009	28 835	13 108	15 727	213 509
Institutional	18 752	7 992	10 760	146 069
Retail	10 083	5 116	4 967	67 440

£'million	Total	Institutional	Retail
31 March 2008	28 751	17 698	11 053
New clients/funds	2 260	2 170	90
Existing client/fund net flows	(1 509)	(958)	(551)
Net flows	751	1 212	(461)
Market/FX movement	(667)	(158)	(509)
31 March 2009	28 835	18 752	10 083
UK and international	13 108	7 992	5 116
Southern Africa	15 727	10 760	4 967

## Sales (gross inflows)

£'million	2009	2008	£'million	2009	2008
Institutional	9 615	3 570	Fixed interest and cash	8 511	4 097
Retail	6 261	7 052	Equity	6 763	5 430
			Balanced	602	1 095
	15 876	10 622		15 876	10 622

\* Managed basis



# Asset Management

Investment specialist focused on performance and client needs

## Developments

- We continue to develop our portfolio of investment capabilities.
- Our wider distribution footprint is facilitating sales momentum and, outside of Southern Africa, there was £978 million of net flows for the financial year. The institutional performance was gratifying with £1.6 billion of net flows outside Southern Africa.
- With our breadth of investment products and good performance across the range, we are receiving good traction:
  - 65% by value and 67% by number of our mutual fund based outside of Southern Africa are in the first or second quartile over three years
  - 77% by value and 71% by number of our mutual funds based in Southern Africa are in the first or second quartile
  - 82% of institutional propositions outperformed their benchmarks since inception outside of Southern Africa and in Southern Africa, 100% of institutional propositions outperformed their benchmarks since GIPS inception.

## Investec Asset Management in the UK mutual fund industry

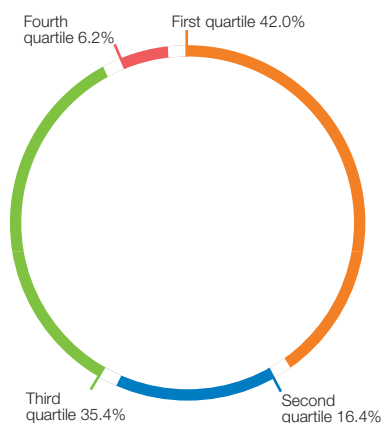
£'million	2009	2008	2007
IAM assets under management	3 736	4 322	4 230
Total industry size	347 897	432 672	447 888
Market share	1.1%	1.0%	0.9%
Size ranking in industry	30th of 110	33rd of 109	33rd of 113
Industry gross retail sales	63 577	66 060	59 973
IAM % of industry gross retail sales	1.6%	2.9%	2.2%

Sourced from data from the Investment Management Association  
Statistics as at 31 March, sales for the 12 month period

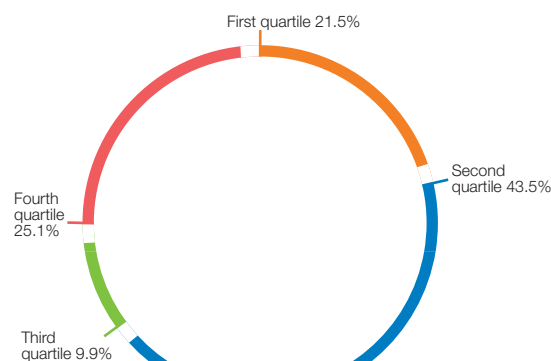
## UK and global retail investment performance

By value of funds

One year



Three years



Calculated from Lipper data  
Excludes cash, cash plus and liquidity funds



Divisional review

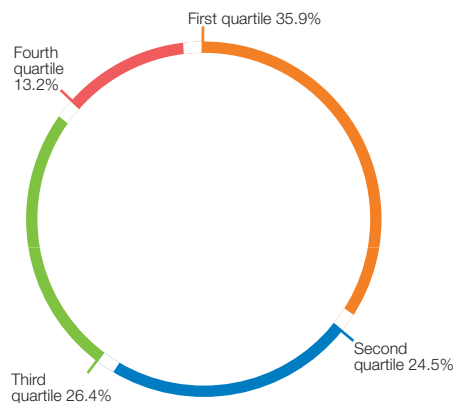


# Asset Management

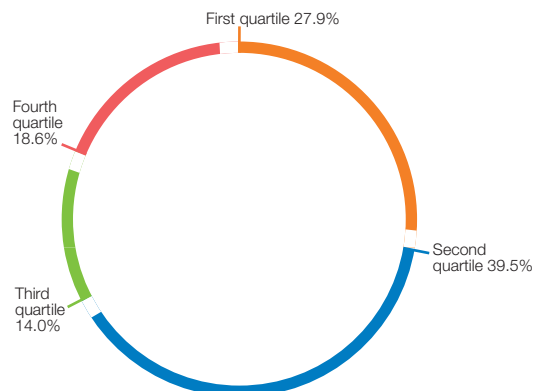
Investment specialist focused on performance and client needs

## By number of funds

One year



Three years

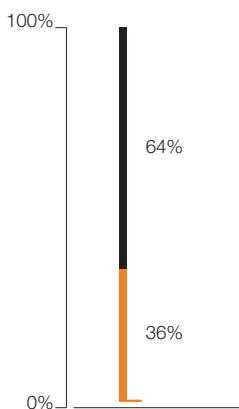


Calculated from Lipper data

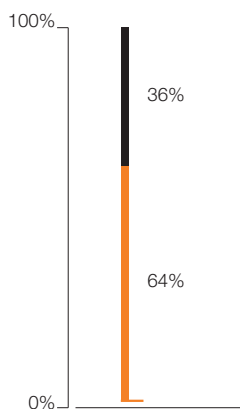
Excludes cash, cash plus and liquidity funds

## UK and global institutional investment performance

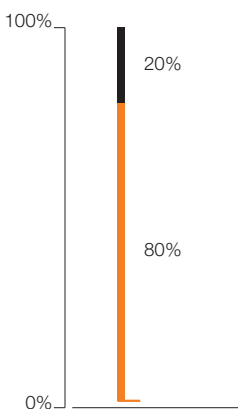
1 year



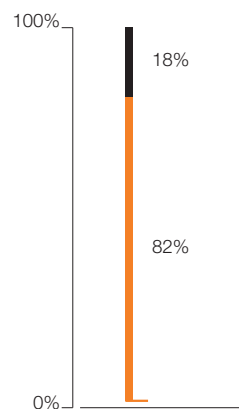
3 years p.a.



5 years p.a.



