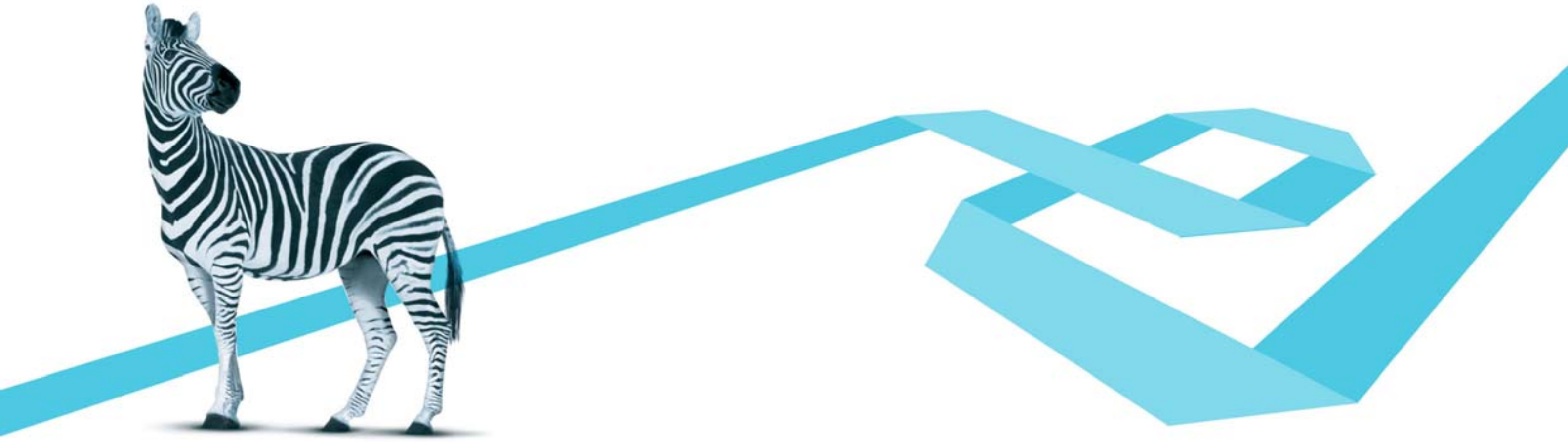

Investor (pre-close) briefing

19 MARCH 2009

Speaker	Narrative
Stephen Koseff	Okay, welcome everybody, both in London and Johannesburg on Summit and on the webcast to our trading update. It is a tradition of ours to give our pre-lose trading update so that analysts and the like know exactly what is going on prior to our year end. If I start off, I think we are all aware that the market conditions are very tough out there and I don't think I need to harp on that. I think you just have to watch TV or read the newspaper and you will understand exactly what is going on. I think from Investec's point of view our three core geographies have all remained profitable. I think the South African Rand will be down less than 10%. The UK business will be down less than 30% and Australian business, as we said to you in our December trading update is down significantly. Recurring income as a percentage of our operating income amounts to approximately 75% and we expect EPS and it is early days to give a forecast, but we do expect EPS to be between 22% and 30% lower than March 2008. I think if you look at that in the context of the world we are quite comfortable with these numbers. If you look at where we expect our balance sheet to be, since March 2008 our loans and advances have grown by 23%. You must bear in mind that the net number after currency adjustment is about 13.5% and the deposits grew by 14% and third party assets under management declined by 9%, which is as one would expect with the fall-off in equity markets. That just gives you an overall macro picture and I think that what we are quite confident and comfortable with is the fact that we have managed to maintain a very sound balance sheet and low leverage right throughout this difficult crisis and we do have a diversified business model which we believe does enable us to navigate the present challenging environment and I think if you look at some of the key operating fundamentals and this force that that gives us, if we start off with the fact that we do have a hands-on culture, we mentioned it before and senior management know what is going on in our organisation and very close to the cold face and we have always been like that as an organisation and we monitor our risk and liquidity very, very carefully. I think if we look at liquidity management, I think we have always had a philosophy to keep a large pool of

