Out of the Ordinary®

Investec

Annual Review and Summary Financial Statements 2009

Corporate information

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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)
Alan Tapnack

Non-executive directors

Hugh S Herman (Non-executive Chairman)
Sam E Abrahams
George F O Alford
Cheryl C Carolus
Haruko Fukuda OBE
Geoffrey M T Howe
Ian R Kantor
Sir Chips Keswick (Senior Independent NED)
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Refer to pages 136 and 137

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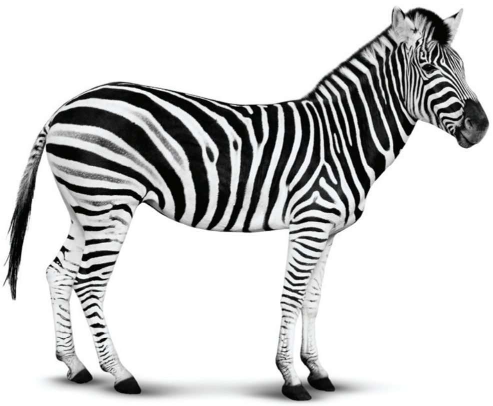
The Summary Financial Statements have been approved by the board of directors of the group and were signed on its behalf by the Chief Executive Officer, Mr S Koseff. This document provides a summary of the information contained in Investec's 2009 Annual Report (Annual Report). It is not the group's statutory accounts and does not contain sufficient information to allow for a complete understanding of the results and state of affairs of the group as would be provided by the full Annual Report. For further information consult the full Annual Financial Statements, the unqualified Auditors' Reports on those financial statements and the Directors' Report. The auditors' reports did not contain a statement under Section 237(2) or Section 237(3) of the UK Companies Act.

Should you wish to obtain a copy of the full 2009 Annual Report, please contact the Investor Relations division, whose contact details appear at the beginning of this report.

Furthermore, the 2009 Annual Report may be viewed on our website.



Overview of the year 1

Snapshot of the year

Overview

- Investec recorded another resilient performance.
- Operating profits reported across all geographies, supported by:
  - A diversified business model
  - A sound balance sheet with low leverage
  - A solid recurring revenue base
- We emerged from this period with our capacity to compete, our brand and our entrepreneurial spirit unimpeded.
- Disciplined focus by management across the group to build capital, preserve liquidity and maintain efficiency.
- ROE and adjusted earnings per share (EPS) targets were difficult to achieve given the challenging economic conditions.
- Adjusted EPS declined by 25.5% to 42.4 pence, as a result of reduced activity levels, lower asset valuations and the weaker credit cycle; the credit loss ratio increased in line with expectations to 1.1%.

Financial objectives**

	Target in £	31 March 2009	31 March 2008
ROE	>20%	14.8%	23.6%
Cost to income ratio	<65%	55.9%	56.1%
Adjusted EPS* growth	10% >UK RPI	(25.5%)	6.8%
Dividend cover	1.7 - 3.5 times	3.3	2.3
Capital adequacy ratio	14% - 17%	plc: 16.2% Ltd: 14.2%	plc: 15.3% Ltd: 13.9%
	Tier 1 >11%	plc: 10.1% Ltd: 10.8%	plc: 9.2% Ltd: 10.0%

* Before goodwill, non-operating items and after minorities

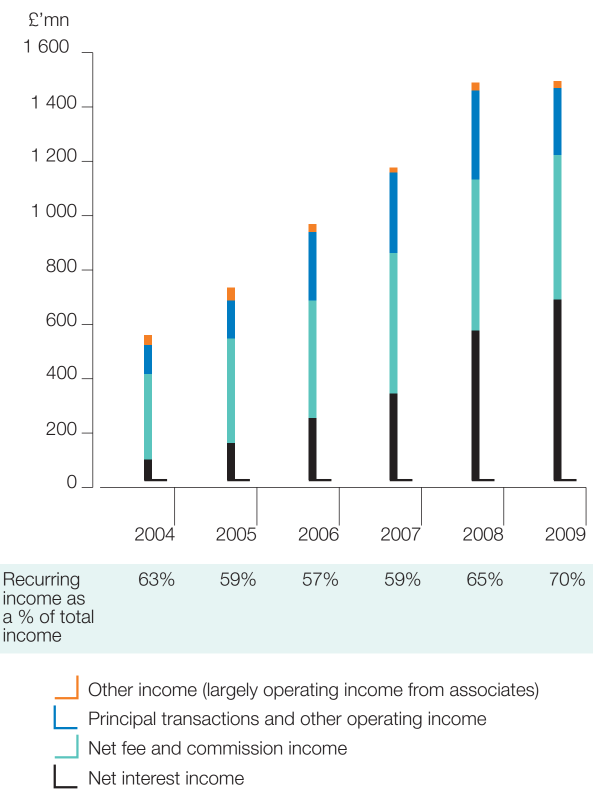
** These targets were originally disclosed in May 2004 and are medium to long-term targets. We aim to achieve them through varying market conditions. The capital adequacy and dividend cover targets were revised in November 2008

Financial features

- Operating profit* before impairment losses on loans and advances increased 4.8% to £652.9 million.
- Operating profit* before taxation decreased 22.0% to £396.8 million.
- Adjusted earnings attributable to shareholders* decreased 21.9% to £269.2 million.
- Recurring income as a percentage of total operating income increased to 70.0%.
- Total shareholders' equity increased 18.6% to £2 621 million.
- Tangible net asset value per share increased 23.9% to 266.3 pence.
- Core loans and advances to customers increased 26.2% to £16.2 billion.
- Third party assets under management decreased by 7.4% to £48.8 billion.
- Customer deposits increased 20.1% to £14.6 billion.
- Proposed full year dividend decreased 48.0% to 13.0 pence.

Continued focus on building our recurring income . . . to ensure a sustainable earnings base

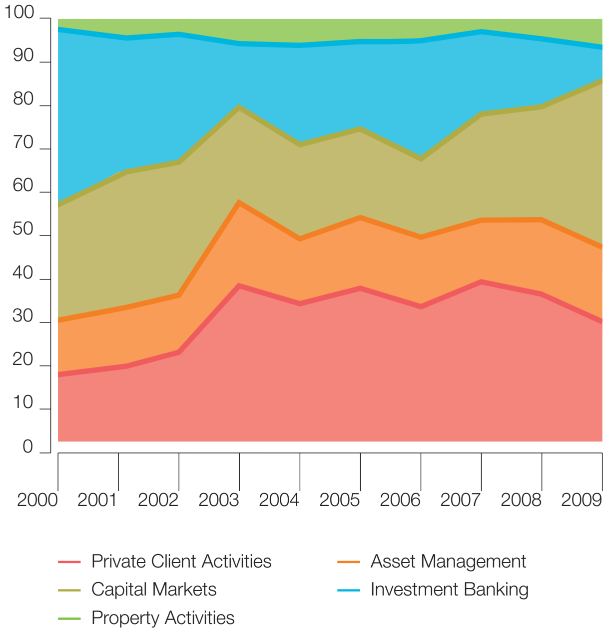
Total operating income



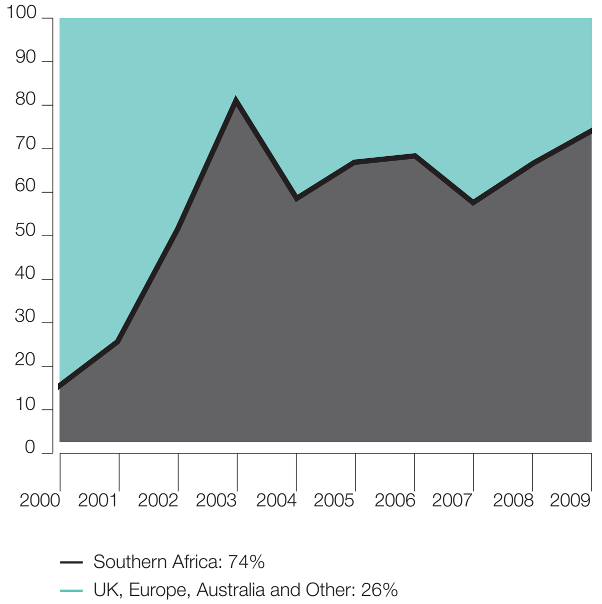
Snapshot of the year

A diversified business model . . . stood us in good stead during the down turn

% contribution to operating profit* (excluding Group Services and Other Activities)



% contribution to operating profit*

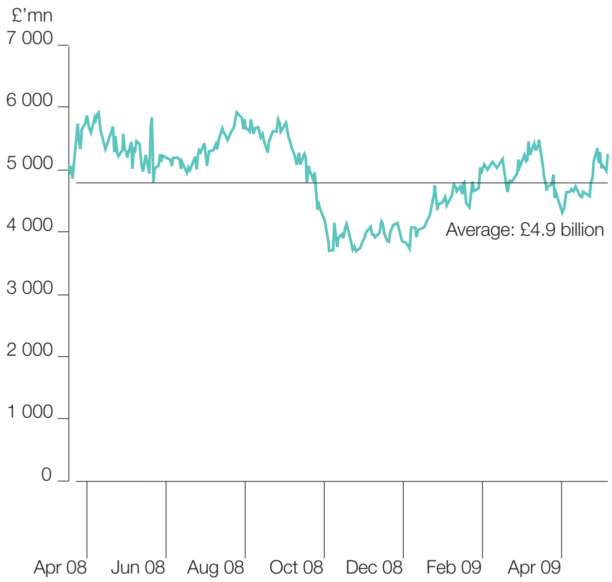


* Before goodwill, non-operating items, taxation and after minorities

Balance sheet strength . . . stringent management of liquidity

- The intimate involvement of senior management ensures stringent management of risk and liquidity.
- A well established liquidity management philosophy.
- Continue to focus on:
  - Maintaining a high level of readily available, high quality liquid assets - representing 20% to 30% of our liability base
  - Diversifying funding sources
  - Limiting concentration risk
  - Maintaining a low reliance on interbank wholesale funding to fund core lending
- Customer deposits have held up well over the period.
- Active campaigns to build our retail deposit franchise have been launched in the UK, Ireland and Australia and more recently in South Africa.
- Total net retail and private client inflows since December 2008 of about £1 billion.
- We have been successful in securing medium term syndicated loans due to our long standing counterparty relationships.
- The bank in the UK is eligible to issue 3 year debt guaranteed by the UK government.
- Investec Bank (Australia) Limited is eligible to issue government backed debt and has recently completed a 3 year and 5 year government guaranteed fixed rate transferable deposit issue.

Surplus cash and near cash



Total 31 March 2009	£4.9bn
Investec Limited	£2.4bn
Investec plc	£2.5bn

Snapshot of the year

Balance sheet strength . . . good progress towards capital targets

- Our policy has always been to hold capital well in excess of regulatory requirements and we intend to perpetuate this philosophy.
- We maintained capital strength throughout the period without recourse to shareholders, new investors or government assistance.
- We are focusing on increasing our capital base and have revised our capital adequacy targets.
- We have made good progress in achieving these targets and intend on meeting these targets by the end of calendar year 2010.

Basel II Pillar 1 31 March 2009	Capital adequacy ratio	Tier 1 ratio
Investec plc	**16.2%**	**10.1%**
Investec Bank plc	15.9%	10.3%
Investec Bank (Australia) Limited	18.3%	14.4%
Investec Limited	**14.2%**	**10.8%**
Investec Bank Limited	14.2%	10.5%

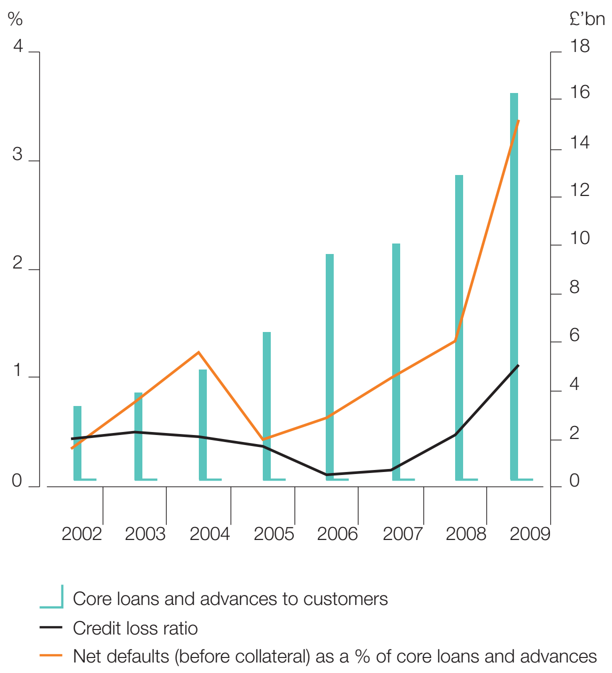
Balance sheet strength . . . low leverage ratios

	31 March 2009	31 March 2008
Core loans to equity ratio	6.2x	5.8x
Core loans (excluding own originated assets which have been securitised) to customer deposits	1.0x	1.0x
Total gearing (excluding assurance assets)	12.9x	13.8x
Total gearing (excluding assurance and securitised assets)	11.7x	12.1x

Balance sheet strength . . . impairments and defaults have increased as expected

- All geographies have experienced an increase in impairments and defaults as a result of weak economic conditions.
- Credit risk however, remains appropriately managed and net defaults (after collateral and impairments) would be covered 100%.
- Credit and counterparty exposures are to select target markets:
    - Private Bank lends to high net worth and high income clients
    - Capital Markets transacts primarily with mid to large sized corporates, public sector bodies and institutions

Defaults and core loans



Strategic focus

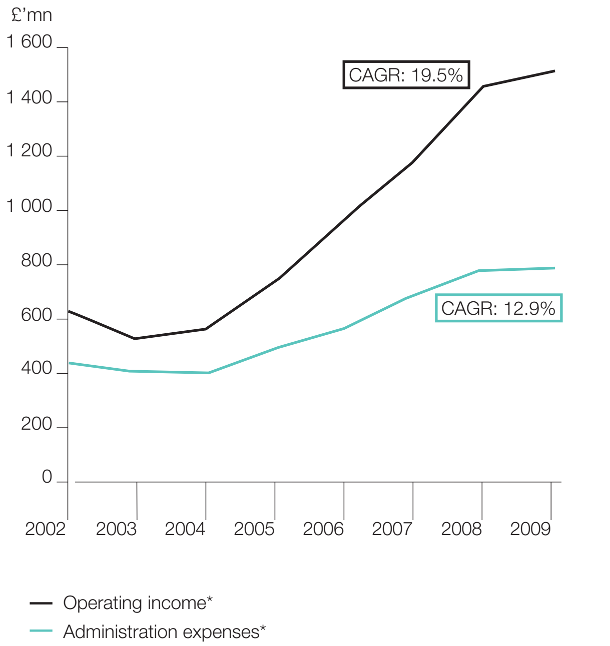
Medium-term strategy continues

- We are a niched and focused specialist banking group constantly striving to be distinctive.
- We continue to focus on:
  - Moderating loan growth, shifting emphasis to increasing the proportion of non-lending revenue base
  - Maintaining credit quality
  - Strictly managing risk and liquidity
  - Creating additional operational efficiencies and containing costs
  - Building business depth rather than business breadth by deepening existing client relationships and generating high quality income through diversified, sustainable revenue streams
  - Proactively building our brand.

Maintaining efficiency . . . cost to income ratio declined to 55.9%

- Total headcount is being tightly managed across the group.
- Expense growth (excluding variable remuneration) is targeted below the respective inflation rates in each of the core geographies.
- A non-cash deferred component has been introduced to variable remuneration payments.

Efficiency ratio

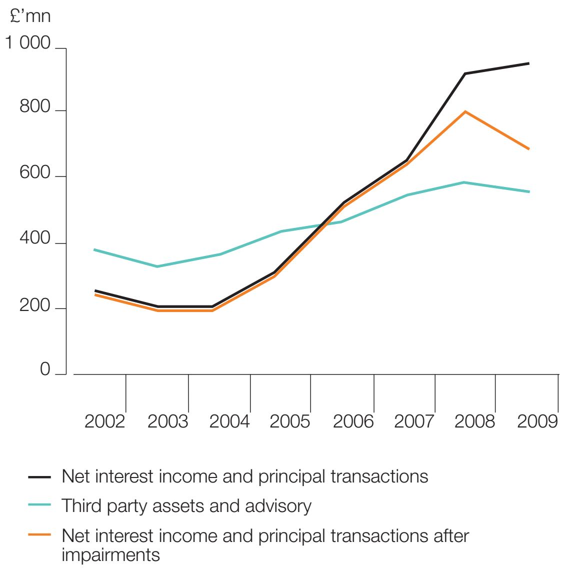


* Before investments consolidated in the Private Equity portfolio

Strategic focus

Continually realigning the business model . . . balancing operational risk businesses with financial risk businesses

- Build non-lending revenue
- Take advantage of opportunities



- Moderate loan growth
- Price risk appropriately
- Build customer deposits

Third party assets and advisory

- Asset management
- Property funds
- Private equity funds

Core advisory and Core banking

Containing costs
Maintaining credit quality
Strictly managing risk and liquidity

Net interest income and principal transactions

- Lending portfolios
- Principal transactions
- Structured transactions
- Market making

Outlook

- The outlook for the global economy is uncertain and markets are likely to remain volatile.
- There have been some positive signals recently but this was a financial crisis like no other and the knock-on effect to global growth cannot be fully assessed yet.
- The competitive landscape has changed and our brand continues to gain recognition.
- We are independent and have a distinct franchise.
- We have strengthened our capital position and will continue to safeguard our liquidity.
- We believe that the market upheaval will present opportunities to strengthen our position across our core geographies and enable us to move onto the front foot.

Overview of the year

Operating Financial Review

2

Operating Financial Review

A sound balance sheet and operational diversity support profitability in challenging economic conditions

Financial year 2009 was one of the toughest in our history. Global financial markets experienced a series of extraordinary and tumultuous events which humbled most financial institutions. In response to this environment, we took swift action to adapt our business model with a focused approach by management across the group to build capital, preserve liquidity and maintain efficiency. This action, together with our balanced portfolio of businesses, enabled us to navigate a steady course and we have emerged from this period with our capacity to compete, our brand and our entrepreneurial spirit intact.

The strength of our operational diversity and a solid recurring revenue base enabled all geographies to remain profitable. Nevertheless, the environment did negatively impact activity levels, asset valuations and credit loss ratios with adjusted earnings per share before goodwill and non-operating items declining 25.5% to 42.4 pence (2008: 56.9 pence). The board recommended a final dividend of 5.0 pence per ordinary share, bringing total dividends per share for the year to 13.0 pence, down from 25.0 pence in 2008.

Focus to strengthen capital and safeguard liquidity while maintaining efficiency

Throughout the financial crisis we have benefited from a stable balance sheet and the intimate involvement of senior management in monitoring risk and liquidity. The group holds capital well in excess of regulatory requirements and was able to increase the capital adequacy ratio for Investec plc from 15.3% at the beginning of the financial year to 16.2% at the end of the period and from 13.9% to 14.2% for Investec Limited. We intend to ensure that the group remains well capitalised in a transformed capital environment and have revised our internal capital requirements accordingly.

Safeguarding liquidity has been a key management priority for many years with the group holding, on average over the financial year, some £4.9 billion of cash and near cash to support its activities. Diversifying funding sources is also an important focus and a number of initiatives were implemented to increase private client and retail deposits. Strong retail inflows of £1 billion were recorded in the final quarter. Furthermore, active campaigns to build the group's retail deposit franchise were launched in the UK, Ireland and Australia towards the end of 2008, and more recently in South Africa. Our long standing counterparty relationships proved fruitful with several medium term syndicated loans being secured during the period.

In contrast to many of our international peers, we have consistently maintained low gearing ratios. This is represented by core loans and advances to equity at 6.2 times (2008: 5.8 times) and total assets (excluding assurance assets) to equity at 12.9 times (2008: 13.8 times).

Driving efficiencies across the group has played a pivotal role in supporting profitability with the ratio of total operating expenses to total operating income improving to 55.9% from 56.1%. Total headcount continues to be tightly managed and expense growth (excluding variable remuneration) is targeted below the respective inflation rates in each of our principal geographies.

Diversified portfolio of businesses provides solid base

Our diversified portfolio of businesses has provided a solid base for profitability with stronger growth from the Capital Markets division.

Private Client Activities

Private Client Activities reported a decline in operating profit of 46.0% to £104.6 million (2008: £193.7 million).

Higher average advances and a diversified set of revenues continued to drive operating income in the Private Banking division with operating profit decreasing 51.6% to £80.5 million. (2008: £166.4 million). Reduced activity levels and the weaker credit environment resulted in higher impairment losses on loans and advances in all geographies. The private client core lending book grew by 24.3% to £11.1 billion (2008: £8.9 billion) and the division increased its deposit book by 17.0% to £7.7 billion (2008: £6.6 billion). Funds under advice decreased 11.2% to £3.3 billion (2008: £3.7 billion). With the outlook still dependent on the environment, the Private Bank continues to focus on managing under performing loans and impairments to ensure they remain stable. Growth in the loan portfolio is expected to be flat and the division will maximise efforts to target retail deposits and increase the contribution from the private wealth management business.

Private Client Portfolio Management and Stockbroking reported a decrease in operating profit of 11.8% to £24.1 million (2008: £27.3 million). The South African business was negatively impacted by lower turnover and valuations and the absence of performance fees on alternative investments with funds under management decreasing 24.6% to R85.0 billion (2008: R112.7 billion). A diverse business mix and strong annuity income from discretionary funds under management should provide resilience if the environment remains challenging. The UK operations include our 47.3% share of the directors' estimate of the post-tax profit of Rensburg Sheppards plc.

Operating Financial Review

Capital Markets

Capital Markets' advisory, structuring and trading activities performed well resulting in an increase in operating profit for the division of 22.3% to £141.4 million (2008: £115.6 million). Core loans and advances increased 26.5% to £4.8 billion from £3.8 billion at 31 March 2008. Kensington Group plc, which was acquired in the prior year, produced a stable performance and reported operating profit of £37.1 million (2008: £24.3 million). The Capital Markets division remains well positioned to grow market share and extend its franchise although impairments remain a challenge.

Investment Banking

The tough operating environment had the most severe impact on our Investment Banking business with mixed performances across geographies resulting in an overall decrease of 61.1% in operating profit to £28.2 million (2008: £72.5 million). The agency divisions closed fewer deals in comparison to the prior year but reported higher trading revenues. The UK operations were impacted by a much weaker performance from certain of the investments held within the Private Equity and Direct Investments division, whilst the South African Private Equity operations recorded another steady performance. Our teams are stable and performance in the next period will depend on stability and activity levels in equity markets.

Asset Management

Asset Management reported a resilient performance although operating profit was down 13.4% to £66.2 million (2008: £76.4 million) as a result of a tougher mutual fund environment and weak equity markets. The division continued to benefit from a shift in the mix of funds managed and good investment performance. Investec Asset Management had the best net flows in nine years as a result of its recognised long term performance and well established global distribution footprint. Assets under management increased by 0.3% to £28.8 billion (2008: £28.7 billion). The current investment capabilities and distribution reach of the division are well aligned with future demand and support the fundamentals of the business.

Property Activities

Property Activities generated operating profit of £24.7 million (2008: £36.3 million). The results of the division, based mainly in South Africa, were supported by fees earned on projects completed in the current year and a satisfactory performance from the investment property portfolio. The outlook for this business is positive with prospects arising from the global financial turmoil in both the listed and physical property space.

Group Services and Other Activities

Group Services and Other Activities contributed £31.7 million to operating profit (2008: £14.1 million) with Central Funding benefiting from increased cash holdings and higher average interest rates in South Africa.

Committed to playing a constructive role in restoring stability to the system

The financial services industry has much to do to regain the public's trust and to ensure the return of confidence to banking and finance. As conditions change, we remain committed not only to playing a constructive role in restoring stability to the broader financial system but we are also mindful of our obligations to society and our stakeholders. As we return to a more conducive business operating environment, we believe that all stakeholders will benefit as we do the right thing for our clients and the communities we serve.

Rigorous client focus and depth of leadership

The past year was a difficult one for all stakeholders who have been deeply impacted by global events in varying capacities. Through it all, our people who are deeply committed to the business and know that clients are contending with difficult economic and financial pressures, maintained a rigorous client focus. Over the years, we have recruited and retained many talented people who thrive on the group's entrepreneurial environment in their endeavours to produce positive results for clients. More than 24% of our staff have stayed with the group over 8 years and 38% more than 4 years. This is a testament to the commitment of our culture and depth of our leadership and the perpetuation of our culture.

Operating Financial Review

Strategy continues to be niched and focused

Our business model remains intact and our strategy to be niched and focused has supported us through a very difficult period. Accordingly, we will continue to focus on moderate loan growth, maintaining credit quality, the strict management of risk and liquidity and ensuring operational efficiencies. Building business depth by deepening existing client relationships is still a key component of our strategy.

Strong franchise will enable us to capitalise on opportunities

The outlook for the global economy is uncertain and financial market conditions are likely to remain fragile. However, our capital position and distinct franchise should enable us to move quickly onto the front foot once markets turn. Looking ahead, we will continue to seek out opportunities that are expected to arise in a much changed landscape.

Hugh Herman
Chairman

Stephen Koseff
Chief Executive Officer

Bernard Kantor
Managing Director

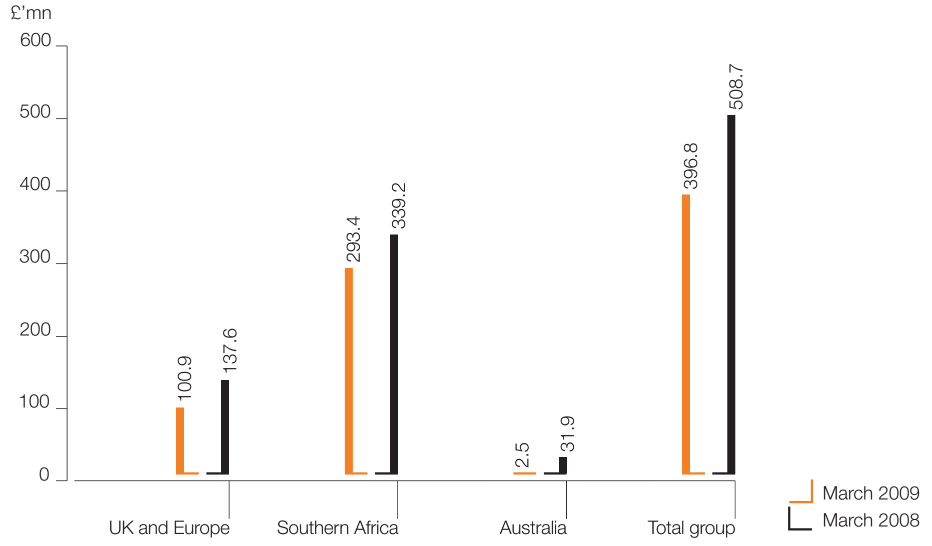
("Operating profit "as used in the text above refers to operating profit before non-operating items, goodwill and taxation and after minorities.)

Financial and business review

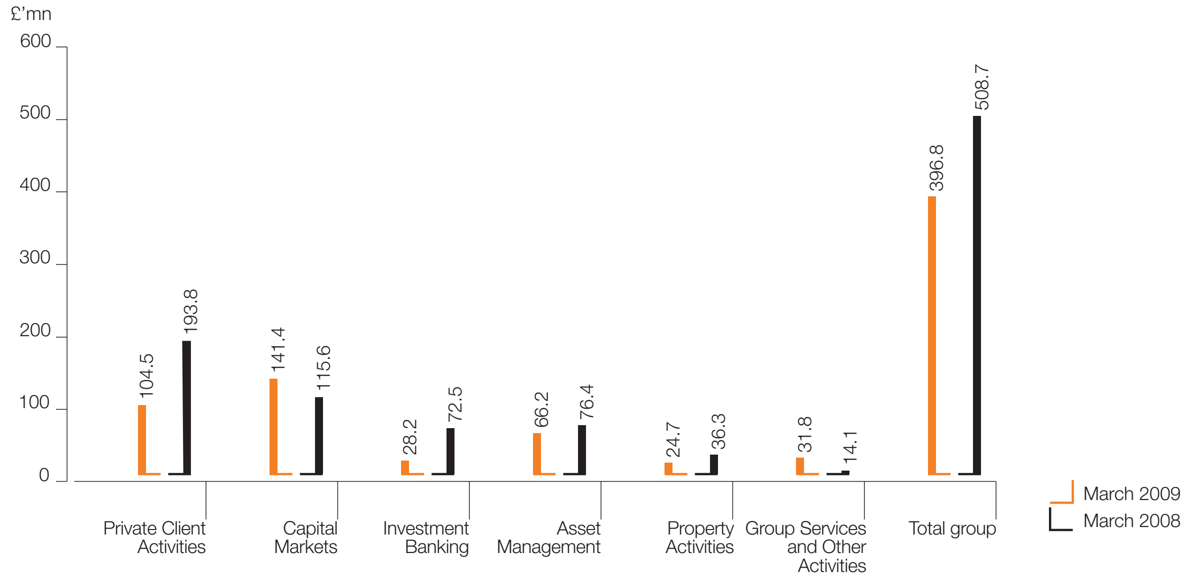
Overview

This commentary and analysis of our financial results for the year ended 31 March 2009 provides an overview of our financial performance relative to the group's results for the year ended 31 March 2008. The commentary and analysis are based on our consolidated financial results presented in accordance with International Financial Reporting Standards (IFRS) denominated in Pounds Sterling. The financial information discussed below is based on the period under review, and may not neccessarily reflect the financial condition or results of the operations of the group going forward. All references in this document referring to "Investec" or "the group" relate to the combined DLC group comprising Investec plc and Investec Limited.

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



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



Financial and business review

Operating environment

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

	31 March 2009		31 March 2008	
	Period end	Average	Period end	Average
UK Clearing Banks Base Rate	0.57%	3.74%	5.25%	5.54%
LIBOR - 3 month	1.65%	4.63%	6.01%	6.05%
South Africa Prime Overdraft Rate	13.00%	15.06%	14.50%	13.61%
JIBAR - 3 month	8.80%	11.63%	11.38%	10.38%
Reserve Bank of Australia cash target rate	3.25%	5.84%	7.25%	6.57%
FTSE All Share Index	1 984	2 486	2 927	3 245
JSE All Share Index	20 364	24 734	29 588	28 978
Australian All Ordinaries Index	3 532	4 491	5 410	6 190

Source: Datastream

Fluctuations in exchange rates

Our reporting currency is Pounds Sterling. Certain of our operations are conducted by entities outside the UK. The results of operations and the financial condition of our individual companies are reported in the local currencies of the countries in which they are domiciled including Rands, Australian Dollars, Euros and US Dollars. These results are then translated into Pounds Sterling at the applicable foreign currency exchange rates for inclusion in our combined consolidated financial results. In the case of the income statement, the weighted average rate for the relevant period is applied and, in the case of the balance sheet, the relevant closing rate is used.

The following table sets out the movements in certain relevant exchange rates against Pounds Sterling over the period.

Currency per £1.00	31 March 2009		31 March 2008	
	Period end	Average	Period end	Average
South African Rand	13.58	14.83	16.17	14.31
Australian Dollar	2.07	2.19	2.18	2.32
Euro	1.08	1.21	1.25	1.42
US Dollar	1.43	1.73	1.99	2.01

Exchange rates between local currencies and Pounds Sterling have fluctuated over the period. The most significant impact arises from the volatility of the Rand. The average Rand: Pounds Sterling exchange rate over the year has depreciated by 3.6% and the closing rate has appreciated by 16.0% since 31 March 2008.

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

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

* Before goodwill and non-operating items

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

Financial and business review

Business highlights

Our operating profit before goodwill, non-operating items, taxation and after minorities decreased by 22.0% from £508.7 million to £396.8 million.

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

For the year to 31 March 2009

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

For the year to 31 March 2008

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

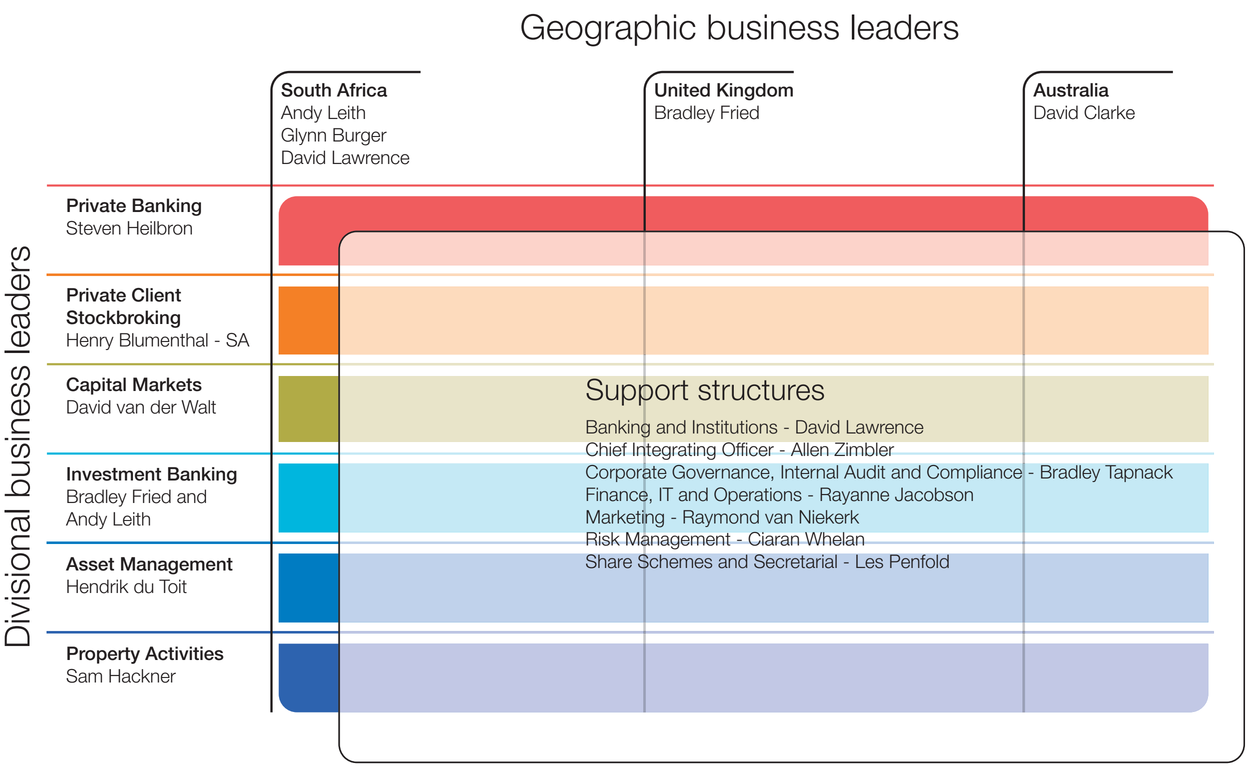
Divisional review

Integrated global management structure

Global roles

Chief Executive Officer - Stephen Koseff
Managing Director - Bernard Kantor

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



Group operating structure

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

Private Client Activities

- Private Banking
- Private Client Portfolio Management and Stockbroking

- Australia
- Southern Africa
- UK and Europe

Capital Markets

- Specialised Lending
- Structured Derivatives
- Securitisation and Principal Finance
- Specialist funds

- Australia
- Canada
- Southern Africa
- UK and Europe

Investment Banking

- Corporate Finance
- Institutional Research, Sales and Trading
- Direct Investments
- Private Equity

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

Asset Management

- Institutional
- Retail
- Offshore funds

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

Property Activities

- Fund Management
- Listed Funds
- Trading and Development

- Australia
- Southern Africa
- UK and Europe

Group Services and Other Activities

- Central Services • Central Funding • International Trade Finance

Private Banking

Partner of choice from wealth creation to wealth management

Strategy

- Client-focused approach
- Provide financial leverage and acumen
- "Investment bank for private clients"
- Deliver distinctive value through partnerships and diagnostic approach
- Concentrate on niche segments

Key income drivers

- Interest earned in connection with the bank's lending activities
- Fees earned for advisory, banking and lending services
- Income earned in respect of growth and acquisition finance activities

Financial highlights and developments

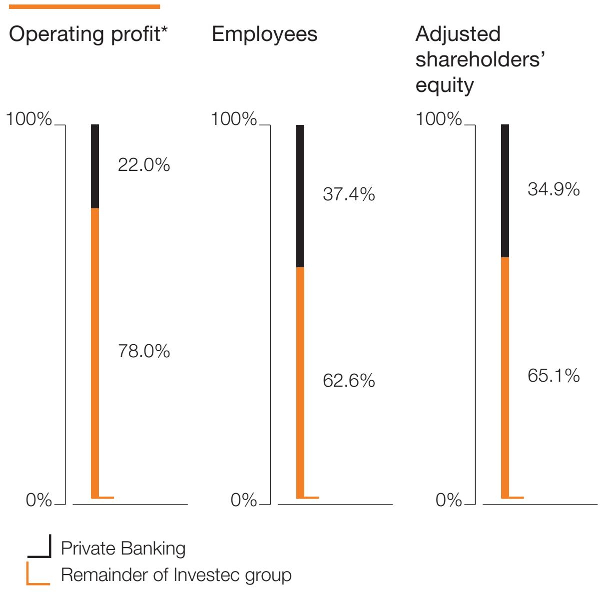
- Higher average advances and a diversified set of revenues continued to drive operating income.
- Activity levels have declined and impairment losses on loans and advances have increased in all geographies as a result of the weaker credit environment.

