

Investec Bank plc financial information (a subsidiary of Investec plc)

Unaudited consolidated financial information for the six months ended 30 September 2012

IFRS - Pounds Sterling





Investec Bank plc (a subsidiary of Investec plc)

Overview of results

Unaudited

	30 Sept 2012	30 Sept 2011	% change	31 March 2012
Operating income (£'000)	392,749	423,105	(7.2%)	811,661
Operating costs (£'000)	281,170	275,583	2.0%	572,673
Operating profit before amortisation of acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)	43,406	49,140	(11.7%)	51,284
Earnings attributable to ordinary shareholder (£'000)	18,187	31,816	(42.8%)	18,745
Cost to income ratio	73.4%	68.7%		73.1%
Total capital resources (including subordinated liabilities) (£'000)	2,539,351	2,353,665	7.9%	2,369,408
Total shareholder's equity (£'000)	1,862,157	1,693,108	10.0%	1,726,246
Total assets (£'000)	20,312,308	19,346,067	5.0%	20,246,249
Net core loans and advances (£'000)	7,738,192	7,622,023	1.5%	7,712,000
Customer accounts (deposits) (£'000)	11,435,582	10,651,930	7.4%	11,103,365
Cash and near cash balances (£'000)	4,640,028	4,223,975	9.8%	4,484,747
Funds under management (£'million)	22,818	14,516	57.2%	14,219
Capital adequacy ratio	16.7%	16.7%		16.8%
Tier 1 ratio	11.4%	11.7%		11.5%
Default loans (net of impairments) as a % of net core loans and advances	3.91%	5.71%		4.11%
Net defaults (after collateral and impairments) as a % of net core loans and advances	-	-		-
Credit loss ratio (i.e. income statement impairment charge on loans as a percentage of average loans and advances)	1.16%	1.72%		1.66%
Total gearing/leverage ratio (i.e. total assets to total equity)	10.9x	11.4x		11.7x
Core loans (excluding own originated assets which have been securitised) to customer deposits	63.7%	67.0%		64.6%



Investec Bank plc (a subsidiary of Investec plc)

Consolidated income statement

Unaudited £'000	6 months to 30 Sept 2012	6 months to 30 Sept 2011 *	Year to 31 March 2012
Interest income	404,629	395,984	797,343
Interest expense	(272,554)	(268,670)	(539,140)
Net interest income	132,075	127,314	258,203
Fee and commission income	187,627	174,731	349,132
Fee and commission expense	(14,396)	(14,430)	(35,806)
Investment income	18,472	65,500	110,719
Trading income arising from:			
- customer flow	28,732	23,242	54,043
- balance sheet management and other trading activities	22,715	2,900	14,860
Other operating income	17,524	43,848	60,510
Total operating income before impairment losses on loans and advances	392,749	423,105	811,661
Impairment losses on loans and advances	(58,566)	(76,200)	(156,976)
Operating income	334,183	346,905	654,685
Operating costs	(281,170)	(275,583)	(572,673)
Depreciation of operating leased assets	(9,765)	(22,154)	(28,544)
Operating profit before goodwill and acquired intangibles	43,248	49,168	53,468
Impairment of goodwill	(3,850)	-	-
Amortisation of acquired intangibles	(4,580)	(4,096)	(8,168)
Costs arising from integration of acquired subsidiaries	(7,651)	-	(7,110)
Operating profit	27,167	45,072	38,190
Non-operational costs arising from acquisition of subsidiary	-	-	(835)
Profit before taxation	27,167	45,072	37,355
Taxation on operating profit before goodwill	(11,756)	(15,272)	(17,787)
Taxation on acquired intangibles and costs of integration of subsidiaries	2,618	2,044	1,361
Profit after taxation	18,029	31,844	20,929
Operating loss/(profit) attributable to non-controlling interests	158	(28)	(2,184)
Earnings attributable to shareholder	18,187	31,816	18,745

* As restated for reclassifications set out in separate section

Consolidated statement of comprehensive income

Unaudited £'000	6 months to 30 Sept 2012	6 months to 30 Sept 2011	Year to 31 March 2012
Profit after taxation	18,029	31,844	20,929
Other comprehensive income/(loss):			
Cash flow hedge movements taken directly to other comprehensive income	(4,667)	(5,936)	(4,522)
Gains on realisation of available-for-sale assets recycled through the income statement	(4,304)	(28,222)	(40,760)
Fair value movements on available-for-sale assets taken directly to other comprehensive income	3,995	7,568	25,829
Foreign currency adjustments on translating foreign operations	(4,626)	(1,210)	4,101
Total comprehensive income	8,427	4,044	5,577
Total comprehensive income/(loss) attributable to non-controlling interests	71	(737)	2,072
Total comprehensive income attributable to ordinary shareholder	8,356	4,781	3,505
Total comprehensive income	8,427	4,044	5,577



Investec Bank plc (a subsidiary of Investec plc)

Consolidated balance sheet

Unaudited

£'000	30 Sept 2012	31 March 2012	30 Sept 2011 *
Assets			
Cash and balances at central banks	1,665,269	1,835,836	725,426
Loans and advances to banks	903,211	863,540	895,219
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	1,159,138	2,113,932
Sovereign debt securities	1,451,832	1,647,271	968,841
Bank debt securities	726,030	824,552	936,791
Other debt securities	143,107	185,343	158,754
Derivative financial instruments	874,748	866,408	806,484
Securities arising from trading activities	429,895	372,570	654,862
Investment portfolio	306,131	317,313	248,809
Loans and advances to customers	7,280,611	7,176,992	7,133,077
Own originated loans and advances to customers securitised	457,581	535,008	488,946
Other loans and advances	1,859,419	2,067,626	2,069,547
Other securitised assets	1,070,527	640,255	635,906
Interests in associated undertakings	17,385	17,780	13,185
Deferred taxation assets	96,412	89,490	70,752
Other assets	870,367	1,116,826	803,929
Property and equipment	93,913	122,702	222,850
Investment property	11,500	11,500	-
Goodwill	328,981	278,574	277,317
Intangible assets	183,870	117,525	121,440
	20,312,308	20,246,249	19,346,067
Liabilities			
Deposits by banks	776,035	633,024	697,398
Derivative financial instruments	785,173	732,510	570,782
Other trading liabilities	310,027	271,627	552,391
Repurchase agreements and cash collateral on securities lent	818,829	1,020,670	904,497
Customer accounts (deposits)	11,435,582	11,103,365	10,651,930
Debt securities in issue	1,505,614	2,046,651	1,874,293
Liabilities arising on securitisation of own originated loans and advances	453,541	526,946	480,683
Liabilities arising on securitisation of other assets	821,637	508,668	525,734
Current taxation liabilities	68,822	57,783	49,892
Deferred taxation liabilities	46,989	32,487	34,217
Other liabilities	750,708	943,110	650,585
	17,772,957	17,876,841	16,992,402
Subordinated liabilities	677,194	643,162	660,557
	18,450,151	18,520,003	17,652,959
Equity			
Ordinary share capital	1,160,813	1,070,700	1,052,500
Share premium	129,255	129,255	119,427
Capital reserve	162,789	114,128	114,128
Other reserves	67,539	76,767	70,247
Retained income	344,193	337,541	361,337
Shareholder's equity excluding non-controlling interests	1,864,589	1,728,391	1,717,639
Non-controlling interests in partially held subsidiaries	(2,432)	(2,145)	(24,531)
Total equity	1,862,157	1,726,246	1,693,108
Total liabilities and equity	20,312,308	20,246,249	19,346,067

* As restated for reclassifications set out in separate section



Investec Bank plc (a subsidiary of Investec plc)

Condensed consolidated statement of changes in equity

Unaudited

£'000	6 months to 30 Sept 2012	Year to 31 March 2012	6 months to 30 Sept 2011
Balance at the beginning of the period	1,726,246	1,648,254	1,648,254
Profit after taxation	18,029	20,929	31,844
Cash flow hedge movements taken directly to other comprehensive income	(4,667)	(4,522)	(5,936)
Gains on realisation of available-for-sale assets recycled through the income statement	(4,304)	(40,760)	(28,222)
Fair value movements on available-for-sale assets taken directly to other comprehensive income	3,995	25,829	7,568
Foreign currency adjustments on translating foreign operations	(4,626)	4,101	(1,210)
Total comprehensive income	8,427	5,577	4,044
Dividends paid to ordinary shareholder	(7,500)	(16,000)	-
Issue of ordinary shares	138,774	68,838	40,810
Acquisition of non-controlling interests	(3,790)	(325)	-
Non-controlling interests relating to disposal of subsidiary	-	19,902	-
Balance at the end of the period	1,862,157	1,726,246	1,693,108



Investec Bank plc (a subsidiary of Investec plc)

Segmental information - business analysis

Unaudited

For the six months to 30 September 2012

£'000	Wealth & Investment	Specialist Banking	Total group
Net interest income	4,687	127,388	132,075
Fee and commission income	64,186	123,441	187,627
Fee and commission expense	(3,174)	(11,222)	(14,396)
Investment income	492	17,980	18,472
Trading income arising from:			
– customer flow	(189)	28,921	28,732
– balance sheet management and other trading activities	(1)	22,716	22,715
Other operating income	307	17,217	17,524
Total operating income before impairment losses on loans and advances	66,308	326,441	392,749
Impairment losses on loans and advances	-	(58,566)	(58,566)
Operating income	66,308	267,875	334,183
Operating costs	(53,150)	(228,020)	(281,170)
Depreciation of operating leased assets	-	(9,765)	(9,765)
Operating profit before goodwill and acquired intangibles	13,158	30,090	43,248
Operating loss attributable to non-controlling interests	-	158	158
Operating profit before goodwill, acquired intangibles and after non-controlling interests	13,158	30,248	43,406
Cost to income ratio	80.2%	72.0%	73.4%
Total assets (£'million)	418	19,894	20,312

For the six months to 30 September 2011 *

£'000	Wealth & Investment	Specialist Banking	Total group
Net interest income	4,144	123,170	127,314
Fee and commission income	64,319	110,412	174,731
Fee and commission expense	(3,377)	(11,053)	(14,430)
Investment (loss)/income	(210)	65,710	65,500
Trading income arising from:			
– customer flow	(3,568)	26,810	23,242
– balance sheet management and other trading activities	(242)	3,142	2,900
Other operating income	232	43,616	43,848
Total operating income before impairment losses on loans and advances	61,298	361,807	423,105
Impairment losses on loans and advances	-	(76,200)	(76,200)
Operating income	61,298	285,607	346,905
Operating costs	(48,081)	(227,502)	(275,583)
Depreciation of operating leased assets	-	(22,154)	(22,154)
Operating profit before goodwill and acquired intangibles	13,217	35,951	49,168
Operating profit attributable to non-controlling interests	-	(28)	(28)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	13,217	35,923	49,140
Cost to income ratio	78.4%	67.0%	68.7%
Total assets (£'million)	662	18,684	19,346

* As restated for reclassifications set out in separate section



Investec Bank plc (a subsidiary of Investec plc)

Segmental information - geographical analysis

Unaudited

For the six months to 30 September 2012

£'000	UK and Europe	Australia	Total group
Net interest income	99,028	33,047	132,075
Fee and commission income	163,688	23,939	187,627
Fee and commission expense	(12,766)	(1,630)	(14,396)
Investment income	14,695	3,777	18,472
Trading income arising from:			
– customer flow	27,828	904	28,732
– balance sheet management and other trading activities	22,535	180	22,715
Other operating income	17,524	-	17,524
Total operating income before impairment losses on loans and advances	332,532	60,217	392,749
Impairment losses on loans and advances	(52,150)	(6,416)	(58,566)
Operating income	280,382	53,801	334,183
Operating costs	(232,124)	(49,046)	(281,170)
Depreciation of operating leased assets	(9,765)	-	(9,765)
Operating profit before goodwill and acquired intangibles	38,493	4,755	43,248
Operating loss attributable to non-controlling interests	158	-	158
Operating profit before goodwill, acquired intangibles and after non-controlling interests	38,651	4,755	43,406
Cost to income ratio	71.9%	81.4%	73.4%
Total assets (£'million)	17,124	3,188	20,312

