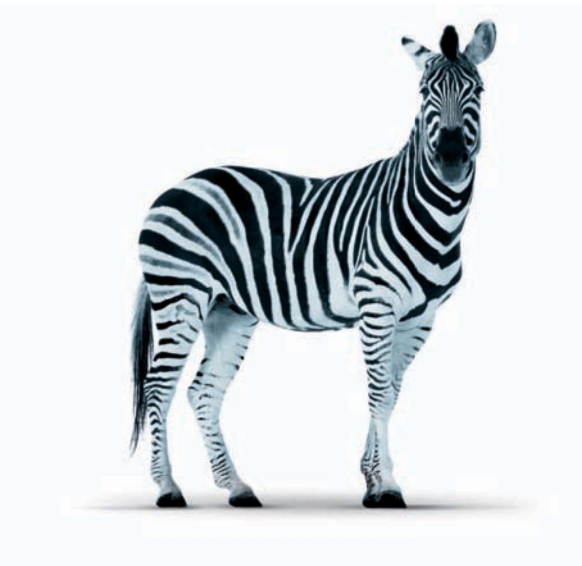
31 March 2012
Year-end results presentation



Out of the Ordinary®

Investec

Specialist Bank and
Asset Manager

Corporate information

Investec plc and Investec Limited

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Registration number

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

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Directorate

Executive directors

Stephen Koseff (chief executive officer)
Bernard Kantor (managing director)
Glynn R Burger (group risk and finance director)
Hendrik J du Toit (chief executive officer, Investec Asset Management)

Non-executive directors

Sir David Prosser (joint chairman)
Fani Titi (joint chairman)
Sam E Abrahams
George FO Alford (senior independent NED)
Cheryl A Carolus
Perry KO Crosthwaite
Olivia C Dickson
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Who we are

Investec (comprising Investec plc and Investec Limited) is an international, specialist bank and asset manager that provides a diverse range of financial products and services to a select client base.

Founded as a leasing company in Johannesburg in 1974, we acquired a banking licence in 1980 and were listed on the JSE Limited South Africa in 1986.

In July 2002, we implemented a dual listed companies (DLC) structure with linked companies listed in London and Johannesburg. A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa and select activities in Australia.

What we do

We are an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets, the UK, South Africa and Australia as well as certain other countries. Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity namely, Asset Management, Wealth & Investment and Specialist Banking.

Our strategic goals and objectives are based on the aspiration to be recognised as a distinctive specialist bank and asset manager. This distinction is embodied in our entrepreneurial culture, which is balanced by a strong risk management discipline, client-centric approach and ability to be nimble, flexible and innovative. We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

Values

Distinctive performance
- Outstanding talent – empowerment, enabled and inspired
- Meritocracy
- Passion, energy, stamina, tenacity
- Entrepreneurial spirit

Dedicated partnership
- Respect for others
- Embrace diversity
- Open and honest dialogue
- Unselfish contribution to colleagues, clients and society

Client focus
- Distinctive offering
- Leverage resources
- Break china for the client

Cast-iron integrity
- Moral strength
- Risk consciousness
- Highest ethical standards

Mission statement

We strive to be a distinctive specialist bank and asset manager, driven by commitment to our core philosophies and values.

Philosophies

- Single organisation
- Meritocracy
- Focused businesses
- Differentiated, yet integrated
- Material employee ownership
- Creating an environment that stimulates extraordinary performance.

Doing the right thing for clients, employees and communities is integral to our way of doing business.

We pursue this strategy through an emphasis on…

The Investec distinction

Client focused approach

- Clients are at the core of our business
- We strive to build business depth by deepening existing client relationships
- Distinction lies in our ability to be nimble, flexible and innovative, and to give clients a high level of service.

Specialised and focused strategy

- Not all things to all people
- Serve select market niches as a focused provider of tailored structured solutions
- Strategy is to enhance our existing position in principal businesses and geographies.

Sustainable business model

- Build a sustainable business model by balancing operational risk activities with financial risk activities
- Organic growth and select bolt-on acquisitions
- Contain costs and strictly manage risk, capital and liquidity
- Committed to creating value for shareholders.

Depth of leadership and entrepreneurial environment

- Passionate people are key to ensuring distinction
- Integrated international business platform with an effective global management structure demonstrating our depth of leadership
- Focus on developing and empowering people who are committed to the organisation
- Entrepreneurial environment that attracts talented people and encourages creativity and innovation.

Risk awareness entrenched in our culture

- Intimate involvement of senior management underpins effective risk management which is critical to our success
- Culture of risk awareness is embedded into our reward programmes, values and day-to-day activities
- Shareholder and employee interests are aligned, with executives and employees owning approximately 10% of our issued share capital.

Doing the right thing

- Doing the right thing for clients, employees and communities is integral to our way of doing business
- Focus on projects that are educational, entrepreneurial and sustainable.

Presentation of financial information

Introduction

Investec operates under a 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.

	31 March 2012		31 March 2011	
Currency per £1.00	Period end	Average	Period end	Average
South African Rand	12.27	11.85	10.88	11.16
Australian Dollar	1.54	1.52	1.55	1.65
Euro	1.20	1.16	1.13	1.17
US Dollar	1.60	1.60	1.60	1.55

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 period has depreciated by 6.2% and the closing rate has depreciated by 12.8% since 31 March 2011.

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

	Results reported at 31 March 2012	Currency neutral results reported at 31 March 2012**
Southern African operating profit (£'000)*	289 436	304 478
Southern African profit after tax and non-controlling interests (£'000)*	240 900	253 400
Total group operating profit before tax (£'000)*	347 590	362 632
Total group adjusted earnings attributable to ordinary shareholders (£'000)*	257 579	268 668
Adjusted EPS (pence)*	31.8	33.2
Total assets (£'million)	51 550	54 769
Total shareholders' equity (£'million)	4 013	4 229

* *Before goodwill, acquired intangibles 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 2011. For income statement items we have used the average Rand: Pounds Sterling exchange rate that was applied in the prior year, i.e. 11.16.*

Operating environment

The table below provides an overview of some key statistics that should be considered when reviewing our operational performance.

	Period ended 31 March 2012	Period ended 31 March 2011	% change	Average over the period: 1 April 2011 to 31 March 2012
Market indicators				
FTSE All share	3 003	3 068	(2.1%)	2 930
JSE All share	33 554	32 204	4.2%	32 019
Australia All ords	4 420	4 929	(10.3%)	4 417
S&P 500	1 408	1 326	6.2%	1 279
Nikkei	10 084	9 755	3.4%	9 183
Dow Jones	13 212	12 320	7.2%	12 160
Exchange rates				
Rand:Pounds Sterling	12.27	10.88		11.85
Rand:Dollar	7.67	6.77		7.45
US Dollar:Euro	1.33	1.42		1.38
Euro:Pounds Sterling	1.20	1.13		1.16
Australian Dollar:Pounds Sterling	1.54	1.55		1.52
US Dollar:Pounds Sterling	1.60	1.60		1.60
Rates				
UK overnight	0.48%	0.45%		0.52%
UK 10 year	2.20%	3.69%		2.63%
UK clearing banks base rate	0.50%	0.50%		0.50%
LIBOR – three month	1.03%	0.82%		0.94%
SA R157 (2015)	6.69%	7.82%		7.00%
Rand overnight	5.26%	5.23%		5.24%
SA prime overdraft rate	9.00%	9.00%		9.00%
JIBAR – three month	5.60%	5.58%		5.58%
Reserve Bank of Australia cash target rate	4.25%	4.75%		4.55%
US 10 year	2.21%	3.47%		2.41%
Commodities				
Gold	USD1 667/oz	USD1 432/oz	16.4%	USD1 647/oz
Gas Oil	USD1 014/mt	USD993/mt	2.11%	USD960/mt
Platinum	USD1 639/oz	USD1 768/oz	(7.30%)	USD1 676/oz
Macro-economic				
UK GDP (% change over the period)	0.30%	1.90%		
UK per capita GDP (£)	24 031	23 362		
South Africa GDP (% real growth over the calendar year)	2.20%	2.80%		
South Africa per capita GDP (real value) (Rand)	38 232	36 591		
Australia GDP (% change over the period)	2.60%	2.70%		
Per capita GDP (A$)	63 744	60 178		

Source: Datastream, Bloomberg's, Office for National Statistics, SARB Quarterly Bulletin, Australian Bureau of Statistics.

Overview of results

	31 March 2012	31 March 2011	% change
Income statement and selected returns			
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items (£'000)	257 579	327 897	(21.4%)
Headline earnings (£'000)	217 253	286 659	(24.2%)
Operating profit (£'000)*	358 625	434 406	(17.4%)
Operating profit: Southern Africa (% of total)*	80.7%	69.1%	
Operating profit: UK, Europe, Australia and Other (% of total)*	19.3%	30.9%	
Operating profit: Asset Management and Wealth Management divisions*	48.1%	38.6%	
Operating profit: Specialist Banking*	51.9%	61.4%	
Cost to income ratio	64.7%	61.7%	
Staff compensation to operating income ratio	43.0%	40.7%	
Return on average adjusted shareholders' equity (post-tax)	7.8%	11.2%	
Return on average adjusted tangible shareholders' equity (post-tax)	9.5%	13.2%	
Operating profit per employee (£'000)	47.8	64.4	(25.8%)
Net interest income as a % of operating income	36.2%	34.9%	
Non-interest income as a % of operating income	63.8%	65.1%	
Recurring income as a % of operating income	67.7%	62.3%	
Effective operational tax rate	18.1%	15.5%	
Balance sheet			
Total capital resources (including subordinated liabilities) (£'million)	5 505	5 249	4.9%
Total shareholders' equity (including preference shares and non-controlling interests) (£'million)	4 013	3 961	1.3%
Shareholders' equity (excluding non-controlling interests) (£'million)	3 716	3 648	1.9%
Total assets (£'million)	51 550	50 941	1.2%
Net core loans and advances to customers (including own originated securitised assets) (£'million)	18 226	18 758	(2.8%)
Core loans and advances to customers as a % of total assets	35.4%	36.8%	
Cash and near cash balances (£'million)	10 251	9 319	10.0%
Customer accounts (deposits)	25 344	24 441	3.7%
Third party assets under management (£'million)	96 776	88 878	8.9%
Capital adequacy ratio: Investec plc	17.5%	16.8%	
Capital adequacy tier 1 ratio: Investec plc	11.6%	11.6%	
Capital adequacy ratio: Investec Limited	16.1%	15.9%	
Capital adequacy tier 1 ratio: Investec Limited	11.6%	11.9%	
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.12%	1.27%	
Defaults (net of impairments) as a % of net core loans and advances to customers	3.31%	4.66%	
Gearing/leverage ratio (assets excluding assurance assets to total equity)	11.3x	11.3x	–
Core loans to equity ratio	4.5x	4.7x	–
Loans and advances to customers as a % of customer deposits	67.8%	72.4%	
Salient financial features and key statistics			
Adjusted earnings per share	31.8	43.2	(26.4%)
Headline earnings per share (pence)	26.8	37.7	(28.9%)
Basic earnings per share (pence)	25.7	49.7	(48.3%)
Diluted earnings per share (pence)	24.3	46.7	(48.0%)
Dividends per share (pence)	17.0	17.0	–
Dividend cover (times)	1.9	2.5	–
Net tangible asset value per share (pence)	315.1	343.8	(8.3%)
Net asset value per share (pence)	389.7	416.0	(6.3%)
Weighted number of ordinary shares in issue (million)	809.6	759.8	6.6%
Total number of shares in issue (million)	874.0	810.0	7.9%
Closing share price (pence)	382	478	(20.1%)
Market capitalisation (£'million)	3 340	3 872	(13.7%)
Number of employees in the group (including temps and contractors)	7 781	7 237	7.5%
Closing ZAR:£ exchange rate	12.27	10.88	12.8%
Average ZAR:£ exchange rate	11.85	11.16	6.2%

Note:
Refer to definitions and calculations on page 99.

* *Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.*

Commentary

Overall group performance

The year under review has echoed the difficulties of the global macro-economic environment with volatile markets and low levels of activity negatively impacting results, particularly in the second half of the financial year. The group's low-capital intensive asset and wealth management businesses have reported an increase in their contribution to group earnings. The Specialist Banking businesses have reported growth in net interest income and fee income but earnings from investment and trading income have been negatively impacted by poor economic fundamentals and market volatility referred to above.

The UK and South African operations have performed in line with the prior year in home currencies, whilst the Australian business reported a loss as a result of additional impairments required in light of weakened residential property prices in certain sectors of the market.

1

The main features of the period under review are:

- Operating profit before goodwill, acquired intangibles, non-operating items and taxation and after non-controlling interests (operating profit) decreased 17.4% to £358.6 million (2011: £434.4 million)
- Impairments on loans and advances increased 2.2% to £325.1 million (2011: £318.2 million)
- Adjusted earnings attributable to shareholders before goodwill, acquired intangibles and non-operating items decreased 21.4% to £257.6 million (2011: £327.9 million)
- Adjusted earnings per share (EPS) before goodwill, acquired intangibles and non-operating items decreased 26.4% from 43.2 pence to 31.8 pence
- The asset management and wealth management businesses accounted for 48.1% of the group's operating profit, compared to 38.6% in 2011
- Recurring income as a percentage of total operating income amounts to 67.7% (2011: 62.3%)
- Third party assets under management (including assets acquired from the Evolution Group plc) increased 8.9% to £96.8 billion (2011: £88.9 billion) – an increase of 14.5% on a currency neutral basis
- Customer accounts (deposits) increased 3.7% to £25.3 billion (2011: £24.4 billion) – an increase of 11.2% on a currency neutral basis
- Core loans and advances decreased 2.8% to £18.2 billion (2011: £18.8 billion) – an increase of 4.3% on a currency neutral basis
- The board proposes a final dividend of 9.0 pence per ordinary share equating to a full year dividend of 17.0 pence (2011: 17.0 pence) resulting in a dividend cover based on the group's adjusted EPS before goodwill and non-operating items of 1.9 times (2011: 2.5 times), consistent with the group's dividend policy.

The banking environment remains uncertain and as a result, the group maintains high levels of surplus cash and capital in anticipation of a system where higher levels of liquidity and capital will become the norm.

Liquidity and funding

Diversifying Investec's funding sources has been a key element in improving the quality of the group's balance sheet and reducing its reliance on wholesale funding. The group continues to benefit from its growing retail franchise recording an increase in customer deposits in all three core geographies. Cash and near cash balances amount to £10.3 billion (2011: £9.3 billion).

Capital adequacy

The group met its capital adequacy targets of a minimum tier 1 capital ratio range of 11% to 12% and a total capital adequacy ratio range of 15% to 18% on a consolidated basis for each of Investec plc and Investec Limited respectively. Capital adequacy ratios remain sound in both Investec plc and Investec Limited. Further information is provided on pages 38 to 42.

Credit and counterparty exposures

The group lends mainly to high net worth and high income individuals, mid to large sized corporates, public sector bodies and institutions. The majority of the group's credit and counterparty exposures reside within its three core geographies. The group has no exposure to peripheral European sovereign debt. Net defaults on core loans and advances have decreased and are fully covered by collateral. Further information is provided on pages 49 to 59.

Business unit review

The group continues to realign its business model towards less capital intensive activities by building strong asset management and wealth management businesses, thereby growing its annuity net fee and commission income. This strategy has resulted in a solid rise in net inflows of funds under management and an increase in operating profit from these businesses of 2.8% to £172.4 million (2011: £167.7 million).

Asset Management

Asset Management increased operating profit 5.0% to £133.7 million (2011: £127.3 million) benefiting from higher average funds under management and a competitive investment performance. Net inflows of £5.2 billion were recorded. Total funds under management amount to £61.5 billion (2011: £58.8 billion).

Wealth & Investment

Wealth & Investment operating profit decreased by 4.2% to £38.7 million (2011: £40.4 million). The division has benefited from higher average funds under management and a full contribution from the acquisition of Rensburg Sheppards plc which became effective in June 2010. However, results were adversely impacted by restructuring and sales of certain of the operations in the UK and Europe. Total funds under management amount to £34.8 billion (2011: £29.4 billion) and have also been negatively impacted by market and currency volatility. The acquisition of the Evolution Group plc in December 2011 added approximately £7 billion of assets under management, with the integration of these businesses progressing well.

Specialist Banking

Specialist Banking decreased operating profit 30.2% to £186.2 million (2011: £266.7 million).

In South Africa the division has benefited from improved margins in the lending and fixed income businesses and a strong increase in fees and commissions supported by increased activity in the corporate and advisory divisions. Whilst the unlisted private equity portfolio continues to perform well, investment income has been adversely affected by a poor performance in the listed principal investment portfolio. Furthermore, income earned on the sale of investment properties in the prior year was not repeated in the current year

In the UK the division has also benefited from improved margins, although levels of transactional activity remain mixed with net fees and commissions remaining in line with the prior year. Investment income has been negatively impacted by fewer realisations in the fixed income business. In addition, in the prior year income earned on debt buy-backs was not repeated in the current year.

The Australian division has been impacted by a significant increase in impairments on the property loan portfolio, with the majority of these loans sold by the year end. The operation has continued to build its core businesses, however, activity levels for the year remained muted.

Financial statement analysis

A detailed financial statement analysis can be found on pages 21 to 59.

Outlook

In the face of challenging global market conditions, the group continued to pursue its strategy of realigning the business model towards less capital intensive activities and concentrating on reducing legacy issues. Investec's competitive position is strong with all platforms in place and the group's client franchise is robust. The group has the right people and skills to take advantage of opportunities in its identified niches, focusing on winning new clients and servicing existing clients in the best possible way. The operating environment remains unpredictable and the group continues to build on its solid foundation, driving organic growth in its chosen businesses whilst maintaining strong cost and capital discipline.

On behalf of the boards of Investec plc and Investec Limited

Sir David Prosser	Fani Titi	Stephen Koseff	Bernard Kantor
Joint chairman	Joint chairman	Chief executive officer	Managing director

Commentary (continued)

Additional information

Acquisition of the Evolution Group plc

On 9 September 2011, the board of directors of the Evolution Group plc and Investec plc announced that they had reached agreement on the terms of a recommended share offer, to be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the UK Companies Act 2006 (the Scheme), under which it was proposed that Investec plc would acquire the entire issued ordinary share capital of the Evolution Group plc. The Scheme became effective on 22 December 2011, whereupon Investec plc issued 53 800 540 Ordinary Shares as consideration for the acquisition of the entire issued ordinary share capital of the Evolution Group plc. The net consideration amounted to £170 million and goodwill and intangibles of £36.0 million and £68.0 million, respectively, have been recognised in relation to the acquisition.

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Accounting policies and disclosures

These unaudited financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, and the presentation and disclosure requirements of IAS 34, Interim Financial Reporting and the South African Companies Act 71 of 2008.

The accounting policies applied in the preparation of the results for the year ended 31 March 2012 are consistent with those adopted in the financial statements for the year ended 31 March 2011. The financial results have been prepared under the supervision of Glynn Burger, the group risk and finance director.

Restatements and presentation of information

In terms of Investec's recent presentations and announcements the Investec group has positioned its strategic discussions around three core business areas namely, Asset Management, Wealth & Investment and Specialist Banking. In some respects the group believes that it has historically overcomplicated its external disclosures by elaborating on six core areas of business. As you would have already seen in the group's recent presentations, all the banking businesses have been combined under one broader umbrella of Specialist Banking. As a result the group has chosen to refine some of its disclosures which are explained further below. The group believes that these refinements provide greater clarity on the key income and balance sheet drivers of its business. Further information is provided on pages 100 to 105.

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 16 May 2012
- The information in the announcement for the year ended 31 March 2012, which was approved by the board of directors on 16 May 2012, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The 31 March 2011 financial statements were filed with the registrar and were unqualified with the audit report containing no statements in respect of sections 498(2) or 498(3) of the UK Companies Act
- The audited financial statements and the annual report for the year ended 31 March 2012 will be posted to shareholders on 29 June 2012. These accounts will be available on the group's website at the same date.

Unaudited financial results
(Investec plc and Investec Limited)

Combined consolidated income statement

£'000	Year to 31 March 2012	Year to 31 March 2011*
Interest income	2 299 925	2 238 783
Interest expense	(1 600 878)	(1 557 314)
Net interest income	**699 047**	**681 469**
Fee and commission income	1 013 379	896 300
Fee and commission expense	(129 145)	(108 642)
Investment income	174 327	254 943
Trading income		
– Arising from customer flow	77 066	76 447
– Arising from balance sheet management and other trading activities	32 204	87 296
Other operating income	65 128	67 173
Total operating income before impairment losses on loans and advances	**1 932 006**	**1 954 986**
Impairment losses on loans and advances	(325 118)	(318 230)
Operating income	**1 606 888**	**1 636 756**
Operating costs	(1 230 628)	(1 196 865)
Depreciation on operating leased assets	(28 670)	(16 447)
Operating profit before goodwill and acquired intangibles	**347 590**	**423 444**
Impairment of goodwill	(24 366)	(6 888)
Amortisation of acquired intangibles	(9 530)	(6 341)
Costs arising from integration of acquired subsidiaries	(17 117)	–
Operating profit	**296 577**	**410 215**
Non-operational costs arising from acquisition of subsidiary	(5 342)	–
Profit arising from associate converted to subsidiary	–	73 465
Net loss on disposal of subsidiaries	–	(17 302)
Profit before taxation	**291 235**	**466 378**
Taxation on operating profit before goodwill	(62 907)	(65 075)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	8 164	6 610
Profit after taxation	**236 492**	**407 913**
Operating losses attributable to non-controlling interests	11 035	10 962
Non-operating losses attributable to non-controlling interests	–	1 641
Earnings attributable to shareholders	**247 527**	**420 516**
Earnings per share (pence)		
– Basic	25.7	49.7
– Diluted	24.3	46.7
Adjusted earnings per share (pence)		
– Basic	31.8	43.2
– Diluted	30.1	40.6
Number of weighted average shares ('million)	**809.56**	**759.84**

* *As restated for reclassifications detailed on pages 100 and 101.*

Combined consolidated statement of comprehensive income

£'000	Year to 31 March 2012	Year to 31 March 2011
Profit after taxation	236 492	407 913
Other comprehensive (loss)/income:		
Cash flow hedge movements taken directly to other comprehensive income	(34 691)	9 929
Gains on realisation of available-for-sale assets recycled to the income statement	(12 891)	(4 845)
Fair value movements on available-for-sale assets taken directly to other comprehensive income*	(312)	27 631
Foreign currency adjustments on translating foreign operations	(196 351)	39 588
Pension fund actuarial gains	282	10 157
Total comprehensive (loss)/income	(7 471)	490 373
Total comprehensive loss attributable to non-controlling interests	(21 798)	(10 710)
Total comprehensive (loss)/income attributable to ordinary shareholders	(24 979)	458 064
Total comprehensive income attributable to perpetual preferred securities	39 306	43 019
Total comprehensive (loss)/income	(7 471)	490 373

* *Net of taxation of (£8.4) million (2011: £5.7 million).*

Combined consolidated balance sheet

£'000	31 March 2012	31 March 2011*	31 March 2010*
Assets			
Cash and balances at central banks	2 593 851	1 769 078	2 338 234
Loans and advances to banks	2 725 347	1 468 705	2 781 630
Non-sovereign and non-bank cash placements	642 480	535 983	581 117
Reverse repurchase agreements and cash collateral on securities borrowed	975 992	2 467 775	911 432
Sovereign debt securities	4 067 093	3 532 100	2 533 377
Bank debt securities	3 081 061	3 006 129	2 142 117
Other debt securities	377 832	267 132	118 945
Derivative financial instruments	1 913 650	1 799 204	1 591 841
Securities arising from trading activities	640 146	743 487	626 535
Investment portfolio	890 702	858 610	768 896
Loans and advances to customers	17 192 208	17 692 356	16 720 495
Own originated loans and advances to customers securitised	1 034 174	1 065 782	1 170 302
Other loans and advances	1 397 477	1 066 168	694 196
Warehoused assets – Kensington warehouse assets	1 431 712	1 612 181	1 776 525
Other securitised assets	3 101 422	3 858 511	4 164 151
Interests in associated undertakings	27 506	23 481	104 059
Deferred taxation assets	150 381	114 838	134 355
Other assets	1 802 121	1 446 066	1 268 472
Property, plant and equipment	171 685	279 801	161 255
Investment properties	407 295	379 527	273 038
Goodwill	468 320	456 608	274 417
Intangible assets	192 099	136 452	36 620
	45 284 554	44 579 974	41 172 009
Other financial instruments at fair value through profit or loss in respect of			
– liabilities to customers	6 265 846	6 361 296	5 397 014
– assets related to reinsurance contracts	–	–	2 842
	51 550 400	50 941 270	46 571 865
Liabilities			
Deposits by banks	2 132 516	1 858 893	2 439 670
Deposits by banks – Kensington warehouse funding	834 912	975 542	1 213 042
Derivative financial instruments	1 421 130	1 486 419	1 193 421
Other trading liabilities	612 884	716 556	504 618
Repurchase agreements and cash collateral on securities lent	1 864 137	1 599 646	1 110 508
Customer accounts (deposits)	25 343 771	24 441 260	21 934 044
Debt securities in issue	2 243 948	2 145 213	2 187 040
Liabilities arising on securitisation of own originated loans and advances	1 036 674	1 052 281	1 212 906
Liabilities arising on securitisation of other assets	2 402 043	3 288 583	3 501 650
Current taxation liabilities	209 609	206 957	196 965
Deferred taxation liabilities	102 478	148 750	136 974
Other liabilities	1 575 154	1 411 137	1 177 589
Pension fund liabilities	–	–	1 285
	39 779 256	39 331 237	36 809 712
Liabilities to customers under investment contracts	6 263 913	6 358 732	5 392 662
Insurance liabilities, including unit-linked liabilities	1 933	2 564	4 352
Reinsured liabilities	–	–	2 842
	46 045 102	45 692 533	42 209 568
Subordinated liabilities	1 492 776	1 287 635	1 070 436
	47 537 878	46 980 168	43 280 004
Equity			
Ordinary share capital	221	208	195
Perpetual preference share capital	153	153	152
Share premium	2 457 019	2 242 067	1 928 296
Treasury shares	(72 820)	(42 713)	(66 439)
Other reserves	82 327	315 878	246 718
Retained income	1 249 515	1 131 980	846 060
Shareholders' equity excluding non-controlling interests	3 716 415	3 647 573	2 954 982
Non-controlling interests	296 107	313 529	336 879
– Perpetual preferred securities issued by subsidiaries	291 769	317 997	314 944
– Non-controlling interests in partially held subsidiaries	4 338	(4 468)	21 935
Total equity	4 012 522	3 961 102	3 291 861
Total liabilities and equity	51 550 400	50 941 270	46 571 865

* *As restated for reclassifications detailed on pages 102 to 104.*

Summarised combined consolidated cash flow statement

£'000	Year to 31 March 2012	Year to 31 March 2011
Cash inflows from operations	680 384	793 283
Increase in operating assets	(2 541 478)	(4 137 456)
Increase in operating liabilities	3 393 406	2 689 207
Net cash inflow/(outflow) from operating activities	1 532 312	(654 966)
Net cash inflow/(outflow) from investing activities	20 390	(124 475)
Net cash inflow from financing activities	105 679	143 350
Effects of exchange rate changes on cash and cash equivalents	(102 563)	101 032
Net increase/(decrease) in cash and cash equivalents	1 555 818	(535 059)
Cash and cash equivalents at the beginning of the year	3 386 988	3 922 047
Cash and cash equivalents at the end of the year	4 942 806	3 386 988

Cash and cash equivalents is defined as including cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which have a maturity profile of less than three months).