Speaker	Narrative
	cash and near cash and that helped us a lot during the Lehman's crisis, if I can call it that, where you saw most banks had a run-off in liquidity and we felt that in the same way October/November were quiet up periods for the banking world. We have since seen that retrace and normalise and as we speak here today we have about £5.2 billion of cash and near cash of which have would be in the plc silo and half would be in the limited silo. So 25% of our liability base is cash and near cash and 30% of our deposit base is cash and near cash and I will talk a little bit about it in a moment, but we have had a massive effort in terms of diversifying funding sources and limiting concentration risks and I think that has started to work well for us as an organisation. I think on that particular topic, we have made a very strong effort and have reorganised ourselves in particular in the UK with two significant retail deposit launches both in the UK and Ireland. Also Australia but at a different sort of level and we have started to see quite substantial inflows in retail deposits, net inflows. I am not talking about gross inflows, I am talking about net inflows, and we have seen it both in our Private Bank and in our capital market business which launched a structured product which are very, very retail orientated for up to five year team. And we have seen that very, very strong over the last three months, in particular since we launched it now. To contextualise it we took a whole lot of people who were good frontline people in the Private Bank and we switched them around into deposit gathering as opposed to lending people, because as you are aware lending is a difficult space to be in, in this environment, and we needed to switch our emphasis to deposit gathering so that we are able to fund ourselves effectively and we have, as I said to you, had a significant amount of success on that front. I think what we told you in November last year, the bank is also eligible to issue three year debt instruments guaranteed by the UK government and we are also eligible to issue Australian government guaranteed debt through the Australian government programme and we have issued some of this debt in the past while. We also see quite a strong emphasis on retail deposit intake in Australia and this is the way we have decided as an organisation, we mentioned it to you some time

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	back, that we have reorientated our business on the funding side towards the retail client, and as I said, a lot of success on that front.

I think if you look at our capital ratios, we did tell you November that we would change our target Tier 1 ratio to 11% which we expect to achieve some time in 2010 and we do again highlight the fact that we are on standardised approach for Basel II and therefore we do have higher risk weighted assets when compared to similar portfolios of advanced banks and I think people need to take them to town, but notwithstanding that, we expect our capital ratio in the UK to be about 15.3% of which 9.6% is Tier 1 and we always show the number excluding operational risk because we hold a hell of a lot of capital for operational risk and which is way above the event that one has had, so we do need to show that to you and South Africa expect to be at about 13.8% in Tier 1, 10.5%, which is quite good growth on March last year.

So overall we believe that we are not too far from achieving our targets and that we should get there within the next 18 months. I think on the credit and counter party exposures, I think this is obviously where most banks are feeling pressure as the economies weaken and Wall Street shifted to Main Street and we have continued to have strong focus on credit quality and counterparty risk. I think impairments and defaults have increased and they will increase in line with what is going on in the real economy and we do expect our credit loss ratio to be between 1.1 and 1.2%, which is significantly higher than previous years. We had a very low credit loss ratio up until now. I do not know if you go back to the fallout from the 1998 prices in South Africa where they track towards similar numbers and that is a cyclical thing and we have had benign conditions moving into tough conditions, so we do expect that that would be the norm worldwide in this kind of space.

But we target clients as opposed to products and I think that has helped us during this environment but obviously not enough. I think the other point that people forget, and this is a point very much in favour of the South African banking industry, is low leverage compared to the international banking industry and I think our loan to capital ratio at 6.8, our loans to customer deposits are just under 1.1 and our total gearing 13.3 and if we strip our securitised assets which

Speaker	Narrative
	aren’t really ours, it is 12.2. now that is a lowly geared institution and I think that a lot of people miss that about perhaps ourselves and about the South African banking industry at large, and I think the typical international bank was geared between 30 and 55, maybe even higher which obviously cause a massive effect on those banks in this crisis, when asset crisis started coming down.
	So if we look at our divisional review, I think we will see higher net interest income as we have had higher average advances. So we expect strong growth in net interest income. We have spoken many times about the fact that this kind of economy is going to give us lower levels of activity and you also have falling asset prices. So therefore we will see decline in fees and commissions as well as revenue generated from principal transactions.
	We have had good trading revenue but clearly weaker investment revenue and I think that is what one would expect in this environment. We have managed our expenses quite tightly and we expect expenses to be lower this year than they were last year and we had done that in a sensitive way.
	And then overall net operating income before impairments is expected to be in line with the prior year. So we have not seen a drop-off in operating income, but obviously we have had a rise in impairments and hence a lower net operating profit after tax.
	Moving to the Private Bank, I think this area of our business has been impacted by market conditions and it has obviously had lower levels of activity as well as an increase in impairment, and as I said to you earlier, there has been a massive effort in the Private Bank, mainly in the UK at this stage and Australia to build their retail deposit base and those efforts will be extended towards other parts or other geographies as well.
	So we are seeing deposits up 11% and a lot of that up is the last three to four months and because obviously we saw a dip in deposit post the Lehman situation which have now recovered and is starting to grow above the level pre-Lehman's, and we did see loan portfolios grow by 20% and a lot of that would be South Africa and exchange rate and then funds are revised down 12% as markets have taken their toll on front managers.