For the six months to 30 September 2011 *

£'000	UK and Europe	Australia	Total group
Net interest income	91,245	36,069	127,314
Fee and commission income	156,187	18,544	174,731
Fee and commission expense	(12,466)	(1,964)	(14,430)
Investment income	63,929	1,571	65,500
Trading income arising from:			
– customer flow	18,976	4,266	23,242
– balance sheet management and other trading activities	2,125	775	2,900
Other operating income/(loss)	44,099	(251)	43,848
Total operating income before impairment losses on loans and advances	364,095	59,010	423,105
Impairment losses on loans and advances	(43,317)	(32,883)	(76,200)
Operating income	320,778	26,127	346,905
Operating costs	(228,077)	(47,506)	(275,583)
Depreciation of operating leased assets	(22,154)	-	(22,154)
Operating profit/(loss) before goodwill and acquired intangibles	70,547	(21,379)	49,168
Operating profit attributable to non-controlling interests	(28)	-	(28)
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	70,519	(21,379)	49,140
Cost to income ratio	66.7%	80.5%	68.7%
Total assets (£'million)	16,010	3,336	19,346

* As restated for reclassifications set out in separate section



Investec Bank plc (a subsidiary of Investec plc)

Segmental analysis of operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests

Unaudited

£'000	UK and Europe	Australia	Total group
For the six months to 30 September 2012			
Wealth & Investment	13,158	-	13,158
Specialist Banking	25,493	4,755	30,248
Private Banking activities	2,263	(3,222)	(959)
Property activities	318	2,193	2,511
Corporate Advisory and Investment activities	(2,938)	2,747	(191)
Corporate and Institutional Banking activities	53,353	5,328	58,681
Group Services and Other activities	(27,503)	(2,291)	(29,794)
Total group	38,651	4,755	43,406
Non-controlling interest – equity			(158)
Operating profit			43,248
For the six months to 30 September 2011			
Wealth & Investment	13,217	-	13,217
Specialist Banking	57,302	(21,379)	35,923
Private Banking activities	3,778	(23,382)	(19,604)
Property activities	(19)	1,255	1,236
Corporate Advisory and Investment activities	(2,214)	(1,770)	(3,984)
Corporate and Institutional Banking activities	65,197	1,917	67,114
Group Services and Other activities	(9,440)	601	(8,839)
Total group	70,519	(21,379)	49,140
Non-controlling interest – equity			28
Operating profit			49,168

Investec Bank plc (a subsidiary of Investec plc)
Additional income statement note disclosures

Unaudited


Net interest income

For the 6 months to September 2012 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	5,503,797	44,839	784,064	18,793	6,287,861	63,632
Core loans and advances	5,747,309	164,729	1,990,883	90,809	7,738,192	255,538
Private Client	3,507,044	89,254	1,255,724	67,403	4,762,768	156,657
Corporate, institutional and other clients	2,240,265	75,475	735,159	23,406	2,975,424	98,881
Other debt securities and other loans and advances	1,954,924	66,302	47,602	990	2,002,526	67,292
Other interest earning assets	1,070,527	18,167	-	-	1,070,527	18,167
Total interest earning assets	14,276,557	294,037	2,822,549	110,592	17,099,106	404,629

For the 6 months to September 2012 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	2,573,036	31,111	527,442	16,179	3,100,478	47,290
Customer accounts	9,791,105	110,913	1,644,477	43,943	11,435,582	154,856
Other interest earning liabilities	821,616	22,916	453,562	16,210	1,275,178	39,126
Subordinated liabilities	632,145	30,069	45,049	1,213	677,194	31,282
Total interest earning liabilities	13,817,902	195,009	2,670,530	77,545	16,488,432	272,554

Net interest income		99,028		33,047		132,075
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Net fees and commissions

£'000	30 September 2012	30 September 2011	Variance	% change
Wealth & Investment	61,012	60,942	70	0.1%
Specialist Banking	112,219	99,359	12,860	12.9%
Net fees and commissions	173,231	160,301	12,930	8.1%

For the 6 months to September 2012 £'000	UK and Europe	Australia	Total group
Fund management fees/fees for assets under management	51,234	2,608	53,842
Private client transactional fees	28,207	6,339	34,546
Corporate and institutional transactional and advisory services	84,247	14,992	99,239
Fee and commission income	163,688	23,939	187,627
Fee and commission expense	(12,766)	(1,630)	(14,396)
Net fees and commissions	150,922	22,309	173,231
Annuity (net of fees payable)	68,063	9,758	77,821
Deal	82,859	12,551	95,410

Investment income

£'000	30 September 2012	30 September 2011	Variance	% change
Wealth & Investment	492	(210)	702	-334.3%
Specialist Banking	17,980	65,710	(47,730)	-72.6%
Investment income	18,472	65,500	(47,028)	-71.8%

For the 6 months to September 2012 £'000	UK and Europe	Australia	Total group
Realised	13,143	3,185	16,328
Unrealised	(444)	-	(444)
Dividend income	1,184	-	1,184
Funding and net other related costs	812	592	1,404
Investment income	14,695	3,777	18,472

For the 6 months to September 2012 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
UK and Europe	(1,857)	11,555	4,185	14,695
Realised	864	9,590	2,689	13,143
Unrealised	(3,904)	1,965	1,495	(444)
Dividend income	1,183	-	1	1,184
Funding and net other related costs	-	-	812	812
Australia	1,685	-	2,092	3,777
Realised	1,685	-	1,500	3,185
Unrealised	-	-	-	-
Dividend income	-	-	-	-
Funding and net other related costs	-	-	592	592
Investment income	(172)	11,555	6,277	18,472

Investec Bank plc (a subsidiary of Investec plc)

Additional income statement note disclosures

Unaudited



Net interest income

For the 6 months to September 2011 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	4,719,293	30,753	920,916	22,880	5,640,209	53,633
Core loans and advances	5,631,657	162,875	1,990,366	101,879	7,622,023	264,754
Private Client	3,484,842	94,664	1,710,852	76,932	5,195,694	171,596
Corporate, institutional and other clients	2,146,815	68,211	279,514	24,947	2,426,329	93,158
Other debt securities and other loans and advances	2,091,789	61,576	136,512	2,952	2,228,301	64,528
Other interest earning assets	594,811	12,770	41,095	299	635,906	13,069
Total interest earning assets	13,037,550	267,974	3,088,889	128,010	16,126,439	395,984

For the 6 months to September 2011 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	2,598,908	28,415	877,280	26,748	3,476,188	55,163
Customer accounts	9,206,050	105,858	1,445,880	46,692	10,651,930	152,550
Other interest earning liabilities	525,734	18,110	480,683	17,077	1,006,417	35,187
Subordinated liabilities	623,225	24,346	37,332	1,424	660,557	25,770
Total interest earning liabilities	12,953,917	176,729	2,841,175	91,941	15,795,092	268,670

Net interest income		91,245	36,069	127,314
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Net fees and commissions

For the 6 months to September 2011 £'000	UK and Europe	Australia	Total group
	Fund management fees/fees for assets under management	50,483	2,640
Private client transactional fees	31,920	8,221	40,141
Corporate and institutional transactional and advisory services	73,784	7,683	81,467
Fee and commission income	156,187	18,544	174,731
Fee and commission expense	(12,466)	(1,964)	(14,430)
Net fees and commissions	143,721	16,580	160,301
Annuity (net of fees payable)	68,752	7,560	76,312
Deal	74,969	9,020	83,989

Investment income

For the 6 months to September 2011 £'000	UK and Europe	Australia	Total group
	Realised	42,009	671
Unrealised	21,221	(37)	21,184
Dividend income	776	535	1,311
Funding and net other related costs	(77)	402	325
Investment income	63,929	1,571	65,500

For the 6 months to September 2011 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
	UK and Europe	9,552	48,575	5,802
Realised	5,044	31,200	5,765	42,009
Unrealised	3,810	17,411	-	21,221
Dividend income	776	-	-	776
Funding and net other related costs	(78)	(36)	37	(77)
Australia	993	176	402	1,571
Realised	495	176	-	671
Unrealised	(37)	-	-	(37)
Dividend income	535	-	-	535
Funding and net other related costs	-	-	402	402
Investment income	10,545	48,751	6,204	65,500

Investec Bank plc (a subsidiary of Investec plc)



Income statement reclassifications

Unaudited

Consistent with the year ended 31 March 2012, the previously reported principal transactions income line item has been split into the following line items:

- Investment income - income, other than net interest, from securities held for the purpose of generating interest yield, dividends and capital appreciation.
- Client flow trading income - income from trading activities arising from making and facilitating client activities.
- Income from balance sheet management and other trading activities: includes proprietary trading income and other gains and losses as well as income earned from the balance sheet management desk.

For the six months to 30 September 2011

£'000	New format	As previously reported	Reclassifications
Interest income	395,984	395,984	-
Interest expense	(268,670)	(268,670)	-
Net interest income	127,314	127,314	-
Fee and commission income	174,731	174,731	-
Fee and commission expense	(14,430)	(14,430)	-
Principal transactions	-	91,642	(91,642)
Investment income	65,500	-	65,500
Trading income arising from:			
- customer flow	23,242	-	23,242
- balance sheet management and other trading activities	2,900	-	2,900
Other operating income	43,848	43,848	-
Other income	295,791	295,791	-
Total operating income before impairment losses on loans and advances	423,105	423,105	-



Balance sheet reclassifications

Unaudited

The main driver behind the revision to the balance sheet is to enable a better understanding of Investec's exposures and to minimise reconciliation points to the detailed risk disclosures on the website.

It is noted that there are no measurement changes nor are there any changes to total assets, liabilities and equity.

Each category of reclassification is noted below, and is consistent with those made at 31 March 2012:

As at 30 September 2011 £'000	New format	As previously reported	Loans and securitisation	Securities reclassification
Total assets reclassified				
Sovereign debt securities	968,841	-	-	968,841
Bank debt securities	936,791	-	-	936,791
Other debt securities	158,754	-	-	158,754
Investment securities	-	2,078,533	-	(2,078,533)
Securities arising from trading activities	654,862	889,524	-	(234,662)
Investment portfolio	248,809	-	-	248,809
Loans and advances to customers	7,133,077	9,202,624	(2,069,547)	-
Securitised assets	-	1,124,852	(1,124,852)	-
Own originated loans and advances to customers securitised	488,946	-	488,946	-
Other loans and advances	2,069,547	-	2,069,547	-
Other securitised assets	635,906	-	635,906	-
Total assets	13,295,533	13,295,533	-	-
Total liabilities reclassified				
Liabilities arising on securitisation	-	1,006,417	(1,006,417)	-
Liabilities arising on securitisation of own originated loans and advances	480,683	-	480,683	-
Liabilities arising on securitisation of other assets	525,734	-	525,734	-
	1,006,417	1,006,417	-	-

Loans and securitisation

To better align the balance sheet with the bank's risk management disclosures, loans and advances and securitised assets that form part of our "core" lending activities has been separated from assets that are in warehoused facilities and structured credit investments arising out of our securitisation and principal finance activities. This has resulted in a need to split loans and advances and securitised assets into two balance sheet categories for each. Securitized liabilities has been split into two line items to enable the relationship with securitized assets to be clearly identified.

Securities reclassification

Our previous balance sheet split securities (other than lending related) into two key line items being trading and investment securities. This classification was driven by the accounting rule sets that mainly distinguish between instruments fair valued through profit or loss, those carried at amortised cost (held to maturity) and those fair valued through equity (available for sale). The bank is of the view that disclosure of the nature of exposures on the balance sheet, distinguishing between instruments held to manage balance sheet liquidity, as principal exposure and balance sheet instruments arising from trading desk activities provides more meaningful disclosure on the face of the balance sheet. The line item "Securities arising from trading securities" includes all instruments (other than derivative instruments) that are held on balance sheet in relation to trading activities.



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

Credit and counterparty risk management

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

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

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

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

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

The tables that follow provide an analysis of our credit and counterparty risk exposures.

An analysis of gross credit and counterparty exposures

Credit and counterparty exposures increased by 4.4% to £17.6 billion. Cash and near cash balances increased by 1.6% to £4.6 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks and sovereign debt securities.

