Out of the Ordinary

Investec

Disclosure Report

Investec Bank Limited group
Basel Pillar III
semi-annual disclosure report

2018

Cross reference tools

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Website

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The Investec Bank Limited group Pillar III report covers the period 1 April 2018 to 30 September 2018

Scope and framework

This document encompasses Investec Bank Limited group, including both regulated and unregulated entities, which is equivalent to the scope of the consolidated banking group as defined by the South African Reserve Bank for consolidated regulatory reporting purposes. In terms of the Regulations, Investec is required to disclose in its annual financial statements and other disclosures to the public, reliable, relevant and timely qualitative and quantitative information that enable users of that information to make an accurate assessment of the group's financial condition, including its capital adequacy position, financial performance, business activities, risk profile and risk-management practices. On 28 January 2015 the Basel Committee on Banking Supervision (BCBS) issued revised Pillar III disclosure requirements – phase one (the revised disclosures). The revised disclosures incorporate standardised templates and tables that superseded the Pillar III disclosure requirements issued in Regulation 43. The BCBS has completed the second phase of the revised disclosures tabled in the document: Pillar III disclosure requirements – consolidated and enhanced framework in March 2017 (the enhanced revised disclosures) and is effective in South Africa from 1 January 2018. The revised disclosures were legislated in South Africa by the Banks Act Directive 11 of 2015 and the enhanced revised disclosures in Directive 01 of 2018. For disclosure requirements which are new and/or depend on the implementation of another BCBS policy framework, the implementation date for Investec's Pillar III disclosures has been aligned with the implementation date of that framework.

Pillar III reports are published on Investec's Investor Relations website in line with the required frequency of disclosures per the respective frameworks.

Assurance of Pillar III report

In line with Investec's Pillar III disclosures policy, all public announcements and releases; annual, interim and quarterly disclosures are reviewed and approved by the board, executives, management, and annually by external audit prior to their release.

Data points and commentary

Templates which require the disclosure of data points for current and previous reporting periods, the disclosure of data points for comparison to the previous period are June 2018 for quarterly templates and March 2018 for bi-annual templates.

Quantitative and qualitative disclosures

Pillar III disclosures are published in line with disclosure dates that are commensurate with the group's financial reporting disclosure timelines and is subject to the same governance framework as tabled in the Investec Market Communication and Disclosure Policy. The following regulatory risk measurement approaches are applied by Investec:

- Credit risk (including securitisation risk): The standardised approach (TSA)
- Market risk: Combination of the standardised (TSA) and internal model method (IMM) approaches
- Operational risk: The standardised approach (TSA)
- Equity risk in the banking book: Market-based approach – simple risk weight method (MSRM)
- Counterparty credit risk: Current exposure method (CEM)

In this regard, all revised tables and disclosures may not be relevant to Investec and are excluded from the Pillar III reports.

Contents

Revised quantitive standardised tables and templates

KM1: Key metrics

The following section provides an overview of the key prudential regulatory metrics covering Investec Bank Limited group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio of the group's performance and trend's over time.

			a	b	c	d	e
At 30 September 2018 R'million			**30 Sept 2018**	**30 June 2018**	**31 March 2018**	**31 Dec 2017**	**30 Sept 2017**
Available capital (amounts)							
1	Common Equity Tier 1 (CET 1)		35 886	34 452	34 829	34 167	34 161
1a	Fully loaded ECL accounting model	N1	35 514	34 070	–	–	–
2	Tier 1		36 849	35 415	35 792	34 935	34 928
2a	Fully loaded ECL accounting model Tier 1	N1	35 864	35 033	–	–	–
3	Total capital		50 333	49 646	49 801	48 932	48 927
3a	Fully loaded ECL accounting model and total capital	N1	47 849	49 515	–	–	–
Risk-weighted assets (amounts)							
4	Total risk-weighted assets (RWA)		330 146	325 051	320 607	320 929	322 619
Risk-based capital ratios as a percentage of RWA							
5	Common Equity Tier 1 (%)		10.9	10.6	10.9	10.6	10.6
5a	Fully loaded ECL accounting model Common Equity Tier 1		10.8	10.5	–	–	–
6	Tier 1 ratio (%)		11.2	10.9	11.2	10.9	10.8
6a	Fully loaded ECL accounting model Tier 1 (%)		10.9	10.8	–	–	–
7	Total capital ratio (%)		15.2	15.3	15.5	15.2	15.2
7a	Fully loaded ECL accounting model total capital ratio (%)		14.5	15.3	–	–	–
Additional CET 1 buffer requirements as a percentage of RWA							
8	Capital conservation buffer requirement (2.5% from 2019) (%)		1.9	1.9	1.9	1.3	1.3
9	Countercyclical buffer requirement (%)		0.017	–	–	–	–
10	Bank G-SIB and/or D_SIB additional requirements (%)		–	–	–	–	–
11	Total of bank CET 1 specific buffer requirements (%) (row 8 + row 9 + row 10)		1.9	1.9	1.9	1.3	1.3
12	CET 1 available after meeting the bank's minimum capital requirements) (%)	N2	3.5	3.2	3.5	3.4	3.3
Basel III leverage ratio							
13	Total Basel III leverage ratio exposure measure		479 820	472 789	466 846	461 387	450 723
14	Basel III leverage ratio (%) (row 2/row 13)		7.7	7.5	7.7	7.6	7.7
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)		7.5	7.4	–	–	–
Liquidity coverage ratio							
15	Total HQLA		78 202	84 969	80 106	76 144	73 239
16	Total net cash outflow		54 795	62 573	60 179	53 265	52 186
17	LCR ratio (%)	N3	143.3	136.1	133.2	130.4	124.9
Net stable funding ratio		N4					
18	Total available stable funding		294 934	277 513	281 049	–	–
19	Total required stable funding		259 998	255 580	256 344	–	–
20	NSFR ratio		113.4	108.6	109.6	–	–

Notes:

N1: The fully loaded ratio and capital amounts throughout the KM1 template assumes full adoption of IFRS 9 and is based on Basel III capital requirements as fully phased in by 2022.

N2: Minimum requirements are disclosed excluding any D-SIB or Pillar 2B requirements as specified in the Banks Act Circular 5 of 2014.

N3: Refer to the LIQ1: Liquidity Coverage Ratio template and commentary on pages 11 and 12 of this report.

N4: Refer to the LIQ2: Net Stable Funding Ratio template and commentary on page 13 of this report.

OV1: Overview of RWA

The following section provide an overview of total RWA forming the denominator of the risk-based under Pillar 1 capital requirements.

			a	b		c
			Risk-weighted assets			Minimum capital requirements
	R'million	Notes	30 Sept 2018	30 June 2018	31 March 2018	30 Sept 2018
1	**Credit risk (excluding counterparty credit risk) (CCR)**	N1	**258 766**	**255 825**	**246 522**	**28 832**
2	Of which standardised approach (SA)		258 766	255 825	246 522	28 832
3	Of which internal rating-based (IRB) approach		–	–	–	–
4	**Counterparty credit risk**	N2	**9 630**	**7 418**	**12 155**	**1 073**
5	Of which standardised approach for counterparty credit risk (CEM-CCR)		9 630	7 418	12 155	1 073
6	Of which internal model method (IMM)		–	–	–	–
7	**Equity positions in banking book under market-based approach**	N3	**20 785**	**23 422**	**22 663**	**2 316**
8	Equity investments in funds – look-through approach		–	–	–	–
9	Equity investments in funds – mandate-based approach		–	–	–	–
10	Equity investments in funds – fall-back approach		–	–	–	–
11	Settlement risk		–	–	–	–
12	**Securitisation exposures in banking book**		**3 178**	**2 603**	**2 282**	**354**
13	Of which IRB ratings-based approach (RBA)		–	–	–	–
14	Of which IRB Supervisory Formula Approach (SFA)		–	–	–	–
15	Of which SA/simplified supervisory formula approach (SSFA)		3 178	2 603	2 282	354
16	**Market risk**	N4	**4 500**	**2 694**	**4 515**	**501**
17	Of which standardised approach (SA)		538	496	251	60
18	Of which internal model approaches (IMM)		3 962	2 198	4 264	441
19	**Operational risk**	N4	**22 211**	**21 779**	**21 779**	**2 475**
20	Of which Basic Indicator Approach		–	–	–	–
21	Of which Standardised Approach		22 211	21 779	21 779	2 475
22	Of which Advanced Measurement Approach		–	–	–	–
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	N5	11 076	11 259	10 639	1 234
24	Floor adjustment		–	–	–	–
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	N6	**330 146**	**324 999**	**320 555**	**36 785**

The minimum capital requirements in column (c) are based on the SARB minimum capital requirements of 11.142% and excludes Investec's domestic significant important bank (DSIB) and Pillar 2B add-on in line with the Banks Act circular 5 of 2014.

The commentary for the movement in risk-weighted assets (RWA) below is based on comparisons between June 2018 and September 2018.

