

# 2016

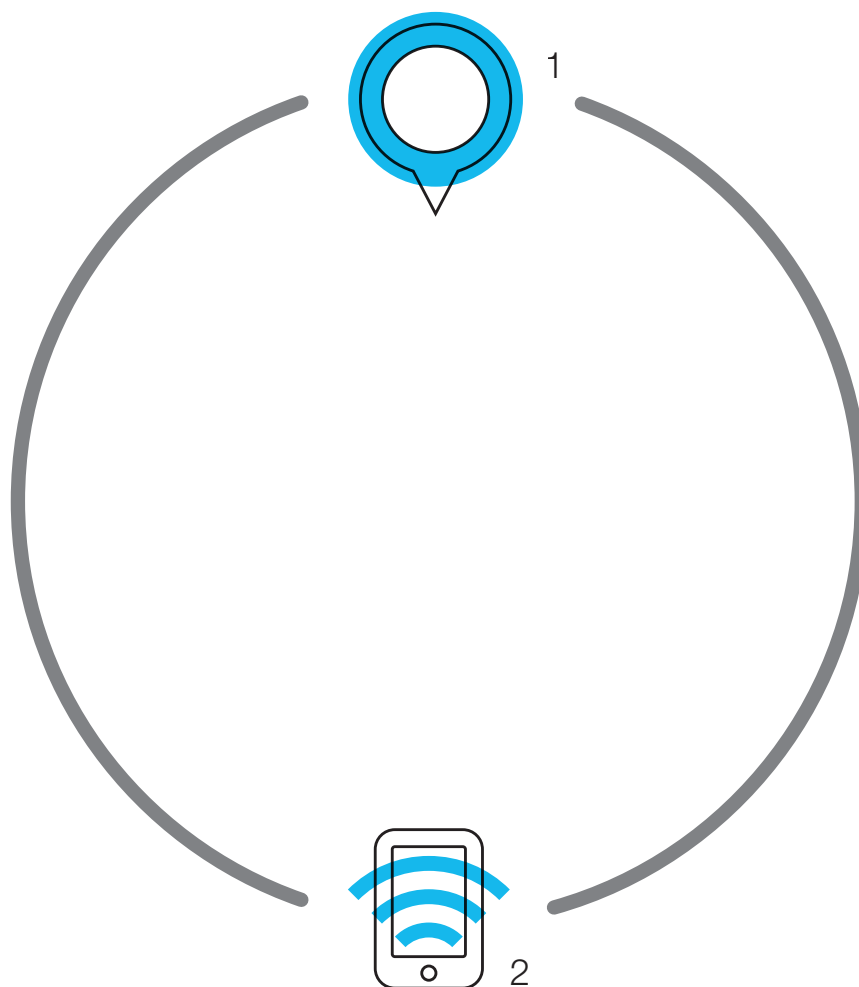
## DISCLOSURE REPORT

Investec Bank Limited  
Basel Pillar III  
semi-annual disclosure report

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*Out of the Ordinary®*





## CROSS REFERENCE TOOLS

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### **1. Page references**

Refers readers to information elsewhere in this report

### **2. Website**

Indicates that additional information is available on our website:  
[www.investec.com](http://www.investec.com)

# The Investec Bank Limited Pillar III report covers the period 1 April 2016 to 30 September 2016

On 28 January 2015 the Basel Committee on Banking Supervision (BCBS) issued revised Pillar III disclosure requirements (the revised Pillar III disclosures). The revised Pillar III disclosures incorporate standardised templates and supersede the existing Pillar III disclosure requirements in regulation 43 of the Regulations relating to banks (the Regulations) and/or previously issued Banks Act (2007) (the Act) directives, except for the following existing disclosures that will remain in place:



- Remuneration (July 2011) disclosed annually;
- Composition of capital disclosure requirements (June 2012) (pages 28 to 41);
- Liquidity coverage ratio disclosure standards (January 2014) (pages 54 and 55 of the Investec Bank Limited financial report as at 30 September 2016); and
- Leverage ratio framework and disclosure requirements (January 2014) (pages 58 and 59 of the Investec Bank Limited financial report as at 30 September 2016).

The revised Pillar III disclosure requirements are legislated by the Banks Act directive 11 of 2015 that includes revised qualitative and quantitative tables to be disclosed. The revised semi-annually Pillar III disclosures in this report relate to:

- An overview risk-weighted assets (RWA) (page 4);
- Credit risk (pages 5 to 11);
- Counterparty credit risk (pages 12 to 17);
- Securitisation risk (pages 18 to 23); and
- Market risk (pages 24 to 27).



The table below provides details of the regulatory risk measurement approaches applied per relevant risk type to calculate capital demand:

Risk type	Risk measurement approach
Credit risk (including securitisation risk)	Standardised approach (TSA)
Market risk	Combination of the Standardised (TSA) and Internal model method (IMM) approaches
Operational risk	Standardised approach (TSA)
Equity risk in the Banking book	Market based approach – Simple risk weight method (MSRM)
Counterparty credit risk	Current exposure method (CEM)

Tables and disclosures related to risk measurement approaches other than those listed above were therefore not applicable and excluded from this report.

The BCBS has consulted further on Pillar III in a document titled: "Pillar III disclosure requirements – consolidated and enhanced framework – consultative document" (March 2016). We will consider these proposed requirements for future Pillar III publications when the disclosures become effective in South Africa.

