

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

Unaudited consolidated financial information for the six months ended 30 September 2013

IFRS - Pounds Sterling





Investec Bank plc (a subsidiary of Investec plc)

Overview of results

Unaudited

	30 Sept 2013	30 Sept 2012 *	% change	31 March 2013 *
Operating income (£'000)	410 556	392 813	4.5%	839 177
Operating costs (£'000)	315 242	281 170	12.1%	627 772
Operating profit before amortisation of acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)	40 644	43 470	-6.5%	86 862
Earnings attributable to ordinary shareholder (£'000)	12 901	18 251	-29.3%	31 822
Cost to income ratio	77.5%	73.4%		76.3%
Total capital resources (including subordinated liabilities) (£'000)	2 572 140	2 514 122	2.3%	2 557 869
Total shareholder's equity (£'000)	1 872 137	1 836 928	1.9%	1 879 127
Total assets (£'000)	20 379 934	20 421 033	-0.2%	21 331 214
Net core loans and advances (£'000)	8 146 846	7 738 192	5.3%	8 236 777
Customer accounts (deposits) (£'000)	11 104 836	11 368 699	-2.3%	11 355 475
Cash and near cash balances (£'000)	3 999 973	4 640 028	-13.8%	4 543 000
Funds under management (£'million)	25,533	22 818	11.9%	25 054
Capital adequacy ratio	15.9%	16.5%		16.1%
Tier 1 ratio	11.1%	11.4%		11.1%
Default loans (net of impairments) as a % of net core loans and advances to customers	3.48%	3.91%		3.76%
Net defaults as a % of gross core loans and advances to customers	-	-		-
Credit loss ratio (i.e. income statement impairment charge as a percentage of average gross core loans and advances to customers)	1.12%	1.16%		1.20%
Total gearing/leverage ratio (i.e. total assets to total equity)	10.9x	11.1x		11.4x
Core loans (excluding own originated assets which have been securitised) to customer deposits	68.8%	64.0%		68.2%

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Consolidated income statement

Unaudited £'000	6 months to 30 Sept 2013	6 months to 30 Sept 2012 *	Year to 31 March 2013 *
Interest income	365 603	404 610	814 084
Interest expense	(224 093)	(272 488)	(526 414)
Net interest income	141 510	132 122	287 670
Fee and commission income	199 367	187 627	411 001
Fee and commission expense	(17 430)	(14 396)	(30 563)
Investment income	34 036	18 084	68 648
Trading income arising from:			
- customer flow	42 364	28 732	57 867
- balance sheet management and other trading activities	2 669	23 120	13 209
Other operating income	8 040	17 524	31 345
Total operating income before impairment losses on loans and advances	410 556	392 813	839 177
Impairment losses on loans and advances	(52 874)	(58 566)	(110 403)
Operating income	357 682	334 247	728 774
Operating costs	(315 242)	(281 170)	(627 772)
Depreciation on operating leased assets	(3 856)	(9 765)	(16 072)
Operating profit before goodwill and acquired intangibles	38 584	43 312	84 930
Impairment of goodwill	(337)	(3 850)	(13 409)
Amortisation of acquired intangibles	(6 702)	(4 580)	(11 262)
Costs arising from integration and restructuring of subsidiaries	(11 117)	(7 651)	(12 462)
Operating profit	20 428	27 231	47 797
Non-operational costs arising from acquisition of subsidiary	-	-	(1 219)
Profit before taxation	20 428	27 231	46 578
Taxation on operating profit before goodwill	(15 514)	(11 756)	(22 541)
Taxation on acquired intangibles and costs arising from integration and restructuring of subsidiaries	5 927	2 618	5 853
Profit after taxation	10 841	18 093	29 890
Operating loss attributable to non-controlling interests	2 060	158	1 932
Earnings attributable to shareholder	12 901	18 251	31 822

Consolidated statement of comprehensive income

Unaudited £'000	6 months to 30 Sept 2013	6 months to 30 Sept 2012 *	Year to 31 March 2013 *
Profit after taxation	10 841	18 093	29 890
Other comprehensive income:			
Fair value movements on cash flow hedge movements taken directly to other comprehensive income	297	(4 667)	(1 663)
(Gains)/losses on realisation of available-for-sale assets recycled through the income statement	(3 136)	(4 304)	407
Fair value movements on available-for-sale assets taken directly to other comprehensive income	(315)	3 995	(1 747)
Foreign currency adjustments on translating foreign operations	(34 697)	(4 722)	8 733
Total comprehensive (loss)/income	(27 010)	8 395	35 620
Total comprehensive (loss)/income attributable to non-controlling interests	(1 896)	71	(2 168)
Total comprehensive (loss)/income attributable to ordinary shareholder	(25 114)	8 324	37 788
Total comprehensive (loss)/income	(27 010)	8 395	35 620