£'000	30 Sept 2012	31 March 2012	% change	Average*
Cash and balances at central banks	1,665,226	1,835,820	(9.3%)	1,750,523
Loans and advances to banks	903,211	863,540	4.6%	883,376
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	522,180	>100%	1,031,850
Sovereign debt securities	1,451,832	1,647,271	(11.9%)	1,549,552
Bank debt securities	726,030	824,552	(11.9%)	775,291
Other debt securities	126,621	166,062	(23.8%)	146,342
Derivative financial instruments	664,188	653,160	1.7%	658,674
Securities arising from trading activities	329,284	250,071	31.7%	289,678
Loans and advances to customers (gross)	7,461,251	7,340,042	1.7%	7,400,647
Own originated loans and advances to customers securitised (gross)	458,283	536,297	(14.5%)	497,290
Other loans and advances (gross)	1,464,913	1,293,498	13.3%	1,379,206
Other securitised assets (gross)	28,179	34,800	(19.0%)	31,490
Other assets	36,317	2,390	>100%	19,354
Property and equipment	9,383	19,761	(52.5%)	14,572
Total on-balance sheet exposures	16,866,237	15,989,444	5.5%	16,427,841
Guarantees [^]	221,862	204,928	8.3%	213,395
Contingent liabilities, committed facilities and other	537,408	683,075	(21.3%)	610,242
Total off-balance sheet exposures	759,270	888,003	(14.5%)	823,637
Total gross credit and counterparty exposures pre collateral or other credit enhancements	17,625,507	16,877,447	4.4%	17,251,477

*Where the average is based on a straight line average for the period 1 April 2012 to 30 September 2012

[^] Excludes guarantees provided to clients which are backed/secured by cash on deposit with the bank.



Investec Bank plc (a subsidiary of Investec plc)

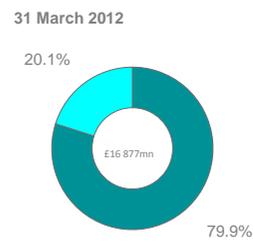
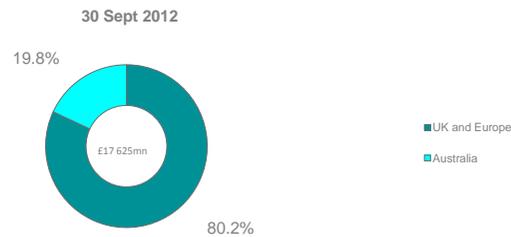
Risk management

Unaudited

An analysis of gross credit and counterparty exposures by geography

£'million	UK and Europe		Australia		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
Cash and balances at central banks	1,574	1,656	91	180	1,665	1,836
Loans and advances to banks	814	796	89	68	903	864
Reverse repurchase agreements and cash collateral on securities borrowed	1,542	522	-	-	1,542	522
Sovereign debt securities	1,291	1,415	161	232	1,452	1,647
Bank debt securities	283	295	443	530	726	825
Other debt securities	80	84	47	82	127	166
Derivative financial instruments	532	519	132	134	664	653
Securities arising from trading activities	326	243	3	7	329	250
Loans and advances to customers (gross)	5,919	5,913	1,542	1,427	7,461	7,340
Own originated loans and advances to customers securitised (gross)	-	-	458	536	458	536
Other loans and advances (gross)	1,465	1,293	-	-	1,465	1,293
Other securitised assets (gross)	28	35	-	-	28	35
Other assets	36	2	-	-	36	2
Property and equipment	10	20	-	-	10	20
Total on-balance sheet exposures	13,900	12,793	2,966	3,196	16,866	15,989
Guarantees	181	173	41	32	222	205
Contingent liabilities, committed facilities and other	360	518	177	165	537	683
Total off-balance sheet exposures	541	691	218	197	759	888
Total gross credit and counterparty exposures pre collateral or other credit enhancements	14,441	13,484	3,184	3,393	17,625	16,877

An analysis of gross credit and counterparty exposures by geography





Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

A further analysis of our on-balance sheet credit and counterparty exposures

The table below indicates in which class of asset (on the face of the consolidated balance sheet) our on-balance sheet credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

£'000	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note reference	Total balance sheet
As at 30 September 2012				
Cash and balances at central banks	1,665,226	43		1,665,269
Loans and advances to banks	903,211	-		903,211
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	-		1,541,519
Sovereign debt securities	1,451,832	-		1,451,832
Bank debt securities	726,030	-		726,030
Other debt securities	126,621	16,486		143,107
Derivative financial instruments	664,188	210,560		874,748
Securities arising from trading activities	329,284	100,611		429,895
Investment portfolio	-	306,131	1	306,131
Loans and advances to customers	7,461,251	(180,640)	2	7,280,611
Own originated loans and advances to customers securitised	458,283	(702)	2	457,581
Other loans and advances	1,464,913	394,506	3	1,859,419
Other securitised assets	28,179	1,042,348	4	1,070,527
Interest in associated undertakings	-	17,385		17,385
Deferred taxation assets	-	96,412		96,412
Other assets	36,317	834,050	5	870,367
Property and equipment	9,383 [^]	84,530		93,913
Investment properties	-	11,500		11,500
Goodwill	-	328,981		328,981
Intangible assets	-	183,870		183,870
Total on-balance sheet exposures	16,866,237	3,446,071		20,312,308
As at 31 March 2012				
Cash and balances at central banks	1,835,820	16		1,835,836
Loans and advances to banks	863,540	-		863,540
Reverse repurchase agreements and cash collateral on securities borrowed	522,180	636,958	3	1,159,138
Sovereign debt securities	1,647,271	-		1,647,271
Bank debt securities	824,552	-		824,552
Other debt securities	166,062	19,281		185,343
Derivative financial instruments	653,160	213,248		866,408
Securities arising from trading activities	250,071	122,499		372,570
Investment portfolio	-	317,313	1	317,313
Loans and advances to customers	7,340,042	(163,050)	2	7,176,992
Own originated loans and advances to customers securitised	536,297	(1,289)	2	535,008
Other loans and advances	1,293,498	774,128	3	2,067,626
Other securitised assets	34,800	605,455	4	640,255
Interest in associated undertakings	-	17,780		17,780
Deferred taxation assets	-	89,490		89,490
Other assets	2,390	1,114,436	5	1,116,826
Property and equipment	19,761 [^]	102,941		122,702
Investment properties	-	11,500		11,500
Goodwill	-	278,574		278,574
Intangible assets	-	117,525		117,525
Total on-balance sheet exposures	15,989,444	4,256,805		20,246,249

[^] Reflects future receivables in respect of assets subject to operating lease contracts

1. Largely relates to exposures that are classified as equity risk in the banking book.
2. Largely relates to impairments and the impact of hedge accounting.
3. Largely intergroup lending which is deemed to have no credit exposure.
4. Whilst the group manages all risks (including credit risk) from a day-to-day operational perspective, these assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. The table above reflects the net credit exposure in the vehicles that the group has reflected in the 'total credit and counterparty exposure' with the maximum credit exposure referenced to credit providers external to the group in the column headed 'assets that we deem to have no legal credit exposure'.
5. Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of gross credit and counterparty exposure by residual contractual maturity as at 30 September 2012

	up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	5 to 10 years	>10 years	Total
£'000							
As at 30 September 2012							
Cash and balances at central banks	1,665,226	-	-	-	-	-	1,665,226
Loans and advances to banks	832,388	-	192	70,631	-	-	903,211
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	-	-	-	-	-	1,541,519
Sovereign debt securities	603,739	103,075	-	281,300	95,074	368,644	1,451,832
Bank debt securities	55,120	15,182	43,144	465,049	147,535	-	726,030
Other debt securities	7,126	206	3,336	32,508	61	83,384	126,621
Derivative financial instruments	96,032	20,875	34,447	430,727	34,076	48,031	664,188
Securities arising from trading activities	1,571	-	-	177,847	55,039	94,827	329,284
Loans and advances to customers	1,983,507	588,901	828,065	3,388,929	534,645	137,204	7,461,251
Own originated loans and advances to customers securitised	58,757	49,015	95,287	239,773	15,451	-	458,283
Other loans and advances	4,209	-	-	20,032	7,133	1,433,539	1,464,913
Other securitised assets	-	-	-	-	-	28,179	28,179
Other assets	36,317	-	-	-	-	-	36,317
Property and equipment	2,349	2,059	2,834	2,141	-	-	9,383
Total on-balance sheet exposures	6,887,860	779,313	1,007,305	5,108,937	889,014	2,193,808	16,866,237
Guarantees	-	40,132	21,599	159,577	554	-	221,862
Contingent liabilities, committed facilities and other	193,678	33,201	45,727	220,899	34,158	9,745	537,408
Total off-balance sheet exposures	193,678	73,333	67,326	380,476	34,712	9,745	759,270
Total gross credit and counterparty exposures pre collateral or other credit enhancements	7,081,538	852,646	1,074,631	5,489,413	923,726	2,203,553	17,625,507



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of gross credit and counterparty exposure by industry

£'000	Gross core loans and advances		Other credit and counterparty exposures		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
HNW and professional individuals	4,915,228	5,167,269	269,316	289,361	5,184,544	5,456,630
Agriculture	8,343	13,559	57	517	8,400	14,076
Electricity, gas and water (utility services)	343,054	368,128	60,155	64,349	403,209	432,477
Public and non-business services	153,240	148,830	3,315,291	3,347,309	3,468,531	3,496,139
Business service	221,583	218,778	18,137	17,958	239,720	236,736
Finance and insurance	341,425	303,584	4,482,190	3,966,235	4,823,615	4,269,819
Retailers and wholesalers	208,728	247,068	37,455	33,702	246,183	280,770
Manufacturing and commerce	387,973	414,704	60,092	70,494	448,065	485,198
Construction	54,226	47,732	52,876	47,869	107,102	95,601
Commercial real estate	638,943	384,277	80,286	73,318	719,229	462,595
Residential mortgages	-	-	1,125,628	852,950	1,125,628	852,950
Mining and resources	93,164	89,032	74,485	66,912	167,649	155,944
Leisure, entertainment and tourism	101,121	117,694	10,084	24,834	111,205	142,528
Transport and communication	452,506	355,684	119,921	140,300	572,427	495,984
Total	7,919,534	7,876,339	9,705,973	8,996,108	17,625,507	16,877,447

Private client loans account for 62.1% of total core loans and advances, as represented by the industry classification 'HNW and professional individuals'. A more detailed analysis of the private client loan portfolio is provided further on. The remainder of core loans and advances largely reside within our corporate client division and are evenly spread across industry sectors. A more detailed analysis of the corporate client loan portfolio is provided further on.

Other credit and counterparty exposures are largely reflective of cash and near cash balances held with institutions and central banks, thus the large balance reflected in the 'Public and non-business services' and 'Finance and insurance' sectors. These exposures also include off-balance sheet items such as guarantees, committed facilities and contingent liabilities, largely to our HNW and professional individual Private Clients division clients.