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# One

Revised quantitative  
standardised tables  
and templates





## OV1: Overview of RWA

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

		a	b	c
		Risk-weighted assets		Minimum capital requirements
R'million	Notes	30 September 2016	31 March 2016	30 September 2016
<b>1 Credit risk (excluding counterparty credit risk) (CCR)</b>		<b>232 549</b>	<b>223 367</b>	<b>24 126</b>
2 Of which standardised approach (SA)		232 549	223 367	24 126
3 Of which internal rating-based (IRB) approach		–	–	–
<b>4 Counterparty credit risk</b>	N1	<b>6 460</b>	<b>7 269</b>	<b>670</b>
5 Of which standardised approach for counterparty credit risk (CEM)		6 460	7 269	670
6 Of which internal model method (IMM)		–	–	–
<b>7 Equity positions in banking book under market-based approach</b>		<b>42 609</b>	<b>38 603</b>	<b>4 420</b>
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		–	–	–
<b>12 Securitisation exposures in banking book</b>		<b>2 082</b>	<b>3 893</b>	<b>216</b>
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)		2 082	3 893	216
<b>16 Market risk</b>	N2	<b>4 270</b>	<b>4 578</b>	<b>443</b>
17 Of which standardised approach (SA)		517	394	54
18 Of which internal model approaches (IMM)		3 753	4 184	389
<b>19 Operational risk</b>	N2	<b>18 841</b>	<b>17 798</b>	<b>1 954</b>
20 Of which basic indicator approach		–	–	–
21 Of which standardised approach		18 841	17 798	1 954
22 Of which advanced measurement approach		–	–	–
<b>23 Amounts below the thresholds for deduction (subject to 250% risk-weight)</b>	N3	<b>251</b>	<b>244</b>	<b>26</b>
24 Floor adjustment		–	–	–
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>		<b>307 062</b>	<b>295 752</b>	<b>31 855</b>

The minimum capital requirements in column (c) are determined based on the SARB minimum capital requirements of 10.375% and excludes Investec's DSIB and Pillar II add-on in line with Banks Act circular 5/2013.

### Movement in risk-weighted assets (RWA)

The Bank's RWA increased from R295.8 billion in March 2016 to R307.1 billion mainly associated with an increase of credit risk and equity risk exposures offset slightly by a reduction in securitisation exposures.

Credit risk-weighted assets grew by R9.2 billion mainly associated with growth over the period. Operational risk grew by R1.04 billion, a function of higher profitability, noting that the calculation is updated twice annually in September and March each year. The increases were partially offset by a reduction in counterparty credit risk and securitisation exposures. Equity risk increased with R4 billion as a result of new investments and revaluations of existing assets.

Notes:

**N1:** The group applied the current exposure method (CEM) to calculate required capital for over the counter (OTC) exposures and the standardised approach (TSA) for security finance transactions (SFT). Counterparty credit risk RWA is the sum of OTC and SFT (reported in subsequent CCR tables). Central counterparty and our default fund contribution exposure, although immaterial to the overall CCR RWA, will be reported as part of Pillar III from 2017.

**N2:** Market risk and operational risk RWA reported is derived by multiplying required capital with 12.5.

**N3:** Amounts relate to deferred tax exposures (below the specified 10% threshold) risk-weighted at 250%.

# Credit risk

## CR1: Credit quality of assets



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

	a	b	c	d
	Gross carrying values of			
At 30 September 2016 R'million	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b-c)
<b>1 Loans</b>	<b>3 941</b>	<b>220 363</b>	<b>(1 193)</b>	<b>223 111</b>
1a Loans and advances to customers	3 941	211 669	(1 158)	214 452
1b Own originated loans and advances to customers	–	8 329	(6)	8 323
1c Other loans and advances	–	365	(29)	336
<b>2 Debt securities</b>	<b>–</b>	<b>77 708</b>	<b>–</b>	<b>77 708</b>
2a Non-sovereign and non-bank cash placements	–	10 218	–	10 218
2b Sovereign debt securities	–	47 800	–	47 800
2c Bank debt securities	–	8 294	–	8 294
2d Other non-structured debt securities	–	9 742	–	9 742
2e Other structured debt securities	–	1 654	–	1 654
2f Other securitised assets	–	–	–	–
<b>3 Off-balance sheet exposures</b>	<b>–</b>	<b>68 407</b>	<b>–</b>	<b>68 407</b>
<b>4 Total</b>	<b>3 941</b>	<b>366 478</b>	<b>(1 193)</b>	<b>369 226</b>

	a	b	c	d
	Gross carrying values of			
At 31 March 2016 R'million	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b-c)
<b>1 Loans</b>	<b>3 253</b>	<b>213 299</b>	<b>(947)</b>	<b>215 606</b>
1a Loans and advances to customers	3 206	204 975	(910)	207 271
1b Own originated loans and advances to customers	–	7 973	(6)	7 967
1c Other loans and advances	47	351	(31)	367
<b>2 Debt securities</b>	<b>–</b>	<b>77 912</b>	<b>–</b>	<b>77 912</b>
2a Non-sovereign and non-bank cash placements	–	9 858	–	9 858
2b Sovereign debt securities	–	41 325	–	41 325
2c Bank debt securities	–	13 968	–	13 968
2d Other non-structured debt securities	–	11 990	–	11 990
2e Other structured debt securities	–	771	–	771
2f Other securitised assets	–	–	–	–
<b>3 Off-balance sheet exposures</b>	<b>–</b>	<b>63 926</b>	<b>–</b>	<b>63 926</b>
<b>4 Total</b>	<b>3 253</b>	<b>355 137</b>	<b>(947)</b>	<b>357 443</b>

Net values reported in CR1 column (d) above are reported as the carrying accounting values per the financial statements whereas values in 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 CRM and CCF and exclude revocable commitments.



## Credit risk

### CR2: Changes in stock of defaulted loans and debt securities

The table below depicts the changes in a bank'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
<b>1 Defaulted loans and debt securities at 31 March 2016</b>	<b>3 253</b>
2 Loans and debt securities that have defaulted since the last reporting period	1 253
3 Returned to non-defaulted status	(111)
4 Amounts written-off	(127)
5 Other changes	(235)
<b>6 Defaulted loans and debt securities at 30 September 2016</b>	<b>4 033</b>

R'million	a
<b>1 Defaulted loans and debt securities at 31 March 2015</b>	<b>3 827</b>
2 Loans and debt securities that have defaulted since the last reporting period	1 486
3 Returned to non-defaulted status	(327)
4 Amounts written-off	(1 122)
5 Other changes	(611)
<b>6 Defaulted loans and debt securities at 31 March 2016</b>	<b>3 253</b>

Prior period exposures are as at 31 March 2016 and are reported net of write-offs and gross of impairments.

Other changes relate to settlements received from clients during the period.