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Consolidated balance sheet

Unaudited

£'000	30 Sept 2013	31 March 2013 *	30 Sept 2012 *	31 March 2012 *
Assets				
Cash and balances at central banks	1 497 439	1 375 654	1 665 269	1 835 836
Loans and advances to banks	918 339	1 140 479	909 143	863 664
Reverse repurchase agreements and cash collateral on securities borrowed	1 181 230	1 528 593	1 541 519	1 159 138
Sovereign debt securities	1 511 731	1 660 377	1 451 832	1 647 271
Bank debt securities	397 583	455 201	726 030	824 552
Other debt securities	228 525	189 259	143 107	185 343
Derivative financial instruments	1 149 505	948 589	874 748	866 408
Securities arising from trading activities	652 504	673 763	429 895	372 570
Investment portfolio	319 216	333 291	278 991	290 275
Loans and advances to customers	7 642 254	7 745 583	7 280 611	7 176 992
Own originated loans and advances to customers securitised	504 592	491 194	457 581	535 008
Other loans and advances	1 601 721	1 752 888	1 854 251	2 062 968
Other securitised assets	1 065 432	1 105 030	1 200 569	777 228
Interests in associated undertakings	16 200	16 989	17 385	17 780
Deferred taxation assets	89 502	112 172	96 412	89 490
Other assets	1 045 447	1 201 730	870 367	1 116 826
Property and equipment	75 904	86 603	98 972	126 790
Investment property	-	11 500	11 500	11 500
Goodwill	317 433	326 841	328 981	278 574
Intangible assets	165 377	175 478	183 870	117 525
	20 379 934	21 331 214	20 421 033	20 355 738
Liabilities				
Deposits by banks	908 312	997 439	842 918	700 919
Derivative financial instruments	699 588	817 689	785 173	732 510
Other trading liabilities	400 222	372 762	310 027	271 627
Repurchase agreements and cash collateral on securities lent	642 611	942 396	818 829	1020 670
Customer accounts (deposits)	11 104 836	11 355 475	11 368 699	11 035 470
Debt securities in issue	1 411 021	1 713 736	1 505 614	2 046 651
Liabilities arising on securitisation of own originated loans and advances	502 568	477 903	453 541	526 946
Liabilities arising on securitisation of other assets	826 550	850 887	953 607	647 657
Current taxation liabilities	86 206	82 630	68 822	57 783
Deferred taxation liabilities	38 517	44 945	46 989	32 487
Other liabilities	1187 363	1 117 483	752 692	938 809
	17 807 794	18 773 345	17 906 911	18 011 529
Subordinated liabilities	700 003	678 742	677 194	643 162
	18 507 797	19 452 087	18 584 105	18 654 691
Equity				
Ordinary share capital	1 186 800	1173 800	1160 813	1070 700
Share premium	143 287	136 267	129 255	129 255
Capital reserve	162 789	162 789	162 789	114 128
Other reserves	46 551	84 610	67 445	76 767
Retained income	339 158	326 213	319 058	312 342
Shareholder's equity excluding non-controlling interests	1 878 585	1 883 679	1 839 360	1 703 192
Non-controlling interests in partially held subsidiaries	(6 448)	(4 552)	(2 432)	(2 145)
Total equity	1 872 137	1 879 127	1 836 928	1 701 047
Total liabilities and equity	20 379 934	21 331 214	20 421 033	20 355 738

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Condensed consolidated statement of changes in equity

Unaudited

£'000	6 months to 30 Sept 2013	Year to 31 March 2013 *	6 months to 30 Sept 2012 *
At 1 April 2012 - as previously reported		1 726 246	1 726 246
Arising on adoption of IFRS 10		(25 199)	(25 199)
Balance at the beginning of the period - restated	1 879 127	1 701 047	1 701 047
Profit after taxation	10 841	29,890	18,093
Cash flow hedge movements taken directly to other comprehensive income	297	(1 663)	(4 667)
(Gains)/losses on realisation of available-for-sale assets recycled through the income statement	(3 136)	407	(4 304)
Fair value movements on available-for-sale assets taken directly to other comprehensive income	(315)	(1 747)	3 995
Foreign currency adjustments on translating foreign operations	(34 697)	8 733	(4 720)
Total comprehensive income	(27 010)	35 620	8 397
Dividends paid to ordinary shareholder	-	(12 500)	(7 500)
Issue of ordinary shares	20 020	158 773	138 774
Acquisition of non-controlling interests	-	(3 813)	(3 790)
Balance at the end of the period	1 872 137	1 879 127	1 836 928