Combined consolidated statement of changes in equity

£'000	Ordinary share capital	Perpetual preference share capital	Share premium	Treasury shares
At 1 April 2010	195	152	1 928 296	(66 439)
Movement in reserves 1 April 2010 – 31 March 2011				
Profit after taxation	–	–	–	–
Cash flow hedge movements taken directly to other comprehensive income	–	–	–	–
Gains on realisation of available-for-sale assets recycled through the income statement	–	–	–	–
Fair value movements on available-for-sale assets taken directly to other comprehensive income	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	–	–
Pension fund actuarial gains	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	13	–	325 873	–
Issue of perpetual preference shares	–	1	16 137	–
Share issue expenses	–	–	(3 632)	–
Issue of equity by subsidiaries	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–
Non-controlling interest relating to disposal of subsidiaries	–	–	–	–
Movement of treasury shares	–	–	(24 607)	(20 854)
Transfer from capital reserve account to retained income	–	–	–	–
Transfer from regulatory general risk reserve to retained income	–	–	–	–
Transfer from share-based payment reserve to treasury shares	–	–	–	44 580
At 31 March 2011	208	153	2 242 067	(42 713)
Movement in reserves 1 April 2011 – 31 March 2012				
Profit after taxation	–	–	–	–
Cash flow hedge movements taken directly to other comprehensive income	–	–	–	–
Gains on realisation of available-for-sale assets recycled through the income statement	–	–	–	–
Fair value movements on available-for-sale assets taken directly to other comprehensive income	–	–	–	–
Foreign currency adjustments on translating foreign operations	–	–	–	–
Pension fund actuarial gains	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Share-based payments adjustments	–	–	–	–
Dividends paid to ordinary shareholders	–	–	–	–
Dividends declared to perpetual preference shareholders	–	–	–	–
Dividends paid to perpetual preference shareholders included in non-controlling interests	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–
Issue of ordinary shares	13	–	219 629	–
Issue of perpetual preference shares	–	–	20 638	–
Share issue expenses	–	–	(607)	–
Issue of equity by subsidiaries	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–
Non-controlling interest relating to disposal of subsidiaries	–	–	–	–
Movement of treasury shares	–	–	(24 708)	(56 504)
Transfer from capital reserve account to retained income	–	–	–	–
Transfer from retained income to regulatory general risk reserve	–	–	–	–
Transfer from share-based payment reserve to treasury shares	–	–	–	26 397
At 31 March 2012	221	153	2 457 019	(72 820)

Capital reserve account (Other reserves)	Available-for-sale reserve (Other reserves)	Regulatory general risk reserve (Other reserves)	Cash flow hedge reserve (Other reserves)	Foreign currency reserve (Other reserves)	Retained income	Shareholders' equity excluding non-controlling interests	Non-controlling interests	Total equity
11 924	(1 354)	33 767	(5 984)	208 365	846 060	2 954 982	336 879	3 291 861
–	–	–	–	–	420 516	420 516	(12 603)	407 913
–	–	–	9 929	–	–	9 929	–	9 929
–	(4 845)	–	–	–	–	(4 845)	–	(4 845)
–	27 631	–	–	–	–	27 631	–	27 631
–	434	1 295	(428)	36 394	–	37 695	1 893	39 588
–	–	–	–	–	10 157	10 157	–	10 157
–	23 220	1 295	9 501	36 394	430 673	501 083	(10 710)	490 373
–	–	–	–	–	69 518	69 518	–	69 518
–	–	–	–	–	(123 630)	(123 630)	–	(123 630)
–	–	–	–	–	(43 019)	(43 019)	22 332	(20 687)
–	–	–	–	–	–	–	(22 332)	(22 332)
–	–	–	–	–	–	–	(356)	(356)
–	–	–	–	–	–	325 886	–	325 886
–	–	–	–	–	–	16 138	–	16 138
–	–	–	–	–	–	(3 632)	–	(3 632)
–	–	–	–	–	–	–	1 493	1 493
–	–	–	–	–	(4 292)	(4 292)	322	(3 970)
–	–	–	–	–	–	–	(14 099)	(14 099)
–	–	–	–	–	–	(45 461)	–	(45 461)
(635)	–	–	–	–	635	–	–	–
–	–	(615)	–	–	615	–	–	–
–	–	–	–	–	(44 580)	–	–	–
11 289	21 866	34 447	3 517	244 759	1 131 980	3 647 573	313 529	3 961 102
–	–	–	–	–	247 527	247 527	(11 035)	236 492
–	431	–	(35 122)	–	–	(34 691)	–	(34 691)
–	(12 891)	–	–	–	–	(12 891)	–	(12891)
–	(312)	–	–	–	–	(312)	–	(312)
(26)	19	111	(27)	(185 636)	(29)	(185 588)	(10 763)	(196 351)
–	–	–	–	–	282	282	–	282
(26)	(12 753)	111	(35 149)	(185 636)	247 780	14 327	(21 798)	(7 471)
–	–	–	–	–	69 796	69 796	–	69 796
–	–	–	–	–	(134 436)	(134 436)	–	(134 436)
–	–	–	–	–	(39 306)	(39 306)	21 367	(17 939)
–	–	–	–	–	–	–	(21 367)	(21 367)
–	–	–	–	–	–	–	(390)	(390)
–	–	–	–	–	–	219 642	–	219 642
–	–	–	–	–	–	20 638	–	20 638
–	–	–	–	–	–	(607)	–	(607)
–	–	–	–	–	–	–	72	72
–	–	–	–	–	–	–	(483)	(483)
–	–	–	–	–	–	–	5 177	5 177
–	–	–	–	–	–	(81 212)	–	(81 212)
(136)	–	–	–	–	136	–	–	–
–	–	38	–	–	(38)	–	–	–
–	–	–	–	–	(26 397)	–	–	–
11 127	9 113	34 596	(31 632)	59 123	1 249 515	3 716 415	296 107	4 012 522

Dividends and earnings per share

	31 March 2012	31 March 2011
Ordinary dividends – pence per share		
Interim	8.0	8.0
Final	9.0	9.0
Total	17.0	17.0
Earnings	£'000	£'000
Earnings attributable to shareholders	247 527	420 516
Preference dividends paid	(39 306)	(43 019)
Earnings attributable to ordinary shareholders	208 221	377 497
Earnings resulting from future dilutive instruments	–	–
Diluted earnings attributable to ordinary shareholders	208 221	377 497
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	831 688 923	791 147 632
Weighted average number of treasury shares	(22 133 785)	(31 307 382)
Weighted average number of shares in issue during the year	809 555 138	759 840 250
Weighted average number of shares resulting from future dilutive potential shares	46 272 969	48 050 814
Adjusted weighted number of shares potentially in issue	855 828 107	807 891 064
Earnings per share – pence		
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	25.7	49.7
Diluted earnings per share – pence		
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 year plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year	24.3	46.7
Adjusted earnings per share – pence		
Adjusted earnings per share is calculated by dividing the earnings before goodwill, acquired intangibles 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 year	31.8	43.2
	£'000	£'000
Earnings attributable to shareholders	247 527	420 516
Impairment of goodwill	24 366	6 888
Amortisation of acquired intangibles, net of taxation	7 052	3 509
Loss on subsidiaries attributable to non-controlling interests	–	(1 641)
Costs arising from acquisition of subsidiary (including integration costs), net of taxation	16 773	–
Profit arising from associate converted to subsidiary	–	(73 465)
Net loss on sale of subsidiaries, net of taxation	–	13 524
Preference dividends paid	(39 306)	(43 019)
Additional earnings attributable to other equity holders*	(557)	1 585
Currency hedge attributable to perpetual equity instruments	1 724	–
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	257 579	327 897

* *In accordance with IFRS, dividends attributable to equity holders is 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.*

	31 March 2012	31 March 2011
Headline earnings per share – pence		
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 3/2009 issued by the South African Institute of Chartered Accountants	26.8	37.7
	£'000	£'000
Earnings attributable to shareholders	247 527	420 516
Impairment of goodwill	24 366	6 888
Loss on subsidiaries attributable to non-controlling interests	–	(1 641)
Profit arising from associate converted to subsidiary	–	(73 465)
Net loss on sale of subsidiaries, net of taxation	–	13 524
Preference dividends paid	(39 306)	(43 019)
Other headline adjustments**	(15 334)	(36 144)
Headline earnings attributable to ordinary shareholders	217 253	286 659

** *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. Taxation on headline earnings adjustments amounted to £5.6 million (2011: £14.8 million) with no impact on earnings attributable to non-controlling interests.*

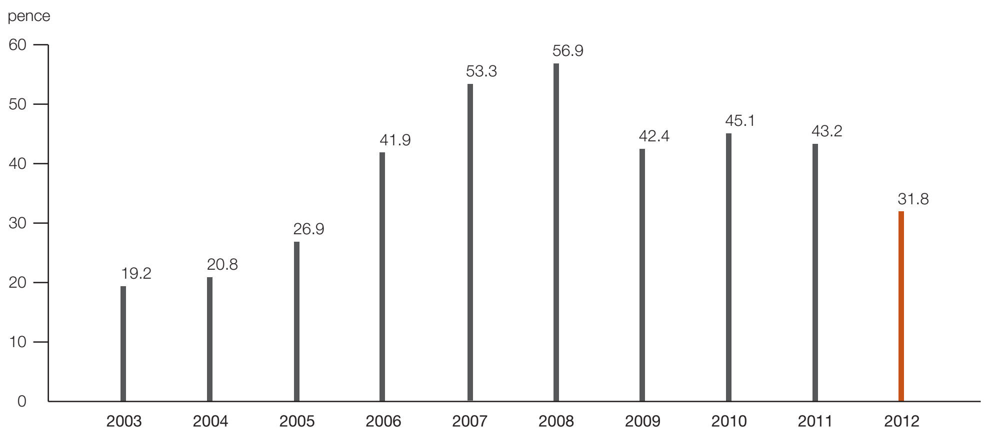
Financial review and additional information

Financial review

This commentary and analysis of our financial results for the year ended 31 March 2012 provides an overview of our financial performance relative to the group's results for the year ended 31 March 2011. 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 combined 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.

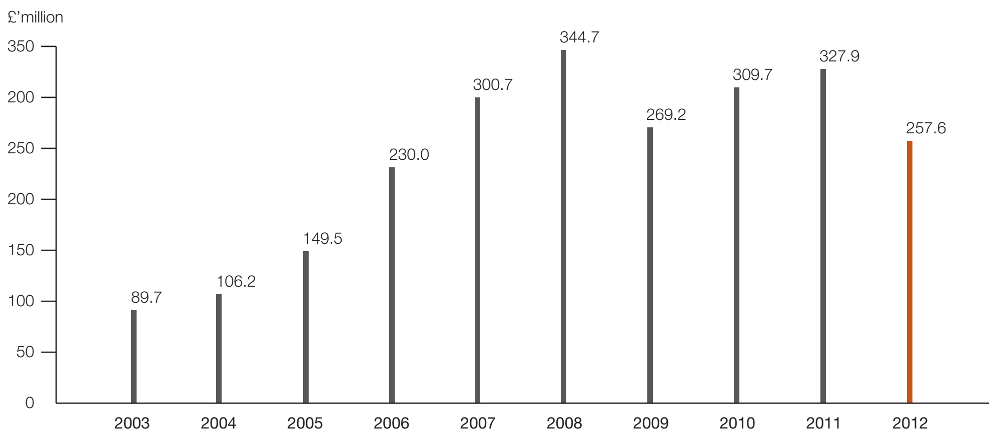
Track record

Adjusted earnings per share*



Down 26.4% to 31.8p

Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items

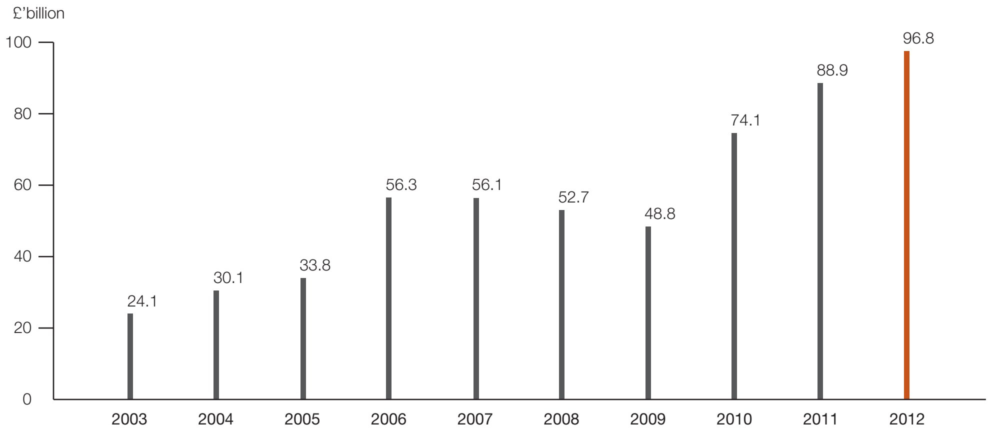


Down 21.4% to £257.6mn

Note:
Results are shown for the year ended 31 March, unless otherwise stated. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS.

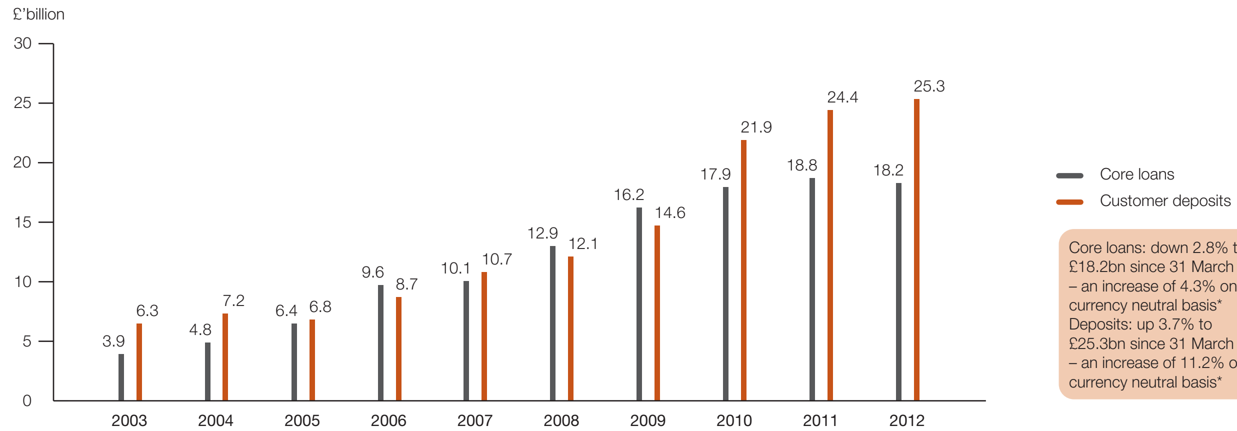
* *Historical EPS numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.*

Third party assets under management



Up 8.9% to £96.8bn since 31 March 2011 – an increase of 14.5% on a currency neutral basis*
Net inflows of £4.9bn

Core loans and customer deposits



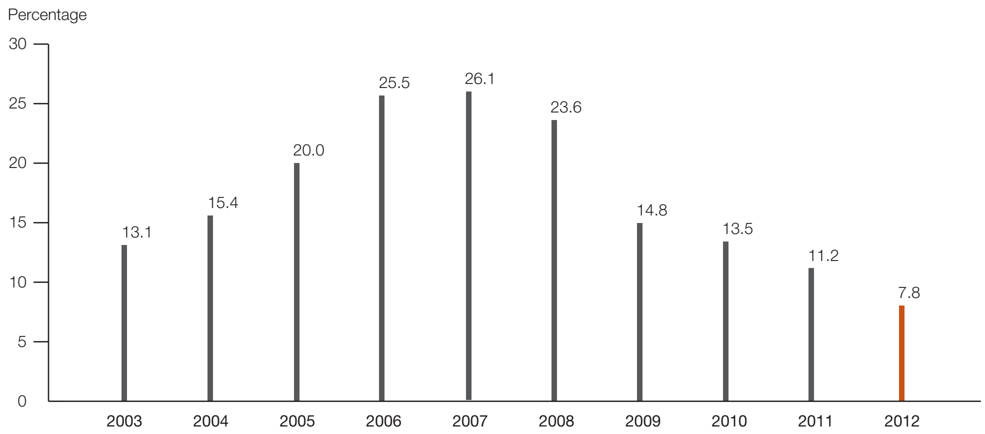
Core loans: down 2.8% to £18.2bn since 31 March 2011 – an increase of 4.3% on a currency neutral basis*
Deposits: up 3.7% to £25.3bn since 31 March 2011 – an increase of 11.2% on a currency neutral basis*

Note:
Results are shown for the year ended 31 March, unless otherwise stated. Prior to 2005 the numbers are reported in terms of UK GAAP and thereafter in terms of IFRS.

* *Currency neutral basis: calculation assumes that the closing exchange rates of the group's relevant exchange rates, as reflected on page 5, remain the same as at 31 March 2012 when compared to 31 March 2011.*

Financial objectives

ROE*

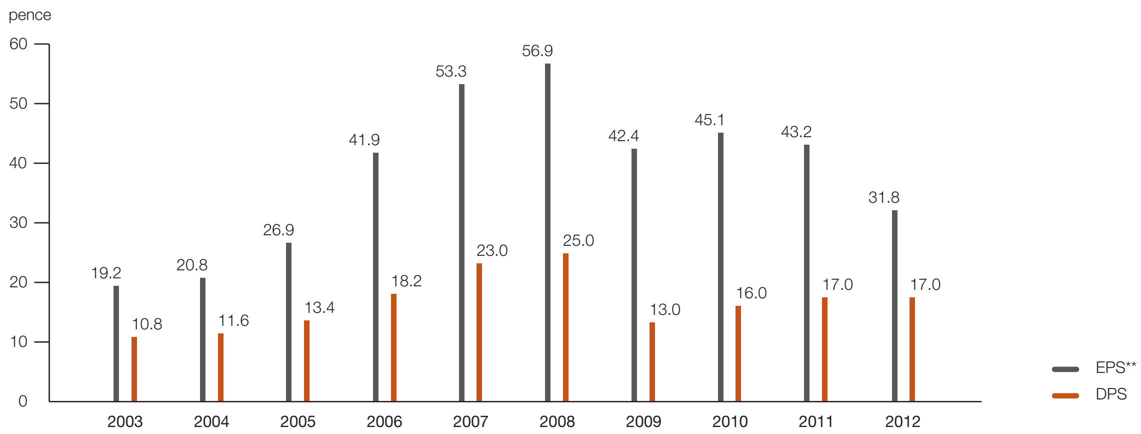


* *ROE is post-tax return on adjusted average shareholders' equity as calculated on page 43.*

We have set the following target over the medium to long term:

- Group ROE: target 12% to 16% over a rolling five year period in pound sterling

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



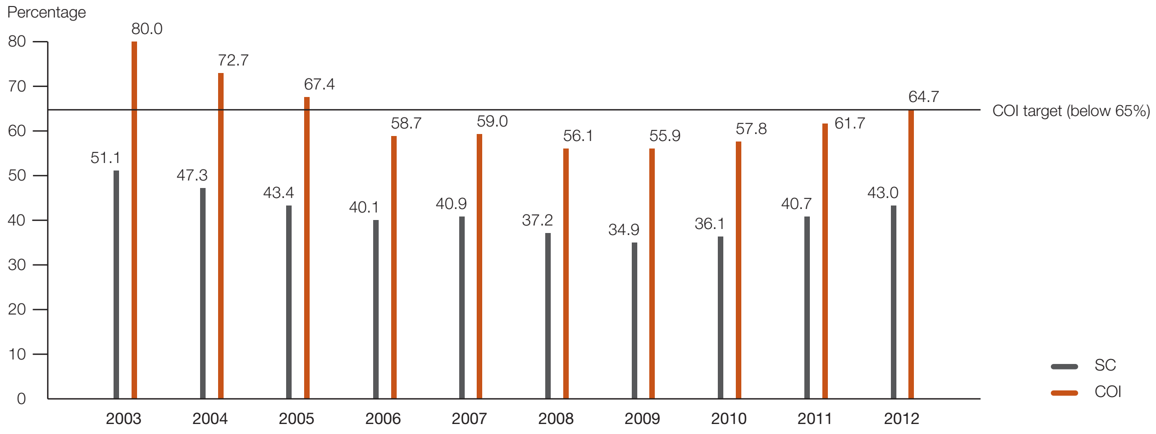
** *Adjusted EPS before goodwill, acquired intangibles and non-operating items as defined on page 18. The numbers have been adjusted for the 5:1 share split that took place on 4 September 2006.*

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 24.

Financial review (continued)

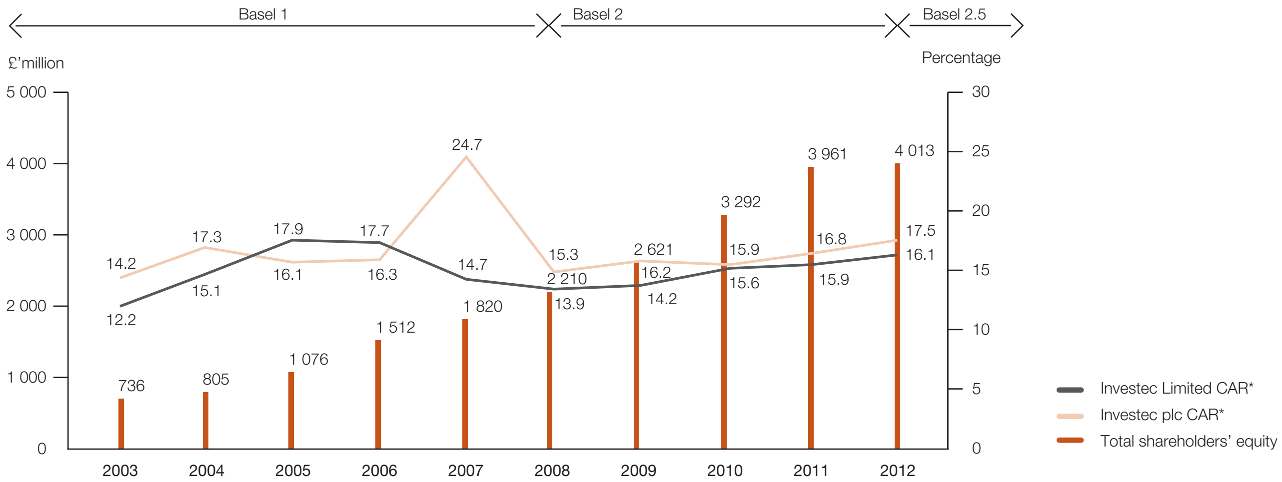
Cost to income ratio (COI) and staff compensation to operating income ratio (SC)



We have set the following target 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 and at 31 March 2012 under Basel 2.5.*

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 range of between 15% and 18% on a consolidated basis for Investec plc and Investec Limited and we target a minimum tier 1 ratio range of between 11% and 12%.

Note:
The numbers shown in the financial objectives graphs on pages 23 and 24 are for the years ended 31 March, unless otherwise stated. The numbers prior to 2005 are reported in terms of UK GAAP.

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 three principal business divisions: Asset Management, Wealth & Investment and Specialist Banking.

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 – primarily reflected as
Asset Management			
	• Fixed fees as a percentage of assets under management • Variable performance fees	• Movements in the value of the assets underlying client portfolios • Performance of portfolios against set benchmarks • Net sales	• Fees and commissions
Wealth & Investment			
	• Investment management fees levied as a percentage of assets under management • Commissions earned for executing transactions for clients	• Movement in the value of assets underlying client portfolios • The level of investment activity undertaken on behalf of clients, which, in turn, is affected by, among other things, the performance of the global stock markets (which drives investment opportunities), the equity investment risk appetite of our clients, tax considerations and market liquidity	• Fees and commissions
Specialist Banking			
	• Lending activities	• Rate environment • Size of portfolios • Clients' capital and infrastructural investments • Client activity	• Net interest income • Fees and commissions • Investment income
	• Cash and near-cash balances	• Rate environment • Capital employed in the business and capital adequacy targets • Asset and liability management policies and risk appetite • Regulatory requirements	• Net interest income • Trading income arising from balance sheet management activities

An overview of our key income drivers (continued)

Business activity	Key income drivers	Income impacted primarily by	Income statement – primarily reflected as
Specialist Banking (continued)			
	• Deposit and product structuring and distribution	• 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 • Distribution channels • Ability to create innovative products • Regulatory requirements	• Net interest income • Fees and commissions
	• Investments made (including listed and unlisted equities; debt securities; investment properties) • Gains or losses on investments • Dividends received	• Macro- and micro-economic market conditions • Availability of profitable exit routes • Whether appropriate market conditions exist to maximise gains on sale • Attractive investment opportunities • Credit spreads	• Net interest income • Investment income
	• Advisory services	• The demand for our specialised advisory services, which, in turn, is affected by applicable tax, regulatory and other macro- and micro-economic fundamentals	• Fees and commissions
	• Derivative sales, trading and hedging	• Client activity • Market conditions • Asset and liability creation • Product innovation • Market risk factors, primarily volatility and liquidity	• Fees and commissions • Trading income arising from customer flow
	• Transactional banking services	• Levels of activity • Ability to create innovative products • Appropriate systems infrastructure	• Net interest income • Fees and commissions

Risks relating to our operations

An overview of key risks

In our ordinary course of business we face a number of risks that could affect our business operations. These risks are summarised briefly below:

- Credit and counterparty risk exposes us to losses caused by financial or other problems experienced by our clients
- Liquidity risk may impair our ability to fund our operations
- Our net interest earnings and net asset value may be adversely affected by interest rate risk
- Market, business and general economic conditions and fluctuations could adversely affect our businesses in a number of ways
- We may be unable to recruit, retain and motivate key personnel
- Employee misconduct could cause harm that is difficult to detect
- Operational risk may disrupt our business or result in regulatory action
- We are exposed to non-traded currency risk, where fluctuations in exchange rates against Pounds Sterling could have an impact on our financial results
- We may be vulnerable to the failure of our systems and breaches of our security systems
- We may have insufficient capital in the future and may be unable to secure additional financing when it is required
- The financial services industry in which we operate is intensely competitive
- Legal and regulatory risks are substantial in our businesses
- Reputational, strategic and business risk
- We may be exposed to pension risk in our UK operations.

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 year 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 63 to 89.

Total operating income

Total operating income before impairment losses on loans and advances decreased by 1.2% to £1 932.0 million (2011: £1 955.0 million). The various components of total operating income are analysed below.

£'000	31 March 2012	% of total income	31 March 2011	% of total income	% change
Net interest income	699 047	36.2%	681 469	34.9%	2.6%
Net fee and commission income	884 234	45.8%	787 658	40.3%	12.3%
Investment income	174 327	9.0%	254 943	13.0%	(31.6%)
Trading income					
– Arising from customer flow	77 066	4.0%	76 447	3.9%	0.8%
– Arising from balance sheet management and other trading activities	32 204	1.7%	87 296	4.5%	(63.1%)
Other operating income	65 128	3.3%	67 173	3.4%	(3.0%)
Total operating income before impairment losses on loans and advances	1 932 006	100.0%	1 954 986	100.0%	(1.2%)

3

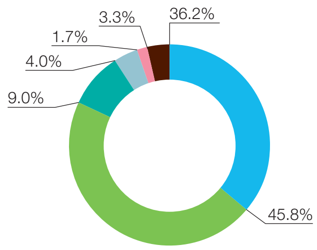
The following table sets out information on total operating income before impairment losses on loans and advances by geography for the year under review.

£'000	31 March 2012	% of total income	31 March 2011	% of total income	% change
UK and Europe	1 015 292	52.6%	989 661	50.6%	2.6%
Southern Africa	814 958	42.2%	849 115	43.5%	(4.0%)
Australia	101 756	5.2%	116 210	5.9%	(12.4%)
Total operating income before impairment losses on loans and advances	1 932 006	100.0%	1 954 986	100.0%	(1.2%)

The following table sets out information on total operating income before impairment losses on loans and advances by division for the year under review.

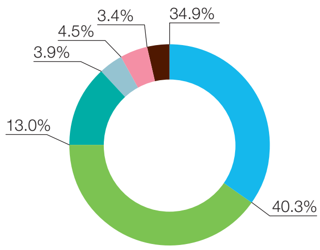
£'000	31 March 2012	% of total income	31 March 2011	% of total income	% change
Asset Management	375 602	19.4%	344 590	17.6%	9.0%
Wealth & Investment	196 473	10.2%	156 239	8.0%	25.8%
Specialist Banking	1 359 931	70.4%	1 454 157	74.4%	(6.5%)
Total operating income before impairment losses on loans and advances	1 932 006	100.0%	1 954 986	100.0%	(1.2%)

% of total operating income before impairment losses on loans and advances



31 March 2012

£1 932 million



31 March 2011

£1 955 million

- Net interest income
- Net fee and commission income
- Investment income
- Trading income arising from customer flow
- Trading income arising from balance sheet management and other trading activities
- Other operating income

Net interest income

Net interest income increased by 2.6% to £699.0 million (2011: £681.5 million) largely as a result of improved margins across all three geographies and a sound performance from the group's fixed income portfolios, partially offset by higher costs on subordinated liabilities.

£'000	31 March 2012	31 March 2011	Variance	% change
Asset Management	5 163	2 989	2 174	72.7%
Wealth & Investment	10 083	7 281	2 802	38.5%
Specialist Banking	683 801	671 199	12 602	1.9%
Net interest income	699 047	681 469	17 578	2.6%

A further analysis of interest received and interest paid is provided in the tables below.

For the year ended 31 March 2012 £'000	Notes	UK and Europe		Southern Africa		Australia		Total group	
		Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	1	4 873 561	50 414	8 201 778	381 875	1 010 485	59 939	14 085 824	492 228
Core loans and advances	2	5 788 127	359 715	10 489 947	919 639	1 948 308	186 654	18 226 382	1 466 008
Private client		3 431 420	200 531	7 836 733	669 917	1 593 600	158 697	12 861 753	1 029 145
Corporate, institutional and other clients		2 356 707	159 184	2 653 214	249 722	354 708	27 957	5 364 629	436 863
Other debt securities and other loans and advances		1 165 015	80 347	528 434	27 469	81 860	4 310	1 775 309	112 126
Other interest earning assets	3	4 393 682	206 197	139 452	23 366	–	–	4 533 134	229 563
Total interest earning assets		16 220 385	696 673	19 359 611	1 352 349	3 040 653	250 903	38 620 649	2 299 925

For the year ended 31 March 2012 £'000	Notes	UK and Europe		Southern Africa		Australia		Total group	
		Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt-related securities	4	3 962 118	90 387	2 336 209	59 332	777 186	62 939	7 075 513	212 658
Customer accounts		9 459 554	204 365	14 347 614	812 466	1 536 603	83 708	25 343 771	1 100 539
Other interest bearing liabilities	5	2 361 985	53 614	549 786	63 666	526 946	33 569	3 438 717	150 849
Subordinated liabilities		661 920	60 890	784 501	71 597	46 355	4 345	1 492 776	136 832
Total interest bearing liabilities		16 445 577	409 256	18 018 110	1 007 061	2 887 090	184 561	37 350 777	1 600 878
Net interest income			287 417		345 288		66 342		699 047

For the year ended 31 March 2011 £'000	Notes	UK and Europe		Southern Africa		Australia		Total group	
		Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	1	4 626 562	19 642	7 147 523	306 128	1 005 685	52 918	12 779 770	378 688
Core loans and advances	2	5 576 252	318 102	11 106 445	979 123	2 075 441	187 343	18 758 138	1 484 568
Private client		3 378 213	178 218	8 126 148	664 934	1 820 450	158 958	13 324 811	1 002 110
Corporate, institutional and other clients		2 198 039	139 884	2 980 297	314 189	254 991	28 385	5 433 327	482 458
Other debt securities and other loans and advances		725 236	60 109	477 551	39 345	133 466	6 746	1 336 253	106 200
Other interest earning assets	3	5 291 232	235 936	178 955	33 391	–	–	5 470 187	269 327
Total interest earning assets		16 219 282	633 789	18 910 474	1 357 987	3 214 592	247 007	38 344 348	2 238 783

Notes

1) *Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements; sovereign debt securities; bank debt securities.*
2) *Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.*
3) *Comprises (as per the balance sheet) warehoused assets – Kensington; other securitised assets.*
4) *Comprises (as per the balance sheet) deposits by banks; deposits by banks – Kensington warehouse funding; debt securities in issue; reverse repurchase agreements.*
5) *Comprises (as per the balance sheet) liabilities arising on securitisation of own originated assets; liabilities arising on securitisation.*

Net interest income (continued)

For the year ended 31 March 2011 £'000	Notes	UK and Europe Balance sheet value	UK and Europe Interest paid	Southern Africa Balance sheet value	Southern Africa Interest paid	Australia Balance sheet value	Australia Interest paid	Total group Balance sheet value	Total group Interest paid
Deposits by banks and other debt related securities	4	3 112 021	70 911	2 467 151	68 120	1 000 122	56 577	6 579 294	195 608
Customer accounts		8 812 240	192 456	14 207 218	830 450	1 421 802	80 388	24 441 260	1 103 294
Other interest bearing liabilities	5	3 174 267	53 699	694 488	63 075	472 109	35 558	4 340 864	152 332
Subordinated liabilities		636 468	45 912	619 385	58 095	31 802	2 073	1 287 655	106 080
Total interest bearing liabilities		15 734 996	362 978	17 988 242	1 019 740	2 925 835	174 596	36 649 073	1 557 314
Net interest income			270 811		338 247		72 411		681 469

Notes

4) *Comprises (as per the balance sheet) deposits by banks; deposits by banks – Kensington warehouse funding; debt securities in issue; reverse repurchase agreements.*

5) *Comprises (as per the balance sheet) liabilities arising on securitisation of own originated assets; liabilities arising on securitisation.*

Net fee and commission income

Net fee and commission income increased by 12.3% to £888.4 million (2011: £787.7 million). The group benefited from higher average funds under management, solid net inflows and the acquisitions of Rensburg Sheppards plc and the Evolution Group plc. The Specialist Banking business recorded an increase in net fees and commissions largely due to a good performance by the Capital Markets division in South Africa, however, transactional activity levels remain mixed.

£'000	31 March 2012	31 March 2011	Variance	% change
Asset Management	367 856	339 104	28 752	8.5%
Wealth & Investment	186 181	147 641	38 540	26.1%
Specialist Banking	330 197	300 913	29 284	9.7%
Net fee and commission income	884 234	787 658	96 576	12.3%

Further information on net fees by type of fee and geography is provided in the tables below.

For the year ended 31 March 2012 £'000	UK and Europe	Southern Africa	Australia	Total group
Fund management fees/fees for assets under management	404 327	188 953	5 674	598 954
Private client transactional fees	62 486	65 295	9 251	137 032
Corporate and institutional transactional and advisory services	138 312	115 550	23 531	277 393
Fee and commission income	605 125	369 798	38 456	1 013 379
Fee and commission expense	(114 808)	(10 962)	(3 375)	(129 145)
Net fees and commissions	490 317	358 836	35 081	884 234
Annuity fees (net of fees payable)	339 849	255 826	14 115	609 790
Deal	150 468	103 010	20 966	274 444

For the year ended 31 March 2011 £'000	UK and Europe	Southern Africa	Australia	Total group
Fund management fees/fees for assets under management	332 621	183 994	7 580	524 195
Private client transactional fees	53 763	80 543	12 761	147 067
Corporate and institutional transactional and advisory services	136 841	68 500	19 697	225 038
Fee and commission income	523 225	333 037	40 038	896 300
Fee and commission expense	(99 473)	(5 280)	(3 889)	(108 642)
Net fees and commissions	423 752	327 757	36 149	787 658
Annuity fees (net of fees payable)	263 961	247 865	24 030	535 856
Deal	159 791	79 892	12 119	251 802

Investment income

Investment income decreased by 31.6% to £174.3 million (2011: £254.9 million) due to a weaker performance from the group's listed principal investments portfolio and income earned on the sale of investment properties in the prior year which were not repeated in the current year.

£'000	31 March 2012	31 March 2011	Variance	% change
Asset Management	25	(40)	65	(>100.0%)
Wealth & Investment	(392)	1 126	(1 518)	(>100.0%)
Specialist Banking	174 694	253 857	(79 163)	(31.2%)
Investment income	174 327	254 943	(80 616)	(31.6%)

Further information on investment income is provided in the tables below.

