

**Investec Limited silo financial information (excluding the results of Investec plc)**

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





## Investec Limited silo financial information (excluding the results of Investec plc)

### Overview of results

Unaudited

	30 Sept 2012	30 Sept 2011	% change	31 March 2012
Total operating income before impairment losses on loans and advances (R'million)	4,997	4,705	6.2%	9,584
Operating costs (R'million)	2,815	2,685	4.8%	5,232
Operating profit before taxation and headline adjustments (R'million)	1,779	1,669	6.6%	3,328
Headline earnings attributable to ordinary shareholders (R'million)	1,253	1,150	9.0%	2,392
Cost to income ratio	56.3%	57.1%		56.7%
Total capital resources (including subordinated liabilities) (R'million)	35,735	29,339	21.8%	31,870
Total equity (R'million)	23,497	21,618	8.7%	22,242
Total assets (R'million)	367,368	342,990	7.1%	348,076
Net core loans and advances (R'million)	133,633	124,349	7.5%	128,747
Customer accounts (deposits) (R'million)	178,979	172,079	4.0%	176,094
Cash and near cash balances (R'million)	75,112	62,186	20.8%	69,077
Third party assets under management (R'million)	544,571	458,270	18.8%	482,015
Capital adequacy ratio	17.2%	15.7%		16.1%
Tier 1 ratio	11.6%	12.0%		11.6%
Defaults (net of impairments) as a % of net core loans and advances	2.44%	3.22%		2.73%
Net defaults (after collateral and impairments) as a % of net core loans and advances	0.07%	-		-
Annualised credit loss ratio*	0.60%	0.56%		0.65%
Total gearing/leverage ratio**	12.1x	12.4x		12.2x
Core loans (excluding own originated assets which have been securitised) to customer deposits	71.2%	68.6%		69.6%

\* Income statement impairment charge on loans as a percentage of average advances.

\*\* Total assets excluding assurance assets to total equity.



## Investec Limited silo financial information (excluding the results of Investec plc)

### Consolidated income statement

Unaudited

R'million	6 months to 30 Sept 2012	6 months to 30 Sept 2011*	Year to 31 March 2012
Interest income	8,529	8,006	15,942
Interest expense	(6,234)	(5,845)	(11,857)
<b>Net interest income</b>	<b>2,295</b>	<b>2,161</b>	<b>4,085</b>
Fee and commission income	2,177	2,112	4,380
Fee and commission expense	(69)	(35)	(146)
Investment income	346	234	758
Trading income arising from:			
- customer flow	48	141	270
- balance sheet management and other trading activities	169	90	183
Other operating income	31	2	54
<b>Total operating income before impairment on loans and advances</b>	<b>4,997</b>	<b>4,705</b>	<b>9,584</b>
Impairment losses on loans and advances	(403)	(351)	(824)
<b>Operating income</b>	<b>4,594</b>	<b>4,354</b>	<b>8,760</b>
Operating costs	(2,815)	(2,685)	(5,432)
<b>Operating profit before impairment of goodwill</b>	<b>1,779</b>	<b>1,669</b>	<b>3,328</b>
Impairment of goodwill	(12)	(8)	(34)
<b>Profit before taxation</b>	<b>1,767</b>	<b>1,661</b>	<b>3,294</b>
Taxation	(299)	(327)	(576)
<b>Profit after taxation</b>	<b>1,468</b>	<b>1,334</b>	<b>2,718</b>
Earnings attributable to non-controlling interests	(2)	(3)	(4)
<b>Earnings attributable to shareholders</b>	<b>1,466</b>	<b>1,331</b>	<b>2,714</b>

\* As restated for reclassifications detailed in the "Income statement reclassifications" note

### Consolidated statement of comprehensive income

R'million	6 months to 30 Sept 2012	6 months to 30 Sept 2011	Year to 31 March 2012
<b>Profit after taxation</b>	<b>1,468</b>	<b>1,334</b>	<b>2,718</b>
<b>Other comprehensive income:</b>			
Cash flow hedge movements taken directly to other comprehensive income <sup>^</sup>	(58)	(335)	(352)
Gains on realisation of available-for-sale assets recycled to the income statement <sup>^</sup>	(36)	-	(42)
Fair value movements on available-for-sale assets taken directly to other comprehensive income <sup>^</sup>	68	(25)	69
Foreign currency adjustments on translating foreign operations	189	377	250
<b>Total comprehensive income</b>	<b>1,631</b>	<b>1,351</b>	<b>2,643</b>
Total comprehensive income attributable to non-controlling interests	2	3	4
Total comprehensive income attributable to ordinary shareholders	1,475	1,204	2,352
Total comprehensive income attributable to perpetual preference shareholders	154	144	287
<b>Total comprehensive income</b>	<b>1,631</b>	<b>1,351</b>	<b>2,643</b>

<sup>^</sup> Net of taxation of R11 million (6 months to 30 September 2011:(R140 million); Year to 31 March 2012: R0)

R'million	6 months to 30 Sept 2012	6 months to 30 Sept 2011	Year to 31 March 2012
<b>Calculation of headline earnings</b>			
Earnings attributable to shareholders	1,466	1,331	2,714
Dividends paid to perpetual preference shareholders	(154)	(144)	(287)
<b>Earnings attributable to ordinary shareholders</b>	<b>1,312</b>	<b>1,187</b>	<b>2,427</b>
Headline adjustments:			
Goodwill impairment	(59)	(37)	(35)
Revaluation of investment properties, net of taxation**	12	8	34
Gain on disposal of available-for-sale instruments, net of taxation**	(45)	(45)	(27)
	(26)	-	(42)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>1,253</b>	<b>1,150</b>	<b>2,392</b>

\*\*Taxation on headline earnings adjustments amounted to R27.5 million (6 months to September 2011:R17.7 million; Year to March 2012: R26.9 million, with no impact on earnings attributable to non-controlling interests.



## Investec Limited silo financial information (excluding the results of Investec plc)

### Consolidated balance sheet

Unaudited

R'million	30 Sept 2012	31 March 2012	30 Sept 2011*
<b>Assets</b>			
Cash and balances at central banks	4,007	9,303	6,932
Loans and advances to banks	19,835	20,511	14,087
Non-sovereign and non-bank cash placements	9,859	7,885	5,025
Reverse repurchase agreements and cash collateral on securities borrowed	13,767	5,570	8,578
Sovereign debt securities	35,164	29,699	34,714
Bank debt securities	24,095	27,695	24,451
Other debt securities	5,702	5,825	4,915
Derivative financial instruments	12,698	10,595	18,920
Securities arising from trading activities	4,190	3,284	4,326
Investment portfolio	7,375	7,316	7,503
Loans and advances to customers	127,483	122,621	117,999
Own originated loans and advances to customers securitised	6,150	6,126	6,350
Other loans and advances	675	669	735
Other securitised assets	1,501	1,712	1,969
Interests in associated undertakings	41	38	89
Deferred taxation assets	484	372	399
Other assets	5,013	6,286	6,373
Property and equipment	495	542	523
Investment properties	5,136	4,858	4,477
Goodwill	157	169	195
Intangible assets	90	97	112
	<b>283,917</b>	<b>271,173</b>	<b>268,672</b>
Other financial instruments at fair value through profit or loss in respect of:			
– Liabilities to customers	83,451	76,903	74,318
	<b>367,368</b>	<b>348,076</b>	<b>342,990</b>
<b>Liabilities</b>			
Deposits by banks	16,244	13,933	9,399
Derivative financial instruments	10,717	8,570	18,224
Other trading liabilities	4,912	4,188	3,560
Repurchase agreements and cash collateral on securities lent	18,954	18,174	15,635
Customer accounts (deposits)	178,979	176,094	172,079
Debt securities in issue	4,104	4,389	5,598
Liabilities arising on securitisation of own originated loans and advances	6,277	6,256	6,520
Liabilities arising on securitisation of other assets	492	492	601
Current taxation liabilities	1,788	1,625	1,754
Deferred taxation liabilities	402	319	923
Other liabilities	5,313	5,263	5,040
	<b>248,182</b>	<b>239,303</b>	<b>239,333</b>
Liabilities to customers under investment contracts	83,423	76,880	74,290
Insurance liabilities, including unit-linked liabilities	28	23	28
	<b>331,633</b>	<b>316,206</b>	<b>313,651</b>
Subordinated liabilities	12,238	9,628	7,721
	<b>343,871</b>	<b>325,834</b>	<b>321,372</b>
<b>Equity</b>			
Ordinary share capital	1	1	1
Share premium	9,814	9,352	9,352
Treasury shares	(842)	(825)	(849)
Other reserves	40	(123)	(65)
Retained income	12,939	12,293	11,633
Shareholders' equity excluding non-controlling interests	<b>21,952</b>	<b>20,698</b>	<b>20,072</b>
Non-controlling interests	1,545	1,544	1,546
- Perpetual preferred securities issued by subsidiary	1,534	1,534	1,534
- Non-controlling interests in partially held subsidiaries	11	10	12
<b>Total equity</b>	<b>23,497</b>	<b>22,242</b>	<b>21,618</b>
<b>Total liabilities and shareholders' equity</b>	<b>367,368</b>	<b>348,076</b>	<b>342,990</b>

\* As restated for reclassifications detailed in the "Balance sheet reclassifications" note



## Investec Limited silo financial information (excluding the results of Investec plc)

### Condensed consolidated statement of changes in equity

Unaudited

R'million	6 months to 30 Sept 2012	6 months to 30 Sept 2011	Year to 31 March 2012
<b>Balance at the beginning of the period</b>	<b>22,242</b>	<b>20,782</b>	<b>20,782</b>
Profit after taxation	1,468	1,334	2,718
Cash flow hedge movements taken directly to other comprehensive income	(58)	(335)	(352)
Fair value movements on available-for-sale assets taken directly to other comprehensive income	68	(25)	69
Fair value movements on available-for-sale assets recycled to the income statement	(36)	-	(42)
Foreign currency adjustments on translating foreign operations	189	377	250
<b>Total comprehensive income</b>	<b>1,631</b>	<b>1,351</b>	<b>2,643</b>
Issue of ordinary shares	159	168	168
Issue of perpetual preference shares	303	-	-
Movement of treasury shares	(180)	(197)	(333)
Share-based payments adjustments	213	227	442
Movements in non-controlling interests due to acquisitions and disposals	-	1	1
Dividends paid to ordinary shareholders	(716)	(568)	(1,169)
Dividends paid to perpetual preference shareholders	(154)	(144)	(287)
Dividends paid to non-controlling interests	(1)	(2)	(5)
<b>Balance at the end of the period</b>	<b>23,497</b>	<b>21,618</b>	<b>22,242</b>