Since inception



Above benchmark  
 Below benchmark

Calculated from Standard and Poors' Micropal, WM Spectrum, Lipper Hindsight data

## Investec Asset Management in the South African unit trust industry

R'million	2009	2008	2007
IAM assets under management	59 646	63 809	55 910
Total industry size	663 675	658 073	596 072
Market share	9.0%	9.7%	9.4%
Size ranking in industry	5th of 39	4th of 39	4th of 34
Industry gross sales	455 059	552 118	480 032
IAM % of gross industry sales	7.7%	7.3%	8.7%

Sourced from data from the Association of Collective Investments, includes money market, non-domestic fund of funds and institutional. Statistics as at 31 March, sales for the 12 month period except for 2009 where statistics are reflected at 31 December 2008 and sales are for the nine month period to 31 December 2008 due to abnormal distributions in quarter 1 of 2009 (the unbundling of BAT from Remgro)



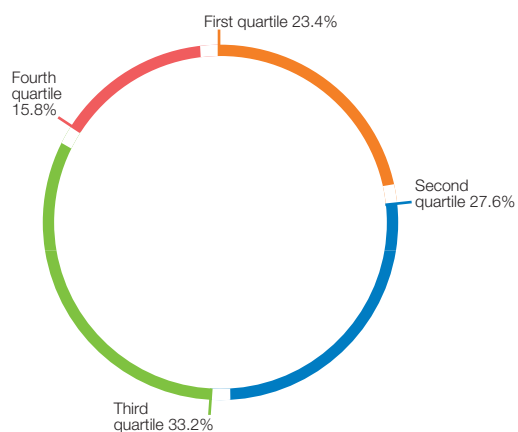
# Asset Management

Investment specialist focused on performance and client needs

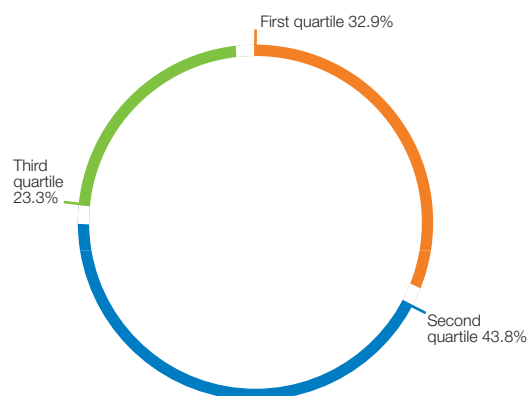
## South African mutual fund investment performance

By value of funds

One year

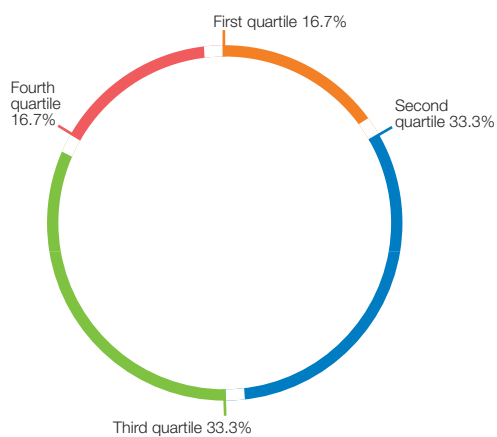


Three years

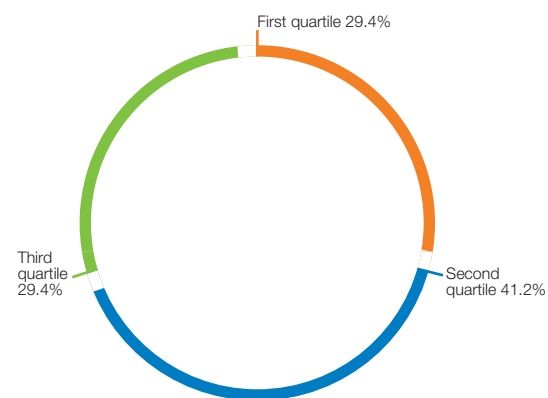


By number of funds

One year



Three years



Calculated from Standard and Poors' Datastream data



Divisional review



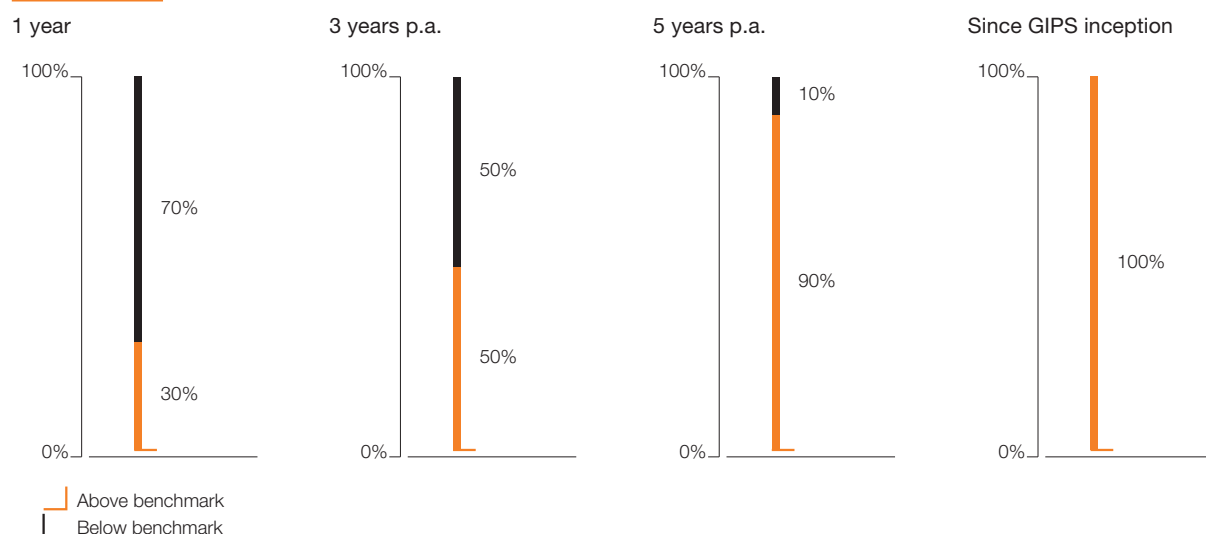


Divisional review

# Asset Management

Investment specialist focused on performance and client needs

## South African institutional investment performance



Calculated from Alexander Forbes data

## Outlook, risks and uncertainties

- Key risks for our business include market levels, key staff retention and reputational risk.
- We have good sales opportunities based on our breadth of range of investment products and our wide distribution footprint.



# Property Activities

Leading fund and asset manager, seeking selective trading opportunities

## Scope of activities

- Property projects (trading and development)
- Property investments
- Property fund and asset management

## Strategic focus

### UK and Europe

Our strategy is to align the strategic focus of the UK business with that of South Africa, to include property fund management, investment and trading and development activities.

#### Property fund management

Our strategy is to:

- Launch a UK property trading fund
- Launch a UK REITs investment business
- Create a property portfolio balanced in terms of geography and income profile within an existing fund co-managed with a global property operator
- Take advantage of trading opportunities and source properties for the Investec GLL Special Opportunities Real Estate Fund.

#### Property investments

Our strategy is to:

- Co-invest in funds with our clients
- Pursue off-market opportunities to source products for the funds

## South Africa

### Property Fund Management

Our strategy is to:

- Pursue the strategic acquisition, development and re-development of individual properties and portfolios on balance sheet and for trading purposes

### Property Projects

Our strategy is to:

- Source buildings and land opportunities with the specific intention of adding or unlocking value to trade or invest
- Develop and refurbish within the commercial, retail, industrial and residential sectors using our extensive experience and skill

### Property Investments

Our strategy is to:

- Substantially increase assets under management
- Pursue off market transactions to enhance performance
- Develop international property capabilities and products
- Continually be the first port of call for institutional and private investors by creating superior returns

## Australia

### Property Fund Management and Property Projects

Our strategic objectives are to:

- Take advantage of opportunities, including the acquisition of development properties, short-term property trading, specialised properties and long-term investment properties
- Acquire properties with value-add potential through redevelopment and/or property repositioning
- Align with appropriate partners to leverage their expertise

### Capital raisings and investments

Our strategy is to:

- Engage in further capital raisings to create private equity opportunistic funds
- Create investment opportunities for wholesale clients while growing assets under management