Movement in risk-weighted assets (RWA)

Investec Bank Limited group's RWA increased from R325.0 billion to R330.2 billion. Credit risk-weighted assets grew by R2.9 billion, mainly associated with lending growth. Operational risk grew by R432 million, a function of higher profitability, noting that the calculation is updated bi-annually in September and March.

OV1: Overview of RWA

(continued)

Notes:

N1: The Private client activities mainly contributed to the RWA increase through consistent growth in lending activities secured by residential and commercial real estate. In addition our corporate and institutional banking business contributed to the increase from term and short-dated corporate lending.

N2: The Investec Bank Limited group applied the current exposure method (CEM) to calculate required capital for over-the-counter (OTC) exposures and the standardised approach (TSA) for security financing transactions (SFT). Counterparty credit risk RWA is the sum of OTC, SFT, CVA, central counterparty and default fund contribution of which the increase is mainly attributable to an increase in CVA RWA.

N3: Equity risk decreased by R2.6 billion over the period. The decrease was mainly attributable to our regulatory treatment of certain investments which were adjusted to that of an investment holding vehicle.

N4: Operational risk is calculated using the standardised approach and is driven by the levels of the average income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.

N5: Exposures relate to investment in significant financial entities and deferred tax assets risk-weighted at 250%.

CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

The purpose of the CCyB1 table below is to provide an overview of the private sector credit exposures relevant for the calculation of the countercyclical capital buffer.

	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
At 30 September 2018 Geographical Breakdown	Countercyclical capital buffer rate	Exposure values	Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
Hong Kong	1.9%	58	39		
Sweden	2.0%	34	7		
United Kingdom	0.5%	11 471	9 904		
Other	–	384 459	283 991		
Total adjustment		**396 023**	**293 940**	**0.017%**	**57**

Private sector credit exposures equal or more than 2% of total risk-weighted assets (RWA) are allocated to foreign exposures and to that specific jurisdiction when CCyB requirements are calculated. Private sector credit exposures less than 2% of RWA will be treated as home jurisdiction exposures for purpose of CCyB. The CCyB requirement for South Africa is 0% and is subject to a one year pre-announced date before implementation.

Bank-specific countercyclical capital buffer rate is calculated as total weighted average add-on of Hong Kong, Sweden and United Kingdom where the jurisdiction specific risk-weighted assets are above 2% of total risk-weighted assets.

Countercyclical buffer amount is the Bank-specific countercyclical capital buffer rate multiplied by total risk-weighted assets as reported in the OVI table on page 6.

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (January 2014 standard)

The purpose of the LR1 table below is to reconcile the total assets in the published financial statements to the leverage ratio exposure measure.

		a
	30 September 2018	
1	Total consolidated assets as per published financial statements	448 305
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	1 328
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	(885)
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	34 312
7	Other adjustments	(3 240)
8	**Leverage ratio exposure measure**	**479 820**

LR2: Leverage ratio common disclosure template (January 2014 standard)

The purpose of the LR2 table below is to provide a detailed breakdown of the components of the leverage ratio denominator.

			a	b
			30 Sept 2018	**30 June 2018**
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		426 495	416 963
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		(4 969)	(4 861)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of rows 1 and 2)		**421 526**	**412 102**
Derivative exposures				
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		8 407	7 502
5	Add-on amounts for PFE associated with all derivatives transactions		3 915	4 748
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework		–	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		–	–
8	(Exempted CCP leg of client-cleared trade exposures)		(1 488)	(1 471)
9	Adjusted effective notional amount of written credit derivatives		–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		–	–
11	**Total derivative exposures (sum of rows 4 to 10)**		**10 834**	**10 779**
Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions		12 003	14 536
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		–	–
14	CCR exposure for SFT assets		1 145	1 588
15	Agent transaction exposures		–	–
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**		**13 148**	**16 124**
Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount		90 122	88 200
18	(Adjustments for conversion to credit equivalent amounts)		(55 810)	(54 416)
19	**Off-balance sheet items (sum of rows 17 and 18)**		**34 312**	**33 784**
Capital and total exposures				
20	Tier 1 capital	N1	36 849	35 416
21	**Total exposures (sum of rows 3, 11, 16 and 19)**		**479 820**	**472 789**
Leverage ratio				
22	**Basel III leverage ratio**		**7.7**	**7.5**

N1: Excludes any unappropriated profits.

LIQ1: Liquidity Coverage Ratio (LCR)

The purpose of the LIQ1 table below is to present the breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

The objective of the Liquidity Coverage ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high quality liquid assets to survive a significant stress scenario lasting 30 calendar days.

		a	b
At 30 September 2018		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**70 646**	**7 065**
3	Stable deposits	–	–
4	Less stable deposits	70 646	7 065
5	**Unsecured wholesale funding, of which:**	**98 614**	**70 157**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	97 537	69 080
8	Unsecured debt	1 077	1 077
9	**Secured wholesale funding**	**–**	**35**
10	**Additional requirements, of which:**	**60 023**	**11 216**
11	Outflows related to derivative exposures and other collateral requirements	9 528	5 679
12	Outflows related to loss of funding on debt products	42	42
13	Credit and liquidity facilities	50 453	5 495
14	**Other contractual funding obligations**	**706**	**706**
15	**Other contingent funding obligations**	**86 193**	**4 675**
16	**Total cash outflows**		**93 852**
Cash inflows			
17	**Secured lending (e.g. reverse repos)**	**10 671**	**2 738**
18	**Inflows from fully performing exposures**	**37 045**	**33 833**
19	**Other cash inflows**	**2 926**	**2 486**
20	**Total cash inflows**	**50 642**	**39 057**

			Total adjusted value
21	**Total HQLA**		**78 202**
22	**Total net cash outflows**		**54 795**
23	**Liquidity Coverage Ratio (%)**		**143.3**

The values in the table are calculated as the simple average of the 92 calendar daily values over the period 1 July 2018 to 30 September 2018 for Investec Bank Limited group.

The weighted value represents the cash flow amount under a stressed scenario as a percentage of the unweighted value.

LIQ1: Liquidity Coverage Ratio (LCR)

(continued)

The minimum LCR requirement is 90% for 2018, increasing to 100% on 1 January 2019.

Only banking and/or deposit-taking entities are included and the group data represents an aggregation of the relevant individual net cash outflows and the individual HQLA portfolios. Our two banks, Investec Bank Limited group and Investec Bank (Mauritius) Limited, contributed over 99% of the group's combined HQLA and stressed cash inflows and outflows.

The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time:

- The structure and nature of deposits inside the 30 day window is the key driver of both the level and the volatility of the LCR. This weighted outflow is determined by the customer type of liabilities falling into the 30 day contractual bucket. In turn these deposit characteristics determine the targeted level of high quality liquid assets (HQLA) required to be held as a counterbalance to the modelled stressed outflows.

The composition of HQLA:

- The HQLA comprises primarily South African sovereign and central bank Rand-denominated securities and debt instruments, all of which are eligible for SARB repo.
- On average, Level 2 assets contributed 4% of total HQLA. As of 1 December 2017, we no longer make use of the SARB's committed liquidity facility (CLF).
- Some foreign denominated government securities are included in the HQLA, subject to regulatory limitations.

Changes since June 2018 quarter-end:

- The average LCR increased slightly, by 1%, and remains fully compliant with regulatory requirements, and within the target range as set by the Board.

Investec Bank Limited group's quarterly average LCR ending 30 September 2018 was marginally higher than that ending 31 March 2018. Lengthening of our wholesale deposits resulted in a R7 billion reduction in short-term wholesale deposit outflows, allowing a reduction in HQLA and short-term placements with banks. Investec Bank Limited group's LCR increased by an additional 7% due to including the contribution of cash surpluses within Investec Bank Limited group entities.