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Segmental information - business analysis

Unaudited

For the six months to 30 September 2013

£'000	Wealth & Investment	Specialist Banking	Total group
Net interest income	4 453	137 057	141 510
Fee and commission income	103 194	96 173	199 367
Fee and commission expense	(893)	(16 537)	(17 430)
Investment income	1 116	32 920	34 036
Trading income arising from:			
– customer flow	46	42 318	42 364
– balance sheet management and other trading activities	(35)	2 704	2 669
Other operating income	479	7 561	8 040
Total operating income before impairment losses on loans and advances	108 360	302 196	410 556
Impairment losses on loans and advances	-	(52 874)	(52 874)
Operating income	108 360	249 322	357 682
Operating costs	(87 669)	(227 573)	(315 242)
Depreciation on operating leased assets	-	(3 856)	(3 856)
Operating profit before goodwill and acquired intangibles	20 691	17 893	38 584
Operating loss attributable to non-controlling interests	-	2 060	2 060
Operating profit before goodwill, acquired intangibles and after non-controlling interests	20 691	19 953	40 644
Cost to income ratio	80.9%	76.3%	77.5%
Total assets (£'million)	878	19 502	20 380

For the six months to 30 September 2012 *

£'000	Wealth & Investment	Specialist Banking	Total group
Net interest income	4 687	127 435	132 122
Fee and commission income	64 186	123 441	187 627
Fee and commission expense	(3 174)	(11 222)	(14 396)
Investment income	492	17 592	18 084
Trading income arising from:			
– customer flow	(189)	28 921	28 732
– balance sheet management and other trading activities	(1)	23 121	23 120
Other operating income	307	17 217	17 524
Total operating income before impairment losses on loans and advances	66 308	326 505	392 813
Impairment losses on loans and advances	-	(58 566)	(58 566)
Operating income	66 308	267 939	334 247
Operating costs	(53 150)	(228 020)	(281 170)
Depreciation on operating leased assets	-	(9 765)	(9 765)
Operating profit before goodwill and acquired intangibles	13 158	30 154	43 312
Operating loss attributable to non-controlling interests	-	158	158
Operating profit before goodwill, acquired intangibles and after non-controlling interests	13 158	30 312	43 470
Cost to income ratio	80.2%	72.0%	73.4%
Total assets (£'million)	859	19 562	20 421

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Segmental information - geographical analysis

Unaudited

For the six months to 30 September 2013

£'000	UK and Other	Australia	Total group
Net interest income	105 557	35 953	141 510
Fee and commission income	182 146	17 221	199 367
Fee and commission expense	(13 562)	(3 868)	(17 430)
Investment income	32 643	1 393	34 036
Trading income arising from:			
– customer flow	38 750	3 614	42 364
– balance sheet management and other trading activities	4 408	(1 739)	2 669
Other operating income	7 888	152	8 040
Total operating income before impairment losses on loans and advances	357 830	52 726	410 556
Impairment losses on loans and advances	(37 283)	(15 591)	(52 874)
Operating income	320 547	37 135	357 682
Operating costs	(264 182)	(51 060)	(315 242)
Depreciation on operating leased assets	(3 856)	-	(3 856)
Operating profit before goodwill and acquired intangibles	52 509	(13 925)	38 584
Operating loss attributable to non-controlling interests	2 060	-	2 060
Operating profit before goodwill, acquired intangibles and after non-controlling interests	54 569	(13 925)	40 644
Cost to income ratio	74.6%	96.8%	77.5%
Total assets (£'million)	17,555	2,825	20,380

For the six months to 30 September 2012 *

£'000	UK and Other	Australia	Total group
Net interest income	99 075	33 047	132 122
Fee and commission income	163 688	23 939	187 627
Fee and commission expense	(12 766)	(1 630)	(14 396)
Investment income	14 307	3 777	18 084
Trading income arising from:			
– customer flow	27 828	904	28 732
– balance sheet management and other trading activities	22 940	180	23 120
Other operating income	17 524	-	17 524
Total operating income before impairment losses on loans and advances	332 596	60 217	392 813
Impairment losses on loans and advances	(52 150)	(6 416)	(58 566)
Operating income	280 446	53 801	334 247
Operating costs	(232 124)	(49 046)	(281 170)
Depreciation on operating leased assets	(9 765)	-	(9 765)
Operating profit before goodwill and acquired intangibles	38 557	4 755	43 312
Operating loss attributable to non-controlling interests	158	-	158
Operating profit before goodwill, acquired intangibles and after non-controlling interests	38 715	4 755	43 470
Cost to income ratio	71.9%	81.4%	73.4%
Total assets (£'million)	17,250	3,171	20,421

* Restated. Refer to restatement section.



