



Investor Briefing

Wednesday, 22nd September 2004

- Proviso: unless otherwise stated, figures and trends discussed in the operational review relate to the five month period to 31 August 2004 (i.e. 1H05) in relation to the six month period to 30 September 2003 (i.e.1H04)



Operating environment

	31 Aug 2004		30 Sep 2003		% Move	31 Mar 2004	
JSE ALSI	11 160.4		8 925.7		25.0%	10 692.6	
FTSE All Share Index	2 214.2		2 027.7		9.2%	2 197.0	

	31 Aug 2004		30 Sep 2003		31 Mar 2004	
Currency per £1.00	Close	Ave	Close	Ave	Close	Ave
South African Rand	11.98	11.72	11.93	12.25	11.67	12.02
US Dollar	1.79	1.81	1.67	1.61	1.83	1.69
Israeli Shekel	8.11	8.20	7.42	7.21	8.30	7.51
Australian Dollar	2.56	2.53	2.46	2.49	2.41	2.45

Source: Reuters and Oanda.com

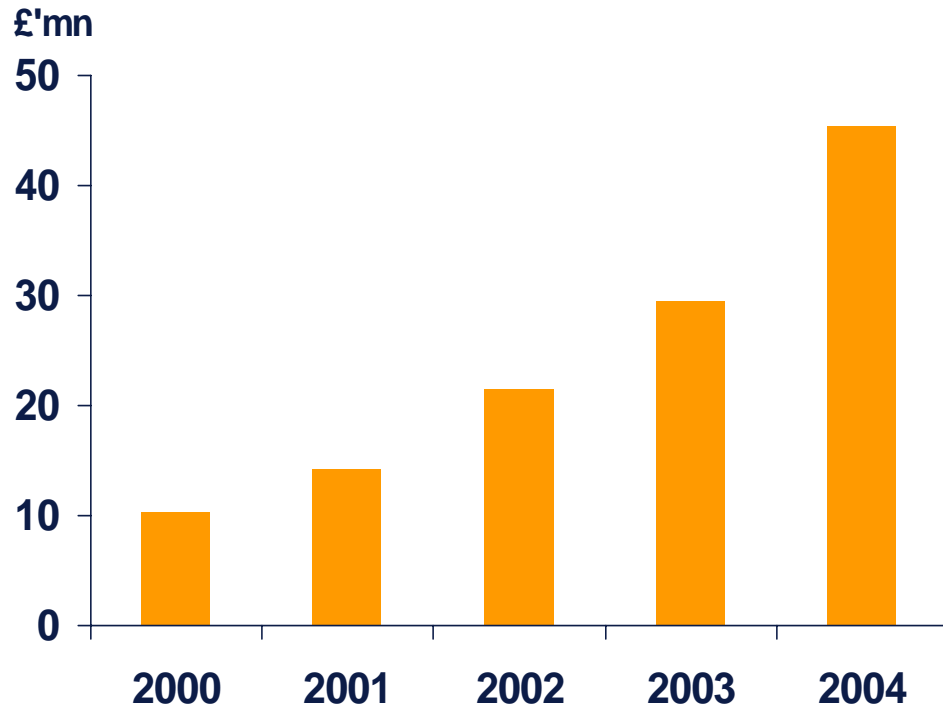




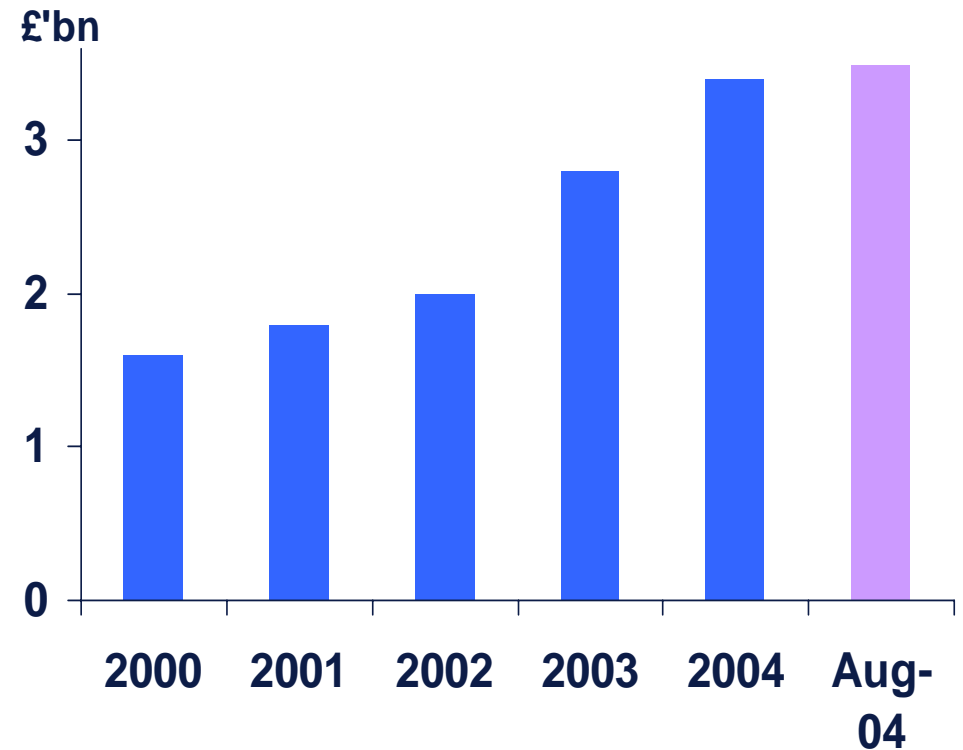
Divisional review

Private Banking

Operating profit before tax and amortisation of goodwill*



Loan portfolio



**Results are reflected for the year-ended 31 March. The group adopted a policy of allocating central costs to the operating divisions in 2003 and 2004. The group has allocated central costs to the divisions for 2000 – 2002 using an average % allocation as reflected in 2003 and 2004 for the purposes of this graph.*

