



### Reviewed preliminary condensed consolidated financial results for the year ended 31 March 2013

#### Consolidated income statement

Year to 31 March R'million	Reviewed 2013	Audited 2012
Interest income	15 809	15 850
Interest expense	(10 926)	(11 581)
<b>Net interest income</b>	<b>4 883</b>	<b>4 269</b>
Fee and commission income	1 051	1 146
Fee and commission expense	(109)	(91)
Investment income	459	589
Trading income arising from		
– customer flow	119	259
– balance sheet management and other trading activities	220	175
Other operating (loss)/income	(3)	10
<b>Total operating income before impairment losses on loans and advances</b>	<b>6 620</b>	<b>6 357</b>
Impairment losses on loans and advances	(868)	(833)
<b>Operating income</b>	<b>5 752</b>	<b>5 524</b>
Operating costs	(3 629)	(3 351)
<b>Profit before taxation</b>	<b>2 123</b>	<b>2 173</b>
Taxation	(245)	(215)
<b>Profit after taxation</b>	<b>1 878</b>	<b>1 958</b>
<b>Headline earnings</b>		
Profit after taxation	1 878	1 958
Preference dividends paid	(109)	(104)
<b>Earnings attributable to ordinary shareholders</b>	<b>1 769</b>	<b>1 854</b>
Headline adjustments, net of taxation		
Gain on realisation of available-for-sale financial assets*	(28)	(42)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>1 741</b>	<b>1 812</b>

\* Taxation on headline earnings adjustments amounted to R10.9 million (Year to 31 March 2012 R16.3 million).

#### Condensed consolidated statement of total comprehensive income

Year to 31 March R'million	Reviewed 2013	Audited 2012
<b>Profit after taxation</b>	<b>1 878</b>	<b>1 958</b>
<b>Other comprehensive income:</b>		
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(194)	(354)
Fair value movements on available-for-sale assets taken directly to other comprehensive income*	86	84
Gain on realisation of available-for-sale assets recycled to the income statement*	(39)	(42)
Foreign currency adjustments on translating foreign operations	441	229
<b>Total comprehensive income</b>	<b>2 172</b>	<b>1 875</b>
Total comprehensive income attributable to ordinary shareholders	2 063	1 771
Total comprehensive income attributable to perpetual preference shareholders	109	104
<b>Total comprehensive income</b>	<b>2 172</b>	<b>1 875</b>

\* Net of taxation of R13.8 million (Year to 31 March 2012: R nil).

#### Condensed consolidated statement of changes in equity

Year to 31 March R'million	Reviewed 2013	Audited 2012
<b>Balance at the beginning of the year</b>	<b>20 933</b>	<b>18 837</b>
Total comprehensive income for the year	2 172	1 875
Issue of ordinary shares	1 361	1 684
Dividends paid to ordinary shareholders	(848)	(1 359)
Dividends paid to perpetual preference shareholders	(109)	(104)
<b>Balance at the end of the year</b>	<b>23 509</b>	<b>20 933</b>

#### Condensed consolidated cash flow statement

Year to 31 March R'million	Reviewed 2013	Audited 2012
Net cash (outflow)/inflow from operating activities	(14 560)	8 353
Net cash outflow from investing activities	(58)	(37)
Net cash inflow from financing activities	4 191	2 064
Effects of exchange rate changes on cash and cash equivalents	406	146
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10 021)</b>	<b>10 526</b>
Cash and cash equivalents at the beginning of the year	24 994	14 468
<b>Cash and cash equivalents at the end of the year</b>	<b>14 973</b>	<b>24 994</b>

Cash and cash equivalents are 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).

#### Consolidated balance sheet

At 31 March R'million	Reviewed 2013	Audited 2012
<b>Assets</b>		
Cash and balances at central banks	5 677	9 303
Loans and advances to banks	23 278	19 191
Non-sovereign and non-bank cash placements	5 875	7 885
Reverse repurchase agreements and cash collateral on securities borrowed	7 668	5 098
Sovereign debt securities	33 730	30 222
Bank debt securities	20 969	27 695
Other debt securities	6 258	6 284
Derivative financial instruments	12 161	10 595
Securities arising from trading activities	1 357	1 628
Investment portfolio	9 102	6 036
Loans and advances to customers	135 726	122 615
Own originated loans and advances to customers securitised	2 379	2 302
Other loans and advances	672	669
Other securitised assets	1 168	1 057
Interest in associated undertakings	45	38
Deferred taxation assets	55	46
Other assets	1 166	1 074
Property and equipment	224	308
Investment properties	1	5
Intangible assets	90	96
Loans to group companies	11 673	3 805
	<b>279 274</b>	<b>255 952</b>
<b>Liabilities</b>		
Deposits by banks	17 861	13 933
Derivative financial instruments	9 232	8 570
Other trading liabilities	1 063	172
Repurchase agreements and cash collateral on securities lent	18 188	18 174
Customer accounts (deposits)	185 311	176 094
Debt securities in issue	4 091	1 738
Liabilities arising on securitisation of own originated loans and advances	2 933	2 933
Liabilities arising on securitisation of other assets	588	492
Current taxation liabilities	1 142	1 113
Deferred taxation liabilities	61	9
Other liabilities	2 799	3 082
	<b>243 269</b>	<b>226 310</b>
Subordinated liabilities	12 496	8 709
	<b>255 765</b>	<b>235 019</b>
<b>Equity</b>		
Ordinary share capital	32	29
Share premium	14 885	13 527
Other reserves	175	(119)
Retained income	8 417	7 496
<b>Total equity</b>	<b>23 509</b>	<b>20 933</b>
<b>Total liabilities and equity</b>	<b>279 274</b>	<b>255 952</b>

These reviewed preliminary condensed consolidated financial results are published to provide information to holders of Investec Bank Limited's listed non-redeemable, non-cumulative, non-participating preference shares.