Operating income before impairments down 9.0% to £380.9mn
Operating profit^ down 51.6% to £80.5mn
Core loans and advances up 24.3% to £11.1bn
Deposit book up 17.0% to £7.7bn
Funds under advice down 11.2% to £3.3bn
Adjusted shareholders' equity up 26.0% to £696.7mn
ROE (pre-tax) down to 14.8%
Cost to income ratio up to 55.2%
Operating profit per employee^ down 54.3% to £35.2th

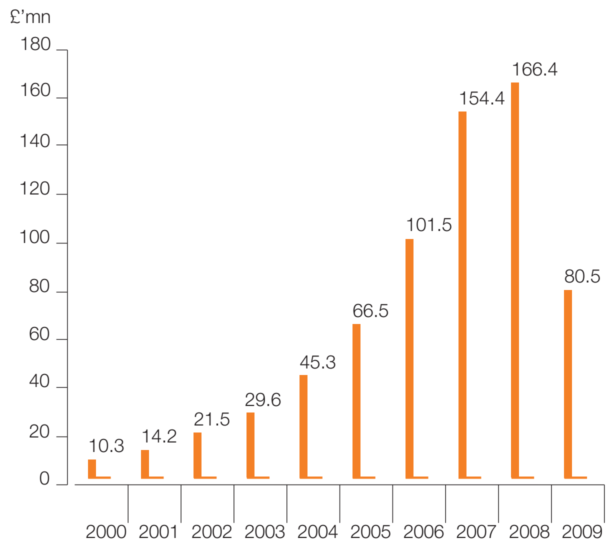
Outlook

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

Contribution analysis



Operating profit^ - track record



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

Private Client Portfolio Management and Stockbroking

Partner of choice from wealth creation to wealth management

Strategy

South Africa

Our mission is to be the premier South African portfolio management and stockbroking house.

We differentiate ourselves through:

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

UK and Europe

- We hold a 47.3% interest in Rensburg Sheppards plc

Key income drivers

- Fees levied as a percentage of assets under management
- Commissions earned for executing transactions for clients
- Performance fees paid for achieving outperformance against benchmark

Financial highlights and developments

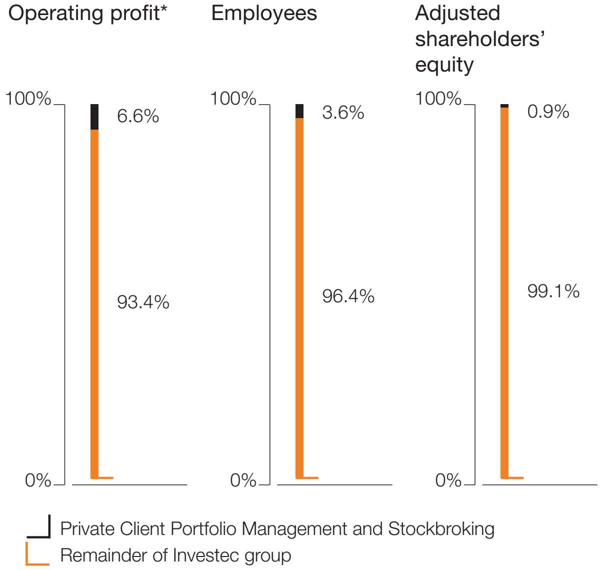
Operating profit^ down 11.8% to £24.1mn
Funds under management down 18.3% to £16.3bn
Adjusted shareholders' equity down 40.5% to £17.6mn
ROE (pre-tax) up to 76.7%
Cost to income ratio^^ up to 64.7%
Operating profit per employee^ down 22.5% to £56.9th

Outlook

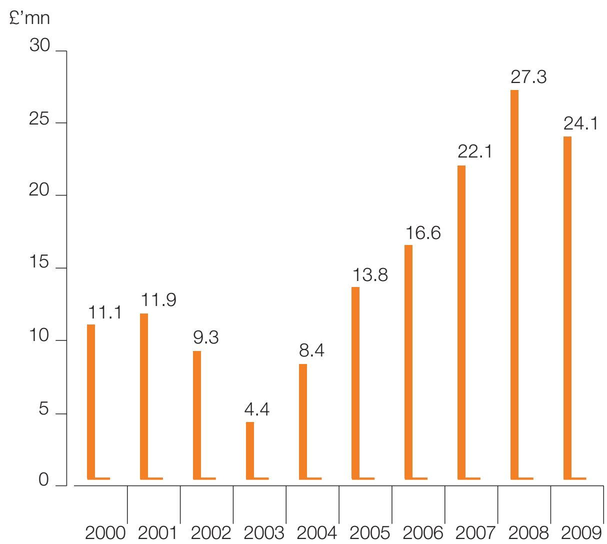
Southern Africa

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

Contribution analysis



Operating profit^ - track record



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
^ Before goodwill, non-operating items, taxation and after minorities
^^ Excluding income from associates

Capital Markets

Specialist structuring and advisory business

Strategy

Our objectives include:

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

Key income drivers

- Trading and hedging
- Product structuring and distribution
- Asset creation
- Advisory

Financial highlights and developments

- The advisory, structuring and trading businesses continued to perform well.
- The results of the Principal Finance division improved substantially as current year write downs on US structured credit investments were significantly less than the prior period.
- The business of Kensington (acquired in August 2007) posted an operating profit^ of £37.1mn.

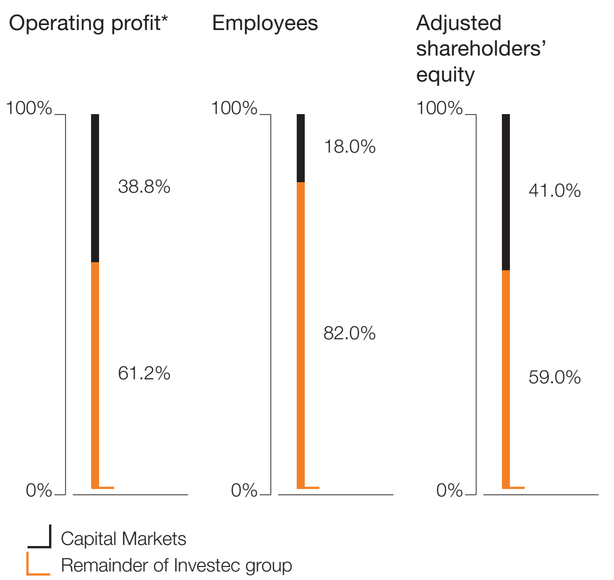
Operating income before impairments up 31.8% to £542.6mn
Operating profit^ up 22.3% to £141.4mn
Core loans and advances up 26.5% to £4.8bn
Adjusted shareholders' equity up 26.5% to £818.3mn
ROE (pre-tax) down to 18.7%
Cost to income ratio down to 45.4%
Operating profit per employee^ up 2.6% to £130.5th

Outlook

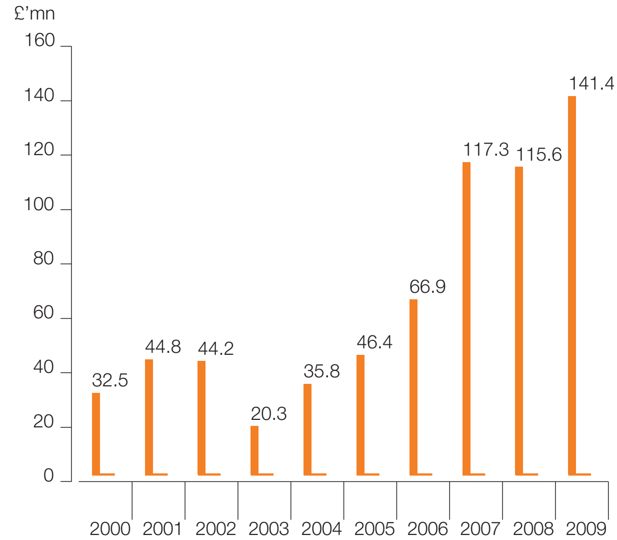
- We remain committed to building a sustainable scale business with diversified revenue streams.
- In the UK and South Africa we will continue to strive for depth and greater penetration. In Australia we continue to look for opportunities to broaden our franchise.
- The current negative cycle is a time to shape the business for the future and to position ourselves for a return to a more normal market.
- This stage of the cycle is likely to see a rise in corporate defaults and losses in the acquisition finance portfolio. Additional effort and resources will be spent on asset management to ensure our portfolios perform optimally in poor economic conditions.
- Looking at the environment in our core geographies:
  - South Africa remains the least affected although the impact of the global recession is now starting to be felt. We are generally well positioned in this market with a reasonably robust credit portfolio. Conditions and volumes remain good for the trading businesses. The effects of the recession may lead to reduced activity in the structuring and lending businesses.
  - In the UK and Australia the environment remains weak and it is too early to say if the green shoots represent any sustained change. We expect impairments to continue, however, trading conditions remain favourable and the dislocated markets continue to present opportunities.

  Overall we continue to be reasonably well positioned to weather the storm in conditions that are similar to last year.
- The environment has changed but so too has the competitive landscape. A large amount of capacity has been removed from the market and the number of players in our core geographies has reduced substantially. This plays to our strengths of being a specialist and bespoke service provider. In the short-term we expect conditions to remain challenging, however, we believe that in the medium term this is an excellent opportunity to grow market share and deepen our franchise.

Contribution analysis



Operating profit^ - track record



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

^ Before goodwill, non-operating items, taxation and after minorities

Investment Banking

Integrated business focused on local client delivery with international access

Strategy

Our mission is to be an integrated entrepreneurial investment banking business.

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

Key income drivers

- Fees resulting from the provision of capital raising and financial advisory work
- Brokerage commissions
- Trading and market making activities
- Sale of investments and revaluation of trading investments.
- Dividends

Financial highlights and developments

- Mixed performance across geographies and business activity.

Operating profit^ down 61.2% to £28.2mn
Operating profit^^ down 40.3% to £46.5mn
Adjusted shareholders' equity up 8.4% to £190.7mn
ROE (pre-tax) down to 13.9%
Cost to income ratio^^ up to 63.9%
Operating profit per employee^ down 62.9% to £75.3th

Outlook

Corporate Finance

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

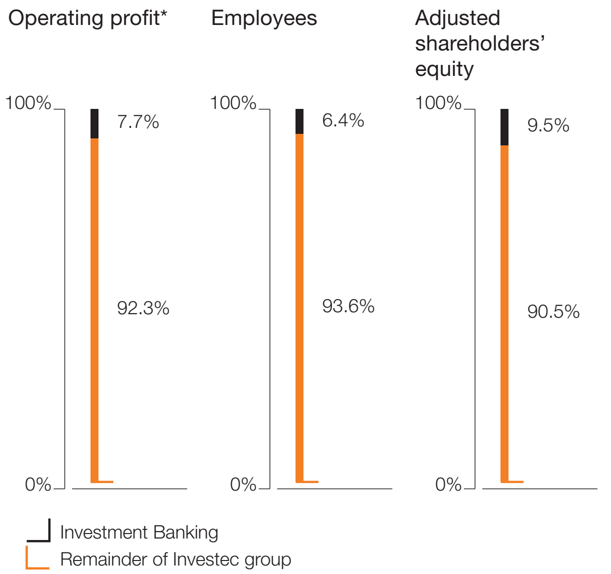
Institutional Research, Sales and Trading

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

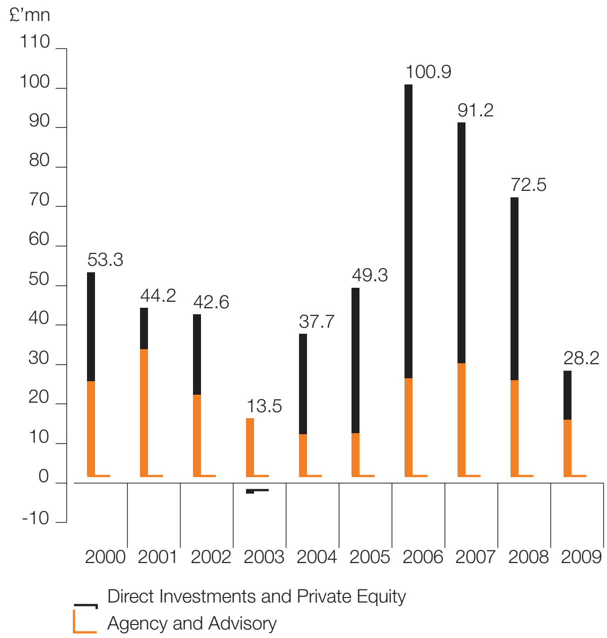
Principal Investments

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

Contribution analysis



Operating profit^ - track record



* Before goodwill, non-operating items, taxation and after minorities (excluding Group Services and Other Activities)
^ Before goodwill, non-operating items, taxation and after minorities
^^ Excluding investments that are consolidated

Asset Management

Investment specialist focused on performance and client needs

Strategy

- Deliver sound investment performance across all propositions
- Manage our clients' money to the highest possible standard
- Recognise capacity constraints (alpha and service), where relevant
- Remain at the forefront of product innovation
- Driving diversity worldwide

Key income drivers

- Fees levied as a percentage of assets under management
- Variable performance fees

Other drivers

- Market levels
- Net new business
- Competitive positioning
- Attraction and retention of talented employees

Financial highlights and developments

- The division was impacted by a tougher mutual fund environment and weak equity markets. The division did benefit from good investment performance and solid net inflows, notably from the institutional channel.

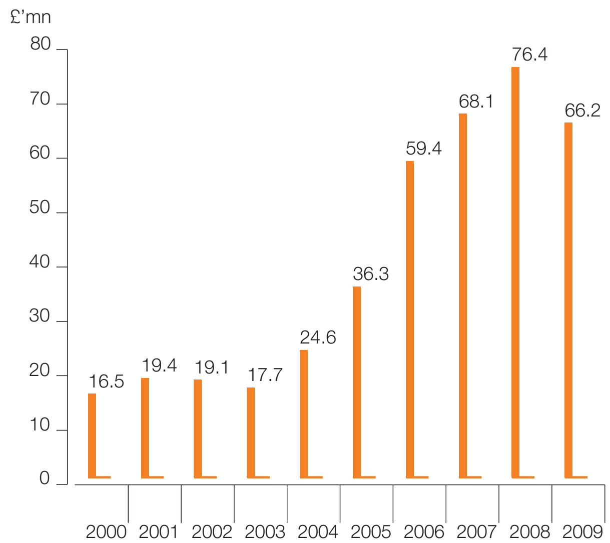
Operating profit^ down 13.4% to £66.2mn
Assets under management flat at £28.8bn
Adjusted shareholders' equity down 3.4% to £120.4mn
ROE (pre-tax) down to 41.4%
Cost to income ratio up to 66.9%
Operating profit per employee^ down 13.4% to £67.8th

Outlook

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

Contribution analysis

Operating profit^ - track record



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^ Before goodwill, non-operating items, taxation and after minorities

Property Activities

Leading fund and asset manager, seeking selective trading opportunities

Strategy

- Grow funds under management
- Source development and trading opportunities to create value and trade for profit within agreed risk parameters
- Develop global property products

Key income drivers

- Fees levied as a percentage of assets under management
- Trading and development activities

Financial highlights and developments

- The business earned fees on projects completed in the current year and the investment property portfolio delivered a satisfactory performance.

Operating profit^ down 32.0% to £24.7mn
Adjusted shareholders' equity up 64.3% to £48.9mn
ROE (pre-tax) down to 47.5%
Cost to income ratio up to 35.2%
Operating profit per employee^ up 54.7% to £324.8th

Outlook

UK and Europe

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

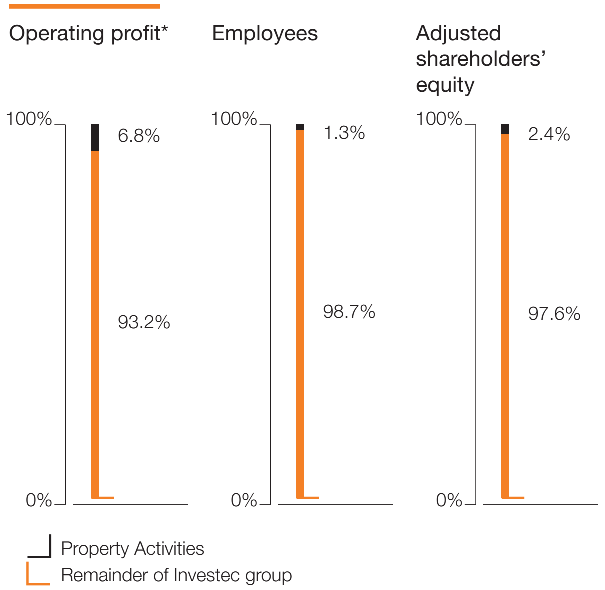
South Africa

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

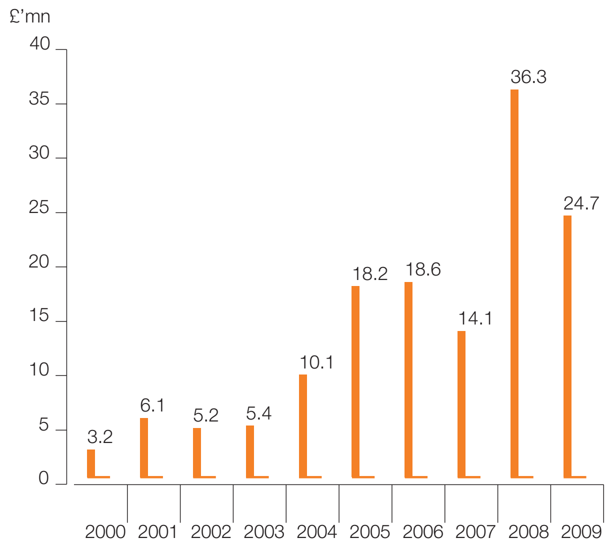
Australia

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

Contribution analysis



Operating profit^ - track record



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^ Before goodwill, non-operating items, taxation and after minorities

Group Services and Other Activities

Overview and financial analysis

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

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

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

Developments

International Trade Finance

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

Central Services

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

Central Funding

- We have a business model of maintaining a central pool of capital with the aim of ensuring that economies of scale with respect to corporate investments, funding and overall management are obtained.
- Various sources of funding are employed, the determination of which depends on the specific financial and strategic requirements the group faces at the time.
- The funds raised are applied towards making acquisitions, funding central services and debt obligations, and purchasing corporate assets and investments not allocated to the five operating divisions.
- The Central Funding division performed well benefiting from increased cash holdings and higher average interest rates in South Africa.

Ten year review

Salient features

For the year ended 31 March*	2009	2008	2007	2006
Income statement and selected returns				
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items (£'000)	269 215	344 695	300 704	230 017
Operating profit before goodwill, non-operating items and taxation (£'000)º	396 766	508 717	466 585	388 767
Operating profit: Southern Africa (% of total)º	74.0%	66.7%	57.6%	68.3%
Operating profit: UK, Europe, Australia and Other (% of total)º	26.0%	33.3%	42.4%	31.7%
Cost to income ratio	55.9%	56.1%	59.0%	58.7%
Staff compensation to operating income ratio	34.9%	37.2%	40.9%	40.1%
Return on average adjusted shareholders' equity	14.8%	23.6%	26.1%	25.5%
Net interest income as a percentage of operating income	46.6%	39.3%	29.2%	26.8%
Non-interest income as a percentage of operating income	53.4%	60.7%	70.8%	73.2%
Effective operational taxation rate	21.1%	22.6%	26.3%	27.3%
Balance sheet				
Total capital resources (including subordinated liabilities (£'million)	3 762	3 275	2 665	2 042
Total shareholders' equity (including preference shares and minority interests) (£'million)	2 621	2 210	1 820	1 512
Total assets (£'million)	37 105	34 104	26 300	23 901
Core loans and advances (£'million)	16 227	12 854	10 095	9 605
Core loans and advances as a percentage of total assets	43.7%	37.7%	38.4%	40.2%
Third party assets under management (£'million)	48 828	52 749	56 121	56 331
Capital adequacy ratio: Investec plc°	16.2%	15.3%	24.7%	17.7%
Capital adequacy ratio: Investec Limited°	14.2%	13.9%	14.7%	16.3%
Salient financial features and key statistics				
Adjusted earnings per share before goodwill and non-operating items (pence)#	42.4	56.9	53.3	41.9
Basic earnings per share (pence)#	38.5	57.7	54.7	53.8
Diluted earnings per share (pence)#	36.1	54.0	50.4	50.0
Dividends per share (pence)#	13.0	25.0	23.0	18.2
Dividend cover (times)	3.3	2.3	2.3	2.3
Net tangible asset value per share (pence)#	266.3	215.0	178.6	148.9
Weighted number of ordinary shares in issue (million)#	634.6	606.2	563.8	548.8
Total number of shares in issue (million)#	713.2	657.6	609.3	593.0
Closing share price (pence)#	292	339	658	588
Market capitalisation (£'million)	2 083	2 229	4 009	3 488
Number of employees in the group	5 951	6 333	5 430	4 453
Average ZAR/£ exchange rate	14.83	14.31	13.38	11.43

* The numbers prior to 2005 are reported in terms of UK GAAP, and thereafter in terms of IFRS

^ Calculation not comparable

° The information for 2008 and 2009 is in terms of Basel II and prior to that in terms of Basel I

^^ The dividend for 2000 and 2001 was set in Rand and the dividend thereafter was determined in Pounds Sterling. The Rand dividend per share for 2000 and 2001 was 620 cents and 750 cents, respectively

\# For comparative purposes historical information has been adjusted for the 5:1 share split that took place on 4 September 2006

º 2008 and 2009 numbers are shown post minorities

2005	2004	2003	2002	2001	2000
149 510	106 203	89 668	127 613	100 906	87 246
224 124	132 260	85 762	158 567	133 196	123 474
66.9%	58.6%	81.0%	51.6%	25.6%	15.4%
33.1%	41.4%	19.0%	48.4%	74.4%	84.6%
67.4%	72.7%	80.0%	72.0%	72.6%	70.2%
43.4%	47.3%	51.1%	44.5%	45.5%	43.6%
20.0%	15.4%	13.1%	19.4%	18.2%	16.9%
23.2%	18.8%	21.3%	26.5%	28.9%	24.6%
76.8%	81.2%	78.7%	73.5%	71.1%	75.4%
28.8%	21.0%	6.3%	18.0%	22.6%	29.2%
1 579	1 303	1 012	958	842	639
1 076	805	679	768	603	555
19 917	15 319	14 914	16 957	15 984	16 030
6 408	4 846	3 909	3 314	3 299	3 083
32.2%	31.6%	26.2%	19.5%	20.6%	19.2%
33 855	30 138	24 088	24 741	23 084	24 157
16.1%	17.3%	14.2%	^	^	^
17.9%	15.1%	12.2%	^	^	^
26.9	20.8	19.2	28.0	25.2	22.0
17.8	12.0	(13.4)	3.0	19.8	18.0
17.1	11.9	(13.4)	2.8	19.3	17.9
13.4	11.6	10.8	10.8	^^13.7	^^12.3
2.0	1.8	1.8	2.6	1.8	1.8
99.2	83.0	75.0	74.8	^	^
555.5	511.5	466.5	456.5	401.0	397.0
593.0	593.0	565.0	461.0	405.0	403.0
311	218	123	161	346	497
1 844	1 292	695	742	1 400	2 005
4 163	4 458	4 874	5 529	4 836	4 441
11.47	12.02	15.04	13.65	10.82	9.93

Financial statement analysis

Salient features of our results during the year under review

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

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

Income statement analysis

The overview that follows will highlight the main reasons for the variance in the major category line items on the face of the income statement during the year under review.

Total operating income

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

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

Net interest income

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

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

Financial statement analysis

Net fee and commission income

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

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

Principal transactions

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

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

Operating income from associates

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

Other operating loss

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

Impairment losses on loans and advances

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

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

Financial statement analysis

Total expenses

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

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

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

Goodwill

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

Taxation

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

Losses attributable to minority interests

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

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

Earnings attributable to shareholders

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

Dividends and earnings per share

Information with respect to dividends and earnings per share is provided on page 111 and pages 131 to 134.

Balance sheet analysis

Since 31 March 2008:

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

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

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

Operating financial review

Risk and governance 3

Risk management

Philosophy and approach

The group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, our comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with each of our businesses.

Risk awareness, control and compliance are embedded in all our day-to-day activities.

Group Risk Management (part of Group Services) is independent from the business units and monitors, manages and reports on our risk to ensure it is within the stated appetite as mandated by the board of directors through the Board Risk and Capital Committee. Business units are ultimately responsible for managing risks that arise.

We monitor and control risk exposure through credit, market, liquidity, operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the group. Group Risk Management has specialist divisions in the UK, South Africa, Australia and smaller risk divisions in other regions to promote sound risk management practices.

Group Risk Management divisions with international responsibility are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. Group Risk Management continually seeks new ways to enhance its techniques.

Group Risk Management's objectives

Group Risk Management's objectives are to:

- Be the custodian of our risk management culture
- To ensure the business operates within the board stated appetite
- Set, approve and monitor adherence to risk parameters and limits across the group and ensure they are implemented and adhered to consistently
- Aggregate and monitor our exposure across risk classes
- Co-ordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the boards reasonable assurance that the risks we are exposed to are identified and, to the best extent possible, managed and controlled
- Run appropriate risk committees, as mandated by the board.

Executive summary of the year in review from a risk perspective

As mentioned in the beginning of this report (refer to pages 2 to 6) Investec has maintained a sound balance sheet with low leverage and a diversified business model which has enabled it to navigate through the present challenging operating environment.

This has been supported by the following key operating fundamentals:

- Intimate involvement of senior management ensuring stringent management of risk, liquidity and capital.
- Strong risk and capital management culture; embedded into our day-to-day activities and values. We seek to achieve an appropriate balance between risk and reward in our business, taking cognisance of all stakeholders' interests.
- Reward programmes that align directors' and employees' interests with those of stakeholders, ensuring that these programmes promote effective risk management. Annual bonuses are closely linked to business performance, determined in the main by realised Economic Value Added profit performance against pre-determined targets above a risk and capital weighted return. This model has been consistently applied for in excess of ten years.
- Credit and counterparty exposures to a select target market; our risk appetite continues to favour lower risk, income-based lending, with credit risk taken over a short to medium term. Exposure is taken against defined target clients displaying a profile of good character, sound financial strength and integrity, a core competency and a sound track record in the activity funded. We have, however, experienced an increase in impairments and defaults as a result of weak economic conditions. The credit loss ratio has increased to 1.1% of core loans and advances, in line with our expectations.
- Limited exposure to rated and unrated structured credit investments; representing less than 2% of total assets.
- A low leverage ratio of approximately 12 times.
- A low level of net assets and liabilities exposed to the volatility of IFRS fair value accounting; with "level 3" assets amounting to 1% of total assets.
- Low equity (investment) risk exposure; within total investments comprising less than 3% of total assets.
- Modest proprietary market risk within our trading portfolio; value at risk and stress testing scenarios remain at prudent levels. Potential losses that could arise in our trading book portfolio stress tested under extreme market conditions (15 standard deviations) amount to less than 1% of total operating income.

Risk management

- A high level of readily available, high quality liquid assets; average cash and near cash of approximately £5 billion, representing 20% to 30% of our liability base. We continue to maintain a low reliance on interbank wholesale funding to fund core lending asset growth.
- An increase in retail customer deposits and access to longer term funding initiatives.
- Healthy capital ratios; we have always held capital in excess of regulatory requirements and we intend to perpetuate this philosophy. We have strengthened our capital base and increased our net tangible asset value during the period.
- Geographical and operational diversity with a high level of recurring income which continues to support sustainability of operating profit, albeit at a lower level.

The global financial market crisis has resulted in increasing risk levels and has impacted the markets in which we operate on a number of fronts. Our overall risk management philosophies, practices and frameworks have remained largely unchanged, and have held us in good stead over the period.

Maintaining credit quality, moderating loan growth, strictly managing risk and liquidity and continuing to grow our capital base remain strategic imperatives for the year ahead.

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.

Key risks

- 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

Additional risks and uncertainties not presently known to us or that we currently deem immaterial may in the future also impair our business operations. Our business, financial condition or results of operations could be adversely affected by any of these risk factors.

Risk management framework, committees and forums

A number of committees and forums identify and manage risk at both a business unit level in various locations and at a group level. These committees and forums operate together with Group Risk Management and are mandated by the board. A diagram of our governance and risk framework is provided on page 66.

This section provides an overview of risks and related developments that occurred during the year under review. Further detail on our risk management framework, committees and forums as well as our risk management and measurement techniques can be found in the Investec group's 2009 Annual Report.

Note:
In the sections that follow the following abbreviations are used on numerous occasions:
BRCC – Board Risk and Capital Committee
ERRF – Executive Risk Review Forum
FSA – Financial Services Authority
SARB – South African Reserve Bank
APRA – Australian Prudential Regulatory Authority

Key markets indicators

The table below provides on overview of some key statistics that should be considered when reviewing the developments within each area of risk.

	31 March 2009 period end	31 March 2008 period end	Average over the period
Market indicators			
FTSE all share	1 984	2 927	2 486
JSE all share	20 364	29 588	24 734
Australia all ords	3 532	5 410	4 491
S&P 500	798	1 323	1 090
Nikkei	8 110	12 526	10 866
Dow Jones	7 609	12 263	10 136
Exchange rates			
Rand/Pounds Sterling	13.58	16.17	14.83
Rand/Dollar	9.51	8.09	8.80
US Dollar/Euro	1.33	1.58	1.42
Euro/Pounds Sterling	1.08	1.25	1.21
Australian Dollar/Pounds Sterling	2.07	2.18	2.19
US Dollar/Pounds Sterling	1.43	1.99	1.73
Rates			
UK overnight	0.63%	5.55%	3.49%
UK 10 year	3.17%	4.34%	4.22%
UK Clearing Banks Base Rate	0.57%	5.25%	3.74%
LIBOR - 3 month	1.65%	6.01%	4.63%
SA R153 (2010)	6.88%	9.71%	9.18%
SA R157 (2015)	8.18%	9.22%	8.87%
Rand overnight	9.16%	10.60%	11.23%
SA prime overdraft rate	13.00%	14.50%	15.06%
JIBAR - 3 month	8.80%	11.38%	11.63%
Reserve Bank of Australia cash target rate	3.25%	7.25%	5.84%
US 10 year	2.67%	3.41%	3.41%
Commodities			
Gold	USD919/oz	USD917/oz	USD869/oz
Gas Oil Futures	USD420/mt	USD969/mt	USD812/mt
Platinum	USD1 129/oz	USD1 966/oz	USD1 371/oz
Macro-economic			
UK GDP (% change over the period)	(1.0%)	2.90%	n/c
UK per capita GDP (£)	23 496	22 712	
South Africa GDP (% real growth over the calendar year)	3.10%	5.10%	n/c
South Africa per capita GDP (real value) (R)	25 897	25 499	
Australia GDP (% change over the period)	1.6%	4.20%	n/c
Australia per capita GDP (AUD)	55 260	51 985	

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

Risk management

Credit and counterparty risk management

Credit and counterparty risk description

Credit and counterparty risk is defined as the current and prospective risk to earnings or capital arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any obligation to us or otherwise to perform as agreed. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions, giving rise to a direct exposure. The risk is created that an obligor will be unable or unwilling to repay capital and/or interest on advances and loans granted to it. This category includes bank placements, where we have placed funds with other financial institutions;
- Issuer risk on financial instruments where payments due from the issuer of a financial instrument will not be received; and
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk).
  - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party effecting required settlements as they fall due but not receiving settlements to which they are entitled.
  - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to finalise the transaction.

Credit and counterparty risk can manifest as country risk as a result of the geopolitical and transfer risk associated with exposures arising from transactions with borrowers who are resident in a particular foreign country, or dependent on that country's economy.

Credit and counterparty risk may also arise in other ways and it is the role of the various independent credit committees, assisted by Credit Risk Management, to identify situations falling outside these definitions where credit risk may also be present.

Credit and counterparty risk year in review

UK and Europe

The year in review has seen large market volatilities caused by the global financial market crisis and the subsequent economic downturn. Through prudent risk management, exposures to large well published, distressed, bankrupted and failed counterparties have been avoided or losses substantially minimised.

The worsening economy has made it more difficult to re-finance or sell assets due to reduced liquidity and vastly lower asset prices in the market for all asset classes, in particular property, equities and commodities. Many traditional purchasers of assets either have not been able to raise funding to acquire new assets, or believe that assets will continue to cheapen and are cautious in their approach to new acquisitions. The slowdown has affected most asset classes and we have seen both property and corporate lending being negatively impacted particularly from diminishing asset values.

Core loans and advances increased by 13.1% to £6.0 billion, primarily as a result of currency fluctuations rather than increased lending activity. Approximately 20% of the book is denominated in Euro which has strengthened against Pounds Sterling in the year under review.

Default loans (net of impairments) have increased from 2.3% to 3.6% of core loans and advances, but remain within tolerable levels. The credit loss ratio has increased from 0.5% to 1.6%. All accounts are proactively managed and customers have demonstrated ability to service loans where assets have not been sold. The relatively low interest rate environment has enabled clients to bear the fairly low interest burden attached to their debt for longer periods. Holding assets for longer periods has thus allowed customers to avoid forced sale scenarios which may have exacerbated already depressed asset values. The performance of all accounts is regularly reviewed by the independent credit function and impairments taken as necessary. As a risk management strategy, prudent account management is formulised over asset growth.

Within our Capital Markets division we have experienced increased defaults in our Acquisition Finance, Resource Finance and small ticket leasing businesses.

- Acquisition Finance: counterparties in the automotive, construction and leisure sectors in particular have experienced severe cash flow pressures. Our exposures are all senior secured facilities. We expect further difficulties to be experienced in this book as consumer facing counterparties' cash flows weaken.
- Resource Finance: junior- to mid-cap mining operators have suffered from the collapse in commodity prices and the drying up of equity finance. We are in active negotiations regarding the refinancing of several of our larger facilities. We expect to receive repayment on a significant proportion of our book over the next few months.

Activity in the Private Banking business diminished significantly in the second half of the financial year. The business unit members as well as members of the Group Risk division have proactively assessed the entire loan book to ascertain where the bank may be exposed to increased risk. Where customers have experienced financial difficulty we have worked with them to arrive at an optimal solution including change of use for certain property related transactions and extensions of time for properties that are servicing their debt obligations. Where private clients have supported a transaction by way of personal guarantees, and the original exit was through the sale of assets and such sale would severely diminish the profitability of a project, we may agree an extension of term to achieve an orderly exit.

Risk management

The Kensington mortgage book continues to perform within expectations taking into account the economic landscape. We retain residual net exposures amounting to £516 million to the assets originated, warehoused and securitised by Kensington.

The Group Risk division will continue to work closely with the business units over the course of the next financial year to manage the risks in the lending portfolios. The focus will be on active book management whilst scanning the market for opportunities that present themselves.

Southern Africa

The past financial year has seen a number of trends and factors impacting on the credit quality and assessment of credit and counterparty risk:

- The global financial crisis had a negative impact on the domestic economic cycle, especially in the fourth quarter of 2008 and first quarter of 2009.
- Liquidity constraints and general tightening in liquidity across the industry.
- Conservative lending approach from the banking sector and the effects of repricing.
- A high interest rate environment with consumers reducing discretionary spending.
- High inflation numbers which delayed the central bank in reducing the repurchase rate.
- High levels of rand volatility against major trading currencies (Euro, US Dollar and Pounds Sterling).
- Market volatility with the main exchange (JSE) reflecting a reduction of 31.1% on a year on year basis.
- Collapse in commodity prices and continued volatility.
- Low or negative growth in the residential and commercial property markets.

The South African property market has been under pressure for the year in review. We are conscious of the effect of the slowdown of growth in the property market (both global and local) and the slowing economic cycle that have put pressure on our property portfolios. The high net worth and/or stable income streams of our target market clients provides a level of protection from decreases in property values. Over the past few years as property values increased, many clients built an effective equity buffer, resulting in lower average loan to value ratios which have reduced potential losses on depreciation of values.

As at 31 March 2009 the average loan to value ratio within the property development portfolio stood at 52% based on net sell out values.

An increase in client flow, together with greater hedging activity (due to higher levels of volatility), has resulted in increased profitability and exposure in the Treasury Foreign Exchange business.

For both interest rate and foreign exchange rate products simulation methodologies are employed which enable us to identify more accurately the level of potential exposures to counterparties for these trading activities. The methodologies recognise volume of trading, volatility of products traded, deal tenor and credit mitigants in deriving granular counterparty exposure profiles (and, in so doing, allow for roll-off risk assessments).

Loans and advances secured by share portfolios (including BEE transactions) are monitored frequently due to market volatility. Most of these counterparties remain within credit approved loan to value or cover ratios and are performing on current debt obligations.

For assets written during the current year there has been strict adherence to lower loan to value lending and increased pricing requirements.

Credit quality on gross core loans and advances deteriorated throughout the year under review (notably from September 2008), with the majority of impairments raised in the Private Bank division, distributed between the residential and commercial property portfolios which are made up of a relatively small number of clients.

Investec Capital Markets reported 3 material defaults in Specialised Finance and Resource Finance respectively, which were impaired accordingly. Investec Bank (Mauritius) reported 1 material default as at year end.