For the year ended 31 March 2012 £'000	UK and Europe	Southern Africa	Australia	Total group
Realised	102 280	47 548	(8 929)	140 899
Unrealised	11 652	1 837	(66)	13 423
Dividend income	1 890	34 353	521	36 764
Funding costs	–	(16 759)	–	(16 759)
Investment income	115 822	66 979	(8 474)	174 327

For the year ended 31 March 2012 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
UK and Europe	43 049	59 734	–	13 039	115 822
Realised	26 230	62 960	–	13 090	102 280
Unrealised	14 929	(3 226)	–	(51)	11 652
Dividend income	1 890	–	–	–	1 890
Funding costs	–	–	–	–	–
Southern Africa	47 919	5 391	19 454	(5 785)	66 979
Realised	49 878	902	(3 232)	–	47 548
Unrealised	(19 565)	4 576	22 611	(5 785)	1 837
Dividend income	34 357	(79)	75	–	34 353
Funding costs	(16 751)	(8)	–	–	(16 759)
Australia	(8 681)	(334)	–	541	(8 474)
Realised	(8 686)	(784)	–	541	(8 929)
Unrealised	(66)	–	–	–	(66)
Dividend income	71	450	–	–	521
Funding costs	–	–	–	–	–

For the year ended 31 March 2011 £'000	UK and Europe	Southern Africa	Australia	Total group
Realised	124 196	31 271	4 061	159 528
Unrealised	13 054	64 915	767	78 736
Dividend income	943	37 482	18	38 443
Funding costs	–	(21 764)	–	(21 764)
Investment income	138 193	111 904	4 846	254 943

For the year ended 31 March 2011 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
UK and Europe	43 770	89 222	–	5 201	138 193
Realised	29 610	89 385	–	5 201	124 196
Unrealised	13 217	(163)	–	–	13 054
Dividend income	943	–	–	–	943
Funding costs	–	–	–	–	–
Southern Africa	60 002	1 230	50 672	–	111 904
Realised	26 922	3 441	908	–	31 271
Unrealised	12 072	(2 141)	54 984	–	64 915
Dividend income	36 826	37	619	–	37 482
Funding costs	(15 818)	(107)	(5 839)	–	(21 764)
Australia	915	1 578	–	2 353	4 846
Realised	130	1 578	–	2 353	4 061
Unrealised	767	–	–	–	767
Dividend income	18	–	–	–	18
Funding costs	–	–	–	–	–

Trading income

Trading income arising from customer flow remained in line with the prior year at £77.1 million (2011: £76.4 million) whilst trading income arising from other trading activities decreased by 63.1% to £32.2 million (2011: £87.3 million) due to profits realised on debt buy-backs in the prior year not repeated in the current year.

Arising from customer flow

£'000	31 March 2012	31 March 2011	Variance	% change
Asset Management	–	–	–	n/a
Wealth & Investment	108	(1 932)	2 040	(105,6%)
Specialist Banking	76 958	78 379	(1 421)	(1.8%)
Trading income arising from customer flow	77 066	76 447	619	0.8%

Arising from balance sheet management and other trading activities

£'000	31 March 2012	31 March 2011	Variance	% change
Asset Management	380	–	380	n/a
Wealth & Investment	97	(528)	625	(118.4%)
Specialist Banking	31 727	87 824	(56 097)	(63.9%)
Trading income arising from balance sheet management and other trading activities	32 204	87 296	(55 092)	(63.1%)

Other operating income

Other operating income includes associate income, assurance income and income earned on an operating lease portfolio acquired during December 2010.

Impairment losses on loans and advances

Impairments in South Africa and the UK decreased from £218.1 million to £157.8 million, whilst impairments in Australia increased from £30.2 million to £67.9 million, resulting in a total decrease in impairments on loans and advances from £248.3 million to £225.7 million (excluding Kensington).

Since 31 March 2011, the default loan portfolio in Australia declined substantially due to a large portion of the portfolio being sold at the year end. The level of defaults in South Africa has improved, whilst the UK reported defaults marginally higher than the prior year. The credit loss charge as a percentage of average gross loans and advances has improved from 1.27% at 31 March 2011 to 1.12%. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounts to 3.27% (31 March 2011: 4.66%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.39 times (31 March 2011: 1.38 times). Further information is provided on page 49.

Impairment losses on loans and advances relating to the Kensington business increased from £69.9 million to £99.4 million as a result of adopting new guidelines (published by UK Financial Services Authority during the past year) relating to provisioning methodology in respect of borrowers that have benefited from forbearance.

£'000	31 March 2012	31 March 2011	Variance	% change
UK and Europe	(187 920)	(210 485)	22 565	(10.7%)
Southern Africa	(69 326)	(77 538)	8 212	(10.6%)
Australia	(67 872)	(30 207)	(37 665)	>100.0%
Impairment losses on loans and advances	(325 118)	(318 230)	(6 888)	2.2%
Impairment losses on loans and advances in home currency				
Southern Africa (R'mn)	(832)	(860)	(28)	(3.3%)
Australia (A$'mn)	(106.1)	(49.5)	(56.6)	>100%

Operating costs and depreciation

The ratio of total operating costs to total operating income amounts to 64.7% (2011: 61.7%).

Total operating expenses grew (excluding depreciation on operating leased assets) by 2.8% to £1 230.6 million (2011: £1 196.9 million) as a result of the acquisitions of Rensburg Sheppards plc and the Evolution Group plc and an increase in headcount in certain divisions.

£'000	31 March 2012	% of total expenses	31 March 2011	% of total expenses	% change
Staff costs	(831 076)	66.0%	(795 592)	65.6%	4.5%
– fixed	(575 962)	45.7%	(532 138)	43.9%	8.2%
– variable	(255 114)	20.3%	(263 454)	21.7%	(3.2%)
Business expenses	(190 512)	15.1%	(197 453)	16.3%	(3.5%)
Premises (excluding depreciation)	(73 243)	5.8%	(70 394)	5.8%	4.0%
Equipment (excluding depreciation)	(52 833)	4.2%	(54 324)	4.5%	(2.7%)
Marketing expenses	(54 210)	4.3%	(48 943)	4.0%	10.8%
Depreciation and impairment of property, plant,equipment and software	(28 754)	2.3%	(30 159)	2.5%	(4.7%)
Depreciation on operating leased assets	(28 670)	2.3%	(16 447)	1.3%	74.3%
Total expenses	(1 259 298)	100.0%	(1 213 312)	100.0%	3.8%

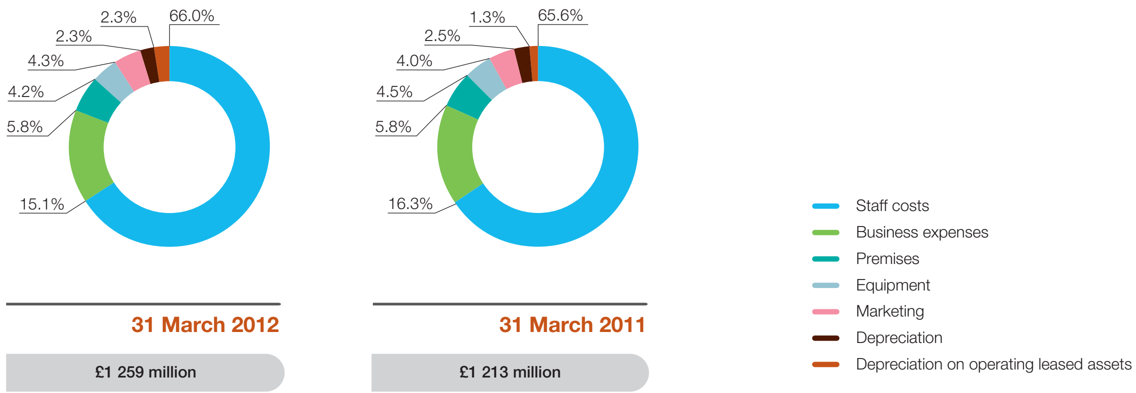
The following table sets out certain information on total expenses by geography for the year under review.

£'000	31 March 2012	% of total expenses	31 March 2011	% of total expenses	% change
UK and Europe	(700 320)	55.6%	(656 729)	54.1%	6.6%
Southern Africa	(459 213)	36.5%	(471 013)	38.8%	(2.5%)
Australia	(99 765)	7.9%	(85 570)	7.1%	16.6%
Total expenses	(1 259 298)	100.0%	(1 213 312)	100.0%	3.8%

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

£'000	31 March 2012	% of total expenses	31 March 2011	% of total expenses	% change
Asset Management	(241 529)	19.2%	(216 947)	17.9%	11.3%
Wealth & Investment	(157 799)	12.5%	(115 813)	9.5%	36.3%
Specialist Banking	(859 970)	68.3%	(880 552)	72.6%	(2.3%)
Total expenses	(1 259 298)	100.0%	(1 213 312)	100.0%	3.8%

% of total expenses



Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests

As a result of the foregoing factors, our operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests decreased by 17.4% from £434.4 million to £358.6 million.

The following tables set out information on operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests by geography and by division for the year under review.

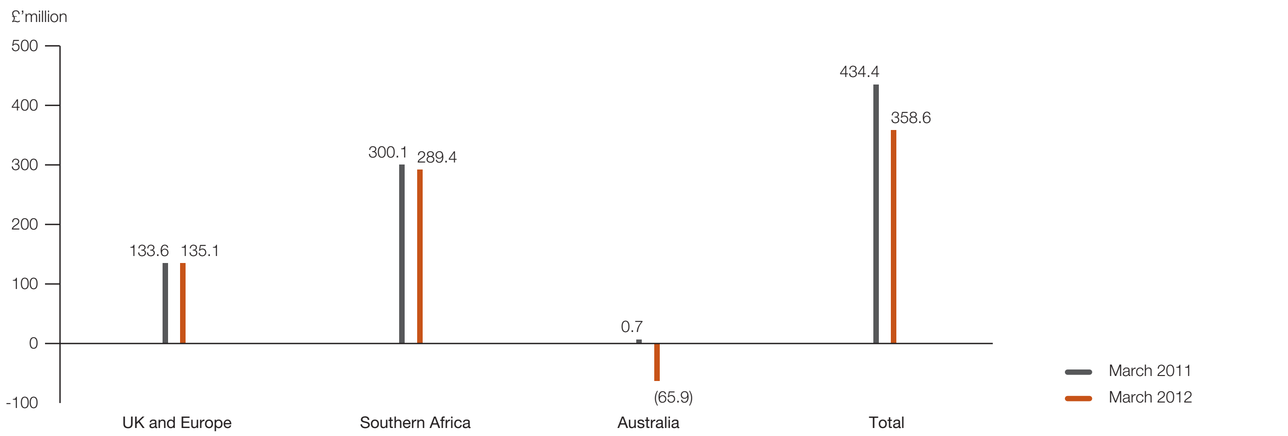
For the year ended 31 March 2012 £'000	UK and Europe	Southern Africa	Australia	Total group	% change	% of total
Asset Management	58 922	74 771	–	133 693	5.0%	37.3%
Wealth & Investment	23 268	15 453	–	38 721	(4.2%)	10.8%
Specialist Banking	52 880	199 212	(65 881)	186 211	(30.2%)	51.9%
Private Banking activities	1 841	30 423	(73 679)	(41 415)	(54.7%)	(22.2%)
Core Private Bank	6 691	30 423	9 602	46 716	(>100.0%)	25.1%
Property loan portfolio being run-off*	(4 850)	–	(83 281)	(88 131)	17.5%	(47.3%)
Property activities	572	17 740	3 351	21 663	(54.6%)	11.6%
Corporate Advisory and Investment activities	7 893	37 249	(3 157)	41 985	(37.7%)	22.5%
Corporate and Institutional Banking activities	118 496	102 548	12 956	234 000	(3.3%)	>100.0%
Group Services and Other activities	(75 922)	11 252	(5 352)	(70 022)	(>100.0%)	(37.6%)
Total group	135 070	289 436	(65 881)	358 625	(17.4%)	100.0%
Core business	139 920	289 436	17 400	446 756		
Property loan portfolio being run-off*	(4 850)	–	(83 281)	(88 131)		
Non-controlling interest – equity				(11 035)		
Operating profit				347 590		
% change	1.1%	(3.5%)	(>100.0%)	(17.4%)		
% of total	37.7%	80.7%	(18.4%)	100.0%		

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

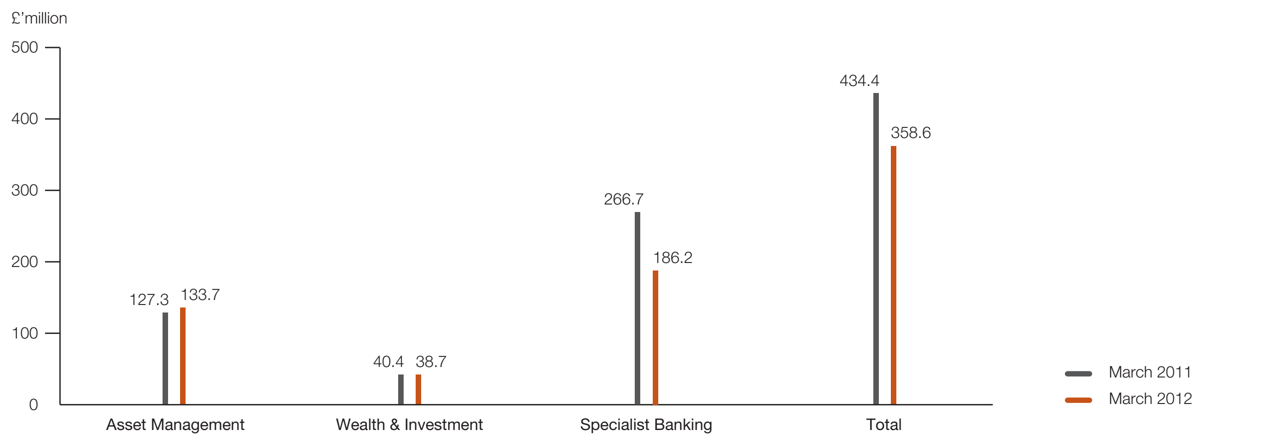
For the year ended 31 March 2011 £'000	UK and Europe	Southern Africa	Australia	Total group	% of total
Asset Management	53 002	74 306	–	127 308	29.3%
Wealth & Investment	25 008	15 418	–	40 426	9.3%
Specialist Banking	55 616	210 350	706	266 672	61.4%
Private Banking activities	(84 041)	2 990	(10 390)	(91 441)	(34.3%)
Core Private Bank	(38 730)	2 990	19 276	(16 464)	(6.2%)
Property loan portfolio being run-off*	(45 311)	–	(29 666)	(74 977)	(28.1%)
Property activities	375	40 178	7 155	47 708	17.9%
Corporate Advisory and Investment activities	8 887	65 191	(6 716)	67 362	25.3%
Corporate and Institutional Banking activities	139 978	92 211	9 860	242 049	90.8%
Group Services and Other activities	(9 583)	9 780	797	994	0.4%
Total group	133 626	300 074	706	434 406	100.0%
Core business	178 937	300 074	30 372	509 383	
Property loan portfolio being run-off*	(45 311)	–	(29 666)	(74 977)	
Non-controlling interest – equity				(10 962)	
Operating profit				423 444	
% of total	30.8%	69.1%	0.2%	100.0%	

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests by geography



Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests by line of business



Impairment of goodwill

The current year's goodwill impairment relates to Asset Management businesses acquired in prior years and the Kensington business.

Goodwill and intangible assets analysis – balance sheet information

£'000	31 March 2012	31 March 2011
UK and Europe	409 837	393 417
Asset Management	88 045	88 045
Wealth & Investment	233 120	197 119
Specialist Banking	88 672	108 253
Southern Africa	13 696	18 655
Asset Management	10 487	14 930
Wealth & Investment	2 850	3 320
Specialist Banking	359	405
Australia	44 787	44 536
Specialist Banking	44 787	44 536
Total goodwill	468 320	456 608
Intangible assets	192 099	136 452
Total goodwill and intangible assets	660 419	593 060

Amortisation of acquired intangibles

Amortisation of acquired intangibles relates to the Wealth & Investment business and mainly comprises amortisation of amounts attributable to client relationships.

Costs arising from acquisitions

As anticipated for the 2012 financial year, a cost of £22.5 million (before tax) arose on the acquisition and restructuring of the Evolution Group plc, with £17.1 million reflected as integration costs.

Profit arising from associate converted to a subsidiary

In the prior year a net gain of £73.5 million arose on the acquisition of the balance of shares in Rensburg Sheppards plc not already owned by the group.

Net loss on sale of subsidiaries

The net loss on sale of subsidiaries of £17.3 million arose from a loss on sale and deconsolidation of previously consolidated group investments, partially offset by a gain on the sale of Rensburg Fund Management Limited.

Taxation

The operational effective tax rate amounts to 18.1% (2011: 15.5%).

	Effective operational tax rates		2012 £'000	2011 £'000	% change
	2012	2011			
UK and Europe	26.7%	24.6%	(33 911)	(29 228)	16%
Southern Africa	16.9%	11.8%	(48 536)	(35 357)	37.3%
Australia	(29.7%)*	284.9%	19 540	(490)	>100.0%
Tax	18.1%	15.5%	(62 907)	(65 075)	(3.3%)

* *The business is loss making.*

Losses attributable to non-controlling interests

Losses attributable to non-controlling interests largely comprise £10.1 million relating to Euro denominated preferred securities issued by a subsidiary of Investec plc which are reflected on the balance sheet as part of non-controlling interests (the transaction is hedged and a forex transaction loss arising on the hedge is reflected in operating profit before goodwill with the equal and opposite impact reflected in earnings attributable to non-controlling interests).

Earnings attributable to shareholders

As a result of the foregoing factors, earnings attributable to shareholders decreased from £420.5 million to £247.5 million.

Dividends and earnings per share

Information with respect to dividends and earnings per share is provided on page 18 and pages 106 to 112.

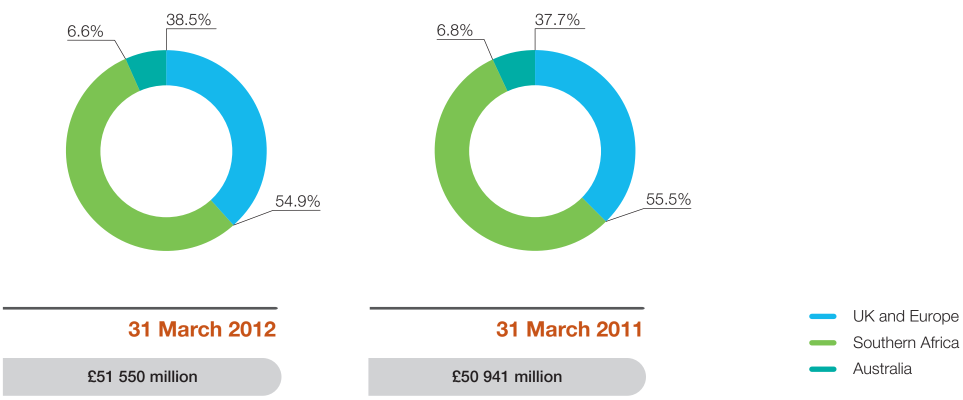
Balance sheet analysis

Since 31 March 2011:

- Total shareholders' equity (including non-controlling interests) increased by 1.3% to £4.0 billion – an increase of 6.2% on a currency neutral basis. The weakening of the Rand closing exchange rate relative to Pounds Sterling has resulted in a reduction in total equity of £196 million
- Net asset value per share decreased 6.3% to 389.7 pence and net tangible asset value per share (which excludes goodwill and intangible assets) decreased by 8.3% to 315.1 pence largely as a result of the depreciation of the Rand as described above
- Total assets increased from £50.9 billion to £51.6 billion largely as a result of an increase in cash and near-cash balances
- Loans and advances to customers as a percentage of customer deposits is at 67.8%% (2011: 72.4%)
- The return on adjusted average shareholders' equity declined from 11.2% to 7.8%.

The group's gearing ratios remain low with core loans and advances to equity at 4.5 times (2011: 4.7 times) and total assets (excluding assurance assets) to equity at 11.3 times (2011: 11.3 times).

Assets by geography



Net tangible asset value per share

The group's net tangible asset value per share is reflected in the table below.

£'000	31 March 2012	31 March 2011
Shareholders' equity	3 716 415	3 647 573
Less: perpetual preference shares issued by holding companies	(384 229)	(394 360)
Less: goodwill and intangible assets (excluding software)	(637 773)	(564 726)
Net tangible asset value	2 694 413	2 688 487
Number of shares in issue (million)	874.0	810.0
Treasury shares (million)	(19.0)	(28.0)
Number of shares in issue in this calculation (million)	855.0	782.0
Net tangible asset value per share (pence)	315.1	343.8

Capital management and allocation

Although Investec plc (and its subsidiaries) and Investec Limited (and its subsidiaries) are managed independently, the approach to capital management is consistent across the two groups. The DLC structure requires the two groups to be considered independent from a capital perspective and hence capital is managed on this basis. This approach is exercised through the board risk and capital committee (via the Investec DLC capital committee) which is a board sub-committee with ultimate responsibility for the capital sufficiency of both Investec plc and Investec Limited.

The legal and regulatory treatment of capital is independent of existing shareholder arrangements that are in place to ensure that shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single unified enterprise.

Investec plc is regulated by the FSA in the UK and Investec Limited is regulated by the SARB. In addition, a number or subsidiaries are subject to the capital regulations of the regulators for the jurisdictions in which they operate.

The tables that follow provide information on our capital structure and capital adequacy ratios.

Capital structure

	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
As at 31 March 2012					
Regulatory capital					
Tier 1					
Called up share capital	–	1 071	292	–	29
Share premium	1 108	129	–	10 887	13 527
Retained income	465	328	301	12 532	7 807
Treasury shares	(42)	–	–	(825)	–
Other reserves	426	194	(7)	143	6
Non-controlling interest in subsidiaries	164	(2)	–	–	–
Goodwill and intangible assets	(605)	(379)	(90)	(266)	(96)
Primary capital (Tier 1)	1 516	1 341	496	22 471	21 273
Less: deductions	(23)	(22)	(58)	(248)	(248)
	1 493	1 319	438	22 223	21 025
Tier 2 capital					
Aggregate amount	809	649	94	8 915	8 915
Less: deductions	(23)	(22)	(7)	(248)	(248)
	786	627	87	8 667	8 667
Other deductions from tier 1 and tier 2	(31)	(26)	–	–	–
Total capital	2 248	1 920	525	30 890	29 692
As at 31 March 2011					
Regulatory capital					
Tier 1					
Called up share capital	–	1 026	292	–	27
Share premium	1 059	105	–	10 719	11 845
Retained income	491	314	364	10 903	7 067
Treasury shares	(11)	–	–	(807)	–
Other reserves	278	196	(5)	389	250
Minority interests in subsidiaries	170	(7)	–	–	–
Goodwill and intangible assets	(542)	(381)	(90)	(314)	(108)
Primary capital (Tier 1)	1 445	1 253	561	20 890	19 081
Less: deductions	(24)	(22)	(63)	(297)	(297)
	1 421	1 231	498	20 593	18 784
Tier 2 capital					
Aggregate amount	702	577	104	7 039	7 039
Less: deductions	(24)	(22)	(6)	(297)	(297)
	678	555	98	6 742	6 742
Other deductions from tier 1 and tier 2	(31)	(27)	–	–	–
Total capital	2 068	1 759	596	27 335	25 526

* *Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP and IBAL. The information for Investec Limited includes the information for IBL. The information for IBP includes the information for IBAL.*

Capital management and allocation (continued)

Capital requirements

	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
As at 31 March 2012					
Capital requirements	1 026	915	389	18 276	17 504
Credit risk – prescribed standardised exposure classes	792	731	328	13 201	13 081
Corporates	233	226	256	7 881	7 773
Secured on real estate property	247	239	4	1 246	1 246
Counterparty risk on trading positions	21	21	7	498	498
Short-term claims on institutions and corporates	24	28	2	2 041	2 033
Retail	76	76	9	314	314
Institutions	14	14	14	1 125	1 125
Other exposure classes	177	127	36	96	92
Securitisation exposures	22	22	–	382	382
Equity risk – standardised approach	26	26	9	2 428	2 376
Listed equities	2	2	2	281	229
Unlisted equities	24	24	7	2 147	2 147
Market risk – portfolios subject to internal models approach	56	53	2	463	421
Interest rate	16	16	2	125	125
Foreign exchange	16	13	–	120	120
Commodities	–	–	–	2	2
Equities	24	24	–	216	174
Operational risk – standardised approach	130	83	50	1 802	1 244
As at 31 March 2011					
Capital requirements	983	872	442	16 377	15 537
Credit risk – prescribed standardised exposure classes	769	707	385	11 869	11 662
Corporates	225	219	295	7 541	7 369
Secured on real estate property	268	259	6	1 166	1 166
Counterparty risk on trading positions	18	17	9	395	364
Short-term claims on institutions and corporates	20	19	3	1 553	1 553
Retail	53	53	11	291	291
Institutions	20	20	12	845	841
Other exposure classes	165	120	49	78	78
Securitisation exposures	23	23	–	450	450
Equity risk – standardised approach	21	21	8	2 160	2 109
Listed equities	2	2	3	346	295
Unlisted equities	19	19	5	1 814	1 814
Market risk – portfolios subject to internal models approach	52	50	2	129	90
Interest rate	14	14	1	40	40
Foreign exchange	20	20	–	21	21
Commodities	–	–	1	1	1
Equities	18	16	–	67	28
Operational risk – standardised approach	118	71	47	1 769	1 226

* *Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP and IBAL. The information for Investec Limited includes the information for IBL. The information for IBP includes the information for IBAL.*

Capital adequacy

As at 31 March 2012	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
Primary capital (tier 1)	1 516	1 341	496	22 471	21 273
Less: deductions	(23)	(22)	(58)	(248)	(248)
	1 493	1 319	438	22 223	21 025
Tier 2 capital					
Aggregate amount	809	649	94	8 915	8 915
Less: deductions	(23)	(22)	(7)	(248)	(248)
	786	627	87	8 667	8 667
Other deductions from tier 1 and tier 2	(31)	(26)	–	–	–
Total capital	2 248	1 920	525	30 890	29 692
Risk-weighted assets (banking and trading)	12 827	11 421	2 997	192 376	184 253
Credit risk – prescribed standardised exposure classes	9 910	9 130	2 530	138 965	137 704
Corporates	2 909	2 819	1 971	82 961	81 824
Secured on real estate property	3 093	2 983	32	13 117	13 117
Counterparty risk on trading positions	268	264	57	5 245	5 245
Short-term claims on institutions and corporates	301	355	13	21 489	21 401
Retail	950	950	68	3 301	3 301
Institutions	176	176	109	11 846	11 846
Other exposure classes	2 213	1 583	280	1 006	970
Securitisation exposures	274	274	–	4 017	4 017
Equity risk – standardised approach	325	321	68	25 558	25 011
Listed equities	26	25	16	2 954	2 407
Unlisted equities	299	296	52	22 604	22 604
Market risk – portfolios subject to internal models approach	695	659	16	4 867	4 424
Interest rate	200	200	14	1 314	1 314
Foreign exchange	195	159	–	1 266	1 266
Commodities	1	1	2	17	17
Equities	299	299	–	2 270	1 827
Operational risk – standardised approach	1 623	1 037	383	18 969	13 097
Capital adequacy ratio	17.5%	16.8%	17.5%	16.1%	16.1%
Tier 1 ratio	11.6%	11.5%	14.6%	11.6%	11.4%

* *Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP and IBAL. The information for Investec Limited includes the information for IBL. The information for IBP includes the information for IBAL.*

Capital management and allocation (continued)

Capital adequacy

As at 31 March 2011	Investec plc £'mn	IBP* £'mn	IBAL* A$'mn	Investec Limited R'mn	IBL* R'mn
Primary capital (tier 1)	1 445	1 253	561	20 890	19 081
Less: deductions	(24)	(22)	(63)	(297)	(297)
	1 421	1 231	498	20 593	18 784
Tier 2 capital					
Aggregate amount	702	577	104	7 039	7 039
Less: deductions	(24)	(22)	(6)	(297)	(297)
	678	555	98	6 742	6 742
Other deductions from tier 1 and tier 2	(31)	(27)	–	–	–
Total capital	2 068	1 759	596	27 335	25 526
Risk-weighted assets (banking and trading)	12 292	10 911	3 387	172 370	163 537
Credit risk – prescribed standardised exposure classes	9 623	8 851	2 957	124 918	122 751
Corporates	2 807	2 743	2 266	79 376	77 573
Secured on real estate property	3 354	3 232	44	12 270	12 270
Counterparty risk on trading positions	219	218	66	4 153	3 829
Short-term claims on institutions and corporates	256	236	23	16 342	16 342
Retail	668	668	88	3 067	3 067
Institutions	253	253	95	8 892	8 852
Other exposure classes	2 066	1 501	375	818	818
Securitisation exposures	284	284	–	4 737	4 737
Equity risk – standardised approach	266	264	57	22 740	22 204
Listed equities	31	30	20	3 646	3 110
Unlisted equities	235	234	37	19 094	19 094
Market risk – portfolios subject to internal models approach	649	626	14	1 358	943
Interest rate	174	174	8	420	420
Foreign exchange	256	246	1	221	221
Commodities	–	–	5	9	9
Equities	219	206	–	708	293
Operational risk – standardised approach	1 470	886	359	18 617	12 902
Capital adequacy ratio	16.8%	16.1%	17.6%	15.9%	15.6%
Tier 1 ratio	11.6%	11.3%	14.7%	11.9%	11.5%

* *Where: IBP is Investec Bank plc; IBAL is Investec Bank (Australia) Limited and IBL is Investec Bank Limited. The information for Investec plc includes the information for IBP and IBAL. The information for Investec Limited includes the information for IBL. The information for IBP includes the information for IBAL.*

ROE – assessment of economic capital utilised

Return on capital by segment

Methodology based on segmental information after reallocation of:

- a notional return on capital (net of the cost of subordinated debt) which is managed and borne in the centre to the business segments based on their total capital utilisation
- increase to the shareholders' funds to reflect permanent capital reflected under subordinated debt.