Detailed analysis of gross credit and counterparty exposures by industry

£'000	HNW and professional individuals	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business service	Finance and insurance	Retailers and wholesalers	Manufacturing and commerce	Construction	Commercial real estate	Residential mortgages	Mining and resources	Leisure, entertainment and tourism	Transport and communication	Total
As at 30 September 2012															
Cash and balances at central banks	-	-	-	1,574,707	-	90,519	-	-	-	-	-	-	-	-	1,665,226
Loans and advances to banks	-	-	-	-	-	903,211	-	-	-	-	-	-	-	-	903,211
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	1,541,519	-	-	-	-	-	-	-	-	1,541,519
Sovereign debt securities	-	-	-	1,451,832	-	-	-	-	-	-	-	-	-	-	1,451,832
Bank debt securities	-	-	-	-	-	726,030	-	-	-	-	-	-	-	-	726,030
Other debt securities	-	-	21,615	-	-	51,229	-	-	6,874	-	-	-	-	-	8,897
Derivative financial instruments	6,768	57	19,469	-	5,040	541,847	12,231	17,812	30,017	17,175	-	7,827	5,445	500	664,188
Securities arising from trading activities	-	-	-	274,527	-	54,757	-	-	-	-	-	-	-	-	329,284
Loans and advances to customers (gross)	4,456,945	8,343	343,054	153,240	221,583	341,425	208,728	387,973	54,226	638,943	-	93,164	101,121	452,506	7,461,251
Own originated loans and advances to customers securitised (gross)	458,283	-	-	-	-	-	-	-	-	-	-	-	-	-	458,283
Other loans and advances (gross)	8	-	-	-	-	339,230	-	-	-	-	1,125,628	-	-	47	1,464,913
Other securitised assets (gross)	-	-	-	-	-	28,179	-	-	-	-	-	-	-	-	28,179
Other assets	-	-	-	-	-	36,317	-	-	-	-	-	-	-	-	36,317
Property and equipment	-	-	27	132	2,272	383	1,558	2,575	220	808	-	29	147	1,232	9,383
Total on-balance sheet exposures	4,922,004	8,400	384,165	3,454,438	228,895	4,654,646	232,612	408,360	91,337	689,837	1,125,628	101,020	106,713	458,182	16,866,237
Guarantees	25,771	-	4,364	-	449	143,667	2,236	-	719	-	-	10,283	350	34,023	221,862
Contingent liabilities, committed facilities and other	236,769	-	14,680	14,093	10,376	25,302	11,335	39,705	15,046	29,392	-	56,346	4,142	80,222	537,408
Total off-balance sheet exposures	262,540	-	19,044	14,093	10,825	168,969	13,571	39,705	15,765	29,392	-	66,629	4,492	114,245	759,270
Total gross credit and counterparty exposures pre collateral or other credit enhancements	5,184,544	8,400	403,209	3,468,531	239,720	4,823,615	246,183	448,065	107,102	719,229	1,125,628	167,649	111,205	572,427	17,625,507
As at 31 March 2012															
Cash and balances at central banks	-	-	-	1,655,761	-	180,059	-	-	-	-	-	-	-	-	1,835,820
Loans and advances to banks	-	-	-	-	-	863,540	-	-	-	-	-	-	-	-	863,540
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	522,180	-	-	-	-	-	-	-	-	522,180
Sovereign debt securities	-	-	-	1,470,206	-	177,065	-	-	-	-	-	-	-	-	1,647,271
Bank debt securities	-	-	-	-	-	824,552	-	-	-	-	-	-	-	-	824,552
Other debt securities	-	-	-	-	-	86,644	-	-	6,831	56,368	-	-	12,313	3,906	166,062
Derivative financial instruments	907	119	15,702	-	3,884	561,465	7,846	17,707	17,010	17,472	-	5,020	4,528	1,500	653,160
Securities arising from trading activities	-	-	-	202,558	-	47,513	-	-	-	-	-	-	-	-	250,071
Loans and advances to customers (gross)	4,630,972	13,559	368,128	148,830	218,778	303,584	247,068	414,704	47,732	384,277	-	89,032	117,694	355,684	7,340,042
Own originated loans and advances to customers securitised (gross)	536,297	-	-	-	-	-	-	-	-	-	-	-	-	-	536,297
Other loans and advances (gross)	-	-	-	-	-	440,548	-	-	-	-	852,950	-	-	-	1,293,498
Other securitised assets (gross)	-	-	-	-	-	34,800	-	-	-	-	-	-	-	-	34,800
Other assets	-	-	-	-	-	2,390	-	-	-	-	-	-	-	-	2,390
Property and equipment	-	398	442	1,101	5,390	1,035	2,569	4,375	553	1,633	-	-	330	1,935	19,761
Total on-balance sheet exposures	5,168,176	14,076	384,272	3,478,456	228,052	4,045,375	257,483	436,786	72,126	459,750	852,950	94,052	134,865	363,025	15,989,444
Guarantees	5,857	-	4,395	-	-	155,813	1,614	-	-	-	-	33,828	500	3,121	204,928
Contingent liabilities, committed facilities and other	282,597	-	43,810	17,683	8,684	68,831	21,673	48,412	23,475	2,845	-	28,064	7,163	129,838	683,075
Total off-balance sheet exposures	288,454	-	48,205	17,683	8,684	224,444	23,287	48,412	23,475	2,845	-	61,892	7,663	132,959	888,003
Total gross credit and counterparty exposures pre collateral or other credit enhancements	5,456,630	14,076	432,477	3,496,139	236,736	4,269,819	280,770	485,198	95,601	462,595	852,950	155,944	142,528	495,984	16,877,447



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of our core loans and advances, asset quality and impairments

Calculation of core loans and advances to customers

£'000	30 Sept 2012	31 March 2012
Loans and advances to customers as per the balance sheet	7,280,611	7,176,992
Add: own-originated loans and advances securitised as per the balance sheet	457,581	535,008
Net core loans and advances to customers	7,738,192	7,712,000

The tables that follow provide information with respect to the asset quality of our core loans and advances to customers

£'000	30 Sept 2012	31 March 2012
Gross core loans and advances to customers	7,919,534	7,876,339
Total impairments	(181,342)	(164,339)
Portfolio impairments	(12,142)	(3,210)
Specific impairments	(169,200)	(161,129)
Net core loans and advances to customers	7,738,192	7,712,000
Average gross core loans and advances to customers	7,897,937	7,844,614
Current loans and advances to customers	7,253,270	7,154,105
Past due loans and advances to customers (1-60 days)	149,349	230,038
Special mention loans and advances to customers	33,026	10,794
Default loans and advances to customers	483,889	481,402
Gross core loans and advances to customers	7,919,534	7,876,339
Current loans and advances to customers	7,253,270	7,154,105
Default loans that are current and not impaired	6,872	-
Gross core loans and advances to customers that are past due but not impaired	199,854	256,569
Gross core loans and advances to customers that are impaired	459,538	465,665
Gross core loans and advances to customers	7,919,534	7,876,339
Total income statement charge for impairments on core loans and advances	(51,211)	(156,976)
Gross default loans and advances to customers	483,889	481,402
Specific impairments	(169,200)	(161,129)
Portfolio impairments	(12,142)	(3,210)
Defaults net of impairments	302,547	317,063
Collateral and other credit enhancements	319,769	346,560
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Total impairments as a % of gross core loans and advances to customers	2.29%	2.09%
Total impairments as a % of gross default loans	37.48%	34.14%
Gross defaults as a % of gross core loans and advances to customers	6.11%	6.11%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.91%	4.11%
Net defaults as a % of gross core loans and advances to customers	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.16%	1.66%

Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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

£'000	UK and Europe		Australia		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
Gross core loans and advances to customers	5,919,549	5,915,778	1,999,985	1,960,561	7,919,534	7,876,339
Total impairments	(172,240)	(152,085)	(9,102)	(12,254)	(181,342)	(164,339)
Portfolio impairments	(10,596)	(1,667)	(1,546)	(1,543)	(12,142)	(3,210)
Specific impairments	(161,644)	(150,418)	(7,556)	(10,711)	(169,200)	(161,129)
Net core loans and advances to customers	5,747,309	5,763,693	1,990,883	1,948,307	7,738,192	7,712,000
% of total	74.3%	74.7%	25.7%	25.3%	100%	100%
% change since 31 March 2012	(0.3%)		2.2%		0.3%	
Average gross core loans and advances to customers	5,917,663	5,812,499	1,980,274	2,032,115	7,897,937	7,844,614
Current loans and advances to customers	5,310,866	5,254,569	1,942,404	1,899,536	7,253,270	7,154,105
Past due loans and advances to customers (1-60 days)	136,812	215,743	12,537	14,295	149,349	230,038
Special mention loans and advances to customers	23,887	9,370	9,139	1,424	33,026	10,794
Default loans and advances to customers	447,984	436,096	35,905	45,306	483,889	481,402
Gross core loans and advances to customers	5,919,549	5,915,778	1,999,985	1,960,561	7,919,534	7,876,339
Current loans and advances to customers	5,310,866	5,254,569	1,942,404	1,899,536	7,253,270	7,154,105
Default loans that are current and not impaired	6,872	-	-	-	6,872	-
Gross core loans and advances to customers that are past due but not impaired	163,423	230,433	36,431	26,136	199,854	256,569
Gross core loans and advances to customers that are impaired	438,388	430,776	21,150	34,889	459,538	465,665
Gross core loans and advances to customers	5,919,549	5,915,778	1,999,985	1,960,561	7,919,534	7,876,339
Total income statement charge for impairments on core loans and advances	(44,805)	(89,104)	(6,416)	(67,872)	(51,221)	(156,976)
Gross default loans and advances to customers	447,984	436,098	35,905	45,306	483,889	481,402
Specific impairments	(161,644)	(150,418)	(7,556)	(10,711)	(169,200)	(161,129)
Portfolio impairments	(10,596)	(1,667)	(1,546)	(1,543)	(12,142)	(3,210)
Defaults net of impairments	275,744	284,011	26,803	33,052	302,547	317,063
Collateral and other credit enhancements	286,824	310,777	32,945	35,783	319,769	346,560
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	2.91%	2.57%	0.46%	0.63%	2.29%	2.09%
Total impairments as a % of gross default loans	38.45%	34.87%	25.35%	27.05%	37.48%	34.14%
Gross defaults as a % of gross core loans and advances to customers	7.57%	7.37%	1.80%	2.31%	6.11%	6.11%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.80%	4.93%	1.35%	1.70%	3.91%	4.11%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-
Annualised credit loss ratio (i.e income statement charge as a % of average gross loans and advances)	1.30%	1.23%	0.65%	3.13%	1.16%	1.66%



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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

As at 30 September 2012

£'000	Private Client*			Corporate Client**			Other*			Total
	UK and Europe	Australia	Total	UK and Europe	Australia	Total	UK and Europe	Australia	Total	
Gross core loans and advances to customers	3,651,112	1,264,116	4,915,228	2,159,576	675,462	2,835,038	108,861	60,407	169,268	7,919,534
Total impairments	(144,068)	(8,392)	(152,460)	(16,380)	(710)	(17,090)	(11,792)	-	(11,792)	(181,342)
Portfolio impairments	-	(1,546)	(1,546)	-	-	-	(10,596)	-	(10,596)	(12,142)
Specific impairments	(144,068)	(6,846)	(150,914)	(16,380)	(710)	(17,090)	(1,196)	-	(1,196)	(169,200)
Net core loans and advances to customers	3,507,044	1,255,724	4,762,768	2,143,196	674,752	2,817,948	97,069	60,407	157,476	7,738,192
Average gross core loans and advances	3,606,608	1,434,640	5,041,248	2,196,889	485,401	2,682,290	114,166	60,233	174,399	7,897,937
Current loans and advances to customers	3,117,146	1,218,787	4,335,933	2,090,501	663,210	2,753,711	103,219	60,407	163,626	7,253,270
Past due loans and advances to customers (1-60 days)	131,935	5,048	136,983	4,877	7,489	12,366	-	-	-	149,349
Special mention loans and advances to customers	23,712	8,880	32,592	175	259	434	-	-	-	33,026
Default loans and advances to customers	378,319	31,401	409,720	64,023	4,504	68,527	5,642	-	5,642	483,889
Gross core loans and advances to customers	3,651,112	1,264,116	4,915,228	2,159,576	675,462	2,835,038	108,861	60,407	169,268	7,919,534
Current loans and advances to customers	3,117,146	1,218,787	4,335,933	2,090,501	663,210	2,753,711	103,219	60,407	163,626	7,253,270
Default loans that are current and not impaired	-	-	-	6,872	-	6,872	-	-	-	6,872
Gross core loans and advances to customers that are past due but not impaired	157,938	25,481	183,419	5,485	10,950	16,435	-	-	-	199,854
Gross core loans and advances to customers that are impaired	376,028	19,848	395,876	56,718	1,302	58,020	5,642	-	5,642	459,538
Gross core loans and advances to customers	3,651,112	1,264,116	4,915,228	2,159,576	675,462	2,835,038	108,861	60,407	169,268	7,919,534
Total income statement charge for impairments on core loans and advances	(19,490)	(9,390)	(28,880)	(15,118)	2,696	(12,422)	(10,196)	277	(9,919)	(51,221)
Gross default loans and advances to customers	378,319	31,401	409,720	64,023	4,504	68,527	5,642	-	5,642	483,889
Specific impairments	(144,068)	(6,846)	(150,914)	(16,380)	(710)	(17,090)	(1,196)	-	(1,196)	(169,200)
Portfolio impairments	-	(1,546)	(1,546)	-	-	-	(10,596)	-	(10,596)	(12,142)
Defaults net of impairments	234,251	23,009	257,260	47,643	3,794	51,437	(6,150)	-	(6,150)	302,547
Collateral and other credit enhancements	239,180	29,046	268,226	47,644	3,899	51,543	-	-	-	319,769
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	3.95%	0.66%	3.10%	0.76%	0.11%	0.60%	10.83%	-	6.97%	2.29%
Total impairments as a % of gross default loans	38.08%	26.73%	37.21%	25.58%	15.76%	24.94%	>100%	-	>100%	37.48%
Gross defaults as a % of gross core loans and advances to customers	10.36%	2.48%	8.34%	2.96%	0.67%	2.42%	5.18%	-	3.33%	6.11%
Defaults (net of impairments) as a % of net core loans and advances to customers	6.68%	1.83%	5.40%	2.22%	0.56%	1.83%	(6.34%)	-	(3.91%)	3.91%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-	-	-	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.08%	1.26%	1.13%	0.97%	(1.14%)	0.69%	15.92%	(1.21%)	11.42%	1.16%

* Largely includes lending activities within our central funding and international trade finance businesses.