Core loans and advances portfolio increased by 16.3% to R120.4 billion. The quality of the overall loans and advances portfolio in Southern Africa deteriorated as a result of the global financial crisis with default loans (net of impairments) as a percentage of core loans and advances increasing from 0.7% to 2.2%. The credit loss ratio has increased from 0.5% to 0.7% Due to the deteriorating asset quality a lot of emphasis has been placed on the strengthening of recoveries and administrative areas and increased involvement from executive and senior management to deal with potential problematic loans and working on the best outcome/solution for our clients and ourselves.

Australia

During the year core loans and advances to customers increased by 13.2% to AUD2.9 billion, predominantly through selective growth within the professional finance business unit; which provides finance to targeted members of the medical and accounting professions.

There has been deterioration in credit quality throughout the year under review. Defaults (net of impairments) have risen to 9.6% of core loans and advances and the credit loss ratio has increased from 0.7% to 1.7%. A continued focus on asset quality remains fundamental to our approach to the challenging credit environment.

Credit and counterparty risk information

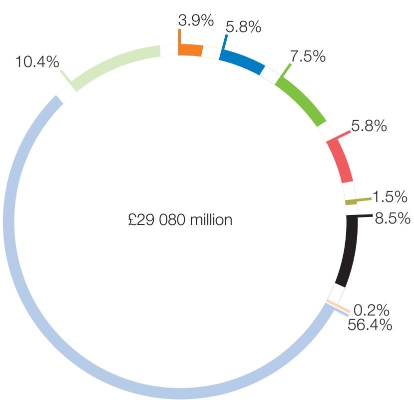
An analysis of gross credit and counterparty exposures

£'000	31 March 2009	31 March 2008	% change	Average*
On-balance sheet exposures	**26 044 284**	**21 661 399**	**20.2%**	**23 852 844**
Securitisation exposures arising from securitisation/principal finance activities	1 132 465	861 766	31.4%	997 117
Rated instruments	243 344	121 127	>100.0%	182 236
Unrated instruments	274 150	291 665	(6.0%)	282 908
Other	614 971	448 974	37.0%	531 973
Debt instruments (NCDs, bonds held, debentures)	1 702 216	1 594 676	6.7%	1 648 446
Bank placements	2 185 643	2 438 631	(10.4%)	2 312 137
Sovereign, government placements	1 687 885	1 002 781	68.3%	1 345 333
Call facilities (non-bank entities)	423 923	493 257	(14.1%)	458 590
Trading exposures (positive fair value excluding potential future exposures)	2 473 241	2 056 412	20.3%	2 264 827
Other credit exposures	45 708	306 109	(85.1%)	175 909
Gross core loans and advances to customers**	16 393 203	12 907 767	27.0%	14 650 485
Off-balance sheet exposures	**3 035 446**	**3 374 450**	**(10.0%)**	**3 204 948**
Guarantees	570 368	435 098	31.1%	502 733
Contingent liabilities, committed facilities, other	2 465 078	2 939 352	(16.1%)	2 702 215
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**29 079 730**	**25 035 849**	**16.2%**	**27 057 792**

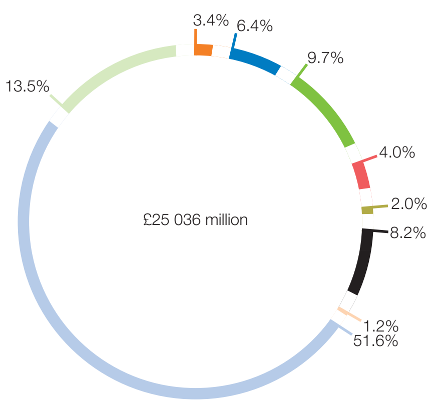
* Where the average is based on a straight line average

** As calculated on page 39

31 March 2009



31 March 2008



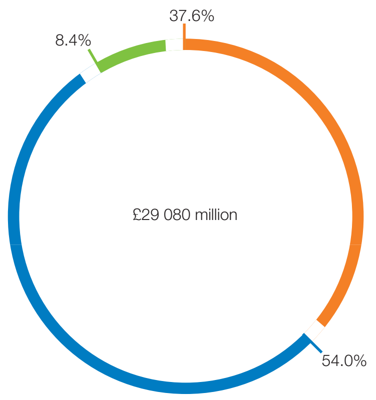
Securitisation exposures
Debt instruments
Bank placements
Sovereign, government placements
Call facilities (non-bank entities)
Trading exposures
Other credit exposures
Gross core loans and advances to customers
Off-balance sheet exposures

Risk management

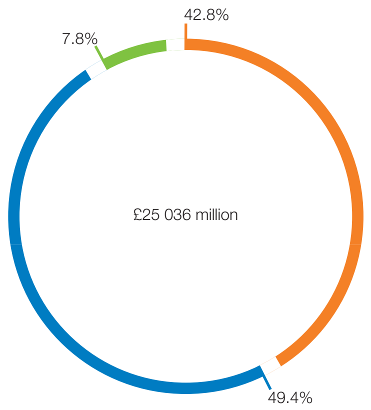
An analysis of gross credit and counterparty exposures by geography

£'000	UK and Europe		Southern Africa		Australia		Total	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
On-balance sheet exposures	10 458 448	9 775 140	13 296 566	10 195 495	2 289 270	1 690 764	26 044 284	21 661 399
Securitisation exposures arising from securitisation/principal finance activities	1 001 191	821 378	131 274	40 388	-	-	1 132 465	861 766
Rated instruments	243 344	121 127	-		-	-	243 344	121 127
Unrated instruments	226 703	278 988	47 447	12 677	-	-	274 150	291 665
Other	531 144	421 263	83 827	27 711	-	-	614 971	448 974
Debt instruments (NCDs, bonds held, debentures)	289 838	762 531	779 242	530 954	633 136	301 191	1 702 216	1 594 676
Bank placements	1 044 213	909 837	1 008 501	1 384 861	132 929	143 933	2 185 643	2 438 631
Sovereign, government placements	916 748	616 122	771 137	386 659	-	-	1 687 885	1 002 781
Call facilities (non-bank entities)	-	-	423 923	493 257	-	-	423 923	493 257
Trading exposures (positive fair value excluding potential future exposures)	1 155 297	1 100 903	1 218 544	891 505	99 400	64 004	2 473 241	2 056 412
Other credit exposures	12 575	268 656	33 133	37 453	-	-	45 708	306 109
Gross core loans and advances to customers	6 038 586	5 295 713	8 930 812	6 430 418	1 423 805	1 181 636	16 393 203	12 907 767
Off-balance sheet exposures	486 136	948 139	2 400 469	2 166 703	148 841	259 608	3 035 446	3 374 450
Guarantees	32 909	50 256	508 118	338 098	29 341	46 744	570 368	435 098
Contingent liabilities, committed facilities, other	453 227	897 883	1 892 351	1 828 605	119 500	212 864	2 465 078	2 939 352
Total gross credit and counterparty exposures pre collateral or other credit enhancements	10 944 584	10 723 279	15 697 035	12 362 198	2 438 111	1 950 372	29 079 730	25 035 849

31 March 2009



31 March 2008



UK and Europe Southern Africa Australia

Risk management

Summary analysis of gross credit and counterparty exposures by industry

£'000	Gross core loans and advances		Other credit and counterparty exposures		Total	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
HNW and professional individuals	11 166 476	7 947 927	2 350 916	2 453 598	13 517 392	10 401 525
Agriculture	71 116	98 121	4 007	18 913	75 123	117 034
Electricity, gas and water (utility services)	165 475	125 913	50 234	13 047	215 709	138 960
Public and non-business services	269 928	275 884	1 695 168	1 040 223	1 965 096	1 316 107
Business services	216 286	378 634	57 518	120 379	273 804	499 013
Finance and insurance	1 161 634	760 998	6 877 722	6 485 153	8 039 356	7 246 151
Retailers and wholesalers	344 903	315 103	178 976	126 272	523 879	441 375
Manufacturing and commerce	649 240	620 943	293 109	288 177	942 349	909 120
Real estate	1 074 856	1 402 469	807 191	951 869	1 882 047	2 354 338
Mining and resources	250 383	181 382	200 908	217 852	451 291	399 234
Leisure, entertainment and tourism	334 444	305 983	18 755	24 485	353 199	330 468
Transport and communication	688 462	494 410	70 068	158 223	758 530	652 633
Other*	-	-	81 955	229 891	81 955	229 891
Total	16 393 203	12 907 767	12 686 527	12 128 082	29 079 730	25 035 849

* Only includes securitised exposures where the industry is not clearly defined

Asset quality and impairments

Core loans and advances to customers

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

- Loans and advances which have been originated by us and securitised primarily to provide an alternative source of funding are added to loans and advances.
- Warehouse funding facilities and warehouse assets arising out of our securitisation and principal finance activities have been deducted.

£'000	31 March 2009	31 March 2008
Loans (pre-impairments) as per balance sheet	15 563 109	12 021 953
Less: warehouse facilities and warehouse assets arising out of our securitisation and principal finance activities (pre-impairments)	(298 239)	(28 000)
Add: own-originated securitised assets	1 128 333	913 814
Gross core loans and advances to customers (pre impairments)	16 393 203	12 907 767

Risk management

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

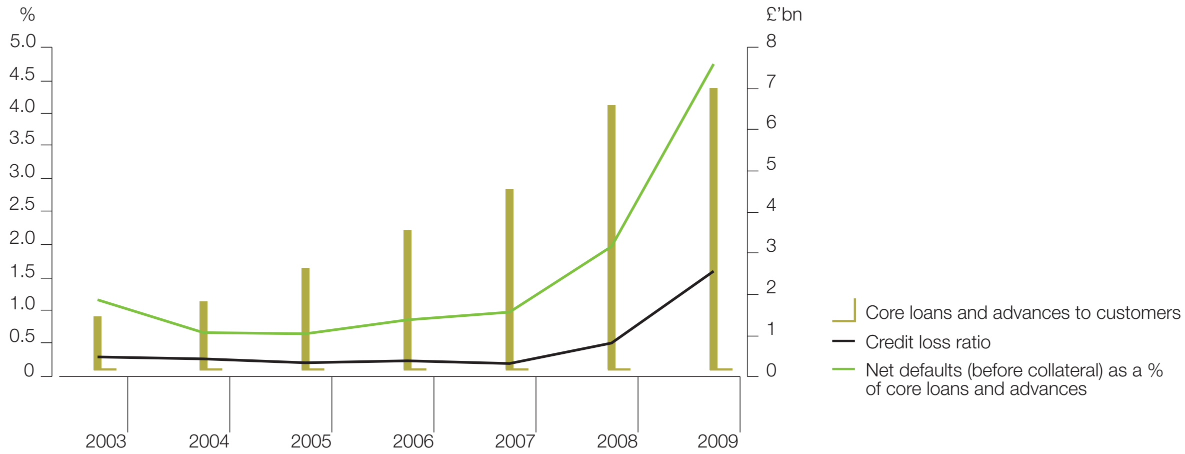
£'000	UK and Europe		Southern Africa		Australia		Total	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Gross core loans and advances to customers	6 038 586	5 295 713	8 930 812	6 430 418	1 423 805	1 181 636	16 393 203	12 907 767
Total impairments	(76 057)	(21 854)	(74 969)	(23 367)	(15 634)	(8 790)	(166 660)	(54 011)
Portfolio impairments	(3 032)	(2 053)	(6 664)	(4 642)	-	-	(9 696)	(6 695)
Specific impairments	(73 025)	(19 801)	(68 305)	(18 725)	(15 634)	(8 790)	(156 964)	(47 316)
Net core loans and advances to customers	5 962 529	5 273 859	8 855 843	6 407 051	1 408 171	1 172 846	16 226 543	12 853 756
% of total	36.7%	41.0%	54.6%	49.8%	8.7%	9.1%	100.0%	100.0%
% change since 31 March 2008	13.1%	-	38.2%	-	20.1%	-	26.2%	-
Average gross core loans and advances to customers	5 667 150	4 635 210	7 680 615	5 958 499	1 302 720	927 345	14 650 485	11 521 052
Current loans and advances to customers	5 287 746	4 816 940	8 481 356	6 276 582	1 246 188	1 089 087	15 015 290	12 182 609
Total gross non current loans and advances to customers	750 840	478 772	449 456	153 836	177 617	92 550	1 377 913	725 158
Past due loans and advances to customers (1 - 60 days)	442 966	283 445	139 021	73 219	16 643	44 100	598 630	400 764
Special mention loans and advances to customers	22 445	56 165	47 378	18 282	9 839	29 531	79 662	103 978
Default loans and advances to customers	285 429	139 162	263 057	62 335	151 135	18 919	699 621	220 416
Gross core loans and advances to customers	6 038 586	5 295 712	8 930 812	6 430 418	1 423 805	1 181 637	16 393 203	12 907 767
Total gross non current loans and advances to customers	750 840	478 772	449 456	153 836	177 617	92 550	1 377 913	725 158
Default loans that are current and not impaired	11 056	-	1 568	-	-	-	12 624	-
Gross core loans and advances to customers that are past due but not impaired	590 726	399 965	221 211	92 187	117 928	75 650	929 865	567 802
Gross core loans and advances to customers that are impaired	149 058	78 807	226 677	61 649	59 689	16 900	435 424	157 356
Total income statement charge for impairments on core loans	(88 790)	(21 589)	(51 452)	(30 844)	(22 685)	(6 352)	(162 927)	(58 785)
Gross default loans and advances to customers	285 429	139 162	263 057	62 335	151 135	18 919	699 621	220 416
Specific impairments	(73 025)	(19 801)	(68 305)	(18 725)	(15 634)	(8 790)	(156 964)	(47 316)
Defaults net of specific impairments	212 404	119 361	194 752	43 610	135 501	10 129	542 657	173 100
Collateral and other credit enhancements	218 000	114 011	267 767	83 844	163 452	12 362	649 219	210 217
Net default loans and advances to customers	-	5 350	-	-	-	-	-	-

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

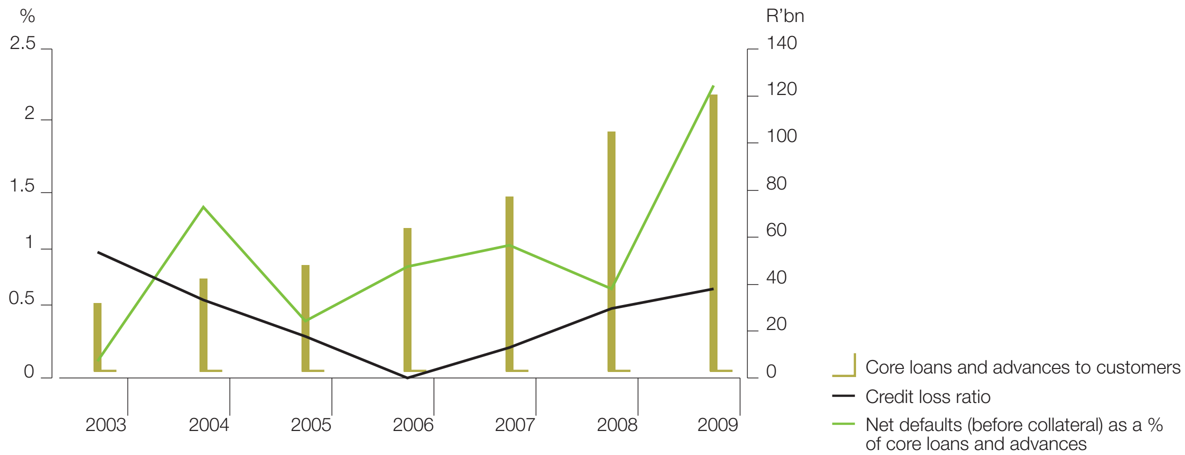
	UK and Europe 31 March 2009	UK and Europe 31 March 2008	Southern Africa 31 March 2009	Southern Africa 31 March 2008	Australia 31 March 2009	Australia 31 March 2008	Total 31 March 2009	Total 31 March 2008
Specific impairments as a % of gross core loans and advances to customers	1.21%	0.37%	0.76%	0.29%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

Defaults and core loans trend

UK, Europe and Australia



Southern Africa



Equity and investment risk in the banking book

Equity and investment risk description

Equity and investment risk in the banking book arises primarily from the following activities conducted within the group:

- Investment Banking Principal Investments (Private Equity and Direct Investments): Investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy. In addition, as a result of our local market knowledge and investment banking expertise, we are well positioned to take direct positions in listed shares where we believe that the market is mispricing the value of the underlying portfolio of assets. These investment positions are carefully researched with the intent to stimulate corporate activity. In South Africa, we also continue to pursue opportunities to help create and grow black owned and controlled companies.
- Lending transactions (within the Private Banking and Capital Markets divisions): The manner in which we structure certain transactions results in equity, warrant and profit shares being held, predominantly within unlisted companies.
- Property Activities: We source development, investment and trading opportunities to create value and trade for profit within agreed risk parameters.
- Central Funding: In South Africa the Central Funding division is the custodian of certain equity and property investments, which have largely arisen from corporate acquisitions made, notably in the early 2000s.

Valuation

The table below provides an analysis of income and revaluations recorded with respect to these investments.

Country/category £'000	Income (pre funding costs) - for the year ended Unrealised	Realised	Dividends, net interest and other	Total	Fair value through the balance sheet
31 March 2009					
Unlisted investments	20 363	21 024	15 129	56 516	(1 012)
UK and Europe	(13 373)	832	(16 829)	(29 370)	(572)
South Africa	35 082	23 831	31 601	90 514	-
Australia	(1 346)	(3 639)	357	(4 628)	(440)
Listed equities	(18 892)	(2 248)	1 815	(19 325)	(5 569)
UK and Europe	(11 392)	(1 529)	1 588	(11 333)	(4 582)
South Africa	(7 184)	(710)	563	(7 331)	(203)
Australia	(316)	(9)	(336)	(661)	(784)
Investment and trading properties	16 717	42	7 631	*24 390	-
UK and Europe	-	42	-	42	-
South Africa	16 717	-	7 631	24 348	-
Warrants, profit shares and other embedded derivatives	1 101	27 735	1 026	29 862	-
UK and Europe	1 868	20 277	273	22 418	-
South Africa	2 184	7 458	753	10 395	-
Australia	(2 951)	-	-	(2 951)	-
Total	19 289	46 553	25 601	91 443	(6 581)
31 March 2008					
Unlisted investments	50 547	22 846	60 467	133 860	1 687
UK and Europe	(1 892)	12 854	36 981	47 943	1 687
South Africa	49 942	8 947	23 170	82 059	-
Australia	2 497	1 045	316	3 858	-
Listed equities	(6 486)	35 196	(756)	27 955	(8 173)
UK and Europe	3 616	15 077	362	19 055	(4 705)
South Africa	(9 375)	19 646	(2 013)	8 258	(1 679)
Australia	(726)	473	895	642	(1 789)
Investment and trading properties	49 714	8 882	14 331	72 927	-
South Africa	49 714	8 882	14 331	72 927	-
Warrants, profit shares and other embedded derivatives	(3 847)	44 293	5 446	45 893	-
UK and Europe	(5 805)	39 070	5 064	38 330	-
South Africa	1 958	5 223	382	7 563	-
Total	89 929	111 217	79 488	280 635	(6 486)

Unrealised revaluation gains are included in Tier 1 capital. Revaluations that are posted directly to equity are excluded from capital within Investec Limited and included in Tier 2 capital within Investec plc.

* Post funding costs

Summary of investments held and stress testing analyses

The balance sheet value of investments is indicated in the table below.

Country/category £'000	On balance sheet value of investments 31 March 2009	Valuation change stress test 31 March 2009	On balance sheet value of investments 31 March 2008	Valuation change stress test 31 March 2008
Unlisted investments	490 982	73 647	365 189	54 778
UK and Europe	120 689	18 103	120 872	18 131
South Africa	350 364	52 555	225 249	33 787
Australia	19 929	2 989	19 068	2 860
Listed equities	115 793	27 628	96 711	24 193
UK and Europe	37 060	7 945	40 359	10 090
South Africa	77 558	19 389	54 520	13 630
Australia	1 175	294	1 892	473
Investment and trading properties	228 884	27 082	174 091	8 787
UK and Europe	8 480	1 696	-	-
South Africa	220 404	25 386	174 091	8 787
Warrants, profit shares and other embedded derivatives	103 199	36 120	65 640	22 974
UK and Europe	63 463	22 212	41 879	14 658
South Africa	38 866	13 603	23 761	8 316
Australia	870	305	-	-
Total	938 858	164 477	701 691	110 732

* In order to assess our earnings sensitivity to a movement in the valuation of these investments the following stress testing parameters are applied

Stress test values applied	
Unlisted investments	15%
Listed equities	25%
Trading properties	20%
Investment properties	10%
Warrants, profit shares and other embedded derivatives	35%

Stress testing summary

Based on the information above we could have a £164 million reversal in revenue (which assumes a year in which there is a "worst case scenario"). This would not cause the group to report a loss but could have a significantly negative impact on earnings for that period. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is very low, although the probability of listed equities being negatively impacted at the same time is very high.

Traded market risk management

Traded market risk description

Traded market risk is a measure of potential change in the value of a portfolio of instruments as a result of changes in the financial environment (resulting in changes in underlying market risk factors such as interest rates, equity markets, bond markets, commodity markets, exchange rates and volatilities) between now and a future point in time. The Market Risk Management team identifies, quantifies and manages the effects of these potential changes in accordance with Basel II and policies determined by the board.

Within our trading activities, we act as principal with clients or the market. Market risk, therefore, exists where we have taken on principal positions, resulting from proprietary trading, market making, arbitrage, underwriting and investments in the commodity, foreign exchange, equity, capital and money markets. The focus of these businesses is primarily on supporting client activity. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate clients in deal execution.

VaR

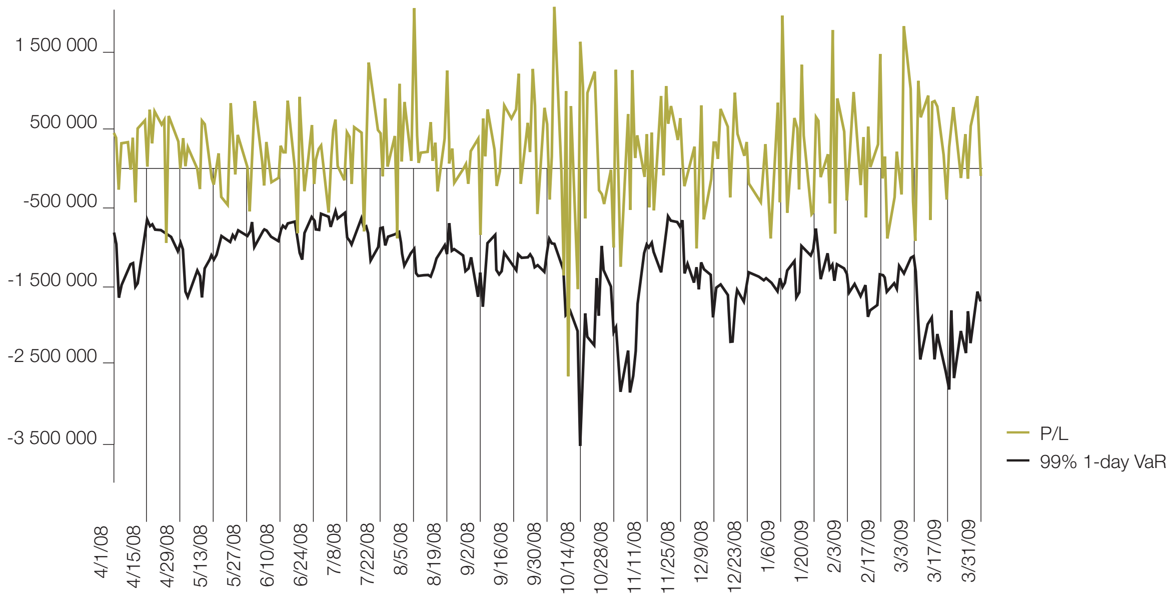
	UK and Europe 95% (one-day) £'000	Australia 99% (one-day) AUD'000	South Africa 95% (one-day) R'mn
31 March 2009			
Commodities	42	-	0.3
Equity derivatives	629	-	2.8
Foreign exchange	25	14	2.9
Interest rates	759	52	0.9
Consolidated*	996	66	4.1
High	2 497	307	15.3
Low	341	60	2.1
Average	738	139	4.5
31 March 2008			
Commodities	93	-	0.4
Equity derivatives	275	-	4.0
Foreign exchange	23	34	1.8
Interest rates	397	343	0.4
Consolidated*	434	374	3.8
High	951	374	10.8
Low	130	59	1.9
Average	385	178	6.2

* The consolidated VaR for each desk and each entity is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes

The graphs below show total daily VaR and profit and loss figures for our trading activities over the reporting period. The values are for the 99% one-day VaR, i.e. 99% of the time, the total trading activities will not lose more than the values depicted below. Based on these graphs, we can gauge the accuracy of the VaR figures.

UK and Europe

99% 1-day VaR backtesting (GBP)

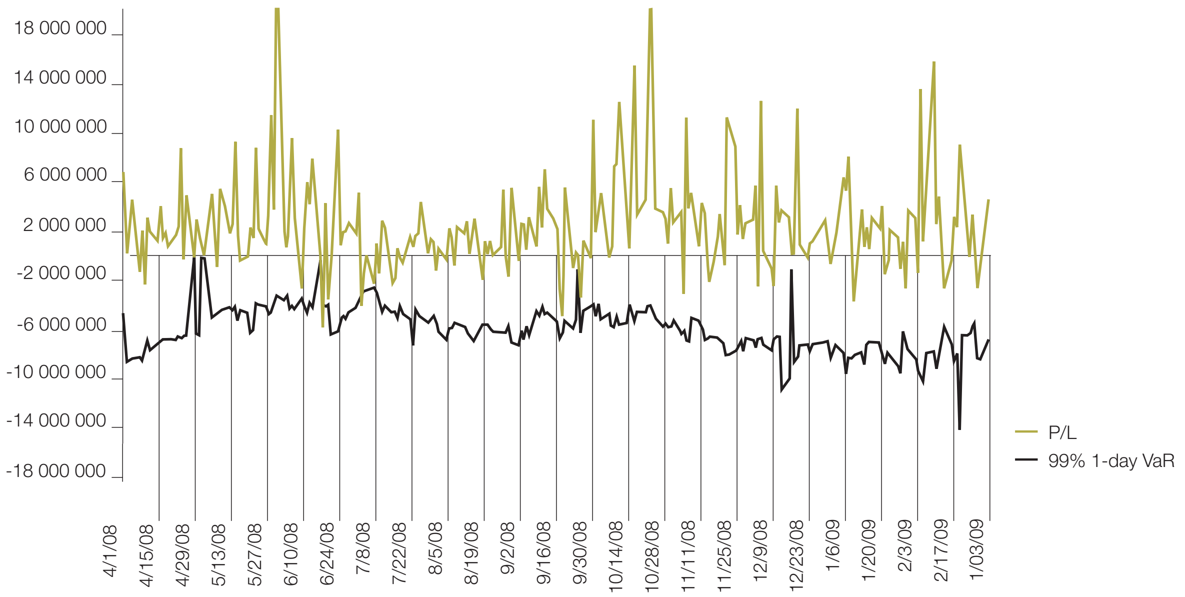


There have been five exceptions, i.e. where the loss is greater than the VaR. This exceeds the exceptions at the 99% level. Most of these exceptions were marginal and arose due to significant volatility on the Fixed Income desk. The largest variance was due to an extreme rise in the implied volatility in Euribor rates at the beginning of October 2008.

Risk management

South Africa

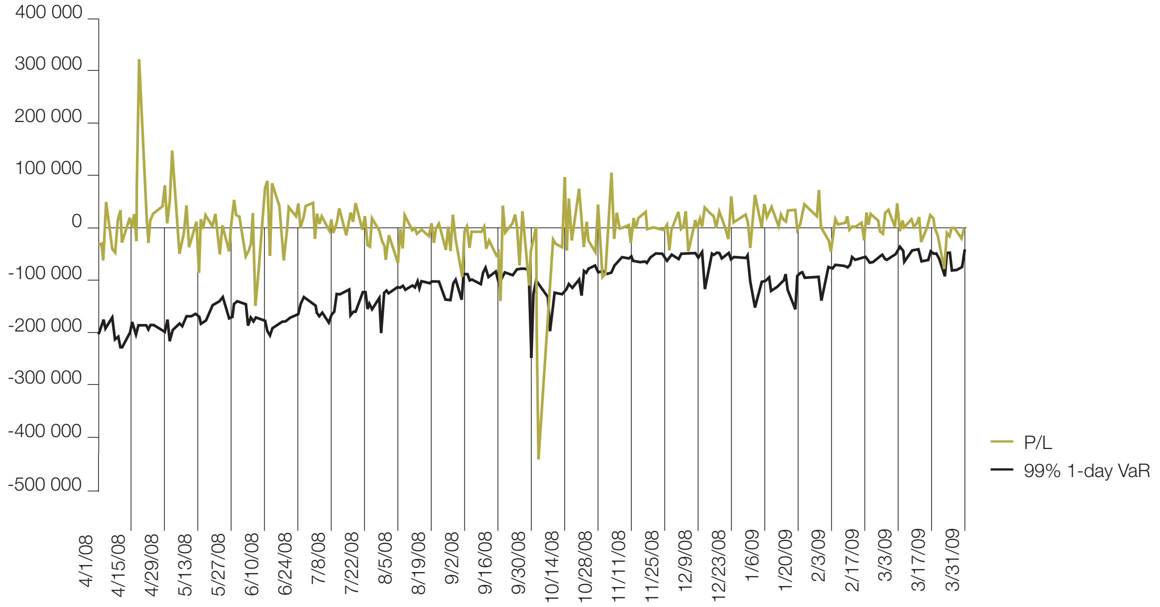
99% 1-day VaR backtesting (Rands)



There have been two exceptions, i.e. where the loss is greater than the VaR. These exceptions were mainly due to the sudden increased volatility in the interest rate and foreign exchange markets in the middle of 2008. Both exceptions were marginal and in line with the 99% confidence interval expectations.

Australia

99% 1-day VaR backtesting (AUD)



There have been four exceptions, i.e. where the loss is greater than the VaR. This exceeds the exceptions at the 99% level. The largest exceptions arose in the beginning of October 2008.The breach on 3 October 2008 was caused by a combination of a large parallel decrease in AUD interest rates, a large parallel increase in gold lease rates and a depreciation in the AUD exchange rate. The breach on 7 October 2008 was caused by a large parallel decrease in AUD interest rates and a depreciation in the AUD exchange rate.

ETL

	Investec plc 95% (one-day) £'000	Investec Limited 95% (one-day) R'mn
31 March 2009		
Commodities	78	0.6
Equity derivatives	929	4.4
Foreign exchange	39	5.4
Interest rates	1 359	1.4
Consolidated*	1 653	6.8
31 March 2008		
Commodities	134	0.5
Equity derivatives	347	6.1
Foreign exchange	31	2.7
Interest rates	581	0.7
Consolidated*	648	5.7

* The consolidated VaR for each desk and each entity is lower than the sum of the individual

Stress testing

The table below indicates the potential losses that could arise if the portfolio is stress tested under extreme market conditions. (15 standard deviations)

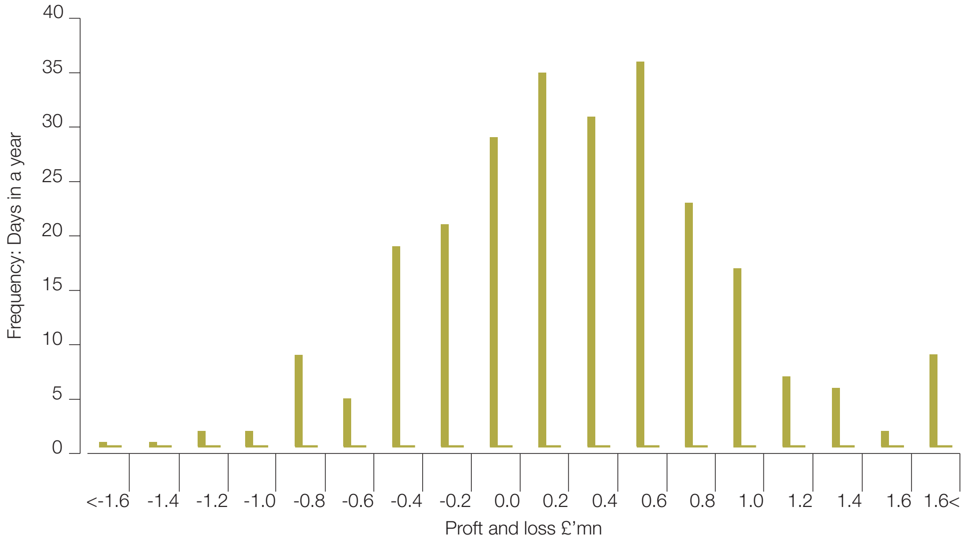
31 March 2009	UK and Europe using VaR £'000	Australia using VaR AUD'000	South Africa using VaR R'mn
Commodities	324	-	2.3
Equity derivatives	4 812	-	21.7
Foreign exchange	193	81	22.1
Interest rates	5 812	302	7.2
Consolidated	11 141	383	53.3
31 March 2008			
Commodities	712	-	3.1
Equity derivatives	2 105	-	30.6
Foreign exchange	176	200	13.8
Interest rates	3 038	1 995	3.1
Consolidated	6 031	2 195	50.6

Risk management

Profit and loss histograms

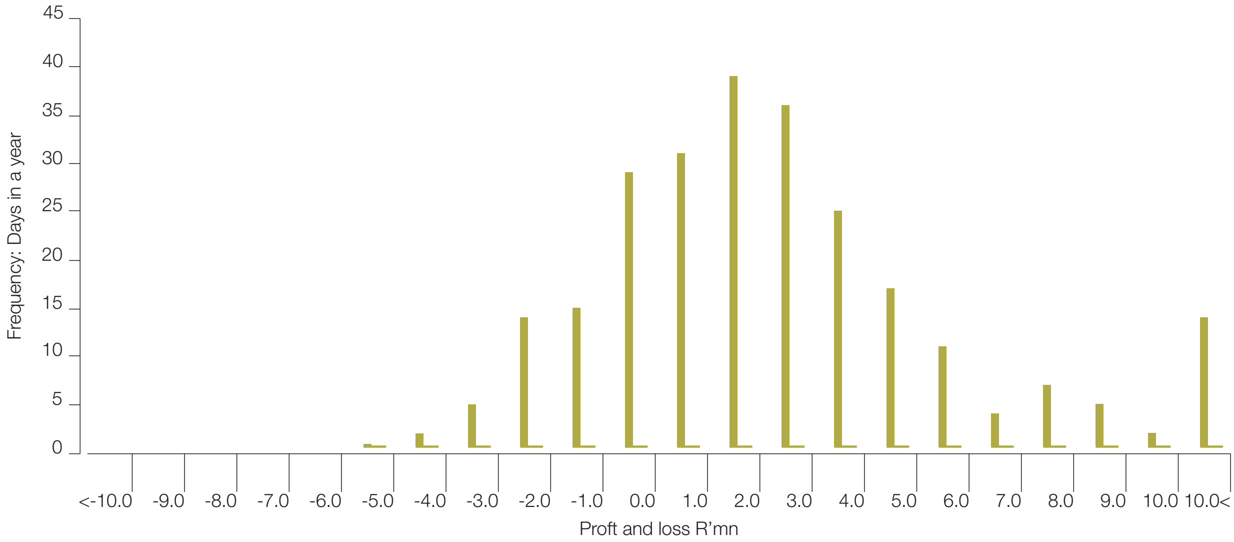
UK and Europe

The histogram below illustrates the distribution of daily revenue during the financial year for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 166 days out of a total of 255 days in the trading business. The average daily trading revenue generated for the year ended 31 March 2009 was £244 000.



South Africa

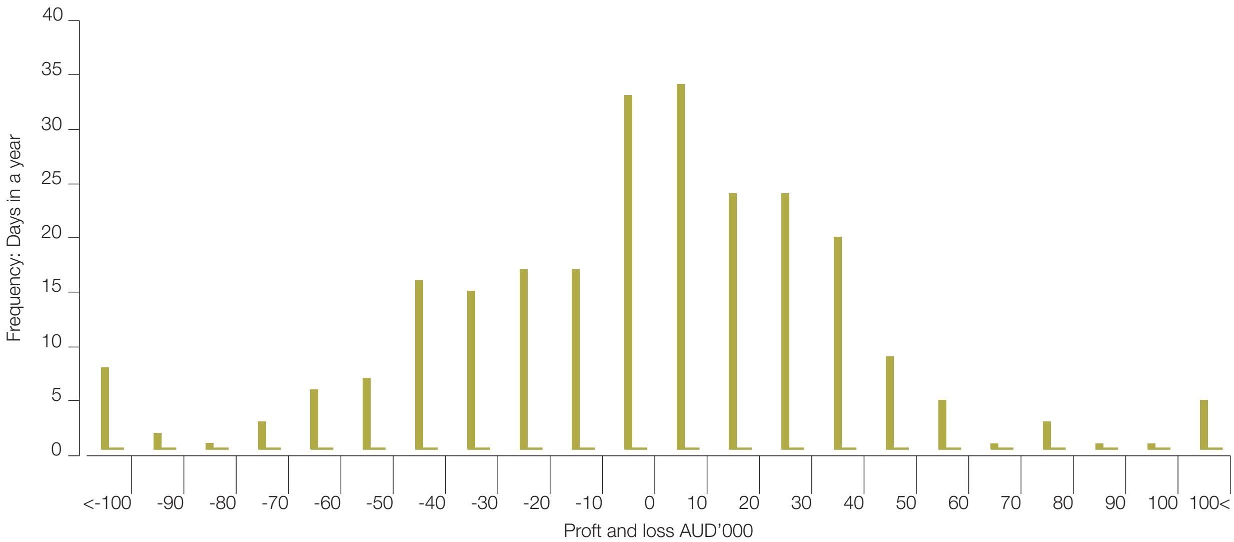
The histogram below illustrates the distribution of daily revenue during the financial year for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 191 days out of a total of 258 days in the trading business. The average daily trading revenue generated for the year ended 31 March 2009 was R2.5 million.