Speaker	Narrative

I think the same applies to the private client portfolio management business. I think that in essence is our stake in Rensburg Sheppard as well as our South African business and you will see decreased market volumes and reduced market values and hence we will get a weaker performance from this business in this environment. We expect this performance to be marginally behind the first half of this financial year, but obviously we do have less funds under management and as a consequence we will have less income but there is also less activity.

I think capital markets has had reasonable levels of activity across our advisory, structuring and trading businesses and obviously again here we will see an increase in impairments reflecting the weaker credit cycle. We have taken advantage of what is out there. There are a lot of opportunities in the distressed debt area and it is performing as a global division slightly behind the 1H09. So overall capital markets has performed reasonably well and its loan portfolio is up 17%. As I said to you earlier, most of that would be currency for the year.

I think on Kensington we have seen a stable performance and there has been an increase in impairments in line with the weaker housing market. We have increased our expectation of house price declines for 2009 and we originally expected it to be down 10%. Now we say it will be down 15% and that is calendar year 2009 and we also have an extra 10% haircut for sale discount to reflect what market conditions are.

The book has decreased. It is a running-off book. We are not originating new loans. We stopped originating new loans some time back. We have also stopped originating loans for Bradford & Bingley because we did cancel the contract a couple of months ago and we did receive compensation for the cancellation of that contract.

Arrears have increased as the book becomes more seasoned and that is a natural thing. They will increase as the book becomes seasoned because we are not originating new loans which take time to fall into arrear and we have seen the LTVs rise to 82% as a consequence of house price deflation.

Speaker	Narrative
	So overall we think that we are managing Kensington quite well. We have cut the overheads, as we said to you last time round quite significantly and therefore we do have a high level of revenue to support bad debt and to deliver an operating profit at the end of the day. I think on the investment banking side, we all know that agency and advisory activity levels are down. There is not much going on in the world and we have seen that decline continue in this particular trading period. I think in principal transactions we have got a tale of two cities in South Africa because of the nature of some of the investments we have, we have performed well, and the UK and Australia, obviously those markets are a bit shot. So they really struggled and we have quite substantial write-downs in that particular space in this year. Our asset management business will perform marginally behind the first half, again impacted by levels of fund management and we have had up to the end of February had positive net inflows and we have seen a shift in fund mix from retail to institutional, although our retail has held up reasonably well and obviously we are in a very challenging environment for this type of business but I think we all know that. So we have seen funds under management decline by about 5%. It is a bit worse in actual fixed currency, stable currency, because I think the Rand translated at 16.2 in March last year, translates in these results at about 14.3 and these estimates at about 14.3. Then property, this is mainly a South African business. We have launched funds internationally and the money has not been spent yet, but there is a lot of opportunity for the international funds because they've raised the cash but have not spent the money and they are seeing those opportunities and hopefully will take advantage of some. However, the South African business has benefitted from projects that are completed in this particular year and a reasonable performance from its investment portfolio for international. For non South Africans who are listening to this presentation will see that as a surprise, but the South African commercial property market is actually held up quite well. You can just look at the South African property shares. They are not down too far because there is a big expectation that rates are going to drop dramatically over the next while in South Africa which is something we have been saying

Speaker	Narrative
	for a while and something we believe will happen and you saw the government of South Africa Central Bank going forward into monetary policy committee meetings which tells us that the rates are going to come down fast and furious from very, very high levels.

On central funding, we will see a slightly weaker performance in South Africa in the second half and a good performance in the UK as we implemented some debt repurchase programmes. Of course, there is a lot of opportunity in buying back one's own debt. And then our central costs will be marginally up on the first half of this year, so that gives the analysts some guidance as to where we are and where we expect to be.