#### Commentary

##### Overview of results

Investec Bank Limited, a subsidiary of Investec Limited, posted a decrease in headline earnings attributable to ordinary shareholders of 3.9% to R1,741 million (2012: R1,812 million). The balance sheet remains strong with a capital adequacy ratio of 16.2% as calculated in terms of Basel III (2012: 16.1% as per Basel II). For full information on the Investec Group results, refer to the combined results of Investec plc and Investec Limited or the group's website <http://www.investec.com>.

##### Financial review

Unless the context indicates otherwise, all comparatives referred to in the financial review relate to the year ended 31 March 2012.

Salient operational features of the period under review include:

- Total operating income before impairment losses on loans and advances increased by 4.1% to R6,620 million (2012: R6,357 million). The components of operating income are analysed further below:
- Net interest income increased by 14.4% to R4,883 million (2012: R4,269 million) largely as a result of higher lending balances and a sound performance from the bank's fixed income portfolio, partially offset by higher costs on subordinated liabilities.
- Net fee and commission income decreased 10.7% to R942 million (2012: R1,055 million) and customer flow trading income decreased 54.1% to R119 million (2012: R259 million) as a result of lower activity in the corporate and institutional banking businesses.
- Investment income decreased by 22.1% to R459 million (2012: R589 million) largely due to a weaker performance from the bank's listed principal investments portfolio.
- Trading income arising from other trading activities increased 25.7% to R220 million (2012: R175 million) reflecting improved activity on the balance sheet management desk.
- Impairments on loans and advances increased from R833 million to R868 million. Default loans have decreased significantly since 31 March 2012, with an improvement reported in the private client business partially offset by an increase in corporate loans defaulting in the period. The credit loss charge as a percentage of average gross core loans and advances has improved from 0.69% at 31 March 2012 to 0.65%. The percentage of default loans (net of impairments but before taking collateral into account) to core loans and advances amounts to 1.93% (2012: 2.79%). The ratio of collateral to default loans (net of impairments) remains satisfactory at 1.44 times (2012: 1.68 times).

- The ratio of total operating costs to total operating income amounts to 54.8% (2012: 52.7%). Total operating expenses at R3,629 million were 8.3% higher than the prior year (2012: R3,351 million).
- As a result of the foregoing factors profit before taxation decreased by 2.3% to R2,123 million (2012: R2,173 million).

#### Accounting policies and disclosures

These reviewed year-end condensed consolidated financial results have been prepared in terms of the recognition and measurement criteria of International Financial Reporting Standards, the presentation and disclosure requirements of IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act 71 of 2008.

The accounting policies applied in the preparation of the results for the year ended 31 March 2013 are consistent with those adopted in the financial statements for the year ended 31 March 2012. The financial results have been prepared under the supervision of Glynn Burger, the Group Risk and Finance Director. The financial statements for the year ended 31 March 2013 will be posted to stakeholders on 28 June 2013. These accounts will be available on the group's website at the same date.

On behalf of the Board of Investec Bank Limited

**Fani Titi**  
Chairman

**Stephen Koseff**  
Chief Executive Officer

**Bernard Kantor**  
Managing Director

22 May 2013

#### Review conclusion

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

#### Investec Bank Limited

##### Preference share dividend announcement

Registration number: 1969/004763/06

Share code: INLP

ISIN: ZAE000048393

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

##### Declaration of dividend number 20

Notice is hereby given that preference dividend number 20 has been declared for the period 01 October 2012 to 31 March 2013 amounting to 353.18222 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, 14 June 2013.

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

Last day to trade cum-dividend	Friday, 07 June 2013
Shares commence trading ex-dividend	Monday, 10 June 2013
Record date	Friday, 14 June 2013
Payment date	Tuesday, 25 June 2013

Share certificates may not be dematerialised or rematerialised between Monday, 10 June 2013 and Friday, 14 June 2013, 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 Dividends Tax (Dividends 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 300.20489 cents per preference share for preference shareholders liable to pay the Dividends Tax and 353.18222 cents per preference share for preference shareholders exempt from paying the Dividends Tax.

By order of the Board

#### B Coetsee

Company Secretary

22 May 2013

#### Registered office

100 Grayston Drive  
Sandown, Sandton, 2196

#### Transfer secretaries

Computershare Investor Services (Pty) Limited  
70 Marshall Street, Johannesburg, 2001

#### Investec Bank Limited

(Registration number 1969/004763/06)

Share code: INLP

ISIN: ZAE000048393

#### Directors:

F Titi (Chairman), D M Lawrence ^ (Deputy Chairman), S Koseff ^ (Chief Executive), B Kantor ^ (Managing Director)  
S E Abrahams, G R Burger ^, D Friedland\*, M P Malungani, Sir David J Prosser †, K X T Socikwa  
B Tapnack ^, P R S Thomas, C B Tshili

^ Executive † British \* Appointed 01 March 2013

#### Company Secretary:

B Coetsee