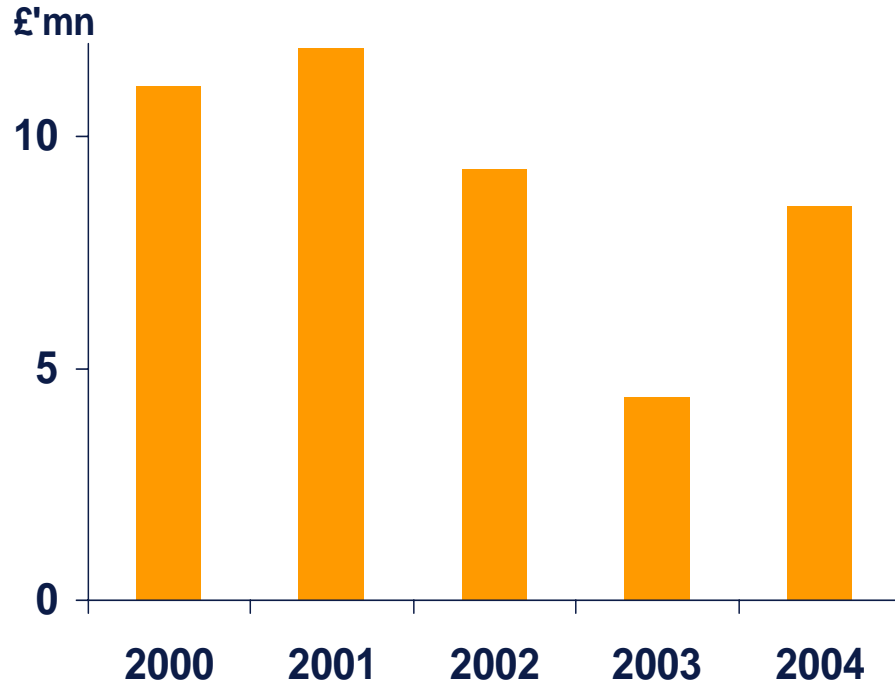
Private Banking

- The Private Banking operations have performed **exceptionally** well driven by:
 - Solid loan book growth
 - Continued development of the retail treasury deposit book
 - High levels of transactional activity leading to strong growth in non-interest income

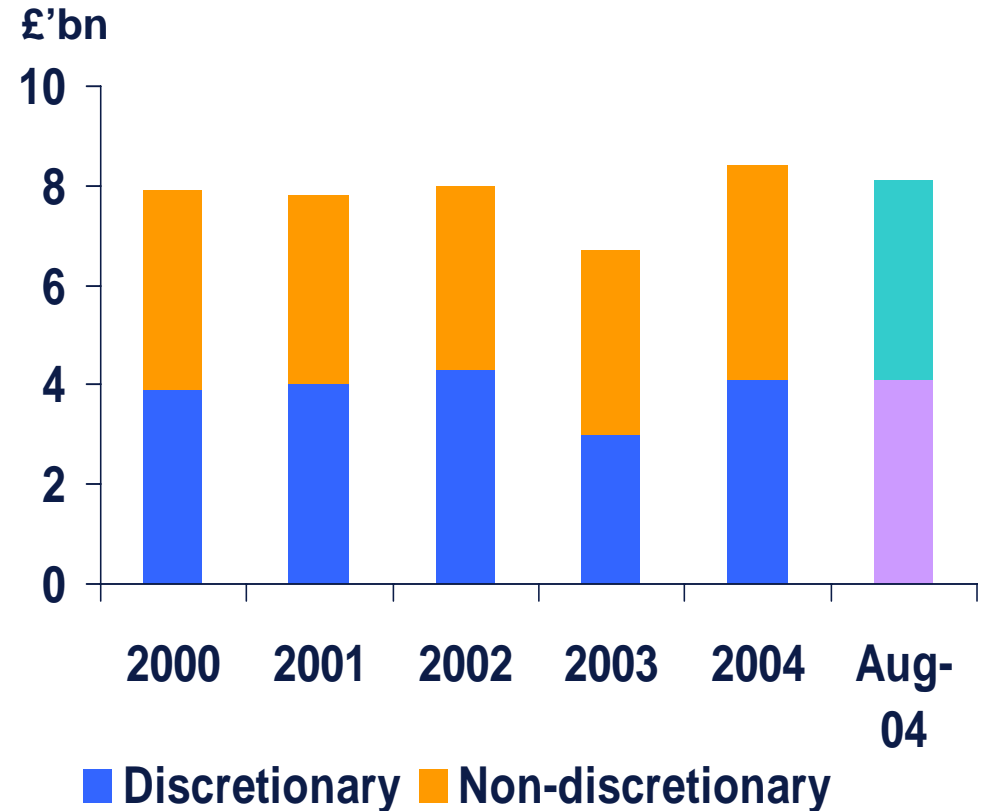


Private Client Stockbroking and Portfolio Management

Operating profit before tax and amortisation of goodwill*



Funds under management



*Results are reflected for the year-ended 31 March. The group adopted a policy of allocating central costs to the operating divisions in 2003 and 2004. The group has allocated central costs to the divisions for 2000 – 2002 using an average % allocation as reflected in 2003 and 2004 for the purposes of this graph. The numbers for this division exclude the US and one-off profits made on the sale of LSE shares in the UK in 2002.