Divisional review





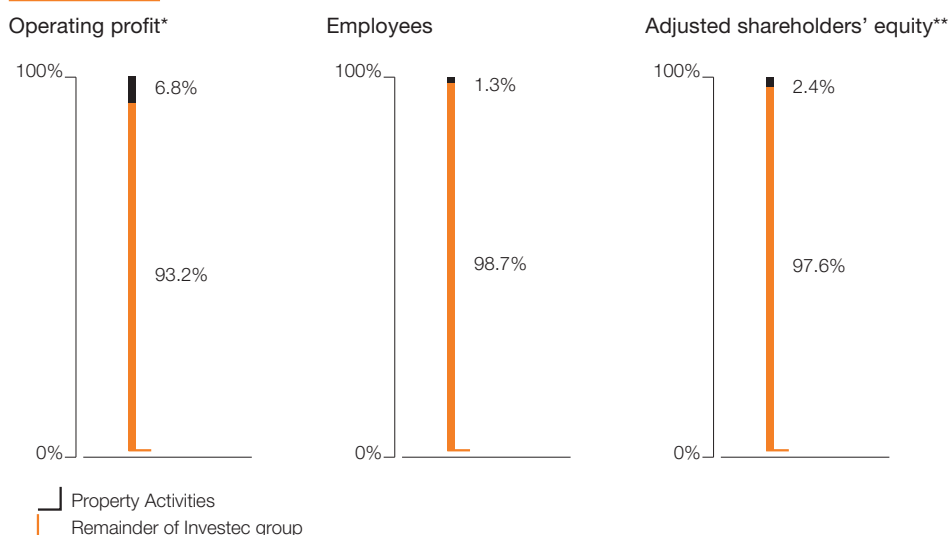
# Property Activities

Leading fund and asset manager, seeking selective trading opportunities

## Management structure

Global Head of Property	Sam Hackner
UK and Europe	
Regional Head	Angelique de Rauville
Property Projects	Robin Magid
South Africa	
Regional Head	Sam Leon
Property Projects	Robin Magid
Property Investments	Angelique de Rauville
Finance	Dave Donald
Australia	
Regional Head	Graeme Katz

## Contribution analysis



\* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)

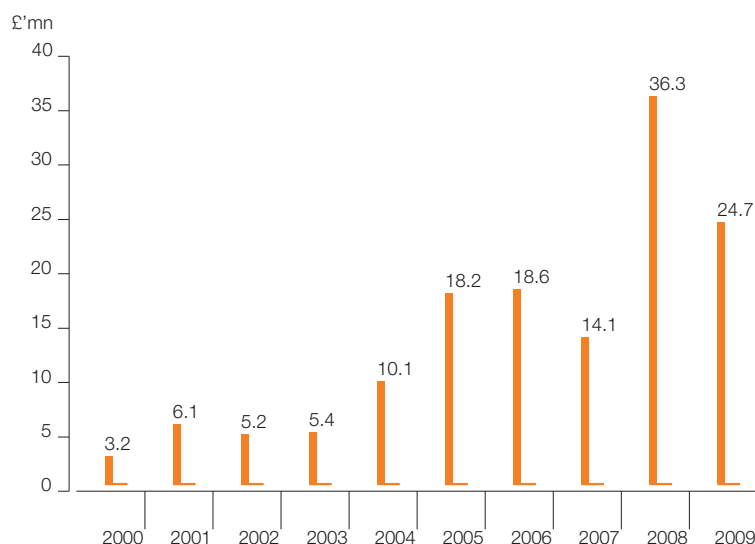
\*\* As calculated on page 41



# Property Activities

Leading fund and asset manager, seeking selective trading opportunities

## Operating profit<sup>^</sup> - track record



<sup>^</sup> Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts for 2008 and 2009 are shown before goodwill, non-operating items, taxation and after minorities. Prior to 2008 amounts have not been adjusted for minorities

## Overview and financial analysis

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income	(6 886)	(10 513)	3 627	(34.5%)
Net fee and commission income	22 724	20 764	1 960	9.4%
Other income	22 253	45 275	(23 022)	(50.8%)
Total operating income	38 091	55 526	(17 435)	(31.4%)
Admin expenses and depreciation	(13 410)	(19 205)	5 795	(30.2%)
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>24 681</b>	<b>36 321</b>	<b>(11 640)</b>	<b>(32.0%)</b>
UK and Europe	774	144	630	>100.0%
Southern Africa	21 769	36 078	(14 309)	(39.7%)
Australia	2 138	99	2 039	>100.0%
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>24 681</b>	<b>36 321</b>	<b>(11 640)</b>	<b>(32.0%)</b>
Adjusted shareholders' equity*	48 915	29 773	19 142	64.3%
ROE (pre-tax)*	47.5%	122.8%		
Cost to income ratio	35.2%	34.6%		
Operating profit per employee (£'000)*	324.8	209.9	114.9	54.7%

\* As calculated on pages 41 and 44

The variance in operating profit over the year can be explained as follows:

- The group disposed of its South African property fund management and property administration business to Growthpoint in the prior period. The business earned fees on deals completed in the current year, however, the investments business has been negatively impacted by the state of the listed property investments market. The revaluation of investment properties net of funding costs amounted to R230 million (2008: R447 million).
- UK: This business, having commenced in May 2007, generated a year to date operating profit of £774K (2008: £144K).
- Australia reflects a newly created business focusing on property funds management.







# Property Activities

Leading fund and asset manager, seeking selective trading opportunities

## Developments

### UK and Europe

- The Property Investments business is now fully operational. The global financial crisis has severely affected the property market and therefore our business. However, a number of opportunities have been identified and are being actively pursued.
- We will continue to source UK stock for our various initiatives and consider suitable investments from the UK REIT sector for Investec and third party client investment purposes.
- The Investec GLL Global Special Opportunities Real Estate Fund has invested in four properties in Chile (2), Argentina and the USA. The fund will continue to invest in international direct commercial real estate with caution and endeavour to unlock value in the short term. A total of €375 million has been raised to date and of this, €75 million has been invested.
- The business will raise capital for the UK Special Opportunities Property Fund when it believes it prudent and responsible to do so.
- Development and refurbishment opportunities will be considered on a case-by-case basis and in cooperation with experienced operators.

### South Africa

- A slow down in global economic activity has hampered initiatives for new development. However, the business is underpinned by a good quality pipeline and the Property Investments business which provides annuity income.
- Notwithstanding the negative outlook for property in the short term, prospects remain positive with numerous projects underway and opportunities to convert and refurbish existing holdings.
- The ability to fund new grassroots developments is extremely expensive with anticipated yields hindering progress.
- The global property products under development are expected to provide a broader range of investment products for local investors, e.g. UK Special Opportunities Property Fund and investing into UK REITs.
- Total funds under management are R846 million (2008: R1 176 million).

### Australia

- The Investec Property Opportunity Fund has largely invested its equity. The fund is performing in line with its targeted return.
- The business is positioning itself for further fund raising opportunities in the second half of this year to take advantage of a stressed market.
- Total funds under management are A\$252 million (2008: A\$252 million).

## Outlook, risks and opportunities

### UK and Europe

- The ability to raise capital for the newly established UK fund is difficult in the current market due to the lack of liquidity. There will be opportunities as the financial crisis unwinds. The repricing of the UK property market has resulted in the business being able to source potentially attractive real estate for the Investec GLL Global Special Opportunities Real Estate Fund. The distressed UK REIT market and its recent aggressive repricing is also providing potential investment for Investec direct and third party investment.