## Credit risk

### CR3: Credit risk mitigation 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 utilised by bank.

	a	b	c	d	e	f	g
At 30 September 2016 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	171 529	23 878	18 760	6 006	6 006	–	–
2 Debt securities	51 923	10 154	4 168	–	–	–	–
Off-balance sheet	57 903	8 960	3 901	–	–	–	–
<b>3 Total</b>	<b>281 355</b>	<b>42 992</b>	<b>26 829</b>	<b>6 006</b>	<b>6 006</b>	<b>–</b>	<b>–</b>
4 Of which defaulted	2 259	609	–	–	–	–	–

	a	b	c	d	e	f	g
At 31 March 2016 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	205 399	29 393	21 177	10 389	8 528	–	–
2 Debt securities	52 266	11 634	3 341	775	775	–	–
Off-balance sheet	13 011	3 734	3 512	333	300	–	–
<b>3 Total</b>	<b>270 676</b>	<b>44 761</b>	<b>28 030</b>	<b>11 497</b>	<b>9 603</b>	<b>–</b>	<b>–</b>
4 Of which defaulted	1 501	764	20	11	11	–	–

Secured exposure values in columns (b) and (d) are reported as the EAD balance, after the application of CCFs but before the application of any CRM. Columns (c) and (e) relates to the portion of the EAD balance, secured by eligible collateral as measured post any haircuts and include cash, debt securities, listed shares and shares traded on a main index as defined by Basel. Eligible collateral excluded exposures secured by residential and commercial property and are disclosed as unsecured for regulatory purposes.

All exposures not secured by either eligible collateral or guarantees are regarded as unsecured for purposes of this table and a regulatory perspective.

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.



## Credit risk

### 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 2016 R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
<b>Asset classes</b>						
1 Sovereigns and their central banks	47 919	1 790	52 132	1 849	2 636	4.88%
2 Non-central government public sector entities	8 129	1 004	5 544	556	1 851	30.34%
3 Multilateral development banks	–	–	–	–	–	–
4 Banks	36 377	3 640	36 497	3 776	11 025	27.38%
5 Securities firms	–	–	–	–	–	–
6 Corporates	112 192	45 679	97 391	12 281	101 562	92.61%
7 Regulatory retail portfolios	6 118	6 808	4 526	1 619	4 598	74.83%
8 Secured by residential property	54 734	17 784	54 184	8 088	26 886	43.18%
9 Secured by commercial real estate	72 969	11 182	71 723	1 654	73 315	99.92%
10 Equity	10 295	–	10 295	–	42 609	413.88%
11 Past-due loans	3 755	–	2 154	23	2 331	107.07%
12 Higher risk categories	–	–	–	–	–	–
13 Other assets	8 116	–	8 116	–	8 596	105.91%
<b>14 Total</b>	<b>360 604</b>	<b>87 887</b>	<b>342 562</b>	<b>29 846</b>	<b>275 409</b>	<b>73.95%</b>

	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
At 31 March 2016 R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
<b>Asset classes</b>						
1 Sovereigns and their central banks	54 595	2 680	56 435	183	1 140	2.01%
2 Non-central government public sector entities	5 818	2 434	5 980	271	1 320	21.12%
3 Multilateral development banks	43	33	43	16	30	50.85%
4 Banks	39 086	4 886	42 034	37	14 507	34.48%
5 Securities firms	–	–	–	–	–	–
6 Corporates	115 284	48 829	102 574	5 604	102 704	94.94%
7 Regulatory retail portfolios	7 441	7 514	7 869	1 364	7 174	77.70%
8 Secured by residential property	48 493	15 261	48 493	7 090	20 360	36.63%
9 Secured by commercial real estate	63 513	8 152	63 085	1 990	65 002	99.89%
10 Equity	9 335	–	9 335	–	38 603	413.53%
11 Past-due loans	3 182	336	2 666	11	3 471	129.66%
12 Higher risk categories	–	–	–	–	–	–
13 Other assets	7 755	–	7 755	–	7 902	101.90%
<b>14 Total</b>	<b>354 545</b>	<b>90 125</b>	<b>346 269</b>	<b>16 566</b>	<b>262 213</b>	<b>72.27%</b>

RWA is largely driven by exposures to corporates, followed by exposures secured by property and equity exposures.

At an aggregate exposure to RWA level, the bank applied a 73.95% average risk weight to all credit and equity exposures measured at an E\* level.

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



*(continued)*

### **The following is further relevant to the table:**

The primary asset class, as defined for regulatory purposes, except where an eligible guarantee/direct credit substitute are in place where we used the substituted asset class, formed the basis to disclose asset classes. As an example, exposures secured by property that are transacted with corporates were disclosed as corporate exposures

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 as measured under the regulations.



# 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
<b>At 30 September 2016</b>			
<b>R'million</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>
<b>Risk weight</b>			
<b>Asset classes</b>			
1 Sovereigns and their central banks	49 102	–	–
2 Non-central government public sector entities (PSEs)	–	–	3 942
3 Multilateral development banks (MDBs)	–	–	–
4 Banks	3 514	–	25 321
5 Securities firms	–	–	–
6 Corporates	3 460	–	3 685
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	–	–	–
<b>14 Total</b>	<b>56 076</b>	<b>–</b>	<b>32 948</b>

	a	b	c
<b>At 31 March 2016</b>			
<b>R'million</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>
<b>Risk weight</b>			
<b>Asset classes</b>			
1 Sovereigns and their central banks	54 916	–	–
2 Non-central government public sector entities (PSEs)	–	–	6 026
3 Multilateral development banks (MDBs)	–	–	–
4 Banks	155	–	23 207
5 Securities firms	–	–	–
6 Corporates	4 168	–	1 116
7 Regulatory retail portfolios	–	–	5
8 Secured by residential property	–	–	–
9 Secured by commercial real estate	–	–	–
10 Equity	–	–	–
11 Past-due loans	–	–	–
12 Higher risk categories	–	–	–
13 Other assets	–	–	–
<b>14 Total</b>	<b>59 239</b>	<b>–</b>	<b>30 354</b>

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.