LIQ2: Net Stable Funding Ratio (NSFR)

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a bank's funding sources would erode its liquidity position, increasing its risk of failure and potentially lead to broader systemic risk.

		a	b	c	d	e
		Unweighted value by residual maturity				
	At 30 September 2018 R'million	**No maturity**	**<6 months**	**6 months to <1 year**	**>1 year**	**Weighted value**
	Available stable funding (ASF) item					
1	Capital:	38 064	–	–	14 833	52 898
2	Regulatory capital	38 064	–	–	14 833	52 898
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	78 166	7 242	3 080	1 498	81 137
5	Stable deposits	–	–	–	–	–
6	Less stable deposits	78 166	7 242	3 080	1 498	81 137
7	Wholesale funding	74 629	114 028	31 182	69 008	156 746
8	Operational deposits	–	–	–	–	–
9	Other wholesale funding	74 629	114 028	31 182	69 008	156 746
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	4 724	116	–	13 961	4 153
12	NSFR derivative liabilities	–	–	–	13 961	–
13	All other liabilities and equity not included in the above categories	4 724	116	–	–	4 153
14	**Total ASF**					**294 934**
	Required stable funding (RSF) item					
15	Total NSFR high-quality liquid assets (HQLA)	–	–	–	–	5 237
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities	38 321	68 716	31 039	201 471	223 928
18	Performing loans to financial institutions secured by Level 1 HQLA	–	9 299	–	52	982
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	18 554	26 972	3 344	22 276	37 082
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	14 083	31 712	25 609	106 309	129 269
21	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	–	–	–	6 951	4 518
22	Performing residential mortgages, of which:	–	613	542	58 511	38 610
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	–	613	542	58 511	38 610
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	5 684	120	1 544	14 323	17 985
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	23 201	672	1 085	30 900	26 806
27	Physical traded commodities, including gold	1 779				1 512
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	381	323
29	NSFR derivative assets	–	–	–	10 421	–
30	NSFR derivative liabilities before deduction of variation margin posted	–	–	–	20 066	2 007
31	All other assets not included in the above categories	21 422	672	1 085	32	22 964
32	Off-balance sheet items		165 468	–	–	4 027
33	**Total RSF**					**259 998**
31	**Net Stable Funding Ratio (%)**					**113.4**

The NSFR improved significantly between 31 March 2018 and 30 September 2018. With net stable funding available up R10 billion for Investec Bank Limited group. Investec Bank Limited group grew by R15 billion, driven in equal parts by solid growth in retail deposits and a lengthening of wholesale funding to > 1 year residual maturity

The values in the table are calculated as at 30 September 2018, the minimum NSFR requirement is 100% in South Africa.

The main drivers of the NSFR results and the evolution of the contribution of inputs to the NSFR's calculation over time:

- The asset class customer type and residual maturity of deposits are the key drivers of required stable funding, in particular those from either retail and small business customers or with maturity longer than a year. Capital issued is also a significant contributor.
- The customer type and residual maturity of loans, as well as holdings in securities eligible as HQLA, are the key drivers of required stable funding. Lower weightings apply to mortgages, shorter-term loans and especially HQLA.

Credit risk
CR1: Credit quality of assets

The following table provides a breakdown of the credit quality of on and off balance sheet assets (gross and net of impairments) and reconciles to the amounts reported in the annual financial statements.

		a	b	c	d
		Gross carrying values of			
At 30 September 2018 R'million		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b-c)
1	**Loans**	**4 205**	**257 897**	**(2 596)**	**259 506**
1a	Loans and advances to customers	3 794	249 575	(2 563)	250 806
1b	Own originated loans and advances to customers	27	8 322	(8)	8 341
1c	Other loans and advances	384	–	(25)	359
2	**Debt securities**	**–**	**93 616**	**(56)**	**93 560**
2a	Non-sovereign and non-bank cash placements	–	10 459	(18)	10 441
2b	Sovereign debt securities	–	58 927	(19)	58 908
2c	Bank debt securities	–	10 365	(12)	10 353
2d	Other non-structured debt securities	–	12 075	(4)	12 071
2e	Other structured debt securities	–	1 790	(3)	1 787
2f	Other securitised assets	–	–	–	–
3	**Off-balance sheet exposures**	**–**	**72 081**	**–**	**72 081**
4	**Total**	**4 205**	**423 594**	**(2 652)**	**425 147**

		a	b	c	d
		Gross carrying values of			
At 31 March 2018 R'million		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b-c)
1	**Loans**	**3 002**	**256 006**	**(1 459)**	**257 549**
1a	Loans and advances to customers	2 857	246 046	(1 428)	247 474
1b	Own originated loans and advances to customers	–	6 836	(6)	6 830
1c	Other loans and advances	145	3 124	(25)	3 245
2	**Debt securities**	**–**	**90 789**	**–**	**90 789**
2a	Non-sovereign and non-bank cash placements	–	9 993	–	9 993
2b	Sovereign debt securities	–	62 403	–	62 403
2c	Bank debt securities	–	8 051	–	8 051
2d	Other non-structured debt securities	–	9 197	–	9 197
2e	Other structured debt securities	–	1 145	–	1 145
2f	Other securitised assets	–	–	–	–
3	**Off-balance sheet exposures**	**–**	**65 195**	**–**	**65 195**
4	**Total**	**3 002**	**411 990**	**(1 459)**	**413 533**

Net values reported in CR1 column (d) above are reported as the carrying accounting values per the annual financial statements whereas values in table CR3 represent the exposure at default (EAD) measured for regulatory purposes.

The group applies a consistent definition to default for regulatory and accounting purposes.

Off-balance sheet exposures are reported gross of credit risk mitigation (CRM) and credit conversion factors (CCF) and exclude revocable commitments.

CR2: Changes in stock of defaulted loans and debt securities

The table below depicts the changes in Investec Bank Limited group's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

	R'million	a
1	**Defaulted loans and debt securities at 31 March 2018**	**3 002**
2	Loans and debt securities that have defaulted since the last reporting period	1 955
3	Returned to non-defaulted status	(175)
4	Amounts written off	(53)
5	Other changes	(524)
6	**Defaulted loans and debt securities at 30 September 2018 (1+2-3-4±5)**	**4 205**

	R'million	a
1	**Defaulted loans and debt securities at 31 March 2017**	**3 753**
2	Loans and debt securities that have defaulted since the last reporting period	771
3	Returned to non-defaulted status	(147)
4	Amounts written off	(751)
5	Other changes	(624)
6	**Defaulted loans and debt securities at 31 March 2018**	**3 002**

Credit risk
CR3: Credit risk mitigation (CRM) techniques – overview

The following table reports the extent of use of CRM techniques used to reduce capital requirements as well as the extent of exposures secured by collateral and/or guarantees.

		a	b	c	d	e	f	g
At 30 September 2018 R'million		**Exposures unsecured: carrying amount**	**Exposures secured by collateral**	**Exposures secured by collateral, of which: secured amount**	**Exposures secured by financial guarantees**	**Exposures secured by financial guarantees, of which: secured amount**	**Exposures secured by credit derivatives**	**Exposures secured by credit derivatives, of which: secured amount**
1	Loans	198 714	102 181	89 810	6 126	4 869	–	–
2	Debt securities	77 821	9 742	3 290	76	76	–	–
	Off-balance sheet	61 029	27 438	27 004	1 495	1 262	–	–
3	**Total**	**337 564**	**139 361**	**120 104**	**7 697**	**6 207**	**–**	**–**
4	Of which defaulted	2 749	1 029	836	–	–	–	–

		a	b	c	d	e	f	g
At 31 March 2018 R'million		**Exposures unsecured: carrying amount**	**Exposures secured by collateral**	**Exposures secured by collateral, of which: secured amount**	**Exposures secured by financial guarantees**	**Exposures secured by financial guarantees, of which: secured amount**	**Exposures secured by credit derivatives**	**Exposures secured by credit derivatives, of which: secured amount**
1	Loans	189 058	98 972	86 496	6 267	5 965	–	–
2	Debt securities	77 093	6 790	2 255	78	78	–	–
	Off-balance sheet	55 524	26 792	26 293	963	963	–	–
3	**Total**	**321 675**	**132 554**	**115 044**	**7 308**	**7 006**	**–**	**–**
4	Of which defaulted	1 768	1 272	769	–	–	–	–

The secured exposures in column (b) and (c) are reported as exposures pre any credit conversion factors or mitigation in the current reporting period and only contains exposures that have security against them either in full or partially.

All exposures not secured by either eligible collateral or guarantees is regarded as unsecured.

Where an exposure is secured by both eligible collateral and/or a qualifying guarantee, the relevant secured EAD is duplicated in columns (b) to (e).

The group does not make use of any credit derivative instruments for purposes of reducing capital requirements. We have credit-linked notes (CLNs) that serve as protection against credit exposures, however since these CLNs are fully funded, they function as cash collateral and are reported as such in the table.

CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

The table below illustrates the effect of eligible collateral (measured on the comprehensive approach) as defined in the standardised approach for credit risk.

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	At 30 September 2018 R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Asset classes						
1	Sovereigns and their central banks	62 978	1	66 531	478	2 454	3.7%
2	Non-central government public sector entities	6 844	1 370	4 616	464	1 133	22.3%
3	Multilateral development banks	155	–	155	–	–	–
4	Banks	17 070	647	15 200	299	7 362	47.5%
5	Securities firms	–	1	–	–	–	–
6	Corporates	125 764	42 971	102 760	10 720	105 354	92.8%
7	Regulatory retail portfolios	6 664	6 786	6 256	1 652	5 931	75.0%
8	Secured by residential property	66 703	24 705	73 346	11 454	34 517	40.7%
9	Secured by commercial real estate	88 402	13 130	81 198	4 138	85 226	99.9%
10	Equity	5 326	–	5 326	–	20 785	390.3%
11	Past-due loans	4 131	513	3 051	45	3 702	119.6%
12	Higher risk categories	–	–	–	–	–	–
13	Other assets	17 517	–	17 517	–	24 162	137.9%
14	**Total**	**401 554**	**90 124**	**375 956**	**29 250**	**290 626**	**71.7%**

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	At 31 March 2018 R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Asset classes						
1	Sovereigns and their central banks	65 331	–	69 319	336	1 841	2.6%
2	Non-central government public sector entities	6 424	200	4 452	101	1 021	22.4%
3	Multilateral development banks	–	–	–	84	–	–
4	Banks	14 653	269	13 756	132	6 846	49.3%
5	Securities firms	–	1	–	1	1	100.0%
6	Corporates	118 952	43 859	95 725	9 008	102 436	97.8%
7	Regulatory retail portfolios	7 024	6 641	6 542	1 581	6 095	75.0%
8	Secured by residential property	65 388	21 663	70 467	9 935	33 001	41.0%
9	Secured by commercial real estate	83 667	10 147	77 807	3 030	80 701	99.8%
10	Equity	5 746	–	5 746	–	22 663	394.4%
11	Past-due loans	3 021	216	2 300	25	2 625	112.9%
12	Higher risk categories	–	–	–	–	–	–
13	Other assets	16 211	–	16 211	–	22 594	139.4%
14	**Total**	**386 417**	**82 996**	**362 325**	**24 233**	**279 824**	**72.4%**

Columns (c) and (d) represent the substituted asset class where applicable.