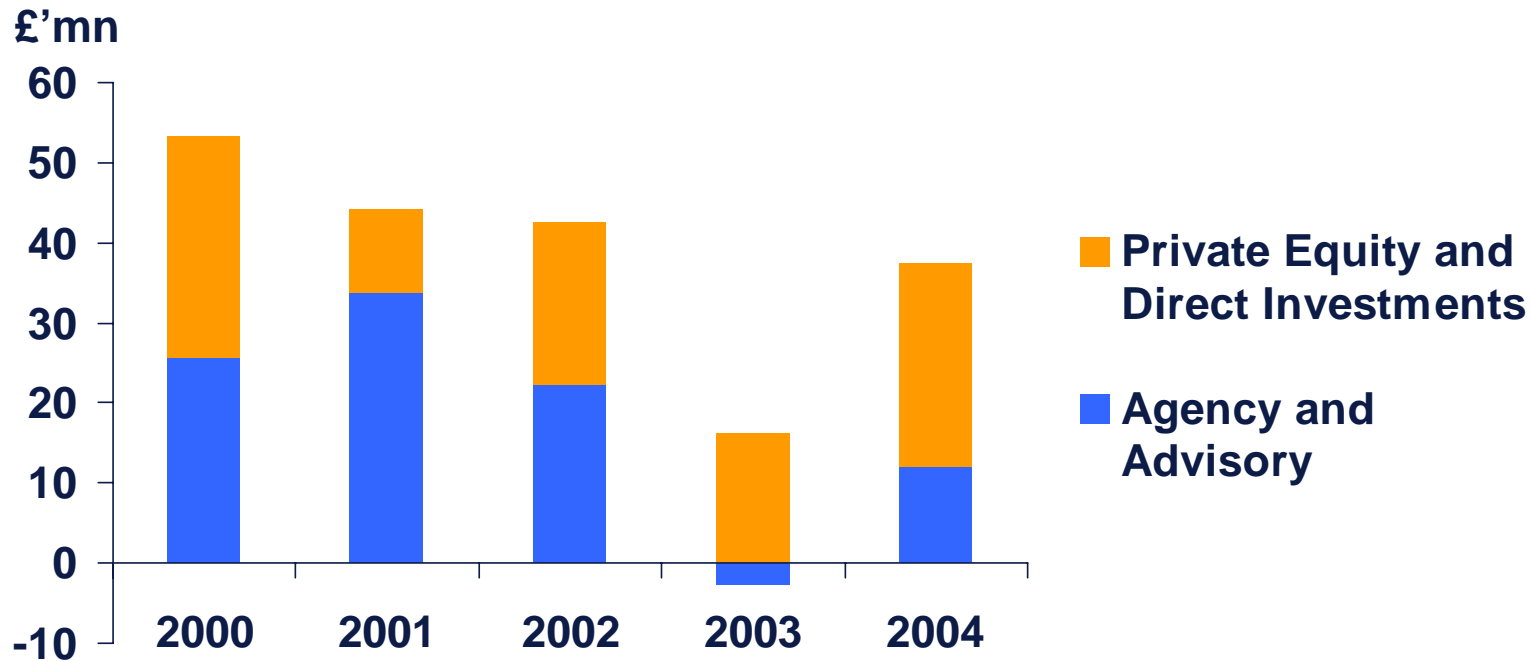
Private Client Stockbroking and Portfolio Management

- **Improved** levels of activity will benefit performance
- Third party assets under administration:
 - Down marginally in the UK
 - Loss of client taken over
 - A decline in non-discretionary funds due to extensive KYC exercise
 - ↑ by 5% in SA since March