** A further analysis of our private client and corporate client loan portfolios, broken down by type of loan, is provided further on.



Investec Bank plc (a subsidiary of Investec plc)

Risk management

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

As at 31 March 2012

£'000	UK and Europe	Private Client Australia	Total	UK and Europe	Corporate Client Australia	Total	UK and Europe	Other* Australia	Total	Total
Gross core loans and advances to customers	3,562,106	1,605,163	5,167,269	2,234,202	295,340	2,529,542	119,470	60,058	179,528	7,876,339
Total impairments	(130,687)	(11,563)	(142,250)	(19,732)	(690)	(20,422)	(1,667)	-	(1,667)	(164,339)
Portfolio impairments	-	(1,543)	(1,543)	-	-	-	(1,667)	-	(1,667)	(3,210)
Specific impairments	(130,687)	(10,020)	(140,707)	(19,732)	(690)	(20,422)	-	-	-	(161,129)
Net core loans and advances to customers	3,431,419	1,593,600	5,025,019	2,214,470	294,650	2,509,120	117,803	60,058	177,861	7,712,000
Average gross core loans and advances	3,540,995	1,726,800	5,267,796	2,135,431	274,353	2,409,784	136,072	30,962	167,034	7,844,614
Current loans and advances to customers	3,008,547	1,551,702	4,560,249	2,126,551	287,777	2,414,328	119,470	60,058	179,528	7,154,105
Past due loans and advances to customers (1-60 days)	192,924	9,992	202,916	22,819	4,303	27,122	-	-	-	230,038
Special mention loans and advances to customers	8,834	972	9,806	537	451	988	-	-	-	10,794
Default loans and advances to customers	351,801	42,497	394,298	84,295	2,809	87,104	-	-	-	481,402
Gross core loans and advances to customers	3,562,106	1,605,163	5,167,269	2,234,202	295,340	2,529,542	119,470	60,058	179,528	7,876,339
Current loans and advances to customers	3,008,547	1,551,702	4,560,249	2,126,551	287,777	2,414,328	119,470	60,058	179,528	7,154,105
Gross core loans and advances to customers that are past due but not impaired	206,810	20,177	226,987	23,624	5,958	29,582	-	-	-	256,569
Gross core loans and advances to customers that are impaired	346,749	33,284	380,033	84,027	1,605	85,632	-	-	-	465,665
Gross core loans and advances to customers	3,562,106	1,605,163	5,167,269	2,234,202	295,340	2,529,542	119,470	60,058	179,528	7,876,339
Total income statement charge for impairments on core loans and advances	(52,802)	(72,647)	(125,449)	(37,104)	4,787	(32,317)	802	(12)	790	(156,976)
Gross default loans and advances to customers	351,801	42,497	394,298	84,295	2,809	87,104	-	-	-	481,402
Specific impairments	(130,687)	(10,020)	(140,707)	(19,732)	(690)	(20,422)	-	-	-	(161,129)
Portfolio impairments	-	(1,543)	(1,543)	-	-	-	(1,667)	-	(1,667)	(3,210)
Defaults net of impairments	221,114	30,934	252,048	64,563	2,119	66,682	(1,667)	-	(1,667)	317,063
Collateral and other credit enhancements	222,624	33,235	255,859	88,152	2,549	90,701	-	-	-	346,560
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	3.67%	0.72%	2.75%	0.88%	0.23%	0.81%	1.40%	-	0.93%	2.09%
Total impairments as a % of gross default loans	37.15%	27.21%	36.08%	23.41%	24.56%	23.45%	-	-	-	34.14%
Gross defaults as a % of gross core loans and advances to customers	9.88%	2.65%	7.63%	3.77%	0.95%	3.44%	-	-	-	6.11%
Defaults (net of impairments) as a % of net core loans and advances to customers	6.44%	1.94%	5.02%	2.92%	0.72%	2.66%	(1.42%)	-	(0.94%)	4.11%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-	-	-	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.41%	3.96%	2.25%	1.12%	(1.74%)	0.89%	(0.59%)	0.04%	(0.47%)	1.66%

* Largely includes lending activities within our central funding and international trade finance businesses.



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An age analysis of past due and default core loans and advances to customers

£'000	30 Sept 2012	31 March 2012
Default loans that are current	409,824	406,491
1 - 60 days	166,241	233,019
61 - 90 days	18,877	11,213
91 - 180 days	18,171	11,469
181 - 365 days	33,712	30,341
>365 days	19,439	29,701
Past due and default core loans and advances to customers (actual capital exposure)	666,264	722,234
1 - 60 days	3,926	6,300
61 - 90 days	7,986	636
91 - 180 days	9,928	1,458
181 - 365 days	12,631	6,283
>365 days	17,209	27,327
Past due and default core loans and advances to customers (actual amount in arrears)	51,680	42,004

A further age analysis of past due and default core loans and advances to customers

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
As at 30 September 2012							
Watchlist loans neither past due nor impaired							
Total capital exposure	6,872	-	-	-	-	-	6,872
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	165,224	17,151	16,420	689	370	199,854
Amount in arrears	-	3,175	7,644	9,103	190	122	20,234
Gross core loans and advances to customers that are impaired							
Total capital exposure	402,952	1,017	1,726	1,751	33,023	19,069	459,538
Amount in arrears	-	751	342	825	12,441	17,087	31,446
As at 31 March 2012							
Watchlist loans neither past due nor impaired							
Total capital exposure	-	-	-	-	-	-	-
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	230,996	9,836	6,727	4,187	4,823	256,569
Amount in arrears	-	5,374	262	193	3,499	4,388	13,716
Gross core loans and advances to customers that are impaired							
Total capital exposure	406,491	2,023	1,377	4,742	26,154	24,878	465,665
Amount in arrears	-	926	374	1,265	2,784	22,939	28,288



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An age analysis of past due and default core loans and advances to customers as at 30 September 2012 (based on total capital exposure)

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	149,349	-	-	-	-	149,349
Special mention	-	15,875	17,151	-	-	-	33,026
Special mention (1 - 90 days)	-	15,875	7,329	-	-	-	23,204
Special mention (61 - 90 days and item well secured)	-	-	9,822	-	-	-	9,822
Default	409,824	1,017	1,726	18,171	33,712	19,439	483,889
Sub-standard	185,474	-	-	16,420	25,265	1,947	229,106
Doubtful	53,975	1,017	1,726	1,751	8,414	15,747	82,630
Loss	170,375	-	-	-	33	1,745	172,153
Total	409,824	166,241	18,877	18,171	33,712	19,439	666,264

An age analysis of past due and default core loans and advances to customers as at 30 September 2012 (based on actual amount in arrears)

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	3,118	-	-	-	-	3,118
Special mention	-	56	7,644	-	-	-	7,700
Special mention (1 - 90 days)	-	56	7,329	-	-	-	7,385
Special mention (61 - 90 days and item well secured)	-	-	315	-	-	-	315
Default	-	752	342	9,928	12,631	17,209	40,862
Sub-standard	-	-	-	9,103	4,427	364	13,894
Doubtful	-	752	342	825	8,171	15,100	25,190
Loss	-	-	-	-	33	1,745	1,778
Total	-	3,926	7,986	9,928	12,631	17,209	51,680

An age analysis of past due and default core loans and advances to customers as at 31 March 2012 (based on total capital exposure)

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	230,038	-	-	-	-	230,038
Special mention	-	958	9,836	-	-	-	10,794
Special mention (1 - 90 days)	-	958	128	-	-	-	1,086
Special mention (61 - 90 days and item well secured)	-	-	9,708	-	-	-	9,708
Default	406,491	2,023	1,377	11,469	30,341	29,701	481,402
Sub-standard	184,398	-	-	8,627	22,073	6,365	221,463
Doubtful	78,313	2,023	1,377	2,842	8,268	23,336	116,159
Loss	143,780	-	-	-	-	-	143,780
Total	406,491	233,019	11,213	11,469	30,341	29,701	722,234

An age analysis of past due and default core loans and advances to customers as at 31 March 2012 (based on actual amount in arrears)

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	5,347	-	-	-	-	5,347
Special mention	-	27	262	-	-	-	289
Special mention (1 - 90 days)	-	27	16	-	-	-	43
Special mention (61 - 90 days and item well secured)	-	-	246	-	-	-	246
Default	-	926	374	1,458	6,283	27,327	36,368
Sub-standard	-	-	-	205	4,443	4,595	9,243
Doubtful	-	926	374	1,253	1,840	22,732	27,125
Loss	-	-	-	-	-	-	-
Total	-	6,300	636	1,458	6,283	27,327	42,004



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of core loans and advances to customers

£'000	Gross core loans and advances that are neither past due nor impaired	Gross core loans and advances that are past due but not impaired	Gross core loans and advances that are impaired	Total gross core loans and advances (actual capital exposure)	Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears
As at 30 September 2012								
Current core loans and advances	7,253,270	-	-	7,253,270	-	(9,003)	7,244,267	-
Past due (1-60 days)	-	149,349	-	149,349	-	-	149,349	3,118
Special mention	-	33,026	-	33,026	-	-	33,026	7,700
Special mention (1 - 90 days)	-	23,204	-	23,204	-	-	23,204	7,385
Special mention (61 - 90 days and item well secured)	-	9,822	-	9,822	-	-	9,822	315
Default	6,872	17,479	459,538	483,889	(169,200)	(3,139)	311,550	40,862
Sub-standard	6,872	17,479	204,755	229,106	(40,326)	-	188,780	13,894
Doubtful	-	-	82,630	82,630	(37,512)	(1,546)	43,572	25,190
Loss	-	-	172,153	172,153	(91,362)	(1,593)	79,198	1,778
Total	7,260,142	199,854	459,538	7,919,534	(169,200)	(12,142)	7,738,192	51,680
As at 31 March 2012								
Current core loans and advances	7,154,105	-	-	7,154,105	-	(1,542)	7,152,563	-
Past due (1-60 days)	-	230,038	-	230,038	-	-	230,038	5,347
Special mention	-	10,794	-	10,794	-	-	10,794	289
Special mention (1 - 90 days)	-	1,086	-	1,086	-	-	1,086	43
Special mention (61 - 90 days and item well secured)	-	9,708	-	9,708	-	-	9,708	246
Default	-	15,737	465,665	481,402	(161,129)	(1,668)	318,605	36,368
Sub-standard	-	15,737	205,726	221,463	(35,792)	-	185,671	9,243
Doubtful	-	-	116,159	116,159	(38,043)	-	78,116	27,125
Loss	-	-	143,780	143,780	(87,294)	(1,668)	54,818	-
Total	7,154,105	256,569	465,665	7,876,339	(161,129)	(3,210)	7,712,000	42,004



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of core loans and advances to customers and impairments by counterparty type