RWA is driven by exposures to corporates 28%, commercial real estate 21% and residential property 21% in the current reporting period.

Credit risk
CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

(continued)

The following is further relevant to the table:

Past due assets are disclosed separately independent of asset class.

RWA density provides a synthetic metric on riskiness of each portfolio and is derived by dividing RWA in column (e) with the sum of columns (c) and (d).

Equity exposures are calculated based on the market based approach (simple risk weight method) after the application of a 1.06 scaling factor as required by SARB. Listed equity are risk-weighted at 318% and unlisted equity at 424%.

The on-balance sheet exposures in column (a) are reported gross of impairment, CCF and CRM. Off-balance sheet exposures in column (b) include revocable facilities.

Credit exposure post-CCF and post-CRM in columns (c) and (d) are the amounts to which risk-weighted assets are applied to.

Past due loans reported follows the same definition of default as applied in table CR1 but includes revocable facilities and average balances where relevant.

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Credit risk
CR5: Standardised approach – exposures by asset classes and risk weights

The table below presents the breakdown of credit risk exposures under the standardised approach and equity exposures under the market-based approach by asset class and risk weight, corresponding to the RW% as reflected in columns (a) to (i).

		a	b	c
	At 30 September 2018 R'million	**0%**	**10%**	**20%**
	Risk weight			
	Asset classes			
1	Sovereigns and their central banks	64 532	–	–
2	Non-central government public sector entities	–	–	4 691
3	Multilateral development banks	155	–	–
4	Banks	6	–	8 030
5	Securities firms	–	–	–
6	Corporates	7 455	–	3
7	Regulatory retail portfolios	–	–	–
8	Secured by residential property	–	–	–
9	Secured by commercial real estate	–	–	–
10	Equity	–	–	–
11	Past-due loans	–	–	–
12	Higher risk categories	–	–	–
13	Other assets	–	–	–
14	**Total**	**72 148**	**–**	**12 724**

		a	b	c
	At 31 March 2018 R'million	**0%**	**10%**	**20%**
	Risk weight			
	Asset classes			
1	Sovereigns and their central banks	67 719	–	–
2	Non-central government public sector entities	–	–	4 187
3	Multilateral development banks	84	–	–
4	Banks	50	–	7 357
5	Securities firms	–	–	–
6	Corporates	1 694	–	7
7	Regulatory retail portfolios	–	–	–
8	Secured by residential property	–	–	–
9	Secured by commercial real estate	–	–	–
10	Equity	–	–	–
11	Past-due loans	–	–	–
12	Higher risk categories	–	–	–
13	Other assets	–	–	–
14	**Total**	**69 547**	**–**	**11 551**

Exposure values reported in table CR5 reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk weight bands.

CR5: Standardised approach – exposures by asset classes and risk weights

(continued)

d	e	f	g	h	i	j
35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post CRM)
–	215	–	2 094	168		67 009
–	389	–	–	–		5 080
–	–	–	–	–		155
–	3 632	–	3 755	76		15 499
–	–	–	–	–		–
–	2 324	–	103 698	–		113 480
–	–	7 908	–	–		7 908
76 291	–	2 775	5 734	–		84 800
–	–	442	84 894	–		85 336
–	–	–	–	–	5 326	5 326
–	164	–	1 452	1 480		3 096
–	–	–	–	–	–	–
–	–	–	13 086	–	4 431	17 517
76 291	**6 724**	**11 125**	**214 713**	**1 724**	**9 757**	**405 206**

d	e	f	g	h	i	j
35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post CRM)
–	190	–	1 746	–	–	69 655
–	366	–	–	–	–	4 553
–	–	–	–	–	–	84
–	2 389	–	4 092	–	–	13 888
–	–	–	1	–	–	1
–	2 259	98	100 675	–	–	104 733
–	–	8 112	11	–	–	8 123
71 862	–	2 765	5 775	–	–	80 402
–	–	540	80 297	–	–	80 837
–	–	–	–	–	5 746	5 746
–	197	–	1 332	796	–	2 325
–	–	–	–	–	–	–
–	–	–	11 955	–	4 256	16 211
71 862	**5 401**	**11 515**	**205 884**	**796**	**10 002**	**386 558**

Counterparty credit risk
CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

The following table provides a summary of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

		a	b	c	d	e	f
At 30 September 2018 R'million		**Replacement cost**	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	CEM-CCR (for derivatives)	9 064	3 090		1	6 986	5 375
2	Internal Model Method (for derivatives and SFTs)	–	–	–	–	–	–
3	Simple Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
4	Comprehensive Approach for credit risk mitigation (for SFTs)	–	–	–	–	1 145	470
5	VaR for SFTs	–	–	–	–	–	
6	**Total**						**5 845**

		a	b	c	d	e	f
At 31 March 2018 R'million		**Replacement cost**	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	CEM-CCR (for derivatives)	10 101	3 307	–	1	7 469	5 415
2	Internal Model Method (for derivatives and SFTs)	–	–	–	–	–	–
3	Simple Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
4	Comprehensive Approach for credit risk mitigation (for SFTs)	–	–	–	–	1 311	438
5	VaR for SFTs	–	–	–	–	–	
6	**Total**						**5 853**

Counterparty credit risk RWA in table OV1 on page 6 of R9.6 billion (including CCR, CVA and CCPs), represent 2.9% of the total bank RWA as at 30 September 2018.

CEM-CCR is the regulator-prescribed method for calculating the counterparties exposure for derivative instruments. It works by taking the net replacement cost of all derivatives (as per signed netting agreements), adding a potential future exposure (PFE) component (based on the notional and underlying type referred to as Anet where netting exists and Agross where no netting exists) and then subtracting any eligible collateral.

Counterparty credit risk exposures reported above include OTC derivative exposures and exclude CVA charges or exposures cleared through a CCP.

Counterparty credit risk
CCR2: Credit valuation adjustment (CVA) capital charge

The following table provides a summary of the CVA regulatory calculation under the standardised approach.

		a	b
	At 30 September 2018 R'million	**EAD post-CRM**	**RWA**
	Total portfolios subject to the advanced CVA capital charge		
1	(i) VaR component (including the 3×multiplier)	–	–
2	(ii) Stressed VaR component (including the 3×multiplier)	–	–
3	All portfolios subject to the standardised CVA capital charge	5 275	3 755
4	**Total subject to the CVA capital charge**	**5 275**	**3 755**

		a	b
	At 31 March 2018 R'million	**EAD post-CRM**	**RWA**
	Total portfolios subject to the advanced CVA capital charge		
1	(i) VaR component (including the 3×multiplier)	–	–
2	(ii) Stressed VaR component (including the 3×multiplier)	–	–
3	All portfolios subject to the standardised CVA capital charge	6 105	6 269
4	**Total subject to the CVA capital charge**	**6 105**	**6 269**

Credit valuation adjustment (CVA) in the regulatory context is a capital charge to take into account possible volatility in the value of derivative instruments due to changes in the credit quality of the bank's counterparty. Exchange traded and centrally cleared derivatives are exempt from the CVA capital charge due to the fact that the exchange or clearing house takes on the credit risk of the transaction.

Counterparty credit risk
CCR3: Standardised approach of CCR exposures by regulatory portfolio and risk weights

The following table provides a breakdown of counterparty credit risk exposures excluding all CVA exposures that are reported in CCR2 as well as exposures to central counterparties which is reported in CCR8, calculated according to the standardised approach: by portfolio (type of counterparties) and by risk weight.