### South Africa

- Property, like all the other sectors in the economy, is susceptible to weakness when the economy experiences a slow down as the underlying tenants become vulnerable to the vagaries of the economy.
- New developments have been hampered as there has been a reduction in tenant demand, and many current opportunities are not able to achieve the required rental levels that would give an acceptable return. Current sellers of vacant land have not adjusted their pricing to reflect the current downturn in the market.
- Opportunities to enhance value to existing portfolios remain positive.
- The volatility in global markets has resulted in a sharp sell-off in South African property equities. Markets are expected to start reflecting value which creates opportunities on the back of weakening prices.

### Australia

- The Australia REIT managers are raising equity to replace debt that cannot be refinanced.
- The high cost of debt to the property markets suggest further asset devaluation in the short term
- Given current market conditions and the age of the fund, the focus is on the growth and development of the assets under management.
- We will continue to look for acquisition opportunities in the current market.



# Group Services and Other Activities

Group Services includes the Central Services and Central Funding functions, while Other Activities predominantly includes the International Trade Finance business and Assurance Activities.

## Scope of activities

Central Services	<ul style="list-style-type: none"> <li>- Corporate Affairs</li> <li>- Corporate Social Investment</li> <li>- Economics Research</li> <li>- Finance and Operations</li> <li>- Head Office</li> <li>- Human Resources</li> <li>- Information and Business Intelligence Centre</li> <li>- Information Technology</li> <li>- International Financial Institutions</li> <li>- Investor Relations</li> <li>- Legal and Tax</li> <li>- Marketing</li> <li>- Organisation Development</li> <li>- Regulatory, Internal Audit and Compliance</li> <li>- Risk Management</li> <li>- Secretarial</li> <li>- Staff Share Schemes</li> </ul>
Other Activities	- International Trade Finance (ReichmansCapital) – trade, asset and debtor finance

## Management structure

Banking and Institutions	David Lawrence
Chief Integrating Officer	Allen Zimbler
Corporate Affairs and Sustainability	Carole Mason
Corporate Governance, Internal Audit and Compliance	Bradley Tapnack
Finance, IT and Operations	Rayanne Jacobson
Human Resources	Allen Zimbler (UK)
	Tracey Rowe (SA)
International Financial Institutions	Helmut Bahrs
Investor Relations	Ursula Nobrega
Legal	David Nurek
Marketing	Raymond van Niekerk
Organisation Development	Caryn Solomon (UK)
	Marc Kahn (SA)
Risk Management	Ciaran Whelan
Secretarial and Staff Share Schemes	Les Penfold
Tax	Pankaj Shah (UK)
	Justin Cowley (SA)
ReichmansCapital	Robin Jacobson
	Howard Tradonsky
	John Wilks





# Group Services and Other Activities



Divisional review

## Overview and financial analysis

£'000	31 March 2009	31 March 2008	Variance	% change
International Trade Finance	7 215	7 258	(43)	(0.6%)
Central Funding	90 721	80 223	10 498	13.1%
Central Services	(66 142)	(73 389)	7 247	(9.9%)
Operating profit before goodwill, non-operating items, taxation and after minorities	31 794	14 092	17 702	>100.0%

31 March 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
International Trade Finance	3 026	4 189	-	7 215
Central Funding	12 514	73 353	4 854	90 721
Central Services	(33 856)	(30 147)	(2 139)	(66 142)
Operating profit before goodwill, non-operating items, taxation and after minorities	(18 316)	47 395	2 715	31 794

31 March 2008 £'000	UK and Europe	Southern Africa	Australia	Total group
International Trade Finance	3 229	4 029	-	7 258
Central Funding	(3 295)	72 241	11 277	80 223
Central Services	(34 139)	(29 658)	(9 592)	(73 389)
Operating profit before goodwill, non-operating items, taxation and after minorities	(34 205)	46 612	1 685	14 092

## Developments

### International Trade Finance

- Notwithstanding higher interest rates and a volatile exchange rate, the International Trade Finance business continued to add new clients across the board.

### Central Services

- We have a policy of allocating costs housed in the centre that are, in effect, performing a function for the divisions of the group.
- There are certain costs that are strategic in nature which have not been allocated for pure segmental disclosure, amounting to £64.1 million (2008: £73.4 million). However, a portion thereof (£53.2 million) is allocated to the operating divisions for purposes of determining return on adjusted capital per business segment. Refer to page 41 for further details.
- Central costs are lower than the prior year mainly due to a decrease in variable remuneration in line with reduced profitability.

### Central Funding

- We have a business model of maintaining a central pool of capital with the aim of ensuring that economies of scale with respect to corporate investments, funding and overall management are obtained.
- Various sources of funding are employed, the determination of which depends on the specific financial and strategic requirements the group faces at the time.
- The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to the five operating divisions.



## Group Services and Other Activities

£'000	31 March 2009	31 March 2008	Variance	% change
Net interest income (excluding interest on sub debt and debentures)	199 733	158 555	41 178	26.0%
Principal transactions	14 301	17 777	(3 476)	(19.6%)
Other income	(2 943)	8 477	(11 420)	(>100.0%)
	<b>211 091</b>	<b>184 809</b>	<b>26 282</b>	<b>14.2%</b>
Interest paid on sub-debt and debentures	(83 749)	(74 516)	(9 233)	12.4%
Impairment losses on loans and advances	(4 197)	382	(4 579)	(>100.0%)
Admin expenses and depreciation	(6 381)	(6 831)	450	(6.6%)
<b>Operating profit before goodwill, non-operating items and taxation</b>	<b>116 764</b>	<b>103 844</b>	<b>12 920</b>	<b>12.4%</b>
Earnings attributable to minority interests	(26 043)	(23 621)	(2 422)	10.3%
<b>Operating profit before goodwill, non-operating items, taxation and after minorities</b>	<b>90 721</b>	<b>80 223</b>	<b>10 498</b>	<b>13.1%</b>

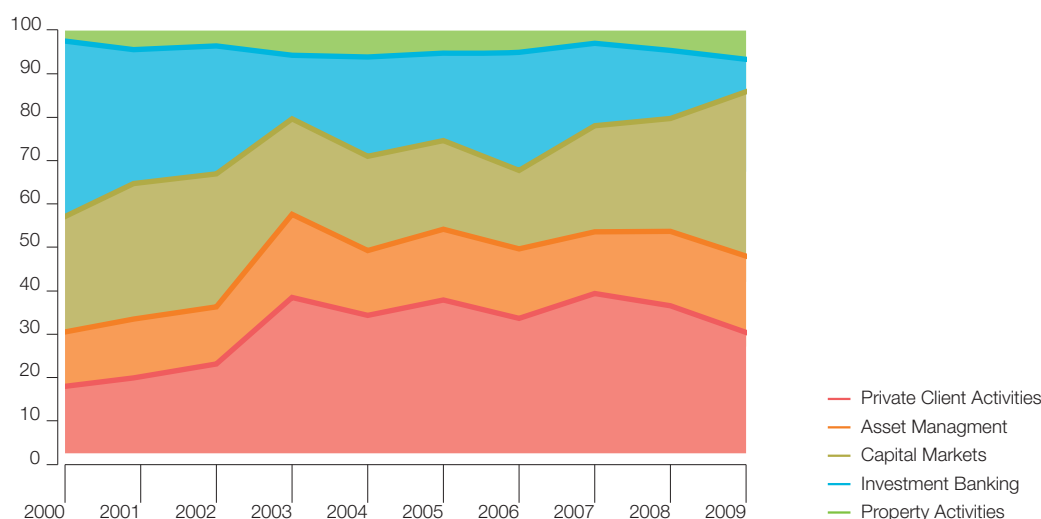
The variance in operating profit over the year can be explained as follows:

- Net interest income was impacted by:
  - Increased cash holdings.
  - A profit of £25.8 million (2008: profit of £23.4 million) arising on the derivative hedging of the preferred securities issued by a subsidiary of Investec plc from Euros into Pounds Sterling. This exposure is hedged with the equal and opposite impact reflected in losses/earnings attributable to minorities.
- The increase in interest paid on sub-debt is as a result of new debt being issued in South Africa in December 2007, February 2008 and April 2008.
- The decline in principal transaction income reflects a lower return on certain of the assets in the South African portfolio. Furthermore, the division benefited from a number of realisations in the prior period.