£'000	31 March 2012	31 March 2011	Average	31 March 2010	Average
Calculation of average ordinary shareholders' equity					
Ordinary shareholders' equity	3 332 186	3 253 213	3 292 700	2 576 759	2 914 986
Goodwill and intangible assets (excluding software)	(637 773)	(564 726)	(601 250)	(282 264)	(423 495)
Ordinary tangible shareholders' equity	2 694 413	2 688 487	2 691 450	2 294 495	2 491 491

£'000	31 March 2012	31 March 2011
Operating profit before goodwill impairment and acquired intangibles	347 590	423 444
Non-controlling interests	11 035	10 962
Preference dividends	(39 863)	(41 434)
Revised operating profit	318 762	392 972
Tax on ordinary activities	(62 907)	(65 075)
Revised operating profit after tax	255 855	327 897
Pre-tax return on average ordinary shareholders' equity	9.7%	13.5%
Post-tax return on average ordinary shareholders' equity	7.8%	11.2%
Pre-tax return on average ordinary tangible shareholders' equity	11.8%	15.8%
Post-tax return on average ordinary tangible shareholders' equity	9.5%	13.2%

ROE by country

£'000	UK and Europe	Southern Africa	Australia	Total group
Total operating profit before goodwill and acquired intangibles	127 052	286 419	(65 881)	347 590
Tax on profit on ordinary activities	(33 911)	(48 536)	19 540	(62 907)
Non-controlling interests	8 018	3 017	–	11 035
Preference dividends	(15 718)	(24 145)	–	(39 863)
Revised operating profit after taxation – 31 March 2012	85 441	216 755	(46 341)	255 855
Revised operating profit after taxation – 31 March 2011	90 079	237 602	216	327 897
Ordinary shareholders' equity – 31 March 2012	1 515 289	1 429 170	387 727	3 332 186
Goodwill and intangible assets (excluding software)	(562 675)	(13 697)	(61 401)	(637 773)
Ordinary tangible shareholders' equity – 31 March 2012	952 614	1 415 473	326 326	2 694 413
Ordinary shareholders' equity – 31 March 2011	1 333 460	1 472 732	447 021	3 253 213
Goodwill and intangible assets (excluding software)	(500 585)	(18 654)	(45 487)	(564 726)
Ordinary tangible shareholders' equity – 31 March 2011	832 875	1 454 078	401 534	2 688 487
Average ordinary shareholders' equity at 31 March 2012	1 424 375	1 450 951	417 374	3 292 700
Average ordinary shareholders' equity at 31 March 2011	1 129 822	1 355 258	429 906	2 914 986
Average tangible shareholders' equity – 31 March 2012	892 745	1 434 775	363 930	2 691 450
Average tangible shareholders' equity – 31 March 2011	772 391	1 333 323	385 777	2 491 491
Post-tax return on average ordinary shareholders' equity at 31 March 2012	6.0%	14.9%	(11.1%)	7.8%
Post-tax return on average ordinary shareholders' equity at 31 March 2011	8.0%	17.5%	0.1%	11.2%
Post-tax return on average ordinary tangible shareholders' equity at 31 March 2012	9.6%	15.1%	(12.7%)	9.5%
Post-tax return on average ordinary tangible shareholders' equity at 31 March 2011	11.7%	17.8%	0.1%	13.2%

ROE by business

£'000	Asset Management	Wealth & Investment	Specialist Banking	Total group	Adjusted Wealth & Investment^
Total operating profit after non-controlling interests	133 693	38 721	186 211	358 625	38 721
Notional return on statutory capital	1 399	852	(2 251)	–	852
Notional cost of statutory capital	(5 688)	(2 481)	8 169	–	(2 481)
Cost of subordinated debt	(1 107)	(694)	1 801	–	(694)
Cost of preference shares	(448)	(341)	(39 074)	(39 863)	(341)
Absorption of additional residual costs**	(8 509)	(3 539)	12 048	–	(3 539)
Adjusted earnings – 31 March 2012	119 340	32 518	166 904	318 762	32 518
Adjusted earnings – 31 March 2011	109 457	32 404	251 111	392 972	32 404
Ordinary shareholders' equity at 31 March 2012	142 602	475 325	2 714 259	3 332 186	316 275
Goodwill and intangible assets (excluding software)	(98 532)	(402 343)	(136 898)	(637 773)	(243 293)
Tangible ordinary shareholders' equity at 31 March 2012	44 070	72 982	2 577 361	2 694 413	72 982
Ordinary shareholders' equity at 31 March 2011	141 608	373 166	2 738 439	3 253 213	214 116
Goodwill and intangible assets (excluding software)	(102 975)	(307 607)	(154 144)	(564 726)	(148 557)
Tangible ordinary shareholders' equity at 31 March 2011	38 633	65 559	2 584 295	2 688 487	65 559
Average ordinary shareholders' equity at 31 March 2012	142 105	424 246	2 726 349	3 292 700	247 863
Average ordinary shareholders' equity at 31 March 2011	139 458	196 630	2 578 898	2 914 986	196 630
Average tangible ordinary shareholders' equity at 31 March 2012	41 352	69 271	2 580 827	2 691 450	69 271
Average tangible ordinary shareholders' equity at 31 March 2011	33 199	41 200	2 417 092	2 491 491	41 200
Pre-tax return on average ordinary shareholders' equity – 31 March 2012	84.0%	7.7%	6.1%	9.7%	13.1%
Pre-tax return on average ordinary shareholders' equity – 31 March 2011	78.5%	16.5%	9.7%	13.5%	16.5%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2012	288.6%	46.9%	6.5%	11.8%	46.9%
Pre-tax return on average tangible ordinary shareholders' equity – 31 March 2011	329.7%	78.7%	10.4%	15.8%	78.7%

** *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 management's estimates of relative benefit derived.*

^ *The adjusted Wealth and Investment is consistent with the group computation, except for:*

- *an adjustment of £159.1 million between ordinary shareholders funds and goodwill which represents historical accounting gains, with a corresponding effective increase in goodwill. These gains were excluded from group adjusted earnings (2006 and 2011) and related to the sale of Carr Sheppards Crosthwaite Ltd (CSC) to Rensburg plc (subsequently renamed Rensburg Sheppards plc) on 6 May 2005 and the subsequent gain on the acquisition of the remaining share in Rensburg Sheppards plc on 25 June 2010.*
- *the average equity calculations take into consideration the timing of the acquisition of the Evolution Group plc.*

Total third party assets under management

£'million	Third party assets under management 31 March 2012	Third party assets under management 31 March 2011
Investec Asset Management	61 555	58 802
UK and international	36 154	30 765
Southern Africa	25 401	28 037
Wealth & Investment	34 771	29 448
UK and Europe	20 969	14 852
Southern Africa	13 802	14 596
Property Activities	230	292
UK and Europe	–	80
Southern Africa	81	46
Australia	149	166
Australia other funds	220	336
Total	96 776	88 878

A further analysis of third party assets under management

At 31 March 2012 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Investec Asset Management	36 154	25 401	–	61 555
Mutual Funds	17 490	9 683	–	27 173
Segregated Mandates	18 664	15 718	–	34 382
Wealth & Investment	20 969	13 802	–	34 771
Discretionary	14 187	2 185	–	16 372
Non-discretionary	5 316	11 617	–	16 933
Other	1 466	–	–	1 466
Property Activities	–	81	149	230
Australia other funds	–	–	220	220
Total third party assets under management	57 123	39 284	369	96 776

At 31 March 2011 £'million	UK, Europe and Other	Southern Africa	Australia	Total
Investec Asset Management	30 765	28 037	–	58 802
Mutual Funds	15 402	9 466	–	24 868
Segregated Mandates	15 363	18 571	–	33 934
Wealth & Investment	14 852	14 596	–	29 448
Discretionary	9 571	2 076	–	11 647
Non-discretionary	5 281	12 520	–	17 801
Property Activities	80	46	166	292
Australia other funds	–	–	336	336
Total third party assets under management	45 697	42 679	502	88 878

Operating profit (before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests) per employee

By division	Asset Management	Wealth & Investment	Specialist Banking	Total group
Number of employees – 31 March 2012	1 173	1 319	5 289	7 781
Number of employees – 31 March 2011	1 071	976	5 190	7 237
Number of employees – 31 March 2010	968	211	4 944	6 123
Average employees – year to 31 March 2012	1 122	1 148	5 240	7 510
Average employees – year to 31 March 2011	1 020	594	5 068	6 682
Operating profit – year to 31 March 2012 (£'000)	133 693	38 721	186 211	358 625
Operating profit^ – year to 31 March 2011 (£'000)	127 308	37 775	265 381	430 464
Operating profit per employee^^ – 31 March 2012 (£'000)	119.2	33.7	35.5	47.8
Operating profit per employee^^ – 31 March 2011 (£'000)	124.8	63.6	52.4	64.4

^ *Excluding operating income from associates.*
^^ *Based on number of average employees over the year.*

Operating profit (before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests) per employee (continued)

By geography	UK and Europe	Southern Africa	Australia	Total group
Number of employees – 31 March 2012	3 289	4 068	424	7 781
Number of employees – 31 March 2011	2 709	4 101	427	7 237
Number of employees – 31 March 2010	1 862	3 883	378	6 123
Average employees – year to 31 March 2012	2 999	4 085	426	7 510
Average employees – year to 31 March 2011	2 286	3 993	403	6 682
Operating profit/(loss) – year to 31 March 2012 (£'000)	135 070	289 436	(65 881)	358 625
Operating profit/(loss)^ – year to 31 March 2011 (£'000)	129 890	300 129	445	430 464
Operating profit/(loss) per employee^^ – 31 March 2012 (£'000)	45.0	70.9	(154.7)	47.8
Operating profit/(loss) per employee^^ – 31 March 2011 (£'000)	56.8	75.2	1.1	64.4

^ *Excluding operating income from associates.*
^^ *Based on average number of employees over the year.*

Number of employees

By division – permanent employees	31 March 2012	31 March 2011
Asset Management		
UK, Europe and Other	359	314
Southern Africa	728	672
Total	1 087	986
Wealth & Investment		
UK and Europe	1 021	663
Southern Africa	239	256
Total	1 260	919
Specialist Banking		
UK, Europe and Hong Kong	1 821	1 646
Southern Africa	2 694	2 752
Australia	407	398
USA	17	15
Total	4 939	4 811
Total number of permanent employees	7 286	6 716

By geography	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007
UK and Europe	3 181	2 606	1 763	1 706	1 812	1 294
Southern Africa	3 661	3 680	3 542	3 541	3 666	3 476
Australia	411	401	356	354	424	235
USA	33	29	23	22	12	5
Temporary employees and contractors	495	521	439	328	419	420
Total number of employees	7 781	7 237	6 123	5 951	6 333	5 430

Asset quality and impairments

An analysis of our core loans and advances, asset quality and impairments

Core loans and advances comprise:

- loans and advances to customers as per the balance sheet
- own originated loans and advances to customers securitised as per the balance sheet.

£'000	31 March 2012	31 March 2011
Loans and advances to customers as per the balance sheet	17 192 208	17 692 356
Add: own originated loans and advances to customers securitised	1 034 174	1 065 782
Net core loans and advances to customers	18 226 382	18 758 138

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

£'000	31 March 2012	31 March 2011
Gross core loans and advances to customers	18 497 580	19 069 608
Total impairments	(271 198)	(311 470)
Portfolio impairments	(20 159)	(30 844)
Specific impairments	(251 039)	(280 626)
Net core loans and advances to customers	18 226 382	18 758 138
Average gross core loans and advances to customers	18 783 594	18 583 373
Current loans and advances to customers	17 231 735	17 438 856
Past due and default core loans and advances to customers	1 265 845	1 630 752
Past due loans and advances to customers (1 – 60 days)	290 513	356 756
Special mention loans and advances to customers	100 561	87 541
Default loans and advances to customers	874 771	1 186 455
Gross core loans and advances to customers	18 497 580	19 069 608
Past due and default core loans and advances to customers	1 265 845	1 630 752
Default loans that are current and not impaired	10 632	6 746
Gross core loans and advances to customers that are past due but not impaired	523 369	803 813
Gross core loans and advances to customers that are impaired	731 844	820 193
Total income statement charge for impairments on loans and advances	(225 687)	(248 343)
Gross default loans and advances to customers	874 771	1 186 455
Specific impairments	(251 039)	(280 626)
Portfolio impairments	(20 159)	(30 844)
Defaults net of impairments	603 573	874 985
Collateral and other credit enhancements	827 572	1 210 061
Net default loans and advances to customers (limited to zero)	–	17*
Ratios		
Total impairments as a % of gross core loans and advances to customers	1.47%	1.63%
Total impairments as a % of gross default loans	31.00%	26.25%
Gross defaults as a % of gross core loans and advances to customers	4.73%	6.22%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.31%	4.66%
Net defaults as a % of gross core loans and advances to customers	–	–
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.12%	1.27%

* *As reflected on pages 54 and 55, exposures cannot be set-off against one another.*

Asset quality and impairments (continued)

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

£'000	UK and Europe 31 March 2012	UK and Europe 31 March 2011	Southern Africa 31 March 2012	Southern Africa 31 March 2011	Australia 31 March 2012	Australia 31 March 2011	Total 31 March 2012	Total 31 March 2011
Gross core loans and advances to customers	5 940 213	5 731 767	10 596 805	11 234 172	1 960 562	2 103 669	18 497 580	19 069 608
Total impairments	(152 086)	(155 515)	(106 858)	(127 727)	(12 254)	(28 228)	(271 198)	(311 470)
Portfolio impairments	(1 668)	–	(16 948)	(29 326)	(1 543)	(1 518)	(20 159)	(30 844)
Specific impairments	(150 418)	(155 515)	(89 910)	(98 401)	(10 711)	(26 710)	(251 039)	(280 626)
Net core loans and advances to customers	5 788 127	5 576 252	10 489 947	11 106 445	1 948 308	2 075 441	18 226 382	18 758 138
% of total change	31.8%	29.7%	57.6%	59.2%	10.7%	11.1%	100.0%	100.0%
% change since 31 March 2011	3.8%	–	(5.6%)	–	(6.1%)	–	(2.8%)	–
Average gross core loans and advances to customers	5 835 990	5 634 261	10 915 488	10 971 050	2 032 116	1 978 062	18 783 594	18 583 373
Current loans and advances to customers	5 278 440	5 094 608	10 053 758	10 504 773	1 899 537	1 839 475	17 231 735	17 438 856
Past due and default core loans and advances to customers	661 773	637 159	543 047	729 399	61 025	264 194	1 265 845	1 630 752
Past due loans and advances to customers (1 – 60 days)	215 758	232 866	60 460	99 738	14 295	24 152	290 513	356 756
Special mention loans and advances to customers	9 411	13 161	89 727	60 489	1 423	13 891	100 561	87 541
Default loans and advances to customers	436 604	391 132	392 860	569 172	45 307	226 151	874 771	1 186 455
Gross core loans and advances to customers	5 940 213	5 731 767	10 596 805	11 234 172	1 960 562	2 103 669	18 497 580	19 069 608
Past due and default core loans and advances to customers	661 773	637 159	543 047	729 399	61 025	264 194	1 265 845	1 630 752
Default loans that are current and not impaired	–	–	10 632	6 746	–	–	10 632	6 746
Gross core loans and advances to customers that are past due but not impaired	230 488	300 874	266 745	362 600	26 136	140 339	523 369	803 813
Gross core loans and advances to customers that are impaired	431 285	336 285	265 670	360 053	34 889	123 855	731 844	820 193
Total income statement charge for impairments on loans and advances	(88 489)	(140 598)	(69 326)	(77 538)	(67 872)	(30 207)	(225 687)	(248 343)
Gross default loans and advances to customers	436 604	391 132	392 860	569 172	45 307	226 151	874 771	1 186 455
Specific impairments	(150 418)	(155 515)	(89 910)	(98 401)	(10 711)	(26 710)	(251 039)	(280 626)
Portfolio impairments	(1 668)	–	(16 948)	(29 326)	(1 543)	(1 518)	(20 159)	(30 844)
Defaults net of impairments	284 518	235 617	286 002	441 445	33 053	197 923	603 573	874 985
Collateral and other credit enhancements	311 329	336 740	480 460	658 781	35 783	214 540	827 572	1 210 061
Net default loans and advances to customers (limited to zero)	–	17*	–	–	–	–	–	–

* *As reflected on pages 54 and 55, exposures cannot be set-off against one another.*

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

	UK and Europe		Southern Africa		Australia		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Ratios								
Total impairments as a % of gross core loans and advances to customers	2.56%	2.71%	1.01%	1.14%	0.63%	1.34%	1.47%	1.63%
Total impairments as a % of gross default loans	34.83%	39.76%	27.20%	22.44%	27.05%	12.48%	31.00%	26.25%
Gross defaults as a % of gross core loans and advances to customers	7.35%	6.82%	3.71%	5.07%	2.31%	10.75%	4.73%	6.22%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.92%	4.23%	2.73%	3.97%	1.70%	9.54%	3.31%	4.66%
Net defaults as a % of core loans and advances to customers	–	–	–	–	–	–	–	–
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.30%	2.22%	0.61%	0.71%	3.34%	1.53%	1.12%	1.27%

Asset quality and impairments (continued)

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

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

As at 31 March 2012 £'000	Private client			
	UK and Europe	Southern Africa	Australia	Total
Gross core loans and advances to customers	3 562 106	7 917 770	1 605 163	13 085 039
Total impairments	(130 686)	(81 037)	(11 563)	(223 286)
Portfolio impairments	–	(6 682)	(1 543)	(8 225)
Specific impairments	(130 686)	(74 355)	(10 020)	(215 061)
Net core loans and advances to customers	3 431 420	7 836 733	1 593 600	12 861 753
Average gross core loans and advances to customers	3 540 997	8 071 867	1 726 800	13 339 664
Current loans and advances to customers	3 008 546	7 429 345	1 551 702	11 989 593
Past due and default core loans and advances to customers	553 560	488 425	53 461	1 095 446
Past due loans and advances to customers (1 – 60 days)	192 924	37 167	9 992	240 083
Special mention loans and advances to customers	8 834	86 574	972	96 380
Default loans and advances to customers	351 802	364 684	42 497	758 983
Gross core loans and advances to customers	3 562 106	7 917 770	1 605 163	13 085 039
Past due and default core loans and advances to customers	553 560	488 425	53 461	1 095 446
Default loans that are current and not impaired	–	9 767	–	9 767
Gross core loans and advances to customers that are past due but not impaired	206 810	240 300	20 177	467 287
Gross core loans and advances to customers that are impaired	346 750	238 358	33 284	618 392
Total income statement charge for impairments on loans and advances	(52 188)	(60 856)	(72 647)	(185 691)
Gross default loans and advances to customers	351 802	364 684	42 497	758 983
Specific impairments	(130 686)	(74 355)	(10 020)	(215 061)
Portfolio impairments	–	(6 682)	(1 543)	(8 225)
Defaults net of impairments	221 116	283 647	30 934	535 697
Collateral and other credit enhancements	222 625	460 399	33 235	716 259
Net default loans and advances to customers (limited to zero)	–	–	–	–
Total impairments as a % of gross core loans and advances to customers	3.67%	1.02%	0.72%	1.71%
Total impairments as a % of gross default loans	37.15%	22.22%	27.21%	29.42%
Gross defaults as a % of gross core loans and advances to customers	9.88%	4.61%	2.65%	5.80%
Defaults (net of impairments) as a % of net core loans and advances to customers	6.44%	3.62%	1.94%	4.17%
Net defaults as a % of core loans and advances to customers	–	–	–	–
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.47%	0.75%	4.21%	1.39%

* *Largely includes lending activities within our Central Funding and International Trade Finance businesses.*

Corporate client				Other*				
UK and Europe	Southern Africa	Australia	Total	UK and Europe	Southern Africa	Australia	Total	Total
2 234 201	2 270 678	295 340	4 800 219	143 905	408 359	60 058	612 322	18 497 580
(19 732)	(9 678)	(690)	(30 100)	(1 668)	(16 144)	–	(17 812)	(271 198)
–	(1 919)	–	(1 919)	(1 668)	(8 347)	–	(10 015)	(20 159)
(19 732)	(7 759)	(690)	(28 181)	–	(7 797)	–	(7 797)	(251 039)
2 214 469	2 261 000	294 650	4 770 119	142 237	392 215	60 058	594 510	18 226 382
2 135 431	2 414 992	274 353	4 824 776	159 564	428 628	30 962	619 154	18 783 594
2 126 551	2 236 789	287 777	4 651 117	143 341	387 626	60 058	591 025	17 231 735
107 650	33 889	7 563	149 102	564	20 733	–	21 297	1 265 845
22 819	16 637	4 303	43 759	15	6 656	–	6 671	290 513
537	–	451	988	40	3 153	–	3 193	100 561
84 294	17 252	2 809	104 355	509	10 924	–	11 433	874 771
2 234 201	2 270 678	295 340	4 800 219	143 905	408 359	60 058	612 322	18 497 580
107 650	33 889	7 563	149 102	564	20 733	–	21 297	1 265 845
–	865	–	865	–	–	–	–	10 632
23 623	16 637	5 958	46 218	55	9 809	–	9 864	523 369
84 027	16 387	1 605	102 019	509	10 924	–	11 433	731 844
(37 104)	(12 414)	4 787	(44 731)	803	3 944	(12)	4 735	(225 687)
84 294	17 252	2 809	104 355	509	10 924	–	11 433	874 771
(19 732)	(7 759)	(690)	(28 181)	–	(7 797)	–	(7 797)	(251 039)
–	(1 919)	–	(1 919)	(1 668)	(8 347)	–	(10 015)	(20 159)
64 562	7 574	2 119	74 255	(1 159)	(5 220)	–	(6 379)	603 573
88 152	16 354	2 549	107 055	552	3 706	–	4 258	827 572
–	–	–	–	–	–	–	–	–
0.88%	0.43%	0.23%	0.63%	1.16%	3.95%	–	2.91%	1.47%
23.41%	56.10%	24.56%	28.84%	>100.0%	>100.0%	–	>100.0%	31.00%
3.77%	0.76%	0.95%	2.17%	0.35%	2.68%	–	1.87%	4.73%
2.92%	0.33%	0.72%	1.56%	(0.81%)	(1.33%)	–	(1.07%)	3.31%
–	–	–	–	–	–	–	–	–
1.17%	0.44%	(1.74%)	0.72%	(0.50%)	(0.92%)	0.04%	(0.76%)	1.12%

Asset quality and impairments (continued)

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

As at 31 March 2011 £'000	Private client UK and Europe	Southern Africa	Australia	Total
Gross core loans and advances to customers	3 519 886	8 225 970	1 848 436	13 594 292
Total impairments	(141 673)	(99 822)	(27 986)	(269 481)
Portfolio impairments	–	(14 476)	(1 518)	(15 994)
Specific impairments	(141 673)	(85 346)	(26 468)	(253 487)
Net core loans and advances to customers	3 378 213	8 126 148	1 820 450	13 324 811
Average gross core loans and advances to customers	3 583 746	7 980 565	1 764 225	13 328 536
Current loans and advances to customers	2 971 055	7 537 610	1 589 647	12 098 312
Past due and default core loans and advances to customers	548 831	688 360	258 789	1 495 980
Past due loans and advances to customers (1 – 60 days)	204 866	86 358	24 152	315 376
Special mention loans and advances to customers	12 674	52 108	12 628	77 410
Default loans and advances to customers	331 291	549 894	222 009	1 103 194
Gross core loans and advances to customers	3 519 886	8 225 970	1 848 436	13 594 292
Past due and default core loans and advances to customers	548 831	688 360	258 789	1 495 980
Default loans that are current and not impaired	–	6 746	–	6 746
Gross core loans and advances to customers that are past due but not impaired	272 151	340 839	135 205	748 195
Gross core loans and advances to customers that are impaired	276 680	340 775	123 584	741 039
Total income statement charge for impairments on loans and advances	(123 891)	(94 223)	(26 862)	(244 976)
Gross default loans and advances to customers	331 291	549 894	222 009	1 103 194
Specific impairments	(141 673)	(85 346)	(26 468)	(253 487)
Portfolio impairments	–	(14 476)	(1 518)	(15 994)
Defaults net of impairments	189 618	450 072	194 023	833 713
Collateral and other credit enhancements	290 759	651 391	210 637	1 152 787
Net default loans and advances to customers (limited to zero)	–	–	–	–
Total impairments as a % of gross core loans and advances to customers	4.02%	1.21%	1.51%	1.98%
Total impairments as a % of gross default loans	42.76%	18.15%	12.61%	24.43%
Gross defaults as a % of gross core loans and advances to customers	9.41%	6.68%	12.01%	8.12%
Defaults (net of impairments) as a % of net core loans and advances to customers	5.61%	5.54%	10.66%	6.26%
Net defaults as a % of core loans and advances to customers	–	–	–	–
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	3.46%	1.18%	1.52%	1.84%

* *Largely includes lending activities within our Central Funding and International Trade Finance businesses.*
^ *Exposures cannot be set-off against one another.*

	Corporate client				Other*				
	UK and Europe	Southern Africa	Australia	Total	UK and Europe	Southern Africa	Australia	Total	Total
	2 036 660	2 559 305	253 366	4 849 331	175 222	448 897	1 866	625 985	19 069 608
	(13 842)	(2 574)	(241)	(16 657)	–	(25 332)	–	(25 332)	(311 470)
	–	(1 654)	–	(1 654)	–	(13 196)	–	(13 196)	(30 844)
	(13 842)	(920)	(241)	(15 003)	–	(12 136)	–	(12 136)	(280 626)
	2 022 818	2 556 731	253 125	4 832 674	175 222	423 565	1 866	600 653	18 758 138
	1 907 079	2 575 797	212 029	4 694 905	143 436	414 688	1 808	559 932	18 583 373
	1 948 588	2 547 067	247 960	4 743 615	174 966	420 097	1 866	596 929	17 438 856
	88 072	12 238	5 406	105 716	256	28 800	–	29 056	1 630 752
	27 761	1 555	–	29 316	239	11 825	–	12 064	356 756
	487	6 786	1 263	8 536	–	1 595	–	1 595	87 541
	59 824	3 897	4 143	67 864	17	15 380	–	15 397	1 186 455
	2 036 660	2 559 305	253 366	4 849 331	175 222	448 897	1 866	625 985	19 069 608
	88 072	12 238	5 406	105 716	256	28 800	–	29 056	1 630 752
	–	–	–	–	–	–	–	–	6 746
	28 483	8 341	5 135	41 959	239	13 420	–	13 659	803 813
	59 589	3 897	271	63 757	17	15 380	–	15 397	820 193
	(28 411)	13 662	(3 345)	(18 094)	11 704	3 023	–	14 727	(248 343)
	59 824	3 897	4 143	67 864	17	15 380	–	15 397	1 186 455
	(13 842)	(920)	(241)	(15 003)	–	(12 136)	–	(12 136)	(280 626)
	–	(1 654)	–	(1 654)	–	(13 196)	–	(13 196)	(30 844)
	45 982	1 323	3 902	51 207	17	(9 952)	–	(9 935)	874 985
	45 983	2 977	3 902	52 862	–	4 412	–	4 412	1 210 061
	–	–	–	–	17	–	–	17^	17^
	0.68%	0.10%	0.10%	0.34%	–	5.64%	–	4.05%	1.63%
	23.14%	66.05%	5.82%	24.54%	–	>100%	–	>100%	26.25%
	2.94%	0.15%	1.64%	1.40%	0.01%	3.43%	–	2.46%	6.22%
	2.27%	0.05%	1.54%	1.06%	0.01%	(2.35%)	–	(1.65%)	4.66%
	–	–	–	–	–	–	–	–	–
	1.07%	(0.49%)	1.58%	0.32%	(8.16%)	(0.73%)	–	(2.63%)	1.27%

Kensington group plc – salient features

As at 31 March 2012	Warehouse book	Securitised portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	1 432	1 938	3 370	
IFRS adjustments (£'million)	(77)	67	(10)	
Mortgage assets under management (£'million)	1 509	1 871	3 380	
First charge % of total mortgage assets under management	94.1%	93.6%	93.8%	
Second charge % of total mortgage assets under management	5.9%	6.4%	6.2%	
Fixed rate loans % of total mortgage assets under management	0.7%	0.1%	0.3%	
Number of accounts	13 633	21 738	35 371	
Average loan balance (first charge) (£)	141 597	106 907	120 083	
Largest loan balance (£)	1 091 675	1 174 323	1 174 323	
Weighted average loan mature margin (%)	4.1%	4.7%	4.5%	
Product mix (pre-IFRS adjustments) (£'million)	1 509	1 871	3 380	100.0%
Prime	6	–	6	0.2%
Near prime	504	380	884	26.2%
Prime buy to let	1	–	1	–
Adverse	349	1 383	1 732	51.2%
Adverse buy to let and right to buy	61	108	169	5.0%
Start – Irish operations	588	–	588	17.4%
Geographic distribution (£'million)	1 509	1 871	3 380	100.0%
UK – North	284	609	893	26.4%
UK – South West	69	132	201	5.9%
UK – South East	207	388	595	17.6%
Outer London	143	231	374	11.1%
Inner London	67	129	196	5.8%
Midlands	151	382	533	15.8%
Start – Irish operations	588	–	588	17.4%
Spread of value of properties (%)	100.0%	100.0%	100.0%	
>£500 000	3.5%	1.1%	1.9%	
>£250 000 – <=£500 000	23.5%	9.9%	15.2%	
>£200 000 – <=£250 000	16.5%	11.6%	13.5%	
>£150 000 – <=£200 000	20.6%	20.0%	20.2%	
>£100 000 – <=£150 000	23.2%	30.6%	27.7%	
>£70 000 – <=£100 000	11.2%	20.7%	17.1%	
>£50 000 – <=£70 000	1.4%	5.0%	3.7%	
<£50 000	0.1%	1.1%	0.7%	
Asset quality statistics				
Weighted average current LTV (adjusted for house price index movement*)	105.6%	79.8%	91.3%	

* *Bad debt provision is based on house price index assumptions of:*
UK: calendar year: house price growth of nil going forward, with an additional -20% haircut to the price to reflect forced sale discount.
Ireland: peak to trough decline of 53%, including calendar year: house price decline assumption of -9% for 2012, and house price growth assumption of 1%, 3%, 4%, 4% per annum respectively for the period 2013 – 2016, and an additional forced sale discount of 5% – 6%.

As at 31 March 2012	Warehouse book	Securitised portfolio	Total	% of total
LTV spread – % of book	100.0%	100.0%	100.0%	
<= 65%	11.5%	21.8%	17.6%	
>65% – <70%	3.4%	6.3%	5.1%	
>70% – <75%	3.7%	8.5%	6.5%	
>75% – <80%	4.5%	9.4%	7.4%	
>80% – <85%	5.5%	11.0%	8.7%	
>85% – <90%	7.3%	12.0%	10.1%	
>90% – <95%	8.6%	9.1%	8.9%	
>95% – <100%	8.6%	7.1%	7.7%	
> 100%	46.9%	14.8%	28.0%	
% of accounts > 90 days in arrears	33.2%	29.3%	30.8%	
Number of accounts > 90 days in arrears	4 515	6 368	10 883	
Total capital lent in arrears (£'million)	748	848	1 596	100.0%
Arrears 0 – 60 days	73	136	209	13.1%
Arrears 61 – 90 days	56	97	153	9.6%
Arrears >90 days	565	571	1 136	71.2%
Possession	54	44	98	6.1%
Debt to income ratio of clients (%)	20.2%	19.1%	19.6%	
Investec investment/exposure to assets reflected above (£'million)	1 054	36	1 090	
On balance sheet provision (£'million)	(127)	(24)	(151)	
Investec net investment/exposure to assets reflected above (£'million)	927	12	939	

Kensington group plc – salient features (continued)

As at 31 March 2011	Warehouse book	Securitised portfolio	Total	% of total
Assets and business activity statistics				
Mortgage assets under management (£'million)	1 613	2 605	4 218	
IFRS adjustments (£'million)	(34)	63	29	
Mortgage assets under management (£'million)	1 647	2 542	4 189	
First charge % of total mortgage assets under management	93.8%	94.6%	94.3%	
Second charge % of total mortgage assets under management	6.2%	5.4%	5.7%	
Fixed rate loans % of total mortgage assets under management	0.7%	–	0.3%	
Number of accounts	14 753	28 073	42 826	
Average loan balance (first charge) (£)	143 689	109 232	120 542	
Largest loan balance (£)	1 106 793	1 211 581	1 211 581	
Weighted average loan mature margin	4.1%	4.6%	4.4%	
Product mix (pre-IFRS adjustments) (£'million)	1 647	2 542	4 189	100.0%
Prime	5	–	5	0.1%
Near prime	553	418	971	23.2%
Prime buy to let	1	–	1	–
Adverse	396	1 682	2 078	49.7%
Adverse buy to let and right to buy	66	124	190	4.5%
Start – Irish operations	626	318	944	22.5%
Geographic distribution (£'million)	1 647	2 542	4 189	100.0%
UK – North	315	711	1 026	24.5%
UK – South West	79	156	235	5.6%
UK – South East	228	462	690	16.5%
Outer London	155	280	435	10.4%
Inner London	73	162	235	5.6%
Midlands	171	453	624	14.9%
Start – Irish operations	626	318	944	22.5%
Spread of value of properties	100.0%	100.0%	100.0%	
>£500 000	3.5%	1.4%	2.2%	
>£250 000 – <=£500 000	23.8%	12.5%	16.4%	
>£200 000 – <=£250 000	16.0%	12.1%	13.4%	
>£150 000 – <=£200 000	20.5%	19.8%	20.0%	
>£100 000 – <=£150 000	23.2%	28.4%	26.6%	
>£70 000 – <=£100 000	11.4%	19.3%	16.6%	
>£50 000 – <=£70 000	1.5%	5.2%	3.9%	
<£50 000	0.1%	1.3%	0.9%	
Asset quality statistics				
Weighted average current LTV of active portfolio (adjusted for house price deflation*)	93.7%	80.5%	85.8%	

* *Bad debt provision is based on house price index assumptions of:*
UK: calendar year 2011: house price decline assumption of circa -12.5% for 2011 and flat thereafter, and an additional -10% haircut to the price to reflect forced sale discount.
Ireland: calendar year 2011: house price decline assumption of -4.9%, and house price growth assumption of 1% for 2012 to 2015.