Investec Bank plc

Segmental business analysis - income statement

Unaudited

For the six months to 30 September 2013

£'000	Wealth & Investment	Specialist Banking			Total group
	UK and Other	UK and Other	Australia	Total	
Net interest income	4 453	101 104	35 953	137 057	141 510
Fee and commission income	103 194	78 952	17 221	96 173	199 367
Fee and commission expense	(893)	(12 669)	(3 868)	(16 537)	(17 430)
Investment income	1 116	31 527	1 393	32 920	34 036
Trading income arising from					
-customer flow	46	38 704	3 614	42 318	42 364
-balance sheet management and other trading activities	(35)	4 443	(1 739)	2 704	2 669
Other operating income	479	7 409	152	7 561	8 040
Total operating income before impairment losses on loans and advances	108 360	249 470	52 726	302 196	410 556
Impairment losses on loans and advances	-	(37 283)	(15 591)	(52 874)	(52 874)
Operating income	108 360	212 187	37 135	249 322	357 682
Operating costs	(87 669)	(176 513)	(51 060)	(227 573)	(315 242)
Depreciation on operating leased assets	-	(3 856)	-	(3 856)	(3 856)
Operating profit before goodwill and acquired intangibles	20 691	31 818	(13 925)	17 893	38 584
Operating losses attributable to non-controlling interests	-	2 060	-	2 060	2 060
Operating profit before goodwill, acquired intangibles and after non-controlling interests	20 691	33 878	(13 925)	19 953	40 644
Key statistics					
Cost to income ratio	80.9%	71.9%	96.8%	76.3%	77.5%
Total assets (£million)	878	16 677	2 825	19 502	20 380



Investec Bank plc

Segmental business analysis - income statement

Unaudited

For the six months to 30 September 2012 *

£'000	Wealth & Investment	Specialist Banking			Total group
	UK and Other	UK and Other	Australia	Total	
Net interest income	4 687	94 388	33 047	127 435	132 122
Fee and commission income	64 186	99 502	23 939	123 441	187 627
Fee and commission expense	(3 174)	(9 592)	(1 630)	(11 222)	(14 396)
Investment income	492	13 815	3 777	17 592	18 084
Trading income arising from					
-customer flow	(189)	28 017	904	28 921	28 732
-balance sheet management and other trading activities	(1)	22 941	180	23 121	23 120
Other operating income	307	17 217	-	17 217	17 524
Total operating income before impairment losses on loans and advances	66 308	266 288	60 217	326 505	392 813
Impairment losses on loans and advances	-	(52 150)	(6 416)	(58 566)	(58 566)
Operating income	66 308	214 138	53 801	267 939	334 247
Operating costs	(53 150)	(178 974)	(49 046)	(228 020)	(281 170)
Depreciation on operating leased assets	-	(9 765)	-	(9 765)	(9 765)
Operating profit before goodwill and acquired intangibles	13 158	25 399	4 755	30 154	43 312
Operating losses attributable to non-controlling interests	-	158	-	158	158
Operating profit before goodwill, acquired intangibles and after non-controlling interests	13 158	25 557	4 755	30 312	43 470
Key statistics					
Cost to income ratio	80.2%	69.8%	81.4%	72.0%	73.4%
Total assets (£'million)	859	16 391	3 171	19 562	20 421

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Additional income statement note disclosures

Unaudited

Net interest income

For the 6 months to September 2013 £'000	UK and Other		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	4 895 715	25 186	610 607	9 514	5 506 322	34 700
Core loans and advances	6 217 635	176 159	1 929 211	85 091	8 146 846	261 250
Private Client	3 337 624	78 679	1 404 640	54 170	4 742 264	132 849
Corporate, institutional and other clients	2 880 011	97 480	524 571	30 921	3 404 582	128 401
Other debt securities and other loans and advances	1 813 696	48 446	16 550	436	1 830 246	48 882
Other interest earning assets	1 065 432	20 771	-	-	1 065 432	20 771
Total interest earning assets	13 992 478	270 562	2 556 368	95 041	16 548 846	365 603

