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

30 June 2018 R'm 1 Total consolidated assets as per published financial statements 613,901 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation $Adjustment for fiduciary \ assets \ recognised \ on \ the \ balance \ sheet \ pursuant \ to \ the \ operative \ accounting \ framework \ but \ excluded \ from \ the \ leverage \ ratio \ exposure$ (141,071) measure 4 Adjustments for derivative financial instruments 1,264 Adjustments for securities financing transactions (ie repos and similar secured lending) (4,786) $Adjustment\ for\ of f-balance\ sheet\ items\ (ie\ conversion\ to\ credit\ equivalent\ amounts\ of\ of f-balance\ sheet\ exposures)$ 33,783 Other adjustments (4,134) 8 Leverage ratio exposure measure 498,957

Investec Limited additional quarterly disclosures as at 30 June 2018 Investec Limited LR2: Leverage ratio common disclosure template (January 2014 standard)

		a	b
		30 June 2018	31 March 2018
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	443,209	441,314
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4,941)	(4,225)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	438,268	437,089
Derivative e	xposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	7,508	8,273
5	Add-on amounts for PFE associated with all derivatives transactions	4,750	4,237
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)	(1,476)	(1,669)
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)	10,782	10,841
Securities fir	nancing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	14,536	15,376
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	=
14	CCR exposure for SFT assets	1,588	1,311
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	16,124	16,687
Other off-ba	lance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	88,196	83,436
18	(Adjustments for conversion to credit equivalent amounts)	(54,413)	(52,383)
19	Off-balance sheet items (sum of rows 17 and 18)	33,783	31,053
Capital and	total exposures		
20	Tier 1 capital	37,756	37,164
21	Total exposures (sum of rows 3, 11, 16 and 19)	498,957	495,670
Leverage rat			
22	Basel III leverage ratio	7.6	7.5

Investec Limited KM1: Key metrics

		а	b	С	d	е
	R'm	30 June 2018	31 March 2018	31 December 2017	30 September 2017	30 June 2017
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	34,959	34,379	32,346	33,125	33,583
1a	Fully loaded ECL accounting model	33,902	-	-	-	-
2	Tier 1	37,756	37,164	35,264	36,044	36,494
2a	Fully loaded ECL accounting model Tier 1	36,699	-	-	-	-
3	Total capital	50,648	49,512	47,944	47,607	48,896
3a	Fully loaded ECL accounting model total capital	49,843	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	342,844	338,484	338,484	337,698	340,068
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 (%)	10.2	10.2	9.6	9.8	9.9
5a	Fully loaded ECL accounting model Common Equity Tier 1	9.9	-	-	-	-
6	Tier 1 ratio (%)	11.0	11.0	10.4	10.7	10.7
6a	Fully loaded ECL accounting model Tier 1 (%)	10.7	-	-	-	-
7	Total capital ratio (%)	14.8	14.6	14.2	14.1	14.4
7a	Fully loaded ECL accounting model total capital ratio (%)	14.6	-	-	-	-
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.9	1.9	1.3	1.3	1.3
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank G-SIB and/or D_SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	1.9	1.9	1.3	1.3	1.3
12	CET1 available after meeting the bank's minimum capital requirements (%)	2.8	2.8	2.3	2.6	2.6
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	498,957	495,670	488,886	478,521	471,559
14	Basel III leverage ratio (%) (row 2 / row 13)	7.6	7.5	7.2	7.5	7.7
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	7.4	-	•	•	-
	Liquidity Coverage Ratio					
15	Total HQLA	84,969	80,106	76,144	73,239	69,101
16	Total net cash outflow	62,573	60,179	53,265	52,186	47,833
17	LCR ratio (%)	136.1	133.2	130.4	124.9	127.4
	Net Stable Funding Ratio					
18	Total available stable funding	277,513	281,049	-	-	-
19	Total required stable funding	255,580	256,344	-	-	-
20	NSFR ratio	108.6	109.6	-	-	-

Total RWA is inclusive of countercyclical buffer (CCyB) reciprocity of RWA add-on requirements

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

Overview of risk management and risk weighted assets

OV1: Overview of RWA

		а	b	С
		Risk-weigl	Risk-weighted assets	
	R'm	30 June 2018	31 March 2018	30 June 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	255,987	247,081	28,479
2	Of which standardised approach (SA)	255,987	247,081	28,479
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	7,345	12,118	817
5	Of which standardised approach for counterparty credit risk (CEM-CCR)	7,345	12,118	817
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	26,293	25,140	2,925
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	2,603	2,282	290
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)	2,603	2,282	290
16	Market risk	3,549	5,477	395
17	Of which standardised approach (SA)	1,351	1,213	104
18	Of which internal model approaches (IMM)	2,198	4,264	290
19	Operational risk	31,578	31,578	3,513
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	31,578	31,578	3,513
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	15,433	14,752	1,717
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	342,788	338,428	38,135

The total risk weighted assets (RWA) excludes the countercyclical buffer RWA add-on.

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 movement 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.

The increase in credit risk-weighted assets was mainly driven by lending activity and growth in the balance sheet.

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

		а	b	С	d	е	f
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	RWA at previous quarter end	1,947	2,317	0	0	0	4,264
2	Movement in risk levels	-1080	-986	0	0	0	-2066
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	867	1,331	0	0	0	2,198

Market risk capital has decreased over the quarter due to lower VaR and sVaR figures over the period. This was due to a general decrease in exposure across all trading desks during the quarter.