As at 31 March 2011	Warehouse book	Securitised portfolio	Total	% of total
LTV spread – % of book	100.0%	100.0%	100.0%	
<= 65%	14.2%	23.6%	20.1%	
>65% – <70%	3.6%	6.1%	5.2%	
>70% – <75%	4.2%	7.4%	6.3%	
>75% – <80%	5.0%	9.1%	7.6%	
>80% – <85%	6.2%	10.6%	8.9%	
>85% – <90%	7.1%	11.3%	9.7%	
>90% – <95%	8.8%	9.5%	9.2%	
>95% – <100%	10.5%	7.4%	8.6%	
> 100%	40.4%	15.0%	24.4%	
% of accounts > 90 days in arrears	30.9%	31.0%	31.0%	
Number of accounts > 90 days in arrears	4 566	8 694	13 260	
Total capital lent in arrears (£'million)	745	1 197	1 942	100.0%
Arrears 0 – 60 days	90	171	261	13.4%
Arrears 61 – 90 days	58	110	168	8.7%
Arrears >90 days	558	859	1 417	73.0%
Possession	39	57	96	4.9%
Debt to income ratio of clients %	19.5%	19.3%	19.3%	
Investec investment/exposure to assets reflected above (£'million)	619	113	732	
On balance sheet provision (£'million)	(84)	(48)	(132)	
Investec net investment/exposure to assets reflected above (£'million)	535	65	600	

Shareholder analysis

Investec ordinary shares

As at 31 March 2012 Investec plc and Investec Limited had 598.3 million and 276.0 million ordinary shares in issue respectively.

Largest ordinary shareholders as at 31 March 2012

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	Public Investment Corporation (ZA)	85 575 855	14.3%
2	Coronation Fund Managers (ZA)	46 256 861	7.7%
3	Allan Gray (ZA)	45 953 028	7.7%
4	Old Mutual (ZA)	27 864 457	4.7%
5	Sanlam Group (ZA)	25 170 696	4.2%
6	BlackRock Inc (US and UK)	23 015 284	3.9%
7	Legal & General Investment Management (UK)	21 586 169	3.6%
8	Norges Bank Investment Management (Oslo)	16 158 059	2.7%
9	Prudential Group (ZA)	15 735 602	2.6%
10	Abax Investments (ZA)	14 141 267	2.4%
	Cumulative total	321 457 278	53.8%

The top 10 shareholders account for 53.8% 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

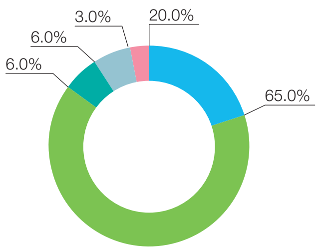
Shareholder analysis by manager group

		Number of shares	% holding
1	Public Investment Corporation (ZA)	31 602 307	11.4%
2	Old Mutual (UK and ZA)	18 914 873	6.9%
3	Investec Staff Share Schemes (UK and ZA)	16 579 211	6.0%
4	Entrepreneurial Development Trust (ZA)*	16 311 353	5.9%
5	MMI Holdings (UK and ZA)	15 976 667	5.8%
6	Sanlam Group (UK and ZA)	15 613 376	5.7%
7	BlackRock Inc (UK and US)	11 147 152	4.0%
8	Afena Capital (ZA)	9 845 728	3.6%
9	Coronation Fund Managers (ZA)	7 225 511	2.6%
10	Vanguard Group (UK and US)	6 732 575	2.4%
	Cumulative total	149 948 753	54.3%

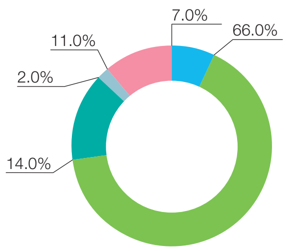
The top 10 shareholders account for 54.3% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

* *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.*

Geographical holding by beneficial ordinary share owner as at 31 March 2012



Investec plc



Investec Limited

- UK
- South Africa
- USA and Canada
- Rest of Europe
- Other countries (including unknown)

Share statistics

Investec plc ordinary shares in issue

For the year ended 31 March	2012	2011	2010	2009	2008	2007	2006
Closing market price per share (Pounds)							
Year end	3.82	4.78	5.39	2.92	3.39	6.58	5.88
Highest	5.22	5.50	5.62	4.21	7.65	6.76	6.07
Lowest	3.18	4.29	2.87	1.69	2.94	4.95	3.04
Number of ordinary shares in issue (million)[1]	598.3	537.2	471.1	444.9	423.3	381.6	373.0
Market capitalisation (£'million)[1]	2 286	2 568	2 539	1 299	1 435	2 511	2 194
Daily average volume of shares traded ('000)	1 683	1 634	1 932.6	2 604	3 926	2 832	1 489
Price earnings ratio[2]	12.0	11.1	12.0	6.9	6.0	12.4	14.0
Dividend cover (times)[2]	1.9	2.5	2.8	3.3	2.3	2.3	2.3
Dividend yield (%)[2]	4.5	3.6	3.0	4.5	7.4	3.5	3.1
Earnings yield (%)[2]	8.3	9.0	8.4	14.5	16.7	8.1	7.1

Investec Limited ordinary shares in issue

For the year ended 31 March	2012	2011	2010	2009	2008	2007	2006
Closing market price per share (Rands)							
Year end	47.16	52.80	62.49	38.86	57.43	93.30	62.60
Highest	57.36	65.50	65.40	63.19	104.4	94.60	66.50
Lowest	42.00	49.49	37.51	27.20	50.90	59.06	34.10
Number of ordinary shares in issue (million)[1]	276.0	272.8	269.8	268.4	234.3	227.7	220.0
Market capitalisation (R'million)[3]	41 232	42 768	46 299	27 715	37 766	56 848	37 121
Market capitalisation (£'million)[3]	3 340	3 872	3 993	2 083	2 229	4 009	3 488
Daily average volume of shares traded ('000)	1 033	794	1 068	1 168	841	620	478

1. *The LSE only include the shares in issue for Investec plc, i.e. 598.3 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK.*
2. *Calculations are based on the group's consolidated earnings per share before goodwill, acquired intangibles and non-operating items; and dividends per share as prepared in accordance with IFRS and denominated in Pounds Sterling.*
3. *The JSE Limited have agreed to use the total number of shares in issue for the combined group, comprising Investec plc and Investec Limited, in calculating market capitalisation, i.e. a total of 874.3 million shares in issue.*

Divisional and segmental review

Group operating structure

Investec is a focused, specialist bank and asset manager striving to be distinctive in all that it does. 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.

We seek to maintain an appropriate balance between revenue earned from operational risk businesses and revenue earned from financial risk businesses. This ensures that we are not over reliant on any one part of our business to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and to support our long-term growth objectives. Our current strategic objectives include increasing the proportion of our non-lending revenue base which we largely intend to achieve through the continued strengthening and development of our wealth and asset management businesses.

Asset Management	Wealth & Investment	Specialist Banking
– 4Factor equities – Contrarian – South African equities – Frontier – Commodities and resources – Fixed income and currency – Multi-asset	– Portfolio management – Stockbroking – Alternative investments – Investment advisory services – Electronic trading services – Retirement portfolios	– Property activities – Private Banking activities – Corporate Advisory and Investment activities – Corporate and Institutional Banking activities – Group Services and Other activities
– Africa – Americas and Japan – Asia – Australia – Europe – Middle East – UK	– Southern Africa – UK and Europe	– Australia – Canada – Hong Kong – India – Southern Africa – UK and Europe – USA

Integrated global management structure

Global roles

Chief executive officer – Stephen Koseff
Managing director – Bernard Kantor

Executive director – Hendrik du Toit
Group risk and finance director – Glynn Burger

Geographical business leaders

South Africa
Andy Leith,
Glynn Burger
and David Lawrence

United Kingdom
David van der Walt

Australia
David Clarke

Specialist Banking

Property activities
Sam Hackner

Private Banking activities
Ciaran Whelan

Corporate Advisory and Investment activities
Andy Leith

Corporate and Institutional Banking activities
David van der Walt

Asset Management Hendrik du Toit

Wealth & Investment Steve Elliott

Support structures

Banking and institutions
David Lawrence

Chief integrating officer
Allen Zimbler

Corporate governance and compliance
Bradley Tapnack

Marketing
Raymond van Niekerk

Finance and risk management
Glynn Burger

Share schemes and secretarial
Les Penfold

Asset Management

£61.5 billion
assets under management
(2011: £58.8 billion)

£5.2 billion
net new flows
(2011: £7.4 billion)

£133.7 million
net profit
(2011: £127.3 million)

64.3%
cost to income ratio
(2011: 63.0%)

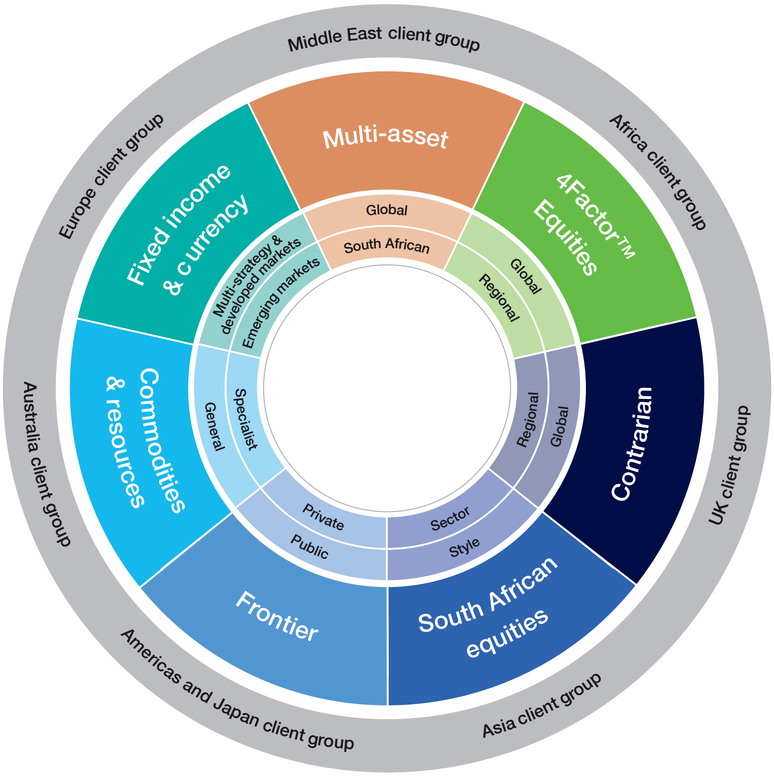
Value proposition

- Organically built an independent global platform from an emerging market base
- Independently managed entity within Investec group
- Competitive investment performance in chosen specialities
- Truly global approach:
  - global investing
  - global client base
- Institutional focus
- Unique and clearly understood culture
- Stable and experienced leadership
  - executive committee: average tenure of 18 years
  - top 30 leaders: average tenure of 14 years.

At Investec Asset Management, our business is to manage clients' investments to the highest standard possible by exceeding their investment and client service expectations. We manage £61.5 billion of assets on behalf of our clients from around the world who are invested in our seven core investment capabilities. Employing over 140 investment professionals, we manage our investments from two investment centres (London and Cape Town) serving our client base from seven distinct client groups.

Established in 1991, we have grown largely organically from domestic roots in Southern Africa and are still managed by our founding members, representing continuity and stability throughout our growth.

Capabilities and organisational structure



Management structure

Chief executive officer
Hendrik du Toit

Chief operating and financial officer
Kim McFarland

Global head of client group
John Green

Co-chief investment officer
Domenico (Mimi) Ferrini

Co-chief investment officer
John McNab

Financial analysis

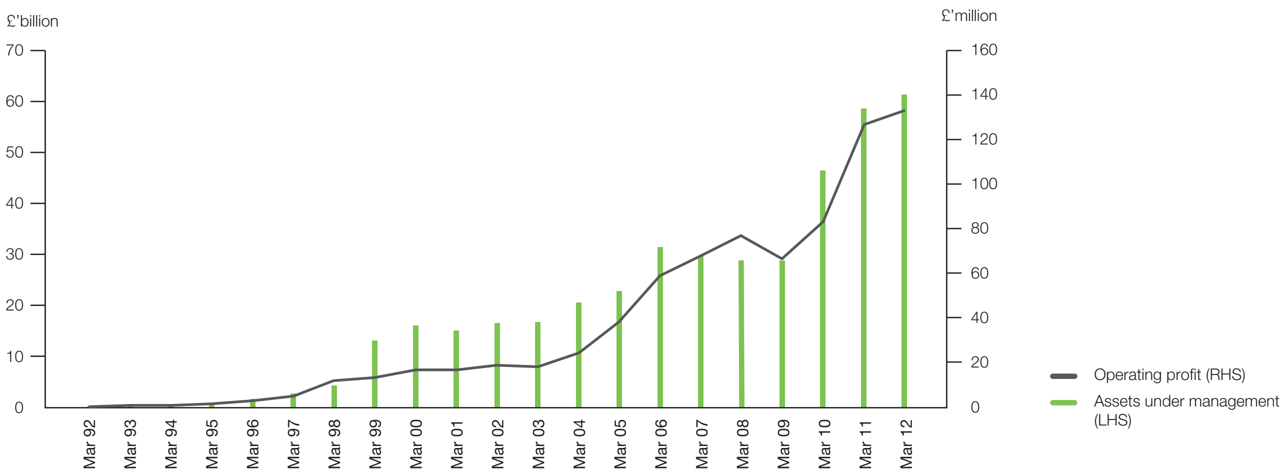
- Operating profit increased by 5% to £133.7 million, contributing 37.3% to group profit
- Assets under management increased by 4.7% to a record level of £61.5 billion.

Contribution analysis

* *Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.*

** *As calculated on page 45, based on regulatory capital requirements.*

Historical financial performance



Income statement analysis

£'000	31 March 2012	31 March 2011	Variance	% change
Net interest income	5 163	2 989	2 174	72.7%
Net fee and commission income	367 856	339 104	28 752	8.5%
Investment income	25	(40)	65	(162.5%)
Income arising from balance sheet management and other trading activities	380	–	380	100.0%
Other operating income	2 178	2 537	(359)	(14.2%)
Total operating income before impairment losses on loans and advances	375 602	344 590	31 012	9.0%
Impairment losses on loans and advances	–	29	(29)	(100.0%)
Operating costs	(241 529)	(216 947)	(24 582)	11.3%
Operating profit before goodwill and acquired intangibles, non-operating items, taxation	**134 073**	**127 672**	**6 401**	**5.0%**
Earnings attributable to non-controlling interests	(380)	(364)	(16)	4.4%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	**133 693**	**127 308**	**6 385**	**5.0%**
UK and International	58 922	53 002	5 920	11.2%
Southern Africa	74 771	74 306	465	0.6%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	**133 693**	**127 308**	**6 385**	**5.0%**
Ordinary shareholders' equity*	142 602	141 608	994	0.7%
ROE (pre-tax)*	84.0%	78.5%		
Return on tangible equity (pre-tax)*	288.6%	329.7%		
Cost to income ratio	64.3%	63.0%		
Operating profit per employee (£'000)*	119.2	124.8	(5.6)	(4.5%)

* *As calculated on pages 45 and 47, based on regulatory capital requirements.*

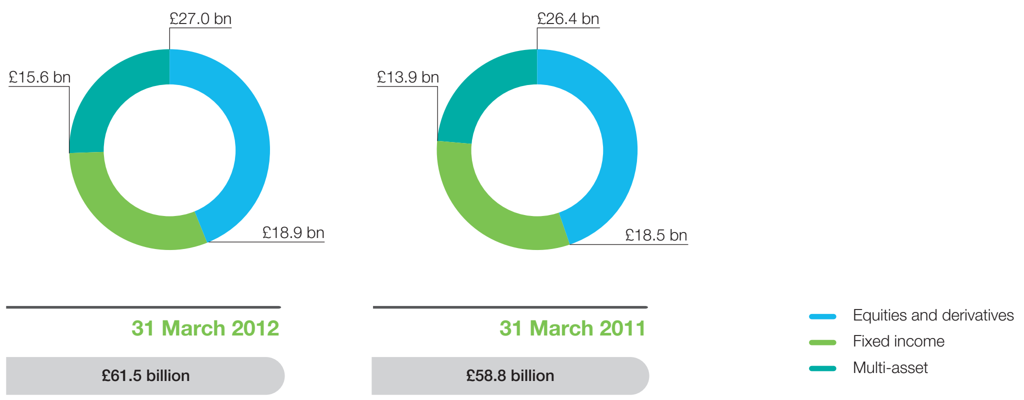
Equity market conditions have been volatile over the financial year which has had an effect on the bottom line. Revenues were subdued in the second half of the financial year as a consequence of fears over the Eurozone crisis. Weak markets will continue to affect our revenues but our broad range of investment capabilities is well positioned to serve current and future investor demand. Performance fees were lower (£30.0 million) as compared to the prior year (£51.4 million); this was within particular capabilities where fees were affected by absolute market levels.

Assets under management and flows

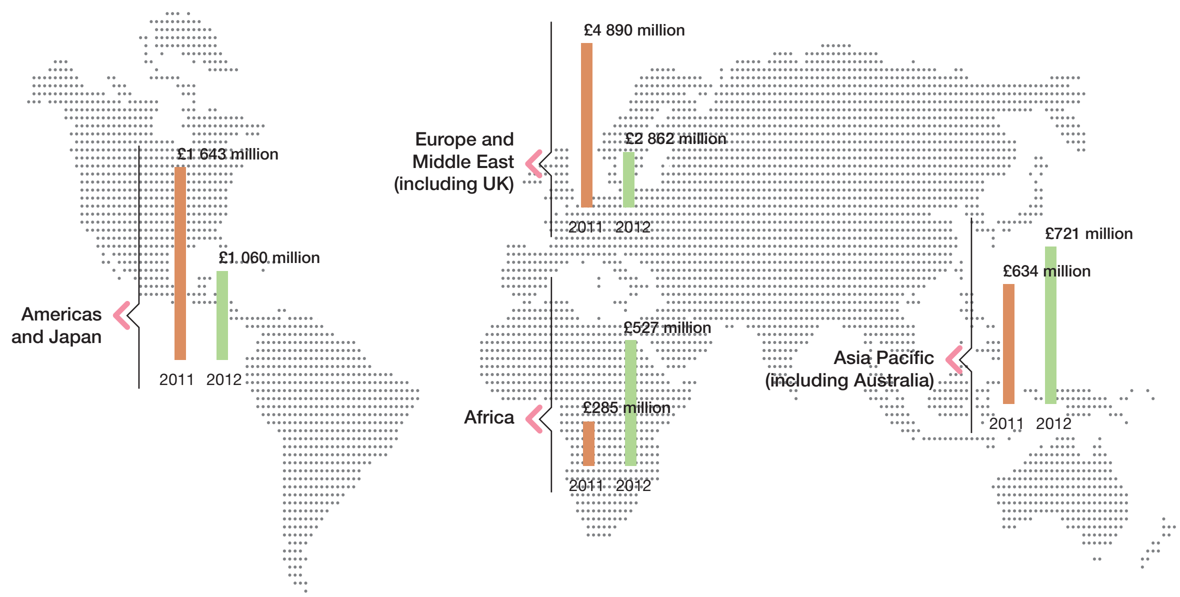
£'million	31 March 2012	Net flows	31 March 2011
Fixed income	18 866	1 559	18 518
Equities and derivatives	27 041	2 326	26 413
Multi-asset	15 648	1 285	13 871
Global assets under management	61 555	5 170	58 802

Our broadened geographic spread facilitated net inflows of £5.2 billion with positive contributions from all of our client groups.

Assets under management by asset group*



Net flows by geography*



* *As at 31 March 2012 or financial year to March 2012.*

4

Independent recognition

Calendar year 2011

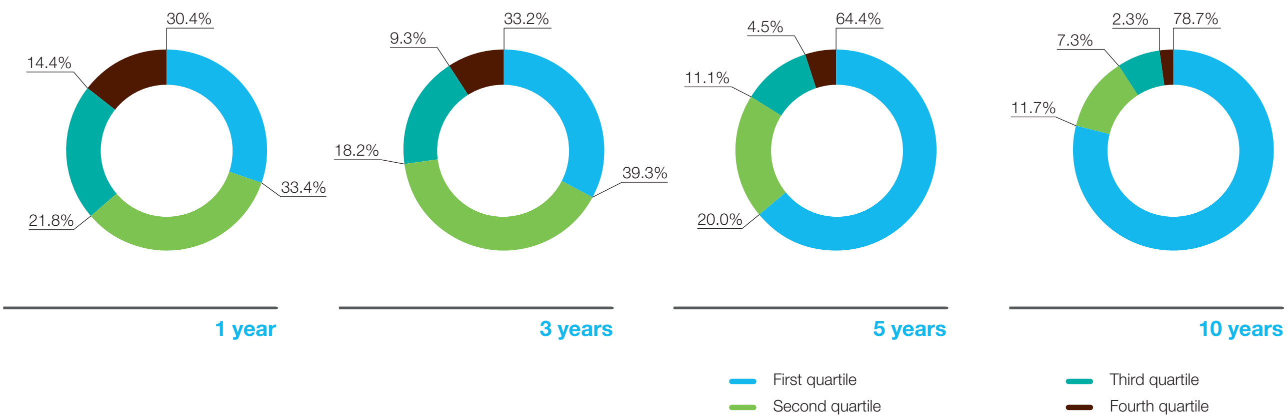
- Winner of Fund Europe's European Asset Management Company of the Year
- Winner of EMEA Finance's Best Asset Manager in Africa award
- Winner of Raging Bull's (South Africa) – Offshore Management Company of the Year (second year running)
- Winner of Imbasa Yegolide's Global Manager of the Year award (second year running)
- Runner up in *Financial News* award for European Asset Management Firm of the Year.

Investment performance

All of our investment capabilities are managed with the simple aim of delivering performance which meets or exceeds our clients' expectations around specific strict risk parameters.

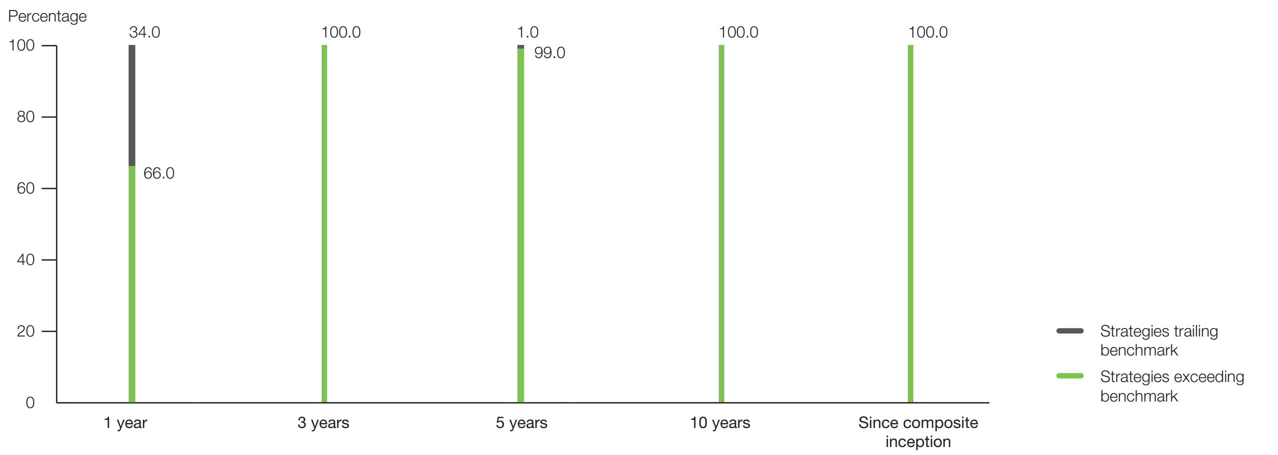
We measure our investment performance relative to peer group and against benchmark over one, three, five and 10 year periods and since inception. Short-term headwinds have affected our investment performance, but our long-term track record remains competitive.

Mutual funds investment performance



Source: Calculated from Lipper and Morningstar data by value; excludes cash, cash plus and liquidity funds. Performance to 31 March 2012.

Segregated mandates performance



Source: Calculated by Investec Asset Management from StatPro Composites, capability weighted. Performance to 31 March 2012.

Developments

- Over the year, we continued to focus on institutional clients from across the world, a strategy which has paid off with flows for the financial year at over £5 billion and a positive pipeline of new business opportunities
- We have continued to invest in our investment capabilities resulting in competitive investment performance.

Strategic objectives

Our strategy is a long-term one and our platform is durable and scalable. We are unique in that we have developed our business from scratch out of a domestic position in an emerging market. We have a strong culture and believe in giving our people the 'freedom to create'. We aim to build deep relationships where we operate as a respected investment partner with the world's most influential asset owners. Our business is about investment performance, clients, occasional innovation and insight. The firm seeks to create a profitable partnership between clients, shareholders and employees and our aim is to exceed our clients' investment and client service expectations and to manage their money to the highest possible standard.

Outlook

The momentum of our business is positive and we have benefited from sustained performance over many years. Weak markets will continue to affect our flows, revenues and profits, but our broad range of investment capabilities is well positioned to serve current and future investor demand. With this as a foundation and with our global client reach and institutional market focus, we have managed to steer a stable course in this uncertain climate. However, given the world is subject to dramatic changes in regulatory agendas, demographic shifts and relative risk perceptions, we continue to be vigilant and the key risks to our business remain market levels, key staff retention, reputational risk and investment performance.

We believe that our long-term strategy will continue to create substantial value for clients and shareholders alike.

Wealth & Investment

Value proposition

- Business has been built via consolidation of businesses and organic growth over a long period of time
- Largest private client manager in South Africa and one of the top five players in the UK
- Well established platforms in the UK, South Africa and Switzerland
- Acquisition of Williams de Broë added c.£7 billion funds under management
- Focus is on consolidating and internationalising the business.

What we do

UK and Europe

The Investec Wealth & Investment operation in the UK is made up of Investec Wealth & Investment Limited (formerly Rensburg Sheppards plc) and Williams de Broë Limited. The European operations are conducted through Wealth Management Europe. Further information on the acquisition of Williams de Broë Limited is provided on page 10.

Collectively the businesses provide investment management services for private clients, charities, intermediaries, pension schemes and trusts. Over 1 000 staff operate from offices across the UK and in Switzerland, and with combined funds under management of £21 billion, the Investec Wealth & Investment operation is one of the UK's leading providers of private client investment management services. The services provided by Investec Wealth & Investment include:

- Investments and savings
  - Discretionary and advisory portfolio management services for private clients
  - Specialist investment management services for intermediaries, charities, pension schemes and trusts
- Financial planning
  - Discretionary investment management for company pension and self invested personal pension (SIPP) schemes
  - Advice and guidance on pension schemes, life assurance and income protection schemes
  - Inheritance tax planning.

South Africa

Investec Wealth & Investment South Africa provides portfolio management, wealth management and stockbroking services for private clients, charities, pension funds and trusts, operating from eight offices across South Africa with R26.8 billion of funds under full discretionary management and a further R142.5 billion of funds under various other forms of administration.

Management structure

Global head: Steve Elliott

UK and Europe	
UK	
Chief executive	Jonathan Wragg
Finance	Iain Hooley
Chief operating officer	Judy Price
Regional heads	David Bulteel
	Simon Kaye
	Jon Seal
	Tom Street
Compliance and risk	Mike Rigby
Head of projects	Jane Warren
Human resources and treasury	Mark Redmayne
Research	John Haynes
Marketing	Aidan Lisser
Switzerland	
Chief executive	Oliver Betz
Chief operating officer	Peter Gyger
Legal and compliance	Petra Otten

Williams de Broë	
Chief executive	Jonathan Wragg
Chief operating officer	David Howard
Finance	Paul Horwood
Regional heads	Dougal Fraser
	Martin Vanstone
	Scott Jones
	Michele Rogers
	Adrian Quin
	Murray Mackay
Compliance and risk	Mike Rigby
Research	Jim Wood-Smith
Human resources	Melanie Beard
Marketing	Mark Stevens

South Africa	
Chief executive	Henry Blumenthal
Chief operating officer	Joubert Hay
Regional heads	
Cape Town	Jonathan Bloch
	Stephen Glanz
Durban	Craig Hudson
Johannesburg	Paul Deuchar
Pietermaritzburg	Andrew Smythe
Port Elizabeth	Andy Vogel
Pretoria	Sean Caveney
Wealth management	Raymond Goss
	Sean Caveney
Finance	Bella Ferreira
IT	Lyndon Subroyen
Risk management	Alex Harding
Settlements	Hennie de Waal
Compliance	Bernadette Ghenne
Marketing	Johan Greeff

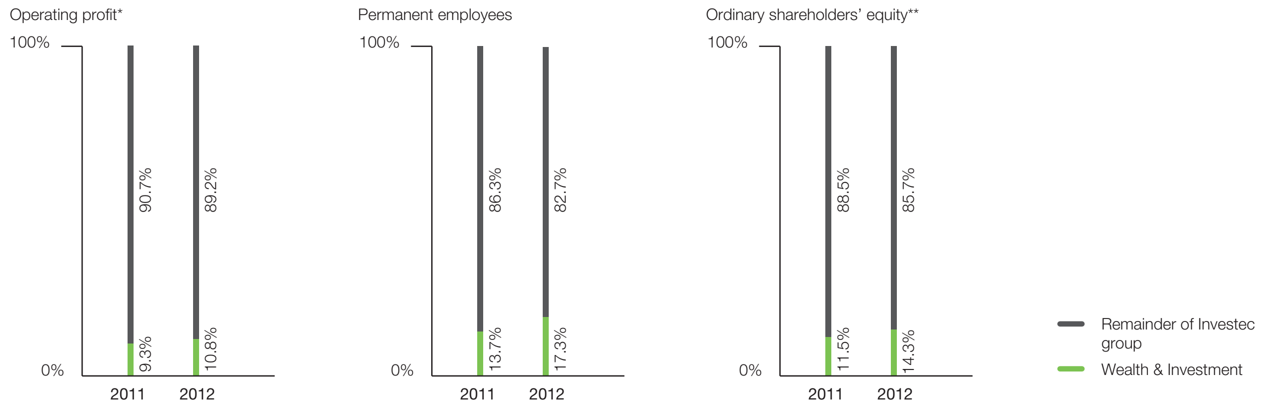
Review of operating environment

The first quarter of the financial year was a period of relative stability for financial markets. This stability was short lived, as the continuing sovereign debt crisis and instability in the euro zone led to sharp falls in equity indices in August 2011. A period of marked volatility followed as investors remained cautious and risk in the financial markets remained high. These challenging conditions made the implementation of investment strategies difficult and transaction volumes were depressed as a result. Whilst equity indices regained ground during the final quarter, the risk of further volatility remains high and the outlook is dependent upon the future developments in the wider economy and achieving a credible solution to the euro zone crisis.

Financial analysis

- Operating profit decreased by 4.2% to £38.7 million, contributing 10.8% to group profit
- Since 31 March 2011, private client funds under management increased 18.1% from £29.4 billion to £34.8 billion largely as a result of the acquisition of Williams de Broë.