For the 6 months to September 2013 £'000	UK and Other		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	2 764 767	23 372	197 177	8 256	2 961 944	31 628
Customer accounts	9 495 119	93 024	1 609 717	31 752	11 104 836	124 776
Other interest bearing liabilities	826 422	17 625	502 696	17 621	1 329 118	35 246
Subordinated liabilities	625 420	30 984	74 583	1 459	700 003	32 443
Total interest bearing liabilities	13 711 728	165 005	2 384 173	59 088	16 095 901	224 093
Net interest income		105 557		35 953		141 510

Net fees and commissions

£'000	30 September	30 September	Variance	% change
	2013	2012		
Wealth & Investment	102 301	61 012	41 289	67.7%
Specialist Banking	79 636	112 219	(32 583)	(29.0%)
Net fees and commissions	181 937	173 231	8 706	5.0%

For the 6 months to September 2013

£'000	UK and Other	Australia	Total group
Asset management and wealth management businesses net fee and commission income	102 301	-	102 301
Funds management fees/fees for assets under management	74 295	-	74 295
Private client transactional fees	28 899	-	28 899
Fee and commission expense	(893)	-	(893)
Specialist Banking net fee and commission income	66 283	13 353	79 636
Corporate and institutional transactional and advisory services	68 275	4 966	73 241
Private client transactional fees	10 677	12 255	22 932
Fee and commission expense	(12 669)	(3 868)	(16 537)
Net fee and commission income	168 584	13 353	181 937
Annuity (net of fees payable)	97 691	9 446	107 137
Deal	70 893	3 907	74 800

Investment income

£'000	30 September	30 September	Variance	% change
	2013	2012		
Wealth & Investment	1 116	492	624	126.8%
Specialist Banking	32 920	17 592	15 328	87.1%
Investment income	34 036	18 084	15 952	88.2%

For the 6 months to September 2013

£'000	UK and Other	Australia	Total group
Realised	41 090	1 979	43 069
Unrealised	(10 586)	(1 641)	(12 227)
Dividend income	1 906	58	1 964
Funding and net other related costs	233	997	1 230
Investment income	32 643	1 393	34 036

For the 6 months to September 2013 £'000	Investment portfolio (listed and unlisted equities)		Debt securities (sovereign, bank and other)	Other asset categories	Total
	UK and Other	Australia			
UK and Other	44 668	(14 537)	2 512		32 643
Realised	36 852	886	3 352		41 090
Unrealised	5 910	(15 412)	(1 084)		(10 586)
Dividend income	1 906	-	-		1 906
Funding and net other related costs	-	(11)	244		233
Australia	2 059	-	(666)		1 393
Realised	2 001	-	(22)		1 979
Unrealised	-	-	(1 641)		(1 641)
Dividend income	58	-	-		58
Funding and net other related costs	-	-	997		997
Investment income	46 727	(14 537)	1 846		34 036



Investec Bank plc (a subsidiary of Investec plc)

Additional income statement note disclosures

Unaudited

Net interest income

Prior year figures restated as a result of adoption of IFRS 10

For the 6 months to September 2012 * £'000	UK and Other		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	5 509 729	44 839	784 064	18 793	6 293 793	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	1 949 756	66 302	47 602	990	1 997 358	67 292
Other interest earning assets	1 200 569	18 148	-	-	1 200 569	18 148
Total interest earning assets	14 407 363	294 018	2 822 549	110 592	17 229 912	404 610

For the 6 months to September 2012 * £'000	UK and Other		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	2 639 919	31 111	527 442	16 179	3 167 361	47 290
Customer accounts	9 724 222	110 913	1 644 477	43 943	11 368 699	154 856
Other interest earning liabilities	953 586	22 916	453 562	16 210	1 407 148	39 126
Subordinated liabilities	632 145	30 003	45 049	1 213	677 194	31 216
Total interest earning liabilities	13 949 872	194 943	2 670 530	77 545	16 620 402	272 488
Net interest income		99 075		33 047		132 122

Net fees and commissions

£'000	30 September 2012	30 September 2011	Variance	% change
Wealth & Investment	61012	60942	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
Asset management and wealth management businesses net fee and commission income	61 012	-	61 012
Funds management fees/fees for assets under management	52 156	-	52 156
Private client transactional fees	12 030	-	12 030
Fee and commission expense	(3174)	-	(3174)
Specialist Banking net fee and commission income	89 910	22 309	112 219
Corporate and institutional transactional and advisory services	83 325	17 600	100 925
Private client transactional fees	16 177	6 339	22 516
Fee and commission expense	(9 592)	(1 630)	(11 222)
Net fee and commission income	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	17 592	65 710	(47 730)	(72.6%)
Investment income	18 084	65 500	(47 028)	(71.8%)