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



(continued)

REVISED QUANTITATIVE STANDARDISED TABLES AND TEMPLATES

d	e	f	g	h	i	j
35%	50%	75%	100%	150%	Others	Total credit exposures amount (post-CCF and post-CRM)
–	4 486	–	393	–	–	53 981
–	2 158	–	–	–	–	6 100
–	–	–	–	–	–	–
–	11 095	–	343	–	–	40 273
–	–	–	–	–	–	–
–	1 671	–	100 856	–	–	109 672
–	–	6 145	–	–	–	6 145
53 653	–	2 354	6 265	–	–	62 272
–	146	–	73 231	–	–	73 377
–	–	–	–	–	10 295	10 295
–	–	–	1 860	317	–	2 177
–	–	–	–	–	–	–
–	–	–	7 998	–	118	8 116
53 653	19 556	8 499	190 946	317	10 413	372 408

d	e	f	g	h	i	j
35%	50%	75%	100%	150%	Others	Total credit exposures amount (post-CCF and post-CRM)
–	1 122	–	580	–	–	56 618
–	220	–	5	–	–	6 251
–	59	–	–	–	–	59
–	17 686	–	1 023	–	–	42 071
–	–	–	–	–	–	–
–	867	–	102 027	–	–	108 178
–	–	8 221	1 007	–	–	9 233
53 317	–	2 266	–	–	–	55 583
–	146	–	64 929	–	–	65 075
–	–	–	–	–	9 335	9 335
–	124	–	841	1 712	–	2 677
–	–	–	–	–	–	–
–	–	–	7 657	–	98	7 755
53 317	20 225	10 487	178 068	1 712	9 433	362 835



## 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 2016 R'million	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 CEM-CCR (for derivatives)	8 734	2 775	–	1.0	5 621	3 889
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)	–	–	–	–	1 391	644
5 VaR for SFTs	–	–	–	–	–	–
<b>6 Total</b>						<b>4 533</b>

	a	b	c	d	e	f
At 31 March 2016 R'million	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 CEM-CCR (for derivatives)	9 421	2 747		1.0	5 595	4 340
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)	–	–	–	–	4 366	1 138
5 VaR for SFTs	–	–	–	–	–	–
<b>6 Total</b>						<b>5 478</b>

Counterparty credit risk RWA of R6.5 billion (including CCR, CVA and CCPs), represent 2.1% of the total bank RWA as at 30 September 2016.

CEM is the regulator-prescribed method for calculating the counterparty exposure for derivative instruments. It works by taking the net replacement cost of all derivatives (as per signed netting agreements when relevant), adding a potential future exposure (PFE) component (based on the notional and underlying type referred to as "Anet") 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.

Replacement cost in column (a) is reported as the net replacement amount that includes the effect of exposures transacted through bilateral ISDA agreements.

PFE in column (b) is reported as the Anet amount.

# 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 2016 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	5 384	1 912
4 <b>Total subject to the CVA capital charge</b>	<b>5 384</b>	<b>1 912</b>

	a	b
At 31 March 2016 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	5 211	1 783
4 <b>Total subject to the CVA capital charge</b>	<b>5 211</b>	<b>1 783</b>

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 and as such there should be no volatility.



# 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 calculated according to the standardised approach: by portfolio (type of counterparties) and by risk weight (riskiness attributed according to standardised approach).

	Risk weight		
	a	b	c
At 30 September 2016 R'million	0%	10%	20%
Regulatory portfolio			
Sovereigns	–	–	–
Non-central government public sector entities (PSEs)	–	–	171
Multilateral development banks	–	–	–
Banks	379	–	1 211
Securities firms	–	–	–
Corporates	128	–	117
Regulatory retail portfolios	–	–	–
Other assets	–	–	–
<b>Total</b>	<b>507</b>	<b>–</b>	<b>1 499</b>

	Risk weight		
	a	b	c
At 31 March 2016 R'million	0%	10%	20%
Regulatory portfolio			
Sovereigns	–	–	–
Non-central government public sector entities (PSEs)	–	–	118
Multilateral development banks	–	–	–
Banks	23	–	4 259
Securities firms	77	–	–
Corporates	–	–	–
Regulatory retail portfolios	–	–	–
Other assets	–	–	–
<b>Total</b>	<b>100</b>	<b>–</b>	<b>4 377</b>

The table above excludes all CVA exposures that are reported in CCR2, as well as exposures to central counterparties that will be reported from 2017.



*Counterparty credit risk*  
*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
–	–	–	–	–	–
112	–	–	–	–	283
–	–	–	–	–	–
1 357	–	61	–	–	3 008
–	–	–	–	–	–
87	–	3 379	–	–	3 711
–	12	–	–	–	12
–	–	–	–	–	–
1 556	12	3 440	–	–	7 014

Risk weight					
d	e	f	g	h	i
50%	75%	100%	150%	Others	Total credit exposure
–	–	–	–	–	–
–	–	–	–	–	118
–	–	–	–	–	–
1 727	–	–	–	–	6 009
9	–	–	–	–	86
25	–	3 722	–	–	3 747
–	–	–	–	–	–
–	–	–	–	–	–
1 761	–	3 722	–	–	9 960



# Counterparty credit risk

## CCR5: Composition of collateral for CCR exposure

The following table provides a breakdown of all 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	
At 30 September 2016 R'million	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	172	–	818	–	79	10 870
Cash – other currencies	850	–	7 194	–	–	15 136
Domestic sovereign debt	–	–	–	–	11 599	–
Other sovereign debt	–	–	–	–	–	–
Government agency debt	–	–	–	–	1 182	–
Corporate bonds	527	–	–	–	11 840	84
Equity securities	–	–	–	–	–	–
Other collateral	–	–	–	–	–	–
<b>Total</b>	<b>1 549</b>	<b>–</b>	<b>8 012</b>	<b>–</b>	<b>24 700</b>	<b>26 090</b>

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
At 31 March 2016 R'million	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	708	–	636	–	1 553	33 383
Cash – other currencies	440	–	12 308	–	–	–
Domestic sovereign debt	–	–	–	–	18 680	1 548
Other sovereign debt	–	–	–	–	–	–
Government agency debt	–	–	–	–	74	5
Corporate bonds	827	–	–	–	11 108	–
Equity securities	–	–	–	–	–	–
Other collateral	–	–	–	–	–	–
<b>Total</b>	<b>1 975</b>	<b>–</b>	<b>12 944</b>	<b>–</b>	<b>31 415</b>	<b>34 936</b>

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

## Counterparty credit risk CCR6: Credit derivatives exposures



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

	a	b
At 30 September 2016 R'million	Protection bought	Protection sold
<b>Notionals</b>		
Single-name credit default swaps	93	155
Index credit default swaps	139	503
<b>Total notionals</b>	<b>232</b>	<b>658</b>
<b>Fair values</b>		
Positive fair value (asset)	100	1
Negative fair value (liability)	(0)	(20)

	a	b
At 31 March 2016 R'million	Protection bought	Protection sold
<b>Notionals</b>		
Single-name credit default swaps	109	42
Index credit default swaps	100	100
<b>Total notionals</b>	<b>209</b>	<b>142</b>
<b>Fair values</b>		
Positive fair value (asset)	46	1 397
Negative fair value (liability)	(4)	(1)

The bank does not make use of any credit derivative instruments for the purpose of reducing capital requirements. The table above displays our exposure to traded credit derivative instruments.