## Investec Limited silo financial information (excluding the results of Investec plc)

### Segmental information - business analysis

Unaudited

For the six months to 30 September 2012

R'million	Asset Management	Wealth & Investment	Specialist Banking	Total
<b>Net interest income</b>	25	13	2,257	<b>2,295</b>
Fee and commission income	1,094	346	737	<b>2,177</b>
Fee and commission expense	-	(10)	(59)	<b>(69)</b>
Investment income	-	-	346	<b>346</b>
Trading income arising from:				
- customer flow	-	1	47	<b>48</b>
- balance sheet management and other trading activities	1	3	165	<b>169</b>
Other operating income	24	-	7	<b>31</b>
<b>Total operating income before impairment on loans and advances</b>	<b>1,144</b>	<b>353</b>	<b>3,500</b>	<b>4,997</b>
Impairment losses on loans and advances	-	-	(403)	<b>(403)</b>
<b>Operating income</b>	<b>1,144</b>	<b>353</b>	<b>3,097</b>	<b>4,594</b>
Operating costs	(635)	(241)	(1,939)	<b>(2,815)</b>
<b>Operating profit before impairment of goodwill</b>	<b>509</b>	<b>112</b>	<b>1,158</b>	<b>1,779</b>
Impairment of goodwill	(12)	-	-	<b>(12)</b>
<b>Profit before taxation</b>	<b>497</b>	<b>112</b>	<b>1,158</b>	<b>1,767</b>
Cost to income ratio	55.5%	68.3%	55.4%	<b>56.3%</b>
Total assets (excluding assurance assets)	2,002	5,929	275,986	<b>283,917</b>

For the six months to 30 September 2011

R'million	Asset Management	Wealth & Investment	Specialist Banking	Total
<b>Net interest income</b>	27	8	2,126	<b>2,161</b>
Fee and commission income	931	317	864	<b>2,112</b>
Fee and commission expense	-	(8)	(27)	<b>(35)</b>
Investment income	-	-	234	<b>234</b>
Trading income arising from:				
- customer flow	-	4	137	<b>141</b>
- balance sheet management and other trading activities	-	-	90	<b>90</b>
Other operating income	8	-	(6)	<b>2</b>
<b>Total operating income before impairment on loans and advances</b>	<b>966</b>	<b>321</b>	<b>3,418</b>	<b>4,705</b>
Impairment losses on loans and advances	-	-	(351)	<b>(351)</b>
<b>Operating income</b>	<b>966</b>	<b>321</b>	<b>3,067</b>	<b>4,354</b>
Operating costs	(546)	(224)	(1,915)	<b>(2,685)</b>
<b>Operating profit before impairment of goodwill</b>	<b>420</b>	<b>97</b>	<b>1,152</b>	<b>1,669</b>
Impairment of goodwill	(8)	-	-	<b>(8)</b>
<b>Profit before taxation</b>	<b>412</b>	<b>97</b>	<b>1,152</b>	<b>1,661</b>
Cost to income ratio	56.5%	69.8%	56.0%	<b>57.1%</b>
Total assets (excluding assurance assets)	192	468	268,012	<b>268,672</b>



## Investec Limited silo financial information (excluding the results of Investec plc)

### Segmental analysis of operating profit before goodwill, non-operating items and taxation

Unaudited

R'million	6 months to 30 Sept 2012	6 months to 30 Sept 2011	% change
<b>Asset Management</b>	<b>509</b>	<b>420</b>	<b>21.2%</b>
<b>Wealth &amp; Investment</b>	<b>112</b>	<b>97</b>	<b>15.5%</b>
<b>Specialist Banking</b>	<b>1,158</b>	<b>1,152</b>	<b>0.5%</b>
<b>Property activities</b>	<b>143</b>	<b>124</b>	<b>15.3%</b>
<b>Private Banking activities</b>	<b>251</b>	<b>172</b>	<b>45.9%</b>
<b>Corporate Advisory and Investment activities</b>			
Corporate finance	44	55	(20.0%)
Institutional research, sales and trading*	-	(49)	(100.0%)
Principal investments	99	69	43.5%
	<b>143</b>	<b>75</b>	<b>90.7%</b>
<b>Corporate and Institutional Banking activities*</b>	<b>554</b>	<b>621</b>	<b>(10.8%)</b>
<b>Group Services and Other activities</b>			
International trade finance	45	44	2.3%
Central funding	191	339	(43.7%)
Central costs	(169)	(223)	24.2%
	<b>67</b>	<b>160</b>	<b>(58.1%)</b>
<b>Total</b>	<b>1,779</b>	<b>1,669</b>	<b>6.6%</b>

\* Institutional research, sales and trading is included in Corporate and Institutional Banking activities for the period to 30 September 2012 and formed part of Corporate Advisory and Investment activities for the period to 30 September 2011.

## Investec Limited (excluding the results of Investec plc)

### Additional income statement note disclosures

Unaudited

#### Commentary on additional income statement note disclosures

##### Net interest income

For the 6 months to 30 September R'million	2012		2011	
	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	106,727	2,462	93,787	2,051
Core loans and advances	133,633	5,565	124,349	5,327
Private Client	100,087	4,011	92,595	3,830
Corporate, institutional and other clients	33,546	1,554	31,754	1,497
Other debt securities and other loans and advances	6,377	142	5,650	120
Other interest earning assets	1,501	360	1,969	508
<b>Total interest earning assets</b>	<b>248,238</b>	<b>8,529</b>	<b>225,755</b>	<b>8,006</b>

For the 6 months to 30 September R'million	2012		2011	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	39,302	536	30,632	334
Customer accounts (deposits)	178,979	5,038	172,079	4,630
Other interest earning liabilities	6,769	254	7,121	465
Subordinated liabilities	12,238	406	7,721	416
<b>Total interest earning liabilities</b>	<b>237,288</b>	<b>6,234</b>	<b>217,553</b>	<b>5,845</b>

##### Net interest income

2,295

2,161

##### Net fees and commissions

For the 6 months to 30 September R'million	2012	2011
Fund management fees/fees for assets under management	1,245	1059
Private client transactional fees	404	408
Corporate and institutional transactional and advisory services	528	645
Fee and commission income	2,177	2,112
Fee and commission expense	(69)	(35)
<b>Net fees and commissions</b>	<b>2,108</b>	<b>2,077</b>
Annuity (net of fees payable)	1,641	1,488
Deal	467	589

##### Investment income

For the 6 months to 30 September R'million	Investment portfolio* (listed and unlisted equities)	Other debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
<b>2012</b>					
Realised	517	5	21	(22)	521
Unrealised	(385)	78	163	-	(144)
Dividend income	68	-	8	-	76
Funding and net other related costs	(87)	-	(15)	(5)	(107)
	<b>113</b>	<b>83</b>	<b>177</b>	<b>-27</b>	<b>346</b>
<b>2011</b>					
Realised	129	30	15	-	174
Unrealised	(62)	68	109	4	119
Dividend income	31	-	5	-	36
Funding and net other related costs	(92)	-	-	(3)	(95)
<b>Investment income</b>	<b>6</b>	<b>98</b>	<b>129</b>	<b>1</b>	<b>234</b>

\* Including embedded derivatives (warrants and profit shares).





## Investec Limited silo financial information (excluding the results of Investec plc)



### Income statement reclassifications

Unaudited

For the six months to 30 September 2011			
R'million	New format	As previously reported	Reclassifications
Interest income	8,006	8,006	-
Interest expense	(5,845)	(5,845)	-
<b>Net interest income</b>	<b>2,161</b>	<b>2,161</b>	-
Fee and commission income	2,112	2,112	-
Fee and commission expense	(35)	(35)	-
Principal transactions	-	465	(465)
Investment income	234	-	234
Trading income arising from:			
- customer flow	141	-	141
- balance sheet management and other trading activities	90	-	90
Investment income on assurance activities	-	139	(139)
Premiums and reinsurance recoveries on insurance contracts	-	50	(50)
Other operating income	2	2	-
Claims and reinsurance premiums on insurance business	-	(189)	189
<b>Total operating income before impairment losses on loans and advances</b>	<b>4,705</b>	<b>4,705</b>	-

### Commentary on income statement reclassifications

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

\* **Customer flow trading income** - income from trading activities arising from making and facilitating customer 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.

It is noted that there are no measurement changes nor are there any changes to total operating income



## Balance sheet reclassifications

Unaudited

At 30 September 2011 R'million	New format	As previously reported	Reclassifications	Cash equivalent corporate paper	Loans and securitisation	Securities reclassification
<b>Total assets reclassified</b>						
Cash equivalent advances to customers	-	5,025	(5,025)	(5,025)	-	-
Non-sovereign and non-bank cash placements	5,025	-	5,025	5,025	-	-
Sovereign debt securities	34,714	-	34,714	-	-	34,714
Bank debt securities	24,451	-	24,451	-	-	24,451
Other debt securities	4,915	-	4,915	-	-	4,915
Trading securities	-	54,348	(54,348)	-	-	(54,348)
Securities arising from trading activities	4,326	-	4,326	-	-	4,326
Investment portfolio	7,503	-	7,503	-	-	7,503
Investment securities	-	21,857	(21,857)	-	-	(21,857)
Loans and advances to customers	117,999	118,734	(735)	-	(735)	-
Securitised assets	-	8,319	(8,319)	-	(8,319)	-
Own originated loans and advances to customers securitised	6,350	-	6,350	-	6,350	-
Other loans and advances	735	-	735	-	735	-
Other securitised assets	1,969	-	1,969	-	1,969	-
Other assets	6,373	6,077	296	-	-	296
	<b>214,360</b>	<b>214,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities reclassified</b>						
Liabilities arising on securitisation	-	7,121	(7,121)	-	(7,121)	-
Liabilities arising on securitisation of own originated loans and advances	6,520	-	6,520	-	6,520	-
Liabilities arising on securitisation of other assets	601	-	601	-	601	-
	<b>7,121</b>	<b>7,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Commentary on balance sheet reclassifications

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:

## Cash equivalent corporate paper

Cash equivalent advances to customers has been renamed "non-sovereign, non-bank cash placements". These balances represent short-term placements in corporates that run an in-house treasury function.