£'000	Private Banking professional and HNW individuals	Corporate sector	Insurance, financial services (excluding sovereign)	Public and government sector (including central banks)	Trade finance and other	Total gross core loans and advances to customers
As at 30 September 2012						
Current core loans and advances	4,335,933	2,392,264	339,299	152,434	33,340	7,253,270
Past due (1 – 60 days)	136,983	10,585	1,781	-	-	149,349
Special mention	32,592	434	-	-	-	33,026
Special mention (1 – 90 days)	23,204	-	-	-	-	23,204
Special mention (61 – 90 days and item well secured)	9,388	434	-	-	-	9,822
Default	409,720	73,018	345	806	-	483,889
Sub-standard	191,581	37,416	109	-	-	229,106
Doubtful	47,764	33,824	236	806	-	82,630
Loss	170,375	1,778	-	-	-	172,153
Total gross core loans and advances to customers	4,915,228	2,476,301	341,425	153,240	33,340	7,919,534
Total impairments	(152,460)	(21,195)	(7,138)	(549)	-	(181,342)
Specific impairments	(150,914)	(12,195)	(5,542)	(549)	-	(169,200)
Portfolio Impairments	(1,546)	(9,000)	(1,596)	-	-	(12,142)
Net core loans and advances to customers	4,762,768	2,455,106	334,287	152,691	33,340	7,738,192
As at 31 March 2012						
Current core loans and advances	4,556,988	2,117,831	301,548	148,106	29,632	7,154,105
Past due (1 – 60 days)	202,916	25,334	1,788	-	-	230,038
Special mention	10,257	537	-	-	-	10,794
Special mention (1 – 90 days)	1,086	-	-	-	-	1,086
Special mention (61 – 90 days and item well secured)	9,171	537	-	-	-	9,708
Default	397,108	83,322	248	724	-	481,402
Sub-standard	203,310	18,153	-	-	-	221,463
Doubtful	50,018	65,169	248	724	-	116,159
Loss	143,780	-	-	-	-	143,780
Total gross core loans and advances to customers	5,167,269	2,227,024	303,584	148,830	29,632	7,876,339
Total impairments	(142,250)	(14,361)	(7,304)	(424)	-	(164,339)
Specific impairments	(140,707)	(14,361)	(5,637)	(424)	-	(161,129)
Portfolio Impairments	(1,543)	-	(1,667)	-	-	(3,210)
Net core loans and advances to customers	5,025,019	2,212,663	296,280	148,406	29,632	7,712,000

Summary analysis of gross core loans and advances to customers by counterparty type

£'000	30 Sept 2012	31 March 2012
Private Banking professional and HNW individuals	4,915,228	5,167,269
Corporate sector	2,476,301	2,227,024
Insurance, financial services (excluding sovereign)	341,425	303,584
Public and government sector (including central banks)	153,240	148,830
Trade finance and other	33,340	29,632
Total gross core loans and advances to customers	7,919,534	7,876,339



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of default core loans and advances as at 30 September 2012

£ million	UK and Europe				Australia				Total group			
	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments
Private Client												
Residential Property	1,541	231	150	(82)	151	16	17	(4)	1,692	247	167	(86)
Residential property investment	672	31	23	(9)	-	-	-	-	672	31	23	(9)
Residential mortgages (owner occupied)	309	1	1	-	87	-	-	-	396	1	1	-
Residential property development	435	130	81	(50)	63	16	17	(4)	498	146	98	(54)
Residential estates/land/planning	125	69	45	(24)	1	-	-	-	126	69	45	(24)
Commercial Property	1,338	130	80	(54)	385	4	2	(2)	1,723	134	82	(56)
Commercial property investment	1,081	47	39	(10)	385	4	2	(2)	1,466	51	41	(12)
Commercial property land/planning	172	65	30	(36)	-	-	-	-	172	65	30	(36)
Commercial property development	85	18	11	(8)	-	-	-	-	85	18	11	(8)
Other	772	17	9	(8)	728	11	10	(2)	1,500	28	19	(10)
Other secured lending to private clients	747	5	1	(4)	661	10	10	(1)	1,408	15	11	(5)
Unsecured lending	25	12	8	(4)	67	1	-	(1)	92	13	8	(5)
Total Private Client	3,651	378	239	(144)	1,264	31	29	(8)	4,915	409	268	(152)
Corporate Client												
Acquisition finance	495	2	9	(5)	146	-	-	-	641	2	9	(5)
Asset finance	511	11	4	(6)	16	-	-	-	527	11	4	(6)
Corporate loans	748	25	23	(1)	374	5	4	(1)	1,122	30	27	(2)
Project finance	371	26	11	(4)	83	-	-	-	454	26	11	(4)
Resource finance and commodities	34	-	-	-	56	-	-	-	90	-	-	-
Total Corporate Client	2,159	64	47	(16)	675	5	4	(1)	2,834	69	51	(17)
Other*	109	5	-	(12)	61	-	-	-	170	5	-	(12)
Total group	5,919	447	286	(172)	2,000	36	33	(9)	7,919	483	319	(181)

* Largely includes lending activities within our Central Funding and International Trade Finance businesses.



Investec Bank plc (a subsidiary of Investec plc)

Risk management

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Collateral

A summary of total collateral

£'000	Collateral held against		Total
	Core loans and advances	Other credit and counterparty exposures *	
As at 30 September 2012			
Eligible financial collateral	514,670	15,536	530,206
Listed shares	429,320	-	429,320
Cash	85,350	15,536	100,886
Mortgage bonds	5,328,352	-	5,328,352
Residential mortgages	1,843,706	-	1,843,706
Residential development	747,394	-	747,394
Commercial property developments	260,473	-	260,473
Commercial property investments	2,476,779	-	2,476,779
Other collateral	3,639,920	-	3,639,920
Unlisted shares	198,420	-	198,420
Bonds other than mortgage bonds	37,506	-	37,506
Debtors, stock and other corporate assets	2,136,867	-	2,136,867
Guarantees	565,624	-	565,624
Other	701,503	-	701,503
Total collateral	9,482,942	15,536	9,498,478
As at 31 March 2012			
Eligible financial collateral	455,745	11,477	467,222
Listed shares	354,050	-	354,050
Cash	101,695	11,477	113,172
Mortgage bonds	5,789,609	-	5,789,609
Residential mortgages	1,822,665	-	1,822,665
Residential development	868,833	-	868,833
Commercial property developments	317,894	-	317,894
Commercial property investments	2,780,217	-	2,780,217
Other collateral	3,985,788	1,444	3,987,232
Unlisted shares	183,496	-	183,496
Bonds other than mortgage bonds	42,813	-	42,813
Debtors, stock and other corporate assets	2,790,217	-	2,790,217
Guarantees	155,533	1,444	156,977
Other	813,729	-	813,729
Total collateral	10,231,142	12,921	10,244,063

* A large percentage of these exposures (for example bank placements) are to highly rated financial institutions where limited collateral would be required due to the nature of the exposure.



Investec Bank plc (a subsidiary of Investec plc)

Risk management

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Equity and investment risk in the banking book

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

- Principal Investments (Private Equity and Direct Investments): Investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy. In addition, as a result of our local market knowledge and investment banking expertise, we are well positioned to take direct positions in listed shares where we believe that the market is mispricing the value of the underlying portfolio of assets. These investment positions are carefully researched with the intent to stimulate corporate activity.

- Lending transactions (within the Private Client and Corporate Client divisions): The manner in which we structure certain transactions results in equity, warrant and profit shares being held, predominantly within unlisted companies

- Property activities: We source development, investment and trading opportunities to create value and trade for profit within agreed risk parameters.

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

£'000 Country/category	Income (pre funding costs)			Total	Fair value through equity
	Unrealised	Realised	Dividends and other		
Six months to 30 September 2012					
Unlisted investments	(16 694)	2 549	452	(13 693)	(1 161)
UK and Europe	(16 694)	864	452	(15 378)	(1 161)
Australia	-	1 685	-	1 685	-
Listed equities	(2 218)	-	556	(1 662)	726
UK and Europe	(2 218)	-	556	(1 662)	992
Australia	-	-	-	-	(266)
Investment and trading properties	-	-	-	-	-
UK and Europe	-	-	-	-	-
Australia	-	-	-	-	-
Warrants, profit shares and other embedded derivatives	15 008	-	2 595	17 603	-
UK and Europe	15 008	-	2 595	17 603	-
Australia	-	-	-	-	-
Total	(3 904)	2 549	3 603	2 248	(435)
Year ended 31 March 2012					
Unlisted investments	16 819	25 673	1 458	43 950	1 690
UK and Europe	16 885	24 482	1 303	42 670	2 286
Australia	(66)	1 191	155	1 280	(596)
Listed equities	(3 065)	2 007	513	(545)	(1 858)
UK and Europe	(3 065)	1 659	597	(809)	828
Australia	-	348	(84)	264	(2 686)
Investment and trading properties	(11)	(7 580)	779	(6 812)	-
UK and Europe	(11)	2 737	779	3 505	-
Australia	-	(10 317)	-	(10 317)	-
Warrants, profit shares and other embedded derivatives	-	-	1 648	1 648	-
UK and Europe	-	-	1 648	1 648	-
Australia	-	-	-	-	-
Total	13 743	20 100	4 398	38 241	(168)

Unrealised revaluation gains are included in Tier 1 capital. Revaluations that are posted directly to equity are included in Tier 2 capital.

Investec Bank plc (a subsidiary of Investec plc)

Risk management

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

	On-balance sheet value of investments	Valuation change stress test*	On-balance sheet value of investments	Valuation change stress test*
£'000	30 Sept 2012	30 Sept 2012*	31 March 2012	31 March 2012*
Unlisted investments	274 766	41 605	284 272	42 641
UK and Europe	270 749	41 002	279 168	41 875
Australia	4 017	603	5 104	766
Listed equities	31 365	7 841	33 041	8 260
UK and Europe	24 079	6 020	26 060	6 515
Australia	7 286	1 821	6 981	1 745
Investment and trading properties	99 564	19 913	102 029	20 406
UK and Europe	59 394	11 879	58 336	11 667
Australia	40 170	8 034	43 693	8 739
Warrants, profit shares and other embedded derivatives	51 849	18 147	35 979	12 593
UK and Europe	51 849	18 147	35 979	12 593
Australia	-	-	-	-
Total	457 544	87 506	455 321	83 900

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

Stress test values applied

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

Stress testing summary

Based on the information as at 30 September 2012, as reflected above we could have a £87.5 million reversal in revenue (which assumes a year in which there is a 'severe stress scenario'). This would not cause the group to report a loss but could have a significantly negative impact on earnings for that period. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is very low, although the probability of listed equities being negatively impacted at the same time is very high.

Capital requirements

In Terms of Basel II capital requirements, unlisted and listed equities within the banking book are represented under the category of "equity risk" and the investment properties, profit shares and embedded derivatives are considered in the calculation of capital required for credit risk.



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Risk Management

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Securitisation/principal finance activities and exposures

The information below sets out the initiatives we have focused on over the past few years, albeit that some of these business lines have been significantly curtailed given the current economic climate.

UK and Europe

The Principal Finance business focuses on securitisation of our assets, predominantly residential and commercial mortgages. We also undertake trading and investment in structured credit investments where we have invested in rated and unrated debt instruments largely within the UK and Europe and to a lesser extent in the US.

Australia

Investec Bank (Australia) Limited acquired Experien in October 2007 (now Investec professional finance). Assets originated by the business have been securitised. These amount to A\$711 million (31 March 2011: A\$825 million).

Credit analysis

In terms of our analysis of our credit and counterparty risk, exposures arising from securitisation/credit investment and trading activities reflect only those exposures to which we consider ourselves to be at risk notwithstanding accounting conventions. In addition, assets that have been securitised by our Private Client division are reflected as part of our core lending exposures and not our securitisation/credit investment and trading exposures as we believe this reflects the true nature and intent of these exposures and activities.

Nature of exposure/activity	Exposure as at 30 Sept 2012 £'mn	Exposure as at 31 March 2012 £'mn	Balance sheet and credit risk classification	Asset quality - relevant comments for the period	Capital treatment
Structured credit investments*	603	611	Other debt securities and other loans and advances.		Risk-weighted or supervisory deductions against primary and secondary capital
Rated	475	510			
Unrated	128	101			
Warehouse lines provided to own originated loans and advances to customers and investment in third party intermediary originating platforms (mortgage and auto loans)	955	803	Other loans and advances		Risk-weighted depending on rating of counterparty
Private Client division assets which have been securitised	458	535	Own originated loans and advances to customers securitised.	Analysed as part of the group's overall asset quality on core loans and advances as reflected on previous tables	We apply securitisation rules: either risk-weighted or supervisory deductions against primary and secondary capital.

*Analysis of structured credit investments as at 30 September 2012

£'million	30 September 2012				31 March 2012			
	Rated**	Unrated	Other	Total	Rated	Unrated	Other	Total
US corporate loans	15	-	-	15	15	-	-	15
US ABS	1	-	-	1	1	-	-	1
European ABS	3	7	-	10	8	5	-	13
European RMBS	354	118	-	472	311	88	-	399
European CMBS	34	-	-	34	56	5	-	61
European corporate loans	38	3	-	41	67	3	-	70
Australian RMBS	30	-	-	30	52	-	-	52
Total	475	128	-	603	510	101	-	611

**Further analysis of rated structured credit investments as at 30 September 2012

£'million	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	4	10	-	1	15
US ABS	-	-	-	-	-	-	1	1
European ABS	-	-	-	3	-	-	-	3
European RMBS	153	48	52	33	22	24	22	354
European CMBS	2	8	-	8	10	-	6	34
European corporate loans	24	2	9	-	-	-	3	38
Australian RMBS	17	4	7	2	-	-	-	30
Total as at 30 September 2012	196	62	68	50	42	24	33	475
Total as at 31 March 2012	226	115	51	41	27	22	28	510



Investec Bank plc (a subsidiary of Investec plc)

Risk management

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Traded market risk management

Traded market risk description

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

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

Management and measurement of traded market risk

Market risk management teams review the market risks on our books. Detailed risk reports are produced daily for each trading desk.