Investment Banking

Operating profit before tax and amortisation of goodwill*



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Investment Banking

Agency and Advisory

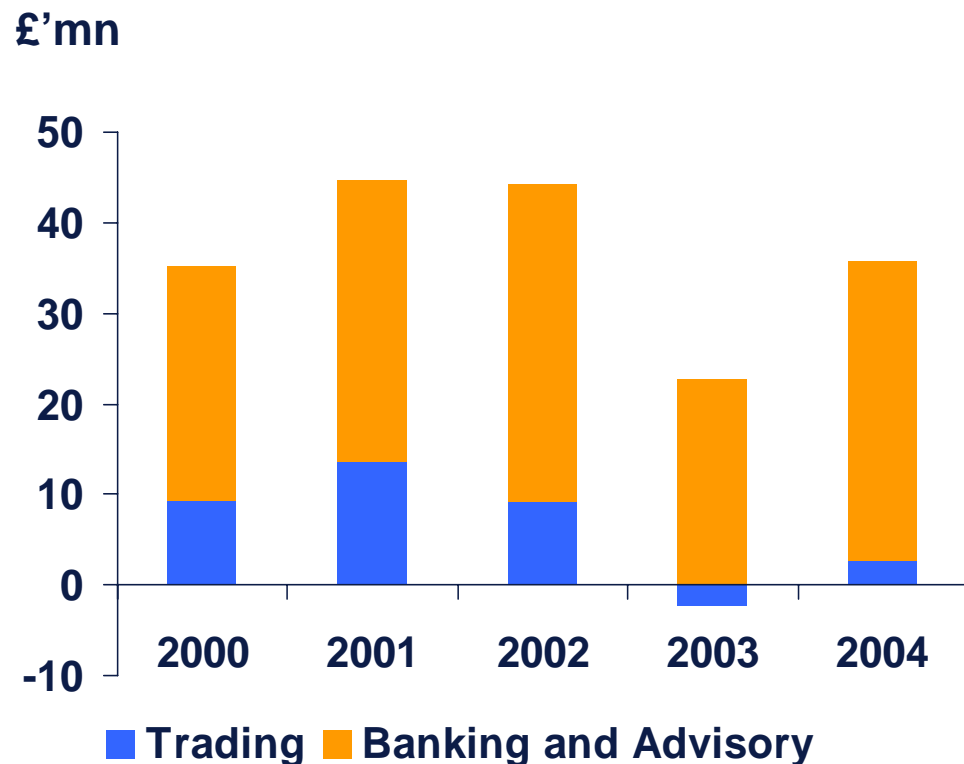
- **Strong growth** in UK
 - Increased client base and market share
 - Participated in high performing IPOs and reputational momentum
- **Australia**
 - Solid M&A market with moderate IPO market - strong pipeline
- **SA**
 - Corporate Finance: current pipeline of deals remains stable with BEE and restructuring still key opportunities
 - Institutional stockbroking: recently experienced improved market volumes

Private Equity and Direct Investments

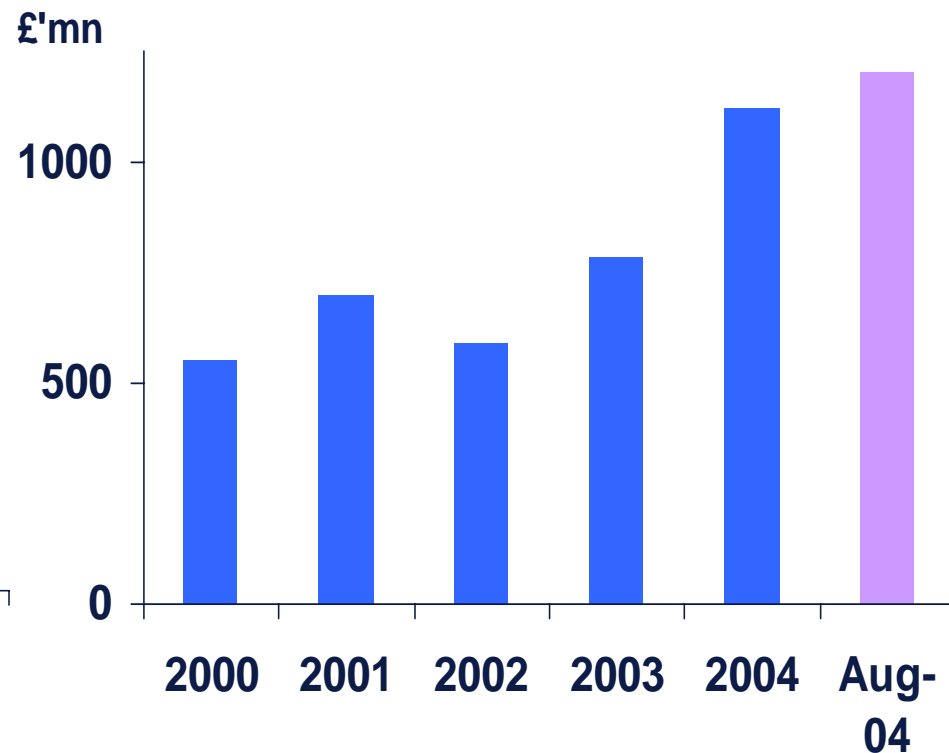
- Do **not expect** to repeat performance of prior year

Treasury and Specialised Finance

Operating profit before tax and amortisation of goodwill*



Loan portfolio



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Treasury and Specialised Finance

Trading Activities

- Significant **improvement** in SA forex and interest rate activities negated by poor performance of the commodities desk in the UK