	Risk weight		
	a	b	c
At 30 September 2018 R'million	**0%**	**10%**	**20%**
Regulatory portfolio			
Sovereigns	–	–	–
Non-central government public sector entities (PSEs)	–	–	514
Multilateral development banks (MDBs)	–	–	–
Banks	–	–	1 189
Securities firms	–	–	–
Corporates	–	–	86
Regulatory retail portfolios	–	–	–
Other assets	–	–	–
Total	**–**	**–**	**1 789**

	Risk weight		
	a	b	c
At 31 March 2018 R'million	**0%**	**10%**	**20%**
Regulatory portfolio			
Sovereigns	–	–	–
Non-central government public sector entities (PSEs)	–	–	451
Multilateral development banks (MDBs)	–	–	–
Banks	60	–	1 371
Securities firms	–	–	–
Corporates	104		146
Regulatory retail portfolios	–	–	–
Other assets			
Total	**164**	**–**	**1 968**

CCR3: Standardised approach of CCR exposures by regulatory portfolio and risk weights

(continued)

Risk weight					
d	e	f	g	h	i
50%	75%	100%	150%	Others	Total credit exposure
–	–	533	–	–	533
–	–	27	317	–	858
–	–	–	–	–	–
1 837	–	295	–	–	3 321
–	–	36	–	–	36
–	–	3 291	–	–	3 377
–	6	–	–	–	6
–	–	–	–	–	–
1 837	**6**	**4 182**	**317**	**–**	**8 131**

Risk weight					
d	e	f	g	h	i
50%	75%	100%	150%	Others	Total credit exposure
–	–	802	–	–	802
–	–	19	448	–	918
–	–	–	–	–	–
2 637	–	212	–	–	4 280
50	–	6	–	–	56
138	–	2 321	–	–	2 709
–	15	–	–	–	15
					–
2 825	**15**	**3 360**	**448**	**–**	**8 780**

Counterparty credit risk
CCR5: Composition of collateral for CCR exposure

The following table provides a breakdown of types of collateral posted or received by the bank to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs.

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
At 30 September 2018 R'million	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
Cash – domestic currency	3 371	–	648	–	–	5 897
Cash – other currencies	1 231	–	6 171	–	–	6 106
Domestic sovereign debt	–	–	–	–	6 385	–
Other sovereign debt	–	–	–	–	52	–
Government agency debt	–	–	–	–	167	–
Corporate bonds	–	–	–	–	–	–
Equity securities	239	–	–	–	–	–
Other collateral	607	–	–	–	4 254	–
Total	**5 448**	**–**	**6 819**	**–**	**10 858**	**12 003**

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
At 31 March 2018 R'million	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
Cash – domestic currency	4 582	–	852	–	–	3 857
Cash – other currencies	1 043	–	2 454	–	–	11 519
Domestic sovereign debt	–	–	–	–	3 373	–
Other sovereign debt	–	–	–	–	2 344	–
Government agency debt	–	–	–	–	188	–
Corporate bonds	–	–	–	–	4 017	–
Equity securities	77	–	–	–	–	–
Other collateral	366	–	–	–	4 143	–
Total	**6 068**	**–**	**3 306**	**–**	**14 065**	**15 376**

Segregated refers to collateral which is held in a bankruptcy-remote manner.

CCR6: Credit derivatives exposures

The following table summarises the extent of the bank's exposures to traded credit derivative transactions broken down between derivatives bought or sold.

	a	b
At 30 September 2018 R'million	**Protection bought**	**Protection sold**
Notionals		
Single-name credit default swaps	–	2 145
Index credit default swaps	–	–
Total notionals	**–**	**2 145**
Fair values		
Positive fair value (asset)	–	2 145
Negative fair value (liability)	–	–

	a	b
At 31 March 2018 R'million	**Protection bought**	**Protection sold**
Notionals		
Single-name credit default swaps	2	1 421
Index credit default swaps	–	–
Total notionals	**2**	**1 421**
Fair values		
Positive fair value (asset)	2	1 421
Negative fair value (liability)	–	–

The bank does not make use of any credit derivative instruments for the purpose of reducing capital requirements.

Counterparty credit risk
CCR8: Exposures to central counterparties

		a	b
At 30 September 2018 **R'million**		**EAD (post-CRM)**	**RWA**
1	**Exposures to QCCPs (total)**	**2 377**	**30**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	–	–
3	(i) OTC derivatives	–	–
4	(ii) Exchange-traded derivatives	1 488	30
5	(iii) Securities financing transactions	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	879	–
8	Non-segregated initial margin	–	–
9	Pre-funded default fund contributions	10	–
10	Unfunded default fund contributions	–	–
11	**Exposures to non-QCCPs (total)**	**–**	**–**
12	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	–	–
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	–	–
15	(iii) Securities financing transactions	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	–
18	Non-segregated initial margin	–	–
19	Pre-funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Counterparty credit risk
CCR8: Exposures to central counterparties

	At 31 March 2018 R'million	a EAD (post-CRM)	b RWA
1	**Exposures to QCCPs (total)**	**2 593**	**34**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	–	–
3	(i) OTC derivatives	–	–
4	(ii) Exchange-traded derivatives	1 668	33
5	(iii) Securities financing transactions	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	915	–
8	Non-segregated initial margin	–	–
9	Pre-funded default fund contributions	10	1
10	Unfunded default fund contributions	–	–
11	**Exposures to non-QCCPs (total)**	**–**	**–**
12	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	–	–
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	–	–
15	(iii) Securities financing transactions	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	–
18	Non-segregated initial margin	–	–
19	Pre-funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Securitisation
SEC1: Securitisation exposures in the banking book

The following table presents the bank's securitisation exposures in its banking book split between special purpose vehicles where we have acted as an originator and/or investor.

		a	b	c
		Bank acts as originator		
At 30 September 2018 R'million		**Traditional**	**Synthetic**	**Sub-total**
1	**Retail (total) – of which**	**763**	**–**	**763**
2	residential mortgage	763	–	763
3	credit card	–	–	–
4	other retail exposures	–	–	–
5	re-securitisation	–	–	–
6	**Wholesale (total) – of which**	**–**	**–**	**–**
7	loans to corporates	–	–	–
8	commercial mortgage	–	–	–
9	lease and receivables	–	–	–
10	other wholesale	–	–	–
11	re-securitisation	–	–	–

		a	b	c
		Bank acts as originator		
At 31 March 2018 R'million		**Traditional**	**Synthetic**	**Sub-total**
1	**Retail (total) – of which**	**647**	**–**	**647**
2	residential mortgage	647	–	647
3	credit card	–	–	–
4	other retail exposures	–	–	–
5	re-securitisation	–	–	–
6	**Wholesale (total) – of which**	**–**	**–**	**–**
7	loans to corporates	–	–	–
8	commercial mortgage	–	–	–
9	lease and receivables	–	–	–
10	other wholesale	–	–	–
11	re-securitisation	–	–	–

The bank only transacts in traditional securitisation schemes and none of the underlying assets or exposures relate to re-securitised assets.

Exposures where the bank has acted as the originator relate to retained positions of issued notes and first loss positions provided to the securitisation structures.

Securitisation exposures where the bank has acted as an investor are the investment positions purchased in third party deals.

Asset classes/rows reported above are classified based on the underlying exposures.

e	f	g	i	j	k
Bank acts as sponsor			Bank acts as investor		
Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
–	**–**	**–**	**2 340**	**–**	**2 340**
–	–	–	1 991	–	1 991
–	–	–	–	–	–
–	–	–	349	–	349
–	–	–	–	–	–
–	**–**	**–**	**194**	**–**	**194**
–	–	–	194	–	194
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–

e	f	g	i	j	k
Bank acts as sponsor			Bank acts as investor		
Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
–	**–**	**–**	**1 642**	**–**	**1 642**
–	–	–	1 642	–	1 642
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	**–**	**–**	**146**	**–**	**146**
–	–	–	146	–	146
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–

Securitisation risk SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

The following table presents securitisation exposures in the banking book where the bank acted as an originator and the associated capital requirements

		a	b	c	d	e	f	g
		Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 30 September 2018 R'million		≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1 250% RW	1 250% RW	IRB RBA (including IAA)	IRB SFA
1	**Total exposures**	**–**	**763**	**–**	**–**	**–**	**–**	**–**
2	**Traditional securitisation**	–	763	–	–	–	–	–
3	Of which securitisation	–	763	–	–	–	–	–
4	Of which retail underlying	–	763	–	–	–	–	–
5	Of which wholesale	–	–	–	–	–	–	–
6	Of which re-securitisation	–	–	–	–	–	–	–
7	Of which senior	–	763	–	–	–	–	–
8	Of which non-senior	–	–	–	–	–	–	–
9	**Synthetic securitisation**	–	–	–	–	–	–	–
10	Of which securitisation	–	–	–	–	–	–	–
11	Of which retail underlying	–	–	–	–	–	–	–
12	Of which wholesale	–	–	–	–	–	–	–
13	Of which re-securitisation	–	–	–	–	–	–	–
14	Of which senior	–	–	–	–	–	–	–
15	Of which non-senior	–	–	–	–	–	–	–

		a	b	c	d	e	f	g
		Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 31 March 2018 R'million		≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1 250% RW	1 250% RW	IRB RBA (including IAA)	IRB SFA
1	**Total exposures**	**–**	**647**	**–**	**–**	**–**	**–**	**–**
2	**Traditional securitisation**	–	647	–	–	–	–	–
3	Of which securitisation	–	647	–	–	–	–	–
4	Of which retail underlying	–	647	–	–	–	–	–
5	Of which wholesale	–	–	–	–	–	–	–
6	Of which re-securitisation	–	–	–	–	–	–	–
7	Of which senior	–	647	–	–	–	–	–
8	Of which non-senior	–	–	–	–	–	–	–
9	**Synthetic securitisation**	–	–	–	–	–	–	–
10	Of which securitisation	–	–	–	–	–	–	–
11	Of which retail underlying	–	–	–	–	–	–	–
12	Of which wholesale	–	–	–	–	–	–	–
13	Of which re-securitisation	–	–	–	–	–	–	–
14	Of which senior	–	–	–	–	–	–	–
15	Of which non-senior	–	-	–	–	–	–	–

Columns (a) to (e) are defined in relation to regulatory risk weights applied to retained exposures. The bank applied the look-through approach by applying capital requirements to the underlying assets in the scheme under the standardised approach for senior residential mortgage exposures.