These reports are distributed to management and the traders on the desk. Any unauthorised excesses are recorded and require a satisfactory explanation from the desk for the excess. The production of risk reports allows for the monitoring of every instrument traded against prescribed limits. New instruments or products are independently validated before trading can commence. Each traded instrument undergoes various stresses to assess potential losses. Each trading desk is monitored on an overall basis as an additional control. Trading limits are generally tiered with the most liquid and least 'risky' instruments being assigned the largest limits.

The market risk teams perform a profit attribution, where our daily traded income is attributed to the various underlying risk factors on a day-to-day basis. An understanding of the sources of profit and loss is essential to understanding the risks of the business.

Measurement techniques used to quantify market risk arising from our trading activities include sensitivity analysis, value at risk (VaR), stressed VaR, expected tail loss (ETL) and extreme value theory (EVT). Stress testing and scenario analysis are used to simulate extreme conditions to supplement these core measures.

VaR numbers are monitored daily at the 95%, 99% and 100% (maximum loss) confidence intervals, with limits set at the 95% confidence interval. ETLs are also monitored daily at the 95% and 99% levels. Scenario analysis considers the impact of a significant market event on our current trading portfolios. We consider the impact for the 10 days after the event, not merely the instantaneous shock to the markets. Included in our scenario analysis are for example the following; October 1987 (Black Monday), 11 September 2001 and the December Rand crisis in 2001. We also consider the impact of extreme yet plausible future economic events on the trading portfolio as well as possible worst case (not necessarily plausible) scenarios. Scenario analysis is done once a week and is included in the data presented to ERRF.

All VaR models, while forward-looking, are based on past events and depend on the quality of available market data. The accuracy of the VaR model as a predictor of potential loss is continuously monitored through back testing. This involves comparing the hypothetical (clean) trading revenues arising from the previous day's closing positions with the one-day VaR calculated for the previous day on these same positions. If the revenue is negative and exceeds the one-day VaR, a 'back testing breach' is considered to have occurred.

In the UK, all desks are currently on capital adequacy (CAD) 1 level for regulatory capital.

VaR	UK and Europe 95% (one-day)				Australia 95% (one-day)			
	Period end	Average	High	Low	Period end	Average	High	Low
	£'000	£'000	£'000	£'000	A\$'000	A\$'000	A\$'000	A\$'000
30 September 2012								
Commodities	-	-	-	-	-	-	-	-
Equity derivatives	585	945	1 667	391	-	-	-	-
Foreign exchange	21	34	81	10	20	33	135	1
Interest rates	324	286	513	115	23	39	102	21
Consolidated*	589	987	1 742	481	28	54	141	23
31 March 2012								
Commodities	- [^]	1	64	-	-	-	8	-
Equity derivatives	549	1 029	1 677	536	-	-	-	-
Foreign exchange	31	34	105	9	2	31	192	1
Interest rates	288	231	424	115	31	57	116	17
Consolidated*	624	1 060	1 742	610	31	68	184	19

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

[^]The UK commodities desk was closed and all residual positions were unwound by April 2011.



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Risk management

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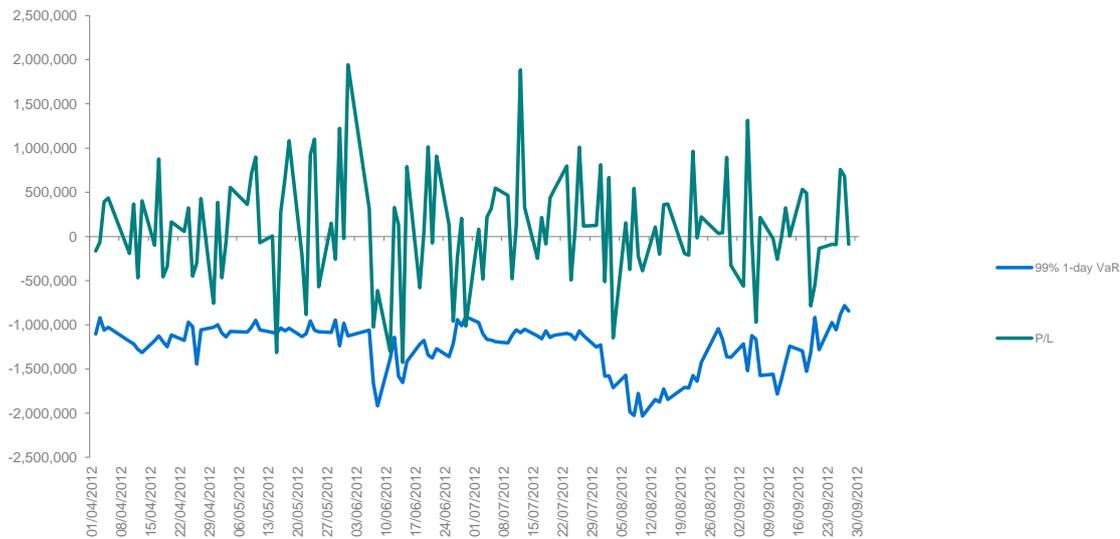
Traded market risk management

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

UK and Europe (GBP)

The average VaR utilisation was lower than at year end March 2012, mainly as a result of a reduction in risk on the structured equity derivatives desk. There were two exceptions for the year to date i.e. where the loss was greater than the 99% one-day VaR.

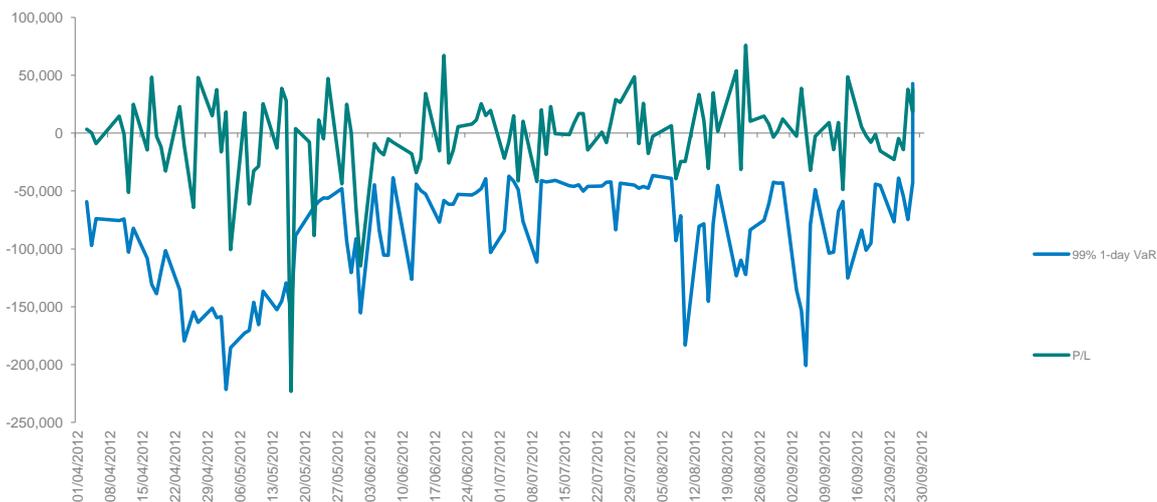
99% 1-day VaR backtesting (GBP)



Australia

Average VaR utilisation for the half year remained at the moderate levels experienced in the year ended 2012. There have been two exceptions i.e. where the loss is greater than the VaR.

99% 1-day VaR backtesting (A\$)



Investec Bank plc (a subsidiary of Investec plc)

Risk management

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ETL 95% (one-day)

	Uk and Europe 95% (one-day) £'000	Australia 95% (one-day) A\$'000
30 September 2012		
Equity derivatives	634	-
Foreign exchange	30	24
Interest rates	459	30
Consolidated*	694	37
31 March 2012		
Equity derivatives	846	-
Foreign exchange	48	2
Interest rates	367	40
Consolidated*	876	40

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

Stress testing

The table below indicates the potential losses that could arise if the portfolio is stressed under extreme market conditions. These numbers do not assume normality but rather relies on fitting a distribution to the tails of the distribution. This method is known as extreme value theory (EVT), the reported stress scenario below calculates the 99% EVT which is a 1-in-8 year possible loss event. These numbers do not assume normality but rather rely on fitting a distribution to the data outside the 95% confidence interval.

	UK and Europe Using 99% EVT £'000	Australia Using 99% EVT A\$'000
30 September 2012		
Equity derivatives	1 593	-
Foreign exchange	47	32
Interest rates	647	51
Consolidated	1 572	56
31 March 2012		
Equity derivatives	2 467	-
Foreign exchange	119	6
Interest rates	659	70
Consolidated	2 230	71



Investec Bank plc (a subsidiary of Investec plc)

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Risk management

Profit and loss histograms

UK and Europe

The histogram below illustrates the distribution of daily revenue during the financial period for our trading businesses. The distribution is skewed to the profit side and the graph shows that positive trading revenue was realised on 58 days out of a total of 124 days in the trading business. The average daily trading revenue generated for the six months to 30 September 2012 was £125 152 (year ended March 2012: £120 635).



Australia

The histogram below illustrates the distribution of daily revenue during the financial period for our trading businesses. The graph shows that positive trading revenue was realised on 76 days out of a total of 125 days in the trading business. The average daily trading profit generated for the six months to 30 September 2012 was A\$9 980 (year ended March 2012: loss of A\$6 056).





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Risk management

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Balance sheet risk management

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

Non-trading interest rate risk description

Non-trading interest rate risk, otherwise known as interest rate risk in the banking book, is the impact on net interest earnings and sensitivity to economic value, as a result of unexpected, adverse movements in interest rates arising from the execution of our core business strategies and the delivery of products and services to our customers.

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



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Risk management

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Interest rate sensitivity gap

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

UK and Europe - interest rate sensitivity

As at 30 September 2012 £'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non- trading
Cash and short-term funds - banks	2 308	-	-	71	-	3	2 382
Investment/trading assets	2 598	122	-	48	532	420	3 720
Securitised assets	564	21	122	67	-	296	1 070
Advances	5 903	351	126	543	114	100	7 137
Non-rate assets	5	-	-	80	-	1 279	1 364
Assets	11 378	494	248	809	646	2 098	15 673
Deposits - banks	(591)	(20)	(40)	(107)	-	(4)	(762)
Deposits - retail	(7 840)	(654)	(749)	(376)	(2)	(51)	(9 672)
Negotiable paper	(828)	(8)	(27)	(58)	-	-	(921)
Investment/trading liabilities	(1 222)	-	-	-	-	(90)	(1 312)
Securitised liabilities	(582)	-	-	-	-	(240)	(822)
Subordinated liabilities	-	-	-	(39)	(593)	-	(632)
Non-rate assets	(3)	-	-	-	-	(807)	(810)
External liabilities	(11 066)	(682)	(816)	(580)	(595)	(1 192)	(14 931)
Intercompany loans	567	-	1	(80)	81	14	583
Shareholders' funds	-	-	-	-	-	(1 476)	(1 476)
Balance sheet	879	(188)	(567)	149	132	(556)	(151)
Off-balance sheet	52	256	600	(379)	(523)	208	214
Repricing gap	931	68	33	(230)	(391)	(348)	63
Cumulative repricing gap	931	999	1 032	802	411	63	

Australia - interest rate sensitivity

As at 30 September 2012 A\$'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non- trading
Cash and short-term funds - banks	279	-	-	-	-	-	279
Investment/trading assets	842	-	-	165	-	5	1 012
Securitised assets	203	61	106	336	5	-	711
Advances	1 843	57	128	304	27	23	2 382
Other assets	-	-	-	-	-	568	568
Assets	3,167	118	234	805	32	596	4 952
Deposits - non-banks	(1,699)	(466)	(181)	(158)	(11)	(39)	(2 554)
Negotiable paper	(230)	(7)	(2)	(550)	-	(30)	(819)
Securitised liabilities	(705)	-	-	-	-	-	(705)
Subordinated liabilities	(70)	-	-	-	-	-	(70)
Other liabilities	-	-	-	-	-	(211)	(211)
Liabilities	(2,704)	(473)	(183)	(708)	(11)	(280)	(4 359)
Intercompany loans	-	-	-	-	-	6	6
Shareholders' funds	-	-	-	-	-	(599)	(599)
Balance sheet	463	(355)	51	97	21	(277)	-
Off-balance sheet	209	(76)	(180)	74	(22)	(5)	-
Repricing gap	672	(431)	(129)	171	(1)	(282)	-
Cumulative repricing gap	672	241	112	283	282	-	

Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The tables below reflect our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention. The numbers represent the change to mainly net interest income should such a hypothetical scenario arise. This sensitivity effect does not have significant direct impact to equity.