Risk management

Australia

The histogram below illustrates the distribution of daily revenue during the financial year for our trading businesses. The distribution is more normally distributed, the graph shows that trading revenue was realised on 160 days out of a total of 252 days in the trading business. The average daily trading revenue generated for the year ended 31 March 2009 was AUD5 thousand.



Traded market risk year in review

The past year has been masked by extreme market movements, both in direction and volatility.

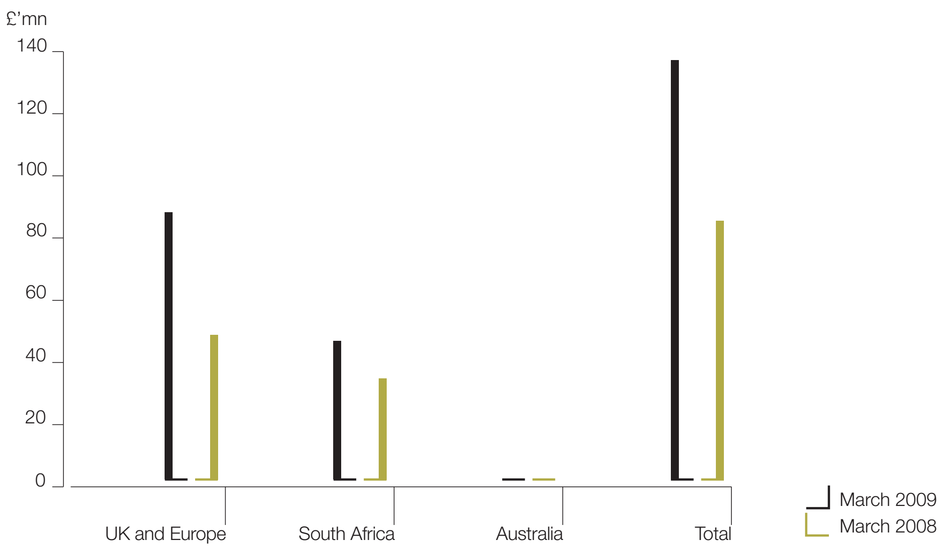
Investec's South African model of basing trades on client flow has once again proved to be successful as all trading desks have, to a varying degree, been profitable.

In the UK the Structured Equity desk has experienced strong growth in their retail product sales and they continue to expand their product range. The Fixed Income and Forex desks have also performed well benefiting from both the increased volatility and flows.

Australian trading activity remains modest, with the focus being mainly commodity hedging.

The majority of revenue earned from our trading activities within the Capital Markets division is related to client flow activity.

Revenue from trading activities within our Capital Markets division



Balance sheet risk management

Balance sheet risk description

Balance sheet risk management encompasses the independent monitoring and prudential management of the financial risks relating to our asset and liability portfolios, comprising market liquidity, funding, concentration and non-trading interest rate risks on balance sheet.

Non-trading interest rate risk description

Non-trading interest rate risk is the impact on net interest earnings and sensitivity to economic value, as a result of increases or decreases in interest rates arising from the execution of our core business strategies and the delivery of products and services to our customers.

Sources of banking-related risk exposures include potential adverse effect of volatility and changes in interest rate levels, yield curves and spreads. These affect the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest income and the economic value of equity. The mix of interest rate repricing characteristics is influenced by the underlying financial needs of customers.

Interest rate sensitivity gap

The tables below show our non-trading interest rate mismatch. These exposures affect the interest rate margin realised between lending income and borrowing costs assuming no management intervention.

UK and Europe - interest rate sensitivity

£'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non-rate	Total non-trading
Cash and short-term funds - banks	1 698	-	-	-	-	-	1 698
Investment/trading assets	733	47	7	3	-	327	1 117
Securitised assets	4 136	83	10	-	-	-	4 229
Advances	6 401	837	303	414	123	-	8 078
Other assets	-	-	-	-	-	973	973
Assets	12 968	967	320	417	123	1 300	16 095
Deposits - banks	(3 697)	(137)	(197)	(59)	(65)	-	(4 155)
Deposits - non-banks	(3 819)	(235)	(170)	(4)	(53)	(15)	(4 296)
Negotiable paper	(230)	(2)	-	(82)	-	-	(314)
Securitised liabilities	(3 947)	-	-	-	-	-	(3 947)
Investment/trading liabilities	(866)	(78)	-	-	-	(24)	(968)
Subordinated liabilities	(90)	-	(10)	(200)	(404)	(25)	(729)
Other liabilities	-	-	-	-	-	(534)	(534)
Liabilities	(12 649)	(452)	(377)	(345)	(522)	(598)	(14 943)
Shareholders' funds	-	-	-	-	-	(1 152)	(1 152)
Balance sheet	319	515	(57)	72	(399)	450	1 152
Off-balance sheet	135	(455)	(28)	(51)	399	-	-
Repricing gap	454	60	(85)	21	-	(450)	-
Cumulative repricing gap	454	514	429	450	450	-	

South Africa - interest rate sensitivity

R'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non-rate	Total non-trading
Cash and short-term funds - banks	11 564	-	-	-	-	3 286	14 850
Cash and short-term funds - non-banks	5 378	-	-	-	-	-	5 378
Investment/trading assets	12 905	4 573	2 837	425	100	14 137	34 977
Securitised assets	12 626	24	49	271	43	-	13 013
Advances	92 919	2 623	1 457	9 968	5 194	-	112 161
Other assets	195	-	-	-	-	5 606	5 801
Assets	**135 587**	**7 220**	**4 343**	**10 664**	**5 337**	**23 029**	**186 180**
Deposits - banks	(11 954)	(115)	(90)	-	-	-	(12 159)
Deposits - non-banks	(108 460)	(7 116)	(3 909)	(2 283)	(681)	(2 070)	(124 519)
Negotiable paper	(622)	(300)	(20)	-	-	(12)	(954)
Securitised liabilities	(10 235)	-	-	(865)	-	-	(11 100)
Investment/trading liabilities	-	-	-	-	-	(1 425)	(1 425)
Subordinated liabilities	(1 141)	-	-	(3 750)	(200)	-	(5 091)
Other liabilities	(2 573)	(109)	(386)	(431)	(140)	(9 221)	(12 860)
Liabilities	**(134 985)**	**(7 640)**	**(4 405)**	**(7 329)**	**(1 021)**	**(12 728)**	**(168 108)**
Intercompany loans	(1 189)	(311)	(458)	(7)	(102)	-	(2 067)
Shareholders' funds	**(3 749)**	**-**	**-**	**-**	**-**	**(12 165)**	**(15 914)**
Balance sheet	**(4 336)**	**(731)**	**(520)**	**3 328**	**4 214**	**(1 864)**	**91**
Off-balance sheet	(2 666)	12 481	(3 780)	(3 260)	(2 866)	-	(91)
Repricing gap	**(7 002)**	**11 750**	**(4 300)**	**68**	**1 348**	**(1 864)**	**-**
Cumulative repricing gap	**(7 002)**	**4 748**	**448**	**516**	**1 864**	**-**	

Australia - interest rate sensitivity

AUD'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non-rate	Total non-trading
Cash and short-term funds - banks	275	-	-	-	-	-	275
Investment/trading assets	1 130	-	28	139	51	218	1 566
Securitised assets	251	59	110	484	8	-	912
Advances	1 732	71	43	134	16	-	1 996
Other assets	-	-	-	-	-	196	196
Assets	**3 388**	**130**	**181**	**757**	**75**	**414**	**4 945**
Deposits - banks	(211)	-	-	-	-	-	(211)
Deposits - non-banks	(1 357)	(157)	(124)	(62)	(8)	(49)	(1 757)
Negotiable paper	(860)	(18)	(30)	(400)	-	7	(1 301)
Securitised liabilities	(907)	-	-	-	-	-	(907)
Investment/trading liabilities	-	-	-	(4)	(1)	(145)	(150)
Subordinated liabilities	(101)	-	-	-	-	-	(101)
Other liabilities	-	-	-	-	-	(28)	(28)
Liabilities	**(3 436)**	**(175)**	**(154)**	**(466)**	**(9)**	**(215)**	**(4 455)**
Intercompany loans	121	-	-	(4)	-	13	130
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**(620)**	**(620)**
Balance sheet	**73**	**(45)**	**27**	**287**	**66**	**(408)**	**-**
Off-balance sheet	538	(32)	(14)	(350)	(60)	-	82
Repricing gap	**611**	**(77)**	**13**	**(63)**	**6**	**(408)**	**82**
Cumulative repricing gap	**611**	**534**	**547**	**484**	**490**	**82**	

Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The tables below reflect our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention, i.e. the numbers represent the change in our net asset value should such a hypothetical scenario arise.

UK and Europe

'million	Sensitivity to the following interest rates (expressed in original currencies)				All
	GBP	USD	EUR	Other (GBP)	(GBP)
200bp down	(0.5)	0.8	(0.6)	0.3	(0.2)
200bp up	0.5	(0.8)	0.6	(0.3)	0.2

South Africa

'million	Sensitivity to the following interest rates (expressed in original currencies)				All
	ZAR	GBP	USD	AUD	(ZAR)
200bp down	(12.7)	(0.1)	0.2	0.2	(9.5)
200bp up	(13.9)	0.3	0.1	(0.1)	(10.2)

Australia

'million	AUD
200bp down	1.9
200bp up	(1.9)

Liquidity risk description

Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, including repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

Risk management has become more sophisticated with liquidity risk being no exception and we consider both funding liquidity risk and market liquidity risk.

Sources of liquidity risk include unforeseen withdrawals of demand deposits, restricted access to new funding with appropriate maturity and interest rate characteristics, inability to liquidate a marketable asset timeously with minimal risk of capital loss, unpredicted customer non-payment of a loan obligation and a sudden increased demand for loans.

Liquidity mismatch

The tables that follow show our liquidity mismatch across our core geographies. The tables reflect that loans and advances to customers are largely financed by stable funding sources.

With respect to the contractual liquidity mismatch:

- No assumptions are made, and we record all asset and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.
- As an integral part of the broader liquidity generation strategy, we maintain a liquidity buffer in the form of unencumbered cash, government, or bank paper (typically eligible for repurchase with the central bank), and near cash as a buffer against both expected and unexpected cash flows.
- The actual contractual profile of this asset class is of little consequence, as practically Investec would meet any unexpected net cash outflows by selling these securities. We have:
  - Set the time horizon to one month to monetise our cash and near cash portfolio of "available for sale" discretionary treasury assets, where there are deep secondary markets for this elective asset class.
  - Set the time horizon to "on demand" to monetise our statutory liquid assets for which liquidity is guaranteed by the central bank.
  - Reported the "contractual" profile by way of a note to the tables.

Risk management

With respect to the behavioural liquidity mismatch:

- The new funding we would require under normal business circumstances is shown in the "behavioural mismatch". To this end, behavioural profiling is applied to liabilities with an indeterminable maturity, as the contractual repayments of many customer accounts are on demand or at short notice but expected cash flows vary significantly from contractual maturity. An internal analysis model is used, based on statistical research of the historical series of products, which models the point of probable maturity. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.

UK and Europe

Contractual liquidity

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	1 338	541	-	-	-	14	15	1 908
Investment/trading assets	232	560	65	63	196	255	455	1 826
Securitised assets	15	4	4	-	1	5	4 199	4 228
Advances	68	716	419	448	902	2 004	3 520	8 077
Other assets	207	210	15	2	23	76	440	973
Assets	1 860	2 031	503	513	1 122	2 354	8 629	17 012
Deposits - banks	(183)	(732)	(218)	(362)	(631)	(1 962)	(258)	(4 346)
Deposits - non-banks	(554)	(898)	(1 692)	(867)	(204)	(111)	(58)	(4 384)
Negotiable paper	-	(5)	(207)	(2)	-	(100)	-	(314)
Securitised liabilities	-	-	-	-	-	-	(3 947)	(3 947)
Investment/trading liabilities	(272)	(985)	(212)	(15)	(18)	(43)	(57)	(1 602)
Subordinated liabilities	10	-	-	(6)	(10)	(208)	(515)	(729)
Other liabilities	(137)	(166)	(12)	(27)	(52)	(119)	(23)	(536)
Liabilities	(1 136)	(2 786)	(2 341)	(1 279)	(915)	(2 543)	(4 858)	(15 858)
Shareholders' funds	-	-	-	-	-	-	(1 154)	(1 154)
Contractual liquidity gap	724	(755)	(1 838)	(766)	207	(189)	2 617	-
Cumulative liquidity gap	724	(31)	(1 869)	(2 635)	(2 428)	(2 617)	-	-

Behavioural liquidity (as discussed above)

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural liquidity gap	988	(755)	(1 230)	(766)	207	(783)	2 339	-
Cumulative	988	233	(997)	(1 763)	(1 556)	(2 339)	-	-

Risk management

South Africa

Contractual liquidity

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Cash and short-term funds - banks*	13 802	898	19	29	47	548	-	15 343
Cash and short-term funds - non-banks	5 378	-	-	-	-	-	-	5 378
Investment/trading assets**	14 016	13 435	1 294	1 541	1 513	10 219	6 712	48 730
Securitised assets	1 067	68	56	424	883	4 691	5 824	13 013
Advances	4 911	5 236	10 643	9 840	12 756	40 374	28 401	112 161
Other assets	861	1 571	79	260	42	1 674	1 500	5 987
Assets	40 035	21 208	12 091	12 094	15 241	57 506	42 437	200 612
Deposits - banks	(2 317)	(1 099)	(126)	(210)	(90)	(8 317)	-	(12 159)
Deposits - non-banks	(36 921)	(35 572)	(25 497)	(8 398)	(13 153)	(3 695)	(3 634)	(126 870)
Negotiable paper	-	(150)	(484)	(300)	(20)	-	-	(954)
Securitised liabilities	(147)	(1 555)	(1 611)	(2 100)	-	(4 483)	(1 204)	(11 100)
Investment/trading liabilities	(937)	(303)	(1 719)	(1 316)	(1 547)	(8 996)	(49)	(14 867)
Subordinated liabilities	-	-	-	-	-	(4 691)	(400)	(5 091)
Other liabilities	(2 626)	(455)	(1 191)	(1 313)	(1 322)	(2 074)	(4 421)	(13 402)
Liabilities	(42 948)	(39 134)	(30 628)	(13 637)	(16 132)	(32 256)	(9 708)	(184 443)
Shareholders' funds	-	-	-	-	-	-	(16 169)	(16 169)
Contractual liquidity gap	(2 913)	(17 926)	(18 537)	(1 543)	(891)	25 250	16 560	-
Cumulative liquidity gap	(2 913)	(20 839)	(39 376)	(40 919)	(41 810)	(16 560)	-	-

Note: contractual liquidity adjustments (as discussed on page 51)

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
*Cash and short-term funds - banks	10 668	898	19	29	47	548	3 314	15 343
**Investment/trading assets	7 381	3 900	6 907	6 464	5 800	11 217	7 061	48 730

Behavioural liquidity (as discussed on page 52)

R'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	>5 years	Total
Behavioural liquidity gap	16 057	1 310	(1 798)	(5 212)	(37 293)	7 040	19 896	-
Cumulative	16 057	17 367	15 569	10 357	(26 936)	(19 896)	-	-

Australia

Contractual liquidity

AUD'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	272	2	-	-	-	-	-	274
Investment/trading assets*	1 184	69	32	56	42	99	83	1 565
Securitised assets	1	26	69	93	175	540	8	912
Advances	-	118	225	280	557	682	135	1 997
Other assets	-	-	-	-	-	-	196	196
Assets	1 457	215	326	429	774	1 321	422	4 944
Deposits - banks	(211)	-	-	-	-	-	-	(211)
Deposits - non-banks	(523)	(473)	(398)	(95)	(137)	(123)	(8)	(1 757)
Negotiable paper	-	(179)	(62)	(30)	(75)	(945)	(11)	(1 302)
Securitised liabilities	(1)	(25)	(69)	(92)	(491)	(226)	(2)	(906)
Investment/trading liabilities	(12)	(1)	(2)	(49)	(9)	(50)	(27)	(150)
Subordinated liabilities	-	-	-	-	(76)	(25)	-	(101)
Other liabilities	-	-	-	-	-	-	(28)	(28)
Liabilities	(747)	(678)	(531)	(266)	(788)	(1 369)	(76)	(4 455)
Intercompany loans	23	102	-	1	6	(3)	2	131
Shareholders' funds	-	-	-	-	-	-	(620)	(620)
Contractual liquidity gap	733	(361)	(205)	164	(8)	(51)	(272)	-
Cumulative liquidity gap	733	372	167	331	323	272	-	-

Note: contractual liquidity adjustments (as discussed on page 51)

AUD'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
*Investment/trading assets	80	403	259	59	110	591	63	1 565

Behavioural liquidity (as discussed on page 52)

AUD'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural liquidity gap	1 200	(423)	(423)	60	(91)	(51)	(272)	-
Cumulative	1 200	777	354	414	323	272	-	-

Balance sheet risk year in review

Calendar year 2008 has to be one of the most torrid years for financial markets globally, causing severe dislocation in money markets and changing the funding landscape for future years to come. Longer term liquidity all but dried up even for AAA names.

In the UK, the government was forced to take action to inject liquidity back into financial markets and restore confidence through various schemes including:

- A £50 billion Credit Guarantee Scheme in October 2008. This is the scheme to which Investec Bank plc is eligible to participate.
- A government auction buy-back of gilts of £75 billion which is ongoing to provide liquidity to the markets.
- Nationalisation of Northern Rock and Bradford & Bingley and taking direct stakes in Royal Bank of Scotland and Lloyds TSB.
- Injecting up to £500 billion of tax payer's money by way of an Asset Protection Scheme.
- The Bank of England asset purchase facility to assist in compressing spreads and improving liquidity in corporate bonds.

Investec Bank plc has benefited in these troubled times as retail investors looked to diversify their savings across different institutions. Investec Bank plc saw good inflows into its retail savings products and Structured Equity Derivatives offerings over the latter half of the year.

Despite the relatively sound economic position that Australia held at the commencement of the global financial crisis and the rapid action by the RBA and the Federal Government, the Australian economy has still been negatively impacted by the severity of deterioration in the global economic conditions. In October 2008 the Australian government announced a Government Guarantee Scheme (the "Scheme") for deposit and wholesale funding. The Scheme guarantees bank deposits up to AUD1 million for a period up to 12 October 2011, while large deposits and non-deposit debt may be guaranteed for period of up to 60 months through the payment of a fee. Subsequent to the announcement of the Scheme, Investec Bank (Australia) Ltd's (IBAL) experienced major inflows of private client funds resulting in record levels being achieved. IBAL's activity in increasing funding through both the Private Bank and wholesale funding bases has been utilised to further increase an already strong liquidity position and to lengthen the average maturity profile of liabilities well in excess of regulatory and internal policy requirements.

The South African interest rate environment was exceptionally volatile and eventful during the financial year ended 31 March 2009. The second quarter however, brought a major change in interest rate expectations as the deflationary risks of the burgeoning crisis in global financial markets became apparent. This made for exceptionally good trading conditions for the Capital Markets trading teams. However, liquidity conditions worsened over the financial year, particularly after the collapse of Lehman Brothers. Fortunately South African banks were largely shielded from the worst of the fall-out. However, the cost of term deposits continued to rise reflecting higher credit risk spreads, fortunately partly offset by significant increases in rates on new loans written by the bank. We concluded a USD450 million two year syndicated loan rollover in October 2008 which buttressed our liquidity. However, a combination of asset growth, a slowdown in securitisation and slower liability growth resulted in a decrease in the amounts of surplus liquidity available on the South African balance sheet.

We successfully embarked on several term debt funding initiatives. This allowed us to maintain liquidity above internal and external liquidity targets. Decisions concerning timing of issuance and the tenor of liabilities are based upon relative costs, general market conditions, prospective views of organic balance sheet growth and a targeted liquidity profile.

- Investec Bank plc:
  - €280 million Club Deal completed in April 2008 for one year at Libor+45bps.
  - A total of £570 million bilateral facilities were arranged through long-standing historical relationships maintained with other banks throughout the course of the year.
- Investec Bank (Australia) Limited (IBAL):
  - During July 2008 IBAL undertook an inaugural dual currency syndicated debt facility raising USD80 million and €43 million with a one year term and with 13 European and North American financial institutions participating.
  - During December 2008 IBAL modified its Debt Issuance Programme to allow it to undertake debt issuance in compliance with the Government Guarantee Scheme, and in February 2009 IBAL undertook two domestic term debt issues in Government Guaranteed format for a total raising of AUD600 million. The first issue was for an amount of AUD400 million and a term of 3 years, the second issue, undertaken a few weeks subsequent to the first, was for an amount of AUD200 million in a fixed rate structure, with a term of 5 years.

Operational risk management

Operational risk description

Operational risk is defined as the risk of loss or earnings volatility arising from failed or inadequate internal processes, people and systems, or from external events.

We recognise operational risk as a significant risk category, and strive to manage this within acceptable levels through the promotion of sound operational risk management practices.

We have adopted the Standardised Approach to calculate operational risk regulatory capital.

Developments

In the year under review the group was subject to regulatory onsite reviews by the SARB, the FSA and the Bank of Mauritius.

We participated in the international Loss Data Collection exercise. This assisted in confirming and refining loss data collection standards and practices.

As a result of the current financial crisis and the lessons learnt from this, we strive to continuously strengthen our operational risk environment by regularly evaluating the risk assessments and control framework and updating them in line with developments in the market and emerging exposures.

Areas of focus:

- Business continuity capability – rigorous and ongoing simulations and readiness evaluation.
- Awareness and understanding of financial crime. Developments in this area are monitored through participation in the industry fora.
- Enhancements to the IT Risk Assessment Framework which incorporates the Information Security Framework.
- The refinement of the operational risk measurement methodologies through scenario analysis.
- Key operational risk indicators that are relevant have been considered and remain an ongoing development area.
- Improvement of the quality of operational risk management data.
- Introduction of a new risk and causal analysis approach to enable us to further analyse internal and external risk events.
- Improvements to the reporting framework. Continued enhancements based on industry practice.

Our processes provide for continuous development and monitoring to ensure that the framework and practices remain relevant and are appropriate and adequate and in line with leading industry practices including regulatory requirements. Embedding operational risk management awareness and practices in our business remains an ongoing activity.

Reputational risk

Reputational risk is caused by damage to our reputation, name or brand. Such damage may result from a breakdown of trust, confidence or business relationships. Reputational risk may also arise as a result of other risks manifesting and not being mitigated.

We have various policies and practices to mitigate reputational risk, including strong values that are regularly and proactively reinforced. We also subscribe to sound corporate governance practices, which require that activities, processes and decisions are based on carefully considered principles.

We are aware of the impact of practices that may result in a breakdown of trust and confidence in the organisation. Our policies and practices are regularly reinforced through transparent communication, accurate reporting, continuous group culture and values assessment, internal audit and regulatory compliance review, and risk management practices.

Corporate governance structures and processes in operation throughout the group assist in mitigating this risk.

Legal risk management

Legal risk is the risk of loss resulting from any of our rights not being fully enforceable or from our obligations not being properly performed. This includes our rights and obligations under contracts entered into with counterparties. Such risk is especially applicable where the counterparty defaults and the relevant documentation may not give rise to the rights and remedies anticipated when the transaction was entered.

A Legal Risk Forum is constituted in each significant legal entity within the group. Each forum meets at least half-yearly and more frequently where business needs dictate, and is chaired by the Global Head of Legal Risk or an appointed deputy. Minutes of the meetings are circulated to the Chief Executive Officer of each legal entity.

Pension risk

Pension risk arises from defined benefit schemes, where Investec plc is expected to provide funds to reduce any deficit in the schemes. There are two defined benefit schemes within Investec plc and both are closed to new business. Pension risk could arise if the net present value of future cash outflows is greater than the current value of the asset pool set aside to cover those payments.

Primary causes of any deficit include:
- A mismatch in the duration of the assets relative to the liabilities,
- Market-driven asset price volatility, and
- Increased life expectancy of individuals leading to increased liabilities.

Investec plc monitors the position of the funds closely, regularly assessing potential adverse movements in the schemes.

Capital management and allocation

Although Investec plc (and its subsidiaries) and Investec Limited (and its subsidiaries) are managed independently, the approach to capital management of each group is consistently applied. 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 BRCC (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.

Philosophy and approach

As a consequence of the global financial crisis there is a strong expectation from bank stakeholders that banking groups need to and will improve their capital adequacy ratios. Investec has always held capital well in excess of regulatory requirements and the group intends to perpetuate this philosophy and ensure that it remains well capitalised in a vastly changed banking world. Accordingly, the group considers it appropriate to adjust its capital adequacy targets and build its capital base, targeting a minimum tier one capital ratio of 11% and a total capital adequacy ratio of 14% to 17% on a consolidated basis for Investec plc and Investec Limited, respectively.

The determination of target capital is driven by our strategy and risk appetite, taking into account regulatory and market factors applicable to the group. At the most fundamental level, we seek to balance our capital consumption between ensuring that we are prudently capitalised to meet our risks, and optimisation of shareholder returns.

Our internal (economic) capital framework is designed to manage and achieve this balance. The internal capital framework is tied to group-wide disciplines surrounding:

- Capital allocation and structuring
- Investment decision making and pricing
- Risk management, especially as it relates to the selection of deals, markets, and investment opportunities
- Performance measurement
- Risk-based incentive compensation.

Consequently the objectives of the internal capital framework are to:

- Maintain sufficient capital to satisfy the board's risk appetite across all risks faced by the group
- Support a target level of financial strength aligned with a long-term rating of at least A
- Provide protection to depositors against losses arising from risks inherent in the business
- Provide sufficient capital surplus to ensure that the group is able to retain its going concern basis under relatively severe operating conditions and support growth in assets
- Maintain sufficient capital to meet regulatory requirements across each regulated entity;
- Support our growth strategy
- Allow the exploration of acquisition opportunities where such opportunities are consistent with our strategy and risk appetite
- Facilitate pricing that is commensurate with the risk being taken
- Allocate capital according to the greatest expected marginal risk based return, and track performance on this basis
- Reward performance taking into account the relative levels of risk adopted.

The framework has been approved by the board and is managed by the DLC Capital Committee, which is responsible for oversight of the management of capital on a regulatory and an internal basis.

Capital structure

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

As at 31 March 2009	Investec plc £'mn	IBP* £'mn	IBAL* AUD'mn	Investec Limited R'mn	IBL* R'mn
Regulatory capital					
Tier 1					
Called up share capital	-	655	292	-	22
Share premium	839	37	-	9 862	9 056
Retained income	340	275	336	7 872	5 098
Treasury shares	(39)	-	-	(1 758)	-
Other reserves	115	50	(7)	340	6
Minority interests in subsidiaries	156	(11)	-	-	-
Goodwill	(296)	(72)	(89)	(309)	-
Total Tier 1	1 115	934	532	16 007	14 182
Less: deductions	(41)	(18)	(94)	(141)	(242)
	1 074	916	438	15 866	13 940
Tier 2 capital					
Aggregate amount	745	604	134	5 106	5 106
Less: deductions	(41)	(18)	(17)	(142)	(142)
	704	586	117	4 964	4 964
Tier 3 capital					
Aggregate amount	10	10	-	-	-
Other deductions from Tier 1 and Tier 2	(67)	(105)	-	-	-
Total capital	1 721	1 407	555	20 830	18 904

Risk management

Capital requirements

As at 31 March 2009	Investec plc £'mn	IBP* £'mn	IBAL* AUD'mn	Investec Limited R'mn	IBL* R'mn
Capital requirements	852	709	394	13 951	12 652
Credit risk - prescribed standardised exposure classes	680	578	340	11 431	10 780
Corporates	211	216	245	9 154	8 507
Secured on real estate property	245	197	6	968	968
Counterparty risk on trading positions	25	25	18	349	349
Short-term claims on institutions and corporates	29	25	23	292	288
Retail	41	41	16	251	251
Institutions	17	14	11	331	331
Other exposure classes	112	60	21	86	86
Securitisation exposures	17	16	-	169	169
Equity risk - standardised approach	16	16	11	625	576
Listed equities	2	2	1	96	47
Unlisted equities	14	14	10	529	529
Market risk - portfolios subject to internal models approach	29	29	1	171	106
Interest rate	14	14	1	17	17
Foreign Exchange	1	1	-	39	39
Commodities	-	-	-	8	8
Equities	14	14	-	107	42
Operational risk - standardised approach	110	70	42	1 555	1 021

Capital adequacy

As at 31 March 2009	Investec plc £'mn	IBP* £'mn	IBAL* AUD'mn	Investec Limited R'mn	IBL* R'mn
Total capital	1 721	1 407	555	20 830	18 904
Risk-weighted assets (banking and trading)	10 645	8 855	3 028	146 856	133 180
Credit risk - prescribed standardised exposure classes	8 492	7 220	2 612	120 331	113 478
Corporates	2 641	2 701	1 882	96 359	89 547
Secured on real estate property	3 060	2 459	44	10 186	10 186
Counterparty risk on trading positions	308	308	136	3 678	3 678
Short-term claims on institutions and corporates	365	312	176	3 077	3 036
Retail	514	514	126	2 640	2 640
Institutions	199	175	83	3 489	3 489
Other exposure classes	1 405	751	165	902	902
Securitisation exposures	218	206	-	1 778	1 778
Equity risk - standardised approach	199	197	83	6 573	6 061
Listed equities	29	27	7	1 009	497
Unlisted equities	170	170	76	5 564	5 564
Market risk - portfolios subject to internal models approach	359	359	11	1 805	1 118
Interest rate	171	171	10	182	182
Foreign Exchange	12	12	1	405	405
Commodities	2	2	-	83	83
Equities	174	174	-	1 135	448
Operational risk - standardised approach	1 377	873	322	16 369	10 745
Capital adequacy ratio	16.2%	15.9%	18.3%	14.2%	14.2%
Tier 1 ratio	10.1%	10.3%	14.4%	10.8%	10.5%
Capital adequacy ratio - pre operational risk	18.6%	17.6%	20.5%	16.0%	15.4%
Tier 1 ratio - pre operational risk	11.6%	11.5%	16.2%	12.2%	11.4%

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

Credit ratings

In terms of our Dual Listed Companies structure, Investec plc and Investec Limited are treated separately from a credit point of view. As a result, the rating agencies have assigned ratings to the significant banking entities within the group, namely Investec Bank plc, Investec Bank Limited and Investec Bank (Australia) Limited. Certain rating agencies have assigned ratings to the holding companies, namely, Investec plc and Investec Limited.

Rating agency		Investec Limited	Investec Bank Limited - a subsidiary of Investec Limited	Investec plc	Investec Bank plc - a subsidiary of Investec plc	Investec Bank (Australia) Limited - a subsidiary of Investec Bank plc
Fitch	Individual rating	C	C		C	C
	Support rating	5	2		5	2
	Foreign currency					
	Short-term	F2	F2		F3	F2
	Long-term	BBB+	BBB+		BBB	BBB
	National					
	Short-term		F1+(zaf)			
	Long-term		AA-(zaf)			
Moody's	Bank financial strength rating		C		D+	C-
	Foreign currency					
	Short-term deposit rating		Prime-2	Non prime	Prime-3	Prime-2
	Long-term deposit rating		Baa1	Ba1	Baa3	Baa1
	National					
	Short-term		P1(za)			
	Long-term		Aa2(za)			
Global Credit Ratings	Local currency					
	Short-term		A1+(zaf)		A2	
	Long-term		AA-(za)		BBB+	

Internal Audit

Internal Audit provides objective and independent assurance to management and the board that group processes are adequate to identify the significant risks to which we are exposed and that the control environment is effective enough to manage these risks. Internal Audit recommends enhancements to risk management, control and governance processes to address any weaknesses identified.

Compliance

Compliance risk is the risk that we fail to comply with the letter and spirit of all statutes, regulations, supervisory requirements and industry codes of conduct which apply to our businesses. We seek to bring the highest standard of compliance best practice to all our jurisdictions. In keeping with our core values, we also endeavour to comply with the highest professional standards of integrity and behaviour, which builds trust.

We are subject to extensive supervisory and regulatory governance in the countries in which we operate. The SARB is our lead regulator. Significant business developments in any of our operations must be approved by the Reserve Bank as well as by the business home country regulatory authority.

UK and Europe - year in review

The UK and European financial systems have experienced significant turmoil particularly over the last six months. As a result of this we expect fundamental reforms to take place to the international regulatory and supervisory framework. Significant work is already underway with the Financial Stability Board and the global standard setters including the Basel Committee on Banking Supervision and the International Organisation of Securities Commissions. In the UK a significant contribution to the debate was provided by the Chairman of the UK's FSA in the form of the Turner Review. This report had a wide scope which included a review of the causes of the current crisis, and recommendations on the changes in regulation and supervisory approach needed to create a more robust banking system for the future. The European Commission's High Level Group on European Financial Supervision published its report in December 2008.

During the period under review regulatory activity in the UK has focused on:
- Liquidity and stress testing
- Banking Conduct of Business
- Payment Services
- Treating Customers Fairly
- Various market conduct measures (including civil and criminal prosecutions).

Liquidity and stress testing

The FSA is conducting a comprehensive review and restructuring of its liquidity regime and is taking part in various liquidity work streams both in Europe and globally. The FSA published a consultation paper in this regard in December 2008. Whilst it remains the responsibility of firms' senior management to adopt a sound approach to liquidity risk management, the FSA is proposing the following:
- A new, quantitative framework for liquidity risk management which places greater emphasis on firms' ability to assess liquidity risks and develop policies to tackle them;
- A strengthened qualitative framework for liquidity risk management, with an increased focus on firms' stress testing and contingency funding plans; new liquidity reporting requirements; and
- A new approach to firms operating in the UK which are part of a wider UK or international group.

The FSA believe that the proposed measures will enhance firms' liquidity risk management practices significantly and will, in some cases, reshape their business models over the coming years. Furthermore, the measures are intended to improve the FSA's ability to monitor and supervise firms' liquidity risk exposures.

In relation to stress testing, the FSA are proposing to introduce a 'reverse-stress test' requirement, which would apply to banks, building societies, investment firms and insurers, and would require firms to consider the scenarios most likely to cause their current business model to become unviable. The FSA is also proposing to make some drafting changes to the existing requirements on Pillar 2 capital stress and scenario testing, or where firms use internal models to assess their Pillar 1 capital requirements. The proposed changes are intended to better reflect the importance that the FSA attaches to robust stress and scenario testing and clarify the FSA's expectations of firms.

Compliance

Banking Conduct of Business/Payment Services

The FSA has proposed a new framework to regulate the way that banks treat their customers. Currently, the Banking Code Standards Board monitors and enforces the voluntary Banking Codes governing current accounts, personal loans and overdrafts, savings accounts, card services and ATMs.

This year the FSA will become responsible for regulating banks and building societies payment transactions under the Payment Services Directive. The FSA is proposing an extension of their regulation to include all aspects of banks' relationships with their retail customers and is looking to introduce the following framework:

- Full application of the FSA's Principles for Businesses to the regulated activities of accepting deposits and issuing electronic-money;
- New high-level rules applying to retail banking services outside PSD scope in a Banking Conduct of Business sourcebook ;
- Transfer of existing COBS rules and guidance applying to deposit taking to BCOBS; and
- Monitoring and enforcement by the FSA, integrated into the wider risk-based approach to the supervision of the relevant firms and groups.

Treating Customers Fairly (TCF)

TCF remains central to the FSA's retail strategy. Firms were expected to meet the FSA's December 2008 deadline where they were required to prove that TCF management information demonstrated that they were consistently treating customers fairly. The FSA has confirmed that as from January 2009, delivery of TCF will be tested as part of firms' usual supervision and to achieve this, the FSA has said that it will accelerate the full integration of TCF into core supervisory work.

Market abuse measures

The combating of market abuse continues to be a significant objective for the FSA. Their agenda has included a move to pursue insider dealing cases in the criminal courts. During 2008 we also saw various other initiatives from the FSA including:

- Short selling - On 18 September 2008 the FSA introduced temporary short selling measures in relation to stocks in UK financial sector companies on an emergency basis. The measures were introduced because of concerns about the potential for market abuse resulting from short selling and the consequent destabilising effects in the extreme circumstances prevailing at the time. The FSA effectively banned the active creation or increase of net short positions in the stocks of UK financial sector companies and required disclosure to the market of significant short positions in those stocks. The FSA has now lifted the ban but have extended the disclosure obligation until 30 June 2009 and continue to keep the position under review. The FSA has said that it will reintroduce the ban should this be warranted, and without consultation if necessary.
- Unauthorised trading controls - In response to the Société Générale 'rogue trader' incident the FSA published its expectations for the systems and controls necessary to deter unauthorised trading, to detect it promptly if it is occurring and to take appropriate corrective action. The measures expected by the FSA include mandatory 10 day holidays for all traders.
- Rumours - The FSA has published guidelines with respect to the dissemination of false or misleading information and market rumours about companies. The FSA expressed concern about the impact these forms of market abuse have on general market confidence, particularly in volatile or fragile market conditions.