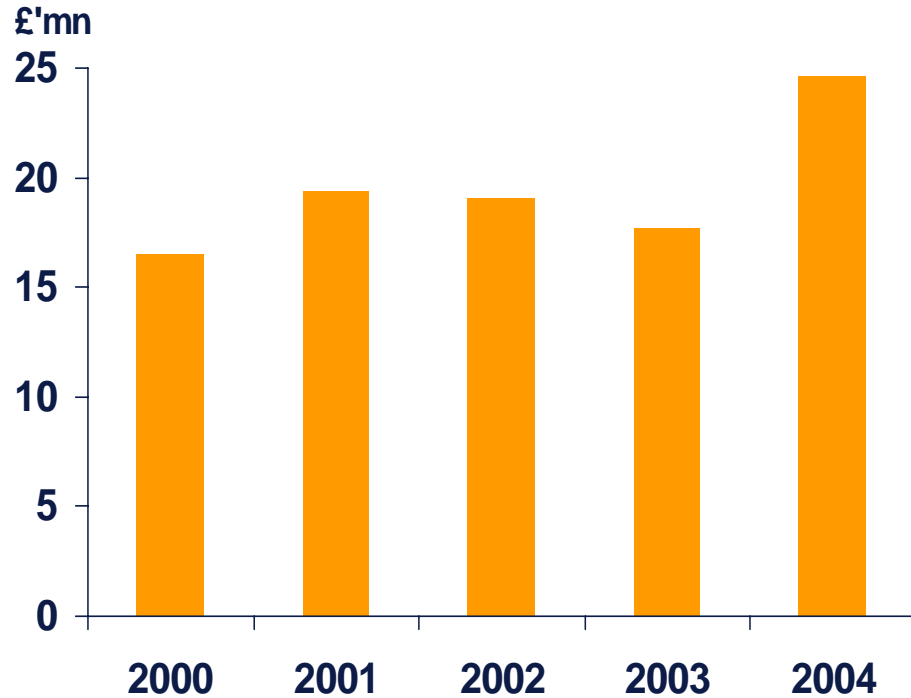
Banking and Advisory Activities

- **Strong** performance from Project Finance in the UK with continued growth in structured lending activities
- Favourable interest rate environment in SA resulting in **improved** margin and reasonable level of activity

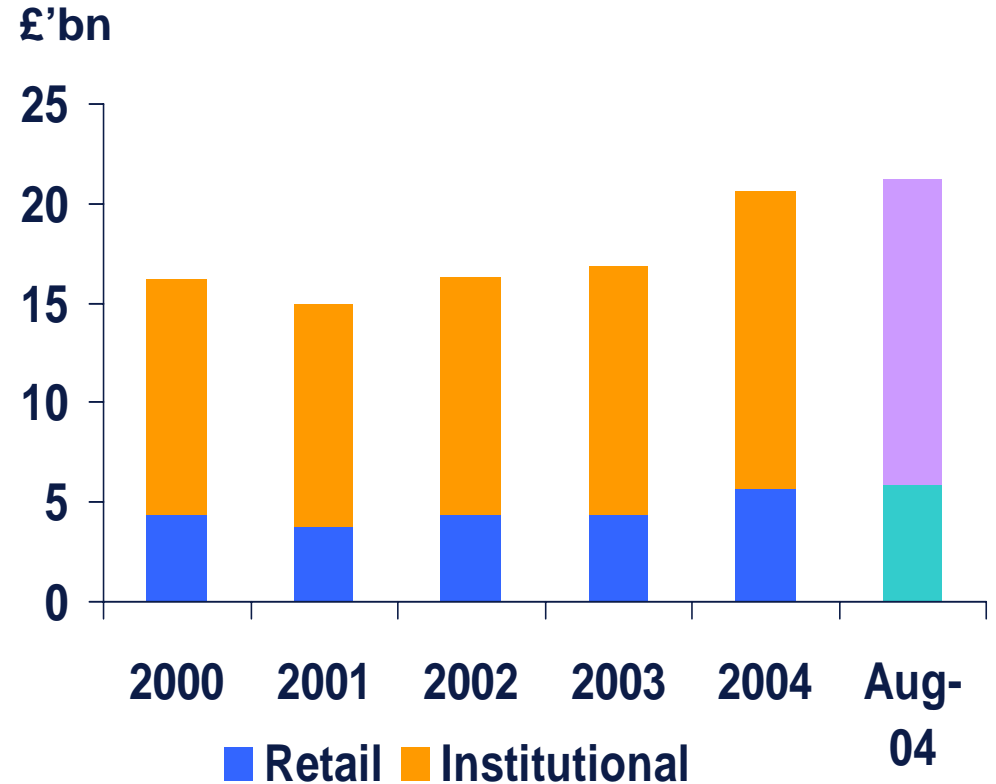


Asset Management

Operating profit before tax and amortisation of goodwill*



Funds under management



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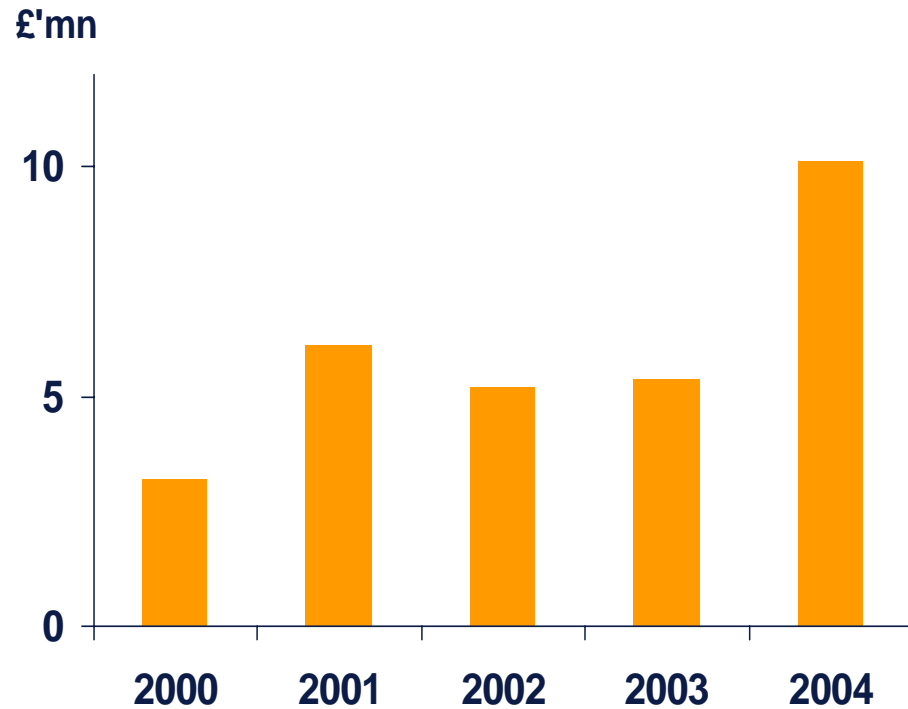
Asset Management