## Securitisation

### SEC1: Securitisation exposures in the banking book

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

	a	b	c
	Bank acts as originator		
At 30 September 2016 R'million	Traditional	Synthetic	Sub-total
<b>Retail (total) – of which</b>	923	–	923
residential mortgage	923	–	923
credit card	–	–	–
other retail exposures	–	–	–
resecuritisation	–	–	–
<b>Wholesale (total) – of which</b>	–	–	–
loans to corporates	–	–	–
commercial mortgage	–	–	–
lease and receivables	–	–	–
other wholesale	–	–	–
resecuritisation	–	–	–

	a	b	c
	Bank acts as originator		
At 31 March 2016 R'million	Traditional	Synthetic	Sub-total
<b>Retail (total) – of which</b>	1 428	–	1 428
residential mortgage	1 428	–	1 428
credit card	–	–	–
other retail exposures	–	–	–
resecuritisation	–	–	–
<b>Wholesale (total) – of which</b>	–	–	–
loans to corporates	–	–	–
commercial mortgage	–	–	–
lease and receivables	–	–	–
other wholesale	–	–	–
resecuritisation	–	–	–

The bank has only been involved in traditional securitisation schemes and none of the underlying assets or exposures relates to resecuritized assets. Exposures related to Fox Street 3, 4 and 5 special purposes institution (SPI) structures issued for purposes of the credit liquidity facility (CLF), are reported via the look-through approach as part of credit assets per the requirements of Banks Act guidance note 5 of 2015.

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

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

Asset classes/rows reported above are classified based on the underlying exposure or security type.

# Securitisation

## SEC1: Securitisation exposures in the banking book



(continued)

e	f	g	i	j	k
Bank acts as sponsor			Bank acts as investor		
Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
-	-	-	2 280	-	2 280
-	-	-	2 280	-	2 280
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	78	-	78
-	-	-	78	-	78
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

e	f	g	i	j	k
Bank acts as sponsor			Bank acts as investor		
Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
-	-	-	2 576	-	2 576
-	-	-	2 576	-	2 576
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1 187	-	1 187
-	-	-	1 187	-	1 187
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-



## 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 2016 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
<b>Total exposures</b>	–	908	15	–	–	–	–
<b>Traditional securitisation</b>	–	908	15	–	–	–	–
Of which securitisation	–	908	15	–	–	–	–
Of which retail underlying	–	908	15	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	908	15	–	–	–	–
Of which non-senior	–	–	–	–	–	–	–
<b>Synthetic securitisation</b>	–	–	–	–	–	–	–
Of which securitisation	–	–	–	–	–	–	–
Of which retail underlying	–	–	–	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	–	–	–	–	–	–
Of which non-senior	–	–	–	–	–	–	–

	a	b	c	d	e	f	g
	Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 31 March 2016 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
<b>Total exposures</b>	–	1 413	15	–	–	–	–
<b>Traditional securitisation</b>	–	1 413	15	–	–	–	–
Of which securitisation	–	1 413	15	–	–	–	–
Of which retail underlying	–	1 413	15	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	1 413	15	–	–	–	–
Of which non-senior	–	–	–	–	–	–	–
<b>Synthetic securitisation</b>	–	–	–	–	–	–	–
Of which securitisation	–	–	–	–	–	–	–
Of which retail underlying	–	–	–	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	–	–	–	–	–	–
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%
923	–	–	–	418	–	–	–	43	–
923	–	–	–	418	–	–	–	43	–
923	–	–	–	418	–	–	–	43	–
923	–	–	–	418	–	–	–	43	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
923	–	–	–	418	–	–	–	43	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

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%
1 428	–	–	–	621	–	–	–	64	–
1 428	–	–	–	621	–	–	–	64	–
1 428	–	–	–	621	–	–	–	64	–
1 428	–	–	–	621	–	–	–	64	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
1 428	–	–	–	621	–	–	–	64	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

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 SPIs. The capital charge is calculated at 10.375%.



## Securitisation risk

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

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 2016 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
<b>Total exposures</b>	–	1 590	690	78	–	–	–
<b>Traditional securitisation</b>	–	1 590	690	78	–	–	–
Of which securitisation	–	1 590	690	78	–	–	–
Of which retail underlying	–	1 590	561	–	–	–	–
Of which wholesale	–	–	129	78	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	–	–	78	–	–	–
Of which non-senior	–	1 590	690	–	–	–	–
<b>Synthetic securitisation</b>	–	–	–	–	–	–	–
Of which securitisation	–	–	–	–	–	–	–
Of which retail underlying	–	–	–	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	–	–	–	–	–	–
Of which non-senior	–	–	–	–	–	–	–

	a	b	c	d	e	f	g
	Exposure values (by RW bands)					Exposure values (by regulatory approach)	
At 31 March 2016 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
<b>Total exposures</b>	126	2 263	–	1 374	–	–	–
<b>Traditional securitisation</b>	126	2 263	–	1 374	–	–	–
Of which securitisation	126	2 263	–	1 374	–	–	–
Of which retail underlying	126	2 263	–	188	–	–	–
Of which wholesale	–	–	–	1 187	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	126	–	–	1 187	–	–	–
Of which non-senior	–	2 263	–	188	–	–	–
<b>Synthetic securitisation</b>	–	–	–	–	–	–	–
Of which securitisation	–	–	–	–	–	–	–
Of which retail underlying	–	–	–	–	–	–	–
Of which wholesale	–	–	–	–	–	–	–
Of which resecuritisation	–	–	–	–	–	–	–
Of which senior	–	–	–	–	–	–	–
Of which non-senior	–	–	–	–	–	–	–

Columns (a) to (e) include to the investments positions purchased in third party SPI exposures.