For the 6 months to September 2012 *

£'000	UK and Other	Australia	Total group
Realised	13 143	3 185	16 328
Unrealised	(832)	-	(832)
Dividend income	1 184	-	1 184
Funding and net other related costs	812	592	1 404
Investment income	14 307	3 777	18 084

For the 6 months to September 2012 * £'000	Investment portfolio (listed and unlisted equities)			Total
	Debt securities (sovereign, bank and other)	Other asset categories		
UK and Other	(1 857)	11 555	4 609	14 307
Realised	864	9 590	2 689	13 143
Unrealised	(3 904)	1 965	1 107	(832)
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	6 701	18 084

* Restated. Refer to restatement section.



Investec Bank plc (a subsidiary of Investec plc)

Restatements

Accounting restatements

The group has adopted the following new or revised standards from 1 April 2013:

IFRS 10 – Consolidations

The revised standard on consolidation has been applied retrospectively, with the impact to prior reported periods disclosed in the restatement tables below. The application of the single definition of control contained in the standard has resulted in the consolidation of certain special purpose vehicles in which the group has exposure to variable returns (not necessarily the majority thereof) and has the ability to affect such returns by exercising control over the activities of the entity.

IFRS 13 – Fair value

The new accounting standard has been applied prospectively from 1 April 2013. The standard defines fair value as being a market-based measurement and set out in a single IFRS standard a framework for the measurement of fair value. Application of the standard has not had a material impact on the recognition and measurement of assets and liabilities of the group.

IAS 19 – Employee Benefits

The revisions to the standard have been applied retrospectively. For the group, the standard has revised the basis on which the return on assets is determined, with no impact for the group.

The impact to the comparative balance sheets and income statements are provided in the tables below

Income statement restatements as a result of the implementation of IFRS 10 Consolidated Financial Statements

Unaudited £'000	Restated 6 months to 30 Sept 2012	IFRS10	As reported 6 months to 30 Sept 2012	Restated year to 31 March 2013	IFRS10	As reported Year to 31 March 2013
Interest income	404 610	(19)	404 629	814 084	(301)	814 385
Interest expense	(272 488)	66	(272 554)	(526 414)	131	(526 545)
Net interest income	132 122	47	132 075	287 670	(170)	287 840
Fee and commission income	187 627	-	187 627	411 001	(7 153)	418 154
Fee and commission expense	(14 396)	-	(14 396)	(30 563)	1 298	(31 861)
Investment income	18 084	(388)	18 472	68 648	(2 869)	71 517
Trading income arising from:						
- customer flow	28 732	-	28 732	57 867	-	57 867
- balance sheet management and other trading activities	23 120	405	22 715	13 209	(1 360)	14 569
Other operating income	17 524	-	17 524	31 345	-	31 345
Total operating income before impairment losses on loans and advances	392 813	64	392 749	839 177	(10 254)	849 431
Impairment losses on loans and advances	(58 566)	-	(58 566)	(110 403)	-	(110 403)
Operating income	334 247	64	334 183	728 774	(10 254)	739 028
Operating costs	(281 170)	-	(281 170)	(627 772)	-	(627 772)
Depreciation of operating leased assets	(9 765)	-	(9 765)	(16 072)	-	(16 072)
Operating profit before goodwill and acquired intangibles	43 312	64	43 248	84 930	(10 254)	95 184
Impairment of goodwill	(3 850)	-	(3 850)	(13 409)	-	(13 409)
Amortisation of acquired intangibles	(4 580)	-	(4 580)	(11 262)	-	(11 262)
Costs arising from integration and restructuring of subsidiaries	(7 651)	-	(7 651)	(12 462)	-	(12 462)
Operating profit	27 231	64	27 167	47 797	(10 254)	58 051
Non-operational costs arising from acquisition of subsidiary	-	-	-	(1 219)	-	(1 219)
Profit before taxation	27 231	64	27 167	46 578	(10 254)	56 832
Taxation on operating profit before goodwill	(11 756)	-	(11 756)	(22 541)	-	(22 541)
Taxation on acquired intangibles and costs of integration and restructuring of subsidiaries	2 618	-	2 618	5 853	-	5 853
Profit after taxation	18 093	64	18 029	29 890	(10 254)	40 144
Operating loss attributable to non-controlling interests	158	-	158	1 932	-	1 932
Earnings attributable to shareholder	18 251	64	18 187	31 822	(10 254)	42 076