- **Strong** financial performance in SA with FUM ↑ by 4.4%
- Significantly **improved** financial performance in the UK with FUM ↑ by 4.1% (net inflows of £232 million) notwithstanding two client losses as a consequence of UK equity team changes
- Good **investment performance** across all core products in SA and UK with improving performance in SA balanced products

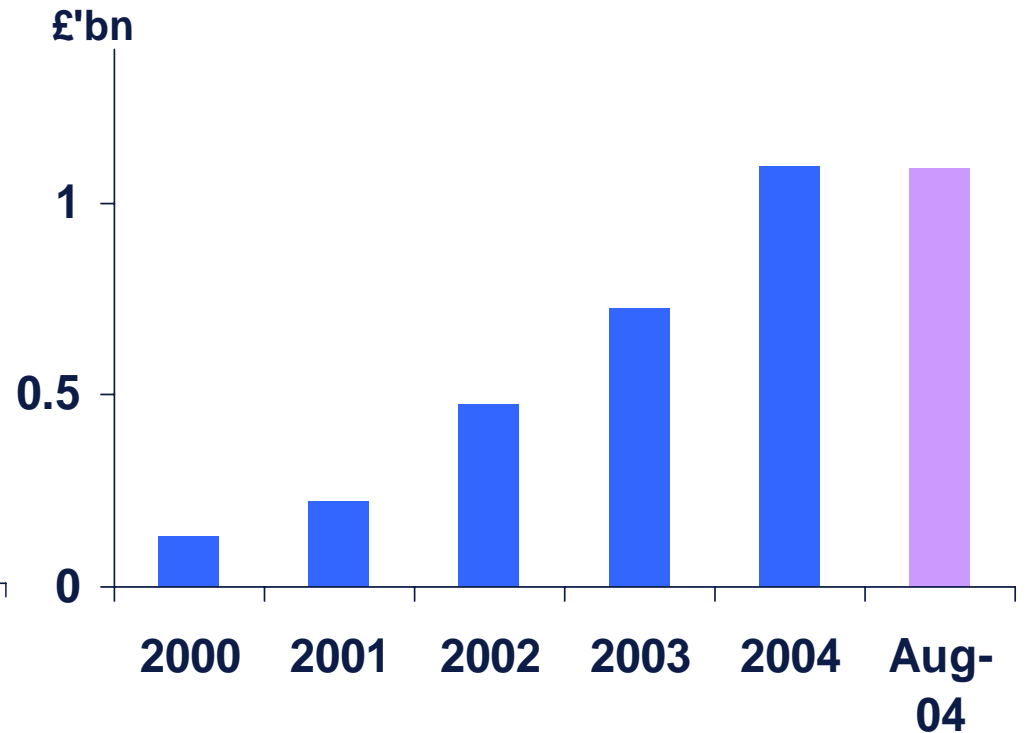


Property Activities

Operating profit before tax and amortisation of goodwill*



Assets under administration



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Property Activities

- Very **strong** performance from the UK business
- **Reasonable** performance from SA with FUM increasing marginally to R12.9 billion (Mar 04: R12.5 billion)



Other Activities

- **Assurance** Activities: performance in line with that of last year
- International **Trade Finance**: sound performance with macro economic environment remaining supportive of imports
- **Traded Endowments**: closure of operations
- **Central Services**:
 - Increased costs in the UK due to:
 - Unrecovered rent
 - Increased compliance and regulatory costs



Other Activities

- **Central Funding:**

- Performance in the **UK** impacted by:
 - Additional net cost of sub-debt
 - Last year benefited from bad debt recovery
 - FRS 17 pension financing costs
- Significant improvement in **SA** as a consequence of lower rate environment and improved capital structure





Additional aspects

Summary headcount by business

	31 Aug 2004	31 Mar 2004	30 Sept 2003
Private Banking	1 144	1 106	1 096
Private Client Stockbroking and Portfolio Management	452	463	477
Investment Banking	268	276	273
Treasury and Specialised Finance	492	477	494
Asset Management	748	784	785
Property Activities	211	215	175
Assurance Activities	134	156	185
Other Activities	902	981	975
Total number of employees	4 351	4 458	4 460



Other information

- Sale of **Israel**
 - Rationale: more effective use of capital base in line with group ROE target established
 - Due diligence almost completed
 - Will account for results to June 2004



Other information

- Effective **tax rate**: expected to average 26% for all regions
- Weighted number of **shares** in issue for six months ended 30 September 2004 expected to be approximately 107.2 million