South Africa - year in review

Anti-money laundering (AML)

The implementation of the Financial Intelligence Centre Act (FICA) and Protection of Constitutional Democracy against Terrorist and Related Activities is ongoing. In response to international best practice standards of anti-money laundering and anti-terror financing and in particular to Guidance Note 3 issued by the Financial Intelligence Centre, which permits an accountable institution to adopt a risk based approach, we have developed and implemented a centralised AML system that has the capability to:

- Risk weight clients according to the money laundering and/or terror financing risks they may potentially pose.
- Compare client lists to databases of adverse client information issued by regulatory authorities (which includes persons named on the United Nations lists).
- Administer in a central repository the ongoing maintenance of a client's identification and verification and risk weighting.

During the past year there has been an initiative to get all business units to implement the AML system, which in turn will provide for a centralised view of the Investec customer base. These systematic developments are supported by an enhanced Group Anti-Money Laundering and Anti-Terror Financing Policy which incorporates a Client Acceptance Policy to accommodate this risk weighting and the screening of clients.

A further enhancement to the AML system to more adequately address the legislative requirements of suspicious activity reporting was implemented in the last quarter of 2008. In terms of the transactional monitoring requirement, a project has been initiated in 2008 which is aimed at the implementation of an automated suspicious activity monitoring system (ASAM), which takes cognisance of the clients' risk weighting and screening and profiles the clients' transactional behaviour across all business unit transactional systems. The ASAM system provides for customer segmentation and enhances customer due diligence on high risk customers. The project is due to be implemented in October 2009 but will have ongoing enhancements.

Compliance

Consumer Law

The focus on consumer protection continues into 2009 and the implementation and monitoring of compliance with the requirements of the Financial Advisory and Intermediary Services Act (FAIS) and the National Credit Act (NCA) is ongoing. Marking the introduction of broader and more comprehensive consumer rights is the Consumer Protection Act No. 68 of 2008 (CPA), which was signed into law in April 2009. The purpose of the CPA is to protect the interests of all consumers who are subject to abuse or exploitation in the market place and to give effect to internationally recognised best practice, while creating a strong culture of consumer rights and responsibilities. The Act is expected to be fully implemented by October 2010.

Conflicts of interest

Potential conflicts of interest have been identified through workshops with the respective business areas. The potential conflicts identified have been mapped on a Conflicts Index Matrix, which includes an outline of general conflict types and the business areas between which the conflicts could occur. The mapping exercise additionally identified current mitigations and controls in place to manage the respective conflicts, as well as where enhanced controls are necessary.

This mapping exercise has been substantially completed for all business areas classified as having a high risk of exposure to conflicts of interest. The mapping for business areas identified as having a medium or low risk of exposure to conflicts of interest has been initiated, and is scheduled for completion by 31 March 2010.

All compliance policies that include mitigations and controls for conflicts of interest have been updated and aligned with international best practice.

A Market Conduct module has been added to the compliance induction training. The module focuses on practical identification and management of conflicts of interest including the conflicts inherent in gifts and entertainment, market abuse and personal account dealing.

Risk based monitoring

The second phase of the project which involved the design and migration of a fully comprehensive risk based monitoring programme onto the Enterprise risk Assessor software was completed successfully during the year. An annual reassessment programme is in progress for all the relevant acts loaded on the Enterprise Risk Assessor which involves re-evaluation of all the risks, controls, treatments and monitoring tests to ensure that these are still relevant.

Australia – year in review

The main areas of regulatory focus were:

Anti-Money Laundering/Counter Terrorism Financing Act 2006 (AML/CTF Act)

The AML/CTF Act has been implemented in stages, and includes obligations such as customer identification and verification, record-keeping, and the establishment and maintenance of an AML/CTF programme. Part A of the programme outlines the framework which we use to identify, mitigate and manage the risks which we may reasonably face should the provision of our products and services, whether inadvertently or otherwise, involve or facilitate money laundering or financing of terrorism.

Part B, encompasses our ongoing customer due diligence procedures and takes into account the risk profiles and types of clients we deal with.

This year has seen the final stage roll out of the anti-money laundering/counter terrorism financing procedures with the last of these obligations coming into effect on 12 December 2008. These obligations relate to reporting requirements and ongoing customer due diligence, which require reporting entities, such as Investec Australia and its subsidiaries, to monitor customers and their transactions on an ongoing basis.

Licensing

During the period under review, we applied for a number of Australian Financial Services Licenses to cover the activities of the Investec Global Aircraft Fund (part of our Capital Markets business) and the Asset Management business in Australia.

Corporate governance

Introduction

We are committed to promoting sustainable stakeholder confidence in our conduct as a business and as a corporate citizen.

While the board oversees the overall process and structure of corporate governance, each business area and every employee of the group is responsible for acting in accordance with sound corporate governance practices.

In formulating our governance framework, we apply recognised corporate governance practices pragmatically so as to:
- Identify and mitigate significant risks, including reputational risk
- Exercise effective review and monitoring of our activities
- Promote informed and sound decision making
- Enable effectiveness, efficiency, responsibility and accountability
- Enhance the capital markets and other stakeholders' perception of us
- Facilitate legal and regulatory compliance
- Secure trust and confidence of all stakeholders
- Protect our brand and reputation
- Ensure sustainable business practices, including social and environmental activities
- Disclose the necessary group information to enable all stakeholders to make a meaningful analysis of our financial position and actions
- Respond appropriately to changes in market conditions and the business environment
- Remain at the forefront of international corporate governance practices.

Our values and philosophies are the framework against which we measure behaviour and practices so as to assess the characteristics of good governance. Our values require that directors and employees behave with integrity, displaying consistent and uncompromising moral strength and conduct in order to promote and maintain trust.

Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Structures are designed to ensure that our values remain embedded in all businesses and processes. We continually refine these structures and a written Statement of Values serves as our Code of Ethics.

We operate under a Dual Listed Companies (DLC) structure, and consider the corporate governance principles and regulations of both the UK and South Africa before adopting the stricter rule for the group.

All international business units operate in accordance with the above determined corporate governance recommendations, in addition to those of their jurisdiction, but with clear reference at all times to group values and culture.

This section provides a summary of our corporate governance philosophy, practices and key developments for the year ended 31 March 2009. A more detailed review is provided in the Investec group's 2009 Annual Report.

Board of directors

The board is accountable for the performance and affairs of Investec. It provides entrepreneurial leadership for the group within a framework of prudent and effective controls which allows risks to be assessed and managed. Specifically, it is responsible for the adoption of strategic plans, monitoring of operational performance and management, ensuring an effective risk management strategy, compliance with applicable legislation, upholding corporate governance standards and succession.

The board meets its objectives by reviewing and guiding corporate strategy, setting the group's values and standards, promoting the highest standards of corporate governance, approving key policies and objectives, ensuring that obligations to its shareholders and other stakeholders are understood and met, understanding the key risks we face, determining our risk tolerance and approving and reviewing the processes in operation to mitigate risk from materialising, including the approval of the terms of reference of key supporting board committees.

The board has defined the limits of delegated authority. It is responsible for assessing and managing risk policies and philosophies, ensuring appropriate internal controls, overseeing major capital expenditure, acquisitions and disposals, approving the establishment of businesses and approving the introduction of new products and services.

In fulfilling its responsibilities, the board is supported by management in implementing the plans and strategies approved by the board. The board monitors and evaluates management's progress on an ongoing basis.

Corporate governance

Furthermore, directly or through its sub-committees, the board:

- Assesses the quantitative and qualitative aspects of our performance through a comprehensive system of financial and non-financial monitoring involving an annual budget process, detailed monthly reporting, regular review of forecasts and regular management strategic and operational updates
- Approves annual budgets, capital projections and business plans
- Monitors our compliance with relevant laws, regulations and codes of business practice
- Monitors our communication with all stakeholders and disclosures made
- Identifies and monitors key risk areas and key performance indicators
- Reviews processes and procedures to ensure the effectiveness of our internal systems of control
- Ensures we adopt sustainable business practices, including our social and environmental activities
- Evaluates the performance of senior management and considers succession planning.

The board seeks to exercise leadership, integrity and judgement in pursuit of strategic goals and objectives, to achieve long-term sustainable growth and prosperity.

The combined boards of Investec plc and Investec Limited met six times during the year. Three board meetings were held in the UK and three in South Africa, in line with the requirements of our DLC structure. Furthermore, the boards of Investec plc and Investec Limited held one additional meeting each in the UK and South Africa respectively.

All directors are subject to re-election at the first Annual General Meeting following their appointment. Thereafter, in accordance with the Articles of Association of Investec plc and Investec Limited, at least one third of the directors will retire at each Annual General Meeting. In compliance with the London Combined Code A.7.2., non-executive directors who have served on the board for more than nine years from the date of their first election are re-elected annually. Retiring directors are subject to an assessment of their performance by the Chairman and the Nominations and Directors Affairs Committee before nomination for re-election and re-appointment. Biographical details of the directors standing for re-election at the 2009 Annual General Meeting are on pages 100 to 103.

	Date of appointment		Independent	Last elected	Retiring and seeking re-election in 2009
	Investec plc	Investec Limited			
Executive directors					
S Koseff (Chief Executive Officer)	26 Jun 02	6 Oct 86	No	2006	Yes
B Kantor (Managing Director)	26 Jun 02	8 Jun 87	No	2008	No
GR Burger (Group Risk and Finance Director)	3 Jul 02	3 Jul 02	No	2007	No
A Tapnack	1 Jul 02	1 Jul 02	No	2007	No
Non-executive directors					
HS Herman (Chairman)	26 Jun 02	1 Jan 94	No	2008	Yes
SE Abrahams	26 Jun 02	21 Oct 96	Yes	2008	Yes
GFO Alford	26 Jun 02	26 Jun 02	Yes	2007	No
CA Carolus	18 Mar 05	18 Mar 05	Yes	2008	No
H Fukuda OBE	21 Jul 03	21 Jul 03	Yes	2008	No
GMT Howe	21 Jul 03	21 Jul 03	Yes	2008	No
IR Kantor	26 Jun 02	30 Jul 80	No	2008	Yes
Sir Chips Keswick (Senior Independent Director)	26 Jun 02	26 Jun 02	Yes	2008	No
MP Malungani	26 Jun 02	26 Jun 02	No	2008	No
Sir David Prosser	23 Mar 06	23 Mar 06	Yes	2006	Yes
PRS Thomas	26 Jun 02	29 Jun 81	Yes	2008	Yes
F Titi	30 Jan 04	30 Jan 04	No	2007	No

The board is supported by key committees, as follows:

- DLC Audit Committee
- Investec plc Audit Committee
  - Audit Sub-Committees
  - Audit and Compliance Implementation Forums
- Investec Limited Audit Committee
  - Audit Sub-Committees
  - Audit and Compliance Implementation Forums
- Board Risk and Capital Committee
  - DLC Capital Committee
  - Executive Risk Review Forum
  - Various specialist risk committees and forums
- DLC Nominations and Directors' Affairs Committee
- DLC Remuneration Committee

These committees have specific terms of reference, appropriately skilled members and access to specialist advice when necessary.

Corporate governance

Year in review

Board statement

The board, management and employees of Investec are in full support of and committed to complying with the Disclosure and Transparency Rules and Listing Rules of the United Kingdom Listing Authority (UKLA), the JSE Limited (JSE) Listings Requirements, regulatory requirements in the countries in which we operate, the London Combined Code (2006) and the King Code of Corporate Practices and Conduct (King II), whereby all stakeholders are assured that we are being managed ethically and in compliance with the latest legislation, regulations and best practices.

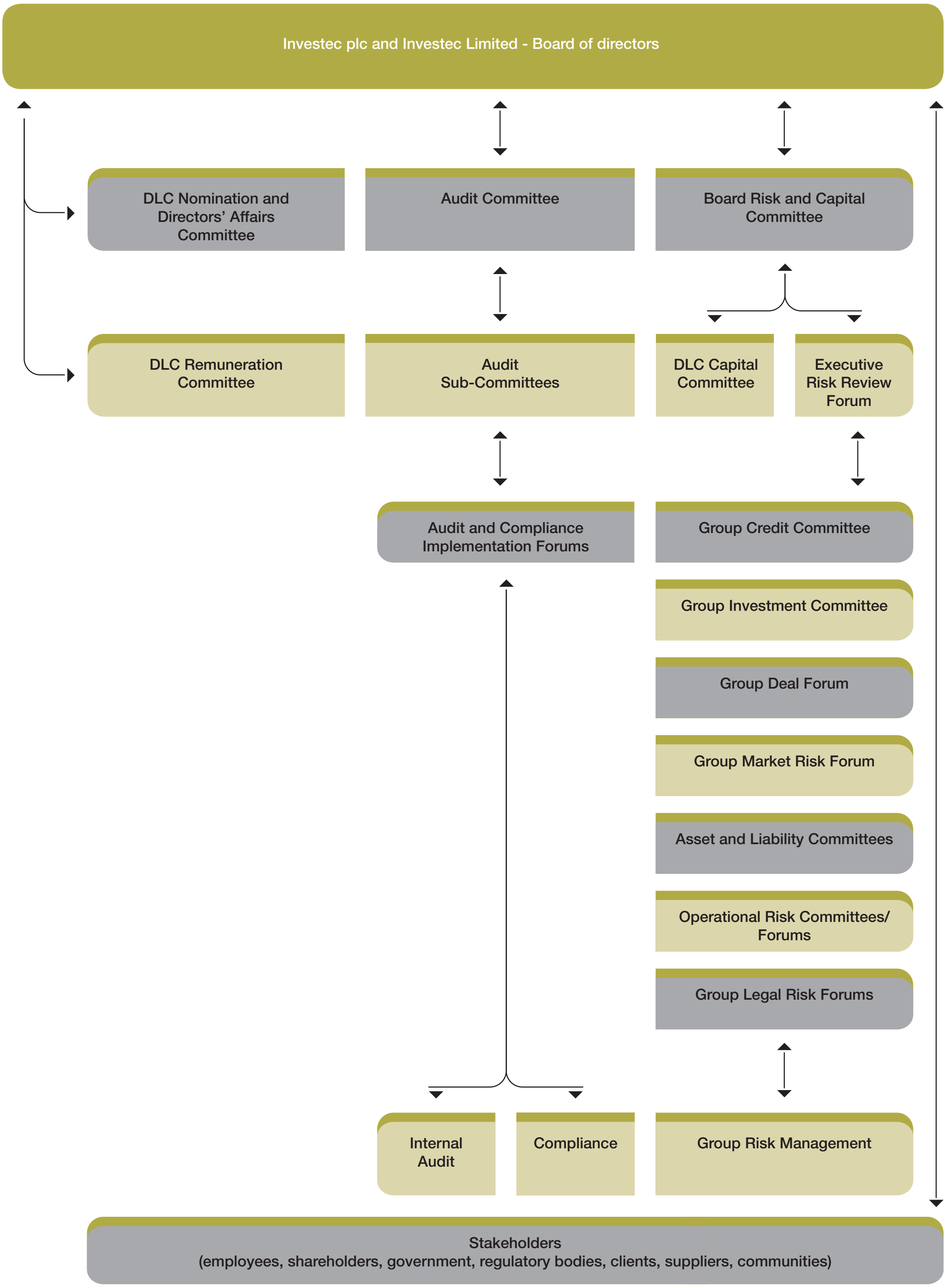
The board is of the opinion that Investec has complied with the Principles of Good Governance and Code of Best Practice contained in Section 1 of the London Combined Code (2006) as well as King II, during the period under review, excluding the independence of the Chairman, as outlined below.

London Combined Code A.3.1. and King II - Independence of the Chairman
The Chairman, Hugh Herman, is not considered to be independent. At the time of his appointment and up to 2005, his duties included promoting the group and introducing clients but excluded day-to-day executive decisions. His role was full time and he sat on certain management forums. He was also included in various management incentive and share ownership schemes. For these reasons, he is not considered by the board to be independent in accordance with the London Combined Code and King II. However, since 2005, Hugh has distanced himself from executive responsibilities.

Corporate governance

Governance framework

Our governance framework can be depicted as follows:



Risk and governance

Remuneration Report

4

Statement from the Chairman of the Board Remuneration Committee - an overview

The remuneration report was prepared by the Remuneration Committee and approved by the board.

The board believes that a properly constituted and effective remuneration committee is key to improving the link between directors' pay and performance, with the ultimate aim of enhancing our competitiveness. The primary purpose of the committee is to determine our policy on the remuneration of executive directors and the remuneration package for each executive director. The committee consists entirely of non-executive directors, and executive directors are not involved in determining their own remuneration packages.

This report describes our remuneration policy and directors' remuneration for the 2009 financial year. Our overall remuneration philosophy remains unchanged from prior years, however, certain aspects with respect to the components of our reward programmes have been reviewed and amended.

During the period, in addition to its regular business, the committee focused specifically on:

- The continued appropriateness of our long standing reward programmes given volatile market conditions
- The introduction of a non-cash deferred component of our variable remuneration payments (see page 74)
- Industry commentary and developments with respect to remuneration practices, notably:
  - the Financial Services Authority (FSA) "Reforming remuneration practices in financial services" consultation paper of March 2009
  - the South African Registrar of Banks' circular 2/2008 and their review of incentive schemes operated by South African based banks
- Talent management and the retention of senior management and executives.

Key points to note for the period under review include:

- Investec has continued to operate its diversified business model which has enabled it to navigate through the present challenging operating environment. Core capital and liquidity ratios remain sound and the group has reported attributable earnings of £269.2 million (2008: £344.7 million). The group has increased the upper end of its dividend cover range and its capital adequacy targets. Further information on our risk management indicators, policies and procedures and the group's performance can be found on pages 32 to 58.
- Total employee costs decreased from £552.2 million to £520.2 million with fixed costs increasing by 8.6% to £375.3 million and variable remuneration decreasing by 29.9% to £144.8 million.
- £34.2 million of the current year's variable remuneration has been paid in the form of share awards and deferred (representing 23.6% of our variable remuneration expense for the year).
- Executive directors have received no salary increases for the 2010 financial year and bonuses have decreased by 51.7%.
- Non-executive directors will receive no increases in fee arrangements for the 2010 financial year.
- Our rewards programmes continue to be appropriately adjusted for risk and unrealised profits.
- We further believe that our reward programmes align directors' and employees' interests with those of our other stakeholders.
- Our total shareholder return was negative 7.5% for Investec plc in Pounds Sterling and negative 26.6% for Investec Limited in Rands. This compares to a negative return of 45.8% for the FTSE 350 General Finance Index. The group has decreased its dividend return by 12.2% in Pounds Sterling and 2.8% in Rands over the year. We have also experienced a decline in our share price as a result of the global credit and liquidity crisis. This decline is not out of line with the fall in share prices of other UK universal and global investment banks. Since listing on the London Stock Exchange in 2002, Investec plc has outperformed the FTSE 350 General Finance Index (see graph on page 79).
- Executive directors hold 1.6% and 3.2% of the issued share capital of Investec plc and Investec Limited, respectively. Non-executive directors hold 0.7% and 4.0% of the issued share capital of Investec plc and Investec Limited, respectively (see table on page 82).
- Investec plc issued 1.6 million ordinary shares and Investec Limited issued 2.3 million ordinary shares to the staff share schemes during the year.

Looking forward

The Remuneration Committee will continue to ensure that reward packages remain appropriately competitive, provide an incentive for performance, and take due regard of our culture, values, philosophies, business strategy and risk management and capital framework. The committee will keep the existing remuneration arrangements, as discussed in this report, under review during the 2010 financial year, particularly taking cognisance of regulatory and market driven remuneration reform proposals. Where appropriate, we will continue to consult shareholders and shareholder bodies on any significant proposed changes in remuneration policy.

The committee unanimously recommends that you vote to approve this report at the 2009 Annual General Meeting.

Signed on behalf of the board

George Alford
Chairman, Remuneration Committee

15 June 2009

Remuneration Report

Compliance and governance statement

The Remuneration Report complies with the provisions of the 2006 London Combined Code, Schedule 7A of the UK Companies Act 1985, the UK Financial Services Authority Listing Rules, the South African King II "Code of Corporate Practice and Conduct" and the JSE Limited Listing Rules. Additional information has also been included to reflect the most common enquiries received and to address some of the issues raised in the various public debates that are currently ongoing with respect to remuneration practices.

Composition and role of the committee

The members of the Remuneration Committee throughout the year were George Alford (Chairman), Geoffrey Howe and Sir Chips Keswick. The members are all independent non-executive directors and are free from any business or other relationship which could materially interfere with the exercise of their independent judgement. All the members are also members of the group's Board Risk and Capital Committee and the Audit Committee, thus bringing risk and control mechanisms into their deliberations. The committee's principal responsibilities and objectives are to:

- Determine, develop and agree with the board, the framework or broad policy for the remuneration of executive directors and executive management (comprising individuals discharging managerial responsibilities who are the global heads of our core areas of activity and are members of our global operations forum).
- Ensure that qualified and experienced management and executives will be provided with appropriate incentives to encourage enhanced performance and will be, in a fair and responsible manner, rewarded for their contribution to the success of the group and alignment with the corporate objectives and business strategy.
- Review and approve the design of, and determine targets and objectives for any performance related pay schemes for directors and executive management and approve annual payouts under such schemes.
- Determine, within the terms of the agreed policy, the total individual remuneration packages of executive directors and executive management including, where appropriate, bonuses, incentive payments and share scheme awards.
- Oversee any major changes in our employee benefit structures.
- Ensure that the comments, recommendations and rules within the UK and South Africa pertaining to directors' remuneration are given due regard, in determining the packages of executive directors. The committee is authorised by the board to seek any information it requires from any employee in order to perform its duties.

The committee's terms of reference are available on our website.

Meetings

The committee met six times during the financial year with full attendance other than for four meetings which Sir Chips Keswick was unable to attend, having been excused from attending several board meetings and board committee meetings between 1 April 2008 and 31 March 2009 due to health reasons. However, his views and advice were obtained where considered necessary by the Chairman. The Company Secretary of Investec plc acts as Secretary to the committee. Executive directors do not attend these meetings. The Chairman of the committee reports on the activities of the committee at each meeting of the full board.

Advisers to the committee

Where appropriate, the committee has access to independent executive remuneration consultants. The selection of the advisers is at the discretion of the committee Chairman and Investec funds any expenses relating to the appointment of external consultants.

During the financial year, the committee continued to use the services of its advisers, Hewitt New Bridge Street which, among other things, specifically reviewed and provided information on industry consultation papers and developments with respect to remuneration practices and our alignment to them. In addition, they continued to review and provide information on appropriate benchmark, industry and comparable organisations' remuneration practices. Their recommendations are important in the ongoing review of our remuneration practices.

Furthermore, we have used the services of Linklaters, which have advised this year mainly on a number of issues pertaining to our incentive plans. Linklaters is one of Investec plc's legal advisers.

Certain specialist divisions within the group, for example Human Resources and the Staff Shares division, provide supporting information and documentation relating to matters that are presented to the committee. This includes, for example, comparative data and motivations for proposed salary, bonus and share awards. The variable remuneration pools are determined by our Finance teams taking into account risk adjusted capital requirements and after eliminating unrealised gains. The employees within these specialist divisions, which provide support to the committee, are not board directors and are not appointed by the committee.

Remuneration Report

The committee, together with the board, attends a strategic offsite at the beginning of each year at which senior executive employees provide information and presentations on the group's strategic direction, prospects, key focus areas and annual budget.

While executive directors have the right to address any meeting of the committee, they play no role in the determination of their remuneration package. During the financial year no executive director attended any meeting of the Remuneration Committee. Furthermore, no employee participates in discussions or decisions of the committee relating to their own remuneration.

Policy on executive directors' and employees' remuneration

Our philosophy and policy remain unchanged from prior years and aim to employ the highest calibre individuals who are characterised by integrity, intellect and innovation and who adhere and subscribe to our culture, values and philosophies. We strive to inspire entrepreneurship by providing a working environment that stimulates extraordinary performance, so that executive directors and employees may be positive contributors to our clients, their communities and the group.

We reward executive directors and employees for their contribution through payment of an industry competitive annual package, a variable performance reward and ownership in the form of share incentive scheme participation. Overall rewards are considered as important as our core values of work content (greater responsibility, variety of work and high level of challenge) and work affiliation (entrepreneurial feel to the company and unique culture) in the attraction, retention and motivation of employees.

We have a strong entrepreneurial, merit and values-based culture, characterised by passion, energy and stamina. The ability to live and perpetuate our values, culture and philosophies in the pursuit of excellence is considered paramount in determining overall reward levels.

The type of people the organisation attracts, and the culture and environment within which they work, remain crucial in determining our success and long-term progress.

The key principles of our remuneration policy for executive directors and employees, which were consistently applied during the financial year, are as follows:

- Reward programmes are designed and administered to align directors' and employees' interests with those of stakeholders, thus ensuring the promotion of effective risk management.
- Reward programmes incorporate a pool mechanism that incorporates risk factors as discussed on page 74.
- Reward programmes are clear and transparent, in order to retain individual interest in, and identification with, our short and long-term success.
- Total rewards comprise a fixed and variable component.
- Total compensation (base salary, pension, benefits and incentives) is targeted in normal market conditions to the relevant competitive market (see below) at upper quartile levels for superior performance.
- A significant proportion of rewards, including annual and long-term incentive components, are explicitly linked to the performance of the business and the individual business units. We recognise the performance of the business and the individual. As indicated above, qualitative and quantitative issues form an integral part of the determination of reward levels.
- We do not apply an upper limit on performance bonuses given our risk based Economic Value Added approach (discussed further on page 74) and prefer to contain the fixed cost component of remuneration at modest levels.
- Reward levels are targeted to be commercially competitive, on the following basis:
  - The most relevant competitive reference points for reward levels are based on the scope of responsibility and individual contributions made.
  - Appropriate benchmark, industry and comparable organisations' remuneration practices are reviewed regularly.
    - For executive directors, the FTSE 350 General Finance firms provide the most appropriate benchmark.
    - For employees, a combination of firms from the JSE Financial 15 and the FTSE 350 General Finance sector offer the most appropriate benchmark.
    - The committee also reviews on an individual basis data on other international banks with whom we compete.
    - The committee recognises that we operate an international business and compete with both local and international competitors in each of our markets.
    - In order to avoid disproportionate packages across areas of the group and between executives, adjustments are made at any extremes to ensure broad internal consistency. Adjustments may also be made to the competitive positioning of pay components for individuals, in cases where a higher level of investment is needed in order to build or grow either a business unit or our capability in a geography.

Policy on non-executive directors' remuneration

The board agrees and determines the fees of non-executive directors and the fees are reviewed annually. The board's policy is that fees should reflect individual responsibilities and membership of board committees. In view of the current market conditions and the focus on controlling fixed remuneration, it was decided that the non-executive directors will receive no increase in their fees in the forthcoming year. Their fee structure covers the dual roles that the directors perform for the UK listed Investec plc and the South African listed Investec Limited boards. The fee structure for non-executive directors for the 2009 and 2010 financial years is shown below:

Non-executive directors' remuneration	2009 financial year	As approved by the board for the 2010 financial year
Chairman's total fee	£360 000 per year	£360 000 per year
Basic fee non-executive director fee	£53 000 per year	£53 000 per year
Chairman of the DLC Audit Committee	£45 000 per year	£45 000 per year
Chairman of the DLC Remuneration Committee	£32 000 per year	£32 000 per year
Member of the DLC Audit Committee	£13 000 per year	£13 000 per year
Member of the DLC Remuneration Committee	£12 500 per year	£12 500 per year
Member of Investec Bank (UK) Limited board	£9 000 per year	£9 000 per year
Member of the Investec Bank Limited board	R150 000 per year	R150 000 per year
Fees are also payable for any additional time committed to the group including attendance at certain other meetings		

There is no requirement for non-executive directors to hold shares in the company. The company has left this choice to the discretion of each non-executive director.

Service contracts and terms of employment

Our executive directors have indefinite contracts of employment, terminable by either party giving six months' written notice to the other. Each executive director is entitled to receive a basic salary and is also eligible for an annual bonus, the amount of which will be determined at the discretion of the Remuneration Committee. Furthermore, the executive directors may elect to sacrifice a portion of their annual salary to receive company benefits such as a travel allowance and medical aid. The full costs of these benefits will be deducted from their annual salary. The contracts of employment do not contain provisions for compensation payable on early termination.

Executive directors are permitted to accept outside appointments on external boards or committees so long as these are not deemed to interfere with the business of the Company. Any fees earned by executives in this regard are not retained and are given back to the respective companies.

Non-executive directors do not have service contracts and letters of appointment confirm the terms and conditions of their service. The letters of appointment do not contain provisions for compensation payable on early termination. Unless the non-executive directors resign earlier or are removed from their positions, they will remain appointed as directors until the close of our annual general meeting in 2010 (subject to rotational re-election as directors at the 2009 meeting and in terms of the provision of the Articles of Association). All non-executive directors who have been members of the board for longer than nine years are subject to annual re-election as required in terms of our Articles of Association. Those directors seeking rotational re-election at the 2009 Annual General Meeting are shown on page 64.

Biographical details of the directors of the board

These details can be found on pages 100 to 103.

Dates of appointment to the board

The boards of Investec plc and Investec Limited are separate and subject to separate legal obligations for each company. In terms of the DLC arrangements, they comprise the same persons who are authorised, as boards, to manage Investec as if it were a unified economic enterprise. Details on the dates the directors were appointed to the board can be found on page 64.

Policies on the components of remuneration and employment

The reward package for executive directors and employees comprises:
- Base salary and benefits
- Annual bonuses
- Long-term share incentive plans

Remuneration Report

The committee reviews the elements of the reward package relative to appropriate benchmarks and other comparable organisations, the contribution by the individual and the business as a whole, the value of individuals in perpetuating our values and culture, and the possible replacement cost of such individuals.

The elements of the reward package, as listed above, are discussed below and the components for each director are detailed in tables accompanying this report.

As a consequence of the global financial markets crisis and the resultant debate and review surrounding remuneration policies and procedures the committee has made a few changes to the components of our reward programmes.

Base salary and benefits

Salaries are reviewed annually and reflect the relative skills and experience of, and contribution made by, the individual. It is the company's policy to seek to set base salaries (including benefits) at median market levels.

Benefits are targeted at competitive levels and are delivered through flexible and tailored packages. Benefits include pension schemes; life, disability and personal accident insurance; medical cover; and other benefits, as dictated by competitive local market practices. Only salaries are pensionable, the annual bonuses paid are not pensionable. Our disclosure of executive directors' salaries on page 80 has been done on a gross basis (i.e. inclusive of pension fund contributions from the company).

Annual bonus

Annual bonuses are closely linked to business performance, based on target business unit performance goals determined in the main by realised Economic Value Added (EVA) profit performance against pre-determined targets above a risk and capital weighted return. These targets have been in force, and unchanged, for the past few years and are subject to annual review.

Our business strategy and associated risk appetite, together with effective capital utilisation, form the key cornerstones which underpin the EVA annual bonus allocation model. This model has been consistently applied for in excess of ten years. Business units share in the annual bonus pool to the extent that they have generated a realised return on their allocated risk adjusted capital base in excess of their target ROE. Targeted returns reflect the competitive economics and shareholder expectation for the specific area of the business, and are set with reference to competitive benchmarks for each product line. Capital allocated is a function of both regulatory and internal capital requirements, the risk assumed within the business and our overall business strategy. The group has always held capital in excess of minimum regulatory requirements, and this philosophy is perpetuated in our internal capital allocation process. A detailed explanation of our capital management and allocation process is provided on pages 56 to 58. Growth in profitability over time will result in an increasing incentive pool, as long as it is not achieved at the expense of capital efficiency. Target returns must be reflective of the inherent risk assumed in the business. Thus, an increase in absolute profitability does not automatically result in an increase in the annual bonus pool. This approach allows us to embed risk and capital discipline in our business processes.

In essence varying levels of return required for each business unit reflect the state of market maturity, country of operation, risk, capital invested (capital intensive businesses) or expected expense base (fee based businesses).

Individual annual incentive levels are allocated from the EVA pool, based on individual performance, as determined by the committee. Furthermore, as discussed previously, qualitative issues are integral in the determination of annual bonuses.

In this regard, if business and individual performance goals are achieved or bettered, the variable element of the total reward package is likely to be substantially higher than the relevant target market so as to ensure that overall reward levels are positioned at the upper quartile level for superior performance, in line with our overriding remuneration policy.

Developments over the past year

During the financial year the group implemented two changes with respect to annual bonus payments, which are highlighted here and explained in more detail below:

- The introduction of a deferred bonus plan; and
- The introduction of non-cash bonuses.

Investec Limited Deferred Bonus Plan 2008 and Investec plc Deferred Bonus Plan 2008

In April 2008, the group introduced a deferred bonus scheme whereby a portion of an employee's variable remuneration can be awarded in the form of deferred bonus shares. The first awards were made as part of the June 2008 bonus payments. These share awards provided for a two-year deferral but the Bonus Plan allows for deferral of between one to five years. It is the condition of the plan that the employee is still employed by the group on vesting date in order to benefit under this plan. Participants have no rights in respect of these shares, including the right to dividends, until the vesting date occurs.

EVA share awards (non-cash bonuses)

During the current year the group further refined its performance bonus policies by introducing a non-cash element (in the form of forfeitable share awards) for all employees whose bonuses exceed a pre-determined hurdle rate (the amount of which will be reviewed each year) and by introducing a more formal deferral requirement, initially over an eleven-month period. These awards will be made in terms of our existing long term incentive plans.

These changes are in addition to the introduction in 2008 of a deferred bonus plan and further align directors' and employees' interests with those of stakeholders, and ensure that reward programmes are appropriately risk-adjusted.

Share option and long-term share incentive plans

We have a number of share option and long-term share incentive plans that are designed to link the interests of directors and employees with those of shareholders and long-term organisational interests, through performance and risk-based equity grants.

Prior to the implementation of our DLC structure and our listing on the London Stock Exchange in July 2002, we had a number of share option, share purchase and leveraged share schemes in place that were appropriate for a South African listed company. However, at the time of the London listing it was necessary for us to consider implementing a more internationally recognised share scheme structure and philosophy. As a result, a number of share option plans were introduced to cater for regulatory, tax and other considerations pertaining to the various jurisdictions in which we operated. At the same time, however, a decision was taken to maintain the schemes that were in place prior to the London listing until the allocations made in terms of those schemes matured. While this gives rise to what appears to be a multitude of schemes, the philosophy and practical implications are fairly simple – the appropriate level of equity allocation is determined for each employee and then awards are made out of the scheme that is considered most appropriate for that individual given his/her location, tax and regulatory environment.

The share option and long-term share incentive plans in operation, and in which the directors are eligible to participate, are summarised in the table below and further details are provided on our website.

Executive directors collectively hold approximately 2.2% of the issued share capital of Investec plc and Investec Limited.

Leveraged equity plans

A group of senior and executive managers, including certain Investec plc/Investec Limited directors, who have or can have a significant impact on the business, were granted participation (prior to the implementation of the DLC structure) in a leveraged equity plan known as Fintique II, which was established in 1996. This plan reached its final maturity in July 2008.