## A diversified portfolio of businesses

- We will continue to balance our operational risk businesses with financial risk businesses to build a sustainable business model.

% contribution to operating profit





# Segmental geographic analysis – income statement



Divisional review

For the year ended 31 March 2009 £'000	UK and Europe	Southern Africa	Australia	Total group
Interest income	1 030 114	1 397 365	169 434	2 596 913
Interest expense	(677 926)	(1 109 690)	(115 266)	(1 902 882)
<b>Net interest income</b>	<b>352 188</b>	<b>287 675</b>	<b>54 168</b>	<b>694 031</b>
Fee and commission income	319 629	249 294	23 891	592 814
Fee and commission expense	(48 270)	(11 673)	(1 349)	(61 292)
Principal transactions	114 650	160 591	1 280	276 521
Operating income from associates	*12 624	(5)	(181)	12 438
Investment income on assurance activities	-	74 584	-	74 584
Premiums and reinsurance recoveries on insurance contracts	-	18 773	-	18 773
Other operating (loss)/income	(18 013)	(7 241)	(4 986)	(30 240)
<b>Other income</b>	<b>380 620</b>	<b>484 323</b>	<b>18 655</b>	<b>883 598</b>
Claims and reinsurance premiums on insurance business	-	(88 108)	-	(88 108)
<b>Total operating income net of insurance claims</b>	<b>732 808</b>	<b>683 890</b>	<b>72 823</b>	<b>1 489 521</b>
Impairment losses on loans and advances	(182 036)	(51 452)	(22 685)	(256 173)
<b>Operating income</b>	<b>550 772</b>	<b>632 438</b>	<b>50 138</b>	<b>1 233 348</b>
Administrative expenses	(431 478)	(322 612)	(49 068)	(803 158)
Depreciation and amortisation of property, equipment and software	(22 978)	(6 057)	(1 067)	(30 102)
<b>Operating profit before goodwill</b>	<b>96 316</b>	<b>303 769</b>	<b>3</b>	<b>400 088</b>
Operating (profit)/loss before goodwill attributable to minorities	4 574	(10 341)	2 445	(3 322)
<b>Operating profit before goodwill and after minorities</b>	<b>100 890</b>	<b>293 428</b>	<b>2 448</b>	<b>396 766</b>
Goodwill	(24 825)	(2 202)	(5 440)	(32 467)
Goodwill attributable to minorities	12 107	(6 557)	3 127	8 677
<b>Operating profit after minorities</b>	<b>88 172</b>	<b>284 669</b>	<b>135</b>	<b>372 976</b>
Profit on disposal of group operations	-	721	-	721
<b>Profit before taxation and after minorities</b>	<b>88 172</b>	<b>285 390</b>	<b>135</b>	<b>373 697</b>
Taxation	(13 203)	(72 802)	4 330	(81 675)
<b>Earnings attributable to shareholders</b>	<b>74 969</b>	<b>212 588</b>	<b>4 465</b>	<b>292 022</b>
<b>Selected returns and key statistics</b>				
ROE (post-tax)	8.3%	25.6%	2.8%	14.8%
Cost to income ratio	62.0%	48.1%	68.8%	55.9%
Staff compensation to operating income	37.6%	30.6%	48.4%	34.9%
Operating profit per employee (£'000)	47.6	75.6	6.8	62.6
Effective operational tax rate	15.8%	24.0%	n/a	21.1%
Total assets (£'million)	16 958	17 763	2 384	37 105

\* This number is net of an estimate of tax of approximately £4.7 million



# Segmental geographic analysis – income statement

For the year ended 31 March 2008  
£'000

	UK and Europe	Southern Africa	Australia	Total group
Interest income	855 365	1 093 453	134 562	2 083 380
Interest expense	(559 003)	(862 873)	(78 084)	(1 499 960)
<b>Net interest income</b>	<b>296 362</b>	<b>230 580</b>	<b>56 478</b>	<b>583 420</b>
Fee and commission income	324 375	265 183	24 799	614 357
Fee and commission expense	(51 916)	(10 084)	(1 061)	(63 061)
Principal transactions	60 855	201 182	14 668	276 705
Operating income from associates	12 200*	(11)	(51)	12 138
Investment income on assurance activities	-	89 593	-	89 593
Premiums and reinsurance recoveries on insurance contracts	-	40 849	-	40 849
Other operating income	44 954	3 589	1 500	50 043
<b>Other income</b>	<b>390 468</b>	<b>590 301</b>	<b>39 855</b>	<b>1 020 624</b>
Claims and reinsurance premiums on insurance business	-	(120 358)	-	(120 358)
<b>Total operating income net of insurance claims</b>	<b>686 830</b>	<b>700 523</b>	<b>96 333</b>	<b>1 483 686</b>
Impairment losses on loans and advances	(76 989)	(30 844)	(6 352)	(114 185)
<b>Operating income</b>	<b>609 841</b>	<b>669 679</b>	<b>89 981</b>	<b>1 369 501</b>
Administrative expenses	(427 688)	(323 618)	(56 194)	(807 500)
Depreciation and amortisation of property, equipment and software	(17 525)	(6 091)	(714)	(24 330)
<b>Operating profit before goodwill</b>	<b>164 628</b>	<b>339 970</b>	<b>33 073</b>	<b>537 671</b>
Operating profit before goodwill attributable to minorities	(27 019)	(743)	(1 192)	(28 954)
<b>Operating profit before goodwill and after minorities</b>	<b>137 609</b>	<b>339 227</b>	<b>31 881</b>	<b>508 717</b>
Goodwill	(59 900)	(2 865)	-	(62 765)
<b>Operating profit after minorities</b>	<b>77 709</b>	<b>336 362</b>	<b>31 881</b>	<b>445 952</b>
Profit on disposal of group operations	-	72 855	-	72 855
<b>Profit before taxation and after minorities</b>	<b>77 709</b>	<b>409 217</b>	<b>31 881</b>	<b>518 807</b>
Taxation	(30 964)	(90 289)	(5 996)	(127 249)
<b>Earnings attributable to shareholders</b>	<b>46 745</b>	<b>318 928</b>	<b>25 885</b>	<b>391 558</b>
<b>Selected returns and key statistics</b>				
ROE (post-tax)	11.8%	41.9%	15.0%	23.6%
Cost to income ratio	64.8%	47.1%	59.1%	56.1%
Staff compensation to operating income	41.7%	32.1%	42.0%	37.2%
Operating profit per employee (£'000)	74.6	87.6	96.8	84.4
Effective operational tax rate	20.3%	24.1%	18.1%	22.6%
Total assets (£'million)	17 306	15 026	1 772	34 104