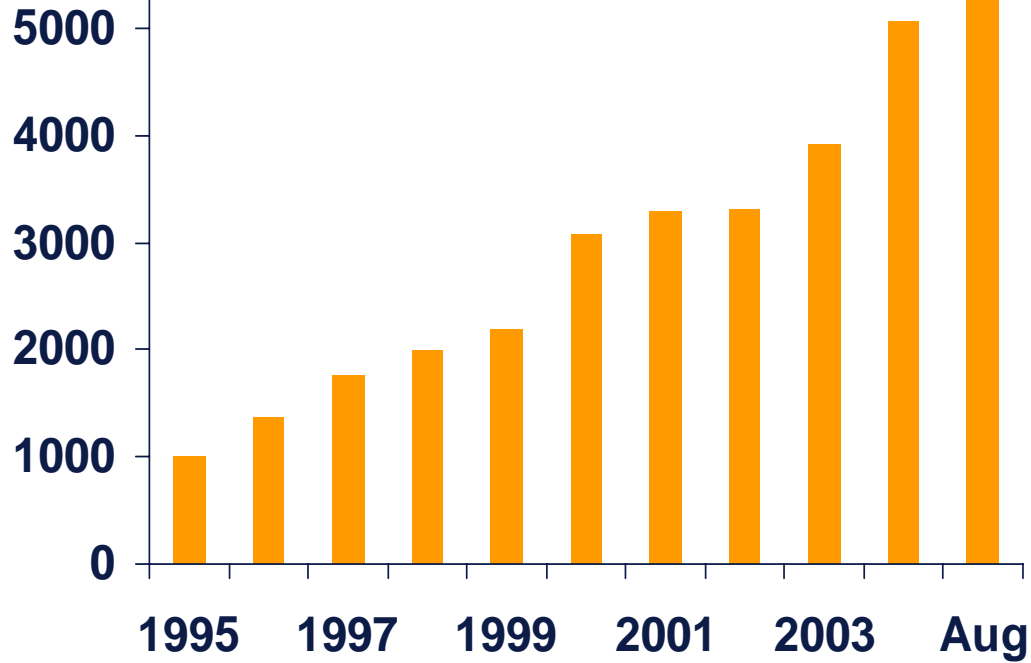


Outlook

Outlook – key growth drivers

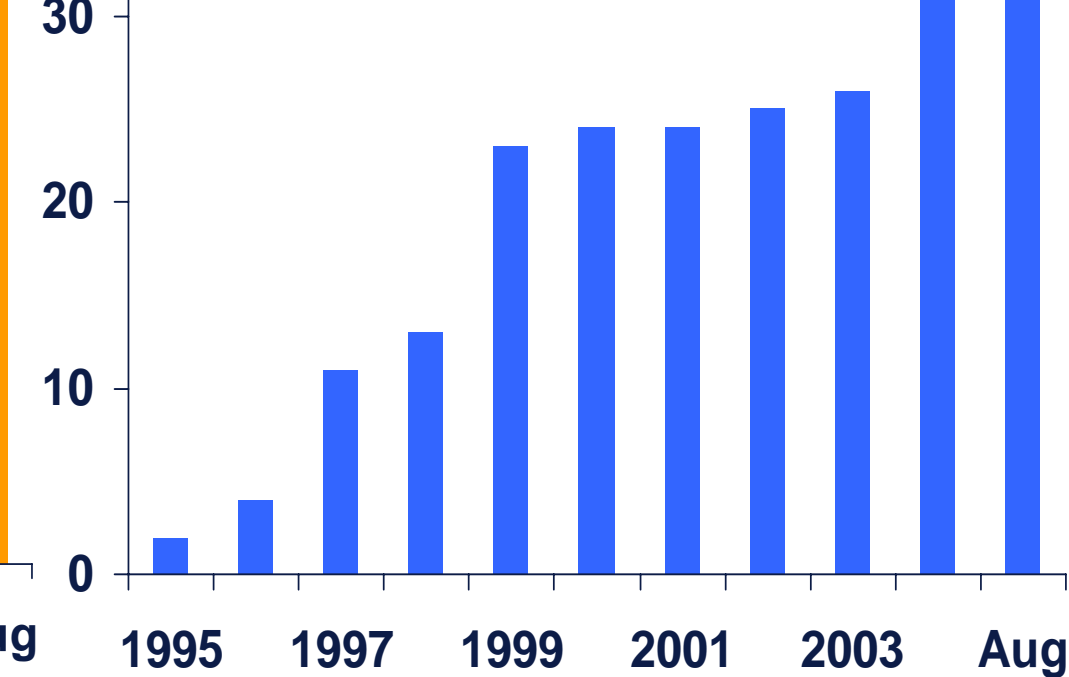
Loan portfolio

£'mn



Third party assets under administration

£'bn



Outlook

Key growth drivers

Third party assets under management

Loans and advances

Transactional activity

Stock market activity

General economic conditions

UK

Aus

SA

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Appendix

Private Banking

- Loan portfolio:
 - UK:£1 131 million (Mar 04: £1 062 million) ↑6.5%
 - Australia:A\$674 million (Mar 04: A\$624 million) ↑8.0%
 - SA:R25.1 billion (Mar 04: R22.2 billion) ↑12.7%
- Retail deposit base:
 - UK:£1.6 billion (Mar 04: £1.5 billion) ↑7.2%
 - Australia:A\$379 million (Mar 04: A\$383 million)
 - SA:R12.7 billion (Mar 04: R10.3 billion) ↑22.5%



Private Client Stockbroking and Portfolio Management

- Third party assets under administration:
 - UK: £5.5 billion (Mar 04: £5.9 billion)
 - Discretionary: £3.6 billion (Mar 04: £3.7 billion)
 - Non-discretionary: £1.9 billion (Mar 04: £2.2 billion)
 - YTD net inflows: £80 million
 - SA: R31.4 billion (Mar 04: R30.0 billion)
 - Discretionary: R5.7 billion (Mar 04: R5.3 billion)
 - Non-discretionary: R25.7 billion (Mar 04: R24.7 billion)