Other things, tax rate, we expect to be approximately 24%. Do not kill us for half a percent either way. We expect our numbers of shares in issue to be approximately 635 million and that on goodwill impairments, I think they will be moderate across the group. There is one investment, global ethanol, which we are currently reviewing, which we believe we could have an impairment on which – but that has not been finalised. These are all still subject to audit.

So I think in conclusion, I think the results for 31 March should demonstrate that we have navigated a steady course during the year of what we could call unprecedented turmoil. I think it is fair to say that, in financial markets. If I sat here a year ago and said – I should not say anything rather, but how many large banks would have to have the significant amount of government support that had to be made available for them just to survive and us at Investec, we have managed the storm without any support from anyone. I think we are quite comfortable that we have managed the storm very well.

I think obviously we still remain in an uncertain environment and markets remain volatile. I mean, as we know, City Bank was a Dollar 10 days ago. It is not $3 today. That is a 300% rise or 200% - I cannot work out the maths right now, I am a bit stupid, but that is massive if you think about the volatility that we are actually experiencing in the market.

I think we will demonstrate and I think we have demonstrated here that we have a sound balance sheet and that we believe that the market upheaval since

Speaker	Narrative
	December will start presenting interesting opportunities. We are seeing approaches in those kinds of things and obviously there is nothing at this point in time but we do think that there will be some interesting opportunities in our core businesses, from an operational level and maybe strategically, I do not know yet, but certainly we do see that there are going to be interesting opportunities as people realign themselves and focus their business models in a different direction.
	So that is the story. I hope you got enough clarity from what we have told. We are actually being fairly specific in terms of numbers as opposed to general guidance and I think it is important in this environment to give you specific guidance as opposed to general guidance. So we are now into question time. Is it cricket today? Started? Raining? Oh, okay. No, it is not raining in Cape Town. They are playing. Okay. So we are now into questions. Who won the toss? Again? Six times in a row. Not good.
	I will start off. I have got a sequence I have got to go. Johannesburg. Hi, Ruby, you sneaked in before to read this and you came afterwards to ask me a question, hey?
Unidentified	Mr Koseff, you are not stupid. Whoever said that does not know what he is talking about. Mr Koseff, regarding Kensington, have you cleaned up the CDO situation to the extent that further impairments or write-downs are now of a negligible size?
Stephen Koseff	You're confused. You are confusing CDOs with Kensington and Kensington has got nothing to do with CDOs. Kensington is a mortgage portfolio. CDOs have been written off. There’s maybe a few bones left based on expected cash flow but I don’t think it is more than a couple of million Pounds. It is gone. I don’t know if any of it will ever come back. Maybe one day some will come back and we will have a present for you, but at the moment it is gone.
Unidentified	You mentioned that Kensington is not giving any new loans.
Stephen Koseff	Nothing.
Unidentified	Nothing. So then what’s the future for this division?

Speaker	Narrative
Stephen Koseff	We collect a VAT book. There is a margin in the VAT book.
Unidentified	Can you do a [unclear] when you have collected everything what happens to that division? Surely you have some stage to start it up again?
Stephen Koseff	It depends on how life goes. At the moment there is no purpose in giving you loans because the model is based on originating and selling and you can't sell loans and there is no point in carrying on running the front book. So if it suits us down the line and one could rejuvenate to the front end of the business, we refocus people on deposit gathering and other sorts of things, so we have kept the platform alive but at the moment the job is to run the VAT book and make a margin on running the book out.
Unidentified	Does that therefore suggest that staff is being let go?
Stephen Koseff	Ja, I told you, we started of with 400 people. I think we've got 80 or 90, maybe even less.
Unidentified	Thank you.
Stephen Koseff	Okay. Jan, you were missing a few times.
Jan	I know.
Stephen Koseff	If you keep up to date you will know the whole story. More questions here? Where?
Unidentified	May I ask you? In terms of Private Banking, at one stage you were lending quite heavily in the UK in the property area and in Australia. What is the position of your properties under repossession? You are speaking about impairments. Would those in the main be properties which you have had to repossess when you saw that massive boom in the London property market and in Australia?
Stephen Koseff	We don't have a lot of repossessions but obviously we had defaults which could end up in repossession. We made impairments so we don't have a lot of repossessions.
Unidentified	Your impairments in the main being in terms of property.
Stephen Koseff	Not only property, you have other things that you have