\* The number is net of tax of £5 million



Divisional review



# Segmental business analysis – income statement



Divisional review

For the year ended 31 March 2009 £'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
<b>Net interest income</b>	276 287	286 712	2 612	7 821	(6 886)	127 485	694 031
Fee and commission income	136 502	117 437	77 400	238 373	23 415	(313)	592 814
Fee and commission expense	(6 443)	(1 972)	(8 359)	(40 641)	(691)	(3 186)	(61 292)
Principal transactions	7 865	140 462	91 159	(30)	22 539	14 526	276 521
Operating income from associates	**11 864	-	248	-	-	326	12 438
Investment income on assurance activities	-	-	-	-	-	74 584	74 584
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	18 773	18 773
Other operating income	1 026	-	(24 774)	(5 009)	(286)	(1 197)	(30 240)
<b>Other income</b>	<b>150 814</b>	<b>255 927</b>	<b>135 674</b>	<b>192 693</b>	<b>44 977</b>	<b>103 513</b>	<b>883 598</b>
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(88 108)	(88 108)
<b>Total operating income net of insurance claims</b>	<b>427 101</b>	<b>542 639</b>	<b>138 286</b>	<b>200 514</b>	<b>38 091</b>	<b>142 890</b>	<b>1 489 521</b>
Impairment losses on loans and advances	(90 094)	(155 841)	(3 858)	-	-	(6 380)	(256 173)
<b>Operating income</b>	<b>337 007</b>	<b>386 798</b>	<b>134 428</b>	<b>200 514</b>	<b>38 091</b>	<b>136 510</b>	<b>1 233 348</b>
Administrative expenses	(228 588)	(237 980)	(117 545)	(133 258)	(13 395)	(72 392)	(803 158)
Depreciation and amortisation of property, equipment and software	(3 854)	(8 215)	(10 948)	(789)	(15)	(6 281)	(30 102)
<b>Operating profit before goodwill</b>	<b>104 565</b>	<b>140 603</b>	<b>5 935</b>	<b>66 467</b>	<b>24 681</b>	<b>57 837</b>	<b>400 088</b>
Operating profit/(loss) before goodwill attributable to minorities	-	771	22 231	(281)	-	(26 043)	(3 322)
<b>Operating profit before goodwill and after minorities</b>	<b>104 565</b>	<b>141 374</b>	<b>28 166</b>	<b>66 186</b>	<b>24 681</b>	<b>31 794</b>	<b>396 766</b>
Goodwill	-	(2 365)	(27 900)	(2 202)	-	-	(32 467)
Goodwill attributable to minorities	-	-	8 677	-	-	-	8 677
<b>Operating profit after minorities</b>	<b>104 565</b>	<b>139 009</b>	<b>8 943</b>	<b>63 984</b>	<b>24 681</b>	<b>31 794</b>	<b>372 976</b>
<b>Selected returns and key statistics</b>							
ROE (pre-tax)	14.8%	18.7%	13.9%	41.2%	47.5%	9.6%	19.2%
Cost to income ratio	54.4%	45.4%	92.9%	66.9%	35.2%	55.1%	55.9%
Staff compensation to operating income	30.9%	25.6%	53.8%	39.5%	22.3%	61.2%	34.9%
Operating profit per employee (£'000)	37.1	130.5	75.3	67.8	324.8	27.7	62.6
Total assets (£'million)	12 258	19 689	886	407	238	3 627	37 105

\* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities  
GSO=Group Services and Other Activities

\*\* This number is net of an estimate of tax of approximately £4.7 million



# Segmental business analysis – income statement



Divisional review

For the year ended 31 March 2008 £'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
<b>Net interest income</b>	272 742	227 174	(8 463)	7 558	(10 513)	94 922	583 420
Fee and commission income	160 181	80 983	97 885	253 385	20 764	1 159	614 357
Fee and commission expense	(12 508)	5 848	(9 282)	(45 902)	-	(1 217)	(63 061)
Principal transactions	35 872	97 998	79 583	56	45 275	17 921	276 705
Operating income from associates	**11 953	(266)	215	-	-	236	12 138
Investment income on assurance activities	-	-	-	-	-	89 593	89 593
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	40 849	40 849
Other operating income	-	-	44 801	3 603	-	1 639	50 043
<b>Other income</b>	<b>195 498</b>	<b>184 563</b>	<b>213 202</b>	<b>211 142</b>	<b>66 039</b>	<b>150 180</b>	<b>1 020 624</b>
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(120 358)	(120 358)
<b>Total operating income net of insurance claims</b>	<b>468 240</b>	<b>411 737</b>	<b>204 739</b>	<b>218 700</b>	<b>55 526</b>	<b>124 744</b>	<b>1 483 686</b>
Impairment losses on loans and advances	(33 326)	(79 336)	(1 356)	-	-	(167)	(114 185)
<b>Operating income</b>	<b>434 914</b>	<b>332 401</b>	<b>203 383</b>	<b>218 700</b>	<b>55 526</b>	<b>124 577</b>	<b>1 369 501</b>
Administrative expenses	(238 331)	(209 911)	(118 106)	(140 970)	(18 895)	(81 287)	(807 500)
Depreciation and amortisation of property, equipment and software	(2 847)	(6 740)	(7 947)	(909)	(310)	(5 577)	(24 330)
<b>Operating profit before goodwill</b>	<b>193 736</b>	<b>115 750</b>	<b>77 330</b>	<b>76 821</b>	<b>36 321</b>	<b>37 713</b>	<b>537 671</b>
Operating profit before goodwill attributable to minorities	-	(119)	(4 804)	(410)	-	(23 621)	(28 954)
<b>Operating profit before goodwill and after minorities</b>	<b>193 736</b>	<b>115 631</b>	<b>72 526</b>	<b>76 411</b>	<b>36 321</b>	<b>14 092</b>	<b>508 717</b>
Goodwill	-	(59 900)	-	(2 865)	-	-	(62 765)
<b>Operating profit after minorities</b>	<b>193 736</b>	<b>55 731</b>	<b>72 526</b>	<b>73 546</b>	<b>36 321</b>	<b>14 092</b>	<b>445 952</b>
<b>Selected returns and key statistics</b>							
ROE (pre-tax)	33.2%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%
Cost to income ratio	51.5%	52.6%	61.6%	64.9%	34.6%	69.6%	56.1%
Staff compensation to operating income	32.6%	31.6%	34.3%	43.0%	25.1%	73.3%	37.2%
Operating profit per employee (£'000)	76.7	127.2	203.1	78.3	209.9	12.6	84.4
Total assets (£'million)	10 011	18 384	823	460	203	4 223	34 104

\* Where: PC=Private Client Activities CM=Capital Markets IB = Investment Banking AM=Asset Management PA= Property Activities  
GSO=Group Services and Other Activities