UK and Other International Operations

- Strong momentum in fixed income (wins of £450 million)
- Retail business continues to gain market share in tightening market

	Intermediary gross sales	Intermediary net sales
Jan-July 2004	2.9%	7.2%
Jan-July 2003	2.5%	5.2%
Jan-July 2003 (ex-Hargreaves Lansdowne)	1.5%	1.8%

- Strong offshore fund flows from Asia (net sales \$108 million)



Movement in funds under management

	Total	Institutional	Retail	South Africa	UK & Other
£ million					
31 Mar 2004	20 568	14 930	5 638	12 506	8 062
31 Aug 2004	21 111	15 252	5 859	12 721	8 390
R million					
31 Mar 2004	239 980	174 195	65 785	145 950	94 030
31 Aug 2004	252 902	182 707	70 195	152 380	100 522
		72.2%	27.8%	60.3%	39.7%



Sales (Gross Flows)

For the 5 months to 31 August 2004

Clients	£ million	Products	£ million
Institutional	1,734*	Fixed Interest & Cash	1,803
Retail	1,377	Equity	930
	3,111	Balanced	378
			3,111

Despite high turnover in the markets, the business continues to generate significant new flows

** Includes restructures of SA institutional funds from balanced to specialist of £468 million*

Asset Management - UK investment performance

Benchmark outperformance	6m	1yr	2yrs	3yrs	3yrs*
UK Equity Conservative	+	+	+	+	2.4%
UK Equity Aggressive	-	-	-	+	0.9%
Global Equities	-	+	+	+	3.8%
Balanced	+	+	+	+	1.5%
UK Government Bonds	+	+	+	+	0.6%
UK Corporate Bonds	+	+	+	+	0.2%
Sterling Cash Plus	+	-	+	+	0.3%
Global Bonds	+	-	-	+	1.8%

* Annualised. Source: S&P Micropal, WM Spectrum

Quartile rank	6m	1yr	2yrs	3yrs
UK Value	1	1	1	1
Global Equity	1	1	1	1
Sterling Bond	2	1	2	2
Global Bond	2	1	2	1

Source: S&P Micropal. All performance to 31 August 2004

Asset Management - SA investment performance

Continued excellent SA specialist performance with balanced moving back above median

Quartile rank	1yr	2yrs	3yrs	5yrs	7yrs	10yrs
Equity Fund	1	1	1	1	1	1*
Growth Fund***	2	2	1*	1	2	1*
Value Fund***	1*	1*	1*	1*	1*	
Opportunity Fund***	1	1	1	1*	1*	
Gilt Fund***	2	1	1	1	1*	1*
High Income Fund+	2	1	1	1	1	1*

* Ranked 1st in sector

** ACI/Personal Finance Raging Bull Awards 2003

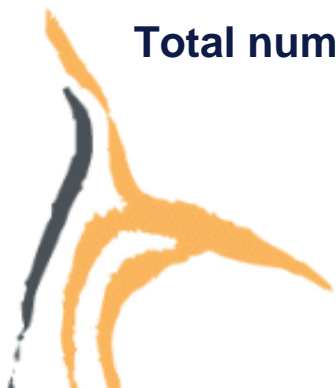
+ S&P Awards 2003

Since inception	Performance*	Inflation*	Peer group*	Position*
Equity Fund	19.2%	6.6%	14.5%	1
Gilt Fund	17.4%	6.6%	16.4%	1
Balanced Fund	17.5%	7.7%	15.2%	2

* Annualised, since inception. Source: S&P Micropal, Statpro. All performance to 31 August 2004.

Summary headcount by geography

	31 Aug 2004	31 Mar 2004	30 Sep 2003
SA and Other	2 650	2 627	2 636
UK and Europe	1 294	1 431	1 432
Australia	117	112	105
USA	74	75	68
Israel	216	213	219
Total number of employees	4 351	4 458	4 460



September 2003 - operating profit before tax and amortisation of goodwill*

Segmental geographic and business analysis of operating profit before taxation, exceptional items and amortisation of goodwill Post allocation of central costs

For the six months ended 30 September 2003

UK GAAP £ million	Southern Africa	UK & Europe	Australia	Israel	USA	Disc. Operations	Total group
Private Client Activities	9.1	14.3	1.2	0.4	-	-	25.0
Investment Banking	15.9	1.5	1.6	1.1	-	-	20.1
Treasury and Specialised Finance	5.2	8.9	0.1	1.2	-	-	15.4
Asset Management	10.5	0.2	-	0.1	-	-	10.8
Assurance Activities	2.2	-	-	-	-	-	2.2
Group Services and Other Activities	-12.6	-3.8	0.9	-0.7	0.8	-	-15.4
Discontinued Operations	-	-	-	-	-	-	-
Total group	30.3	21.1	3.8	2.1	0.8	-	58.1

Further breakdown of Group Services and Other

UK GAAP £ million	Southern Africa	UK & Europe	Australia	Israel	USA	Total
International Trade Finance	0.4	0.7	-	-	-	1.1
Property Activities	4.0	-	-	-	-	4.0
Traded Endowments	-2.0	-	-	-	-	-2.0
Other	1.2	-	-	-	0.1	1.3
Central Costs	-5.9	-4.5	-1.4	-	-	-11.8
Central Funding	-10.3	-	2.3	-0.7	0.7	-8.0
Total	-12.6	-3.8	0.9	-0.7	0.8	-15.4

*As reported in September 2003.