Speaker	Narrative
	impairment on. So property is part of it. I would guess it is probably half the impairments. The other impairments are just general impairments that you get.
Unidentified	Would those be sort of private equity funds where the market value has gone down significantly where you put together syndicates and private individuals.
Stephen Koseff	Private equity. You can get a bit from acquisition finance. I think it will be across property, acquisition finance, financing some empowerment transactions. That's where the impairments come from.
Unidentified	The BEE, was that the empowerment in South Africa then?
Stephen Koseff	Ja, we got impairment in South Africa. South Africa is not immune. You've had your equity markets get a hiding as well. That's where the impairments come from.
Unidentified	In terms of percentage wise, what percentage would South Africa be and then the UK and Australia, just roughly speaking?
Stephen Koseff	I haven't got the number in my head.
Unidentified	Thank you.
Stephen Koseff	I mean, you will get that number in the trading update, will give you guidance. I haven't got the number.
Unidentified	Thank you.
Stephen Koseff	More questions here? Michael?
Michael	Stephen, I just wanted to ask you a little bit more on the issue of impairments. You've given a range of 1.1 to 1.2%.
Stephen Koseff	Yes.
Michael	Your best guess on where that goes going forward? I mean, to what extent are there big one-offs like the Central African gold deal and things like that? So implying it might not deteriorate much in the year ahead?
Stephen Koseff	Ja, it is a guess because one does not know how – where the economies go. I guess if the economy sort of

Speaker	Narrative
	stabilise at this level, my guess is that number would not get higher than that. If it gets significantly worse good people start falling off the bus. So it is a question of where life ultimately goes. I think your weaker loans go first and I think we've had a few of those, but if the economy sustain themselves in a weak form for much longer than one anticipates, then who knows? But those numbers look like the kind of numbers that one would expect.
Unidentified	Hi, Stephen, could you maybe just provide more colour to that forward sale agreement with Bradford & Bingley?
Stephen Koseff	It is cancelled.
Unidentified	Are you looking for sale of assets to them?
Stephen Koseff	Ja, we used to originate loans to sell off to them and they took up all the loans that we originated and they cancelled the agreement and paid us compensation and then we had to close down that originating team. So we have costs associated with it.
Unidentified	Just in terms of the funding for that now?
Stephen Koseff	You don't have to fund it anymore. It is gone. We don't have a book. It is gone, cancelled.
Unidentified	Okay.
Stephen Koseff	Is that clear enough?
Unidentified	Steve? [unclear] from IDG. To what extend is Investec intending to target the public sector, particularly given your cost structure?
Stephen Koseff	Well, we see the public sector as a client of ours so I'm not quite sure what the cost structure has got to do with the question but the public sector is a client of ours and we would continue to try and provide services to the public sector. So we see them as a core target client.
Unidentified	Stephen, just a question on the write-downs. Have you made any further write-downs for half year and could you give us an update on the outstanding sort of positions in Kensington as well as in the US?
Stephen Koseff	I thought I answered Ruby on the US because most of that is written out, okay? So I don't know, I haven't got

Speaker	Narrative
	the exact detail of what is left there but certainly all the CDOs are gone and written down. There are some CLOs but I can't give you the exact quantum offhand. So we have made further write-downs and that is why you have seen now impairment charge kick up from .7 to 1.1 to 1.2. So there are further write-downs.
Unidentified	The rating agencies recently downgraded some aspects of your business. Can you tell us how that would affect you in the future?
Stephen Koseff	We haven't seen much effect from it because I guess that the rating agencies are downgrading everyone. So we have not seen much effect from it.
Unidentified	Do you think it was fair?
Stephen Koseff	No, I don't think it was fair but that is my view and they have their view and we will never, ever agree. So one doesn't think it is fair. I think we have had no government support. They don't give us any scale uplift like they give others three or four notches scale uplift because they're being backed by government, but that is just life. So we still trade [unclear]. As I said, our UK business is down less than 30%. So, you know, but that is their view and we have our view and people must look for themselves. I think I don't have to get abusive towards anyone here. I could. [Laughs]. I think some of their models are fundamentally wrong. If we didn't have fundamentally wrong models then maybe we wouldn't be in the space we are in the world where people relied on ratings that were nonsense, but still. So I think look at the facts yourself and see what the facts look like and then make your own call.
Unidentified	They also downgraded [unclear] and he was a bit upset.
Stephen Koseff	Ja, well, we all get upset, but you know, at the end of the day everyone has the right to say what they think and give their own view.
Unidentified	City Bank and Bank of America recently said that they made a profit over the last two months. As a banker do you think that's sustainable or just a flash in the pan?
Stephen Koseff	No, I think it is sustainable. I think once they have dealt with their write-off they still have good operational businesses. I think once they have dealt with the write-offs I think it is sustainable, but it is a question of write-