UK and Europe

' million	Sensitivity to the following interest rates (expressed in original currencies)					All (GBP)
	GBP	USD	EUR	AUD	Other (GBP)	
200bp Down	(62.5)	(0.6)	(1.8)	(0.2)	(0.6)	(65.7)
200bp Up	62.5	0.6	1.8	0.2	0.6	65.7

Australia

' million	AUD
200bp Down	(2.51)
200bp Up	2.51



Investec Bank plc (a subsidiary of Investec plc)

Risk Management

Unaudited

Balance sheet risk management

Liquidity risk description

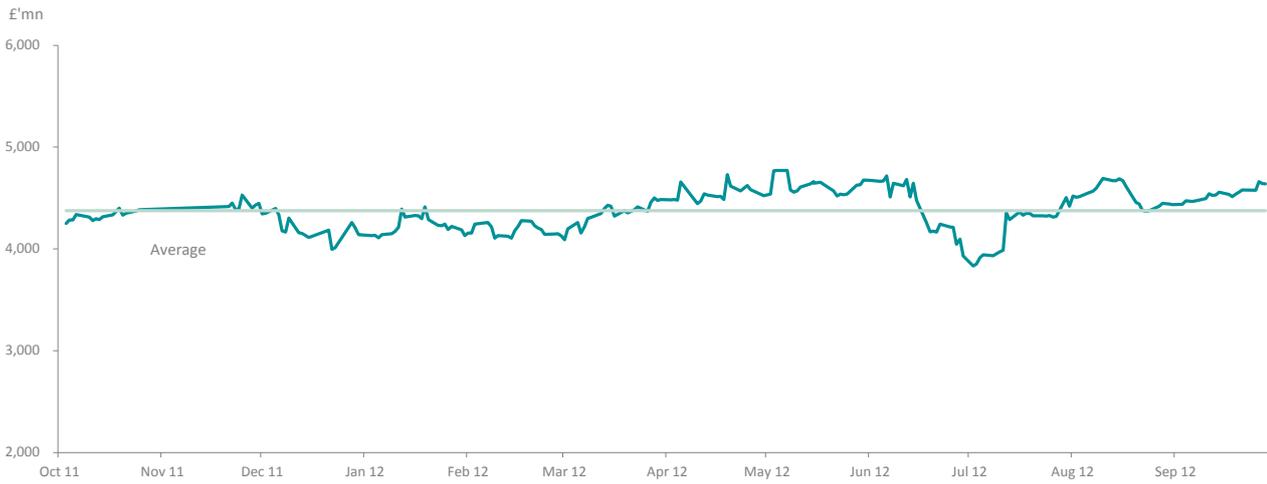
Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, without incurring unacceptable losses. This includes repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and marketwide events.

Liquidity risk is further broken down into:

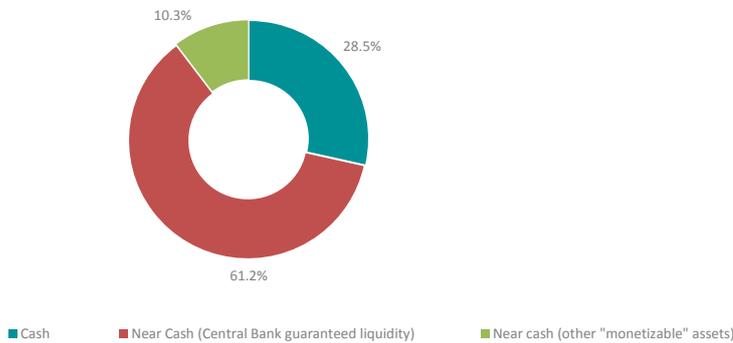
- Funding liquidity: which relates to the risk that the bank will be unable to meet current and/or future cash flow or collateral requirements without adversely affecting the normal course of business, its financial position or its reputation
- Market liquidity: which relates to the risk that the bank may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

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

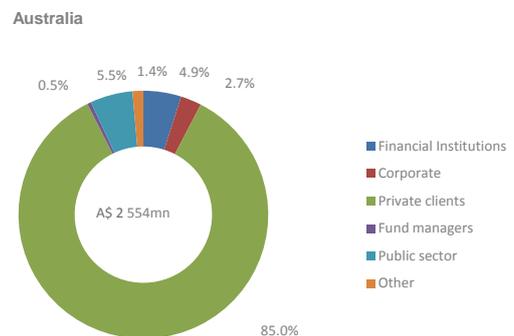
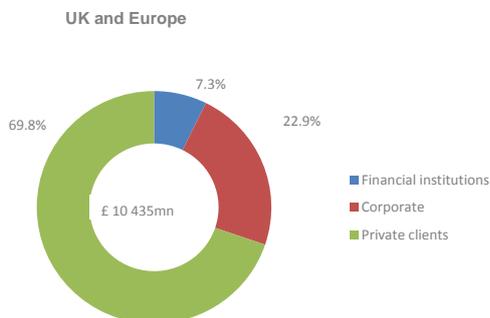
Cash and near cash trend



Analysis of cash and near cash as at 30 September 2012 (£4,640 million)



Bank and non bank depositor concentration by type





Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

Balance sheet risk management

Liquidity mismatch

The tables that follow show our contractual liquidity mismatch.

With respect to the contractual liquidity mismatch:

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

With respect to the behavioural liquidity mismatch:

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



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

UK and Europe

Contractual liquidity

As at 30 September 2012 £'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short term funds - banks	2 187	106	15	2	-	71	-	2 381
Investment/trading assets	1 110	983	170	127	50	967	963	4 370
Securitised assets	71	3	2	3	7	79	905	1 070
Advances **	-	382	646	561	847	2 802	1 901	7 139
Other assets	159	545	26	8	15	64	547	1 364
Assets	3 527	2 019	859	701	919	3 983	4 316	16 324
Deposits - banks	(260) [^]	(136)	(21)	(21)	(41)	(280)	(4)	(763)
Deposits - non banks	(641)	(2 084)	(1 671)	(2 970)	(788)	(1 414)	(104)	(9 672)
Negotiable paper	-	-	(6)	(7)	(58)	(637)	(267)	(975)
Securitized liabilities	(632)	(10)	-	-	-	-	(180)	(822)
Investment/trading liabilities	(694)	(456)	(14)	(13)	(23)	(439)	(147)	(1 786)
Subordinated liabilities	-	-	-	-	-	(40)	(592)	(632)
Other liabilities	(101)	(494)	(30)	(19)	(79)	(40)	(46)	(809)
Liabilities	(2 328)	(3 180)	(1 742)	(3 030)	(989)	(2 850)	(1 340)	(15 459)
Intercompany loans	49	62	1	(1)	44	463	(5)	613
Shareholders' funds	-	-	-	-	-	-	(1 478)	(1 478)
Contractual liquidity gap	1 248	(1 099)	(882)	(2 330)	(26)	1 596	1 493	-
Cumulative liquidity gap	1 248	149	(733)	(3 063)	(3 089)	(1 493)	-	-

Behavioural liquidity

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	> 5 years	Total
Behavioural liquidity gap	2 981	(1 416)	(133)	(564)	(26)	(1 448)	606	-
Cumulative	2 981	1 565	1 432	868	842	(606)	-	-

[^]The deposits shown in the demand column reflect cash margin deposits held

Australia

Contractual liquidity

As at 30 September 2012 A\$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short term funds - banks	279	-	-	-	-	-	-	279
Investment/trading assets*	917	19	58	45	22	129	58	1 248
Securitized assets	4	23	65	78	137	398	6	711
Advances**	18	155	206	272	398	1 224	109	2 382
Other assets	-	-	-	-	-	-	332	332
External Assets	1 218	197	329	395	557	1 751	505	4 952
Deposits - non-banks	(423) ^{^^}	(392)	(831)	(490)	(184)	(187)	(47)	(2 554)
Negotiable paper	-	(10)	(7)	(13)	(11)	(778)	-	(819)
Securitized liabilities	(3)	(23)	(65)	(614)	-	-	-	(705)
Investment/trading liabilities	-	(4)	(44)	(27)	(11)	(47)	(27)	(160)
Subordinated liabilities	-	-	-	-	-	(70)	-	(70)
Other liabilities	-	-	-	-	-	-	(51)	(51)
Liabilities	(426)	(429)	(947)	(1 144)	(206)	(1 082)	(125)	(4 359)
Intercompany Loans	1	4	-	-	-	-	1	6
Shareholders' funds	-	-	-	-	-	-	(599)	(599)
Contractual liquidity gap	793	(228)	(618)	(749)	351	669	(218)	-
Cumulative liquidity gap	793	565	(53)	(802)	(451)	218	-	-

^{^^} Includes call deposits of A\$529 million and the balance reflects term deposits which have finally reached/are reaching contractual maturity

Note: contractual liquidity adjustments

A\$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	> 5 years	Total
*Investment / trading assets	-	156	210	45	68	688	81	1 248
**Advances	143	150	196	244	343	1 197	109	2 382

Behavioural liquidity

A\$'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural liquidity gap	1 119	(282)	(543)	(948)	213	659	(218)	-
Cumulative	1 119	837	294	(654)	(441)	218	-	-



Investec Bank plc (a subsidiary of Investec plc)

Capital adequacy and capital structure

Unaudited

£'million	30 Sept 2012	31 March 2012	30 Sept 2011
Regulatory capital			
Tier 1			
Called up share capital	1,161	1,071	1,053
Share premium	129	129	119
Retained income	320	328	344
Other reserves	238	194	196
Minority interests in subsidiaries	(3)	(2)	(6)
Goodwill and intangibles	(481)	(379)	(379)
Primary capital (tier 1)	1,364	1,341	1,327
Less: deductions	(23)	(22)	(18)
	1,341	1,319	1,309
Tier 2 capital			
Aggregate amount	660	649	608
Less: deductions	(23)	(22)	(18)
	637	627	590
Other deductions from Tier 1 and Tier 2	(18)	(26)	(26)
Total capital	1,960	1,920	1,873
Risk-weighted assets (banking and trading)	11,760	11,421	11,203
Credit risk - prescribed standardised exposure classes	9,200	9,130	9,010
Corporates	2,901	2,819	2,522
Secured on real estate property	2,522	2,983	3,339
Counterparty risk on trading positions	347	264	301
Short term claims on institutions and corporates	378	355	329
Retail	1,111	950	710
Institutions	215	176	260
Other exposure classes	1,726	1,583	1,549
Securitised exposures	215	274	303
Equity risk - standardised approach	439	321	285
Listed equities	20	25	23
Unlisted equities	419	296	262
Market risk - portfolios subject to internal models approach	698	659	568
Interest rate	221	200	216
Foreign Exchange	160	159	191
Commodities	-	1	-
Equities	317	299	161
Operational risk - standardised approach	1,208	1,037	1,037
Capital requirements	942	915	896
Credit risk - prescribed standardised exposure classes	736	731	721
Corporates	232	226	202
Secured on real estate property	202	239	267
Counterparty risk on trading positions	28	21	24
Short term claims on institutions and corporates	30	28	26
Retail	89	76	57
Institutions	17	14	21
Other exposure classes	138	127	124
Securitised exposures	17	22	24
Equity risk - standardised approach	36	26	23
Listed equities	2	2	2
Unlisted equities	34	24	21
Market risk - portfolios subject to internal models approach	56	53	45
Interest rate	18	16	17
Foreign Exchange	13	13	15
Equities	25	24	13
Operational risk - standardised approach	97	83	83
Capital adequacy ratio	16.7%	16.8%	16.7%
Tier 1 ratio	11.4%	11.5%	11.7%