## 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. Securitised liabilities has been split into two line items to enable the relationship with securitised 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 activities" includes all instruments (other than derivative instruments) that are held on balance sheet in relation to trading activities.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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
  - 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 particular 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 5.6% to R298.2 billion largely as a result of an increase in cash and near cash balances and core loans and advances. Cash and near cash balances increased by 8.7% to R75.1 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, non-sovereign and non-bank cash placements, sovereign debt securities.

R'million	30 Sept 2012	31 March 2012	% change	Average*
Cash and balances at central banks	4,007	9,303	(56.9%)	6,655
Loans and advances to banks	19,835	20,511	(3.3%)	20,173
Non-sovereign and non-bank cash placements	9,859	7,885	25.0%	8,872
Reverse repurchase agreements and cash collateral on securities borrowed	13,767	5,570	>100%	9,669
Sovereign debt securities	35,164	29,699	18.4%	32,432
Bank debt securities	24,095	27,695	(13.0%)	25,895
Other debt securities	5,677	5,825	(2.5%)	5,751
Derivative financial instruments	12,296	10,251	19.9%	11,274
Securities arising from trading activities	1,345	1,472	(8.6%)	1,409
Loans and advances to customers (gross)	129,027	123,924	4.1%	126,476
Own originated loans and advances to customers securitised (gross)	6,156	6,132	0.4%	6,144
Other loans and advances (gross)	686	680	0.9%	683
Other securitised assets	-	555	(100%)	278
Other assets	370	-	>100%	185
<b>On-balance sheet exposures</b>	<b>262,284</b>	<b>249,502</b>	<b>5.1%</b>	<b>255,893</b>
Guarantees <sup>^</sup>	6,276	5,579	12.5%	5,928
Contingent liabilities, committed facilities, other	29,646	27,426	8.1%	28,536
<b>Total off-balance sheet exposures</b>	<b>35,922</b>	<b>33,005</b>	<b>8.8%</b>	<b>34,464</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>298,206</b>	<b>282,507</b>	<b>5.6%</b>	<b>290,357</b>

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

<sup>^</sup>Excludes guarantees provided to clients which are backed/secured by cash on deposit with the bank



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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.

R'million	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note reference	Total balance sheet
<b>As at 30 September 2012</b>				
Cash and balances at central banks	4,007	-		4,007
Loans and advances to banks	19,835	-		19,835
Non-sovereign and non-bank placements	9,859	-		9,859
Reverse repurchase agreements and cash collateral on securities borrowed	13,767	-		13,767
Sovereign debt securities	35,164	-		35,164
Bank debt securities	24,095	-		24,095
Other debt securities	5,677	25		5,702
Derivative financial instruments	12,296	402		12,698
Securities arising from trading activities	1,345	2,845		4,190
Investment portfolio	-	7,375	1	7,375
Loans and advances to customers	129,027	(1,544)	2	127,483
Own originated loans and advances to customers securitised	6,156	(6)	2	6,150
Other loans and advances	686	(11)	2	675
Other securitised assets	-	1,501	3	1,501
Interest in associated undertakings	-	41		41
Deferred taxation assets	-	484		484
Other assets	370	4,643	4	5,013
Property and equipment	-	495		495
Investment properties	-	5,136		5,136
Goodwill	-	157		157
Intangible assets	-	90		90
Insurance assets	-	83,451		83,451
<b>Total on-balance sheet exposures</b>	<b>262,284</b>	<b>105,084</b>		<b>367,368</b>
<b>As at 31 March 2012</b>				
Cash and balances at central banks	9,303	-		9,303
Loans and advances to banks	20,511	-		20,511
Non-sovereign and non-bank placements	7,885	-		7,885
Reverse repurchase agreements and cash collateral on securities borrowed	5,570	-		5,570
Sovereign debt securities	29,699	-		29,699
Bank debt securities	27,695	-		27,695
Other debt securities	5,825	-		5,825
Derivative financial instruments	10,251	344		10,595
Securities arising from trading activities	1,472	1,812		3,284
Investment portfolio	-	7,316	1	7,316
Loans and advances to customers	123,924	(1,303)	2	122,621
Own originated loans and advances to customers securitised	6,132	(6)	2	6,126
Other loans and advances	680	(11)	2	669
Other securitised assets	-	1,712	3	1,712
Interest in associated undertakings	-	38		38
Deferred taxation assets	-	372		372
Other assets	555	5,731	4	6,286
Property and equipment	-	542		542
Investment properties	-	4,858		4,858
Goodwill	-	169		169
Intangible assets	-	97		97
Insurance assets	-	76,903		76,903
<b>Total on-balance sheet exposures</b>	<b>249,502</b>	<b>98,574</b>		<b>348,076</b>

Notes:

1. Largely relates to exposures that are classified as equity risk in the banking book.

2. Largely relates to impairments.

3. Largely includes liquidity facilities provided to third party corporate securitisation vehicles. These facilities have remained undrawn and are reflected as a contingent liability, i.e. off-balance sheet exposures to the bank.

4. Other assets include settlement debtors where we deem to have no credit risk as they are settled on a delivery against payment basis.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### Gross and credit counterparty exposures by residual contractual maturity as at 30 September 2012

R'million	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	5 to 10 years	>10years	Total
Cash and balances at central banks	3,969	-	-	-	-	38	4,007
Loans and advances to banks	17,545	407	55	1,708	120	-	19,835
Non-sovereign and non-bank cash placements	9,858	-	-	1	-	-	9,859
Reverse repurchase agreements and cash collateral on securities borrowed	11,866	282	592	1,027	-	-	13,767
Sovereign debt securities	10,851	8,796	7,086	7,742	689	-	35,164
Bank debt securities	1,144	3,181	6,416	12,145	1,209	-	24,095
Other debt securities	238	-	13	3,888	1,221	317	5,677
Derivative financial instruments	633	618	307	6,662	3,173	903	12,296
Securities arising from trading activities	825	-	-	201	182	137	1,345
Loans and advances to customers	14,130	4,645	11,251	54,975	13,575	30,451	129,027
Own originated loans and advances to customers securitised	11	19	18	908	458	4,742	6,156
Other loans and advances	-	-	-	686	-	-	686
Other assets	370	-	-	-	-	-	370
<b>Total on-balance sheet exposures</b>	<b>71,440</b>	<b>17,948</b>	<b>25,738</b>	<b>89,943</b>	<b>20,627</b>	<b>36,588</b>	<b>262,284</b>
Guarantees	1,508	-	730	832	39	3,167	6,276
Contingent liabilities, committed facilities and other	5,526	860	2,556	5,559	1,062	14,083	29,646
<b>Total off-balance sheet exposures</b>	<b>7,034</b>	<b>860</b>	<b>3,286</b>	<b>6,391</b>	<b>1,101</b>	<b>17,250</b>	<b>35,922</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>78,474</b>	<b>18,808</b>	<b>29,024</b>	<b>96,334</b>	<b>21,728</b>	<b>53,838</b>	<b>298,206</b>



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### An analysis of gross credit and counterparty exposure by industry

R'million	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	101,133	97,178	28,406	26,762	129,539	123,940
Agriculture	424	448	436	100	860	548
Electricity, gas and water (utility services)	1,640	1,308	458	96	2,098	1,404
Public and non-business services	810	837	39,646	39,824	40,456	40,661
Business service	2,887	2,608	1,226	925	4,113	3,533
Finance and insurance	6,812	6,081	77,331	71,427	84,143	77,508
Retailers and wholesalers	2,092	2,004	2,249	2,880	4,341	4,884
Manufacturing and commerce	4,435	5,322	3,983	3,263	8,418	8,585
Construction	616	466	251	505	867	971
Commercial real estate	4,050	4,891	1,367	1,298	5,417	6,189
Mining and resources	4,371	2,713	4,450	3,593	8,821	6,306
Leisure, entertainment and tourism	1,252	1,370	320	375	1,572	1,745
Transport and communication	4,661	4,830	2,900	1,403	7,561	6,233
<b>Total</b>	<b>135,183</b>	<b>130,056</b>	<b>163,023</b>	<b>152,451</b>	<b>298,206</b>	<b>282,507</b>

Private client loans account for 74.8% 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.