Summary of Investec's share option and long-term share incentive plans

Plan	Eligibility	Date implemented	Options/ shares	Maximum award per individual[1]	Performance conditions[2]	Vesting period	Options granted during the year[3]	Total issued as at 31 March 2009[4/5/6]
Long-term incentive plans[7]								
Investec 1 Limited Share Incentive Plan - nil cost options	• New and existing full time employees • Excluding employees in SA, Botswana, Namibia and Mauritius • Excluding executive directors	16 Mar 2005	Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	75% end of year 4 and 25% end of year 5	5 425 681	Number: 24 355 807 % of issued share capital of company: 5.5%
Investec Limited Share Incentive Plan – nil cost options	• New and existing full time employees in SA, Botswana, Namibia and Mauritius • Excluding executive directors	16 Mar 2005	Investec Limited	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	75% end of year 4 and 25% end of year 5	5 454 600	Number: 28 058 075 % of issued share capital of company: 10.5%

Summary of Investec's share option and long-term share incentive plans (continued)

Plan	Eligibility	Date implemented	Options/shares	Maximum award per individual[1]	Performance conditions[2]	Vesting period	Options granted during the year[3]	Total issued as at 31 March 2009[4/5/6]
Long-term incentive plans[7]								
Investec plc Share Matching Plan 2005	• Executive directors	14 Nov 2005	Matching awards of Investec Limited and Investec plc shares in the ratio of 1:1 against shares invested in plan by the director	A maximum of 750 000 investment shares may be invested in the plan each time the plan is operated	Vesting scale over the period based on normalised EPS growth in excess of UK RPI, with 0% vesting if EPS growth is less than 4% plus RPI p.a. and 100% vesting if EPS growth is in excess of RPI plus 12% p.a.	75% end of year 4 and 25% end of year 5	Nil	Number 2 450 000 % of issued share capital of company: 0.6%
Current share option plans								
Investec plc Share Option Plan 2002 (unapproved plan)	• New and existing full-time employees • Excluding employees in SA, Botswana, Namibia and Mauritius • UK employees - grants exceeding £30 000 • Directors and executives	28 Aug 2002	Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	Growth in headline EPS ≥ UK RPI plus 3% compounded annually over the period of the grant	Initially two tranches of 50% at the end of year one and the end of year two	162 600	Number: 1 777 570 % of issued share capital of company: 0.4%
Investec Limited Deferred Bonus Plan 2008	• New and existing full-time employees in SA, Botswana, Namibia and Mauritius	2 June 2008	Investec Limited	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	Initially two tranches of 50% at the end of year one and the end of year two	43 850	43 850 % of issued share capital of company: 0%
Investec plc Deferred Bonus Plan 2008	• New and existing full-time employees • Excluding employees in SA, Botswana, Namibia and Mauritius	2 June 2008	Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	Variable with a minimum non dealing period of one year.	663 000	663 000 % of issued share capital of company: 0.1%

Summary of Investec's share option and long-term share incentive plans (continued)

Plan	Eligibility	Date imple-mented	Options/ shares	Maximum award per individual[1]	Performance conditions[2]	Vesting period	Options granted during the year[3]	Total issued as at 31 March 2009[4/5/6]
Plan introduced in terms of our empowerment transaction								
The Investec Limited Security Purchase Scheme 2003	• Employees of Investec Limited who are African, Coloured or Indian individuals • Excluding executive directors	15 May 2003	Investec Limited	• 500 000 individual limit in terms of this scheme • Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	Tranches over eight years ending 15 May 2011	1 411 875	Number: 11 140 171 % of issued share capital of company: 4.2%
Share plans not currently in use								
Investec plc Share Option Plan 2002 (approved plan)	• New and existing UK full-time employees - grants up to the value of £30 000 • Directors and executives	28 Aug 2002	Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	Growth in headline EPS ≥ UK RPI plus 3% compounded annually over the period of the grant	Tranches of 50%, 25% and 25% at the third, fourth and fifth anniversaries respectively	Nil	Number: 1 269 725 % of issued share capital of company: 0.3%
Investec plc Share Appreciation Option Plan 2002	• New and existing full-time employees • Excluding employees in SA, Botswana, Namibia and Mauritius • UK employees - grants exceeding £30 000 • Directors and executives	28 Aug 2002	Cash settled based on the increase in the Investec Limited share price	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	Growth in headline EPS ≥ UK RPI plus 3% compounded annually over the period of the grant	Tranches of 25% each on the second, third, fourth and fifth anniversaries	Last grant made on 17 June 2003	Number: Nil % of issued share capital of company: 0%
Investec Limited Security Purchase and Option Scheme Trust 2002	• New and existing full-time employees in SA, Botswana, Namibia and Mauritius • Directors and executives	20 June 2002	Investec Limited and Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	Growth in headline EPS ≥ UK RPI plus 3% compounded annually over the period of the grant	Tranches of 25% each on the second, third, fourth and fifth anniversaries	Last grant made on 14 Dec 2005	Number: 990 247 % of issued share capital of company: 0.2%

Summary of Investec's share option and long-term share incentive plans (continued)

Plan	Eligibility	Date implemented	Options/ shares	Maximum award per individual[1]	Performance conditions[2]	Vesting period	Options granted during the year[3]	Total issued as at 31 March 2009[4/5/6]
Share plans introduced prior to implementation of the DLC structure								
Investec Group Limited UK Share Option Plan	• Employees - excluding SA, Botswana, Namibia and Mauritius • Directors and executives	1 Nov 1999	Investec Group Limited (prior to implementation of DLC structure) (now Investec Limited and Investec plc)	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	Tranches of 25% each on the second, third, fourth and fifth anniversaries. Awards lapse 10 years after grant	Last grant made on 20 June 2002. No further grants will be made	Number: 371 890 % of issued share capital of company: 0.1%
Investec Limited Security Purchase and Option Scheme Trust	• Employees in SA, Botswana, Namibia and Mauritius • Directors and executives	25 Nov 1988	Investec Limited and Investec plc	• Cumulative limit of 2 500 000 across all option plans • In any financial year: 1x remuneration package	None	Tranches of 25% each on the second, third, fourth and fifth anniversaries. Awards lapse 10 years after grant	Last grant made on 2 May 2002. No further grants will be made	Number: 2 309 029 % of issued share capital of company: 0.3%

Notes:

1 The limits for allocations to employees and executive management during a financial year may be exceeded if the directors determine that exceptional circumstances make it desirable that options should be granted in excess of that limit.

2 These conditions require growth in headline earnings per share (EPS) over the relevant option period to equal or exceed the UK Retail Price Index (RPI) plus 3% compounded annually over the same period. In choosing the performance targets for this plan, the committee considered the merits of EPS-based targets against other possibilities, such as comparative performance or comparative growth in return on average shareholders' funds (ROE) against a basket of other companies. The committee determined that EPS-based targets are most appropriate as they measure our underlying growth. The committee intends to continue to apply this during the 2010 financial year but keeps the whole matter of the suitability of target-linked share based remuneration under periodic review. This note does not apply to the Share Matching Plan 2005 which has different performance conditions as approved by shareholders (further information is available on our website).

3 This represents the number of awards made to all participants. More details on the directors' shareholdings are also provided in tables accompanying this report.

4 Dilution limits: Investec is committed to following the Association of British Insurers' (ABI) guidelines and accordingly, as from the date of the implementation of our DLC structure (29 July 2002), the maximum number of new shares which may be issued by the company under all of the share plans (in respect of grants made after July 2002) may not exceed 10% of the issued share capital of the company over a rolling ten-year period. The committee regularly monitors the utilisation of dilution limits and available headroom to ensure that these guidelines are complied with. The issued share capital of Investec plc and Investec Limited at 31 March 2009 was 444.9 million shares and 268.3 million shares, respectively. As announced on the stock exchange news services, 1.6 million Investec plc and 2.3 million Investec Limited shares were issued to the staff share schemes during the year.

5 The market price of an Investec plc share as at 31 March 2009 was £2.92 (2008: £3.39), ranging from a low of £1.69 to a high of £4.21 during the financial year.

6 The market price of an Investec Limited share as at 31 March 2009 was R38.86 (2008: R57.43), ranging from a low of R27.20 to a high of R63.19 during the financial year.

7 The rules of these long-term incentive plans do not allow Investec to issue new shares to the plan to satisfy any awards made to participants, nor may awards be made to executive directors.

Performance graph total shareholder return

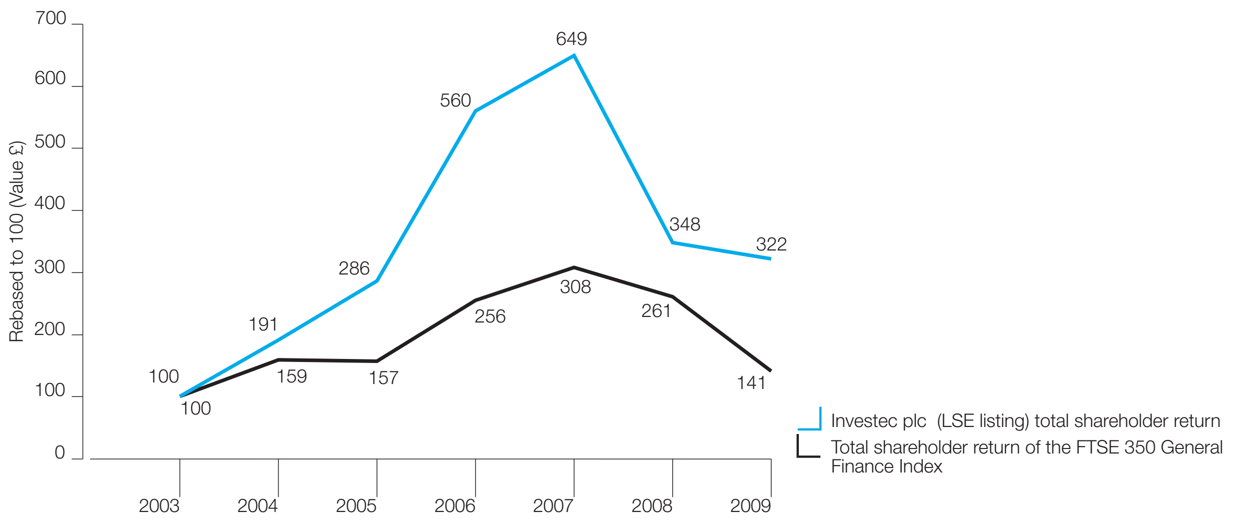
We have implemented a DLC structure, in terms of which we have primary listings in London and Johannesburg. The listing on the London Stock Exchange (LSE) took place on 29 July 2002, although we have been listed in South Africa since 1986.

Schedule 7A of the UK Companies Act 1985 requires this report to include a performance graph of Investec plc's total shareholder return (TSR) performance against that of a broad market index. We found it difficult to locate an appropriate group of companies to benchmark ourselves against because of our specialist activities. A number of companies within the FTSE 350 General Finance Index conduct similar activities to us, although they do not necessarily have the same geographical profile. Nevertheless, we believe that this is the most appropriate index against which to measure our performance on the LSE.

The graph below shows the cumulative shareholder return for a holding of our shares (in blue) in Pounds Sterling on the LSE, compared to the average total shareholder return of other members of the FTSE 350 General Finance Index. It shows that, at 31 March 2009, a hypothetical £100 invested in Investec plc at the time of its listing on the LSE in July 2002 would have generated a total return of £222 compared with a return of £41 if invested in the FTSE 350 General Finance Index. Investec plc has therefore outperformed the FTSE 350 General Finance Index over the period.

During the period from 1 April 2008 to 31 March 2009, the return to shareholders of Investec plc (measured in Pounds Sterling) and Investec Limited (measured in Rands) was negative 7.5% and negative 26.6%, respectively. This compares to a negative return of 45.8% for the FTSE 350 General Finance Index.

The market price of our shares on the LSE was £2.92 as at 31 March 2009, ranging from a low of £1.69 to a high of £4.21 during the financial year. Furthermore, the market price of our shares on the JSE Limited was R38.86 as at 31 March 2009, ranging from a low of R27.20 to a high of R63.19 during the financial year.



Source: Datastream

Directors' annual remuneration

The following table shows a breakdown of the annual remuneration (excluding equity awards) of directors for the year ended 31 March 2009:

Name	Salaries, directors fees and other remuneration 2009 £	Total other benefits 2009[3] £	Gross remuneration 2009[1/2] £	Annual bonus 2009[4] £	Total remuneration 2009 £	Total remuneration 2008[6] £
Executive directors						
S Koseff (Chief Executive Officer)	331 007	78 993	410 000	1 250 000	1 660 000	3 297 500
B Kantor (Managing Director)	364 566	45 434	410 000	1 250 000	1 660 000	3 307 959
GR Burger (Group Risk and Finance Director)	267 240	9 676	276 916	1 348 618	1 625 534	2 708 401
A Tapnack	270 833	56 933	327 766	500 000	827 766	1 039 177
Total Pounds Sterling	1 233 646	191 036	1 424 682	4 348 618	5 773 300	10 353 037
Non-executive directors						
HS Herman (Chairman)	360 000	-	360 000	-	360 000	340 000
SE Abrahams	202 520	-	202 520	-	202 520	171 826
GFO Alford	120 500	-	120 500	-	120 500	114 000
CA Carolus	56 372	-	56 372	-	56 372	51 572
H Fukuda OBE	53 000	-	53 000	-	53 000	50 000
GMT Howe	86 500	-	86 500	-	86 500	82 000
DE Jowell[5]	-	-	-	-	-	83 229
IR Kantor	62 000	-	62 000	-	62 000	58 500
Sir C Keswick	87 500	-	87 500	-	87 500	83 000
MP Malungani	66 487	-	66 487	-	66 487	57 862
Sir D Prosser	74 500	-	74 500	-	74 500	62 500
PRS Thomas	150 291	-	150 291	-	150 291	137 244
F Titi	160 892	-	160 892	-	160 892	132 968
Total Pounds Sterling	1 480 562	-	1 480 562	-	1 480 562	1 424 701
Total Pounds Sterling	2 714 208	191 036	2 905 244	4 348 618	7 253 862	11 777 738

Notes:

1 Gross remuneration comprises base salary and other benefits (see point 2 and 3 below).

2 Gross remuneration of S Koseff, B Kantor and A Tapnack has increased on average by approximately 4%. The gross remuneration of GR Burger is determined in Rands and converted into Pounds Sterling. In Rand terms GR Burger's gross remuneration increased by 7.7% from R2 795 833 to R3 012 500. Gross remuneration increases for other employees across the group have generally been in the range of 2% to 8%, and the increases awarded to executive directors are consistent with this. The executive directors have received no increases in salaries for the 2010 financial year.

3 The executive directors receive other benefits which may include pension schemes; life, disability and personal accident insurance; and medical cover, on similar terms to other senior executives.

4 In determining annual bonuses, a number of quantitative and qualitative factors/metrics were considered which included:
- The group recorded a decline in attributable earnings, dividends per share and total shareholder return.
- The group, however, maintained a sound balance sheet with low leverage and healthy capital and liquidity ratios during a challenging operating environment.
- The group reported operating profits in all of its core geographies, benefiting from its recurring income base.
- The group maintained its capital strength without recourse to shareholders, new investors or government assistance.
- A focused and intimate involvement of the executive directors in ensuring stringent management of risk, liquidity and capital.
- The group emerged from this period with its capacity to compete, its brand and its entrepreneurial spirit unimpeded.

Further information on the group's performance and risk management metrics have been discussed elsewhere in the Annual Report.

Notes to table on page 199 continued:

4
- S Koseff and B Kantor are each awarded a total bonus of £1 250 000, comprising £494 000 in cash payable in June 2009 and the balance deferred and payable in cash on 28 February 2010. The deferred component will be calculated with reference to the value of 240 000 shares at 28 February 2010. For annual report disclosure and reporting purposes the deferred component was determined at the remuneration committee meeting held on 3 June 2009 at a price per share of £3.15 being the average closing Investec plc share price over the period 31 March 2009 to 31 May 2009.
- GR Burger has been awarded a total bonus of R20 million, comprising R10 107 200 in cash payable in June 2009 and the balance deferred and payable in cash on 28 February 2010. The deferred component will be calculated with reference to the value of 240 000 shares at 28 February 2010. For annual report disclosure and reporting purposes the deferred component was determined at the remuneration committee meeting held on 3 June 2009 at a price per share of R41.22 being the average closing Investec plc share price over the period 31 March 2009 to 31 May 2009.
- A Tapnack has been awarded a total bonus of £500 000, comprising £235 000 in cash payable in June 2009 and the balance deferred and payable in cash on 28 February 2010. The deferred component will be calculated with reference to the value of 84 127 shares at 28 February 2010. For annual report disclosure and reporting purposes the deferred component was determined at the remuneration committee meeting held on 3 June 2009 at a price per share of £3.15 being the average closing Investec plc share price over the period 31 March 2009 to 31 May 2009.
- The introduction of the deferred component in annual bonuses is in line with the committee's philosophy as described on page 193.

5 Resigned with effect 30 September 2007.

6 A breakdown of the components of the reward packages for the executive directors in the 2008 financial year is as follows:

Name	Salary £	Total other benefits £	Gross remuneration £	Annual bonus £	Total remuneration £
Executive directors					
S Koseff (Chief Executive Officer)	323 740	73 760	397 500	2 900 000	3 297 500
B Kantor (Managing Director)	370 236	37 723	407 959	2 900 000	3 307 959
GR Burger (Group Risk and Finance Director)	219 729	42 830	262 559	2 445 842	2 708 401
A Tapnack	258 333	30 844	289 177	750 000	1 039 177
Total Pounds Sterling	1 172 038	185 157	1 357 195	8 995 842	10 353 037

Retirement benefits

None of the executive directors belong to a defined benefit pension scheme and all are members of one of our defined contribution schemes. The total contribution to these schemes, payable by the company, included in the total salary of the director or included in benefits paid as highlighted in the tables above, is as follows:

Name	2009 £	2008 £
Executive directors		
S Koseff (Chief Executive Officer)	58 055	54 813
B Kantor (Managing Director)	32 302	27 563
GR Burger (Group Risk and Finance Director)	-	26 841
A Tapnack	49 689	25 833
Total Pounds Sterling	140 046	135 050

Executive directors' total assumed cost to company

The table below provides an indication of the total cost to the company in relation to executive directors' remuneration. Total cash payments and benefits reflect the information disclosed in the tables above. The IFRS accounting charge (in terms of IFRS 2) reflects the cost that has been expensed by the company in its income statement in the relevant period in relation to share options and long-term incentive awards that have been granted to the executives. Further details on these equity awards are provided in the tables that follow.

Name	Salary, bonus and other benefits 2009 £	Accounting IFRS charge in relation to equity awards 2009 £	Total assumed remuneration expense 2009 £	Salary, bonus and other benefits 2008 £	Accounting IFRS charge in relation to equity awards 2008 £	Total assumed remuneration expense 2008 £
Executive directors						
S Koseff (Chief Executive Officer)	1 660 000	623 666	2 283 666	3 297 500	636 737	3 934 237
B Kantor (Managing Director)	1 660 000	623 838	2 283 838	3 307 959	633 809	3 941 768
GR Burger (Group Risk and Finance Director)	1 625 534	666 258	2 291 792	2 708 401	647 000	3 355 401
A Tapnack	827 766	166 483	994 249	1 039 177	170 075	1 209 252
Total Pounds Sterling	5 773 300	2 080 245	7 853 545	10 353 037	2 087 621	12 440 658

Directors' shareholdings, options and long-term incentive awards

The company's register of directors' interests contains full details of directors' shareholdings, options and long-term incentive awards. The tables that follow provide information on the directors' shareholdings, options and long-term incentive awards for the year ended 31 March 2009.

Directors' shareholdings in Investec plc and Investec Limited shares as at 31 March 2009

Name	Beneficial and non-beneficial interest Investec plc[2]		% of shares in issue[1] Investec plc	Beneficial and non-beneficial interest Investec Limited[3]		% of shares in issue[1] Investec Limited
	1 April 2008	31 March 2009	31 March 2009	1 April 2008	31 March 2009	31 March 2009
Executive directors						
S Koseff[4]	4 886 633	4 986 633	1.1%	441 515	1 899 330	0.7%
B Kantor[5]	1 500	48 525	-	5 001 000	5 301 000	2.0%
GR Burger[6]	2 530 095	2 132 135	0.5%	499 885	1 037 076	0.4%
A Tapnack	88 900	-	-	185 105	340 607	0.1%
Total number	7 507 128	7 167 293	1.6%	6 127 505	8 578 013	3.2%
Non-executive directors						
HS Herman[7]	1 369 915	1 369 915	0.3%	44 525	760 470	0.3%
SE Abrahams	30 000	30 000	-	-		-
GFO Alford	3 100	3 100	-	-		-
CA Carolus	-	-	-	-		-
H Fukuda OBE	5 000	5 000	-	-		-
GMT Howe	-		-	-		-
IR Kantor	1 512 570	1 509 545	0.3%	2 002 100	2 000 325	0.7%
Sir C Keswick	15 750	15 750	-	9 250	9 250	-
MP Malungani[8]	-	-	-	7 728 890	7 728 890	2.9%
Sir D Prosser	10 000	10 000	-	-		-
PRS Thomas	415 855	415 855	0.1%	255 955	255 955	0.1%
F Titi	-		-	-		-
Total number	3 362 190	3 359 165	0.7%	10 040 720	10 754 890	4.0%
Total number	10 869 318	10 526 458	2.3%	16 168 225	19 332 903	7.2%

Notes:

1 The total number of Investec plc and Investec Limited shares in issue as at 31 March 2009 was 444.9 million and 268.3 million, respectively.

2 The market price of an Investec plc share as at 31 March 2009 was £2.92 (2008: £3.39), ranging from a low of £1.69 to a high of £4.21 during the financial year.

3 The market price of an Investec Limited share as at 31 March 2009 was R38.86 (2008: R57.43), ranging from a low of R27.20 to a high of R63.19 during the financial year.

In addition to their shareholdings reflected in the table above, some of the directors have an interest in options over Investec Limited shares, the details of which are as follows:

4 S Koseff - purchased European call options on 11 June 2008 over 155 825 Investec Limited shares at a strike of R48.27 per share and an expiry date of 11 June 2011.

5 B Kantor -
- Purchased European call options on 22 July 2008 over 500 000 Investec Limited shares at a strike of R52.03 per share and an expiry date of 22 July 2010.
- Purchased European call options on 11 June 2008 over 500 000 Investec Limited shares at a strike of R48.27 per share and an expiry date of 11 June 2011.
- Purchased put options on 27 November 2008 over 1 000 000 Investec Limited shares at a strike of R40.00 per share and an expiry date of 27 May 2009.
- Sold call options on 27 November 2008 over 2 000 000 Investec Limited shares at a strike of R50.00 per share and an expiry date of 27 May 2009.

6 GR Burger - purchased European call options on 11 June 2008 over 63 300 Investec Limited shares at a strike of R48.27 per share and an expiry date of 11 June 2011.

7 HS Herman - purchased European call options on 11 June 2008 over 30 875 Investec Limited shares at a strike of R48.27 per share and an expiry date of 11 June 2011.

8 In November 2003, Investec Limited concluded an empowerment transaction with Tiso Group (Tiso), Peu Group (Proprietary) Limited (Peu), a broad-based Entrepeneurship Development Trust and an Employee Share Trust in terms of which they acquired a 25.1% stake in the issued share capital of Investec Limited. MP Malungani is the Chairman of Peu.

Directors' interest in preference shares as at 31 March 2009

Name	Investec plc		Investec Limited		Investec Bank Limited	
	1 April 2008	31 March 2009	1 April 2008	31 March 2009	1 April 2008	31 March 2009
Executive directors						
S Koseff[1]	21 198	101 198	3 000	3 000	4 000	4 000
Non-executive directors						
HS Herman	-	-	-	-	1 135	1 135

Notes:
- The market price of an Investec plc preference share as at 31 March 2009 was R34.00 (2008: R98.00).
- The market price of an Investec Limited preference share as at 31 March 2009 was R75.80 (2008: R84.40).
- The market price of an Investec Bank Limited preference share as at 31 March 2009 was R82.00 (2008: R91.00).
- [1] S Koseff bought the following preference shares during the year under review:
  - 10 757 shares on 19 December 2008 at R31.46 per share.
  - 5 143 shares on 22 December 2008 at R33.37 per share.
  - 14 100 shares on 23 December 2008 at R36.61 per share.
  - 50 000 shares on 9 February 2009 at R29.19 per share.

Directors' attributable interest in Investec plc and Investec Limited shares through a leveraged equity plan called Fintique II as at 31 March 2009

Name	Entitlement to Investec plc shares		Entitlement to Investec Limited shares	
	1 April 2008	31 March 2009	1 April 2008	31 March 2009
Executive directors				
S Koseff	918 420	-	539 395	-
GR Burger	629 515	-	369 715	-
A Tapnack	-		168 340	-
Non-executive directors				
HS Herman	451 045	-	264 900	-
Total number	1 998 980	-	1 342 350	-

Notes:
- Fintique II was constituted on 31 July 1996 via a special purpose vehicle (SPV), initially available to 235 selected executives, senior managers and directors. Participants acquired units in the SPV, where the underlying instruments were compulsory convertible debentures, which convert into 4 430 Investec shares for every 1 000 units in Fintique II. The scheme was funded through cash contributions from participants and the upfront sale of the income stream on the debentures and the right to the redemption proceeds. A total of 4.0 million units were issued in terms of the scheme, converting into approximately 17.8 million shares.
- The Fintique II scheme matured on 31 July 2008 and all of the unitholders in the scheme disposed of their respective units and settled their obligations in terms of the scheme. All the shares to which the directors were entitled in terms of the scheme were taken up at a price of R2.32 per share, based on the valuation of the scheme as at 30 June 2008.
- Following the disposal of their respective Fintique II units on 30 June 2008, S Koseff received 1 457 815 Investec Limited shares, GR Burger received 999 230 Investec Limited shares, A Tapnack received 155 502 Investec Limited shares and HS Herman received 715 945 Investec Limited shares. These share holdings are now disclosed as part of the directors' aggregate beneficial and non-beneficial shareholdings in Investec Limited as reflected on page 97.
- The Fintique II scheme has been terminated as at 31 March 2009.

Directors' interest in options as at 31 March 2009

Investec plc shares

Name	Date of grant	Exercise price	Number of Investec plc shares at 1 April 2008	Exercised during the year[1]	Options granted/ lapsed during the year	Balance at 31 March 2009	Market price at date of exercise[1]	Gross gains made on date of exercise[1]	Period exercisable
Executive directors									
B Kantor	20 Dec 2002	£1.59	15 130	5 675	-	9 455	£2.69	£6 243	Vesting scale in terms of the scheme rules. Vesting ends 20 Mar 2012
A Tapnack	20 Dec 2002	£1.59	15 130	5 675	-	9 455	£2.30	£4 029	Vesting scale in terms of the scheme rules. Vesting ends 20 Mar 2012

Notes:
No new grants were made to executive directors during the financial year. The market price of an Investec plc share as at 31 March 2009 was £2.92 (2008: £3.39), ranging from a low of £1.69 to a high of £4.21 during the financial year. A total of 444.9 million Investec plc shares were in issue as at 31 March 2009.

[1] Details with respect to options exercised:
- B Kantor exercised his options and bought 5 675 Investec plc shares on 22 December 2008, when the share price was £2.69 per share. The performance conditions with respect to these options were met.
- A Tapnack exercised his options and sold 5 675 Investec plc shares on 3 February 2009, when the share price was £2.30 per share. The performance conditions with respect to these options were met.

General comments:
- B Kantor's and A Tapnack's options were granted in terms of the Investec plc Share Option Plan 2002.
- The options granted on 20 December 2002 were made for no consideration.
- The options granted on 20 December 2002 have certain performance conditions attached which require growth in headline earnings per share over the relevant option period to equal or exceed the UK RPI plus 3% (compounded annually over the same period).

Investec Limited shares

The directors do not have any interest in options over Investec Limited shares.

Directors' interest in the Share Matching Plan 2005 as at 31 March 2009

Name	Date of grant	Exercise price	Number of Investec plc shares 1 April 2008	Number of Investec plc shares 31 March 2009	Period exercisable
Executive directors					
S Koseff	21 Nov 05	£0.00	750 000	750 000	75% of the matching award is exercisable on 30 June 2009 and 25% on 30 June 2010
B Kantor	21 Nov 05	£0.00	750 000	750 000	75% of the matching award is exercisable on 30 June 2009 and 25% on 30 June 2010
GR Burger	21 Nov 05	£0.00	600 000	600 000	75% of the matching award is exercisable on 30 June 2009 and 25% on 30 June 2010
	25 Jun 07	£0.00	150 000	150 000	75% of the matching award is exercisable on 25 June 2011 and 25% on 25 June 2012
A Tapnack	21 Nov 05	£0.00	200 000	200 000	75% of the matching award is exercisable on 30 June 2009 and 25% on 30 June 2010

Notes:
This plan was approved by shareholders at an extraordinary general meeting held on 14 November 2005. The plan is considered essential in order to improve our long-term prospects for recruitment and retention of key individuals. The plan also provides further alignment of the interests of shareholders and management as the committee believes that a significant element of remuneration should be linked to our ability to deliver sustainable results to shareholders, and at the same time enable management to share in these results. Further details on the plan are available on our website.

The performance conditions in terms of this plan have been met in respect of the November 2005 awards and the director's will be entitled to 75% of the matching award on 30 June 2009.

Summary: total interest in Investec plc and Investec Limited ordinary shares, options and long-term incentive awards as at 31 March 2009

Investec plc

Name	Beneficially and non-beneficially held	Options	Share Matching Plan	Balance at 31 March 2009	Balance at 31 March 2008
Executive directors					
S Koseff	4 986 633	-	750 000	5 736 633	6 555 053
B Kantor	48 525	9 455	750 000	807 980	766 630
GR Burger	2132 135	-	750 000	2 882 135	3 909 610
A Tapnack	-	9 455	200 000	209 455	304 030
Total number	7 167 293	18 910	2 450 000	9 636 203	11 535 323

Investec Limited

Name	Beneficially and non-beneficially held	Options	Share Matching Plan	Balance at 31 March 2009	Balance at 31 March 2008
Executive directors					
S Koseff	1 899 330	-	-	1 899 330	980 910
B Kantor	5 301 000	-	-	5 301 000	5 001 000
GR Burger	1 037 076	-	-	1 037 076	869 600
A Tapnack	340 607	-	-	340 607	353 445
Total number	8 578 013	-	-	8 578 013	7 204 955

Notes:
The total number of Investec plc and Investec Limited shares in issue as at 31 March 2009 was 444.9 million and 268.3 million, respectively. The market price of an Investec plc share as at 31 March 2009 was £2.92 (2008: £3.39), ranging from a low of £1.69 to a high of £4.21 during the financial year. The market price of an Investec Limited share as at 31 March 2009 was R38.86 (2008: R57.43), ranging from a low of R27.20 to a high of R63.19 during the financial year.

Remuneration Report

Our Business Responsibility

5

Our Business Responsibility

Taking stock

In a year of unprecedented distress within the global financial services industry, particularly the banks, the understanding of the word sustainability frequently narrowed to that of survival. As markets catapulted from one crisis to the next, banks everywhere hunkered down and tried to navigate through the ever-changing environment.

As the global banking crisis unfolded, known banking brands collapsed, the international investment banking model was wiped out, government intervention became the norm, heightened industry regulation became a distinct probability, massive bailout packages were required to ensure the ongoing viability of the international banking system and there was substantive talk around the need for a complete overhaul of the world economy's financial architecture.

Although the rapidly changing dynamics were mainly confined to those banks operating in the first world, the banking industry everywhere felt the effect of a dramatic squeeze in liquidity and near-paralysis from anxieties pertaining to banking counterparty risk. First-round effects of the global financial crisis gave rise to second-round effects of the global economic crisis where banks were once again exposed to credit defaults, bad debts and the impairments associated with a world economy in reverse.

As the period closed, banks everywhere were reeling from the blows of the previous 18 months and companies the world over were coming to terms with the toughest economic conditions in decades. Amid expectations that global sub-par economic growth would persist into an extended period, the crisis began to surface an attempt by some to de-bunk the merits of so-called corporate social responsibility. Risks were high that the previous mainstreaming of broader sustainability considerations within business would be rolled back, on the proposition that all that was likely to count over the short-to-medium term was sheer survival, or sustainability in the financial sense alone.

However, the tenets that underpin broader sustainability may actually have been strengthened by the events of the recent past. Since an excessive focus on the short-term may have been at the root cause of some developments that gave rise to the credit crisis in the first place, the case for the triple bottom line undoubtedly benefited from ensuing interrogation of the long-held market view of shareholder value maximisation. That is, the maximisation of shareholder value can no longer be seen as the sole guiding principle for corporate conduct.

At a time when the sustainability of the international banking system has been in question, banks can be forgiven for an unrelenting focus on their individual ability to survive. Banks have had to right themselves at a time when public trust in business in general, and banks in particular, is very low. Banks have had to face the glare of intense media and stakeholder scrutiny and the popular perception that, banks themselves were partly responsible for the crisis. Stakeholders have since been vociferous in their condemnation of management, their criticism of prior banking practices and their contempt for the notion that "too big to fail" has had consequences for everyone except the banking industry itself.

Although the short-term immediacy of the credit crisis seems to be over, courtesy of the extensive stimulatory support measures in place by the global authorities, banks still have a number of much longer-term issues with which to contend. Whether in terms of the need to ride out the vagaries of a still very tough economic cycle, to re-establish the essence of their business models, to restore profitability levels, to ensure appropriate levels of capital adequacy or to re-build levels of public trust, reputational considerations within the industry are of uppermost importance. As banks everywhere seek to take the necessary steps to restore the perceived integrity of the industry, and to realign broad stakeholder interests with those of shareholders, they will not have the luxury of doing so out of the line of public sight.

Investec remains mindful of its broad obligations to society and all stakeholders. This is nothing new and has not merely been prompted by recent events. Investec has long identified, and acted on, its desire to do the right thing and be an effective corporate citizen. However, in keeping with its business model of highly autonomous and independent business units, supported by a strong centre, Investec has chosen not to be prescriptive in this regard. As the different geographies have different operating environments, with differing areas of emphasis, we have chosen to give our geographies and business units the latitude to determine for themselves what this means, and to pursue accordingly.

For South Africa, being a good corporate citizen, in addition to sustaining a long history of financial success, means embracing the ongoing dynamics of a transforming country, bringing about a more representative workforce and using the resources available within the social investment space to address the country's recognised backlog of societal ills. More recently, it has also meant trying to come to grips with climate change considerations in a country where social requirements (albeit not mutually exclusive) are often seen to be more pressing.

Our Business Responsibility

Outside of the South African business, the pursuit of an active corporate citizenship role within Investec is perhaps less well advanced. This, for the most part, has reflected the relative newness of our other businesses and their need to grow, build critical mass and ensure the successful integration of acquired businesses. Over and above the imperative to sustain financial performance, extend brand franchise and attain optimal scale, these businesses have nonetheless sought to support the priorities identified within respective national policy agendas, of which climate change is an obvious example in both the UK and Australia.

In view of the emphasis placed on culture and values within Investec, invariably seen to be the DNA and lifeblood of the organisation, our sustainability approach is seen as a logical extension of who we are and how we go about things.

Developments during the year

As Investec's annual financial results attest, the group proved both resilient and adept at withstanding the pressures that emanated both globally and in each of its geographies throughout the period. While there was unrelenting focus on the financial dimension of our sustainability endeavours during the period, our non-financial activities remained top of mind, albeit less aggressively driven in view of prevailing external circumstances.

Sustainability developments during the period include:

- a complete review and strategic re-positioning of our social investment activities
- the completion or near-completion of a carbon-footprinting exercise across all principal geographies
- the aggressive pursuit of a country-wide energy-saving campaign in South Africa
- the launch of a group-wide leadership development trajectory
- the formal creation of an elected and representative Employment Equity Forum in South Africa
- further UK audits on the environmental front
- an initial foray into the realm of alternative technology low-cost housing in South Africa
- the evolution of a more deeply engrained understanding of sustainability considerations within our risk environment and processes
- the advent of greater energy efficiency in the new extension to our head office building in Johannesburg.

Over and above our chosen areas of emphasis during the period, we maintained our presence in the Dow Jones Sustainability Index and the JSE-SRI Index and, post the period close, were admitted to the UK's FTSE4Good Index. We enjoyed increased UK and European stakeholder and analyst interest in Investec's OBR activities.

Looking ahead

A less volatile but still generally unaccommodating period can be expected. Continued uncertainty about the timing, extent and durability of international economic recovery means that the possibility of renewed market dislocation remains, with attendant consequences for overall activity levels. The prospect of political change in certain areas may herald changes on national policy agendas while scheduled international climate change negotiations could have far reaching implications for environmental policy.

In the face of widespread uncertainty, from many different sources, a near all-embracing focus on the financial dimensions of sustainability is expected to persist. However, seen as a cyclical, not structural, phenomenon, this represents no more than a shift in the balance of emphasis, all the while within the realm of the triple bottom line. The notion of corporate social responsibility is not in terminal decline. Rather, it finds itself in remission, pending the return of a more conducive business operating environment.

For Investec, having weathered what seems to have been the worst of the financial inclemency, the group seems well poised, by virtue of its solid capital status and liquidity realities, to capitalise on the commercial opportunities that a slowly recovering international economy will provide. A fast-changing competitive landscape will elicit additional benefits in select areas.

In terms of our non-financial endeavours, we will continue to make incremental advances on many fronts. The year ahead is unlikely to elicit much in the way of dramatic change, with anticipated steady progress in respect of ongoing projects and previously earmarked objectives.

As fundamental inputs to the profit dimension of our activities, the disciplines of corporate governance and risk management, tried and tested during the most recent crisis and having proved to serve Investec extremely well, are well entrenched at Investec. Heightened global attention on these specific aspects of the triple bottom line has increased our desire to ensure outright consistency with international best practise and, where appropriate, to fine tune our processes.

Our Business Responsibility

The people dimension of our OBR activities will continue to revolve, internally, around the successful recruitment, development, diversity and retention of talent within our employee base and, externally, around the developmental and goal-oriented aspects of our varying social investment activities. Similarly, within the planet dimension of our OBR activities, internal focus will be on continued behavioural change so as to reduce the size of our overall environmental footprint while our external focus will remain on the selective financing of alternative technologies.

In the same way that our banking activities are guided by a strong sense of commercial know-how, our sustainability activities are guided by the will to do what makes sense to the organisation. Reputation remains key and a finely-honed sensitivity to reputational risk management across all our businesses will continue to inform our sustainability approach and drive it in the appropriate manner. In so doing, we seek to balance, in so far as possible, our obligations to all stakeholders.

Detail pertaining to Investec's OBR activities can be accessed on www.investec.com/en_za/#home/our_business_responsibility.html. Our overall approach is based on the recognition that we are a niched and specialist bank, driven by our culture and values, and guided by our in-house philosophy, which states:

"In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies within which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenge posed by climate change and our use of natural resources".

6 Additional information

Shareholder analysis

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

As at 31 March 2009 Investec plc and Investec Limited had 444.9 million and 268.3 million ordinary shares in issue, respectively.