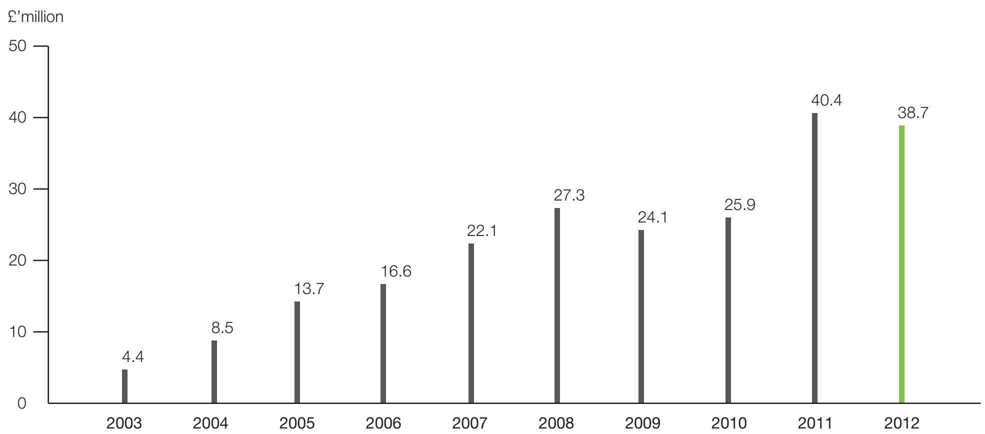
Contribution analysis



* *Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.*

** *As calculated on page 45.*

Operating profit^ – track record



^ *Trend reflects numbers as at the year ended 31 March, unless otherwise stated. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts from 2008 are shown before goodwill acquired intangibles, non-operating items, taxation and after non-controlling interests. Prior to 2008 amounts have not been adjusted for non-controlling interests.*

Income statement analysis

£'000	31 March 2012	31 March 2011	Variance	% change
Net interest income	10 083	7 281	2 802	38.5%
Net fee and commission income	186 181	147 641	38 540	26.1%
Investment income	(392)	1 126	(1 518)	(>100.0%)
Trading income				
– Arising from customer flow	108	(1 932)	2 040	>100.0%
– Arising from balance sheet management and other trading activities	97	(528)	625	>100.0%
Other operating income	396	2 651	(2 255)	(85.1%)
Total operating income	196 473	156 239	40 234	25.8%
Operating costs	(157 799)	(115 813)	(41 986)	36.3%
Operating profit before goodwill and acquired intangibles, non-operating items, taxation	**38 674**	**40 426**	**(1 752)**	**(4.3%)**
Earnings attributable to non-controlling interests	47	–	47	100.0%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	**38 721**	**40 426**	**(1 705)**	**(4.2%)**
UK and Europe	23 268	25 008	(1 740)	(7.0%)
Core business	28 723	26 643	2 080	7.8%
Rensburg Fund Management Limited	–	1 563	(1 563)	100.0%
Wealth Management Europe	(5 455)	(3 198)	(2 257)	70.6%
Southern Africa	15 453	15 418	35	0.2%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	**38 721**	**40 426**	**(1 705)**	**(4.2%)**
Ordinary shareholders' equity*	316 275	214 116	102 159	27.4%
ROE (pre-tax)*	13.1%	16.5%		
Return on tangible equity (pre-tax)*	46.9%	78.7%		
Cost to income ratio	80.3%	74.1%		
Operating profit per employee (£'000)*	33.7	63.6	(29.9)	(47.0%)

* *As calculated on pages 45 and 47.*

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

- The South African business posted an operating profit of R182 million, an increase of 4.6% over the prior year. Whilst client execution activity levels have remained subdued, the business has benefitted from higher average funds under management. However, when converted into pound sterling, operating profit has remained broadly flat since the prior year
- In the UK and Europe, the group has benefited from the full year inclusion of the Rensburg Sheppards plc acquisition. However, overall results have continued to be negatively impacted by the restructuring of the wealth management operation in Switzerland. In addition, the prior year results include operating profit of £1.6 million in respect of Rensburg Fund Management, which was acquired by Investec on 25 June 2010 and subsequently disposed of on 18 January 2011.

Further analysis of operating income

UK and Europe

Investec Wealth & Investment Limited (formerly Rensburg Sheppards plc)

£'000	Year to 31 March 2012	For illustrative purposes year to 31 March 2011***	Actual results reported 25 June 2010 to 31 March 2011
Interest income	6 432	5 414	4 265
Fee and commission income	105 244	109 997	84 581
Annuity fees	77 871	79 076	61 013
– Trail commission	5 086	5 474	4 184
– Fees earned on funds under management	68 126	69 537	53 646
– Other*	4 659	4 065	3 183
Deal/non-recurring fees	27 373	30 921	23 568
Dealing commission	23 520	27 272	20 877
Other**	3 853	3 649	2 691
Share of associate income	–	–	2 135
Total operating income	111 676	115 411	90 981

* *Comprises income from the provision of financial planning and corporate ISA services and other miscellaneous income.*

** *2012 comprises a one-off additional management fee earned by Investec Wealth & Investment Limited in relation to its management of Rensburg Aim VCT plc (an independent, separately listed venture capital trust company) and administration/other miscellaneous income. 2011 includes the profit on sale of units of unit trusts relating to Rensburg Fund Management, that was disposed of on 18 January 2011.*

*** *The acquisition of Rensburg Sheppards plc became effective on 25 June 2010. The table above provides information with respect to the actual results reported by Investec for the year ended 31 March 2011, i.e. those earnings recorded in the period 25 June 2010 to 31 March 2011. For illustrative purposes the table also indicates the results for the full year to 31 March 2011, as if Rensburg Sheppards plc were a stand alone group.*

Williams de Broë and Wealth Management Europe

Williams de Broë contributed total operating income of £18.1 million during the period post the acquisition by Investec on 22 December 2011. Wealth Management Europe contributed total operating income of £12.3 million in the year to 31 March 2012 (2011: £10.7 million).

South Africa

£'000	31 March 2012	31 March 2011
Interest income	1 540	1 638
Fee and commission income	52 000	51 945
Annuity fees	50 175	49 983
– Trail commission	8 472	8 245
– Fees earned on funds under management	37 057	35 636
– Other^	4 646	6 102
Deal/non-recurring fees	1 825	1 962
Other income	485	427
Total operating income	54 025	54 010

^ *Mainly comprises JSET, asset swap currency turn and other miscellaneous fees.*

Analysis of key earnings drivers (funds under management)

£'million	31 March 2012	31 March 2011	% change
UK and Europe	20 969	14 852	41.2%
Discretionary	14 187	9 571	48.2%
Non-discretionary and other	6 782	5 281	28.4%
South Africa	13 802	14 596	(5.4%)
Discretionary	2 185	2 076	5.3%
Non-discretionary and other	11 617	12 520	(7.2%)
Total funds under management	34 771	29 448	18.1%

UK and Europe: analysis of key earning drivers (funds under management and inflows)

Funds under management and inflows

£'million	31 March 2012	31 March 2011	% change
Investec Wealth & Investment Limited (formerly Rensburg Sheppards plc)	12 837	12 735	0.8%
Discretionary	9 804	9 571	2.4%
Non-discretionary	3 033	3 164	(4.1%)
Williams de Broë	7 119	–	n/a
Discretionary	4 383	–	n/a
Non-discretionary	2 283	–	n/a
Other*	453	–	n/a
Wealth Management Europe and other	1 013	2 117	(52.1%)
Total	20 969	14 852	41.2%

* *Comprises collectives and unit trust funds managed by Williams de Broë.*

Further analysis of the Investec Wealth & Investment Limited business

	31 March 2012	31 March 2011	% change
Funds under management (£'billion)	12.84	12.74	0.8%
FTSE/APCIMS Private Investors Balanced Index (at period end)	3 002	2 985	0.6%
Annualised underlying rate of net organic growth in total funds under management^	1.6%	4.2%	n/a
% of total funds managed on a discretionary basis	76.4%	75.2%	n/a

^ *Net organic inflows less outflows as a percentage of opening funds under management.*

£'billion	31 March 2012	31 March 2011	% change
At the beginning of the period	12.74	11.60	9.8%
Inflows	0.96	1.08	(11.1%)
Outflows	(0.76)	(0.59)	28.8%
Market adjustment^^	(0.10)	0.65	(>100.0%)
At the end of the period	12.84	12.74	0.8%

^^ *Impact of market movement and relative performance.*

South Africa: analysis of key earnings drivers (funds under management and inflows)

Funds under management

R'million	31 March 2012	31 March 2011	% change
Discretionary	26 809	22 585	18.7%
Non-discretionary and other	142 546	136 216	4.6%
Total	169 355	158 801	6.6%

Net inflows/(outflows) at cost over the period

R'million	31 March 2012	31 March 2011
Discretionary	1 956	1 182
Non-discretionary and other	(7 348)*	11 544
Total	(5 392)	12 726

* *Largely relates to one client who moved their portfolio to another institution to serve as collateral in a transaction they were concluding.*

Developments

UK and Europe

- Equity markets rose at the beginning of the financial year and the FTSE 100 exceeded the 6 000 mark during April 2011. For the first four months of the financial year, the FTSE 100 fluctuated around the region of 5 950, however, markets suffered a severe setback in early August, with sharp falls which saw the FTSE 100 dropping below 5 000. The period since then has witnessed some marked volatility, with substantial swings occurring on a day-to-day basis. These conditions have made investment decisions particularly difficult, which had a significant adverse impact on transaction volume and commission income from September 2011 until mid-January 2012. While significant risk has remained in the market, a period of relative calm in the final quarter of the financial year has seen the equity markets rising, with the FTSE 100 exceeding a level of 5 900 before falling back to end the financial year at 5 768
- While some clients view lower level of indices as being an investment opportunity, net new funds attracted into portfolios from existing clients has been notably depressed during most of the financial year, reflecting perceived risks of further volatility
- Following Investec's acquisition of the Evolution Group plc on 22 December 2011 (further information is provided on page 10), the process of integrating the Williams de Broë business into the Wealth & Investment division commenced. While the integration process is ongoing, Investec Wealth & Investment Limited and Williams de Broë will continue to trade as separate entities. The integration is expected to complete during the 2012/13 financial year
- Investec Wealth & Investment is in the process of expanding its offshore offering to clients, which will allow the business to exploit opportunities in the international and UK resident non-domiciled marketplace.

South Africa

- The strong second half performance helped drive annual revenue growth by a respectable 6.2% in Rand terms. Growth in discretionary assets of 18.7% in Rand terms was satisfactory and was accompanied by an encouraging yield pick-up which points to an improvement in overall funds under management quality compared to last year.

Strategic objectives

UK and Europe

- Successfully completed the integration of the Williams de Broë business during the remainder of the 2012/13 financial year
- Expand our presence in the international marketplace through our offshore capability
- Achieve positive net organic growth in funds under management
- Achieve growth in additional services which support the core business of investment management.

Wealth & Investment (continued)

South Africa

- We will continue to grow by focusing on the key metrics at our disposal. These include our breadth of leading domestic and offshore investment portfolios and services as well our depth of relationship with many of South Africa's high net worth individuals and families
- In support of this objective we have invested in enhanced operational capacity and technological platforms, continued to attract and develop experienced and professional investment staff, built a sustainable and consistent investment process and leveraged off the synergies available by being a part of the Investec group.

4

Looking forward

UK and Europe

- The key focus of the new financial year will be to achieve the successful integration of the Williams de Broë business into the Wealth & Investment division. Several work streams are ongoing to manage the integration process and its related risks
- The future direction of equity markets continues to be uncertain. Fee income remains exposed to the actual level of the markets on the key quarterly billing dates of the financial year
- The prospect of continuing significant day-to-day volatility in the UK equity markets may lead to depressed transaction activity, potentially adversely affecting the level of commission income generated
- We continue to seek to achieve net organic growth in funds under management of 5% per annum
- The conclusions and proposals of the Retail Distribution Review (RDR) continue to be debated. The full impact that the RDR will have on the industry is yet to become apparent and we will continue to monitor developments closely over the course of the 2012/13 financial year as we progress towards the full implementation of the RDR within the industry
- The Financial Services Compensation Scheme (FSCS) raised a substantial levy on the investment management industry in the previous financial year as a result of the failure of an investment firm Keydata. The FSCS has raised the possibility that the recent failure of MF Global may result in compensation being paid by the FSCS to the extent that further levies may be warranted. The FSCS has been unable to quantify the risk or extent of such further levies until more information regarding the losses and the likely number of eligible claimants becomes available.

South Africa

- Market volatility, as measured by the Volatility Index (VIX), is at one of its lowest levels in the five years since the financial crisis first began. This generally bodes well for our discretionary investment management business as investors are inclined to allocate a larger portion of their investable assets into riskier asset classes, including equities
- The side effects of long term low market volatility include lower trading related turnover which can have a negative impact on our advisory and execution stock broking businesses revenue. This, together with increased margin pressures and rising regulatory related costs throughout the private client stock broking industry, may result in a reduced contribution to overall income from this segment of the business for the new financial year
- We continue to focus on acquiring new discretionary and other annuity fee paying type assets which best fit into our core investment infrastructure – an area in which we have invested quite considerably over the past year. In addition to this, we expect to consolidate our international investment service offering via a single, seamless platform.

Specialist Banking

What we do

Corporates/government/institutional clients

High income and high net worth private clients

Corporate Advisory and Investment activities

- Advisory
- Institutional, research, sales and trading
- Principal investments
- Property activities

- Australia
- Hong Kong
- India
- Southern Africa
- UK and Europe
- USA

Corporate and Institutional Banking activities

- Treasury and trading services
- Specialised finance

- Australia
- Canada
- India
- Southern Africa
- UK and Europe

Private Banking activities

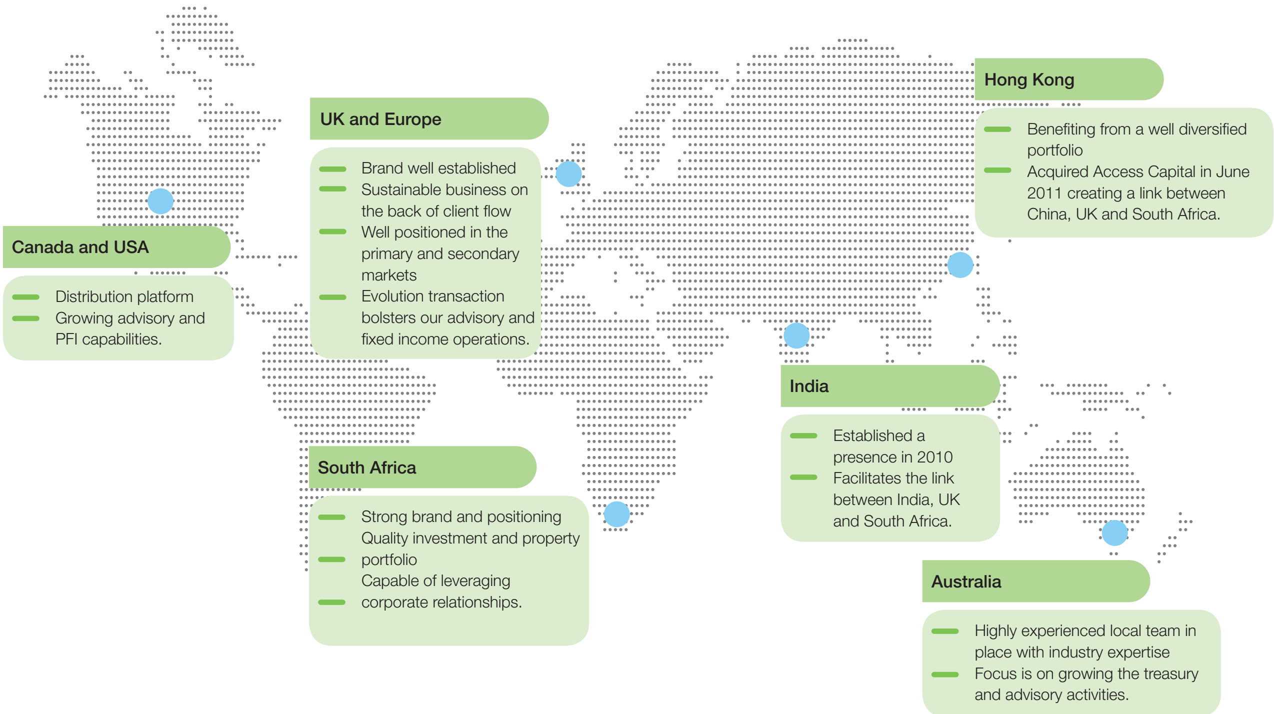
- Lending
- Deposits
- Investments
- Advice

- Australia
- Southern Africa
- UK and Europe

Integrated systems and infrastructure

Specialist Banking: Corporate, institutional and government activities

Footprint of our integrated business with local client delivery and international access



Specialist Banking: Private Banking activities

Value proposition

- Provide high touch transactional banking, specialised lending, deposit and investment products to two distinct client bases:
  - High income – c.155 000 clients
  - High net worth (HNW) – c.5 600 clients
- Provide trust and fiduciary services, for wealth preservation and succession planning
- Provide offshore banking services.

Key focus

- Back to basics
- Growing the client base
- Ensuring the product offering is delivered to our global client base.

Management structure

Corporate Advisory and Investment activities

Global head	Andy Leith

UK and Europe

Regional head	Alex Snow David Currie
Corporate finance and corporate broking	James Grace Chris Baird
Securities	Clive Murray
Operations	Leanne Gordon-Kagan
Finance	Ray Milner

South Africa

Regional head	Andy Leith
Corporate finance	Hugo Steyn
Institutional research, sales and trading	Kevin Brady
Principal investments	Vincent Langlois
Finance: corporate finance and principal investments	Robert Slater Caroline Thomson
Operations: institutional research, sales and trading	Joubert Hay

Australia

Corporate finance
Institutional research, sales and trading
Christian Nicks

Private Equity
Jon Brett

Hong Kong

Regional head
Richard Forlee

Property activities

Global head	Sam Hackner
Deputy chairman	Sam Leon

UK and Europe

Regional head	Sam Hackner
Property projects	Robin Magid

South Africa

Property projects	Robin Magid
Investec property fund	Sam Leon
Finance and operations	Dave Donald

Australia

Regional head	Graeme Katz
Finance and operations	Jason Sandler

Corporate and Institutional Banking activities

Global head	David Van Der Walt

UK and Europe

Regional head	Andy Clapham
Treasury products and distribution	Chris Meyer
Central treasury	John Barbour
Commodities and resource finance	George Rogers
Structured equity derivatives	Anant Patel
Residential mortgages (including Kensington)	Keith Street
Financial markets group	Richard Downer
Credit investments and trading	Henrik Malmer
Specialist corporate capital	David Beadle Jonathan Fourie
Structured and asset finance	Alistair Crowther
Project finance (UK and international)	Maurice Hochschild
Debt capital markets	Eden Riche
Operations	Melanie Abromowitz
Regional head: Ireland	Michael Cullen
Treasury products and distribution: Ireland	Aisling Dodgson
Equity finance: Ireland	Loman Gallagher
Regional head: Canada	John Casola
Regional head: India	Ajeeth Narayan

South Africa

Regional head	Richard Wainwright
Project and resource finance	Michael Meeser
Equity derivatives and foreign exchange trading	Mark Currie
Financial products	Lourens Van Rensburg
Treasury sales and structuring	Ryan Tholet
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	Milton Samios
Commodities and resource finance	Anthony Hawke
Project finance	Peter Mansfield
Power investment	Mark Schneider
Social infrastructure investment	Michael Still
Structured real estate finance	Michael Still
Aviation finance	David Phillips
Corporate and acquisition finance	Simon Beissel
Treasury	Dean You Lee
Asset finance	Matt Ingram
Fixed income, currencies and commodities	Jeff Duncan-Nagy
Operations	Carl Dennis

Private Banking activities

Global head — Ciaran Whelan

UK and Europe		South Africa		Australia	
Regional heads	Avron Epstein	Country head	Colin Franks	Professional finance	Barry Lanesman
	Paul Stevens	Chief operating officer	Jodi Joseph	Private client distribution	Ivan Katz
Chief operating officer	Chris Forsyth	Risk management	Howard Tradonsky		
Structured property finance	Gary Dobson	Chief financial officer	Noorul-ain Khan		
Specialised lending	David Drewienka	Credit risk	Anthony Church		
Growth and acquisition finance	Ed Cottrell	Business architecture	Graeme Lockley		
	Gary Edwards	Strategic projects	Jodi Joseph		
Specialised banking	Wayne Preston	Funding	Les Scott		
	Linda McBain	Human resources	Nicola Tager		
Trust and fiduciary	Xavier Isaacs	Banking	Kobus Burger		
Investec Bank Channel Islands	Stephen Henry	Regional heads			
Investec Bank Ireland	Michael Cullen	Cape Town	Dion Millson		
Marketing	Denesse Edgar	Durban	Brendan Stewart		
Finance	Liza Jacobs	Johannesburg	Brett Copans		
IT	Douglas Grantham	Port Elizabeth	Cumesh Moodliar		
		Pretoria	Charl Wild		

Review of operating environment

Corporate Advisory and Investment activities

In the UK, it was a challenging and volatile year for equity investors with the FTSE 100 declining by 4.2% over the financial year. Equity markets were gripped with continuing uncertainty as investors focused on the instability of the Eurozone with potential consequences for economic growth and banking exposures. This volatility led to aggregate market volumes being the lowest for a decade while M&A and IPO levels remained subdued. Broking houses have struggled in the difficult conditions and there has been some fall out amongst the smaller players. However, the environment remains competitive.

For corporate finance in South Africa we expect local and cross-border M&A transactions to continue to drive activity, even though increased regulation and governance affects deal lead time.

Principal Investments in South Africa has seen an uptick in competition over the past year. This comes mainly from corporates because of cash piles, and also private equity funds available have increased with more focus being brought on emerging markets where potential yields are better. We have seen improved trading conditions in most of our assets.

The Australian M&A and capital markets remain challenging but are showing signs of improvement.

Corporate and Institutional Banking activities

The economic environment in the UK and Europe remains uncertain with ongoing Eurozone sovereign issues. Interest rates remain low and credit spreads are tightening although volatile. We have expanded our product and service capability over the last few years and our platform businesses are now all well established. We believe that these factors have positioned us to grow market share and to take advantage of any increased levels of market activity through the next reporting period.

In South Africa, the corporate market continues to remain weak with low levels of activity leading to depressed lending activity. We have however, seen an increase in pipeline in our lending businesses and are well positioned for a recovery in activity levels.

Activity levels in Australia have picked up, however, we expect conditions to remain tough in 2012. We do expect activity in areas such as infrastructure, power, and resources and we continue to invest in these areas.

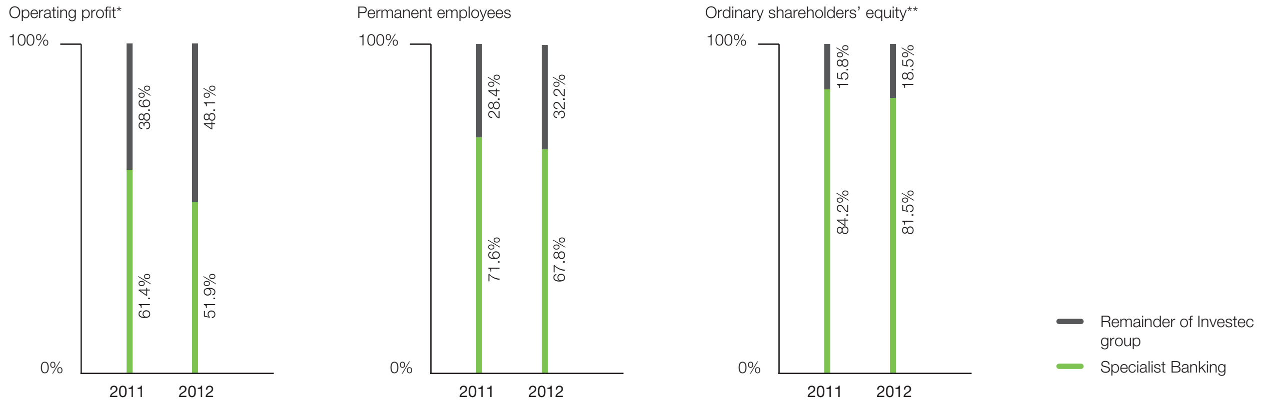
Private Banking activities

The operating environment in each of our three core geographies has continued to be challenging. We have however, seen increased deal appetite from our clients and, as a result, have increased specialist lending activity levels across all three geographies. Competitive pressures have generally fallen, allowing the Investec Private Bank to increase market share in a number of core target markets.

Financial analysis

- Operating profit of the Specialist Banking division decreased 30.2% to £186.2 million contributing 51.9% to group profit.

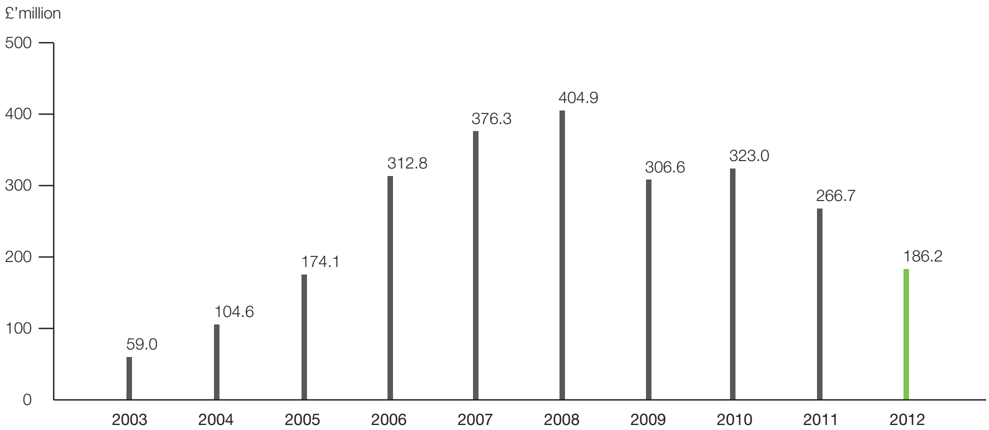
Contribution analysis



* Before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.

** As calculated on page 45.

Operating profit – track record



^ *Trend reflects numbers as at the year ended 31 March, unless otherwise stated. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts from 2008 are shown before goodwill, non-operating items, taxation and after non-controlling interests. Prior to 2008 amounts have not been adjusted for non-controlling interests.*

Income statement analysis

£'000	31 March 2012	31 March 2011	Variance	% change
Net interest income	683 801	671 199	12 602	1.9%
Net fee and commission income	330 197	300 913	29 284	9.7%
Investment income	174 694	253 857	(79 163)	(31.2%)
Trading income				
– Arising from customer flow	76 958	78 379	(1 421)	(1.8%)
– Arising from balance sheet management and other trading activities	31 727	87 824	(56 097)	(63.9%)
Other operating income	62 554	61 985	569	0.9%
Total operating income before impairment losses on loans and advances	1 359 931	1 454 157	(94 226)	(6.5%)
Impairment losses on loans and advances	(325 118)	(318 259)	(6 859)	(2.2%)
Operating costs	(859 970)	(880 552)	20 582	(2.3%)
Operating profit before goodwill and acquired intangibles, non-operating items, taxation	174 843	255 346	(80 503)	(31,5%)
Earnings attributable to non-controlling interests	11 368	11 326	42	0.4%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	186 211	266 672	(80 461)	(30.2%)
Core business	274 342	341 649	(67 307)	(19.7%)
Property loan portfolio being run-off^^	(88 131)	(74 977)	(13 154)	17.5%
UK and Europe	52 880	55 616	(2 736)	(4.9%)
Southern Africa	199 212	210 350	(11 138)	(5.3%)
Australia	(65 881)	706	(66 587)	>100.0
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests	186 211	266 672	(80 461)	(30.2%)
Ordinary shareholders' equity*	2 714 259	2 738 439	(15 767)	(0.6%)
ROE (pre-tax)*	6.1%	9.7%		
Return on tangible equity (pre-tax)*	6.5%	10.4%		
Cost to income ratio	62.4%	60.1%		
Operating profit per employee (£'000)*	35.5	52.4	(16.9)	(32.3%)

* *As calculated on pages 45 and 47.*

^^ *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

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

- Net interest income increased largely as a result of improved margins and increased lending turnover, partially offset by higher costs on subordinated liabilities
- Net fee and commission income was largely in line with the prior year with transactional activity levels remaining mixed
- Investment income decreased as a result of lower returns generated on the investment portfolio
- Trading income arising from customer flow remained in line with the prior year whilst trading income arising from other trading activities decreased due to profits realised on debt buy-backs in the prior year which were not repeated in the current year
- Impairments decreased and defaults increased marginally. Further information is provided on pages 50 and 51
- Operating expenses decreased largely as a result of the deconsolidation of two principal investments.

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

- Net interest income increased largely as a result of improved margins, higher average loans and a sound performance from the fixed income portfolio, partially offset by higher costs on subordinated liabilities
- Net fee and commission income increased largely due to a good performance by the Corporate banking and Advisory businesses

- Investment income decreased largely due to a weaker performance from the listed principal investments portfolio and income earned on the sale of investment properties in the prior year which were not repeated in the current year
- Trading income decreased largely due to a lower return generated on the balance sheet management desk
- Impairments decreased and defaults improved. Further information is provided on pages 50 and 51
- Operating expenses decreased largely as a result of the depreciation of the Rand (costs as reported in Rands remained in line with the prior year).

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

- Net interest income was negatively impacted by the underperformance of the default non-core property loan book
- Net fee and commission income was marginally lower than the prior year
- Investment income decreased as a result of negative write downs on mortgage properties in possession
- Trading income arising from customer flow increased as a result of further development and growth in the business operations
- Impairments increased substantially on the disposal of the non-core property loan book. The residual default loan portfolio has largely been sold with the balance ring-fenced for collection and recovery. Further information is provided on pages 50 and 51
- Operating expenses increased largely as a result of costs associated with restructuring of the business.

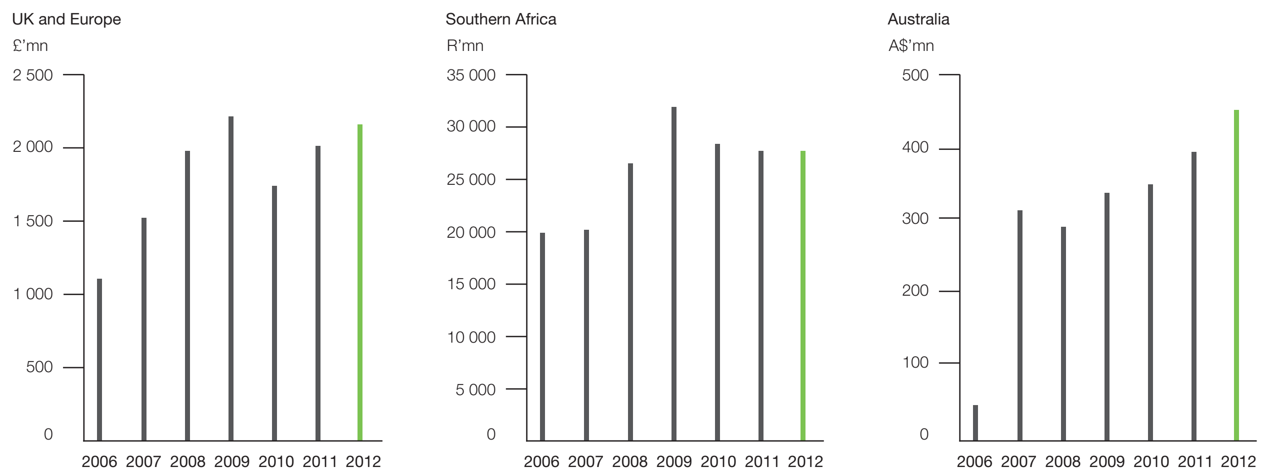
Analysis of key earnings drivers

Corporate client

Net core loans and advances

	£'million			Home currency 'million		
	31 March 2012	31 March 2011	% change	31 March 2012	31 March 2011	% change
UK and Europe	2 214	2 023	9.4%	£2 214	£2 023	9.4%
Southern Africa	2 261	2 556	(11.5%)	R27 750	R27 804	(0.2%)
Australia	295	253	16.6%	A$440	A$393	15.5%
Total	4 770	4 832	(1.3%)			

Net core loans and advances (excluding Kensington)



Trend reflects numbers as at the year ended 31 March unless stated otherwise.