R'million	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	Mining and resources	Leisure, entertainment and tourism	Transport and communication	Total
<b>As at 30 September 2012</b>														
Cash and balances at central banks	-	-	-	4,007	-	-	-	-	-	-	-	-	-	4,007
Loans and advances to banks	-	-	-	-	-	19,835	-	-	-	-	-	-	-	19,835
Non-sovereign and non-bank cash placements	-	252	-	-	78	2,233	1,634	3,477	125	-	1,303	-	757	9,859
Reverse repurchase agreements and cash collateral on securities borrowed	176	-	1	23	-	13,565	-	-	-	-	-	-	2	13,767
Sovereign debt securities	-	-	-	35,164	-	-	-	-	-	-	-	-	-	35,164
Bank debt securities	-	-	-	-	-	24,095	-	-	-	-	-	-	-	24,095
Other debt securities	-	-	42	-	-	4,858	412	-	-	-	105	-	260	5,677
Derivative financial instruments	18	2	34	-	103	10,535	98	48	-	1,307	11	-	140	12,296
Securities arising from trading activities	-	-	4	-	-	806	-	-	-	-	19	-	65	1,345
Loans and advances to customers (gross)	94,977	424	1,640	810	2,887	6,812	2,092	4,435	616	4,050	4,371	1,252	4,661	129,027
Own originated loans and advances to customers securitised (gross)	6,156	-	-	-	-	-	-	-	-	-	-	-	-	6,156
Other loans and advances (gross)	-	-	-	-	-	686	-	-	-	-	-	-	-	686
Other assets	-	-	-	-	-	369	-	-	-	-	1	-	-	370
<b>Total on-balance sheet exposures</b>	<b>101,327</b>	<b>678</b>	<b>1,721</b>	<b>40,455</b>	<b>3,068</b>	<b>83,794</b>	<b>4,236</b>	<b>7,960</b>	<b>741</b>	<b>5,357</b>	<b>5,810</b>	<b>1,252</b>	<b>5,885</b>	<b>262,284</b>
Guarantees	4,670	-	164	1	11	20	32	206	69	-	984	116	3	6,276
Contingent liabilities, committed facilities and other	23,542	182	213	-	1,034	329	73	252	57	60	2,027	204	1,673	29,646
<b>Total off-balance sheet exposures</b>	<b>28,212</b>	<b>182</b>	<b>377</b>	<b>1</b>	<b>1,045</b>	<b>349</b>	<b>105</b>	<b>458</b>	<b>126</b>	<b>60</b>	<b>3,011</b>	<b>320</b>	<b>1,676</b>	<b>35,922</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>129,539</b>	<b>860</b>	<b>2,098</b>	<b>40,456</b>	<b>4,113</b>	<b>84,143</b>	<b>4,341</b>	<b>8,418</b>	<b>867</b>	<b>5,417</b>	<b>8,821</b>	<b>1,572</b>	<b>7,561</b>	<b>298,206</b>
<b>As at 31 March 2012</b>														
Cash and balances at central banks	-	-	-	9,303	-	-	-	-	-	-	-	-	-	9,303
Loans and advances to banks	-	-	-	-	5	20,506	-	-	-	-	-	-	-	20,511
Non-sovereign and non-bank cash placements	-	100	-	-	364	1,268	2,248	2,563	174	-	817	-	351	7,885
Reverse repurchase agreements and cash collateral on securities borrowed	37	-	-	43	-	5,490	-	-	-	-	-	-	-	5,570
Sovereign debt securities	-	-	-	29,699	-	-	-	-	-	-	-	-	-	29,699
Bank debt securities	-	-	-	-	-	27,695	-	-	-	-	-	-	-	27,695
Other debt securities	-	-	-	110	-	4,880	415	-	-	198	103	-	119	5,825
Derivative financial instruments	11	-	60	-	88	8,828	108	63	1	928	42	-	122	10,251
Securities arising from trading activities	-	-	-	668	-	751	26	26	-	-	-	-	1	1,472
Loans and advances to customers (gross)	91,046	448	1,308	837	2,608	6,081	2,004	5,322	466	4,891	2,713	1,370	4,830	123,924
Own originated loans and advances to customers securitised (gross)	6,132	-	-	-	-	-	-	-	-	-	-	-	-	6,132
Other loans and advances (gross)	-	-	-	-	-	680	-	-	-	-	-	-	-	680
Other assets	-	-	-	-	-	555	-	-	-	-	-	-	-	555
<b>Total on-balance sheet exposures</b>	<b>97,226</b>	<b>548</b>	<b>1,368</b>	<b>40,660</b>	<b>3,065</b>	<b>76,734</b>	<b>4,801</b>	<b>7,974</b>	<b>641</b>	<b>6,017</b>	<b>3,675</b>	<b>1,370</b>	<b>5,423</b>	<b>249,502</b>
Guarantees	4,033	-	18	1	20	21	28	189	219	-	946	99	5	5,579
Contingent liabilities, committed facilities and other	22,681	-	18	-	448	753	55	422	111	172	1,685	276	805	27,426
<b>Total off-balance sheet exposures</b>	<b>26,714</b>	<b>-</b>	<b>36</b>	<b>1</b>	<b>468</b>	<b>774</b>	<b>83</b>	<b>611</b>	<b>330</b>	<b>172</b>	<b>2,631</b>	<b>375</b>	<b>810</b>	<b>33,005</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>123,940</b>	<b>548</b>	<b>1,404</b>	<b>40,661</b>	<b>3,533</b>	<b>77,508</b>	<b>4,884</b>	<b>8,585</b>	<b>971</b>	<b>6,189</b>	<b>6,306</b>	<b>1,745</b>	<b>6,233</b>	<b>282,507</b>



## Investec Limited silo financial information (excluding the results of Investec plc)

### Risk management

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

Unaudited

R'million	30 Sept 2012	31 March 2012
Loans and advances to customers as per balance sheet	127,483	122,621
Add: own originated loans and advances to customers securitised as per the balance sheet	6,150	6,126
<b>Net gross core loans and advances to customers</b>	<b>133,633</b>	<b>128,747</b>

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

R'million	30 Sept 2012	31 March 2012
<b>Gross core loans and advances to customers</b>	<b>135,183</b>	<b>130,056</b>
<b>Total impairments</b>	<b>(1,550)</b>	<b>(1,309)</b>
Portfolio impairments	(220)	(206)
Specific impairments	(1,330)	(1,103)
<b>Net core loans and advances to customers</b>	<b>133,633</b>	<b>128,747</b>
<b>Average gross core loans and advances to customers</b>	<b>132,620</b>	<b>126,115</b>
Current loans and advances to customers	128,508	123,391
Past due loans and advances to customers (1-60 days)	874	742
Special mention loans and advances to customers	997	1,101
Default loans and advances to customers	4,804	4,822
<b>Gross core loans and advances to customers</b>	<b>135,183</b>	<b>130,056</b>
Current loans and advances to customers	128,508	123,391
Default loans that are current and not impaired	258	130
Gross core loans and advances to customers that are past due but not impaired	2,898	3,274
Gross core loans and advances to customers that are impaired	3,519	3,261
<b>Gross core loans and advances to customers</b>	<b>135,183</b>	<b>130,056</b>
<b>Total income statement charge for impairments on core loans and advances</b>	<b>(403)</b>	<b>(824)</b>
Gross default loans and advances to customers	4,804	4,822
Specific impairments	(1,330)	(1,103)
Portfolio impairments	(220)	(206)
<b>Defaults net of impairments</b>	<b>3,254</b>	<b>3,513</b>
Collateral and other credit enhancements	5,153	5,897
<b>Net default loans and advances to customers (limited to zero)</b>	<b>94*</b>	<b>-</b>
<b>Ratios:</b>		
Total impairments as a % of gross core loans and advances to customers	1.15%	1.01%
Total impairments as a % of gross default loans	32.26%	27.15%
Gross defaults as a % of gross core loans and advances to customers	3.55%	3.71%
Defaults (net of impairments) as a % of net core loans and advances to customers	2.44%	2.73%
Net defaults as a % of gross core loans and advances to customers	0.07%	-
Annualised credit loss ratio (i.e income statement impairment charge as a % of average gross loans and advances)	0.60%	0.65%

\* Exposures cannot be set-off against one another



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

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

R'million	Private Client**		Corporate Client**		Other*		Total	
	30 Sept 2012	31 March 2012	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	101,133	97,178	29,047	27,869	5,003	5,009	135,183	130,056
Total impairments	(1,046)	(995)	(295)	(119)	(209)	(195)	(1,550)	(1,309)
Portfolio impairments	(94)	(82)	(24)	(24)	(102)	(100)	(220)	(206)
Specific impairments	(952)	(913)	(271)	(95)	(107)	(95)	(1,330)	(1,103)
Net core loans and advances to customers	100,087	96,183	28,752	27,750	4,794	4,814	133,633	128,747
Average gross core loans and advances to customers	99,156	93,319	28,458	27,851	5,006	4,945	132,620	126,115
Current loans and advances to customers	95,531	91,183	28,283	27,454	4,694	4,754	128,508	123,391
Past due loans and advances to customers (1-60 days)	633	456	83	204	158	82	874	742
Special mention loans and advances to customers	948	1,063	40	-	9	38	997	1,101
Default loans and advances to customers	4,021	4,476	641	211	142	135	4,804	4,822
Gross core loans and advances to customers	101,133	97,178	29,047	27,869	5,003	5,009	135,183	130,056
Current loans and advances to customers	95,531	91,183	28,283	27,454	4,694	4,754	128,508	123,391
Default loans that are current and not impaired	227	120	31	10	-	-	258	130
Gross core loans and advances to customers that are past due but not impaired	2,551	2,950	180	204	167	120	2,898	3,274
Gross core loans and advances to customers that are impaired	2,824	2,925	553	201	142	135	3,519	3,261
Gross core loans and advances to customers	101,133	97,178	29,047	27,869	5,003	5,009	135,183	130,056
Total income statement charge for impairments on core loans and advances	(274)	(716)	(117)	(148)	(12)	40	(403)	(824)
Gross default loans and advances to customers	4,021	4,476	641	211	142	135	4,804	4,822
Specific impairments	(952)	(913)	(271)	(95)	(107)	(95)	(1,330)	(1,103)
Portfolio impairments	(94)	(82)	(24)	(24)	(102)	(100)	(220)	(206)
Defaults net of impairments	2,975	3,481	346	92	(67)	(60)	3,254	3,513
Collateral and other credit enhancements	4,871	5,651	252	201	30	45	5,153	5,897
Net default loans and advances to customers (limited to zero)	-	-	94	-	-	-	94^	-
Total impairments as a % of gross core loans and advances to customers	1.03%	1.02%	1.02%	0.43%	4.18%	3.89%	1.15%	1.01%
Total impairments as a % of gross default loans	26.01%	22.23%	46.02%	56.40%	>100%	>100%	32.26%	27.15%
Gross defaults as a % of gross core loans and advances to customers	3.98%	4.61%	2.21%	0.76%	2.84%	2.70%	3.55%	3.71%
Defaults (net of impairments) as a % of net core loans and advances to customers	2.97%	3.62%	1.20%	.33%	(1.40%)	(1.25%)	2.44%	2.73%
Net defaults as a % of gross core loans and advances to customers	-	-	0.32%	-	-	-	0.07%	-
Annualised credit loss ratio (i.e income statement charge as a % of average gross loans and advances)	0.55%	0.77%	0.80%	0.52%	0.48%	(0.81%)	0.60%	0.65%

\* 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.

^ Exposures cannot be set-off against one another.





## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

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

R'million	30 Sept 2012	31 March 2012
Default loans that are current	1,125	670
1 - 60 days	1,481	1,401
61 - 90 days	249	504
91 - 180 days	531	619
181 - 365 days	538	391
>365 days	2,751	3,080
<b>Past due and default core loans and advances to customers (actual capital exposure)</b>	<b>6,675</b>	<b>6,665</b>
1 - 60 days	671	623
61 - 90 days	13	314
91 - 180 days	247	263
181 - 365 days	336	267
>365 days	2,315	2,460
<b>Past due and default core loans and advances to customers (actual amount in arrears)</b>	<b>3,582</b>	<b>3,927</b>

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

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>As at 30 September 2012</b>							
Watchlist loans that are neither past due nor impaired							
Total capital exposure	258	-	-	-	-	-	258
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	1,407	238	360	259	634	2,898
Amount in arrears	-	601	11	197	149	502	1,460
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	867	74	11	171	279	2,117	3,519
Amount in arrears	-	70	2	50	187	1,813	2,122
<b>As at 31 March 2012</b>							
Watchlist loans that are neither past due nor impaired							
Total capital exposure	130	-	-	-	-	-	130
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	1,353	496	440	249	736	3,274
Amount in arrears	-	607	309	190	181	583	1,870
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	540	48	8	179	142	2,344	3,261
Amount in arrears	-	16	5	73	86	1,877	2,057



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

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

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	874	-	-	-	-	874
Special mention	-	497	211	50	94	145	997
Special mention (1 - 90 days)	-	497	70	50*	94*	145*	856
Special mention (61 - 90 days and item well secured)	-	-	141	-	-	-	141
Default	1,125	110	38	481	444	2,606	4,804
Sub-standard	227	36	27	254	165	494	1,203
Doubtful	898	74	11	227	279	2,112	3,601
Total	1,125	1,481	249	531	538	2,751	6,675

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)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	173	-	-	-	-	173
Special mention	-	422	10	39	91	110	672
Special mention (1 - 90 days)	-	422	3	39*	91*	110*	665
Special mention (61 - 90 days and item well secured)	-	-	7	-	-	-	7
Default	-	76	3	208	245	2,205	2,737
Sub-standard	-	6	1	154	58	394	613
Doubtful	-	70	2	54	187	1,811	2,124
Total	-	671	13	247	336	2,315	3,582

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

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	742	-	-	-	-	742
Special mention	-	424	396	88	71	122	1,101
Special mention (1 - 90 days)	-	424	115	88*	71*	122*	820
Special mention (61 - 90 days and item well secured)	-	-	281	-	-	-	281
Default	670	235	108	531	320	2,958	4,822
Sub-standard	37	10	96	247	141	225	756
Doubtful	633	225	12	284	179	2,733	4,066
Total	670	1 401	504	619	391	3 080	6 665

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)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	106	-	-	-	-	106
Special mention	-	410	213	54	50	97	824
Special mention (1 - 90 days)	-	410	81	54*	50*	97*	692
Special mention (61 - 90 days and item well secured)	-	-	132	-	-	-	132
Default	-	107	101	209	217	2,363	2,997
Sub-standard	-	6	96	109	126	196	533
Doubtful	-	101	5	100	91	2,167	2,464
Total	-	623	314	263	267	2,460	3,927

\* Largely relates to solvent deceased estates and bonds under registration at the deeds office. Due to the lengthy external process with respect to these exposures, which are out of the control of Investec, these exposures have been classified as special mention and will remain there until settled or their credit quality deteriorates.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### An analysis of core loans and advances to customers

R'million	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
<b>As at 30 September 2012</b>								
<b>Current core loans and advances</b>	128,508	-	-	128,508	-	(210)	128,298	-
<b>Past due (1-60 days)</b>	-	874	-	874	-	(2)	872	173
<b>Special mention</b>	-	997	-	997	-	(8)	989	672
Special mention (1 - 90 days)	-	856	-	856	-	(7)	849	665
Special mention (61 - 90 days and item well secured)	-	141	-	141	-	(1)	140	7
<b>Default</b>	258	1,027	3,519	4,804	(1,330)	-	3,474	2,737
Sub-standard	227	970	6	1,203	-	-	1,203	613
Doubtful	31	57	3,513	3,601	(1,330)	-	2,271	2,124
<b>Total</b>	128,766	2,898	3,519	135,183	(1,330)	(220)	133,633	3,582
<b>As at 31 March 2012</b>								
<b>Current core loans and advances</b>	123,391	-	-	123,391	-	(195)	123,196	-
<b>Past due (1-60 days)</b>	-	742	-	742	-	(3)	739	106
<b>Special mention</b>	-	1,101	-	1,101	-	(8)	1,093	824
Special mention (1 - 90 days)	-	820	-	820	-	(7)	813	692
Special mention (61 - 90 days and item well secured)	-	281	-	281	-	(1)	280	132
<b>Default</b>	130	1,431	3,261	4,822	(1,103)	-	3,719	2,997
Sub-standard	37	718	1	756	-	-	756	533
Doubtful	93	713	3,260	4,066	(1,103)	-	2,963	2,464
<b>Total</b>	123,521	3,274	3,261	130,056	(1,103)	(206)	128,747	3,927



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

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

R'million	Private Banking professional and HNW individuals	Corporate Sector	Banking, insurance, financial services (excluding sovereign)	Public and government sector (including central banks)	Trade Finance	Total gross core loans and advances to customers
<b>As at 30 September 2012</b>						
Current core loans and advances	95,531	23,412	6,803	810	1,952	128,508
<b>Past due (1-60 days)</b>	<b>633</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>874</b>
<b>Special mention</b>	<b>948</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>997</b>
Special mention (1 - 90 days)	816	40	-	-	-	856
Special mention (61 - 90 days and item well secured)	132	-	-	-	9	141
<b>Default</b>	<b>4,021</b>	<b>660</b>	<b>9</b>	<b>-</b>	<b>114</b>	<b>4,804</b>
Sub-standard	1,201	-	-	-	2	1,203
Doubtful	2,820	660	9	-	112	3,601
<b>Total gross core loans and advances to customers</b>	<b>101,133</b>	<b>24,195</b>	<b>6,812</b>	<b>810</b>	<b>2,233</b>	<b>135,183</b>
<b>Total impairments</b>	<b>(1,046)</b>	<b>(422)</b>	<b>(2)</b>	<b>(1)</b>	<b>(79)</b>	<b>(1,550)</b>
Specific impairments	(952)	(299)	-	-	(79)	(1,330)
Portfolio impairments	(94)	(123)	(2)	(1)	-	(220)
<b>Net Core loans and advances to customers</b>	<b>100,087</b>	<b>23,773</b>	<b>6,810</b>	<b>809</b>	<b>2,154</b>	<b>133,633</b>
<b>As at 31 March 2012</b>						
Current core loans and advances	91,184	23,450	6,070	837	1,850	123,391
<b>Past due (1-60 days)</b>	<b>456</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>742</b>
<b>Special mention</b>	<b>1,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>1,101</b>
Special mention (1 - 90 days)	820	-	-	-	-	820
Special mention (61 - 90 days and item well secured)	242	-	-	-	39	281
<b>Default</b>	<b>4,476</b>	<b>230</b>	<b>11</b>	<b>-</b>	<b>105</b>	<b>4,822</b>
Sub-standard	755	-	-	-	1	756
Doubtful	3,721	230	11	-	104	4,066
<b>Total gross core loans and advances to customers</b>	<b>97,178</b>	<b>23,884</b>	<b>6,081</b>	<b>837</b>	<b>2,076</b>	<b>130,056</b>
<b>Total impairments</b>	<b>(995)</b>	<b>(233)</b>	<b>(13)</b>	<b>(1)</b>	<b>(67)</b>	<b>(1,309)</b>
Specific impairments	(913)	(113)	(10)	-	(67)	(1,103)
Portfolio impairments	(82)	(120)	(3)	(1)	-	(206)
<b>Net Core loans and advances to customers</b>	<b>96,183</b>	<b>23,651</b>	<b>6,068</b>	<b>836</b>	<b>2,009</b>	<b>128,747</b>

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

R'million	30 Sept 2012	31 March 2012
Private Banking professional and HNW individuals	101,133	97,178
Corporate sector	24,195	23,884
Banking, insurance, financial services (excluding sovereign)	6,812	6,081
Public and government sector (including central banks)	810	837
Trade finance	2,233	2,076
<b>Total gross core loans and advances to customers</b>	<b>135,183</b>	<b>130,056</b>



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### Analysis of default core loans and advances

R'million	Gross core loans	Gross defaults	Collateral	Balance sheet impairments
<b>30 September 2012</b>				
<b>Private Client</b>				
<b>Residential property</b>	<b>38,050</b>	<b>2,179</b>	<b>2,073</b>	<b>(604)</b>
Residential property investment	3,741	273	242	(76)
Residential mortgages (owner occupied)	30,870	551	660	(105)
Residential property development	1,048	111	117	(29)
Residential estates/land	2,391	1,244	1,054	(394)
<b>Commercial property</b>	<b>39,693</b>	<b>1,018</b>	<b>1,279</b>	<b>(251)</b>
Commercial property investment	34,415	706	839	(169)
Commercial property land	2,311	226	244	(78)
Commercial land development	2,967	86	196	(4)
<b>Other</b>	<b>23,390</b>	<b>824</b>	<b>1,519</b>	<b>(191)</b>
Other secured lending to private clients	22,083	796	1,511	(171)
Unsecured lending <sup>^</sup>	1,307	28	8	(20)
<b>Total Private Client</b>	<b>101,133</b>	<b>4,021</b>	<b>4,871</b>	<b>(1,046)</b>
<b>Corporate Client</b>				
Acquisition finance	2,391	-	-	-
Asset finance	3,896	-	-	(7)
Corporate loans	17,115	138	86	(69)
Project finance	2,522	303	132	(149)
Resource finance and commodities	3,123	200	34	(70)
<b>Total Corporate Client</b>	<b>29,047</b>	<b>641</b>	<b>252</b>	<b>(295)</b>
Other*	5,003	142	30	(209)
<b>Total group</b>	<b>135,183</b>	<b>4,804</b>	<b>5,153</b>	<b>(1,550)</b>

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

<sup>^</sup> Largely relates to credit card balances.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### Collateral