Investec Bank plc (a subsidiary of Investec plc)

Balance sheet restatements as a result of the implementation of IFRS 10 Consolidated Financial Statements

Unaudited	31 March 2013 Restated	IFRS10	31 March 2013 As reported	30 Sept 2012 Restated	IFRS10	30 Sept 2012 As reported	31 March 2012 Restated	IFRS10	31 March 2012 As reported
£'000									
Assets									
Cash and balances at central banks	1 375 654	-	1 375 654	1 665 269	-	1 665 269	1 835 836	-	1 835 836
Loans and advances to banks	1 140 479	6 405	1 134 074	909 143	5 932	903 211	863 664	124	863 540
Reverse repurchase agreements and cash collateral on securities borrowed	1 528 593	-	1 528 593	1 541 519	-	1 541 519	1 159 138	-	1 159 138
Sovereign debt securities	1 660 377	-	1 660 377	1 451 832	-	1 451 832	1 647 271	-	1 647 271
Bank debt securities	455 201	-	455 201	726 030	-	726 030	824 552	-	824 552
Other debt securities	189 259	(8 436)	197 695	143 107	-	143 107	185 343	-	185 343
Derivative financial instruments	948 589	561	948 028	874 748	-	874 748	866 408	-	866 408
Securities arising from trading activities	673 763	-	673 763	429 895	-	429 895	372 570	-	372 570
Investment portfolio	333 291	(31 471)	364 762	278 991	(27 140)	306 131	290 275	(27 038)	317 313
Loans and advances to customers	7 745 583	-	7 745 583	7 280 611	-	7 280 611	7 176 992	-	7 176 992
Own originated loans and advances to customers securitised	491 194	-	491 194	457 581	-	457 581	535 008	-	535 008
Other loans and advances	1 752 888	(50 741)	1 803 629	1 854 251	(5 168)	1 859 419	2 062 968	(4 658)	2 067 626
Other securitised assets	1 105 030	337 615	767 415	1 200 569	130 042	1 070 527	777 228	136 973	640 255
Interests in associated undertakings	16 989	-	16 989	17 385	-	17 385	17 780	-	17 780
Deferred taxation assets	112 172	-	112 172	96 412	-	96 412	89 490	-	89 490
Other assets	1 201 730	1 434	1 200 296	870 367	-	870 367	1 116 826	-	1 116 826
Property and equipment	86 603	7 563	79 040	98 972	5 059	93 913	126 790	4 088	122 702
Investment property	11 500	-	11 500	11 500	-	11 500	11 500	-	11 500
Goodwill	326 841	-	326 841	328 981	-	328 981	278 574	-	278 574
Intangible assets	175 478	-	175 478	183 870	-	183 870	117 525	-	117 525
	21 331 214	262 930	21 068 284	20 421 033	108 725	20 312 308	20 355 738	109 489	20 246 249
Liabilities									
Deposits by banks	997 439	71 172	926 267	842 918	66 883	776 035	700 919	67 895	633 024
Derivative financial instruments	817 689	-	817 689	785 173	-	785 173	732 510	-	732 510
Other trading liabilities	372 762	-	372 762	310 027	-	310 027	271 627	-	271 627
Repurchase agreements and cash collateral on securities lent	942 396	-	942 396	818 829	-	818 829	1 020 670	-	1 020 670
Customer accounts (deposits)	11 355 475	(71 172)	11 426 647	11 368 699	(66 883)	11 435 582	11 035 470	(67 895)	11 103 365
Debt securities in issue	1 713 736	-	1 713 736	1 505 614	-	1 505 614	2 046 651	-	2 046 651
Liabilities arising on securitisation of own originated loans and advances	477 903	-	477 903	453 541	-	453 541	526 946	-	526 946
Liabilities arising on securitisation of other assets	850 887	290 731	560 156	953 607	131 970	821 637	647 657	138 989	508 668
Current taxation liabilities	82 630	-	82 630	68 822	-	68 822	57 783	-	57 783
Deferred taxation liabilities	44 945	-	44 945	46 989	-	46 989	32 487	-	32 487
Other liabilities	1 117 483	7 689	1 109 794	752 692	1 984	750 708	938 809	(4 301)	943 110
	18 773 345	298 420	18 474 925	17 906 911	133 954	17 772 957	18 011 529	134 688	17 876 841
Subordinated liabilities	678 742	-	678 742	677 194	-	677 194	643 162	-	643 162
	19 452 087	298 420	19 153 667	18 584 105	133 954	18 450 151	18 654 691	134 688	18 520 003
Equity									
Ordinary share capital	1 173 800	-	1 173 800	1 160 813	-	1 160 813	1 070 700	-	1 070 700
Share premium	136 267	-	136 267	129 255	-	129 255	129 255	-	129 255
Capital reserve	162 789	-	162 789	162 789	-	162 789	114 128	-	114 128
Other reserves	84 610	(37)	84 647	67 445	(94)	67 539	76 767	-	76 767
Retained income	326 213	(35 453)	361 666	319 058	(25 135)	344 193	312 342	(25 199)	337 541
Shareholder's equity excluding non-controlling interests	1 883 679	(35 490)	1 919 169	1 839 360	(25 229)	1 864 589	1 703 192	(25 199)	1 728 391
Non-controlling interests in partially held subsidiaries	(4 552)	-	(4 552)	(2 432)	-	(2 432)	(2 145)	-	(2 145)
Total equity	1 879 127	(35 490)	1 914 617	1 836 928	(25 229)	1 862 157	1 701 047	(25 199)	1 726 246
Total liabilities and equity	21 331 214	262 930	21 068 284	20 421 033	108 725	20 312 308	20 355 738	109 489	20 246 249