\*\* The number is net of tax of £5 million



# Segmental business analysis of operating profit before goodwill, non-operating items, taxation and after minorities



Divisional review

£'000	1st half 2009	2nd half 2009	Year to 31 March 2009	1st half 2008	2nd half 2008	Year to 31 March 2008	% change year on year
<b>Private Client Activities</b>							
Private Banking	63 226	17 237	80 463	85 694	80 700	166 394	(51.6%)
Private Client Portfolio Management and Stockbroking	13 128	10 974	24 102	14 367	12 975	27 342	(11.8%)
	<b>76 354</b>	<b>28 211</b>	<b>104 565</b>	<b>100 061</b>	<b>93 675</b>	<b>193 736</b>	<b>(46.0%)</b>
<b>Capital Markets</b>	<b>72 130</b>	<b>69 244</b>	<b>141 374</b>	<b>42 699</b>	<b>72 932</b>	<b>115 631</b>	<b>22.3%</b>
<b>Investment Banking</b>							
Corporate Finance	5 496	134	5 630	8 230	6 047	14 277	(60.6%)
Institutional Research, Sales and Trading	8 456	1 775	10 231	7 223	5 199	12 422	(17.6%)
Principal Investments	14 604	(2 299)	12 305	29 642	16 185	45 827	(73.1%)
	<b>28 556</b>	<b>(390)</b>	<b>28 166</b>	<b>45 095</b>	<b>27 431</b>	<b>72 526</b>	<b>(61.2%)</b>
<b>Asset Management</b>	<b>33 684</b>	<b>32 502</b>	<b>66 186</b>	<b>36 203</b>	<b>40 208</b>	<b>76 411</b>	<b>(13.4%)</b>
<b>Property Activities</b>	<b>11 144</b>	<b>13 537</b>	<b>24 681</b>	<b>11 486</b>	<b>24 835</b>	<b>36 321</b>	<b>(32.0%)</b>
<b>Group Services and Other Activities</b>							
International Trade Finance	3 589	3 626	7 215	3 132	4 126	7 258	(0.6%)
Central Funding	46 368	44 353	90 721	34 854	45 368	80 222	13.1%
Central Services Costs	(30 067)	(36 075)	(66 142)	(28 995)	(44 393)	(73 388)	(9.9%)
	<b>19 890</b>	<b>11 904</b>	<b>31 794</b>	<b>8 991</b>	<b>5 101</b>	<b>14 092</b>	<b>74.4%</b>
<b>Total group</b>	<b>241 758</b>	<b>155 008</b>	<b>396 766</b>	<b>244 535</b>	<b>264 182</b>	<b>508 717</b>	<b>(24.1%)</b>



# Segmental geographic analysis – balance sheet assets and liabilities



At 31 March 2009 £'000	UK and Europe	Southern Africa	Australia	Other geographies	Total group
<b>Assets</b>					
Cash and balances at central banks	872 101	232 654	334	-	1 105 089
Loans and advances to banks	987 859	897 559	132 671	-	2 018 089
Cash equivalent advances to customers	-	396 173	-	-	396 173
Reverse repurchase agreements and cash collateral on securities borrowed	253 247	316 523	-	-	569 770
Trading securities	356 147	1 951 962	5 736	-	2 313 845
Derivative financial instruments	747 225	736 353	99 330	-	1 582 908
Investment securities	367 456	46 806	649 307	-	1 063 569
Loans and advances to customers	6 178 269	8 245 665	966 585	-	15 390 519
Loans and advances to customers - Kensington warehouse assets	1 897 878	-	-	-	1 897 878
Securitised assets	4 228 165	958 598	441 584	-	5 628 347
Interests in associated undertakings	87 165	2 489	3 841	-	93 494
Deferred taxation assets	74 324	37 456	24 976	-	136 757
Other assets	527 547	347 786	18 729	-	894 062
Property and equipment	156 495	13 981	4 056	-	174 532
Investment properties	-	189 156	-	-	189 156
Goodwill	200 208	22 601	33 163	-	255 972
Intangible assets	24 024	6 519	3 859	-	34 402
	<b>16 958 110</b>	<b>14 402 281</b>	<b>2 384 171</b>	<b>-</b>	<b>33 744 562</b>
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	3 358 338	-	-	3 358 338
- assets related to reinsurance contracts	-	1 768	-	-	1 768
<b>Total assets</b>	<b>16 958 110</b>	<b>17 762 387</b>	<b>2 384 171</b>	<b>-</b>	<b>37 104 668</b>
<b>Liabilities</b>					
Deposits by banks	2 783 331	895 710	102 112	-	3 781 153
Deposits by banks - Kensington warehouse funding	1 412 961	-	-	-	1 412 961
Derivative financial instruments	349 404	773 865	73 057	-	1 196 326
Other trading liabilities	191 897	152 664	-	-	344 561
Repurchase agreements and cash collateral on securities lent	747 177	168 673	-	-	915 850
Customer accounts	4 376 051	9 345 797	850 720	-	14 572 568
Debt securities in issue	314 429	70 252	630 190	-	1 014 871
Liabilities arising on securitisation	3 946 872	817 655	438 946	-	5 203 473
Current taxation liabilities	68 642	94 127	(7 374)	-	155 395
Deferred taxation liabilities	50 022	70 113	-	-	120 135
Other liabilities	416 449	826 568	21 127	-	1 264 144
Pension fund liabilities	1 212	-	-	-	1 212
	<b>14 658 447</b>	<b>13 215 424</b>	<b>2 108 778</b>	<b>-</b>	<b>29 982 649</b>
Liabilities to customers under investment contracts	-	3 352 863	-	-	3 352 863
Insurance liabilities, including unit-linked liabilities	-	5 475	-	-	5 475
Reinsured liabilities	-	1 768	-	-	1 768
	<b>14 658 447</b>	<b>16 575 530</b>	<b>2 108 778</b>	<b>-</b>	<b>33 342 755</b>
Subordinated liabilities (including convertible debt)	739 819	363 034	38 523	-	1 141 376
<b>Total liabilities</b>	<b>15 398 266</b>	<b>16 938 564</b>	<b>2 147 301</b>	<b>-</b>	<b>34 484 131</b>