Spread of ordinary shareholders as at 31 March 2009

Investec plc ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
6 713	1 to 500	32.6	1 934 528	0.4
4 779	501 to 1 000	23.2	3 817 360	0.9
6 171	1 001 to 5 000	30.0	14 499 833	3.3
1 092	5 001 to 10 000	5.3	8 157 375	1.8
1 683	10 001 to 50 000	8.2	112 228 388	25.2
68	50 001 to 100 000	0.4	49 770 375	11.2
64	100 001 and over	0.3	254 529 379	57.2
20 570		100.0	444 937 238	100.0

Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
4 578	1 to 500	41.4	1 132 202	0.4
2 293	501 to 1 000	20.8	1 789 206	0.7
2 784	1 001 to 5 000	25.2	6 311 039	2.4
515	5 001 to 10 000	4.7	3 836 873	1.4
545	10 001 to 50 000	4.9	12 164 365	4.5
129	50 001 to 100 000	1.2	9 370 941	3.5
206	100 001 and over	1.8	233 730 631	87.1
11 050		100.0	268 335 257	100.0

Shareholder classification as at 31 March 2009

	Investec plc number of shares	% holding	Investec Limited number of shares	% holding
Public*	411 826 051	92.6	193 335 408	72.1
Non-public	33 111 187	7.4	74 999 849	27.9
Non-executive directors of Investec plc/Investec Limited**	3 359165	0.7	3 026 000	1.1
Executive directors of Investec plc/ Investec Limited	7 045 943	1.6	8 578 013	3.2
Investec staff share schemes	22 706 079	5.1	36 340 281	13.5
PEU INL Investment 1 (Pty) Ltd **	-	-	13 055 555	4.9
Tiso INL Investments (Pty) Ltd **	-	-	14 000 000	5.2
Total	444 937 238	100.0	268 335 257	100.0

* As per the JSE listing requirements

** In November 2003, Investec implemented an empowerment transaction. The shareholding held by MP Malungani (non-executive director of Investec) is shown under the holding of PEU INL Investment 1 (Pty) Ltd

Shareholder analysis

Largest shareholders as at 31 March 2009

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

Investec plc

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

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

Investec Limited

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

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

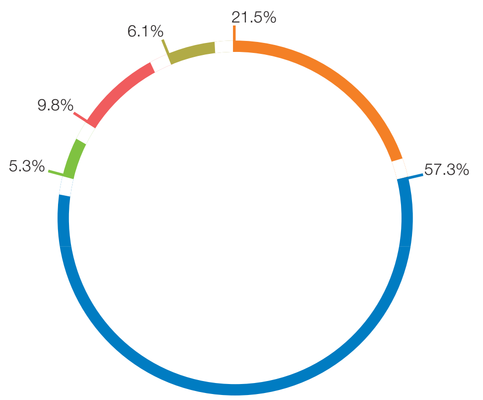
* Managed on behalf of clients

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

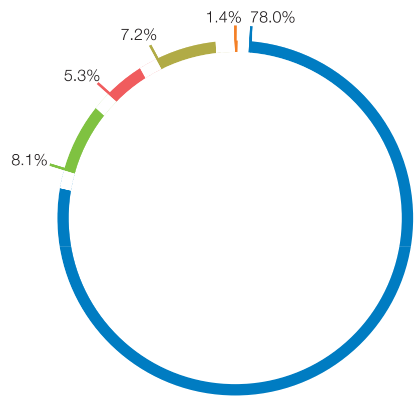
Shareholder analysis

Geographic holding by beneficial owner as at 31 March 2009

Investec plc



Investec Limited



UK
Rest of Europe
South Africa
Other countries
USA and Canada

Share statistics

Investec plc ordinary shares in issue

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

Investec Limited ordinary shares in issue

For the year ended 31 March[1]	2009	2008	2007	2006	2005	2004	2003
Closing market price per share (Rands)[2]							
- year end	38.86	57.43	93.30	62.60	35.60	25.06	15.30
- highest	63.19	104.40	94.60	66.50	38.00	30.20	34.88
- lowest	27.20	50.90	59.06	34.10	21.56	15.50	15.30
Number of ordinary shares in issue (million)[2]	268.3	234.3	227.7	220.0	220.0	220.0	192.0
Market capitalisation (R'million)[5]	27 715	37 766	56 848	37 121	21 111	14 860	8 645
Market capitalisation (£'million)	2 083	2 229	4 009	3 488	1 844	1 292	695
Daily average volume of shares traded ('000)	1 167.8	840.6	619.7	478.0	510.5	495.0	527.0

Notes:

1 Investec plc has been listed on the LSE since 29 July 2002

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

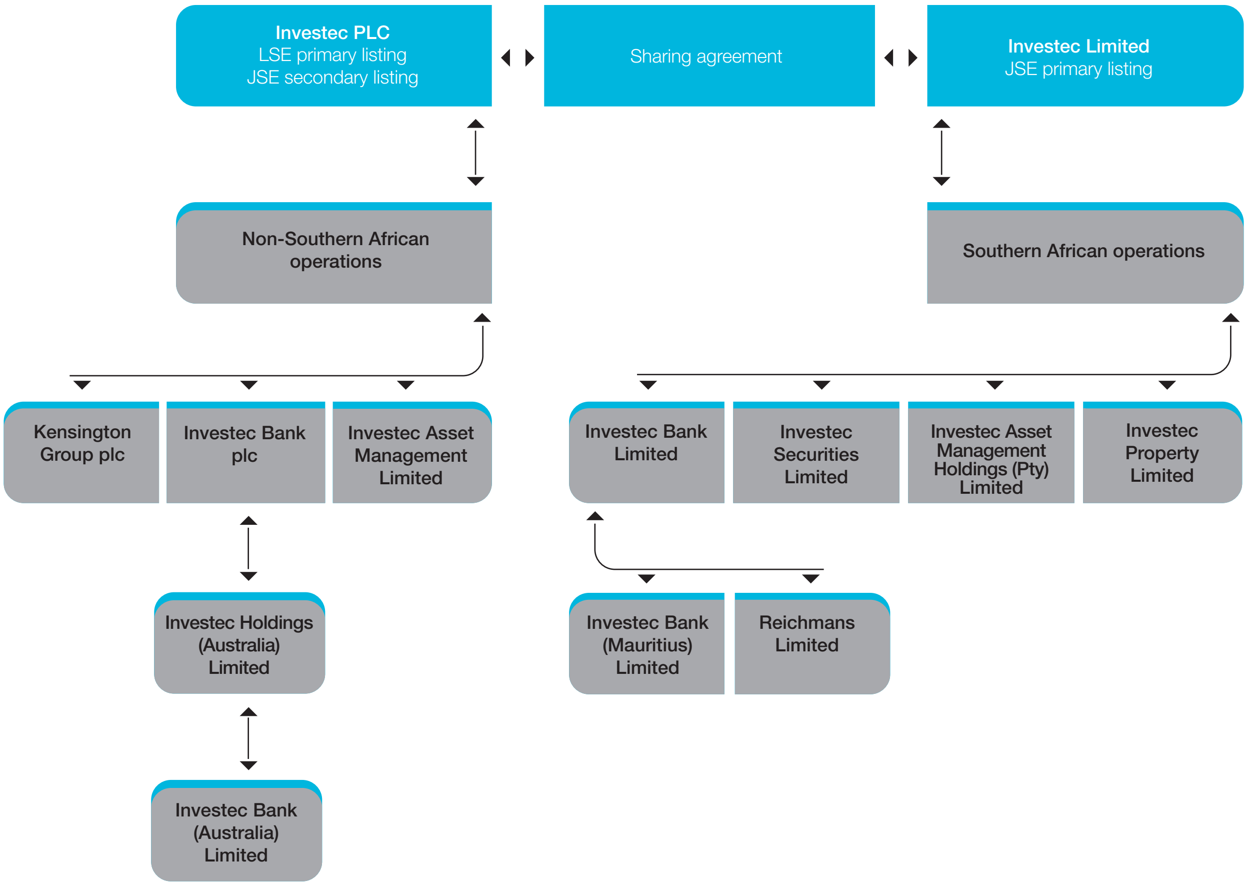
3 The LSE only include the shares in issue for Investec plc i.e. 444.9 million, in calculating market capitalisation, as Investec Limited is not incorporated in the UK

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

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

Operational structure

The diagram below depicts our DLC structure and our main operating subsidiaries.



Note:
All shareholdings in the ordinary share capital of the subsidiaries are 100%, unless otherwise stated.

The directorate of the main operating entities and subsidiaries are indicated on the pages that follow.

Directorate Investec plc and Investec Limited

Executive directors

Name	Age at 31 March 2009	Qualifications	Current directorships	Investec committee membership	Brief biography
Chief Executive Officer Stephen Koseff	57	BCom CA(SA) H Dip BDP MBA	The Bidvest Group Limited, Rensburg Sheppards plc and a number of Investec subsidiaries	Board Risk and Capital Committee and DLC Capital Committee	Stephen joined Investec in 1980. He has had diverse experience within Investec as Chief Accounting Officer and General Manager of Banking, Treasury and Merchant Banking.
Managing Director Bernard Kantor	59	CTA	Phumelela Gaming and Leisure Limited, Rensburg Sheppards plc and a number of Investec subsidiaries	Board Risk and Capital Committee and DLC Capital Committee	Bernard joined Investec in 1980. He has had varied experience within Investec as a Manager of the Trading division, Marketing Manager and Chief Operating Officer.
Group Risk and Finance Director Glynn R Burger	52	BAcc CA(SA) H Dip BDP MBL	Investec Bank Limited and a number of Investec subsidiaries	Board Risk and Capital Committee and DLC Capital Committee	Glynn joined Investec in 1980. His positions within Investec have included Chief Accounting Officer, Group Risk Manager and Joint Managing Director for South Africa.
Alan Tapnack	62	BCom CA(SA)	Investec Bank plc and most of Investec plc's subsidiaries	Board Risk and Capital Committee and DLC Capital Committee	Alan is a former partner of PriceWaterhouse and former Managing Director of Grey Phillips Bunton Mundell and Blake, a leading South African marketing services group. Alan joined Investec in 1991 and has held the positions of Chief Finance Officer and Chief Executive Officer of Investec Bank plc and Chief Executive Officer of Investec's UK operations.

Directorate Investec plc and Investec Limited

Non-executive directors

Name	Age at 31 March 2009	Qualifications	Current directorships	Investec committee membership	Brief biography
Non-executive Chairman Hugh S Herman	68	BA LLB LLD (hc)	Growthpoint Properties Limited, Pick 'n Pay Holdings Limited, Pick 'n Pay Stores Limited and a number of Investec subsidiaries	DLC Nominations and Directors' Affairs Committee	Hugh practised as an attorney before joining Pick 'n Pay, a leading South African retail group, where he became Managing Director.
Sam E Abrahams	70	FCA CA(SA)	Investec Bank Limited, Foschini Limited and Super Group Limited	DLC Audit Committee, Investec plc Audit Committee, Investec Limited Audit Committee, DLC Nominations and Directors' Affairs Committee, Board Risk and Capital Committee and DLC Capital Committee	Sam is a former international partner and South African Managing Partner of Arthur Andersen.
George FO Alford	60	BSc (Econ) FCIS FIPD MSI	Investec Bank plc	DLC Audit Committee, Investec plc Audit Committee, Investec Limited Audit Committee, Remuneration Committee and Board Risk and Capital Committee	George is a former Head of Private Banking and Personnel at Kleinwort Benson Group and was a senior advisor to the UK Financial Services Authority.
Cheryl A Carolus	50	BA (Law) B Ed	De Beers Consolidated Mines Limited, The IQ Business Group (Pty) Limited, Fenner Conveyor Belting South Africa (Pty) Limited, Ponahalo Capital (Pty) Ltd, Investec Asset Management Holdings (Pty) Ltd and Executive Chairperson of Peotona Group Holdings (Pty) Limited	-	Cheryl acted as the South African High Commissioner to London between 1998 to 2001 and was Chief Executive Officer of South African Tourism.
Haruko Fukuda OBE	62	MA (Cantab) DSc	Director of Aberdeen Asian Smaller Companies Investment Trust PLC. She is an adviser to Metro AG and to Binani Industries of India	-	Haruko was previously Chief Executive Officer of the World Gold Council, and senior advisor at Lazard. She is former vice Chairman of Nikko Europe plc and a partner of James Capel & Co and a former director of AB Volvo and of Foreign and Colonial Investment Trust plc.

Directorate Investec plc and Investec Limited

Non-executive directors

Name	Age at 31 March 2009	Qualifications	Current directorships	Investec committee membership	Brief biography
Geoffrey MT Howe	59	MA (Hons)	Jardine Lloyd Thompson Group plc (Chairman) and Nationwide Building Society (Chairman)	DLC Audit Committee, Investec plc Audit Committee, Investec Limited Audit Committee, Remuneration Committee and Board Risk and Capital Committee	Geoffrey is a former Managing Partner of Clifford Chance LLP and was Director and Group General Counsel of Robert Fleming Holdings Ltd. He is also a former Chairman of Railtrack Group plc.
Ian R Kantor	62	BSc (Eng) MBA	Insinger de Beaufort Holdings SA (in which Investec holds a 9.2% interest), Bank Insinger de Beaufort NV where he is Chairman of the management board	-	Former Chief Executive of Investec Limited.
Senior independent director Sir Chips Keswick	69	-	Investec Bank plc, De Beers SA, Arsenal Holdings Plc and Arsenal Football Club Plc	DLC Audit Committee, Investec plc Audit Committee, Investec Limited Audit Committee, Remuneration Committee, DLC Nominations and Directors' Affairs Committee and Board Risk and Capital Committee	Sir Chips is former Chairman of Hambros Bank Limited and Hambros PLC and a former director of Anglo American plc. He was on the Court of the Bank of England.
M Peter Malungani	51	BCom MAP LDP	Super Group Limited (Chairman), Phumelela Gaming and Leisure Limited (Chairman), Investec Bank Limited, Investec Asset Management Holdings (Pty) Limited, Peu Group (Pty) Limited and a number of Peu subsidiaries	Board Risk and Capital Committee	Peter is Chairman and founder of Peu Group (Pty) Limited.
Sir David Prosser	65	BSc (Hons) FIA	Pippbrook Limited, Epsom Downs Racecourse Limited and The Royal Automobile Club Limited	DLC Audit Committee, Investec plc Audit Committee and Investec Limited Audit Committee	Sir David was previously Chief Executive of Legal & General Group PLC, joining Legal & General in 1988 as Group Director (Investments) becoming Deputy Chief Executive in January 1991 and Group Executive in September 1991. Sir David was previously Chairman of the Financial Services Skills Council.

Directorate Investec plc and Investec Limited

Non-executive directors

Name	Age at 31 March 2009	Qualifications	Current directorships	Investec committee membership	Brief biography
Peter RS Thomas	64	CA(SA)	Investec Bank Limited, various Investec companies and JCI Limited	DLC Audit Committee, Investec plc Audit Committee, Investec Limited Audit Committee, Board Risk and Capital Committee and DLC Nominations and Directors' Affairs Committee. Peter is the director responsible for our Sustainability process.	Peter was the former Managing Director of The Unisec Group Limited.
Fani Titi	46	BSc (Hons) MA MBA	Investec Bank Limited (Chairman), AECI Limited and Investec Asset Management Holdings (Pty) Ltd	Board Risk and Capital Committee and DLC Nominations and Directors' Affairs Committee	Fani is Chairman of Investec Bank Limited and was the former Chairman of Tiso Group Limited.

Notes:
- The dates on which the directors were appointed to the boards of Investec plc and Investec Limited can be found on page 64.

Directorate

Investec Bank Limited

A subsidiary of Investec Limited

Fani Titi (46)
BSc (Hons) MA MBA
Non-Executive Chairman

David M Lawrence (58)
BA(Econ) (Hons) MCom
Deputy Chairman

Sam E Abrahams (70)
FCA CA(SA)

Glynn R Burger (52)
BAcc CA(SA) H Dip BDP MBL

Richard MW Dunne (60)*
CA(SA)

Bernard Kantor (59)
CTA

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

M Peter Malungani (51)
BCom MAP LDP

Karl-Bart XT Socikwa (40)
BCom LLB MAP

Bradley Tapnack (62)
BCom CA(SA)

Peter R S Thomas (64)
CA(SA)

C Busi Tshili (45)
CA(SA)

* Appointed with effect from 2 June 2008

Investec Asset Management Holdings (Pty) Limited

A subsidiary of Investec Limited

Hugh S Herman (68)
BA LLB LLD (hc)
Non-Executive Chairman

Hendrik J du Toit (47)
BCom (Law) BCom Hons (cum laude) MCom (cum laude) MPhil (Cambridge)
Chief Executive Officer

Cheryl A Carolus (50)
BA (Law) B Ed

Gail Daniel (41)
BA (Hons) MBA

Domenico Ferrini (40)
BCom

Jeremy B Gardiner (43)**
BCom (Hons)

Noluthando P Gosa (46)
BA (Hons) MBA

John C Green (43)
BCom LLB

Bernard Kantor (59)
CTA

Thabo Khojane (36)
BA (Econ) (Hons) BSc (Eng)

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

M Peter Malungani (51)
BCom MAP LDP

Kim M McFarland (44)
BAcc BCom CA(SA) MBA

John T McNab (42)
BEng MEng CFA

Bradley Tapnack (62)
BCom CA(SA)

Fani Titi (46)
BSc (Hons) MA MBA

** Appointed with effect from 1 April 2008

Directorate

Investec Securities Limited

A subsidiary of Investec Limited

Andrew WJ Leith (49)
BCom CA(SA)
Chairman

Sam E Abrahams (70)
FCA CA(SA)

Reginald S Berkowitz (72)
Natal Law Certificate

Henry E Blumenthal (49)
BCom BAcc CA(SA)

Kevin Brady (42)
BA (Hons)

Joubert D Hay (43)
BCom (Hons) (Acc) CA(SA)

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

Kevin P McKenna (42)
BCom BAcc CA(SA)

JKC Whelan (45)
CA (Irish) H Dip Tax

Investec Property Limited

A subsidiary of Investec Limited

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA
Chairman

Glynn R Burger (52)
BAcc CA(SA) H Dip BDP MBL

Angelique N Du Hecquet de Rauville (34)
BSSc FSA FSB

Dave AJ Donald (58)
BCom CA(SA) H Dip Tax Law

Sam Hackner (53)
BCom (Hons) CA(SA)

Sam R Leon (59)
LLB (London)

Robin Magid (36)
BCom

David M Nurek (59)
Dip Law Dip Advanced Company Law

Ronnie Sevitz (65)

Investec Bank (Mauritius) Limited

A subsidiary of Investec Bank Limited

David M Lawrence (58)
BA(Econ) (Hons) MCom
Chairman

Pierre de Chasteigner du Mee (56)
ACEA FBIM FMAAT

Angelique A Desvaux de Marigny (33)
LLB, Barrister-at-Law
Maitrise en Droit (Université de Paris I-Panthéon - Sorbonne)

Hugh S Herman (68)*
BA LLB LLD (hc)

Craig C McKenzie (48)
BSc MSc CFA

Peter RS Thomas (64)
CA(SA)

David M van der Walt (44)**
BCom (Hons) CA(SA)

* Resigned on 17 July 2008
** Resigned on 13 February 2009

Investec Bank plc

A subsidiary of Investec plc

Hugh S Herman (68)
BA LLB LLD (hc)
Non-Executive Chairman

Bradley Fried (43)
BCom CA(SA) MBA
Chief Executive Officer

George F O Alford (60)
BSc (Econ) FCIS FIPD MSI

Bernard Kantor (59)
CTA

Ian R Kantor (62)
BSc (Eng) MBA

Sir Chips Keswick (69)

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

Alan Tapnack (62)
BCom CA(SA)

David M van der Walt (44)
BCom (Hons) CA(SA)

Ian R Wohlman (54)
ACIB

Directorate

Investec Asset Management Limited

A subsidiary of Investec plc

Hugh S Herman (68)
BA LLB LLD (hc)
Non-Executive Chairman

Hendrik J du Toit (47)
BCom (Law) BCom Hons (cum laude)
M Com (cum laude) MPhil (Cambridge)
Chief Executive Officer

David J Aird (42)
BA (Hons)

Domenico Ferrini (40)
BCom

Howard E Flight (60)
MA MBA

Luc JJJ van Hoof (56)

Bernard Kantor (59)
CTA

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

Kim M McFarland (44)
BAcc BCom CA(SA) MBA

Mark I Samuelson (44)
BCom CFA

Philip GS Saunders (51)
MA (Hons)

Bradley Tapnack (62)
BCom CA(SA)

Investec Bank (Australia) Limited

A subsidiary of Investec Bank plc

David M Gonski (55)
BCom LLB
Non-Executive Chairman

Geoffrey Levy AO (50)
BCom LLB FFIN
Non-Executive Deputy Chairman

Brian M Schwartz (56)*
FCA
Chief Executive Officer

Alan H Chonowitz (54)
BAcc MCom CA

Stephen Koseff (57)
BCom CA(SA) H Dip BDP MBA

Richard A Longes (63)
BA LLB MBA

Robert C Mansfield AO (57)
BCom FCPA

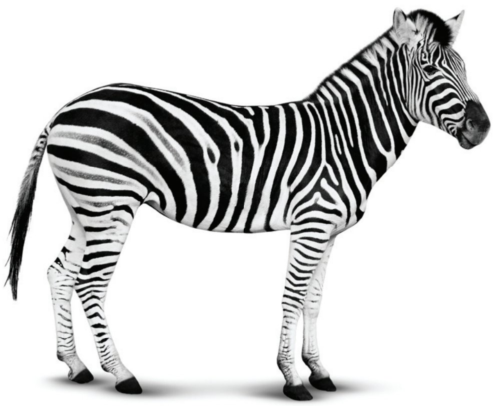
John W Murphy (56)
BCom MCom ACA FCPA

Kathryn Spargo (57)
BA LLB (Hons) FAICD

Bradley Tapnack (62)
BCom CA(SA)

Peter RS Thomas (64)
CA(SA)

* Resigned with effect from 31 March 2009. David Clarke was appointed as Chief Executive Officer with effect from 1 June 2009.



Financial statements 7

Summarised Directors' Report

Extended business review

We are an international, specialist banking group 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 markets. We are organised into five principal business divisions: Private Client Activities, Capital Markets, Investment Banking, Asset Management and Property Activities. In addition, our head office provides certain group-wide integrating functions such as Risk Management, Information Technology, Finance, Investor Relations, Marketing, Human Resources and Organisational Development. It is also responsible for our central funding as well as other activities, such as trade finance.

The Operating Financial Review on pages 9 to 28 provides an overview of our strategic position, performance during the financial year and outlook for the business. It should be read in conjunction with the sections on pages 31 to 106 which elaborate on the aspects highlighted in this review.

The Directors' Report deals with the requirements of the combined consolidated Investec group, comprising the legal entities Investec plc and Investec Limited.

Authorised and issued share capital

Investec plc and Investec Limited

Details of the share capital are set out in note 38 to the Investec group's 2009 annual financial statements.

Investec plc

During the year the following shares were issued:
- 854 869 ordinary shares on 23 May 2008 at 256 pence per share.
- 1 109 184 special converting shares on 23 May 2008 at par.
- 9 300 000 special converting shares on 27 June 2008 at par.
- 17 869 970 special converting shares on 1 August 2008 at par.
- 1 147 258 special converting shares on 21 November 2008 at par.
- 762 870 ordinary shares on 21 November 2008 at 206 pence per share.
- 4 422 478 special converting shares on 20 March 2009 at par.
- 175 053 special converting shares on 31 March 2009 at par.
- 10 000 000 ordinary shares on 31 March 2009 at 279 pence per share.
- 10 000 000 ordinary shares on 31 March 2009 at 268 pence per share.

Investec Limited

During the year the following shares were issued:
- Allotment and issue on 23 May 2008 of 1 109 184 ordinary shares of R0.0002 each at a premium of R35.3398 per share (total issue price of R35.34 per share).
- Allotment and issue on 23 May 2008 of 854 869 special convertible redeemable preference shares of R0.0002 each.
- Conversion of 880 000 Series 1 debentures to 4 400 000 ordinary shares of R0.0002 each issued at a premium of R34.9998 per share (total issue price of R35.00) per share.
- Conversion of 980 000 Series 2 debentures to 4 900 000 ordinary shares of R0.0002 each issued at a premium of R45.9998 per share (total issue price of R46.00) per share.
- Allotment on 31 July 2008 and issue on 1 August 2008 of 17 869 970 ordinary shares of R0.0002 plus a premium of R15.7998 per share (total issue price of R15.80 per share).
- Allotment and issue on 21 November 2008 of 1 147 258 ordinary shares of R0.0002 each at a premium of R28.5698 per share (total issue price of R28.57 per share).
- Allotment and issue on 21 November 2008 of 762 870 special convertible redeemable preference shares of R0.0002 each.
- Allotment and issue on 20 March 2009 of 4 422 478 ordinary shares of R0.0002 each at a premium of R39.9998 (total issue price of R40.00 per share).
- Allotment and issue on 30 March 2009 of 175 053 ordinary shares of R0.0002 each at a premium of R38.9998 (total issue price of R39.00 per share).
- Allotment and issue on 31 March 2009 of 20 000 000 special convertible redeemable preference shares of R0.0002 each.

Financial results

The combined results of Investec plc and Investec Limited are set out in the financial statements and accompanying notes for the year ended 31 March 2009.

Summarised Directors' Report

Ordinary dividends

Investec plc

An interim dividend was declared to shareholders as follows:
- 8.0 pence per ordinary share to non-South African resident shareholders (2008: 11.5 pence) registered on 12 December 2008.
- to South African resident shareholders registered on 12 December 2008, a dividend paid by Investec Limited on the SA DAS share, equivalent to 128.0 cents per ordinary share and 8.0 pence per ordinary share paid by Investec plc.

The dividends were paid on 12 December 2008.

The directors have proposed a final dividend to shareholders registered on 31 July 2009, which is subject to the approval of the members of Investec plc at the Annual General Meeting which is scheduled to take place on 13 August 2009 and, if approved, will be paid on 18 August 2009 as follows:
- 5.0 pence per ordinary share to non-South African resident shareholders (2008: 13.5 pence) registered on 31 July 2009.
- to South African resident shareholders registered on 31 July 2009, a dividend paid by Investec Limited on the SA DAS share, equivalent to 66.0 cents per ordinary share and 5.0 pence per ordinary share paid by Investec plc.

Shareholders in Investec plc will receive a distribution of 5.0 pence (2008: 13.5 pence) per ordinary share.

Investec Limited

An interim dividend of 128.0 cents per ordinary share (2008: 159.5 cents) was declared to shareholders registered on 12 December 2008 and was paid on 19 December 2008.

The directors have proposed a final dividend of 66.0 cents per ordinary share (2008: 202.0 cents) to shareholders registered on 31 July 2009 to be paid on 18 August 2009. The final dividend is subject to the approval of members of Investec Limited at the Annual General Meeting scheduled for 13 August 2009.

Preference dividends

Investec plc

Perpetual preference shares

Preference dividend number 5 for the period 1 April 2008 to 30 September 2008, amounting to 30.14 pence per share, was declared to members holding preference shares registered on 28 November 2008 and was paid on 9 December 2008.

Preference dividend number 6 for the period 1 October 2008 to 31 March 2009, amounting to 16.03 pence per share was declared to members holding preference shares registered on 19 June 2009 and will be paid on 2 July 2009.

Preferred securities

The fourth annual distribution, fixed at 7.075 per cent, on the €200 million fixed/floating rate, guaranteed, non-voting, non-cumulative perpetual preferred callable securities issued by Investec Tier 1 (UK) LP on 24 June 2005, is due on 24 June 2009 and will be paid on 24 June 2009.

Investec Limited

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

Preference dividend number 8 for the period 1 April 2008 to 30 September 2008 amounting to 536.03 cents per share was declared to members holding preference shares registered on 28 November 2008 and was paid on 9 December 2008.

Preference dividend number 9 for the period 1 October 2008 to 31 March 2009 amounting to 518.77 cents per share was declared to members holding preference shares registered on 19 June 2009 and will be paid on 2 July 2009.

Redeemable cumulative preference shares

Dividends amounting to R42 071 233 were paid on the redeemable cumulative preference shares.

Summarised Directors' Report

Directors and secretaries

Details of directors and secretaries of Investec plc and Investec Limited are reflected on pages 100 to 103 and at the beginning of this report.

In accordance with the Articles of Association, SE Abrahams, HS Herman, IR Kantor, S Koseff, Sir David Prosser and PRS Thomas, retire by rotation at the forthcoming Annual General Meeting but, being eligible, offer themselves for re-election.

Directors and their interests

Directors' shareholdings and options to acquire shares are set out on pages 82 to 86. The register of directors' interests contains full details of directors' shareholdings and options to acquire shares.

Share incentive trusts

Details regarding options granted during the year are set out on pages 131 and 132.

Audit Committee

The Audit Committee comprising non-executive directors meets regularly with senior management, the external auditors, Operational Risk, Internal Audit, Group Compliance and the Finance division, to consider the nature and scope of the audit reviews and the effectiveness of our risk and control systems. Further details on the role and responsibility of the Audit Committee can be found in the Investec group's 2009 Annual Report.

Auditors

Ernst & Young LLP and Ernst & Young Inc. have indicated their willingness to continue in office as auditors of Investec plc and Investec Limited respectively. A resolution to reappoint them as auditors will be proposed at the next Annual General Meeting scheduled to take place on 13 August 2009.

Contracts

Refer to page 73 for details of contracts with directors.

Subsidiary and associated companies

Details of principal subsidiary and associated companies can be found in the Investec group's 2009 Annual Report.

Major shareholders

The largest shareholders of Investec plc and Investec Limited are reflected on page 97.

Special resolutions

Investec plc

At the Annual General Meeting held on 7 August 2008, special resolutions were passed in terms of which:

- A renewable authority was granted to Investec plc to acquire its own shares in terms of Section 166 of the Companies Act, 1985.
- Authority to increase the number of authorised special converting shares of £0.0002 each in the authorised share capital of Investec plc to 300 000 000.
- Amendments to the Articles of Association to reflect provisions of the Companies Act 2006 that are already in force since 1 October 2008.

Summarised Directors' Report

Investec Limited

At the Annual General Meeting held on 7 August 2008, the following special resolutions were passed in terms of which:

- A renewable authority was granted to Investec Limited and its subsidiaries to acquire its own ordinary and non-redeemable, non-cumulative, non-participating preference shares in terms of Section 85 and 89 of the South African Companies Act No 61 of 1973.
- The authorised ordinary share capital has increased to 300 000 000 (three hundred million) by the creation of 22 500 000 (twenty two million five hundred thousand) new ordinary shares of R0.0002 each.
- An amendment was made to the Memorandum of Association by updating the authorised share capital of Investec Limited.
- An amendment was made to the Articles of Association by inserting a new Article 72A to allow for Multiple Proxies.
- An amendment was made to the Articles of Association by inserting a new Article 57.2(a) - Demand for a poll.
- An amendment was made to the Articles of Association by inserting a new Article 75 - Corporate Representation.
- An amendment was made to the Articles of Association by inserting a new Article 72 - Timing for the deposit of form of proxy.
- Replacement of the old Articles of Association of Investec Limited by adopting the new Articles of Association.

Accounting policies and disclosure

Accounting policies are set having regard to commercial practice and comply with applicable United Kingdom and South African law and International Financial Reporting Standards. The accounting policies adopted in this abridged report are consistent with Investec group's 2009 Annual Report.

Creditor payment policy

The group's standard practice is to agree the terms of payment with suppliers at the time of contract and make payments within the agreed credit terms, subject to satisfactory performance.

Employees

Our policy is to recruit and promote on the basis of aptitude and ability, without discrimination of any kind. Applications for employment by disabled people are always considered bearing in mind the qualifications and abilities of the applicants. In the event of employees becoming disabled, every effort is made to ensure their continued employment. Our policy is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of our operations, and motivating staff involvement in our performance by means of employee share schemes.

Donations

During the year, Investec plc made donations for charitable purposes, totalling £ 1.4 million and Investec Limited made donations for charitable purposes, totalling £2.2 million.

Environment

We are committed to pursuing sound environmental policies in all aspects of our business and seek to encourage and promote good environmental practice among our employees and within the community in which we operate. Further information on our sustainability practices can be found on pages 89 to 92 and on our website.

Additional information for shareholders

Schedule A to the Directors' Report is a summary of certain provisions of Investec plc's current Articles of Association and applicable English law concerning companies (the Companies Act 1985 and the Companies Act 2006).

David Miller
Company Secretary
Investec plc

Benita Coetsee
Company Secretary
Investec Limited

15 June 2009

Directors' Responsibility Statement

The following statement, which should be read in conjunction with the Auditors' Report set out on page 119, is made with a view to distinguishing for stakeholders the respective responsibilities of the directors and of the auditors in relation to the combined consolidated financial statements.

The directors are responsible for the preparation, integrity and objectivity of the combined consolidated financial statements that fairly present the state of affairs of the company and the group at the end of the financial year and the net income and cash flows for the year, and other information contained in this report.

To enable the directors to meet these responsibilities:

- The board and management set standards and management implements systems of internal controls and accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of fraud, error or loss is reduced in a cost effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The group's Internal Audit function, which operates unimpeded and independently from operational management, and has unrestricted access to the group Audit Committee, appraises and, when necessary, recommends improvements in the system of internal controls and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The group Audit Committee, together with the Internal Audit department, plays an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of our knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the system of internal control and procedures has occurred during the year under review.

The group consistently adopts appropriate and recognised accounting policies and these are supported by reasonable judgements and estimates on a consistent basis and provides additional disclosures when compliance with the specific requirements in International Financial Reporting Standards (IFRS) are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.

The financial statements of the company and the group have been prepared in accordance with the respective Companies Acts of the United Kingdom and South Africa, comply with IFRS and Article 4 of the IAS regulation.

The directors are of the opinion, based on their knowledge of the company, key processes in operation and specific enquiries that adequate resources exist to support the company on a going concern basis over the next year. These financial statements have been prepared on that basis.

It is the responsibility of the independent auditors to report on the combined consolidated financial statements. Their report to the members of the company and group is set out on page 119 of this report. As far as the directors are aware, there is no relevant audit information of which the companies' auditors are unaware. All steps which ought to have been taken as directors have been completed in order to be aware of the relevant audit information and to establish that the companies' auditors are aware of that information.

Approval of financial statements

The directors' report and the financial statements of the company and the group, which appear on pages 110 to 112 and pages 120 to 134, were approved by the board of directors on 15 June 2009.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the companies' website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the board

Stephen Koseff
Chief Executive Officer

Bernard Kantor
Managing Director

15 June 2009

Schedule A to the Directors' Report

Additional information for shareholders

Set out below is a summary of certain provisions of Investec plc's current Articles of Association (the "Articles") and applicable English law concerning companies (the Companies Act 1985 and the Companies Act 2006, together the "Companies Acts"). This is a summary only and the relevant provisions of the Articles or the Companies Acts should be consulted if further information is required. Certain amendments will be proposed to the Articles at the Annual General Meeting to be held on 13 August 2009.

Share capital

The share capital of Investec plc at 12 June 2009 consists of 560 000 000 plc ordinary shares of £0.0002 each, 1 000 000 plc preference shares of €0.01 each, 100 000 000 non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, 300 000 000 plc special converting shares of £0.0002 each, the special voting share of £0.001, the UK DAN share of £0.001 and the UK DAS share of £0.001 (each class as defined in the Articles).

Purchase of own shares

Subject to the provisions of the Articles, the Companies Act 1985, the Uncertificated Securities Regulations 2001 and every other statute for the time being in force concerning companies and affecting Investec plc, the approval of shareholders as provided in the Investec plc's articles, and without prejudice to any relevant special rights attached to any class of shares, Investec plc may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class, including without limitation any redeemable shares, in any way and at any price (whether at par or above or below par).

Dividends and distributions

Subject to the provisions of the Companies Acts, Investec plc may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the board. The board may pay interim dividends whenever the financial position of Investec plc, in the opinion of the board, justifies such payment.

The board may withhold payment of all or any part of any dividends or other monies payable in respect of Investec plc's shares from a person with a 0.25 per cent. or more interest in nominal value of the issued shares if such a person has been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the Companies Acts.

Voting rights

Subject to any special rights or restrictions attaching to any class of shares, at a general meeting, every member present in person has, upon a show of hands, one vote and on a poll every member who is present in person or by proxy has one vote for each share. In the case of joint holders of a share the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share. Under the Companies Acts members are entitled to appoint a proxy, who need not be a member of Investec plc, to exercise all or any of their rights to attend and vote on their behalf at a general meeting or class meeting. A member may appoint more than one proxy in relation to a general meeting or class meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member that is a corporation may appoint an individual to act on its behalf at a general meeting or class meetings as a corporate representative. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of Investec plc.

Restrictions on voting

No member shall be entitled to vote either in person or by proxy at any general meeting or class meeting in respect of any shares held by him if any call or other sum then payable by him in respect of that share remains unpaid. In addition no member shall be entitled to vote if he has been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the Companies Acts.

Deadlines for exercising voting rights

Votes are exercisable at a general meeting of Investec plc in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representatives. The Articles provide a deadline for submission of proxy forms of not than less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

Schedule A to the Directors' Report

Variation of rights

Subject to the Companies Acts, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting the quorum shall be two persons or, if there is only one holder, that holder at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares). The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them.

Where, under the company's share incentive plan, participants are the beneficial owners of the shares, but not the registered owners, the participants are not entitled to exercise any voting rights until the shares are released to the participants. Under the company's employee trust, the trustee does not vote in respect of unallocated shares.