The bank applied the look-through approach to calculate RWA under the standardised approach (TSA) for senior investment exposures.



*Securitisation risk*

*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%
2 358	–	–	–	1 665	–	–	–	173	–
2 358	–	–	–	1 665	–	–	–	173	–
2 358	–	–	–	1 665	–	–	–	173	–
2 151	–	–	–	1 203	–	–	–	125	–
208	–	–	–	462	–	–	–	48	–
–	–	–	–	–	–	–	–	–	–
78	–	–	–	333	–	–	–	35	–
2 280	–	–	–	1 332	–	–	–	138	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

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%
3 763	–	–	–	3 273	–	–	–	340	–
3 763	–	–	–	3 273	–	–	–	340	–
3 763	–	–	–	3 273	–	–	–	340	–
2 576	–	–	–	1 813	–	–	–	188	–
1 187	–	–	–	1 459	–	–	–	151	–
–	–	–	–	–	–	–	–	–	–
1 312	–	–	–	1 485	–	–	–	154	–
2 451	–	–	–	1 788	–	–	–	186	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–



## Market risk

### MR1: Market risk under standardised approach

		a
At 30 September 2016		Risk-weighted assets
R'million		
<b>Outright products</b>		
1	Interest rate risk (general and specific)	363
2	Equity risk (general and specific)	154
3	Foreign exchange risk	—
4	Commodity risk	—
<b>Options</b>		—
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Securitisation	—
<b>9</b>	<b>Total</b>	<b>517</b>

		a
At 31 March 2016		Risk-weighted assets
R'million		
<b>Outright products</b>		
1	Interest rate risk (general and specific)	229
2	Equity risk (general and specific)	166
3	Foreign exchange risk	—
4	Commodity risk	—
<b>Options</b>		—
5	Simplified approach	—
6	Delta-plus method	—
7	Scenario approach	—
8	Securitisation	—
<b>9</b>	<b>Total</b>	<b>395</b>

The interest rate general and specific risk is attributed to the credit trading desk, which does not currently have internal model approval for regulatory capital. The Equity general and specific risk relates to certain products on the desk which have not be 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.

*Market risk*  
**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
<b>At 30 September 2016</b>	<b>Stressed</b>					
<b>R'million</b>	<b>VaR</b>	<b>VaR</b>	<b>IRC</b>	<b>CRM</b>	<b>Other</b>	<b>Total RWA</b>
1 RWA at previous quarter end	931	1 975	–	–	–	2 906
2 Movement in risk levels	371	476	–	–	–	847
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	1 302	2 451	–	–	–	3 753

	a	b	c	d	e	f
<b>At 31 March 2016</b>	<b>Stressed</b>					
<b>R'million</b>	<b>VaR</b>	<b>VaR</b>	<b>IRC</b>	<b>CRM</b>	<b>Other</b>	<b>Total RWA</b>
1 RWA at previous quarter end	959	2 348	–	–	–	3 307
2 Movement in risk levels	184	693	–	–	–	877
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	1 143	3 041	–	–	–	4 184

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 2016		
R'million		VaR (10-day 99%)
1	Maximum value	19
2	Average value	8
3	Minimum value	4
4	Period end	10
		Stressed VaR (10-day 99%)
5	Maximum value	34
6	Average value	15
7	Minimum value	10
8	Period end	18
		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 as at 30 September 2016. The 10-day figures were obtained by multiplying the one-day figures by  $\text{SQRT}(10)$ .

# Market risk

## MR3: IMA values for trading portfolios



(continued)

		a
At 31 March 2016		
R'million		VaR (10-day 99%)
1	Maximum value	38
2	Average value	22
3	Minimum value	10
4	Period end	21
		Stressed VaR (10-day 99%)
5	Maximum value	105
6	Average value	54
7	Minimum value	16
8	Period end	74
		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 full year ended 31 March 2016. The 10-day figures were obtained by multiplying the one-day figures by  $\text{SQRT}(10)$ .

A thick orange line that starts horizontally from the left, then curves upwards and to the right, ending as a vertical line on the far right.

# Two

Composition of capital  
disclosure requirements



# Basel III common disclosure template

TWO

At 30 September 2016 R'million	Amounts subject to pre-Basel III treatment
<b>Common Equity Tier 1 capital: instruments and reserves</b>	
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	13 397
2 Retained earnings	17 677
3 Accumulated other comprehensive income (and other reserves)	538
4 Directly issued capital subject to phase out from CET1 (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 CET1)	–
<b>6 Common Equity Tier 1 capital before regulatory adjustments</b>	<b>31 612</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>	
7 Prudential valuation adjustment	–
8 Goodwill (net of related tax liability)	171
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	521
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	(1 466)
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 own 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)	–
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	–
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	–
OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–
<b>28 Total regulatory adjustments to Common Equity Tier 1</b>	<b>(774)</b>
<b>29 Common Equity Tier 1 Capital (CET1) (line 6 less line 28)</b>	<b>32 386</b>

COMPOSITION OF CAPITAL DISCLOSURE REQUIREMENTS



# Basel III common disclosure template

(continued)

At 30 September 2016 R'million		Amounts subject to pre-Basel III treatment
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issues Additional Tier 1 instruments plus related stock surplus	–
31	of which: classified as equity under applicable accounting standards	–
32	of which: classified as liabilities under applicable accounting standards	–
33	Directly issued capital instruments subject to phase out from Additional Tier 1	920
34	Additional Tier 1 instruments (and CET1 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	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>920</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
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	–
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>–</b>
44	<b>Additional Tier 1 capital (AT1)</b>	<b>920</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>33 306</b>
<b>Tier 2 capital and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	5 710
47	Directly issued capital instruments subject to phase out from Tier 2	6 534
48	Tier 2 instruments (and CET1 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	278
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>12 522</b>
<b>Tier 2 capital: regulatory adjustments</b>		
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	–
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	–
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>–</b>



# Basel III common disclosure template

TWO

(continued)