Private client

Net core loans and advances

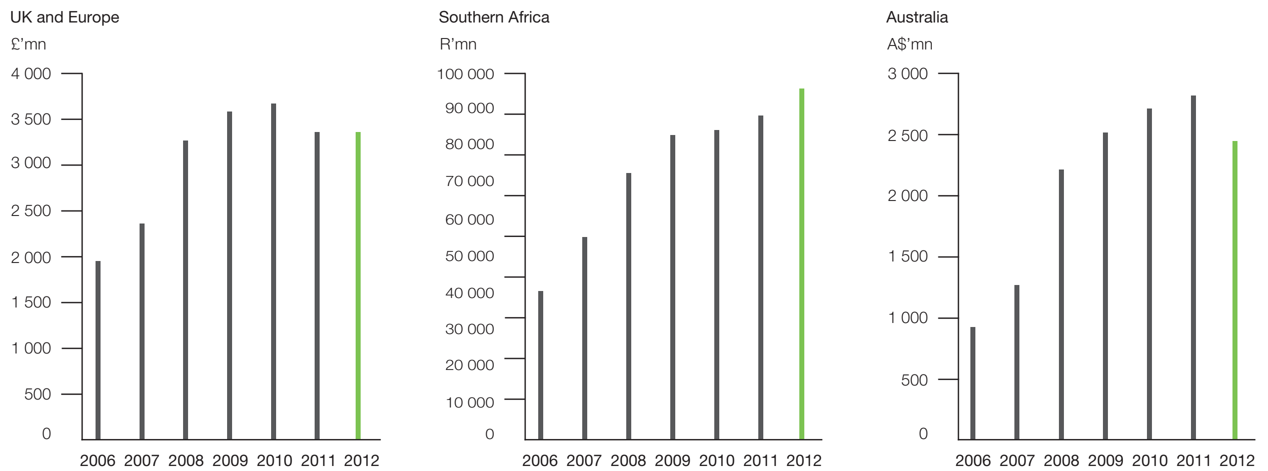
	£'million			Home currency 'million		
	31 March 2012	31 March 2011	% change	31 March 2012	31 March 2011	% change
UK and Europe	3 431	3 378	1.6%	£3 431	£3 378	1.6%
Southern Africa	7 837	8 127	(3.6%)	R96 183	R88 374	8.8%
Australia	1 594	1 820	(12.4%)	A$2 471	A$2 825	(13.0%)
Total	12 862	13 325	(3.5%)			

Total deposits

	£'million			Home currency 'million		
	31 March 2012	31 March 2011	% change	31 March 2012	31 March 2011	% change
UK and Europe	6 528	6 100	7.0%	£6 528	£6 100	7.0%
Southern Africa	5 079	5 155	(1.5%)	R62 316	R56 081	11.1%
Australia	1 306	1 211	7.8%	A$2 012	A$1 877	7.2%
Total	12 913	12 466	3.6%			

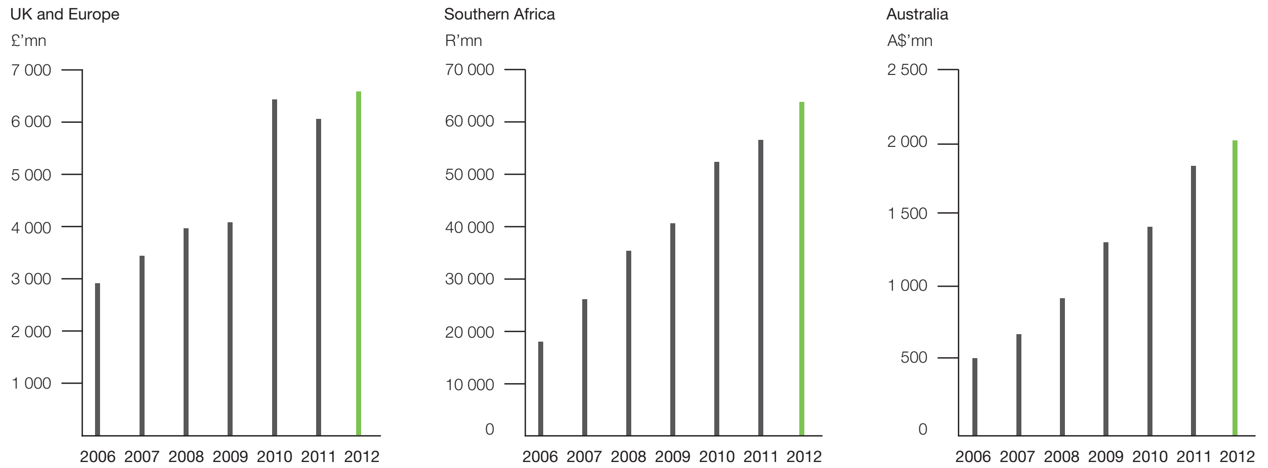
Further analysis of key earnings drivers

Net core loans and advances



Further analysis of key earnings drivers (continued)

Deposits



Developments

Corporate Advisory and Investment activities

Advisory

UK and Europe

- The year was reasonably active across M&A, fundraising and debt advisory but mostly comprised a large number of smaller transactions
- We completed 24 M&A transactions with a value of £2.6 billion (2011: 17 M&A transactions with a value of £2.1 billion). The most notable transaction was the sale of Forth Ports for £760 million
- We completed 11 fundraisings, raising in aggregate £406 million (2011: eight fundraisings raising in aggregate £472 million). This included a £112 million fundraising for Chemring Group Plc and UK IPOs for Circle Holdings plc and Enteq Upstream plc
- With the integration of Evolution Securities we strengthened our offering within the oil, mining and property sectors and increased our number of quoted clients to 113 with an average market cap of £301 million.

Southern Africa

- We have maintained our strong positioning
- Our focus was on local and cross-border M&A, capital raisings and restructuring transactions
- We retained our major clients and gained several new mandates during the period
- Numerous new mandates were entered into, however, it remains difficult to close deals given current market and regulatory conditions
- The total value of corporate finance transactions decreased to R60.4 billion (2011: R76.9 billion) during the period and the number of transactions increased to 61 (2011: 60)
- Sponsor broker deals completed during the period increased to 97 (2011: 74) with the value decreasing to R61.2 billion (2011: R91.5 billion)
- The Corporate Finance division was ranked first in volume of listed M&A transactions and first in general corporate finance in *Dealmakers* Magazine Survey for Corporate Finance (2011 calendar year). This is the ninth year that we have been ranked first in volume of listed M&A transactions in the last 11 years
- The Sponsor division was ranked first in volume of M&A transactions and first in general corporate finance in the *Dealmakers* Magazine Survey for Sponsors (2011 calendar year). The Sponsor division has been ranked in the top two in M&A transactions and general corporate finance by volume for the past nine years.

Australia

- We have executed a number of advisory transactions and the pipeline is encouraging
- We have a highly experienced team well positioned to drive the business going forward

- The outlook for M&A is improving with transaction volume increasing and lending markets reopening
- We have executed a number of equity raisings over the last 12 months and have secured first rights of refusal over several upcoming raisings.

Institutional, research, sales and trading

UK and Europe

- Against a backdrop of weak volumes and continuing pressure on brokerage rates we have managed to grow secondary commissions and increase market share significantly
- The challenging and volatile market conditions have led to higher loss ratios and reduced profitability across the trading books
- The integration of Evolution Securities has strengthened our research offering in oil and mining and added property as a new sector, while enhancing our sales trading and market making capability. We also gained new teams, namely Special Situations Sales and RSP, who provide broking services to retail brokers
- During the year we employed a closed end funds team, comprising some nine individuals who specialise in the broking of listed closed end funds.

Southern Africa

- The Institutional Securities business underwent a strategic review in the middle of last year and a number of action steps were subsequently implemented
- Core to this action was a cost reduction programme which resulted in the closure of all non-core activities and a narrowing of focus in our research coverage
- Although, some of the cost benefits of this action flowed through in the second half of the financial year the full benefit will only be captured in the 2013 financial year
- The business is in a financially healthier position as a result.

Australia

- The Australian Institutional Securities business focuses on resources and is currently implementing strategies to build out and integrate Corporate Finance, Securities and Capital Markets offerings in this sector.

Principal investments

Southern Africa

- The direct investments portfolio was R2 160 million at 31 March 2012 (March 2011: R2 511 million). The decrease in value was primarily due to realisations
- The private equity portfolio was R4 223 million at 31 March 2012 (March 2011: R3 838 million). We continued to expand the capacity of our private equity investments through the acquisition of four new private equity assets as well as large capital projects and expenditure within the portfolio. The benefits of these activities will only be felt in future financial years. The increase in value in the current year was driven primarily by new acquisitions.

Australia

- Private Equity is focused on managing and maximising the value of the existing investments in the private equity funds. As markets improve, subject to achieving appropriate value, Private Equity will look to progressively realise the remaining investments and return funds to investors
- The Direct Investments business is active in sourcing private equity investments for the bank and, where appropriate, to selected private clients on a syndication basis.

Property activities

UK and Europe

- The indirect property investment business has been transferred to Investec Asset Management
- We continue to be joint managers with GLL for the Investec GLL Global Special Opportunities Real Estate Fund and search for suitable acquisition opportunities.

Southern Africa

- We are active in a number of office, industrial and retail developments and have successfully completed a number of major developments
- The Investec Property Fund was listed on the JSE in April 2011 with a market capitalisation of R1.7 billion
- The listing was very well received in the market and the asset value at 31 March 2012 was R2.07 billion. The unit was listed at R9.50 and at 31 March 2012 was R11.70, having paid an interim distribution of 42 cents; a return in excess of 27% in one year
- The fund creates opportunities for us to develop as it has a strategy to grow aggressively over the next five years.

Australia

- The Investec Property Funds have continued to perform well with strategies in place for their future realisation as we are in the process of returning capital and profits to our investors
- The portfolio of distressed loans that we acquired is performing in line with expectations, with assets being realised at a profit and for the remainder of the portfolio strong returns are anticipated.

Corporate and Institutional Banking activities

Treasury and trading services

UK and Europe

- The treasury products and distribution desks have shown increased growth and profitability as the client base has grown and product offerings have broadened
- The Structured Finance business remains very active, especially in aircraft finance.

Southern Africa

- Significant surplus liquidity levels were maintained during the period and we continue to be a provider of liquidity to the South African interbank market. Our surplus liquidity has had a negative effect on our margin for the period
- We successfully launched the Credit Derivatives Trading business
- We successfully rolled out our E Commerce offering for online Corporate trading
- We successfully launched CFD's
- Our commodities investment business was implemented successfully to allow for investment products and corporate hedging
- We successfully established our clearing business.

Australia

- The central treasury was separated from the derivative sales and trading business which is now called fixed income, currencies and commodities (FIC)
- Our operational areas have been amalgamated and streamlined so there is now one support team for all treasury and markets business.

Specialised finance

UK and Europe

- The Credit Investments and Trading business has continued to take advantage of the condition of the credit markets through its fixed income investments and trading operations
- The project finance team continues to be a leader in the UK PFI advisory business, and the office in Canada, set up to service the North American PFI market, is performing very well
- We successfully established a Debt Capital Markets business which has been integrated with the Evolution Group, with recent successes in the retail bond market, our combined offering makes us number one in this market
- We have recently successfully closed our first securitisation of our own originated prime residential mortgages. We continue to cautiously originate mortgages in this prime market space and are looking to selectively extend our product range
- The Asset Finance business continues to grow. Outstanding performance from the Masterlease book purchase was demonstrated during the period
- We successfully built an efficient corporate and financial institutional distribution capability in the setting up of the Financial Markets Group
- The structured equity retail distribution platforms are well established and we have recently marketed launch 33 in the UK market. We are currently one of the top two retail structured product issuers in the UK market and have recently won a number of awards for our efforts in this area.

Southern Africa

- The corporate market continues to remain weak with low levels of activity leading to depressed lending activity and consequently, moderate hedging activity. We have however, seen an increase in pipeline in our lending businesses
- We established a Supplier asset based finance business during the year
- An African coverage unit has been established to increase our footprint in Africa
- Activity in the renewable energy sector offers encouraging opportunities for the future.

Australia

- We have started two new business streams, Asset Finance and Social Infrastructure Investment and absorbed two businesses from other parts of the bank, being Structured Real Estate Finance and Growth and Acquisition Finance.

Private Banking activities

High net worth and high income banking

UK and Europe

- Private Bank UK and Europe can be viewed in three distinct business categories: the core banking business, Ireland and the Trust business
- The core banking business has experienced:
  - Improved financial performance due to an increase in operating income and reduced level of impairments
  - Increased activity levels within each of the specialist lending niches
  - Negligible overall lending book growth as redemptions have offset new activity
  - On the overall portfolio, risk has fallen and returns have risen as new deals have replaced pre-2008 transactions
  - Excellent growth in deposits, providing the group with a stable retail funding base and building the Investec franchise with a significant number of new private clients
  - Significant investment in product development and operational infrastructure to support the deposit raising business and the forthcoming launch of transactional banking.
- In Ireland, the focus remains on managing the historical loan portfolio to minimise impairments. No new loans are being written within this geography
- In the Trust business, the new business initiatives launched over the last year are beginning to have an impact on the revenue line. The restructuring, which took place at the beginning of the year, has reduced the cost base significantly.

Southern Africa

- Private banking activities have been separated into two focus areas, namely high income and high net worth, in order to enhance the offering and the commensurate profitability
- This renewed focus on core banking in the high income space is aimed at improving the client experience, increasing our client acquisition and utilisation of our core products
- The raising of retail, private client and SME deposits is an important focus for the business. New products are being developed in an effort to drive growth and duration of our deposit base
- Lending activity levels have improved significantly compared to the previous year. Due to growth in repayments, overall asset growth was moderate
- The economic environment remains subdued; however, Private Bank experienced a declining trend in new defaults and impairments during the past 18 months
- Costs have been well contained during this period through an ongoing process of realignment of structures and processes.

Australia

- The business aims to deepen client relationships through the development of a transactional range of products
  - The credit card offering under development was brought to pilot in March 2012 with the launch anticipated in June 2012
  - The transactional account is well into development with phase one to be launched in July 2012
  - These products will ensure that Investec remains at 'front of mind' with the target clients.
- The investment in additional skilled resources made in the prior period is beginning to pay dividends with increased productivity and output.

Strategic objectives

Corporate Advisory and Investment activities

Advisory and agency and principal investment activities

- Strong local business with international access
- Target growth and entrepreneurial corporates
- Provide a credible offering to clients operating between the developed world and the emerging world
- Develop key global sector specialisations, e.g. resources
- Capable of leveraging corporate relationships across Investec businesses and geographies
- Select use of capital to take advantage of commercial opportunities.

Property activities

- Our continuing strategic objective is to make Investec Property a pre-eminent property developer, fund manager and trader over time in all the geographies in which we operate
- Our longer-term focus is to create revenue supported by annuity income and enhanced by deal income.

Corporate and Institutional Banking activities

- Strategy remains to 'originate and distribute' and to develop capital light businesses, where we continue to actively manage our asset and capital base by originating high yielding, capital efficient deals and utilise our increased distribution capability
- Continue to focus on growing our customer flow and structuring businesses accross equity, commodity, foreign exchange and interest rate markets
- Take advantage of opportunities as the market continues to deleverage
- Focus on Africa and connecting Africa, India and China to our core geography offerings.

Private Banking activities

- Provide a stable dependable deposit base to the group by broadening and diversifying the private client deposit base
- Broaden the private client franchise by launching a transactional banking offering in the UK and Australia
- Reduce the risk profile within the lending portfolio through increased focus on lower risk lending activities
- Ongoing focus on and management of distressed loans to minimise actual losses.

Looking forward

Corporate Advisory and Investment activities

Advisory

- The pipeline is positive in the UK, M&A and fundraising activity is dependent on market conditions
- The deal pipeline in the South African business remains reasonable
- The Australian M&A and capital markets remain challenging but are showing signs of improvement. Continuing economic uncertainty suggests M&A and capital markets will recover slowly.

Institutional, research, sales and trading

- The outlook in UK and Europe for the next 12 months remains challenging, however the pipeline is positive. With the strengthening of our research, sales and trading capability and the introduction of new revenue streams we are well placed to grow revenues
- Post the strategic realignment of the South African platform last year, the Institutional business now stands on a solid foundation to move forward and grow top line revenue in what is a highly competitive operating environment.

Principal investments

- We remain active in seeking direct investment opportunities, while continuing to unlock further value from the portfolio and building BEE platforms in South Africa
- All of the companies in our private equity portfolio in South Africa are trading profitably in difficult market conditions and the overall outlook remains positive for the future
- The Private Equity business in Australia is actively pursuing divestment opportunities for its existing portfolio. The companies in the direct investments portfolio are trading well and are on target to execute their growth plans. The outlook remains positive for these investments
- The team is focusing on sourcing new opportunities for the bank and high net worth clients. There has been an increase in both the quantity and quality of investment opportunities.

Property activities

- Notwithstanding the uncertain outlook in the short term, we believe that the prospects for Investec Property remain positive. We have good pipeline for development and there are opportunities to convert and refurbish existing holdings.

Corporate and Institutional Banking activities

UK and Europe

- The economic outlook remains uncertain with the year ahead remaining challenging
- We continue to build a balanced business model, where we can switch easily between primary and secondary markets

- The regulatory environment is challenging and creates uncertainty
- The business is well positioned to grow significantly from current levels as market conditions improve.

Southern Africa

- We continue to build and grow sustainable businesses on the back of client driven transactional flow in derivatives and financial markets
- We continue to be a net provider of liquidity to the interbank market
- We anticipate that trading and structuring opportunities will improve as the markets move into an upward interest rate cycle
- We look to leverage and grow our African exposure
- We continue to exploit opportunities in the renewable energy sector.

Australia

- Our treasury team will continue to manage the funding and liquidity of the bank in a conservative manner. We remain one of the most liquid banks in Australia
- Our specialised finance team has a solid pipeline of transactions and we continue to grow each of our finance activities.

Private Banking activities

UK and Europe

The operating environment in the UK will remain challenging with low growth forecast. The European situation is creating high levels of uncertainty in the broader market. Within this operating environment, our objectives for the forthcoming period are:

- Regularly release new deposit products that allow us to provide a stable private client funding base to the group
- Provide a fresh alternative to our selected private clients with the launch of our transactional banking offering
- Build a strong franchise within the UK private client market
- Continue reducing our property concentration in the loan portfolio whilst maintaining the franchise
- Improve profitability in each of our specialist lending niches with a view to generating a satisfactory return on capital.

Southern Africa

Economic growth is expected to remain subdued, with a tight mortgage market continuing to impact residential property prices.

The key objectives for the forthcoming period are:

- Continue to build profitability as a result of improved activity levels in both lending and funding activities and a further anticipated reduction in impairments
- Growing our client base within our key target markets
- Reduce the risk profile through increased focus on lower risk lending activities
- Increase in annuity income through a focus on banking activities and transactional activities
- Diversifying the deposit base in terms of client and product
- Balance cost containment with investment for the future
- Continue to align processes and structures to support client focus and consistency
- Ongoing focus on distressed and default deals to ensure actual losses are minimised.

Australia

The operating environment in Australia is expected to remain difficult. Despite this, the outlook for this business remains positive with growth in market share, growth and profits anticipated.

The key strategic objectives for the forthcoming period are:

- Continue to grow and dominate the medical professional market
- Deepen relationships and enhance profit through distribution of credit card and transactional products
- Broaden and diversify the deposit base
- Identify and grow into other niche markets.

Segmental geographic analysis – income statement

For the year to 31 March 2012 £'000	UK and Europe	Southern Africa	Australia	Total group
Net interest income	287 417	345 288	66 342	699 047
Fee and commission income	605 125	369 798	38 456	1 013 379
Fee and commission expense	(114 808)	(10 962)	(3 375)	(129 145)
Investment income	115 822	66 979	(8 474)	174 327
Trading income				
– Arising from customer flow	43 179	22 775	11 112	77 066
– Arising from balance sheet management and other trading activities	16 430	16 900	(1 126)	32 204
Other operating income	62 127	4 180	(1 179)	65 128
Total operating income before impairment losses on loans and advances	1 015 292	814 958	101 756	1 932 006
Impairment losses on loans and advances	(187 920)	(69 326)	(67 872)	(325 118)
Total operating income	827 372	745 632	33 884	1 606 888
Operating costs	(671 776)	(459 087)	(99 765)	(1 230 628)
Depreciation on operating leased assets	(28 544)	(126)	–	(28 670)
Operating profit before goodwill and acquired intangibles	127 052	286 419	(65 881)	347 590
Operating losses attributable to non-controlling interests	8 018	3 017	–	11 035
Operating profit before goodwill, acquired intangibles and after non-controlling interests	135 070	289 436	(65 881)	358 625
Core business	139 920	289 436	17 400	446 756
Property loan portfolio being run-off*	(4 850)	–	(83 281)	(88 131)
Impairment of goodwill	(21 510)	(2 856)	–	(24 366)
Amortisation of acquired intangibles	(9 530)	–	–	(9 530)
Costs from integration of acquired subsidiaries	(17 117)	–	–	(17 117)
Non-operational costs arising from acquisition of subsidiary	(5 342)	–	–	(5 342)
Earnings attributable to shareholders before taxation	81 571	286 580	(65 881)	302 270
Taxation on operating profit before goodwill	(33 911)	(48 536)	19 540	(62 907)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	8 164	–	–	8 164
Earnings attributable to shareholders	55 824	238 044	(46 341)	247 527
Selected returns and key statistics				
ROE (post-tax)	6.0%	14.9%	(11.1%)	7.8%
Return on tangible equity (post-tax)	9.6%	15.1%	(12.7%)	9.5%
Cost to income ratio	68.1%	56.3%	98.0%	64.7%
Staff compensation to operating income	44.7%	37.3%	71.2%	43.0%
Operating profit per employee (£'000)	45.0	70.9	(154.7)	47.8
Effective operational tax rate	26.7%	16.9%	(29.7%)	18.1%
Total assets (£'million)	19 856	28 310	3 384	51 550

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

For the year to 31 March 2011** £'000	UK and Europe	Southern Africa	Australia	Total group
Net interest income	270 811	338 247	72 411	681 469
Fee and commission income	523 225	333 037	40 038	896 300
Fee and commission expense	(99 473)	(5 280)	(3 889)	(108 642)
Investment income	138 193	111 904	4 846	254 943
Trading income				
– Arising from customer flow	43 353	27 694	5 400	76 447
– Arising from balance sheet management and other trading activities	62 430	25 133	(267)	87 296
Other operating income	51 122	18 380	(2 329)	67 173
Total operating income before impairment losses on loans and advances	989 661	849 115	116 210	1 954 986
Impairment losses on loans and advances	(210 485)	(77 538)	(30 207)	(318 230)
Operating income	779 176	771 577	86 003	1 636 756
Operating costs	(640 282)	(471 013)	(85 570)	(1 196 865)
Depreciation on operating leased assets	(16 447)	–	–	(16 447)
Operating profit before goodwill and acquired intangibles	122 447	300 564	433	423 444
Operating losses attributable to non-controlling interests	11 179	(490)	273	10 962
Operating profit before goodwill, acquired intangibles and after non-controlling interests	133 626	300 074	706	434 406
Core business	178 937	300 074	30 372	509 383
Property loan portfolio being run-off*	(45 311)	–	(29 666)	(74 977)
Impairment of goodwill	–	(6 888)	–	(6 888)
Amortisation of acquired intangibles	(6 341)	–	–	(6 341)
Profit arising from associate converted to subsidiary	73 465	–	–	73 465
Net loss on disposal of group operations	(18 375)	58	1 015	(17 302)
Loss on subsidiaries attributable to non-controlling interests	3 099	(1 458)	–	1 641
Earnings attributable to shareholders before taxation	185 474	291 786	1 721	478 981
Taxation on operating profit before goodwill	(29 228)	(35 357)	(490)	(65 075)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	6 610	–	–	6 610
Earnings attributable to shareholders	162 856	256 429	1 231	420 516
Selected returns and key statistics				
ROE (post-tax)	8.0%	17.5%	0.1%	11.2%
Return on tangible equity (post-tax)	11.7%	17.8%	0.1%	13.2%
Cost to income ratio	65.8%	55.5%	73.5%	61.7%
Staff compensation to operating income	42.8%	36.8%	51.6%	40.7%
Operating profit per employee (£'000)	56.8	75.2	1.1	64.4
Effective operational tax rate	24.6%	11.8%	284.9%	15.5%
Total assets (£'million)	19 217	28 284	3 440	50 941

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*
** *As restated for reclassifications detailed on pages 100 and 101.*

Segmental business analysis – income statement

For the year to 31 March 2012 £'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	5 163	10 083	683 801	699 047
Fee and commission income	454 762	197 535	361 082	1 013 379
Fee and commission expense	(86 906)	(11 354)	(30 885)	(129 145)
Investment income	25	(392)	174 694	174 327
Trading income				
– Arising from customer flow	–	108	76 958	77 066
– Arising from balance sheet management and other trading activities	380	97	31 727	32 204
Other operating income	2 178	396	62 554	65 128
Total operating income before impairment losses on loans and advances	375 602	196 473	1 359 931	1 932 006
Impairment losses on loans and advances	–	–	(325 118)	(325 118)
Operating income	375 602	196 473	1 034 813	1 606 888
Operating costs	(241 529)	(157 799)	(831 300)	(1 230 628)
Depreciation on leased assets	–	–	(28 670)	(28 670)
Operating profit before goodwill and acquired intangibles	134 073	38 674	174 843	347 590
Operating losses attributable to non-controlling interests	(380)	47	11 368	11 035
Operating profit before goodwill, acquired intangibles and after non-controlling interests	133 693	38 721	186 211	358 625
Core business	133 693	38 721	274 342	446 756
Property loan portfolio being run-off*	–	–	(88 131)	(88 131)
Selected returns and key statistics				
ROE (pre-tax)	84.0%	13.1%**	6.1%	9.7%
Return on tangible equity (pre-tax)	288.6%	46.9%	6.5%	11.8%
Cost to income ratio	64.3%	80.3%	62.4%	64.7%
Staff compensation to operating income	45.9%	57.2%	40.2%	43.0%
Operating profit per employee (£'000)	119.2	33.7	35.5	47.8
Total assets (£'million)	539	765	50 246	51 550

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*
** *Adjusted as noted on page 45 of this report.*

For the year to 31 March 2011** £'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	2 989	7 281	671 199	681 469
Fee and commission income	411 935	159 055	325 310	896 300
Fee and commission expense	(72 831)	(11 414)	(24 397)	(108 642)
Investment income	(40)	1 126	253 857	254 943
Trading income				
– Arising from customer flow	–	(1 932)	78 379	76 447
– Arising from balance sheet management and other trading activities	–	(528)	87 824	87 296
Other operating income	2 537	2 651	61 985	67 173
Total operating income before impairment losses on loans and advances	344 590	156 239	1 454 157	1 954 986
Impairment losses on loans and advances	29	–	(318 259)	(318 230)
Operating income	344 619	156 239	1 135 898	1 636 756
Operating costs	(216 947)	(115 813)	(864 105)	(1 196 865)
Depreciation on leased assets	–	–	(16 447)	(16 447)
Operating profit before goodwill and acquired intangibles	127 672	40 426	255 346	423 444
Operating losses attributable to non-controlling interests	(364)	–	11 326	10 962
Operating profit before goodwill, acquired intangibles and after non-controlling interests	127 308	40 426	266 672	434 406
Core business	127 308	40 426	341 649	509 383
Property loan portfolio being run-off*	–	–	(74 977)	(74 977)
Selected returns and key statistics				
ROE (pre-tax)	78.5%	16.5%	9.7%	13.5%
Return on tangible equity (pre-tax)	329.7%	78.7%	10.4%	15.8%
Cost to income ratio	63.0%	74.1%	60.1%	61.7%
Staff compensation to operating income	45.2%	53.1%	38.3%	40.7%
Operating profit per employee (£'000)	124.8	63.6	52.4	64.4
Total assets (£'million)	553	1 081	49 307	50 941

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

** *As restated for reclassifications detailed on pages 100 and 101.*

Segmental business analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests

£'000	1st half 2012	2nd half 2012	Year to 31 March 2012	1st half 2011	2nd half 2011	Year to 31 March 2011	% change year-on-year
Asset Management	65 578	68 115	133 693	48 913	78 395	127 308	5.0%
Wealth & Investment	21 788	16 933	38 721	16 342	24 084	40 426	(4.2%)
Specialist Banking	136 263	49 948	186 211	162 902	103 770	266 672	(30.2%)
Core business	178 287	94 228	272 514	196 644	145 005	341 649	(20.2%)
Property loan portfolio being run-off*	(42 024)	(44 279)	(86 303)	(33 742)	(41 235)	(74 977)	15.1%
Total group	223 629	134 996	358 625	228 157	206 249	434 406	(17.4%)

* *Residual property loan portfolios in Ireland and Australia which have been ring-fenced for collection and recovery and are being run-off.*

Segmental geographic analysis – balance sheet assets and liabilities

At 31 March 2012 £'000	UK and Europe	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	1 655 824	758 002	180 025	2 593 851
Loans and advances to banks	985 727	1 671 153	68 467	2 725 347
Non-sovereign and non-bank cash placements	–	642 480	–	642 480
Reverse repurchase agreements and cash collateral on securities borrowed	522 180	453 812	–	975 992
Sovereign debt securities	1 415 447	2 419 822	231 824	4 067 093
Bank debt securities	294 383	2 256 509	530 169	3 081 061
Other debt securities	100 219	195 753	81 860	377 832
Derivative financial instruments	916 994	862 887	133 769	1 913 650
Securities arising from trading activities	365 686	267 576	6 884	640 146
Investment portfolio	308 027	570 590	12 085	890 702
Loans and advances to customers	5 788 127	9 990 781	1 413 300	17 192 208
Own originated loans and advances to customers securitised	–	499 166	535 008	1 034 174
Other loans and advances	1 064 796	332 681	–	1 397 477
Warehoused assets – Kensington warehouse assets	1 431 712	–	–	1 431 712
Other securitised assets	2 961 970	139 452	–	3 101 422
Interests in associated undertakings	19 231	3 076	5 199	27 506
Deferred taxation assets	75 175	30 691	44 515	150 381
Other assets	1 234 108	488 561	79 452	1 802 121
Property, plant and equipment	117 718	44 188	9 779	171 685
Investment properties	11 500	395 795	–	407 295
Goodwill	409 837	13 696	44 787	468 320
Intangible assets	176 988	7 902	7 209	192 099
	19 855 649	22 044 573	3 384 332	45 284 554
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	–	6 265 846	–	6 265 846
Total assets	19 855 649	28 310 419	3 384 332	51 550 400
Liabilities				
Deposits by banks	997 268	1 135 248	–	2 132 516
Deposits by banks – Kensington warehouse funding	834 912	–	–	834 912
Derivative financial instruments	635 996	698 243	86 891	1 421 130
Other trading liabilities	271 627	341 257	–	612 884
Repurchase agreements and cash collateral on securities lent	1 020 670	843 467	–	1 864 137
Customer accounts (deposits)	9 459 554	14 347 614	1 536 603	25 343 771
Debt securities in issue	1 109 268	357 494	777 186	2 243 948
Liabilities arising on securitisation of own originated loans and advances	–	509 728	526 946	1 036 674
Liabilities arising on securitisation	2 361 986	40 057	–	2 402 043
Current taxation liabilities	77 188	132 421	–	209 609
Deferred taxation liabilities	76 489	25 989	–	102 478
Other liabilities	1 108 343	430 194	36 617	1 575 154
	17 953 301	18 861 712	2 964 243	39 779 256
Liabilities to customers under investment contracts	–	6 263 913	–	6 263 913
Insurance liabilities, including unit-linked liabilities	–	1 933	–	1 933
	17 953 301	25 127 558	2 964 243	46 045 102
Subordinated liabilities	661 920	784 501	46 355	1 492 776
	18 615 221	25 912 059	3 010 598	47 537 878