Transfer of shares

All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. Transfers of shares which are in uncertificated form are effected by means of the CREST system.
The directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares) provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly. If the directors refuse to register an allotment or transfer they shall within two months after the date on which the letter of allotment or transfer was lodged with Investec plc send to the allottee or transferee a notice of the refusal.

The directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and when submitted for registration is accompanied by the relevant share certificates and such other evidence as the directors may reasonably require.

Subject to the Companies Acts and regulations and applicable CREST rules, the directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of the CREST system or that shares of any class should cease to be so held and transferred.

A number of the company's employee share plans include restrictions on transfer of shares while the shares are subject to the plans, in particular, the share incentive plan.

plc preference shares

The following are the rights and privileges which attach to the plc preference shares:

- To receive a non-cumulative preferential dividend out of the profits of Investec plc in priority to the plc ordinary shares but pari passu with the perpetual preference shares, on such dates in respect of such periods and on such other terms and conditions as may be determined by the directors prior to the allotment thereof;
- The plc preference shares will rank as regards participation in profits pari passu inter se and with the most senior ranking preference shares of Investec plc in issue (if any) from time to time and with the perpetual preference shares;
- On a return of capital, whether or not on a winding up (but not on a redemption or purchase of any shares by Investec plc) or otherwise, the plc preference shares will rank, pari passu inter se and with the most senior ranking preference shares of Investec plc in issue (if any) from time to time and with any other shares of Investec plc that are expressed to rank pari passu therewith as regards participation in the capital, and otherwise in priority to any other class of shares of Investec plc;
- Investec plc may, at its option, redeem all or any of the plc preference shares for the time being issued and outstanding on the first call date or any dividend payment date thereafter; and
- Holders of plc preference shares will not be entitled to attend and vote at general meetings of Investec plc. Holders will be entitled to attend and vote at a class meeting of holders of plc preference shares.

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

The following are the rights and privileges which attach to the perpetual preference shares:

- Each perpetual preference shares will rank as regards dividends and a repayment of capital on the winding-up of Investec plc prior to the ordinary shares, the plc special converting shares, the UK DAN share, the UK DAS share, but pari passu with the plc preference shares. The perpetual preference shares shall confer on the holders, on a per perpetual preference shares and equal basis, the right on a return of capital on the winding-up of Investec plc of an amount equal to the aggregate of the nominal value and premiums in respect of perpetual preference shares issued divided by the number of perpetual preference shares in issue;
- Each perpetual preference share may confer upon the holder thereof the right to receive out of the profits of Investec plc which it shall determine to distribute, in priority to the ordinary shares, the plc special converting shares, the UK DAN share and the UK DAS share, but pari passu with the plc preference shares, the preference dividend calculated in accordance with the Articles;
- The holders of the perpetual preference shares shall be entitled to receive notice of and be present but not to vote, either in person or by proxy, at any meeting of Investec plc, by virtue of or in respect of the perpetual preference shares, unless either or both of the following circumstances prevail as at the date of the meeting:
  (i) The preference dividend or any part thereof remains in arrear and unpaid as determined in accordance with Article 150.2(e)(ii) after six months from the due date thereof; and
  (ii) A resolution of Investec plc is proposed which resolution directly affects the rights attached to the perpetual preference shares or the interests of the holders thereof, or a resolution of Investec plc is proposed to wind up or in relation to the winding-up of Investec plc or for the reduction of its capital, in which event the preference shareholders shall be entitled to vote only on such resolution

Shares required for the DLC structure

Investec SSC (UK) Limited ("Investec Limited"), a UK trust company, specially formed for the purpose of DLC structure, holds the plc special voting share, the plc special converting shares, the UK DAN share and the UK DAS share. These shares can only be transferred to another UK trust company, in limited circumstances.

The plc special voting shares are specially created shares so that shareholders of both Investec plc and Investec Limited effectively vote together as a single decision-making body on matters affecting shareholders of both companies in similar ways, as set out in the Articles.

Prior to a change of control, approval of termination of the sharing agreement (which regulates the DLC), liquidation or insolvency of Investec plc, the plc special converting shares have no voting rights except in relation to a resolution proposing the (i) variation of the rights attaching to the shares or (ii) winding-up, and they have no rights to dividends. The special converting shares are held on trust for the investec limited ordinary shareholders.

Investec plc and Investec Limited have established dividend access trust arrangements as part of the DLC. Investec plc has issued two dividend access shares, the UK DAS share and UK DAN share which enables Investec plc to pay dividends to the shareholders of Investec Limited. This facility may be used by the board to address imbalances in the distributable reserves of Investec plc and Investec Limited and/or to address the effects of South African exchange controls and/or if they otherwise consider it necessary or desirable.

Appointment and replacement of directors

Directors shall be no less than four and no more than 20 in number. A director is not required to hold any shares of Investec plc by way of qualification. Investec plc may by special resolution increase or reduce the maximum or minimum number of directors.

At each Annual General Meeting held in each year (other than 2002) any director who was elected or last re-elected or, if later, deemed in terms of the Articles to have been elected or re-elected a director at or before the Annual General Meeting held in the third calendar year before the current year shall retire by rotation. Any further directors, other than those retiring under any other provision in Investec plc's Articles shall retire by rotation to bring the number retiring by rotation up to one-third of the number of directors in office at the date of the notice of meeting.

Investec plc may by ordinary resolution in accordance with the relevant provisions of the Articles appoint any person to be a director (so long as the total number of directors does not exceed the limit prescribed in the Articles). Any such director shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

Schedule A to the Directors' Report

Powers of directors

Subject to the Articles, the Companies Acts, the CREST regulations and every other statute for the time being in force concerning companies and affecting Investec plc, and any directions given by ordinary or special resolution, the business of Investec plc will be managed by the board who may exercise all the powers of Investec plc.

The board may exercise all the powers of Investec plc to borrow money and to mortgage or charge any of its undertaking, property, assets and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of Investec plc or of any third party.

Significant agreements: change of control

The articles of association of both Investec plc and Investec Limited ensure that a person cannot make an offer for one company without having made an equivalent offer to the shareholders of both companies on equivalent terms.

Pursuant to the terms of the agreements establishing the DLC structure, if either Investec plc or Investec Limited serves written notice on the other at any time after either party becomes a subsidiary of the other party or after both Investec plc and Investec Limited become subsidiaries of a third party the agreements establishing the DLC structure will terminate.

All of Investec plc's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control and, where applicable, subject to the satisfaction of any performance conditions at that time.

Independent Auditor's Statement to the members of Investec plc

We have examined the group's summary financial statements for the year ended 31 March 2009 on pages 120 to 122 and 124 to 134, which comprise the combined consolidated income statement, combined consolidated balance sheet, combined consolidated cash flow statement, combined consolidated statement of total recognised income and expenses and selected summarised notes.

This report is made solely to the company's members, as a body, in accordance with Section 251 of the Companies Act 1985. To the fullest extent required by the law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the summarised Annual Report in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the summarised Annual Report with the full annual financial statements, the Directors' Report and Directors' Remuneration Report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

We also read the other information contained in the summarised Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our examination in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our audit opinion on those financial statements and the Directors' Remuneration Report.

Opinion

In our opinion the summary financial statements are consistent with the full annual financial statements, the Directors' Report and Directors' Remuneration Report, of Investec plc for the year ended 31 March 2009 and complies with the applicable requirements of Section 251 of the Companies Act 1985, and regulations made thereunder. We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements 15 June 2009 and the date of this statement.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

15 June 2009

Combined consolidated income statement

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

Combined consolidated balance sheet

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

Combined consolidated statement of total recognised income and expenses

For the year to 31 March £'000	2009	2008
Profit after taxation	286 667	420 512
Total gains and losses recognised directly in equity	185 415	(110 879)
Fair value movements on available for sale assets	(4 223)	(38 907)
Fair value movements on cash flow hedges	(16 293)	-
Foreign currency movements	215 653	(79 591)
Pension fund actuarial (losses)/gains	(9 722)	7 619
Total recognised income and expenses	472 082	309 633
Total recognised income and expenses attributable to minority shareholders	21 285	17 365
Total recognised income and expenses attributable to ordinary shareholders	376 020	270 327
Total recognised income and expenses attributable to perpetual preferred securities	74 777	21 941
	472 082	309 633

Combined consolidated cash flow statement

For the year to 31 March £'000	2009	2008
Operating profit adjusted for non cash items	726 573	708 295
Taxation paid	(95 195)	(97 845)
Decrease/(increase) in operating assets	46 724	(655 805)
(Decrease)/increase in operating liabilities	(323 255)	1 080 433
Net cash inflow from operating activities	354 847	1 035 078
Cash flow on acquisition of group operations	-	(32 419)
Cash flow on disposal of group operations	721	-
Cash flow on net acquisition of associates	(3 713)	(1 563)
Cash flow on acquisition and disposal of property, equipment and intangible assets	(60 678)	(31 660)
Net cash outflow from investing activities	(63 670)	(65 642)
Dividends paid to ordinary shareholders	(143 995)	(145 926)
Dividends paid to other equity holders	(47 503)	(45 702)
Proceeds on issue of shares, net of related costs	91 764	-
Proceeds on (acquisition)/issue of treasury shares, net of related costs	(58 164)	8 630
Proceeds on issue of other equity instruments*	3 486	6 777
Proceeds from subordinated debt raised	26 737	209 871
Reduction in subordinated debt	(57 306)	(88 543)
Net cash outflow from financing activities	(184 981)	(54 893)
Effects of exchange rates on cash and cash equivalents	226 277	(97 791)
Net increase in cash and cash equivalents	332 473	816 752
Cash and cash equivalents at the beginning of the year	1 951 876	1 135 124
Cash and cash equivalents at the end of the year	2 284 349	1 951 876
Cash and cash equivalents is defined as including:		
Cash and balances at central banks	1 105 089	788 472
On demand loans and advances to banks	783 087	659 022
Cash equivalent advances to customers	396 173	504 382
Cash and cash equivalents at the end of the year	2 284 349	1 951 876

* Includes equity instruments issued by subsidiaries

Note:
Cash and cash equivalents have a maturity profile of less than three months.

Accounting policies

Basis of preparation

The group financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU") which comply with the IFRSs as issued by the International Accounting Standards Board. At 31 March 2009, IFRS standards as endorsed by the EU are identical to current IFRSs applicable to the group.

These abridged condensed consolidated financial statements have been prepared in terms of the presentation and disclosure requirements of IAS34, Interim Financial Reporting.

The group financial statements have been prepared on a historical cost basis, except for investment properties, available for sale investments, derivative financial instruments and financial assets and financial liabilities held at fair value through profit or loss, and pension fund surpluses and deficits that have been measured at fair value.

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

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

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

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

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

Reclassifications

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

Basis of consolidation

Investec consists of two separate legal entities, being Investec plc and Investec Limited, that operate under a dual listed companies ("DLC") structure. The effect of the DLC structure is that Investec plc and its subsidiaries and Investec Limited and its subsidiaries operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS.

All subsidiaries and special purpose vehicles in which the group holds more than one half of the voting rights or over which it has the ability to control (either directly or in substance) are consolidated from the effective dates of acquisition (that is from when control exists) and up to the effective dates of loss of control, except entities which are classified as non-current assets held for sale. Subsidiaries classified as non-current assets held for sale are consolidated as discontinued operations.

Entities, other than subsidiary undertakings, in which the group exercises significant influence over operating and financial policies, are treated as associates. In the group accounts, associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases, except as noted below.

The combined consolidated financial statements include the attributable share of the results and reserves of associated undertakings. The group's interests in associated undertakings are included in the consolidated balance sheet at the group's share of net assets of the associate plus goodwill arising on acquisition, less any impairment recognised.

In circumstances where associates or joint venture holdings arise in which the group has no strategic intention, these investments are classified as "venture capital" holdings and are designated as held at fair value through profit and loss.

All intergroup balances, transactions and unrealised gains and losses within the group are eliminated to the extent that they do not reflect an impairment to the asset.

Audit Conclusion

These abridged financial statements have been extracted from the audited financial statements on which Ernst & Young Inc have issued an unmodified audit report. The auditors report on the abridged financial statements is available for inspection at the companies registered office.

£'000	Called up share capital	Perpetual preference share capital	Share premium account	Treasury shares	Equity portion of convertible instruments
Reconcilation of equity					
At 1 April 2007	169	151	1 421 881	(109 279)	2 191
Movement in reserves 1 April 2007 - 31 March 2008					
Foreign currency adjustments	-	-	(19 838)	-	-
Profit for the year	-	-	-	-	-
Pension fund actuarial gains	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Profit on realisation of available for sale assets recycled through income	-	-	-	-	-
Total recognised gains and losses for the year	-	-	(19 838)	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Dividends paid to minorities	-	-	-	-	-
Issue of ordinary shares	8	-	230 656	-	-
Issue of equity by subsidiaries	-	-	-	-	-
Minorities arising on acquisition of subsidiaries	-	-	-	-	-
Share issue expenses	-	-	(65)	-	-
Movement of treasury shares	-	-	-	(5 625)	-
Transfer to capital reserves	-	-	-	-	-
Transfer to regulatory general risk reserve	-	-	-	-	-
At 31 March 2008	177	151	1 632 634	(114 904)	2 191
Movement in reserves 1 April 2008 - 31 March 2009					
Foreign currency adjustments	-	-	27 274	-	-
Profit for the year	-	-	-	-	-
Pension fund actuarial losses	-	-	-	-	-
Fair value movements on cash flow hedges	-	-	-	-	-
Fair value movements on available for sale assets	-	-	-	-	-
Losses on realisation and impairment of available for sale assets recycled through income	-	-	-	-	-
Total recognised gains and losses for the year	-	-	27 274	-	-
Share based payments adjustments	-	-	-	-	-
Dividends paid to ordinary shareholders	-	-	-	-	-
Dividends paid to perpetual preference shareholders	-	-	-	-	-
Issue of ordinary shares	13	-	91 751	-	-
Conversion of convertible instruments	-	-	17 381	-	(2 191)
Issue of equity by subsidiaries	-	-	-	-	-
Movement of treasury shares	-	-	-	(58 164)	-
Transfer to capital reserves	-	-	-	-	-
Transfer from regulatory general risk reserve	-	-	-	-	-
At 31 March 2009	190	151	1 769 040	(173 068)	-

	Other reserves							
Capital reserve account	Available for sale reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserve	Profit and loss account	Share-holders' equity excluding minority interests	Minority interests	Total
12 542	30 642	71 940	-	(74 579)	186 827	1 542 485	277 931	1 820 416
-	-	-	-	(48 164)	-	(68 002)	(11 589)	(79 591)
-	-	-	-	-	391 558	391 558	28 954	420 512
-	-	-	-	-	7 619	7 619	-	7 619
-	(66 306)	-	-	-	-	(66 306)	-	(66 306)
-	27 399	-	-	-	-	27 399	-	27 399
-	(38 907)	-	-	(48 164)	399 177	292 268	17 365	309 633
-	-	-	-	-	39 182	39 182	-	39 182
-	-	-	-	-	(145 926)	(145 926)	-	(145 926)
-	-	-	-	-	(41 779)	(41 779)	-	(41 779)
-	-	-	-	-	-	-	(3 923)	(3 923)
-	-	-	-	-	-	230 664	-	230 664
-	-	-	-	-	-	-	6 777	6 777
-	-	-	-	-	-	-	665	665
-	-	-	-	-	-	(65)	-	(65)
-	-	-	-	-	-	(5 625)	-	(5 625)
(5 609)	-	-	-	-	5 609	-	-	-
-	-	10 078	-	-	(10 078)	-	-	-
6 933	(8 265)	82 018	-	(122 743)	433 012	1 911 204	298 815	2 210 019
-	-	459	-	158 664	2 616	189 013	26 640	215 653
-	-	-	-	-	292 022	292 022	(5 355)	286 667
-	-	-	-	-	(9 722)	(9 722)	-	(9 722)
-	-	-	(16 293)	-	-	(16 293)	-	(16 293)
-	(6 753)	-	-	-	-	(6 753)	-	(6 753)
-	2 530	-	-	-	-	2 530	-	2 530
-	(4 223)	459	(16 293)	158 664	284 916	450 797	21 285	472 082
-	-	-	-	-	92 848	92 848	-	92 848
-	-	-	-	-	(143 995)	(143 995)	-	(143 995)
-	-	-	-	-	(47 503)	(47 503)	-	(47 503)
-	-	-	-	-	-	91 764	-	91 764
-	-	-	-	-	(15 190)	-	-	-
-	-	-	-	-	-	-	3 486	3 486
-	-	-	-	-	-	(58 164)	-	(58 164)
4 949	-	-	-	-	(4 949)	-	-	-
-	-	(58 990)	-	-	58 990	-	-	-
11 882	(12 488)	23 487	(16 293)	35 921	658 129	2 296 951	323 586	2 620 537

Notes to the financial statements

For the year to 31 March £'000	Private Client Activities	Capital Markets	Investment Banking	Asset Manage-ment	Property Activities	Group Services and Other Activities	Total group
Combined consolidated segmental analysis							
Business analysis 2009							
Net interest income	276 287	286 712	2 612	7 821	(6 886)	127 485	694 031
Fee and commission income	136 502	117 437	77 400	238 373	23 415	(313)	592 814
Fee and commission expense	(6 443)	(1 972)	(8 359)	(40 641)	(691)	(3 186)	(61 292)
Principal transactions	7 865	140 462	91 159	(30)	22 539	14 526	276 521
Operating income from associates	11 864	-	248	-	-	326	12 438
Investment income on assurance activities	-	-	-	-	-	74 584	74 584
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	18 773	18 773
Other operating income/(losses)	1 026	-	(24 774)	(5 009)	(286)	(1 197)	(30 240)
Other income	150 814	255 927	135 674	192 693	44 977	103 513	883 598
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(88 108)	(88 108)
Total operating income net of insurance claims	427 101	542 639	138 286	200 514	38 091	142 890	1 489 521
Impairment losses on loans and advances	(90 094)	(155 841)	(3 858)	-	-	(6 380)	(256 173)
Operating income	337 007	386 798	134 428	200 514	38 091	136 510	1 233 348
Administrative expenses	(228 588)	(237 980)	(117 545)	(133 258)	(13 395)	(72 392)	(803 158)
Depreciation, amortisation and impairment of property, equipment and intangible assets	(3 854)	(8 215)	(10 948)	(789)	(15)	(6 281)	(30 102)
Operating profit before goodwill	104 565	140 603	5 935	66 467	24 681	57 837	400 088
Operating profit before goodwill attributable to minorities	-	771	22 231	(281)	-	(26 043)	(3 322)
Operating profit before goodwill and after minorities	104 565	141 374	28 166	66 186	24 681	31 794	396 766
Goodwill	-	(2 365)	(27 900)	(2 202)	-	-	(32 467)
Goodwill attributable to minorities	-	-	8 677	-	-	-	8 677
Operating profit after minorities	104 565	139 009	8 943	63 984	24 681	31 794	372 976
Reconciliation to profit before taxation							
Operating profit after minorities							372 976
Operating profit before goodwill attributable to minorities							3 322
Goodwill attributable to minorities							(8 677)
Profit on disposal of group operations							721
Profit before taxation							368 342
Net intersegment revenue	(303 268)	244 452	(12 893)	1 261	(8 503)	78 951	-
ROE (pre-taxation)	14.8%	18.7%	13.9%	41.4%	47.5%	9.6%	19.2%
Cost to income ratio	54.4%	45.4%	92.9%	66.9%	35.2%	55.1%	55.9%
Number of permanent employees	2 304	1 012	359	878	75	995	5 623
Total assets (£'million)	12 258	19 689	886	407	238	3 627	37 105
Adjusted shareholders' equity (£'million)	714	818	191	120	49	105	1 997
Adjusted tangible shareholders' equity (£'million)	673	743	139	13	49	105	1 722

Notes to the financial statements

For the year to 31 March £'000	Private Client Activities	Capital Markets	Investment Banking	Asset Manage-ment	Property Activities	Group Services and Other Activities	Total group
Combined consolidated segmental analysis (continued)							
Business analysis 2008							
Net interest income	272 742	227 174	(8 463)	7 558	(10 513)	94 922	583 420
Fee and commission income	160 181	80 983	97 885	253 385	20 764	1 159	614 357
Fee and commission expense	(12 508)	5 848	(9 282)	(45 902)	-	(1 217)	(63 061)
Principal transactions	35 872	97 998	79 583	56	45 275	17 921	276 705
Operating income from associates	11 953	(266)	215	-	-	236	12 138
Investment income on assurance activities	-	-	-	-	-	89 593	89 593
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	40 849	40 849
Other operating income	-	-	44 801	3 603	-	1 639	50 043
Other income	195 498	184 563	213 202	211 142	66 039	150 180	1 020 624
Claims and reinsurance premiums on insurance business	-	-	-	-	-	(120 358)	(120 358)
Total operating income net of insurance claims	468 240	411 737	204 739	218 700	55 526	124 744	1 483 686
Impairment losses on loans and advances	(33 326)	(79 336)	(1 356)	-	-	(167)	(114 185)
Operating income	434 914	332 401	203 383	218 700	55 526	124 577	1 369 501
Administrative expenses	(238 331)	(209 911)	(118 106)	(140 970)	(18 895)	(81 287)	(807 500)
Depreciation, amortisation and impairment of property, equipment and intangible assets	(2 847)	(6 740)	(7 947)	(909)	(310)	(5 577)	(24 330)
Operating profit before goodwill	193 736	115 750	77 330	76 821	36 321	37 713	537 671
Operating profit before goodwill attributable to minorities	-	(119)	(4 804)	(410)	-	(23 621)	(28 954)
Operating profit before goodwill and after minorities	193 736	115 631	72 526	76 411	36 321	14 092	508 717
Goodwill	-	(59 900)	-	(2 865)	-	-	(62 765)
Operating profit after minorities	193 736	55 731	72 526	73 546	36 321	14 092	445 952
Reconciliation to profit before taxation							
Operating profit after minorities							445 952
Operating profit before goodwill attributable to minorities							28 954
Profit on disposal of group operations							72 855
Profit before taxation							547 761
Net intersegment revenue	(169 813)	94 865	(17 671)	626	(9 433)	101 426	-
ROE (pre-taxation)	35.3%	23.4%	34.3%	55.0%	122.8%	1.4%	31.7%
Cost to income ratio	51.5%	52.6%	61.6%	64.9%	34.6%	69.6%	56.1%
Number of permanent employees	2 477	1 042	368	906	71	1 050	5 914
Total assets (£'million)	10 011	18 384	823	460	203	4 223	34 104
Adjusted shareholders' equity (£'million)	583	647	176	116	30	101	1 653
Adjusted tangible shareholders' equity (£'million)	543	567	112	10	30	101	1 363

Notes to the financial statements

For the year to 31 March £'000	UK and Europe	Southern Africa	Australia	Total group
Combined consolidated segmental analysis (continued)				
Geographical analysis 2009				
Net interest income	352 188	287 675	54 168	694 031
Fee and commission income	319 629	249 294	23 891	592 814
Fee and commission expense	(48 270)	(11 673)	(1 349)	(61 292)
Principal transactions	114 650	160 591	1 280	276 521
Operating income from associates	12 624	(5)	(181)	12 438
Investment income on assurance activities	-	74 584	-	74 584
Premiums and reinsurance recoveries on insurance contracts	-	18 773	-	18 773
Other operating losses	(18 013)	(7 241)	(4 986)	(30 240)
Other income	380 620	484 323	18 655	883 598
Claims and reinsurance premiums on insurance business	-	(88 108)	-	(88 108)
Total operating income net of insurance claims	732 808	683 890	72 823	1 489 521
Impairment losses on loans and advances	(182 036)	(51 452)	(22 685)	(256 173)
Operating income	550 772	632 438	50 138	1 233 348
Administrative expenses	(431 478)	(322 612)	(49 068)	(803 158)
Depreciation, amortisation and impairment of property, equipment and intangible assets	(22 978)	(6 057)	(1 067)	(30 102)
Operating profit before goodwill	96 316	303 769	3	400 088
Operating profit before goodwill attributable to minorities	4 574	(10 341)	2 445	(3 322)
Operating profit before goodwill and after minorities	100 890	293 428	2 448	396 766
Goodwill	(24 825)	(2 202)	(5 440)	(32 467)
Goodwill attributable to minorities	12 107	(6 557)	3 127	8 677
Operating profit after minorities	88 172	284 669	135	372 976
Profit on disposal of group operations	-	721	-	721
Profit before taxation and after minorities	88 172	285 390	135	373 697
Taxation	(13 203)	(72 802)	4 330	(81 675)
Earnings attributable to shareholders	74 969	212 588	4 465	292 022
Net intersegment revenue	(6 008)	6 201	(193)	-
ROE (post-taxation)	8.3%	25.6%	2.8%	14.8%
Cost to income ratio	62.0%	48.1%	68.8%	55.9%
Effective operational taxation rate	15.8%	24.0%	>100%	21.1%
Number of permanent employees	1 728	3 541	354	5 623
Total assets £'million	16 958	17 762	2 384	37 105

Notes to the financial statements

For the year to 31 March £'000	UK and Europe	Southern Africa	Australia	Total group
Combined consolidated segmental analysis (continued)				
Geographical analysis 2008				
Net interest income	296 362	230 580	56 478	583 420
Fee and commission income	324 375	265 183	24 799	614 357
Fee and commission expense	(51 916)	(10 084)	(1 061)	(63 061)
Principal transactions	60 855	201 182	14 668	276 705
Operating income from associates	12 200	(11)	(51)	12 138
Investment income on assurance activities	-	89 593	-	89 593
Premiums and reinsurance recoveries on insurance contracts	-	40 849	-	40 849
Other operating income	44 954	3 589	1 500	50 043
Other income	390 468	590 301	39 855	1 020 624
Claims and reinsurance premiums on insurance business	-	(120 358)	-	(120 358)
Total operating income net of insurance claims	686 830	700 523	96 333	1 483 686
Impairment losses on loans and advances	(76 989)	(30 844)	(6 352)	(114 185)
Operating income	609 841	669 679	89 981	1 369 501
Administrative expenses	(427 688)	(323 618)	(56 194)	(807 500)
Depreciation, amortisation and impairment of property, equipment and intangible assets	(17 525)	(6 091)	(714)	(24 330)
Operating profit before goodwill	164 628	339 970	33 073	537 671
Operating profit before goodwill attributable to minorities	(27 019)	(743)	(1 192)	(28 954)
Operating profit before goodwill and after minorities	137 609	339 227	31 881	508 717
Goodwill	(59 900)	(2 865)	-	(62 765)
Operating profit after minorities	77 709	336 362	31 881	445 952
Profit on disposal of group operations	-	72 855	-	72 855
Profit before taxation and after minorities	77 709	409 217	31 881	518 807
Taxation	(30 964)	(90 289)	(5 996)	(127 249)
Earnings attributable to shareholders	46 745	318 928	25 885	391 558
Net intersegment revenue	5 151	(6 613)	1 462	-
ROE (post-taxation)	11.8%	41.9%	15.0%	23.6%
Cost to income ratio	64.8%	47.1%	59.1%	56.1%
Effective operational taxation rate	20.3%	24.1%	18.1%	22.6%
Number of permanent employees	1 824	3 666	424	5 914
Total assets £'million	17 304	15 027	1 772	34 104

Notes to the financial statements

Combined consolidated segmental analysis (continued)

A further analysis of business line operating profit before goodwill, non-operating items, taxation and after minorities is shown below:

For the year to 31 March £'000	2009	2008
Private Client Activities		
Private Banking	80 463	166 394
Private Client Portfolio Management and Stockbroking	24 102	27 342
	104 565	193 736
Capital Markets	141 374	115 631
Investment Banking		
Corporate Finance	5 630	14 277
Institutional Research, Sales and Trading	10 231	12 422
Principal Investments	12 305	45 827
	28 166	72 526
Asset Management	66 186	76 411
Property Activities	24 681	36 321
Group Services and Other Activities		
International Trade Finance	7 215	7 258
Central Funding	90 721	80 223
Central Costs	(66 142)	(73 389)
	31 794	14 092
Total group	396 766	508 717

Notes to the financial statements

Share based payments

The group operates share option and share purchase schemes for employees, the majority of which are on an equity settled basis. The purpose of the staff share schemes is to promote an 'esprit de corps' within the organisation, create an awareness of Investec's performance and provide an incentive to maximise individual and group performance by allowing all staff to share in the risks and rewards of the group. Further information on the group share options and long-term incentive plans are provided on pages 75 to 78 of the Remuneration Report.

Expense charged to the income statement (included in administrative expenses) £'000	PC*	CM*	IB*	AM*	PA*	GSO*	Total group
2009							
Equity settled	10 760	7 034	7 113	4 093	920	17 381	47 301
Cash settled	(4)	(23)	9	-	-	3	(15)
Total income statement charge	10 756	7 011	7 122	4 093	920	17 384	47 286
2008							
Equity settled	8 684	5 342	5 948	3 089	1 079	15 040	39 182
Cash settled	64	60	100	-	-	194	418
Total income statement charge	8 748	5 402	6 048	3 089	1 079	15 234	39 600

Included in the above income statement charge is an accelerated share based payment charge as a result of modifications to certain options granted. The accelerated expense for the year was £1 125 388 (2008: Nil).

An additional amount of £45.6 million charged to the income statement, as part of the variable remuneration expense within personnel costs, has a corresponding credit to equity as it forms part of a shared based payment. This arises from the group introducing a non-cash deferred component to variable remuneration payments. The number of shares to be delivered in lieu of cash payments is the value of the award divided by the value per share applicable to the awards.

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

	2009	2008
Liabilities on cash settled options		
Total liability included in other liabilities	-	6
Total fair value for vested appreciation rights	-	13
Weighted average fair value of options granted in the year		
UK Schemes	9 447	25 239
SA Schemes	9 385	28 509

Details of options outstanding during the year	UK schemes 2009 Number of share options	UK schemes 2009 Weighted average exercise price £	UK schemes 2008 Number of share options	UK schemes 2008 Weighted average exercise price £	South African schemes 2009 Number of share options	South African schemes 2009 Weighted average exercise price R	South African schemes 2008 Number of share options	South African schemes 2008 Weighted average exercise price R
Outstanding at the beginning of the year	28 304 271	0.53	29 029 906	0.84	28 917 806	6.55	30 542 346	14.02
Granted during the year	6 251 281	0.07	7 290 269	0.26	5 498 450	-	7 601 180	-
Exercised during the year**	(2 592 134)	0.88	(5 790 043)	1.63	(1 691 084)	26.28	(7 433 770)	30.30
Expired during the year	(1 075 426)	3.69	(2 225 861)	0.86	(1 323 971)	12.60	(1 791 950)	7.63
Outstanding at the end of the year	30 887 992	0.89	28 304 271	0.53	31 401 201	4.08	28 917 806	6.55
Exercisable at the end of the year	866 078	3.13	910 733	2.98	2 318 989	39.89	2 538 170	39.69

** Weighted average share price during the year was £3.01 (2008: £5.45)

Notes to the financial statements

Share based payments (continued)

The exercise price range and weighted average remaining contractual life for the options are as follows:

At 31 March	UK schemes 2009	UK schemes 2008	South African schemes 2009	South African schemes 2008
Options with strike prices				
Exercise price range	£1.55 - £6.52	£1.55 - £6.52	R20.28 - R57.60	R20.28 - R57.60
Weighted average remaining contractual life	2.47 years	3.12 years	1.76 years	2.33 years
Long-term incentive grants with no strike price				
Exercise price range	£0	£0	R0	R0
Weighted average remaining contractual life	2.79 years	3.21 years	2.74 years	3.34 years
The fair values of options granted were calculated using a Black-Scholes option pricing model. For options granted during the year, the inputs into the model were as follows:				
- Share price at date of grant	£2.60 - £3.02	£4.89 - £6.52	R44.6 - R47.3	R71 - R93
- Exercise price	£0, £2.60 - £3.02	£0, £4.89 - £6.52	R0	R0
- Expected volatility	34% - 45%	30%	34% - 45%	30%
- Option life	5 - 5.25 years	5 - 5.25 years	5 years	5 years
- Expected dividend yields	11.55% - 11.95%	4.63% - 6.90%	9.55%	4.30% - 6%
- Risk-free rate	2.85% - 6.12%	5.18% - 6.14%	7.71% - 11.96%	9.55% - 10.20%

Expected volatility was determined based on the implied volatility levels quoted by the derivatives trading desk. The expected volatility is based on the respective share price movement over the last 6 months, but also includes an element of forward expectation. The expected attrition rates used were determined based on historical group data, with an adjustment to actual attrition on final vesting.

Earnings per share

For the year to 31 March	2009	2008
Earnings per share - pence	38.5	57.7
Basic earnings per share (pence) 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.		
	£'000	£'000
Earnings attributable to the shareholders per income statement	292 022	391 558
Preference dividends paid	(47 503)	(41 779)
Earnings attributable to ordinary shareholders	244 519	349 779
Earnings from future dilutive convertible instruments	184	736
Diluted earnings attributable to ordinary shareholders	244 703	350 515
Diluted earnings per share - pence	36.1	54.0
Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.		
Weighted average total number of shares in issue during the year	679 078 556	640 059 998
Weighted average number of treasury shares	(44 477 037)	(33 894 292)
Weighted average number of ordinary shares in issue during the year	634 601 519	606 165 706
Weighted average number of shares resulting from future dilutive potential shares	42 397 113	35 390 062
Weighted average number of shares resulting from future dilutive convertible instruments	1 778 343	7 489 820
Diluted weighted number of shares potentially in issue	678 776 975	649 045 588

Notes to the financial statements

Earnings per share (continued)

For the year to 31 March	2009	2008
Adjusted earnings per share - pence	42.4	56.9
Adjusted earnings per share (pence) is calculated by dividing the earnings, before deducting goodwill impairment and non-operating items attributable to the ordinary shareholders after taking into account earnings attributable to perpetual preference shareholders, by the weighted average number of ordinary shares in issue during the year.	£'000	£'000
Earnings attributable to shareholders per income statement	292 022	391 558
Goodwill (after minorities)	23 790	62 765
Profit on disposal of group operations (net of taxation)	(721)	(64 345)
Preference dividends paid	(47 503)	(41 779)
Additional earnings/(losses) attributable to other equity holders*	1 627	(3 504)
Adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	269 215	344 695
Earnings from future dilutive convertible instruments	184	736
Diluted adjusted earnings attributable to ordinary shareholders before goodwill and non-operating items	269 399	345 431
Diluted adjusted earnings per share - pence	39.7	53.2
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 8/2007 issued by the South African Institute of Chartered Accountants.	41.2	49.7
	£'000	£'000
Earnings attributable to shareholders per income statement	292 022	391 558
Goodwill (after minorities)	23 790	62 765
Profit on disposal of group operations (net of taxation)	(721)	(64 345)
Preference dividends paid	(47 503)	(41 779)
Gains recognised on investment properties (after taxation and minority interests)	(6 376)	(28 989)
Other headline adjustments**	415	(17 711)
Headline earnings attributable to ordinary shareholders	261 627	301 499
Earnings from future dilutive convertible instruments	184	736
Diluted headline earnings attributable to ordinary shareholders	261 811	302 235
Diluted headline earnings per share - pence	38.6	46.6

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

** Other headline adjustments include the fair value of investment properties and realised gains/losses on available for sale instruments as well as impairments recognised against available for sale instruments. Taxation on headline earnings adjustments amounted to £2.3 million (2008: £27.6 million), with no impact on earnings attributable to minorities

Notes to the financial statements

Dividends

For the year to 31 March	2009 Pence per share	2009 Total £'000	2008 Pence per share	2008 Total £'000
Ordinary dividend				
Final dividend for prior year	13.5	89 140	13.0	55 415
Interim dividend for current year	8.0	54 855	11.5	90 511
Total dividend attributable to ordinary shareholder recognised in current financial year	21.5	143 995	24.5	145 926

The directors have proposed a final dividend in respect of the financial year ended 31 March 2009 of 5.0 pence per ordinary share (2008: 13.5 pence).

This will be paid as follows:
- for Investec Limited shareholders, through a dividend paid by Investec Limited of 66.0 cents per ordinary share.
- for Investec plc non-South African shareholders, through a dividend paid by Investec plc of 5.0 pence per ordinary share.
- for Investec plc South African resident shareholders, through a dividend payment on the SA DAS share equivalent to 5.0 pence per ordinary share.

The final dividend will be payable on 18 August 2009 to shareholders on the register at the close of business on 31 July 2009.

	2009 Pence per share^	2009 Cents per share*	2009 Total £'000	2008 Pence per share^	2008 Cents per share*	2008 Total £'000
Perpetual preference dividend						
Final dividend for prior year	32.67	1 038.64	28 808	30.20	887.48	20 411
Interim dividend for current year	30.14	1 110.35	18 695	32.93	941.02	21 368
Total dividend attributable to perpetual preference shareholder recognised in current financial year	62.81	2 148.99	47 503	63.13	1 828.50	41 779

The directors have declared a final dividend in respect of the financial year ended 31 March 2009 of 16.03 pence (Investec plc shares traded on the JSE Limited) and 16.03 pence (Investec plc shares traded on the Channel Island Stock Exchange), 518.77 cents (Investec Limited) and 555.82 cents (Investec Bank Limited) per perpetual preference share.

The final dividend will be payable on 2 July 2009 to shareholders on the register at the close of business on 19 June 2009.

^ Perpetual preference share dividends from Investec Tier I (UK) LP
* Perpetual preference share dividends from Investec Limited and Investec Bank limited

Financial statements

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