At 30 September 2016 R'million	Amounts subject to pre-Basel III treatment
<b>58 Tier 2 capital (T2)</b>	<b>12 522</b>
<b>59 Total capital (TC = T1 + T2)</b>	<b>45 828</b>
RISK-WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	307 062
of which: Credit risk including equity exposures	277 492
of which: Counterparty credit risk	6 460
of which: Market risk	4 269
of which: Operational risk	18 841
<b>60 Total risk-weighted assets</b>	<b>307 062</b>
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.5%
62 Tier 1 (as a percentage of risk-weighted assets)	10.8%
63 Total capital (as a percentage of risk-weighted assets)	14.9%
64 Institution specific buffer requirement (minimum CET1 requirements plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk-weighted assets)	6.9%
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)	10.5%
<b>National Minima (if different from Basel III)</b>	
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	6.9%
70 National Tier 1 minimum ratio	8.1%
71 National total capital minimum ratio	10.4%
<b>Amounts below the threshold for deductions (before risk weighting)</b>	
72 Non-significant investments in the capital of other financials	—
73 Significant investments in the common stock of financials	—
74 Mortgage servicing rights (net of related tax liability)	—
75 Deferred tax assets arising from temporary differences (net of related tax liability)	100
<b>Applicable caps on the inclusion of provisions in Tier 2</b>	
76 Provisions eligible for inclusion in Tier 2 in respect of exposure subject to standardised approach (prior to application of cap)	278
77 Cap on inclusion of provisions in Tier 2 under standardised approach	2 885
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	—
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>	
80 Current cap on CET1 instruments subject to phase out arrangements	—
81 Amount excluded from CET1 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)	—



## Main features disclosure template

### Disclosure template for main features of regulatory capital instruments

At 30 September 2016	Ordinary share capital and premium	Non-redeemable, non-cumulative, non-participating preference shares	IV08	IV09	
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)	Unlisted	ZAE000048393	ZAG000052713	ZAG000052721	
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa	
<b>Regulatory treatment</b>					
4 Transitional Basel III rules	CET1	AT1	Tier 2	Tier 2	
5 Post-transitional Basel III rules	CET1	AT1	Phased out	Phased out	
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)	CET1	AT1	Subordinated unsecured debt	Subordinated unsecured debt	
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date) <sup>1</sup> (R'million)	13 397	1 534	200	200	
9 Par value of instrument (R'million)	13 397	1 534	200	200	
10 Accounting classification	IFRS: Equity	IFRS: Equity	IFRS: Accrual	IFRS: Accrual	
11 Original date of issuance	31 March 1969	17 July 2003	30 April 2008	30 April 2008	
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	
13 Original maturity date	No maturity	No maturity	No maturity	No maturity	
14 Issuer call subject to prior supervisory approval	No	No	Yes	Yes	
15 Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	30 April 2018	30 April 2018	
Tax and/or regulatory event	Not applicable	Not applicable	Yes	Yes	
Redemption amount	Not applicable	Not applicable	100% of principal plus interest	100% of principal plus interest	
16 Subsequent call date, if applicable	Not applicable	Not applicable	Every reset date thereafter	Every reset date thereafter	
<b>Coupons/dividends</b>					
17 Fixed or floating dividend coupon	Floating	Floating	Fixed	Floating	
18 Coupon rate and any related index	Not applicable	83.33% of prime rate	13.735%	Jibar + 3.75%	
19 Existence of a dividend stopper	No	Yes	No	No	
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory	Mandatory	
21 Existence of step up or other incentive to redeem	Not applicable	Not applicable	Yes	Yes	
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Cumulative	Cumulative	

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

# Main features disclosure template



(continued)

	IV015	IV016	IV017	IV019	IV019A	IV022
	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
	ZAG000080755	ZAG000091208	ZAG000091232	ZAG000094442	ZAG000095779	ZAG000094434
	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
	Phased out	Phased out	Phased out	Tier 2	Tier 2	Phased out
	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo
	Subordinated unsecured debt	Subordinated unsecured debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
	601	325	2 122	97	358	638
	601	325	1 532	64	230	638
	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
	20 September 2010	6 December 2011	6 December 2011	2 April 2012	28 May 2012	2 April 2012
	Dated	Dated	Dated	Dated	Dated	Dated
	20 September 2022	6 December 2021	31 January 2022	31 March 2028	31 March 2028	2 April 2022
	Yes	Yes	Yes	Yes	Yes	Yes
	20 September 2017	6 December 2016	31 January 2017	31 March 2023	3 April 2023	2 April 2017
	Yes	Yes	Yes	Yes	Yes	Yes
	100% of principal plus interest	100% of principal plus interest	Investment amount plus interest plus change in price of replicated bond	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
	Every reset date thereafter	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	Floating
	Jibar + 2.65%	Jibar + 2.75%	CPI-linked	CPI-linked	CPI-linked	Jibar + 2.5%
	No	No	No	No	No	No
	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
	Yes	No	No	No	No	No
	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative



## Main features disclosure template

(continued)

### Disclosure template for main features of regulatory capital instruments

(continued)

At 30 September 2016	Ordinary share capital and premium	Non-redeemable, non-cumulative, non-participating preference shares	IV08	IV09	
23 Convertible or non-convertible	Not applicable	Not applicable	Non-convertible	Non-convertible	
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	Not applicable	Not applicable	Not applicable	Not applicable	
31 If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	
32 If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable	
33 If write-down, permanent or temporary	Not applicable	Not applicable	Not applicable	Not applicable	
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)	Additional Tier 1 instruments	Tier 2 instruments	Any amounts due and payable to Senior Creditors	Any amounts due and payable to Senior Creditors	
36 Non-compliant transitioned features	Not applicable	Yes	Yes	Yes	
37 If yes, specify non-compliant features	Not applicable	Excludes loss absorbency requirements	Incentive to redeem	Incentive to redeem	

# Main features disclosure template



(continued)

	IV015	IV016	IV017	IV019	IV019A	IV022
	Non-convertible	Non-convertible	Non-convertible	Convertible or write-off as per regulation, at option of regulator	Convertible or write-off as per regulation, at option of regulator	Non-convertible
	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
	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	Not applicable	Not applicable	PONV as defined by regulator	PONV as defined by regulator	Not applicable
	Not applicable	Not applicable	Not applicable	Partial or full, as deemed required by regulator	Partial or full, as deemed required by 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
	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
	Yes	Yes	Yes	No	No	Yes
	Incentive to redeem	No PONV in contract	No PONV in contract	Not applicable	Not applicable	No PONV in contract