Segmental geographic analysis – balance sheet assets and liabilities

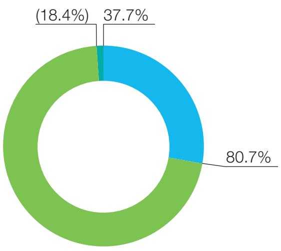
(continued)

At 31 March 2011* £'000	UK and Europe	Southern Africa	Australia	Total group
Assets				
Cash and balances at central banks	987 263	626 514	155 301	1 769 078
Loans and advances to banks	808 395	563 838	96 472	1 468 705
Non-sovereign and non-bank cash placements	–	535 983	–	535 983
Reverse repurchase agreements and cash collateral on securities borrowed	1 399 733	1 068 042	–	2 467 775
Sovereign debt securities	625 158	2 682 479	224 463	3 532 100
Bank debt securities	806 013	1 670 667	529 449	3 006 129
Other debt securities	104 225	83 417	79 490	267 132
Derivative financial instruments	662 620	1 056 008	80 576	1 799 204
Securities arising from trading activities	479 419	264 068	–	743 487
Investment portfolio	183 429	658 793	16 388	858 610
Loans and advances to customers	5 575 994	10 524 236	1 592 126	17 692 356
Own originated loans and advances to customers securitised	–	582 466	483 316	1 065 782
Other loans and advances	618 611	393 581	53 976	1 066 168
Warehoused assets – Kensington warehouse assets	1 612 181	–		1 612 181
Other securitised assets	3 679 005	179 506	–	3 858 511
Interests in associated undertakings	17 404	4 480	1 597	23 481
Deferred taxation assets	55 933	37 923	20 982	114 838
Other assets	855 919	539 074	51 073	1 446 066
Property, plant and equipment	232 298	42 963	4 540	279 801
Investment properties	–	379 527	–	379 527
Goodwill	393 417	18 655	44 536	456 608
Intangible assets	120 856	10 211	5 385	136 452
	19 217 873	21 922 431	3 439 670	44 579 974
Other financial instruments at fair value through profit or loss in respect of				
– Liabilities to customers	–	6 361 296	–	6 361 296
Total assets	19 217 873	28 283 727	3 439 670	50 941 270
Liabilities				
Deposits by banks	847 575	1 007 476	3 842	1 858 893
Deposits by banks – Kensington warehouse funding	975 542	–	–	975 542
Derivative financial instruments	473 011	965 078	48 330	1 486 419
Other trading liabilities	402 326	314 230	–	716 556
Repurchase agreements and cash collateral on securities lent	612 663	986 983	–	1 599 646
Customer accounts (deposits)	8 812 240	14 207 218	1 421 802	24 441 260
Debt securities in issue	676 241	472 692	996 280	2 145 213
Liabilities arising on securitisation of own originated loans and advances	–	580 172	472 109	1 052 281
Liabilities arising on securitisation	3 174 268	114 315	–	3 288 583
Current taxation liabilities	55 902	151 055	–	206 957
Deferred taxation liabilities	73 095	75 655	–	148 750
Other liabilities	888 449	499 014	23 674	1 411 137
	16 991 312	19 373 888	2 966 037	39 331 237
Liabilities to customers under investment contracts	–	6 358 732	–	6 358 732
Insurance liabilities, including unit-linked liabilities	–	2 564	–	2 564
	16 991 312	25 735 184	2 966 037	45 692 533
Subordinated liabilities	636 468	619 365	31 802	1 287 635
	17 627 780	26 354 549	2 997 839	46 980 168

* *As restated for reclassifications detailed on pages 102 and 103.*

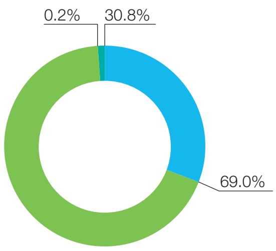
Segmental geographical and business analysis

Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests by geography



31 March 2012

£358.6 million

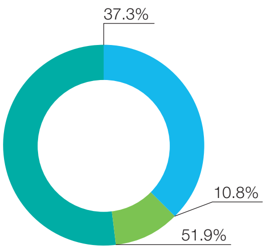


31 March 2011

£434 million

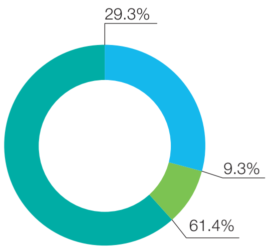
- UK and Europe
- Southern Africa
- Australia

Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests by line of business



31 March 2012

£358.6 million



31 March 2011

£434 million

- Asset Management
- Wealth & Investment
- Specialist Banking

Annexures

Annexure 1 Definitions

Adjusted shareholders' equity	Refer to calculation on page 43
Cost to income ratio	Operating costs divided by operating income (net of depreciation on leased assets). Depreciation on operating leased assets has been netted off against operating income
Core loans and advances	Refer to calculation on page 49
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, acquired intangibles and non-operating items	Refer to page 18
Adjusted earnings per ordinary share before goodwill, acquired intangibles and non-operating items	Refer to page 18
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 38
Non-operating items	Reflects profits and/or losses on termination or disposal of group operations and acquisitions made
Operating profit	Operating income less administrative expenses, impairments for bad and doubtful debts and depreciation of tangible fixed assets. This amount is before goodwill, acquired intangibles and non-operating items
Operating profit per employee	Refer to calculation on page 47
Recurring income	Net interest income plus net annuity fees and commissions expressed as a percentage of total operating income
Return on average adjusted shareholders' equity	Refer to calculation on page 43
Return on average adjusted tangible shareholders' equity	Refer to calculation on page 43
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 Wealth & Investment, Asset Management and Property businesses
Total capital resources	Includes shareholders' equity, subordinated liabilities and non-controlling interests
Total equity	Total shareholders' equity including non-controlling 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 18

Annexure 2 Reclassifications and enhancements

Reclassifications and enhancements to the disclosures for the results for the year ended 31 March 2011 (as previously reported)

Overview

In terms of Investec's recent presentations and announcements you would be aware that the Investec group has positioned its strategic discussions around three core business areas namely, Asset Management, Wealth & Investment and Specialist Banking.

In some respects the group feels that it has historically overcomplicated its external disclosures by elaborating on six core areas of business.

As you would have already seen in the group's recent presentations, all the banking businesses have been combined under one broader umbrella of the Specialist Banking.

As a result the group has chosen to refine some of its disclosures which are explained further below.

The group believes that these refinements provide greater clarity on the key income and balance sheet drivers of its business.

Unaudited combined consolidated income statement reclassifications

- The previously reported principal transaction income line item has been split into the following line items:
  - Investment income: income, other than margin, from securities held for the purpose of generating interest yield, dividends and capital appreciation
  - Customer flow trading income: income from trading activities arising from making and facilitating client activities
  - Income from balance sheet management and other trading activities: includes proprietary trading income and other gains and losses as well as income earned from the balance sheet management desk.
- With the continued reduction in insurance activity, it is deemed appropriate to move the associated line items to other operating income.

For the year to 31 March 2011 £'000	New format	As previously reported	Total reclassifi-cations
Interest income	2 238 783	2 238 783	–
Interest expense	(1 557 314)	(1 557 314)	–
Net interest income	681 469	681 469	–
Fee and commission income	896 300	896 300	–
Fee and commission expense	(108 642)	(108 642)	–
Principal transactions	–	418 686	(418 686)
Investment income	254 943	–	254 943
Trading income			
– Arising from customer flow	76 447	–	76 447
– Arising from balance sheet management and other trading activities	87 296	–	87 296
Investment income on assurance activities	–	64 834	(64 834)
Premiums and reinsurance recoveries on insurance contracts	–	6 110	(6 110)
Other operating income	67 173	54 003	13 170
Claims and reinsurance premiums on insurance business	–	(57 774)	57 774
Total operating income before impairment losses on loans and advances	1 954 986	1 954 986	–
Impairment losses on loans and advances	(318 230)	(318 230)	–
Operating income	1 636 756	1 636 756	–
Operating costs	(1 196 865)	(1 196 865)	–
Depreciation on operating leased assets	(16 447)	(16 447)	–
Operating profit before goodwill and acquired intangibles	423 444	423 444	–
Impairment of goodwill	(6 888)	(6 888)	–
Amortisation of acquired intangibles	(6 341)	(6 341)	–
Operating profit	410 215	410 215	–
Profit arising from associate converted to subsidiary	73 465	73 465	–
Net loss on disposal of group operations	(17 302)	(17 302)	–
Profit before taxation	466 378	466 378	–
Taxation on operating profit before goodwill	(65 075)	(65 075)	–
Taxation on acquired intangibles and acquisition/ disposal of group operations	6 610	6 610	–
Profit after taxation	407 913	407 913	–
Operating losses attributable to non-controlling interests	10 962	10 962	–
Non-operating losses attributable to non-controlling interests	1 641	1 641	–
Earnings attributable to shareholders	420 516	420 516	–

Unaudited combined consolidated balance sheet reclassifications

The main driver behind the revision to the balance sheet is to enable a better understanding of Investec's exposures and to minimise reconciliation points to the detailed risk disclosures in the annual report.

It is noted that there are no measurement changes nor are there any changes to total assets, liabilities and equity and cash flow.

Each category of reclassification is noted below:

Cash equivalent corporate paper

Cash equivalent advances to customers has been renamed to "non-sovereign, non-bank cash placements". These balances represent short-term placements in corporates that run an in-house treasury function.

Loans and securitisation

To better align the balance sheet with the group's risk management disclosures, loans and advances and securitised assets that form part of our 'core' lending activities have been separated from assets that are in warehoused facilities and structured credit investments arising out of our securitisation and principal finance activities. This has resulted in a need to split loans and advances and securitised assets into two balance sheet categories for each. Securitised liabilities has been split into two line items to enable the relationship with securitised assets to be clearly identified.

Securities reclassification

The group's previous balance sheet split securities (other than lending-related) into two key line items being trading and investment securities. This classification was driven by the accounting rule sets that mainly distinguish between instruments fair valued through profit or loss, those carried at amortised cost (held to maturity) and those fair valued through equity (available for sale). The group is of the view that disclosure of the nature of exposures on the balance sheet, distinguishing between instruments held to manage balance sheet liquidity, as principal exposure and balance sheet instruments arising from trading desk activities provides more meaningful disclosure on the face of the balance sheet. The line item 'securities arising from trading activities' includes all instruments (other than derivative instruments) that are held on balance sheet in relation to trading activities.

As at 31 March 2011 £'000	New format	As previously reported	Total reclassifi-cations	Cash equivalent corporate paper	Loans and securiti-sation	Securities reclassifi-cation
Assets						
Cash and balances at central banks	1 769 078	1 769 078	–	–	–	–
Loans and advances to banks	1 468 705	1 468 705	–	–	–	–
Cash equivalent advances to customers	–	535 983	(535 983)	(535 983)	–	–
Non-sovereign and non-bank cash placements	535 983	–	535 983	535 983	–	–
Reverse repurchase agreements and cash collateral on securities borrowed	2 467 775	2 467 775	–	–	–	–
Sovereign debt securities	3 532 100	–	3 532 100	–	–	3 532 100
Bank debt securities	3 006 129	–	3 006 129	–	–	3 006 129
Other debt securities	267 132	–	267 132	–	–	267 132
Trading securities	–	5 114 322	(5 114 322)	–	–	(5 114 322)
Derivative financial instruments	1 799 204	1 799 204	–	–	–	–
Securities arising from trading activities	743 487	–	743 487	–	–	743 487
Investment portfolio	858 610	–	858 610	–	–	858 610
Investment securities	–	3 328 609	(3 328 609)	–	–	(3 328 609)
Loans and advances to customers	17 692 356	18 758 524	(1 066 168)	–	(1 066 168)	–
Securitised assets	–	4 924 293	(4 924 293)	–	(4 924 293)	–
Own originated loans and advances to customers securitised	1 065 782	–	1 065 782	–	1 065 782	–
Other loans and advances	1 066 168	–	1 066 168	–	1 066 168	–
Warehoused assets Kensington warehouse assets	1 612 181	1 612 181		–	–	–
Other securitised assets	3 858 511	–	3 858 511	–	3 858 511	–
Interests in associated undertakings	23 481	23 481	–	–	–	–
Deferred taxation assets	114 838	114 838	–	–	–	–
Other assets	1 446 066	1 410 593	35 473	–	–	35 473
Property and equipment	279 801	279 801	–	–	–	–
Investment property	379 527	379 527	–	–	–	–
Goodwill	456 608	456 608	–	–	–	–
Intangible assets	136 452	136 452	–	–	–	–
	44 579 974	44 579 974	–	–	–	–
Other financial instruments at fair value through profit and loss in respect – liabilities to customers	6 361 296	6 361 296	–	–	–	–
	50 941 270	50 941 270	–	–	–	–
Liabilities						
Deposits by banks	1 858 893	1 858 893	–	–	–	–
Deposits by banks – Kensington warehouse funding	975 542	975 542	–	–	–	–
Derivative financial instruments	1 486 419	1 486 419	–	–	–	–
Other trading liabilities	716 556	716 556	–	–	–	–
Repurchase agreements and cash collateral on securities lent	1 599 646	1 599 646	–	–	–	–
Customer accounts (deposits)	24 441 260	24 441 260	–	–	–	–
Debt securities in issue	2 145 213	2 145 213	–	–	–	–
Liabilities arising on securitisation	–	4 340 864	(4 340 864)	–	(4 340 864)	–
Liabilities arising on securitisation of own originated loans and advances	1 052 281	–	1 052 281	–	1 052 281	–
Liabilities arising on securitisation of other assets	3 288 583	–	3 288 583	–	3 288 583	–
Current taxation liabilities	206 957	206 957	–	–	–	–
Deferred taxation liabilities	148 750	148 750	–	–	–	–
Other liabilities	1 411 137	1 411 137	–	–	–	–
	39 331 237	39 331 237	–	–	–	–
Liabilities to customers under investment contracts	6 358 732	6 358 732	–	–	–	–
Insurance liabilities, including unit-linked liabilities	2 564	2 564	–	–	–	–
	45 692 533	45 692 533	–	–	–	–
Subordinated liabilities	1 287 635	1 287 635	–	–	–	–
	46 980 168	46 980 168	–	–	–	–
Equity						
Ordinary share capital	208	208	–	–	–	–
Perpetual preference share capital	153	153	–	–	–	–
Share premium	2 242 067	2 242 067	–	–	–	–
Treasury shares	(42 713)	(42 713)	–	–	–	–
Other reserves	315 878	315 878	–	–	–	–
Retained income	1 131 980	1 131 980	–	–	–	–
Shareholders' equity excluding non-controlling interests	3 647 573	3 647 573	–	–	–	–
Non-controlling interest	313 529	313 529	–	–	–	–
Perpetual preferred securities issued by subsidiaries	317 997	317 997	–	–	–	–
Non-controlling interests in partially held subsidiaries	(4 468)	(4 468)	–	–	–	–
Total equity	3 961 102	3 961 102	–	–	–	–
Total liabilities and equity	50 941 270	50 941 270	–	–	–	–

As at 31 March 2010 £'000	New format	As previously reported	Total reclassifi-cations	Cash equivalent corporate paper	Loans and securiti-sation	Securities reclassifi-cation
Assets						
Cash and balances at central banks	2 338 234	2 338 234	–	–	–	–
Loans and advances to banks	2 781 630	2 781 630	–	–	–	–
Non-sovereign and non-bank cash placements	581 117	–	581 117	581 117	–	–
Cash equivalent advances to customers	–	581 117	(581 117)	(581 117)	–	–
Reverse repurchase agreements and cash collateral on securities borrowed	911 432	911 432	–	–	–	–
Sovereign debt securities	2 533 377	–	2 533 377	–	–	2 533 377
Bank debt securities	2 142 117	–	2 142 117	–	–	2 142 117
Other debt securities	118 945	–	118 945	–	–	118 945
Trading securities		4 221 645	(4 221 645)	–	–	(4 221 645)
Derivative financial instruments	1 591 841	1 591 841	–	–	–	–
Securities arising from trading activities	626 535	–	626 535	–	–	626 535
Investment portfolio	768 896	–	768 896	–	–	768 896
Investment securities	–	1 996 073	(1 996 073)	–	–	(1 996 073)
Loans and advances to customers	16 720 495	17 414 691	(694 196)	–	(694 196)	–
Securitised assets		5 334 453	(5 334 453)	–	(5 334 453)	–
Own originated loans and advances to customers securitised	1 170 302	–	1 170 302	–	1 170 302	–
Other loans and advances	694 196	–	694 196	–	694 196	–
Warehoused assets Kensington warehouse assets	1 776 525	1 776 525	–	–	–	–
Other securitised assets	4 164 151	–	4 164 151	–	4 164 151	–
Interests in associated undertakings	104 059	104 059	–	–	–	–
Deferred taxation assets	134 355	134 355	–	–	–	–
Other assets	1 268 472	1 240 624	27 848	–	–	27 848
Property and equipment	161 255	161 255	–	–	–	–
Investment property	273 038	273 038	–	–	–	–
Goodwill	274 417	274 417	–	–	–	–
Intangible assets	36 620	36 620	–	–	–	–
	41 172 009	41 172 009	–	–	–	–
Other financial instruments at fair value through profit and loss in respect of						
– liabilities to customers	5 397 014	5 397 014	–	–	–	–
– assets related to reinsurance contracts	2 842	2 842	–	–	–	–
	46 571 865	46 571 865	–	–	–	–
Liabilities						
Deposits by banks	2 439 670	2 439 670	–	–	–	–
Deposits by banks – Kensington warehouse funding	1 213 042	1 213 042	–	–	–	–
Derivative financial instruments	1 193 421	1 193 421	–	–	–	–
Other trading liabilities	504 618	504 618	–	–	–	–
Repurchase agreements and cash collateral on securities lent	1 110 508	1 110 508	–	–	–	–
Customer accounts (deposits)	21 934 044	21 934 044	–	–	–	–
Debt securities in issue	2 187 040	2 187 040	–	–	–	–
Liabilities arising on securitisation		4 714 556	(4 714 556)	–	(4 714 556)	–
Liabilities arising on securitisation of own originated loans and advances	1 212 906		1 212 906	–	1 212 906	–
Liabilities arising on securitisation of other assets	3 501 650		3 501 650	–	3 501 650	–
Current taxation liabilities	196 965	196 965	–	–	–	–
Deferred taxation liabilities	136 974	136 974	–	–	–	–
Other liabilities	1 177 589	1 177 589	–	–	–	–
Pension fund liabilities	1 285	1 285	–	–	–	–
	36 809 712	36 809 712	–	–	–	–
Liabilities to customers under investment contracts	5 392 662	5 392 662	–	–	–	–
Insurance liabilities, including unit-linked liabilities	4 352	4 352	–	–	–	–
Reinsured liabilities	2 842	2 842	–	–	–	–
	42 209 568	42 209 568	–	–	–	–
Subordinated liabilities	1 070 436	1 070 436	–	–	–	–
	43 280 004	43 280 004	–	–	–	–
Equity						
Ordinary share capital	195	195	–	–	–	–
Perpetual preference share capital	152	152	–	–	–	–
Share premium	1 928 296	1 928 296	–	–	–	–
Treasury shares	(66 439)	(66 439)	–	–	–	–
Other reserves	246 718	246 718	–	–	–	–
Retained income	846 060	846 060	–	–	–	–
Shareholders' equity excluding non-controlling interests	2 954 982	2 954 982	–	–	–	–
Non-controlling interest	336 879	336 879	–	–	–	–
Perpetual preferred securities issued by subsidiaries	314 944	314 944	–	–	–	–
Non-controlling interests in partially held subsidiaries	21 935	21 935	–	–	–	–
Total equity	3 291 861	3 291 861	–	–	–	–
Total liabilities and equity	46 571 865	46 571 865	–	–	–	–

Unaudited line of business segmental reclassifications

The group previously reported segmental disclosures by six core business lines as well as including a segment for the group's central functions. The group is now disclosing its segmental disclosures in three core business lines, namely, Asset Management, Wealth & Investment and Specialist Banking. In this regard:

- The income statement format has been revised as discussed above
- The numbers as reported previously for Asset Management and Wealth & Investment have not changed (barring the income statement reclassifications as referred to above)
- The Property Activities, Private Banking, Investment Banking, Capital Markets and Group Services and Other divisions have now been grouped under one banner and collectively referred to as Specialist Banking. The total operating profit has however, not changed from that which was previously reported.

For the year to 31 March 2011 £'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	2 989	7 281	671 199	681 469
Fee and commission income	411 935	159 055	325 310	896 300
Fee and commission expense	(72 831)	(11 414)	(24 397)	(108 642)
Investment income	(40)	1 126	253 857	254 943
Trading income				
– Arising from customer flow	–	(1 932)	78 379	76 447
– Arising from balance sheet management and other trading activities	–	(528)	87 824	87 296
Other operating income	2 537	2 651	61 985	67 173
Total operating income before impairment losses on loans and advances	344 590	156 239	1 454 157	1 954 986
Impairment losses on loans and advances	29	–	(318 259)	(318 230)
Operating income	344 619	156 239	1 135 898	1 636 756
Operating costs	(216 947)	(115 813)	(864 105)	(1 196 865)
Depreciation on operating leased assets	–	–	(16 447)	(16 447)
Operating profit before goodwill and acquired intangibles	127 672	40 426	255 346	423 444
Operating losses attributable to non-controlling interests	(364)	–	11 326	10 962
Operating profit before goodwill, acquired intangibles and after non-controlling interests	127 308	40 426	266 672	434 406

For the year to 31 March 2011 £'000			
As previously reported			
Operating profit before goodwill, acquired intangibles and after non-controlling interests	127 308	40 426	266 672
Asset Management	127 308	–	–
Wealth & Investment	–	40 426	–
Property Activities	–	–	47 708
Private Banking	–	–	(91 441)
Investment Banking	–	–	67 362
Capital Markets	–	–	242 049
Group Services and Other activities	–	–	994

Annexure 3 Dividend announcements

Investec plc

Registration number: 3633621
Share code: INP
ISIN: GB00BI7BBQ50

Ordinary share 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 number 20, amounting to 9 pence (2011: 9 pence) per ordinary share has been recommended by the board, subject to shareholder approval being obtained at the Annual General Meeting scheduled for 2 August 2012, in respect of the financial year ended 31 March 2012 and payable to shareholders recorded in the members' register of the company at the close of business on Friday, 27 July 2012, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 9 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc of 1.5 pence per ordinary share and through a dividend paid on the SA DAS share equivalent to a gross dividend of 7.5 pence per ordinary share.

The relevant dates for the payment of dividend number 20 are as follows:

Last day to trade cum-dividend	
On the London Stock Exchange (LSE)	Tuesday, 24 July 2012
On the Johannesburg Stock Exchange (JSE)	Friday, 20 July 2012
Shares commence trading ex-dividend	
On the London Stock Exchange (LSE)	Wednesday, 25 July 2012
On the Johannesburg Stock Exchange (JSE)	Monday, 23 July 2012
Record date (on the JSE and LSE)	Friday, 27 July 2012
Payment date (on the JSE and LSE)	Monday, 6 August 2012

Share certificates on the South African branch register may not be dematerialised or rematerialised between Monday, 23 July 2012 and Friday, 27 July 2012, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 23 July 2012 and Friday, 27 July 2012, both dates inclusive.

Additional information for South African resident shareholders of Investec plc

- Shareholders registered on the South African register are advised that the distribution of 9 pence, equivalent to a gross dividend of 121 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11h00 (SA time) on Wednesday, 16 May 2012
- Investec plc UK tax reference number: 2683967322360
- The issued ordinary share capital of Investec plc is 598 339 612 ordinary shares
- The dividend paid by Investec plc to South African resident shareholders and the dividend paid by Investec Limited on the SA DAS share are subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The net dividend paid by Investec plc to South African resident shareholders amounts to 17 cents per ordinary share for shareholders liable to pay the Dividend Tax and 20 cents per ordinary share for shareholders exempt from paying the Dividend Tax
- Secondary Tax on Companies (STC) credits utilised as part of the dividend by Investec Limited on the SA DAS share amount to 79.02 cents of the 101 cents dividend distributed using the SA DAS share and consequently the STC credits utilised are sufficient to cover a portion of any Dividend Tax and the remaining 21.98 cents dividend distributed using the SA DAS share will be subject to Dividend Tax (subject to any available exemptions as legislated)

- The net dividend paid by Investec Limited on the SA DAS share amounts to 97.70 cents per share for shareholders liable to pay the Dividend Tax and 101 cents per shares for shareholders exempt from paying the Dividend Tax
- Shareholders registered on the South African register who are liable to pay the Dividend Tax will thus receive a net dividend of 114.70 cents per share and shareholders exempt from paying the Dividend Tax will thus receive a net dividend of 121 cents per share.

By order of the board

D Miller
Company Secretary

Investec plc

Registration number: 3633621
Share code: INPPR
ISIN: GB00B4B0Q974

Rand denominated preference share dividend announcement

Rand denominated non-redeemable non-cumulative non-participating perpetual preference shares ("preference shares")

Declaration of dividend number 2

Notice is hereby given that preference dividend number 2 has been declared for the period 1 October 2011 to 31 March 2012 amounting to a gross dividend of 428.67 cents per preference share payable to holders of the Rand denominated non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday, 15 June 2012.

The relevant dates relating to the payment of dividend number 2 are as follows:

Last day to trade cum-dividend	Friday, 8 June 2012
Shares commence trading ex-dividend	Monday, 11 June 2012
Record date	Friday, 15 June 2012
Payment date	Tuesday, 26 June 2012

Share certificates may not be dematerialised or rematerialised between Monday, 11 June 2012 and Friday, 15 June 2012, both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 2 275 940 preference shares
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- No Secondary Tax on Companies (STC) credits have been utilised in respect of this preference share dividend declaration
- The net dividend amounts to 364.37 cents per preference share for preference shareholders liable to pay the Dividend Tax and 428.67 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary

Investec plc

Registration number: 3633621
Share code: INPP
ISIN: GB00B19RX541

Preference share dividend announcement

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

Declaration of dividend number 12

Notice is hereby given that preference dividend number 12 has been declared for the period 1 October 2011 to 31 March 2012 amounting to 7.52 pence per preference 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, 15 June 2012.

For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.52 pence per preference share is equivalent to a gross dividend of 100 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday, 16 May 2012.

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

Last day to trade cum-dividend	
On the Channel Islands Stock Exchange (CISX)	Tuesday, 12 June 2012
On the Johannesburg Stock Exchange (JSE)	Friday, 8 June 2012
Shares commence trading ex-dividend	
On the Channel Islands Stock Exchange (CISX)	Wednesday, 13 June 2012
On the Johannesburg Stock Exchange (JSE)	Monday, 11 June 2012
Record date (on the JSE and CISX)	Friday, 15 June 2012
Payment date (on the JSE and CISX)	Tuesday, 26 June 2012

Share certificates may not be dematerialised or rematerialised between Monday, 11 June 2012 and Friday, 15 June 2012, both dates inclusive, nor may transfers between the UK and SA registers take place between Monday, 11 June 2012 and Friday, 15 June 2012, both dates inclusive.

For SA resident preference shareholders, additional information to take note of:

- Investec plc tax reference number: 2683967322360
- The issued preference share capital of Investec plc is 15 081 149 preference shares
- The dividend paid by Investec plc to South African resident shareholders is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- No Secondary Tax on Companies (STC) credits have been utilised in respect of this preference share dividend declaration
- The net dividend amounts to 85 cents per preference share for preference shareholders liable to pay the Dividend Tax and 100 cents per preference share for preference shareholders exempt from paying the Dividend Tax.

By order of the board

D Miller
Company Secretary

Investec Limited

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

Ordinary share dividend announcement

Notice is hereby given that final dividend number 113, amounting to a gross dividend of 121 cents (2011: 102 cents) per ordinary share has been recommended by the board, subject to shareholder approval being obtained at the Annual General Meeting scheduled for 2 August 2012, in respect of the financial year ended 31 March 2012 and payable to shareholders recorded in the members' register of the company at the close of business on Friday, 27 July 2012.

The relevant dates for the payment of the dividend number 113 are as follows:

Last day to trade cum-dividend	Friday, 20 July 2012
Shares commence trading ex-dividend	Monday, 23 July 2012
Record date	Friday, 27 July 2012
Payment date	Monday, 6 August 2012

The final gross dividend of 121 cents per ordinary share has been determined by converting the Investec plc distribution of 9 pence per ordinary share into Rands using the Rand/Pounds Sterling average buy/sell forward rate at 11h00 (SA time) on Wednesday, 16 May 2012.

Share certificates may not be dematerialised or rematerialised between Monday, 23 July 2012 and Friday, 27 July 2012, both dates inclusive.

Additional information to take note of:

- The Investec Limited company tax reference number: 9800/181/71/2
- The issued ordinary share capital of Investec Limited is 276 020 221 ordinary shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- Secondary Tax on Companies (STC) credits utilised as part of this dividend amount to 94.66 cents of the 121 cents dividend per ordinary share and consequently the STC credits utilised are sufficient to cover a portion of any Dividend Tax and the remaining 26.34 cents dividend per ordinary share will be subject to Dividend Tax (subject to any available exemptions as legislated)
- Shareholders subject to Dividend Tax will receive a net dividend of 117.05 cents per ordinary share and shareholders exempt from paying the Dividend Tax will receive a net dividend of 121 cents per ordinary share.

By order of the board

B Coetsee
Company Secretary

Investec Limited

Registration number: 1925/002833/06
Share code: INPR
ISIN: ZAE000063814

Preference share dividend announcement

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

Declaration of dividend number 15

Notice is hereby given that preference dividend number 15 has been declared for the period 1 October 2011 to 31 March 2012 amounting to a gross dividend of 315.86 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, 15 June 2012.

The relevant dates for the payment of dividend number 15 are as follows:

Last day to trade cum-dividend	Friday, 8 June 2012
Shares commence trading ex-dividend	Monday, 11 June 2012
Record date	Friday, 15 June 2012
Payment date	Tuesday, 26 June 2012

Share certificates may not be dematerialised or rematerialised between, Monday, 11 June 2012 and Friday, 15 June 2012, both dates inclusive.

Additional information to take note of:

- The Investec Limited company tax reference number: 9800/181/71/2
- The issued preference share capital of Investec Limited is 32 214 499 preference shares
- The dividend paid by Investec Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The total Secondary Tax on Companies (STC) credits utilised as part of this declaration amount to R101 752 717 (315.86 cents per share) and consequently the STC credits utilised are sufficient to cover the 15% Dividend Tax required and shareholders will receive a net dividend of 315.86 cents per preference share.

By order of the board

B Coetsee
Company Secretary

Annexure 3 Dividend announcements (continued)

Investec Bank Limited

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

Preference share dividend announcement

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

Declaration of dividend number 18

Notice is hereby given that preference dividend number 18 has been declared for the period 1 October 2011 to 31 March 2012 amounting to a gross dividend of 338.42 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, 15 June 2012.

The relevant dates for the payment of dividend number 18 are as follows:

Last day to trade cum-dividend	Friday, 8 June 2012
Shares commence trading ex-dividend	Monday, 11 June 2012
Record date	Friday, 15 June 2012
Payment date	Tuesday, 26 June 2012

Share certificates may not be dematerialised or rematerialised between Monday, 11 June 2012 and Friday, 15 June 2012, both dates inclusive.

Additional information to take note of:

- The Investec Bank Limited company tax reference number: 9675/053/71/5
- The issued preference share capital of Investec Bank Limited is 15 447 630 preference shares
- The dividend paid by Investec Bank Limited is subject to South African Dividend Tax (Dividend Tax) of 15% (subject to any available exemptions as legislated)
- The total Secondary Tax on Companies (STC) credits utilised as part of this declaration amount to R52 277 869 (338.42 cents per preference share) and consequently the STC credits utilised are sufficient to cover the 15% Dividend Tax required and shareholders will receive a net dividend of 338.42 cents per preference share.

By order of the board

B Coetsee
Company Secretary

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