A summary of total collateral is provided in the table below

R'million	Collateral held against		Total
	Gross core loans and advances	Other credit and counterparty exposures*	
<b>As at 30 September 2012</b>			
<b>Eligible financial collateral</b>	<b>24,429</b>	<b>1,873</b>	<b>26,302</b>
Listed shares	22,870	1,825	24,695
Cash	1,559	48	1,607
Debt securities issued by sovereigns	-	-	-
<b>Mortgage bonds</b>	<b>170,453</b>	<b>15</b>	<b>170,468</b>
Residential mortgages	78,829	-	78,829
Commercial property development	9,784	15	9,799
Commercial property investments	81,840	-	81,840
<b>Other collateral</b>	<b>47,742</b>	<b>1,784</b>	<b>49,526</b>
Unlisted shares	13,917	-	13,917
Bonds other than mortgage bonds	5,995	1,064	7,059
Debtors, stock and other corporate assets	4,678	-	4,678
Guarantees	10,312	720	11,032
Other	-	-	-
	12,840	-	12,840
<b>Total collateral</b>	<b>242,624</b>	<b>3,672</b>	<b>246,296</b>
<b>As at 31 March 2012</b>			
<b>Eligible financial collateral</b>	<b>22,799</b>	<b>2,412</b>	<b>25,211</b>
Listed shares	21,178	2,345	23,523
Cash	1,621	67	1,688
Debt securities issued by sovereigns	-	-	-
<b>Mortgage bonds</b>	<b>163,239</b>	<b>15</b>	<b>163,254</b>
Residential mortgages	72,527	-	72,527
Commercial property development	9,504	15	9,519
Commercial property investments	81,208	-	81,208
<b>Other collateral</b>	<b>49,206</b>	<b>873</b>	<b>50,079</b>
Unlisted shares	13,226	-	13,226
Bonds other than mortgage bonds	5,855	-	5,855
Debtors, stock and other corporate assets	8,202	-	8,202
Guarantees	9,440	721	10,161
Other	12,483	152	12,635
<b>Total collateral</b>	<b>235,244</b>	<b>3,300</b>	<b>238,544</b>

\* 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 Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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 group:

- **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. We also continue to pursue opportunities to help create and grow black owned and controlled companies
- **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
- **Central Funding:** The Central Funding division is the custodian of certain equity and property investments, which have largely arisen from corporate acquisitions made, notably in the early 2000s.

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

R'million	Income (pre funding costs)			Total
	Unrealised	Realised	Dividends and other	
<b>Six months to 30 September 2012</b>				
Unlisted investments	( 109)	319	68	278
Listed equities	( 293)	183	-	( 110)
Investment and trading properties^	163	-	8	171
Warrants, profit shares and other embedded derivatives	15	15	-	30
<b>Total</b>	<b>( 224)</b>	<b>517</b>	<b>76</b>	<b>369</b>
<b>Year ended 31 March 2012</b>				
Unlisted investments	70	517	391	978
Listed equities	( 281)	( 63)	6	( 338)
Investment and trading properties^	215	( 39)	2	178
Warrants, profit shares and other embedded derivatives	( 26)	108	-	82
<b>Total</b>	<b>( 22)</b>	<b>523</b>	<b>399</b>	<b>900</b>

<sup>^</sup> For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 50.01%. It is noted that the ultimate impact on the income statement reflects the group's net attributable earnings from the investment

Unrealised revaluation gains are included in Tier 1 capital. Revaluations that are posted directly to equity are excluded from capital within Investec Limited.

## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

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*
R'million	30 Sept 2012	30 Sept 2012	31 March 2012	31 March 2012
Unlisted investments	6 739	1 011	6 270	909
Listed equities	636	159	1 046	236
Investment and trading properties^	6 073	666	5 830	624
Warrants, profit shares and other embedded derivatives	402	141	386	135
<b>Total</b>	<b>13 850</b>	<b>1 977</b>	<b>13 532</b>	<b>1 904</b>

^ For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 50.01%.

\*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 R1 977 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.





## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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 businesses lines have been curtailed given the current economic climate.

Our securitisation business, over this time, we have arranged a number of corporate bond and commercial paper programmes and third party securitisations.

We have also assisted in the development of select securitisation platforms with external third party originating intermediaries. At present we have provided limited warehouse funding lines to these intermediaries.

Furthermore, we provide a standby liquidity facility to one conduit namely Grayston Conduit 1 (Pty) Limited Series 1 and Series 2. This facility, which totalled R1.2 billion as at 30 September 2012 (31 March 2012: R1.7 billion), has not been drawn on and is thus reflected as off-balance sheet contingent exposures in terms of our credit analysis. The liquidity risk associated with these facilities is included in the stress testing for the group and is managed in accordance with our overall liquidity position.

In addition, we have own originated, securitised assets in our private client business in South Africa. The primary motivations for the securitisation of assets within our Private Client division are to:

- Provide an alternative source of funding
- Provide a source of revenue
- Act as a mechanism to transfer risk
- Leverage returns through the retention of equity tranches in low default rate portfolios.

Total assets that have been originated and securitised by the Private Client division amount to R6.2 billion (March 2012: R6.1 billion) and include auto loans (R1.9 billion) and residential mortgages (R3.5 billion). These securitisation structures have all been rated by Moody's.

#### 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 - R'mn	Exposure as at 31 March 2012 - R'mn	Credit analysis internal risk classification	Asset quality - relevant comments for the period	Capital treatment
Structured credit investments*	3,351	2 798	Other debt securities and other loans and advances		Risk-weighted or supervisory deductions against primary and secondary capital
Rated	3,032	2 514			
Unrated	319	284			
Warehouse lines provided to own originated loans and advances to customers, and investment in third party intermediary originating platforms (mortgage and auto loans)	675	669	Other loans and advances		Risk-weighted depending on rating of counterparty
Private Client division assets which have been securitised	6,150	6 126	Own originated loans and advances to customers securitised	Analysed as part of the bank's overall asset quality on core loans and advances.	We apply securitisation rules: either risk-weighted or supervisory deductions against primary and secondary capital
South Africa - liquidity facilities provided to third party corporate securitisation vehicles	1,222	1 660	Off-balance sheet credit exposure as these facilities have remained undrawn and reflect a contingent liability of the bank.		Unutilised facility that is risk-weighted

\*A further analysis of rated structured credit investments

R'mn	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	-	36	-	-	36
European RMBS	46	1,163	440	630	343	-	-	2,622
European CMBS	-	130	-	-	-	-	-	130
South African RMBS	-	7	1	-	-	-	-	8
Australian RMBS	-	236	-	-	-	-	-	236
Total as at 30 September 2012	46	1,536	441	630	379	-	-	3,032
Total as at 31 March 2012	206	1 052	371	518	250	117	-	2 774



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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.

We have internal model approval and so trading capital is calculated as a function of the 99% 10-day VaR. Backtesting results and a detailed stress testing pack are submitted to the regulator on a monthly basis.

##### VaR 95% (one-day)

	Period end	Average	High	Low
<b>R'million</b>				
<b>30 September 2012</b>				
Commodities	-	0.1	0.6	-
Equity derivatives	1.2	3.2	7.5	1.0
Foreign exchange	1.3	1.9	3.7	1.0
Interest rates	6.5	2.9	7.2	1.1
<b>Consolidated*</b>	<b>5.4</b>	<b>5.1</b>	<b>10.9</b>	<b>3.1</b>
<b>31 March 2012</b>				
Commodities	-	0.1	0.5	-
Equity derivatives	1.9	2.3	8.0	0.9
Foreign exchange	1.1	2.7	8.9	0.7
Interest rates	2.6	2.5	5.3	0.8
<b>Consolidated*</b>	<b>4.2</b>	<b>4.8</b>	<b>9.6</b>	<b>2.7</b>

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



## Investec Limited silo financial information (excluding the results of Investec plc)

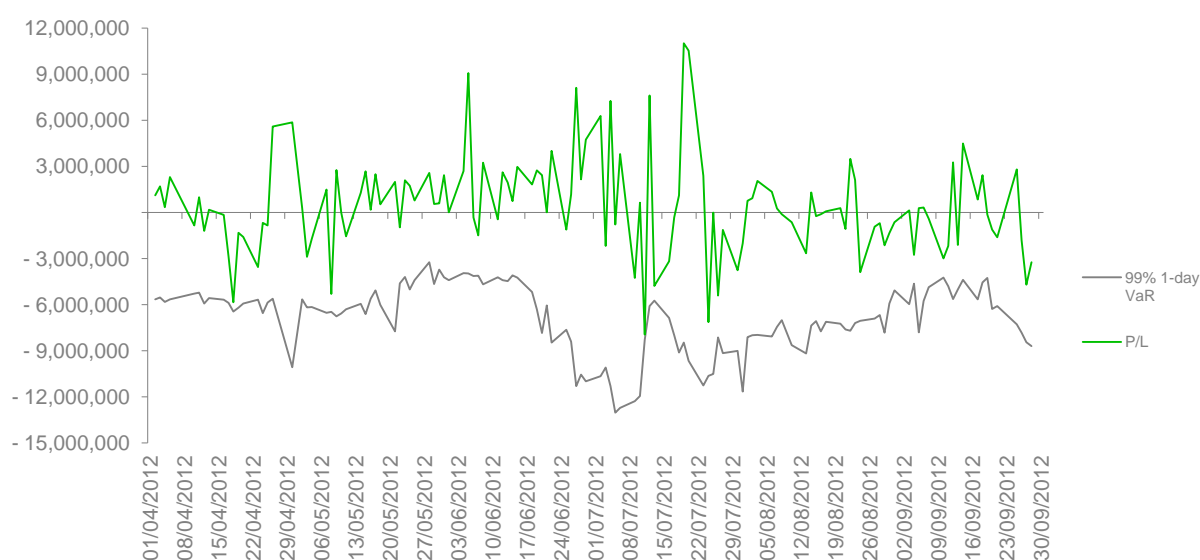
Unaudited

### Risk management

#### Traded market risk management

The graph below shows 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.