# Segmental geographic analysis – balance sheet assets and liabilities



Divisional review

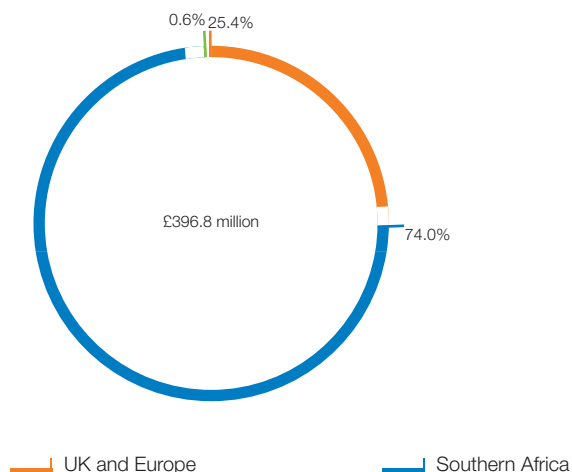
At 31 March 2008 £'000	UK and Europe	Southern Africa	Australia	Other geographies	Total group
<b>Assets</b>					
Cash and balances at central banks	608 439	173 844	6 189	-	788 472
Loans and advances to banks	991 798	1 024 225	137 750	-	2 153 773
Cash equivalent advances to customers	7 183	497 199	-	-	504 382
Reverse repurchase agreements and cash collateral on securities borrowed	350 616	443 537	-	-	794 153
Trading securities	441 749	1 526 490	16 341	-	1 984 580
Derivative financial instruments	639 030	598 021	68 213	-	1 305 264
Investment securities	809 113	13 711	307 316	732	1 130 872
Loans and advances to customers	5 452 539	5 731 424	827 298	-	12 011 261
Loans and advances to customers - Kensington warehouse assets	2 034 874	-	-	-	2 034 874
Securitised assets	4 905 922	831 507	345 546	-	6 082 975
Interests in associated undertakings	79 794	9	2 773	-	82 576
Deferred taxation assets	44 649	29 017	10 827	-	84 493
Other assets	570 823	303 332	8 054	-	882 209
Property and equipment	127 586	10 226	3 540	-	141 352
Investment properties	-	134 975	-	-	134 975
Goodwill	215 068	20 789	36 075	-	271 932
Intangible assets	25 044	4 618	1 844	-	31 506
	<b>17 304 227</b>	<b>11 342 924</b>	<b>1 771 766</b>	<b>732</b>	<b>30 419 649</b>
Other financial instruments at fair value through income in respect of					
- liabilities to customers	-	2 878 894	-	-	2 878 894
- assets related to reinsurance contracts	-	805 009	-	-	805 009
<b>Total assets</b>	<b>17 304 227</b>	<b>15 026 827</b>	<b>1 771 766</b>	<b>732</b>	<b>34 103 552</b>
<b>Liabilities</b>					
Deposits by banks	2 856 335	583 079	49 618	-	3 489 032
Deposits by banks - Kensington warehouse funding	1 778 438	-	-	-	1 778 438
Derivative financial instruments	192 469	633 036	56 072	-	881 577
Other trading liabilities	192 987	257 593	-	-	450 580
Repurchase agreements and cash collateral on securities lent	287 585	94 799	-	-	382 384
Customer accounts	4 442 854	7 142 356	547 910	-	12 133 120
Debt securities in issue	222 963	156 097	398 709	-	777 769
Liabilities arising on securitisation	4 627 586	783 552	349 070	-	5 760 208
Current taxation liabilities	52 498	78 662	1 497	-	132 657
Deferred taxation liabilities	41 856	37 316	-	-	79 172
Other liabilities	661 066	586 488	31 741	77	1 279 372
Pension fund liabilities	-	-	-	-	-
	<b>15 356 637</b>	<b>10 352 978</b>	<b>1 434 617</b>	<b>77</b>	<b>27 144 309</b>
Liabilities to customers under investment contracts	-	2 862 916	-	-	2 862 916
Insurance liabilities, including unit-linked liabilities	-	15 978	-	-	15 978
Reinsured liabilities	-	805 009	-	-	805 009
	<b>15 356 637</b>	<b>14 036 881</b>	<b>1 434 617</b>	<b>77</b>	<b>30 828 212</b>
Subordinated liabilities (including convertible debt)	737 212	292 162	35 947	-	1 065 321
<b>Total liabilities</b>	<b>16 093 849</b>	<b>14 329 043</b>	<b>1 470 564</b>	<b>77</b>	<b>31 893 533</b>



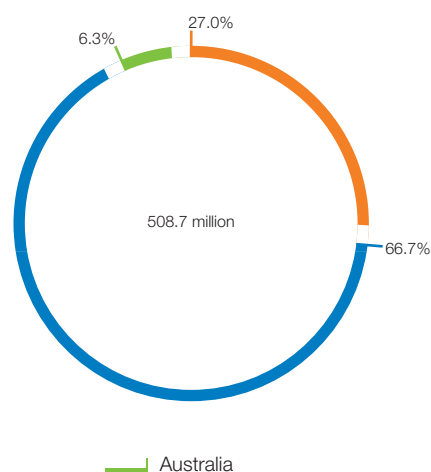
## Segmental geographical and business analysis

Operating profit before goodwill, non-operating items, taxation and after minorities by geography

31 March 2009



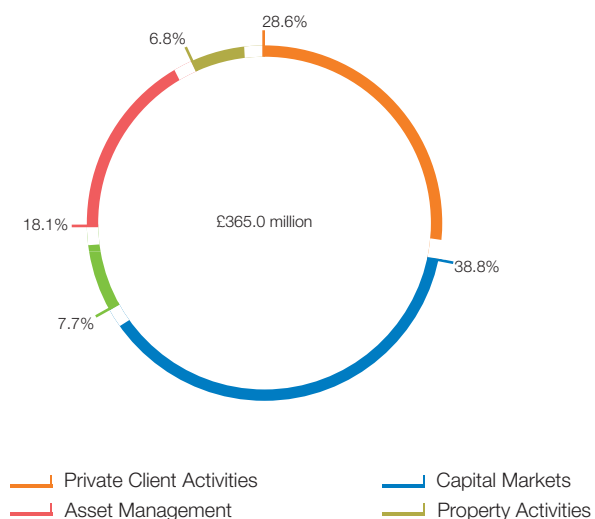
31 March 2008



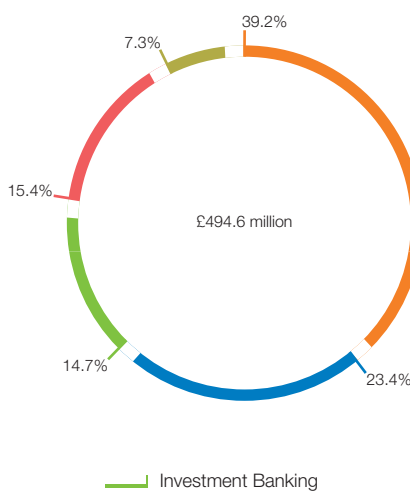
Divisional review

Operating profit before goodwill, non-operating items, taxation and after minorities by division (excluding Group Services and Other Activities)

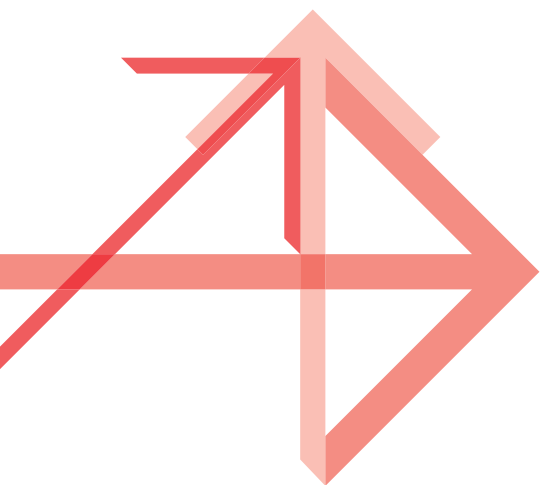
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31 March 2008







Annexures





# Annexure 1 Definitions

Adjusted shareholders' equity	Refer to calculation on page 39
Cost to income ratio	Administrative expenses and depreciation divided by operating income
Core loans and advances	Refer to calculation on page 45
Dividend cover	Adjusted earnings per ordinary share before goodwill and non-operating items divided by dividends per ordinary share
Earnings attributable to ordinary shareholders before goodwill and non-operating items	Refer to page 20
Adjusted earnings per ordinary share before goodwill and non-operating items	Refer to page 20
Effective operational tax rate	Tax on profit on ordinary activities (excluding exceptional items) divided by operating profit (excluding profit from associates)
Market capitalisation	Total number of shares in issue (including Investec plc and Investec Limited) multiplied by the closing share price of Investec plc on the London Stock Exchange
Net tangible asset value per share	Refer to calculation on page 35
Non-operating items	Reflects profits and/or losses on termination or disposal of group operations
Operating profit	Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill and non-operating items
Operating profit per employee	Refer to calculation on page 44
Recurring income	Net interest income plus net annuity fees and commissions expressed as a percentage of total operating income net of insurance claims
Return on average adjusted shareholders' equity	Refer to calculation on page 39
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 39
Staff compensation to operating income ratio	All employee related costs expressed as a percentage of operating income
Third party assets under administration	Includes third party assets under administration managed by the Private Client Asset Management and Property businesses
Total capital resources	Includes shareholders' equity, subordinated liabilities and minority interests
Total equity	Total shareholders' equity including minority interests
Weighted number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group less treasury shares. Refer to calculation on page 20





## Notes

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