## Main features disclosure template

(continued)

### Disclosure template for main features of regulatory capital instruments

(continued)

At 30 September 2016	IV023	IV024	IV025	IV026
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)	ZAG000097064	ZAG000097577	ZAG000099680	ZAG000100041
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa
<b>Regulatory treatment</b>				
4 Transitional Basel III rules	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Phased out	Tier 2	Phased out	Phased out
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 mil, as of most recent reporting date) <sup>1</sup> (R'million)	860	106	1 000	750
9 Par value of instrument (R'million)	860	106	1 000	750
10 Accounting classification	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
11 Original date of issuance	11 July 2012	27 July 2012	12 September 2012	27 September 2012
12 Perpetual or dated	Dated	Dated	Dated	Dated
13 Original maturity date	11 July 2022	27 July 2022	12 September 2024	27 September 2024
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	11 July 2017	27 July 2017	12 September 2019	27 September 2019
Tax and/or regulatory event	Yes	Yes	Yes	Yes
Redemption amount	100% of principal plus interest	100% of principal plus interest	100% of principal plus interest	100% of principal plus interest
16 Subsequent call date, if applicable	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
<b>Coupons/dividends</b>				
17 Fixed or floating dividend coupon	Floating	Floating	Floating	Floating
18 Coupon rate and any related index	Jibar + 2.5%	Jibar + 2.7%	Jibar + 2.5%	Jibar + 2.45%
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

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

# Main features disclosure template



(continued)

	IV030	IV030A	IV031	IV032	IV033	IV034	IV035
	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited	Investec Bank Limited
	ZAG000100553	ZAG000100884	ZAG000103722	ZAG000108051	ZAG00013342	ZAG000133430	ZAG000134610
	South Africa	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	Tier 2	Tier 2
	Group and solo	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	Subordinated debt
	385	413	500	810	159	101	1 468
	324	350	500	810	159	101	1 468
	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
	18 October 2012	26 October 2012	11 March 2013	14 August 2013	11 February 2016	11 February 2016	17 March 2016
	Dated	Dated	Dated	Dated	Dated	Dated	Dated
	31 January 2025	31 January 2025	11 March 2025	14 August 2023	11 February 2026	11 February 2026	7 April 2027
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	31 January 2020	31 January 2020	11 March 2020	14 August 2018	11 February 2021	11 February 2021	7 April 2022
	Yes	Yes	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 and interest	100% of principal and interest	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	Every reset date thereafter	Every reset date thereafter	Every reset date thereafter
	Floating	Floating	Floating	Floating	Floating	Fixed	Floating
	CPI-linked	CPI-linked	Jibar + 2.95%	Jibar + 2.95%	Jibar + 4.25%	12,47%	Jibar + 4.65%
	No	No	No	No	No	No	No
	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
	No	No	No	No	No	No	No
	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative

COMPOSITION OF CAPITAL DISCLOSURE REQUIREMENTS



## Main features disclosure template

(continued)

### Disclosure template for main features of regulatory capital instruments

(continued)

At 30 September 2016	IV023	IV024	IV025	IV026	
23 Convertible or non-convertible	Non-convertible	Convertible or write-off as per regulation, at option of regulator	Non-convertible	Non-convertible	
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	Not applicable	Partial or full write-off as per regulation, at option of regulator	Not applicable	Not applicable	
31 If write-down, write-down trigger(s)	Not applicable	PONV as defined by regulator	Not applicable	Not applicable	
32 If write-down, full or partial	Not applicable	Partial or full, as deemed required by regulator	Not applicable	Not applicable	
33 If write-down, permanent or temporary	Not applicable	Permanent as per G7/2013	Not applicable	Not applicable	
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	Yes	No	Yes	Yes	
37 If yes, specify non-compliant features	No PONV in contract	Not applicable	No PONV in contract	No PONV in contract	



# Main features disclosure template



(continued)

	IV030	IV030A	IV031	IV032	IV033	IV034	IV035
	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	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	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	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	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	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	Permanent as per G7/2013
	Not applicable	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	Any amounts due and payable to Senior Creditors
	No	No	No	No	No	No	No
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable



## Main features disclosure template

(continued)

### Disclosure template for main features of regulatory capital instruments

(continued)

At 30 September 2016	IV036	IV038	IV039	IV040	IV041
1 Issuer	Investec Bank Limited	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)	ZAG000135526	ZAG000139593	ZAG000139700	ZAG000139718	ZAG000139726
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa	South Africa
<b>Regulatory treatment</b>					
4 Transitional Basel III rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Tier 2	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	Group and solo
7 Instrument type (types to be specified by each jurisdiction)	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date) <sup>1</sup> (R'million)	32	350	153	589	190
9 Par value of instrument (R'million)	32	350	153	589	190
10 Accounting classification	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual	IFRS: Accrual
11 Original date of issuance	22 April 2016	29 September 2016	29 September 2016	29 September 2016	29 September 2016
12 Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	22 July 2026	29 September 2026	29 September 2026	29 September 2026	29 September 2026
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	22 July 2021	29 September 2021	29 September 2021	29 September 2021	29 September 2021
Tax and/or regulatory event	Yes	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	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	Every reset date thereafter
<b>Coupons/dividends</b>					
17 Fixed or floating dividend coupon	Floating	Floating	Floating	Floating	Fixed
18 Coupon rate and any related index	Jibar + 4.25%	Jibar + 4.25%	CPI-linked	J + 4.25%	11,97%
19 Existence of a dividend stopper	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No	No	No	No	No
22 Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative

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

# Main features disclosure template



(continued)

At 30 September 2016	IV036	IV038	IV039	IV040	IV041
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	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	Not applicable
25 if convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26 if convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27 if convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28 if convertible, specify instrument type convertible into	Not applicable	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	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	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	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	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	Permanent as per G7/2013
34 If write-down, description of write-up mechanism	Not applicable	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	Any amounts due and payable to Senior Creditors
36 Non-compliant transitioned features	No	No	No	No	No
37 If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

