

Investec Limited additional quarterly disclosures as at 30 June 2017

Overview of risk management and risk weighted assets

OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		30 June 2017	31 March 2017	30 June 2017
1	Credit risk (excluding counterparty credit risk) (CCR)	244,093	235,486	26,240
2	Of which standardised approach (SA)	244,093	235,486	26,240
3	Of which internal rating-based (IRB) approach			0
4	Counterparty credit risk	7,116	7,161	765
5	Of which standardised approach for counterparty credit risk (SA-CCR)	7,116	7,161	765
6	Of which internal model method (IMM)			0
7	Equity positions in banking book under market-based approach	47,851	45,583	5,144
8	Equity investments in funds – look-through approach			0
9	Equity investments in funds – mandate-based approach			0
10	Equity investments in funds – fall-back approach			0
11	Settlement risk			0
12	Securitisation exposures in banking book	1,927	2,119	207
13	Of which IRB ratings-based approach (RBA)			0
14	Of which IRB Supervisory Formula Approach (SFA)			0
15	Of which SA/simplified supervisory formula approach (SSFA)	1,927	2,119	207
16	Market risk	4,681	4,652	503
17	Of which standardised approach (SA)	837	1,252	90
18	Of which internal model approaches (IMM)	3,844	3,401	413
19	Operational risk	30,486	30,486	3,277
20	Of which Basic Indicator Approach	0	0	0
21	Of which Standardised Approach	30,486	30,486	3,277
22	Of which Advanced Measurement Approach	0	0	0
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	3,913	4,321	421
24	Floor adjustment	0	0	0
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	340,068	329,807	36,557

The increase in credit risk-weighted assets was mainly driven by lending activity during the period, new deals and the impact of the sovereign downgrade for South Africa's credit rating to sub-investment status.

The risk weight attributable to equity investments is relatively high, with listed equities attracting an effective 318% and unlisted equities 424%. The impact of this is proportionately much larger increase in RWA than the associated balance sheet equity value.

Operational risk is a semi-annual calculation, required to be updated every September and March and is driven by the levels of income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.

Investec Limited additional quarterly disclosures as at 30 June 2017

MR2: Risk weighted assets flow statements of market risk exposures under an IMA

		a	b	c	d	e	f
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	RWA at previous quarter end	1,154	2,247	0	0	0	3,401
2	Movement in risk levels	394	49	0	0	0	443
3	Model updates/changes	0	0	0	0	0	0
4	Methodology and policy	0	0	0	0	0	0
5	Acquisitions and disposals	0	0	0	0	0	0
6	Foreign exchange movements	0	0	0	0	0	0
7	Other	0	0	0	0	0	0
8	RWA at end of reporting period	1,548	2,296	0	0	0	3,844

Market risk capital has increased slightly over the quarter, primarily driven by an increase in VaR on the Interest Rate Derivatives and Equity Derivatives desks.