Speaker	Narrative
	offs. Once that is finished then you're going to see these guys start restoring to some normality. You still got big factories that generate a lot of revenue, so this issues about being write-offs, you got the doubles up. You have got financial markets, the treasury assets as people call them, had to be written down and now they have to deal with what is going on in the real economy, credit cards, consumer loans, all those kind of things. Acquisition loans, corporate loans. You've got the double dip and that is why it is quite tough.
Unidentified	I see you have increased your size of your headquarters here. Considering the way business is going was that a good decision?
Stephen Koseff	Well, you know, you make those decisions years in advance because you can't plan for the day, so when we moved into this building, the one you are sitting in right now, we also use a 1998 trauma in South Africa and for a year or two we had empty floors and then when life comes back you fill them up or you rent them out. So we've designed the building in a way that we can rent out floors if we think we should. We needed space anyway, we are just not full. We've got a couple of floors empty, that is all. Two floors empty, or two and a half floors empty. More questions in South Africa?
Unidentified	Stephen, can you just give us an update on the Warehousing lines? Has there been any change in agreements or notice given?
Stephen Koseff	No, there is no notice given. The earlier one matures in December 2010 and the others about a year to 18 months later. You got between 21 months and three years left. More questions?
Unidentified	Stephen, if you had to use your wisdom and hazard a guess, how far down the curb are we in terms of global banking write-offs? 30, 50, 60%?
Stephen Koseff	I don't know. I was at the World Economic Forum. Not this year but the year before and Norio Robini stood up and said that he thinks that what everyone calls a $250 billion problem is a trillion Dollar problem. Now that everyone is saying it is $1.5 trillion problem he is saying it is a $4.5 trillion problem. I suppose beauty is in the eye of the beholder and it is a question, it depends on how these economies turn around. I mean, I know less than you on the subject, probably. So when you have

Speaker	Narrative
	the massive amount of stimulus that is going into the system plus interest rates at zero plus, at a point in time it is going to have some effect and you know you got the other guy saying well, it is going to be placed. Fine, I think we need a bit of inflation in this environment, but it is going to turn around at a point in time. I think the banks have taken a hiding and they've had massive write-downs and it probably will start turning around within the next six months to 18 months, depending on how deep the issue goes, but at a point zero rates and quantitative easing stimulus has to have some effect.
Unidentified	Do you think the new initiatives announced over the last couple of days we could [unclear] accelerate the global economies, bring in any more confidence and result in some of the banks growing into a profit area like we have seen from two or three of the banks in the US and the UK?
Stephen Koseff	I think they've got to have an effect. I think you cannot just, you know, the economy is not just being left. It is essential bankers, the finance ministers are determined to do whatever they can to turn it around and at a point in time it is going to have an effect. I just don't know when that turns. There is a lag effect and the lag is normally six to nine months. So you know, one would believe what [unclear] says that last quarter you will start seeing an impact, but obviously the fall-off after Lehman's was quite dramatic, the October to December fall-off and anyone who is in business will know that sort of like their businesses hit a wall in that period. Up until Lehman's life was not great but it was sort of okay.
Unidentified	Thank you.
Stephen Koseff	More questions? I'm not an economist and I haven't a clue, like most of us. Our job is navigate. More questions? Okay, I'm going to London. Bernard?
Bernard	Thanks, Stephen. Any questions?
James Hamilton	Good morning, it is James Hamilton from [unclear] Securities. A couple, if I may. Firstly, you indicated here that there is a strong interest income growth and [unclear] are clearly average, are impacting their obviously other income as well. Given that things like average funds are likely to remain weak and [unclear] sort of how and when will we get to the point where your objective of increasing income and reducing [unclear]