#### 99% 1-day VaR Backtesting (Rands)



VaR for September 2012 in the South African trading book was slightly higher than at March 2012, though still lower than pre-crisis (2007) levels. Using hypothetical (clean) profit and loss data for backtesting resulted in no exceptions.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### ETL 95% (one day)

R'million	30 Sept 2012	31 March 2012
Commodities	0.1	0.1
Equity derivatives	2.1	3.5
Foreign exchange	1.9	2.2
Interest rates	8.4	3.9
<b>Consolidated*</b>	<b>7.4</b>	<b>5.8</b>

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

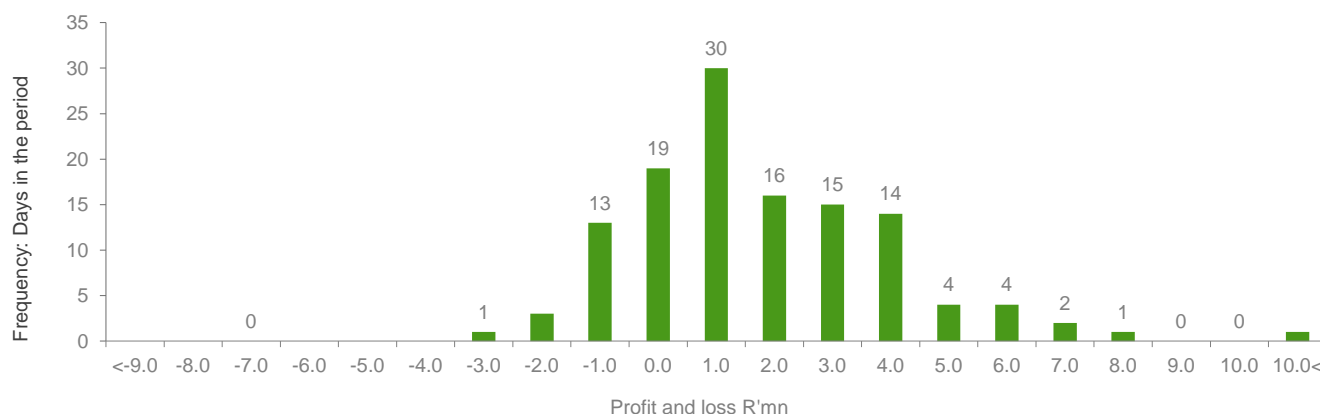
#### Stress testing

The table below indicates the potential losses that could arise if the portfolio is stress tested 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.

R'million	30 Sept 2012	31 March 2012
Commodities	0.1	0.1
Equity derivatives	9.3	16.3
Foreign exchange	10.6	17.2
Interest rates	41.7	24.3
<b>Consolidated</b>	<b>36.3</b>	<b>20.3</b>

#### Profit and loss histograms

The histogram below illustrates the distribution in daily revenue during the period for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 87 days out of a total of 123 days in the trading business. The average daily trading revenue generated for the six months to 30 September 2012 was R1.3 million (year ended March 2012: R1.5 million)





## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### 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 interest rate risk include:

- **Repricing risk:** Arises from the timing differences in the fixed rate maturity and floating rate repricing of bank assets, liabilities and offbalance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive portfolios
- **Yield curve risk:** Repricing mismatches also expose the bank to changes in the slope and shape of the yield curve
- **Basis risk:** Arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Optionality:** We are not materially exposed to optionality risk, as contract breakage penalties on fixed-rate advances specifically cover this risk, while prepayment optionality is restricted to variable rate contracts and has no impact on interest rate risk.

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.



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### Interest rate sensitivity gap

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

As at 30 September 2012 R'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	17 903	-	907	16	-	4 480	23 306
Cash and short-term funds - non-banks	9 840	18	-	-	-	-	9 858
Investment/trading assets and statutory liquids**	33 632	10 739	9 700	10 845	5 398	15 477	85 791
Securitised assets	6 962	-	-	-	-	688	7 650
Advances	109 809	2 553	930	8 301	5 430	1 132	128 155
Other assets	741	-	-	-	-	5 316	6 057
<b>Assets</b>	<b>178 887</b>	<b>13 310</b>	<b>11 537</b>	<b>19 162</b>	<b>10 828</b>	<b>27 093</b>	<b>260 817</b>
Deposits - banks	(12 757)	( 790)	( 42)	(2 581)	-	( 68)	(16 238)
Deposits - non-banks	(143 967)	(17 200)	(12 359)	(2 628)	( 646)	(1 324)	(178 124)
Negotiable paper	(3 536)	( 166)	( 70)	( 258)	( 75)	-	(4 105)
Securitized liabilities	(6 107)	-	-	-	-	( 663)	(6 770)
Investment/trading liabilities	(8 893)	( 9)	( 470)	(2 451)	(1 037)	(4 662)	(17 522)
Subordinated liabilities	(6 826)	(2 062)	-	( 125)	(2 288)	( 937)	(12 238)
Other liabilities	-	-	-	-	-	(6 974)	(6 974)
<b>Liabilities</b>	<b>(182 086)</b>	<b>(20 227)</b>	<b>(12 941)</b>	<b>(8 043)</b>	<b>(4 046)</b>	<b>(14 628)</b>	<b>(241 971)</b>
<b>Intercompany loans</b>	<b>4 537</b>	<b>( 341)</b>	<b>( 155)</b>	<b>2 071</b>	<b>-</b>	<b>( 275)</b>	<b>5 837</b>
<b>Shareholders' funds</b>	<b>(3 348)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 944)</b>	<b>(19 157)</b>	<b>(23 449)</b>
<b>Balance sheet</b>	<b>(2 010)</b>	<b>(7 258)</b>	<b>(1 559)</b>	<b>13 190</b>	<b>5 838</b>	<b>(6 967)</b>	<b>1 234</b>
Off-balance sheet	18 698	(3 651)	3 505	(14 992)	(4 794)	-	(1 234)
<b>Repricing gap</b>	<b>16 688</b>	<b>(10 909)</b>	<b>1 946</b>	<b>(1 802)</b>	<b>1 044</b>	<b>(6 967)</b>	<b>-</b>
Cumulative repricing gap	16 688	5 779	7 725	5 923	6 967	-	-

#### Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The table below reflects 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 a significant direct impact to equity.

'million	Sensitivity to the following interest rates (expressed in original currencies)						All (ZAR)
	ZAR	GBP	USD	EUR	AUD	Other	
200bp down	84.9	(0.5)	3.9	2.1	2.0	-	150.8
200bp up	(106.9)	(0.5)	(5.0)	1.4	(1.9)	-	(156.7)



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Risk management

#### Balance sheet risk management

#### Liquidity risk

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, including 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 market-wide events.

#### Liquidity risk description

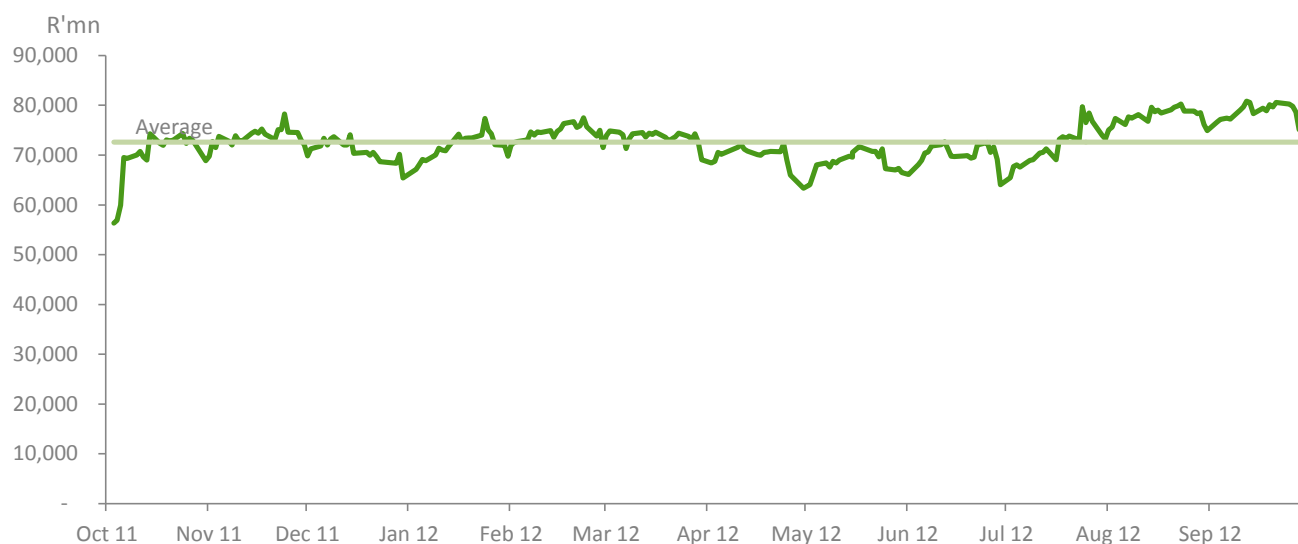
Liquidity risk is further broken down into:

- **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.

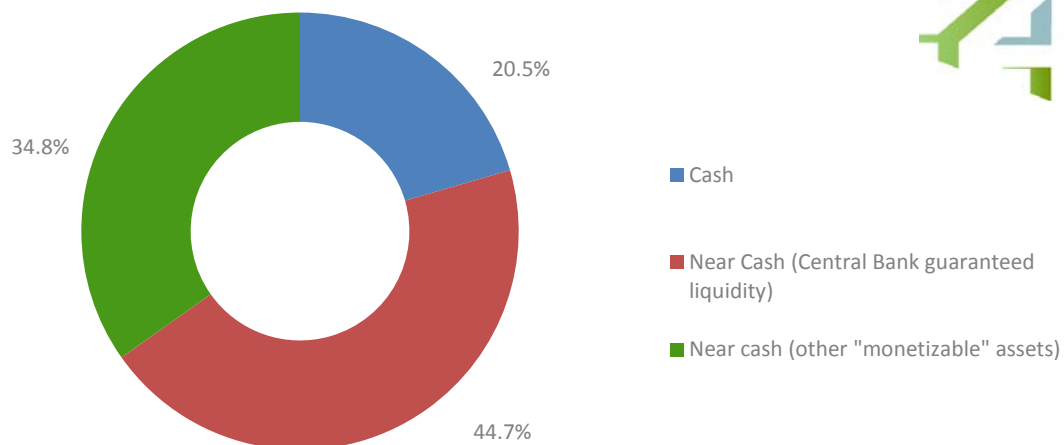
Sources of liquidity risk include:

- 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 inflows of appropriate maturity.