Securitisation risk SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

(continued)

h	i	j	k	l	m	n	o	p	q
Exposure values (by regulatory approach)		RWA (by regulatory approach)				Capital charge after cap			
SA/SSFA	1 250%	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1 250%	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1 250%
763	**–**	**–**	**–**	**1 362**	**–**	**–**	**–**	**152**	**–**
763	–	–	–	1 362	–	–	–	152	–
763	–	–	–	1 362	–	–	–	152	–
763	–	–	–	1 362	–	–	–	152	–
–	–	–	–	–	–	–	–	–	–
—	–	–	–	–	–	–	–	–	–
763	–	–	–	1 362	–	–	–	152	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

h	i	j	k	l	m	n	o	p	q
Exposure values (by regulatory approach)		RWA (by regulatory approach)				Capital charge after cap			
SA/SSFA	1 250%	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1 250%	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1 250%
647	**–**	**–**	**–**	**964**	**–**	**–**	**–**	**107**	**–**
647	–	–	–	964	–	–	–	107	–
647	–	–	–	964	–	–	–	107	–
647	–	–	–	964	–	–	–	107	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
647	–	–	–	964	–	–	–	107	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

Securitisation risk is measured on the standardised approach (TSA). The bank has not applied the internal assessment approach (IAA) to unrated exposures nor has it provided implicit support to any of the special purpose institutions (SPIs). The capital charge is calculated at 11.142%.

Securitisation risk
SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

(continued)

The following table presents securitisation exposures in the banking book where the bank acted as an investor and the associated capital requirements.

	a	b	c	d	e	f	g
	Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 30 September 2018 R'million	**≤ 20% RW**	**> 20% to 50% RW**	**> 50% to 100% RW**	**> 100% to < 1 250% RW**	**1 250% RW**	**IRB RBA (including IAA)**	**IRB SFA**
1 **Total exposures**	**36**	**1 266**	**1 165**	**68**	**–**	**–**	**–**
2 **Traditional securitisation**	36	1 266	1 165	68	–	–	–
3 Of which securitisation	36	1 266	1 165	68	–	–	–
4 Of which retail underlying	36	1 266	1 039	–	–	–	–
5 Of which wholesale	–	–	126	68	–	–	–
6 Of which re-securitisation	–	–	–	–	–	–	–
7 Of which senior	36	1 266	1 165	68	–	–	–
8 Of which non-senior	–	–	–	–	–	–	–
9 **Synthetic securitisation**	–	–	–	–	–	–	–
10 Of which securitisation	–	–	–	–	–	–	–
11 Of which retail underlying	–	–	–	–	–	–	–
12 Of which wholesale	–	–	–	–	–	–	–
13 Of which re-securitisation	–	–	–	–	–	–	–
14 Of which senior	–	–	–	–	–	–	–
15 Of which non-senior	–	–	–	–	–	–	–

	a	b	c	d	e	f	g
	Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 31 March 2018 R'million	**≤ 20% RW**	**> 20% to 50% RW**	**> 50% to 100% RW**	**> 100% to < 1 250% RW**	**1 250% RW**	**IRB RBA (including IAA)**	**IRB SFA**
1 **Total exposures**	**36**	**980**	**712**	**60**	**–**	**–**	**–**
2 **Traditional securitisation**	36	980	712	60	–	–	–
3 Of which securitisation	36	980	712	60	–	–	–
4 Of which retail underlying	–	980	–	–	–	–	–
5 Of which wholesale	36	–	712	60	–	–	–
6 Of which re-securitisation	–	–	–	–	–	–	–
7 Of which senior	36	980	712	60	–	–	–
8 Of which non-senior	–	–	–	–	–	–	–
9 **Synthetic securitisation**	–	–	–	–	–	–	–
10 Of which securitisation	–	–	–	–	–	–	–
11 Of which retail underlying	–	–	–	–	–	–	–
12 Of which wholesale	–	–	–	–	–	–	–
13 Of which re-securitisation	–	–	–	–	–	–	–
14 Of which senior	–	–	–	–	–	–	–
15 Of which non-senior	–	–	–	–	–	–	–

Columns (a) to (e) include the investments positions purchased in third party SPI exposures.
Investec Bank Limited group applied the look-through approach to calculate RWA under the standardised approach (TSA) for senior investment exposures.

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

(continued)

h	i	j	k	l	m	n	o	p	q
Exposure values (by regulatory approach)		**RWA (by regulatory approach)**				**Capital charge after cap**			
SA/SSFA	**1 250%**	**IRB RBA (including IAA)**	**IRB SFA**	**SA/SSFA**	**1 250%**	**IRB RBA (including IAA)**	**IRB SFA**	**SA/SSFA**	**1 250%**
2 534	**–**	**–**	**–**	**1 816**	**–**	**–**	**–**	**202**	**–**
2 534	–	–	–	1 816	–	–	–	202	–
2 534	–	–	–	1 816	–	–	–	202	–
2 340	–	–	–	1 402	–	–	–	156	–
194	–	–	–	414	–	–	–	46	–
–	–	–	–	–	–	–	–	–	–
2 534	–	–	–	1 816	–	–	–	202	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

h	i	j	k	l	m	n	o	p	q
Exposure values (by regulatory approach)		**RWA (by regulatory approach)**				**Capital charge after cap**			
SA/SSFA	**1 250%**	**IRB RBA (including IAA)**	**IRB SFA**	**SA/SSFA**	**1 250%**	**IRB RBA (including IAA)**	**IRB SFA**	**SA/SSFA**	**1 250%**
1 788	**–**	**–**	**–**	**1 318**	**–**	**–**	**–**	**147**	**–**
1 788	–	–	–	1 318	–	–	–	147	–
1 788	–	–	–	1 318	–	–	–	147	–
980	–	–	–	343	–	–	–	38	–
808	–	–	–	975	–	–	–	109	–
–	–	–	–	–	–	–	–	–	–
1 788	–	–	–	1 318	–	–	–	147	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

Market risk
MR1: Market risk under standardised approach

	At 30 September 2018 R'million	a Risk-weighted assets
	Outright products	
1	Interest rate risk (general and specific)	38
2	Equity risk (general and specific)	500
3	Foreign exchange risk	–
4	Commodity risk	–
	Options	
5	Simplified approach	–
6	Delta-plus method	–
7	Scenario approach	–
8	Securitisation	–
9	**Total**	**538**

	At 31 March 2018 R'million	a Risk-weighted assets
	Outright products	
1	Interest rate risk (general and specific)	–
2	Equity risk (general and specific)	251
3	Foreign exchange risk	–
4	Commodity risk	–
	Options	
5	Simplified approach	–
6	Delta-plus method	–
7	Scenario approach	–
8	Securitisation	–
9	**Total**	**251**

The Equity general and specific risk relates to certain products on the desk which have not been incorporated into the internal VaR model. These positions are small relative to the total book. RWA in this table is derived by multiplying the capital required by 12.5.

MR2: RWA flow statements of market risk exposures under an IMA

The table below presents a flow statement explaining variations in the market RWA determined under an internal model approach.

		a	b	c	d	e	f
At 30 September 2018 R'million		**VaR**	**Stressed VaR**	**IRC**	**CRM**	**Other**	**Total RWA**
1	RWA at previous quarter end	867	1 331	–	–	–	2 198
2	Movement in risk levels	602	1 162	–	–	–	1 764
3	Model updates/changes	–	–	–	–	–	–
4	Methodology and policy	–	–	–	–	–	–
5	Acquisitions and disposals	–	–	–	–	–	–
6	Foreign exchange movements	–	–	–	–	–	–
7	Other	–	–	–	–	–	–
8	RWA at the end of the reporting period	1 469	2 493	–	–	–	3 962

		a	b	c	d	e	f
At 30 June 2018 R'million		**VaR**	**Stressed VaR**	**IRC**	**CRM**	**Other**	**Total RWA**
1	RWA at previous quarter end	1 947	2 317	–	–	–	4 264
2	Movement in risk levels	(1 080)	(986)	–	–	–	(2 066)
3	Model updates/changes	–	–	–	–	–	–
4	Methodology and policy	–	–	–	–	–	–
5	Acquisitions and disposals	–	–	–	–	–	–
6	Foreign exchange movements	–	–	–	–	–	–
7	Other	–	–	–	–	–	–
8	RWA at the end of the reporting period	867	1 331	–	–	–	2 198

The increase in risk-weighted assets is mainly due to an increase in VaR and stressed VaR exposures across all trading desks off the back of increased client activity. RWA in this table is derived by multiplying the capital required by 12.5.