Speaker	Narrative
	materialise?
Stephen Koseff	Again, that depends on how long we stay in the current market conditions. I think there are going to be opportunities for us to do that over the next while. I think that as one moves deeper through the crisis and you are still on the field you have less competition and more opportunities start coming your way. So I think in this particular trading result we are dealing with the half year which I would say October to March where the world was in a particular tailspin. I don't think, I think moving out of that as that starts stabilising you will start seeing the other side, the efforts that are being made on building the non-lending revenue start coming home, but how long I can't call, but I would start seeing that over the next year to 18 months.
James Hamilton	And my second, if I may, could you make some comments around your portfolio of lending businesses regarding what signs you are seeing from your clients at a very early stage weakness, which if the economies continue to deteriorate would you expect it to translate into impairments in future periods?
Stephen Koseff	I think I tried to answer that question earlier when Michael of Deutsche Bank asked that question. I think that obviously we have seen how some of our weaker transactions fall over and we do expect impairments to remain at this 1.1 to 1.2% type level this next financial year and depending on how that weakens that could be higher or lower, depending on how the economies lays out. So I think that is all I can answer you at the moment. We are not expecting it much weaker than what the impairment charge that we have seen, but who knows where the economy is going?
Bernard	Questions?
Unidentified	Yes, a question from me, [unclear]. Two questions, actually, if you have got the time. the first is on your funding requirement. I noticed the increase in Private Banking deposits. Could you give us just a quick idea as to what are the immediate liabilities that need refinancing on the balance sheet and what are the funding arrangements that you might use for those just going forward?
Stephen Koseff	I think we are in a position to fund any maturity of immediate liabilities. I think we, as you see, have built up

Speaker	Narrative
	a lot of surplus funds and as I said to you, we have had a strong success in the gathering of retail and structured, or if I can call them that, structured type deposits, so we are in a position to fund any kind of maturity even if they don't roll over at this point in time and we run those stresses every single day and we are in a position to fund all of them. So we built up quite a lot of surplus cash to cater for some of the maturities that are coming up over the next while.
Unidentified	Thank you. And could you just give us an idea of what the quantum of that is?
Stephen Koseff	I don't know the numbers offhand. It is probably half a billion Pounds or so, and as I said to you, we are in a position to fund any of that if nothing rolls.
Unidentified	Thank you. The second question was just to look at the, again, I'm afraid the impairment question. To what extent will you assume in making these impairment number your ability to refinance the companies that you have already lent to on any existing they might have from other funders which don't have the liquidity that you have?
Stephen Koseff	I think most of our clients are banked mainly by us. I think obviously we have some consortium situations out there and I think we have assumed that we will not be funding anything in that assessment. We certainly assume that we will be able to fund out existing times and their needs and I think that is fair game. We do have some redemptions every month on our local traders, because some people settle and those kinds of things and obviously that has come down over the last while but certainly we are comfortable that we can fund any of our existing clients' needs. You are talking specifically UK. I think each geography is quite different. More questions?
Bernard	Ja, thanks, Stephen, I think that is all. No more? No.
Stephen Koseff	Okay. Where is Ursula? Is that it? More questions in Johannesburg? Ja, Louis? I thought you were quiet today. Do you want to ask about the dividend? You say we started a bad move by cutting our dividend. Now the whole world is cutting their dividends.
Louis	Exactly. You started this whole thing and they took it much further. Now we are totally out of pocket, but we

Speaker	Narrative
	are very disappointed that you did not buy into City Group when they were trading at a hamburger a share.
Stephen Koseff	You should have bought. You would have tripled your money.
Louis	Obviously there is rumour that Gordon Brown wants to nationalise Investec. It is not true, hey? [Laughs]
Stephen Koseff	He is lurking around in Gresham Street.
Louis	No, what I actually wanted to ask you is this capital market bubble that is going to burst. How is it going to affect you?
Stephen Koseff	You're thinking about the bond market now, okay? Is that what you're thinking about?
Louis	Ja.
Stephen Koseff	The bond yields are slightly lower now it is the next bubble. I don't think it will affect us at all. I think you've had all the bubbles that can affect the bank. That will affect investors in the long term if inflation kicks up and if I were holding long term bonds at very low prices.
Louis	Yes. And just one thing more, I must admit the liquidity was about £6.5 billion last time around.
Stephen Koseff	No, it wasn't. At our peak we've got £5.2 billion today.
Louis	Oh, that is still great. Thank you.
Stephen Koseff	Okay? More questions? We are finished. Thank you very much. Anyone wants to ask questions in London can ask Bernard afterwards or you can ask me afterwards in Johannesburg. Thank you.

END OF TRANSCRIPT