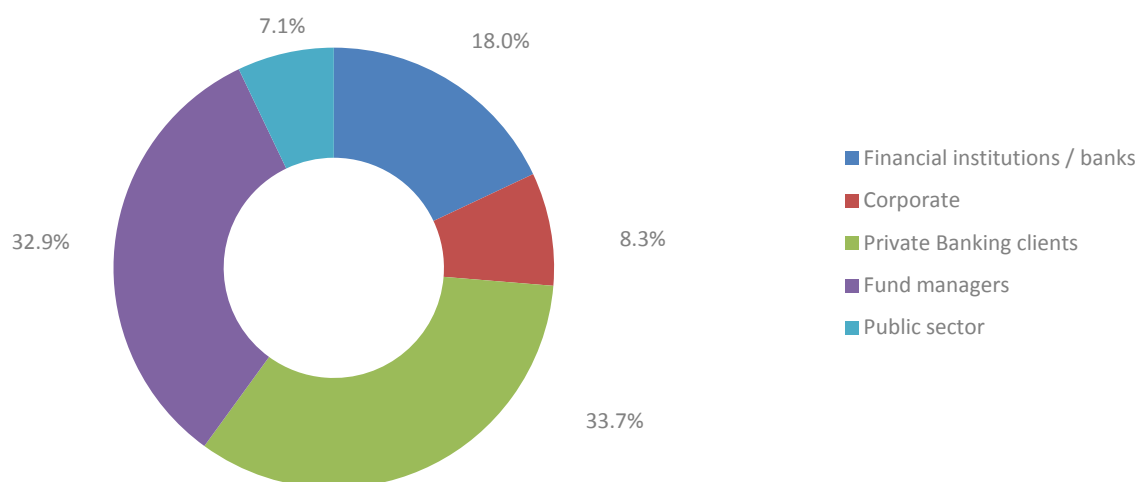
#### Investec Limited cash and near cash trend



An analysis of cash and near cash as at 30 September 2012 (R75 112 million)



Bank and non-bank depositor concentration by type (R195 223 million)







## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### 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 as mentioned below, and we record all asset and liabilities with the underlying contractual maturity as determined by the cash flow profile for each

- 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 of little 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

- 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.

- 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'. Many retail deposits, which are included within customer accounts, are repayable on demand or at short notice on a contractual basis. In practice, these instruments form a stable base for the group's operations and liquidity needs because of the broad base of customers. 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. This is used to identify significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.



## Contractual liquidity

As at 30 September 2012 R'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*	17 551	2 663	1 581	21	943	959	124	23 842
Cash and short term funds - non-banks	9 670	69	102	18	-	-	-	9 859
Investment/trading assets and statutory liquids**	27 579	30 931	795	788	1 857	30 702	15 515	108 167
Securitised assets	964	28	99	172	355	1 632	4 400	7 650
Advances	2 251	7 452	7 793	10 156	9 786	58 744	31 975	128 157
Other assets	-	650	58	225	7	1 518	3 784	6 242
<b>Assets</b>	<b>58 015</b>	<b>41 793</b>	<b>10 428</b>	<b>11 380</b>	<b>12 948</b>	<b>93 555</b>	<b>55 798</b>	<b>283 917</b>
Deposits - banks	(1 793)	(1 486)	( 271)	( 236)	(8 886)	(3 572)	-	(16 244)
Deposits - non banks	(63 673) <sup>^</sup>	(22 643)	(27 355)	(22 037)	(24 603)	(17 161)	(1 507)	(178 979)
Negotiable paper	-	( 300)	(1 795)	( 647)	( 360)	( 403)	( 600)	(4 105)
Securitised liabilities	( 14)	( 627)	(1 543)	-	( 832)	(3 499)	( 255)	(6 770)
Investment/trading liabilities	( 310)	(11 465)	( 384)	( 659)	(1 584)	(19 022)	(1 159)	(34 583)
Subordinated liabilities	-	-	-	(3 009)	-	(1 775)	(7 454)	(12 238)
Other liabilities	( 711)	( 896)	( 353)	( 250)	( 472)	( 389)	(4 430)	(7 501)
<b>Liabilities</b>	<b>(66 501)</b>	<b>(37 417)</b>	<b>(31 701)</b>	<b>(26 838)</b>	<b>(36 737)</b>	<b>(45 821)</b>	<b>(15 405)</b>	<b>(260 420)</b>
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23 497)</b>	<b>(23 497)</b>
<b>Contractual liquidity gap</b>	<b>(8 486)</b>	<b>4 376</b>	<b>(21 273)</b>	<b>(15 458)</b>	<b>(23 789)</b>	<b>47 734</b>	<b>16 896</b>	<b>-</b>
Cumulative liquidity gap	(8 486)	(4 110)	(25 383)	(40 841)	(64 630)	(16 896)	-	-

## Note: contractual liquidity adjustments

R'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
*Cash and short term funds - banks	13 085	2 663	1 581	21	943	959	4 590	23,842
**Investment/trading assets and statutory liquids	1 480	17 642	7 246	13 368	14 593	35 682	18 156	108,167

## Behavioural liquidity

R'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
<b>Behavioural liquidity gap</b>	<b>23 777</b>	<b>2 707</b>	<b>( 341)</b>	<b>(1 733)</b>	<b>(8 546)</b>	<b>(54 163)</b>	<b>38 299</b>	<b>-</b>
Cumulative	23 777	26 484	26 143	24 410	15 864	(38 299)	-	-

<sup>^</sup> Includes call deposits of R59.1 billion and the balance reflects term deposits which have finally reached/are reaching contractual maturity.

## Investec Limited silo financial information (excluding the results of Investec plc)



### Capital adequacy

Unaudited

R'million	30 Sept 2012	31 March 2012	30 Sept 2011
<b>Regulatory capital</b>			
<b>Tier 1</b>			
Share premium	11,348	10,887	10,887
Retained income	13,178	12,532	11,836
Treasury shares	(842)	(825)	(849)
Other reserves	143	143	144
Goodwill and intangible assets	(247)	(266)	(307)
<b>Primary capital (tier 1)</b>	<b>23,580</b>	<b>22,471</b>	<b>21,711</b>
Less: deductions	(184)	(248)	(278)
	<b>23,396</b>	<b>22,223</b>	<b>21,740</b>
<b>Tier 2 capital</b>			
Aggregate amount	11,530	8,915	6,809
Less: deductions	(184)	(248)	(278)
	<b>11,346</b>	<b>8,667</b>	<b>6,531</b>
<b>Total capital</b>	<b>34,742</b>	<b>30,890</b>	<b>28,271</b>
<b>Risk-weighted assets (banking and trading)</b>	<b>201,403</b>	<b>192,376</b>	<b>178,181</b>
Credit risk - prescribed standardised exposure classes	147,112	138,965	129,730
Corporates	89,413	82,961	80,695
Secured on real estate property	14,083	13,117	12,592
Counterparty risk on trading positions	6,343	5,245	5,011
Short term claims on institutions and corporates	21,085	21,489	17,380
Retail	3,258	3,301	3,318
Institutions	12,028	11,846	9,797
Other exposure classes	902	1,006	937
Securitised exposures	4,572	4,017	3,713
Equity risk - standardised approach	26,206	25,558	24,226
Listed equities	2,400	2,954	3,277
Unlisted equities	23,806	22,604	20,949
Market risk - portfolios subject to internal models approach	4,912	4,867	1,713
Interest rate	1,851	1,314	314
Foreign exchange	1,105	1,266	299
Commodities	20	17	8
Equities	1,936	2,270	1,092
Operational risk - standardised approach	18,601	18,969	18,799
<b>Capital requirements</b>	<b>19,134</b>	<b>18,276</b>	<b>16,927</b>
Credit risk - prescribed standardised exposure classes	13,976	13,201	12,324
Corporates	8,494	7,881	7,666
Secured on real estate property	1,338	1,246	1,196
Counterparty risk on trading positions	603	498	476
Short term claims on institutions and corporates	2,003	2,041	1,651
Retail	309	314	315
Institutions	1,143	1,125	931
Other exposure classes	86	96	89
Securitised exposures	434	382	353
Equity risk - standardised approach	2,490	2,428	2,301
Listed equities	228	281	311
Unlisted equities	2,262	2,147	1,990
Market risk - portfolios subject to internal models approach	467	463	163
Interest rate	176	125	30
Foreign exchange	105	120	28
Commodities	2	2	1
Equities	184	216	104
Operational risk - standardised approach	1,767	1,802	1,786
<b>Capital adequacy ratio</b>	<b>17.2%</b>	<b>16.1%</b>	<b>15.7%</b>
Tier 1 ratio	11.6%	11.6%	12.0%



## Investec Limited silo financial information (excluding the results of Investec plc)

Unaudited

### Analysis of rated counterparties in each standardised credit risk exposure class

The table below shows the exposure amounts associated with the credit quality steps and the relevant risk weightings.

		30 Sept 2012		31 March 2012	
		Exposure	Exposure after credit	Exposure	Exposure after credit
Credit quality steps	Risk weight	R'mn	risk mitigation R'mn	R'mn	risk mitigation R'mn
Central Banks and sovereigns:					
1	0%	39 332	39 332	38 679	38 679
2	20%	-	-	-	-
3	50%	38	38	29	29
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Institutions original effective maturity of more than three months:					
1	20%	1 704	1 623	2 450	2 308
2	50%	12 686	12 686	15 901	12 239
3	50%	9 162	9 160	10 185	10 171
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Short term claims on institutions:					
1	20%	476	476	841	841
2	20%	11 003	11 003	12 324	12 324
3	20%	2 176	2 176	1 745	1 745
4	50%	43	43	-	-
5	50%	-	-	-	-
6	150%	-	-	-	-
Corporates:					
1	20%	1 692	1 178	1 052	620
2	50%	860	473	149	149
3	100%	519	312	142	142
4	100%	130	130	125	125
5	150%	-	-	-	-
6	150%	-	-	-	-
Securitisation positions:					
1	20%	1 473	1 473	1 332	1 332
2	50%	3 627	3 627	2 691	2 691
3	100%	1 162	1 162	980	980
4	350%	366	366	286	286
5	1250%	72	72	496	496
Total rated counterparty exposures		86 521	85 330	89 407	85 157