Market risk
MR3: IMA values for trading portfolios

The table below displays the values (maximum, minimum, average and period ending for the reporting period) resulting from the different types of models used for computing the regulatory capital charge at the group level, before any additional capital charge is applied by the jurisdiction.

		a
At 30 September 2018 R'million		**VaR (10-day 99%)**
1	Maximum value	60
2	Average value	34
3	Minimum value	19
4	Period end	35
		Stressed VaR (10-day 99%)
5	Maximum value	86
6	Average value	57
7	Minimum value	26
8	Period end	50
		Incremental risk charge (99.9%)
9	Maximum value	–
10	Average value	–
11	Minimum value	–
12	Period end	–
		Comprehensive risk capital charge (99.9%)
13	Maximum value	–
14	Average value	–
15	Minimum value	–
16	Period end	–
17	Floor (standardised measurement method)	**–**

Summary statistics were calculated on the 10-day VaR and sVaR figures for the quarter ended 30 September 2018. The 10-day figures were obtained by multiplying the one-day figures by SQRT(10).

Market risk
MR3: IMA values for trading portfolios
(continued)

		a
At 31 March 2018 R'million		**VaR (10-day 99%)**
1	Maximum value	85
2	Average value	44
3	Minimum value	23
4	Period end	27
		Stressed VaR (10-day 99%)
5	Maximum value	113
6	Average value	53
7	Minimum value	26
8	Period end	38
		Incremental risk charge (99.9%)
9	Maximum value	–
10	Average value	–
11	Minimum value	–
12	Period end	–
		Comprehensive risk capital charge (99.9%)
13	Maximum value	–
14	Average value	–
15	Minimum value	–
16	Period end	–
17	Floor (standardised measurement method)	–

Composition of capital disclosure requirements

CC1: Composition of regulatory capital

At 30 September 2018 R'million		Amounts
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	13 396
2	Retained earnings	23 799
3	Accumulated other comprehensive income (and other reserves)	916
4	Directly issued capital subject to phase out from CET 1 (only applicable to non-joint stock companies)	–
	Public sector capital injections grandfathered until 1 January 2018	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	–
6	**Common Equity Tier 1 capital before regulatory adjustments**	**38 111**
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustment	8
8	Goodwill (net of related tax liability)	170
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	461
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–
11	Cash flow hedge reserve	(1 014)
12	Shortfall of provisions to expected losses	–
13	Securitisation gain on sale	–
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–
15	Defined benefit pension fund	–
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–
17	Reciprocal cross-holdings in common equity	–
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not won more than 10% of the issued share capital (amount above 10% threshold)	–
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	2 578
20	Mortgage servicing rights (amount above 10% threshold)	–
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–
22	Amount exceeding 15% threshold	–
23	of which: significant investments in the common stock of financials	–
24	of which: mortgage servicing rights	–
25	of which: deferred tax assets arising from temporary differences	–
26	National specific regulatory adjustments	22
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	–
	of which: own credit	22
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–
28	**Total regulatory adjustments to Common Equity Tier 1**	**2 225**
29	**Common Equity Tier 1 Capital (CET 1) (Row 6 – Row 28)**	**35 886**

CC1: Composition of regulatory capital

(continued)

At 30 September 2018 R'million		Amounts
Additional Tier 1 capital: instruments		
30	Directly issues Additional Tier 1 instruments plus related stock surplus	350
31	of which: classified as equity under applicable accounting standards	350
32	of which: classified as liabilities under applicable accounting standards	–
33	Directly issued capital instruments subject to phase out from Additional Tier 1	613
34	Additional Tier 1 instruments (and CET 1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–
35	of which: instruments issued by subsidiaries subject to phase out	–
36	**Additional Tier 1 capital before regulatory adjustments**	**963**
Additional Tier 1 capital: regulatory adjustments		
37	Instruments in own Additional Tier 1 instruments	–
38	Reciprocal cross-holdings in Additional Tier 1 instruments	–
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–
41	National specific regulatory adjustments	–
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	–
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–
43	**Total regulatory adjustments to Additional Tier 1 capital**	**–**
44	**Additional Tier 1 capital (AT1)**	**963**
45	**Tier 1 capital (T1 = CET 1 + AT1)**	**36 849**
Tier 2 capital and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	12 753
47	Directly issued capital instruments subject to phase out from Tier 2	1 750
48	Tier 2 instruments (and CET 1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–
49	of which: instruments issued by subsidiaries subject to phase out	–
50	Provisions	731
51	**Tier 2 capital before regulatory adjustments**	**13 484**
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	–
53	Reciprocal cross-holdings in Tier 2 instruments	–
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–
56	National specific regulatory adjustments	–
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	–
57	**Total regulatory adjustments to Tier 2 capital**	**–**
58	**Tier 2 capital (T2)**	**13 484**

CC1: Composition of regulatory capital

(continued)

	At 30 September 2018 R'million	Amounts
59	**Total capital (TC = T1 + T2)**	**50 333**
	RISK-WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	330 146
	of which: Credit risk including equity exposures	293 805
	of which: Counterparty credit risk*	9 630
	of which: Market risk	4 500
	of which: Operational risk	22 211
60	**Total risk-weighted assets**	**330 146**
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.9%
62	Tier 1 (as a percentage of risk-weighted assets)	11.2%
63	Total capital (as a percentage of risk-weighted assets)	15.2%
64	Institution specific buffer requirement (minimum CET 1 requirements plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk-weighted assets)	7.4%
65	of which: capital conservation buffer requirement	–
66	of which: bank specific countercyclical buffer requirement	–
67	of which: G-SIB buffer requirement	–
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	10.9%
National Minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.4%
70	National Tier 1 minimum ratio	8.9%
71	National total capital minimum ratio	11.1%
Amounts below the threshold for deductions (before risk-weighting)		
72	Non-significant investments in the capital of other financials	–
73	Significant investments in the common stock of financials	3 846
74	Mortgage servicing rights (net of related tax liability)	–
75	Deferred tax assets arising from temporary differences (net of related tax liability)	584
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposure subject to standardised approach (prior to application of cap)	731
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3 185
78	Provisions eligible for inclusion in Tier 2 in respect of exposure subject to internal ratings-based approach (prior to application of cap)	–
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–
Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET 1 instruments subject to phase out arrangements	
81	Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

* *Counterparty credit risk includes credit valuation adjustment risk.*

Disclosure template for main features of regulatory capital instruments

At 30 September 2018		Ordinary share capital and premium	Non-redeemable, non-cumulative, non-participating preference shares	IVO48U
1	Issuer	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Unlisted	ZAE000048393	N/A
3	Governing law(s) of the instrument	South Africa	South Africa	South Africa
	Regulatory treatment			
4	Transitional Basel III rules	CET 1	AT1	AT1
5	Post-transitional Basel III rules	CET 1	AT1	AT1
6	Eligible at solo/group/group and solo	Group and solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	CET 1	AT1	AT1
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)[1]	13 397	1 534	350
9	Par value of instrument	13 397	1 534	350
10	Accounting classification	IFRS: Equity	IFRS: Equity	IFRS: Equity
11	Original date of issuance	31 March 1969	17 July 2003	22 March 2018
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	22 March 2023
	Tax and/or regulatory event	Not applicable	Not applicable	Yes
	Redemption amount	Not applicable	Not applicable	100% of principal plus interest
16	Subsequent call date, if applicable	Not applicable	Not applicable	Every reset date thereafter
	Coupons/dividends			
17	Fixed or floating dividend coupon	Floating	Floating	Floating
18	Coupon rate and any related index	Not applicable	83.33% of prime rate	JIBAR + 5.15%
19	Existence of a dividend stopper	No	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	Not applicable	Not applicable	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Not applicable	Not applicable	Non-convertible

CCA: Main features of regulatory capital instruments

(continued)

IV019	IV019A	IV025	IV026	IVO30
Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
ZAG000094442	ZAG000095779	ZAG000099680	ZAG000100041	ZAG000100553
South Africa	South Africa	South Africa	South Africa	South Africa
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Phased out	Phased out	Tier 2
Group and solo	Group and solo	Group and solo	Group and solo	Group and solo
Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
145	369	1 000	750	471
64	230	1 000	750	324
IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
2 April 2012	28 May 2012	12 September 2012	27 September 2012	18 October 2012
Dated	Dated	Dated	Dated	Dated
31 March 2028	31 March 2028	12 September 2024	27 September 2024	31 January 2025
Yes	Yes	Yes	Yes	Yes
31 March 2023	3 April 2023	12 September 2019	27 September 2019	31 January 2020
Yes	Yes	Yes	Yes	Yes
Investment amount plus interest plus change in price of replicated bond	Investment amount plus interest plus change in price of replicated bond	100% of principal plus interest	100% of principal plus interest	Investment amount plus interest plus change in price of replicated bond
Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
Floating	Floating	Floating	Floating	Floating
CPI-linked: 2.60%	CPI-linked: 2.60%	JIBAR + 2.5%	JIBAR + 2.45%	CPI-linked: 2.00%
No	No	No	No	No
Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
No	No	No	No	No
Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Non-convertible	Non-convertible	Convertible or write-off as per regulation, at option of regulator

CCA: Main features of regulatory capital instruments

(continued)

Disclosure template for main features of regulatory capital instruments *(continued)*

At 30 September 2018		Ordinary share capital and premium	Non-redeemable, non-cumulative, non-participating preference shares	IVO48U
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	Not applicable	Not applicable	Partial or full write-off as per regulation, at option of regulator
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	PONV as defined by regulator
32	If write-down, full or partial	Not applicable	Not applicable	Partial or full, as deemed required by regulator
33	If write-down, permanent or temporary	Not applicable	Not applicable	Permanent as per G7/2013
34	If write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 instruments	Tier 2 instruments	Tier 1 instruments
36	Non-compliant transitioned features	Not applicable	Yes	No
37	If yes, specify non-compliant features	Not applicable	Excludes loss absorbency requirements	Not applicable

1. *Amount recognised in regulatory capital pre phasing out of non-qualifying instruments which is not allocated per instrument.*

CCA: Main features of regulatory capital instruments

(continued)

	IV019	IV019A	IV025	IV026	IVO30
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Not applicable	Not applicable	Partial or full write-off as per regulation, at option of regulator
	PONV as defined by regulator	PONV as defined by regulator	Not applicable	Not applicable	PONV as defined by regulator
	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Not applicable	Not applicable	Partial or full, as deemed required by regulator
	Not applicable	Not applicable	Not applicable	Not applicable	Permanent as per G7/2013
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors
	No	No	Yes	Yes	No
	Not applicable	Not applicable	No PONV in contract	No PONV in contract	Not applicable

CCA: Main features of regulatory capital instruments

(continued)

Disclosure template for main features of regulatory capital instruments *(continued)*

	At 30 September 2018	IV030A	IV031	IV033
1	Issuer	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAG000100884	ZAG000103722	ZAG00013342
3	Governing law(s) of the instrument	South Africa	South Africa	South Africa
	Regulatory treatment			
4	Transitional Basel III rules	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group and solo	Group and solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated debt	Subordinated debt	Subordinated debt
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)[1]	422	500	159
9	Par value of instrument	350	500	159
10	Accounting classification	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
11	Original date of issuance	26 October 2012	11 March 2013	11 February 2016
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	31 January 2025	11 March 2025	11 February 2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	31 January 2020	11 March 2020	11 February 2021
	Tax and/or regulatory event	Yes	Yes	Yes
	Redemption amount	Investment amount plus interest plus change in price of replicated bond	100% of principal and interest	100% of principal and interest
16	Subsequent call date, if applicable	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
	Coupons/dividends			
17	Fixed or floating dividend coupon	Floating	Floating	Floating
18	Coupon rate and any related index	CPI-linked: 2.00%	JIBAR + 2.95%	JIBAR + 4.25%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable

CCA: Main features of regulatory capital instruments

(continued)

IV034	IV035	IV036	IV037	IV038	IV039
Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
ZAG000133430	ZAG000134610	ZAG000135526	Unlisted	ZAG000139593	ZAG000139700
South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo
Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
101	1 468	32	1 430	350	172
101	1 468	32	1 724	350	119
IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
11 February 2016	17 March 2016	22 April 2016	19 October 2016	23 September 2016	29 September 2016
Dated	Dated	Dated	Dated	Dated	Dated
11 February 2026	7 April 2027	22 July 2026	19 October 2026	23 September 2026	31 January 2027
Yes	Yes	Yes	Yes	Yes	Yes
11 February 2021	7 April 2022	22 July 2021	19 October 2021	23 September 2021	31 January 2022
Yes	Yes	Yes	Yes	Yes	Yes
100% of principal and interest	100% of principal and interest	100% of principal and interest	100% of principal and interest	100% of principal and interest	Inflation adjusted 100% of principal and interest
Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
Fixed	Floating	Floating	Mixed rate	Floating	Mixed rate
12.47%	JIBAR + 4.65%	JIBAR + 4.25%	LIBOR + 5.5%	JIBAR + 4.25%	CPI-linked: 2.75%
No	No	No	No	No	No
Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
No	No	No	No	No	No
Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

CCA: Main features of regulatory capital instruments

(continued)

Disclosure template for main features of regulatory capital instruments *(continued)*

	At 30 September 2018	IV030A	IV031	IV033
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator
31	If write-down, write-down trigger(s)	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator
32	If write-down, full or partial	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator
33	If write-down, permanent or temporary	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013
34	If write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable

1. *Amount recognised in regulatory capital pre phasing out of non-qualifying instruments which is not allocated per instrument.* .

CCA: Main features of regulatory capital instruments

(continued)

	IV034	IV035	IV036	IV037	IV038	IV039
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator
	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator
	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator
	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors
	No	No	No	No	No	No
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

CCA: Main features of regulatory capital instruments

(continued)

Disclosure template for main features of regulatory capital instruments *(continued)*

	At 30 September 2018	IV040	IV041	IV042	IV043
1	Issuer	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAG000139718	ZAG000139726	ZAG000140708	ZAG000140765
3	Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa
	Regulatory treatment				
4	Transitional Basel III rules	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group and solo	Group and solo	Group and solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
8	Amount recognised in regulatory capital (Currency in millions, as of most recent reporting date)[1]	589	190	50	150
9	Par value of instrument	589	190	50	150
10	Accounting classification	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
11	Original date of issuance	29 September 2016	29 September 2016	18 November 2016	21 November 2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	29 September 2026	29 September 2026	18 November 2026	21 November 2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	29 September 2021	29 September 2021	18 November 2021	21 November 2021
	Tax and/or regulatory event	Yes	Yes	Yes	Yes
	Redemption amount	100% of principal and interest	100% of principal and interest	100% of principal and interest	100% of principal and interest
16	Subsequent call date, if applicable	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
	Coupons/dividends				
17	Fixed or floating dividend coupon	Floating	Mixed Rate	Floating	Mixed Rate
18	Coupon rate and any related index	J + 4.25%	11,97%	J + 4.25%	12,50%
19	Existence of a dividend stopper	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative

CCA: Main features of regulatory capital instruments

(continued)

IV044	IV045	IV046	IV047
Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
ZAG000141797	ZAG000141805	ZAG000144585	Unlisted
South Africa	South Africa	South Africa	South Africa
Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2
Group and solo	Group and solo	Group and solo	Group and solo
Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
240	1 669	1 200	1 296
240	1 160	1 200	1 517
IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
31 January 2017	31 January 2017	21 June 2017	30 June 2017
Dated	Dated	Dated	Dated
31 January 2027	31 January 2027	21 June 2027	30 June 2022
Yes	Yes	Yes	Yes
31 January 2022	31 January 2022	21 June 2022	30 June 2027
Yes	Yes	Yes	Yes
100% of principal and interest	Inflation adjusted 100% of principal and interest	100% of principal and interest	100% of principal and interest
Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
Floating	Mixed Rate	Floating	Mixed Rate
J + 4.15%	CPI-linked: 2.75%	J + 3.90%	Libor + 4.5%
No	No	No	No
Mandatory	Mandatory	Mandatory	Mandatory
No	No	No	No
Cumulative	Cumulative	Cumulative	Cumulative

CCA: Main features of regulatory capital instruments

(continued)

Disclosure template for main features of regulatory capital instruments *(continued)*

	At 30 September 2018	IV040	IV041	IV042	IV043
23	Convertible or non-convertible	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator
24	if convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable
25	if convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable
26	if convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable
27	if convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable
28	if convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable
29	if convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down feature	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator
31	If write-down, write-down trigger(s)	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator
32	If write-down, full or partial	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator
33	If write-down, permanent or temporary	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013
34	If write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable

Note 1: Amount recognised in regulatory capital pre phasing out of non-qualifying instruments which is not allocated per instrument.

CCA: Main features of regulatory capital instruments

(continued)

	IV044	IV045	IV046	IV047
	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator
	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator	Partial or full write-off as per regulation, at option of regulator
	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator	PONV as defined by regulator
	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator	Partial or full, as deemed required by regulator
	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013	Permanent as per G7/2013
	Not applicable	Not applicable	Not applicable	Not applicable
	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors
	No	No	No	No
	Not applicable	Not applicable	Not applicable	Not applicable

Notes