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 decreased by 4.8% to £17.6 billion. Cash and near cash balances decreased by 11.9% to £4 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.

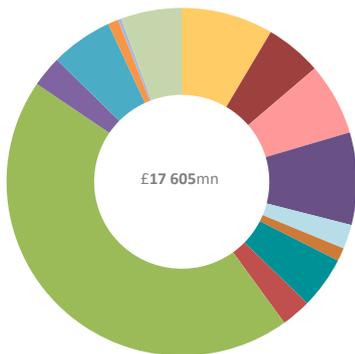
£'000	30 Sept 2013	31 March 2013**	% change	Average*
Cash and balances at central banks	1 494 360	1 372 812	8.9%	1 433 586
Loans and advances to banks	918 339	1 140 479	(19.5%)	1 029 409
Reverse repurchase agreements and cash collateral on securities borrowed	1 181 230	1 528 593	>100%	1 354 912
Sovereign debt securities	1 511 731	1 660 377	(9.0%)	1 586 054
Bank debt securities	397 583	455 201	(12.7%)	426 392
Other debt securities	216 223	183 812	17.6%	200 017
Derivative financial instruments	847 006	692 675	22.3%	769 841
Securities arising from trading activities	482 919	468 000	3.2%	475 459
Loans and advances to customers (gross)	7 828 290	7 938 213	(1.4%)	7 883 252
Own originated loans and advances to customers securitised (gross)	504 946	491 753	2.7%	498 349
Other loans and advances (gross)	1 009 243	1 268 102	(20.4%)	1 138 673
Other securitised assets (gross)	167 654	27 544	508.7%	266 406
Other assets	56 580	61 291	>100%	58 936
Property and equipment	839	4 726	(82.2%)	2 782
Total on-balance sheet exposures	16 616 943	17 293 578	(3.9%)	17 124 068
Guarantees [^]	192 509	208 357	(7.6%)	200 433
Contingent liabilities, committed facilities and other	795 207	650 918	22.2%	723 063
Total off-balance sheet exposures	987 716	859 275	14.9%	923 496
Total gross credit and counterparty exposures pre collateral or other credit enhancements	17 604 659	18 152 853	(3.0%)	17 878 756

*Where the average is based on a straight line average for the period 1 April 2013 to 30 September 2013

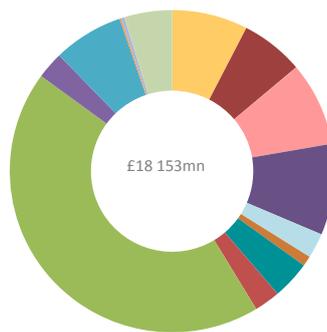
[^] Excludes guarantees provided to clients which are backed/secured by cash on deposit with the bank.

** Restated. Refer further on for information

30 September 2013



31 March 2013



- Cash and balances at central banks
- Loans and advances to banks
- Reverse repurchase agreements and cash collateral on securities borrowed
- Sovereign debt securities
- Bank debt securities
- Other debt securities
- Derivative financial instruments
- Securities arising from trading activities
- Loans and advances to customers (gross)
- Own originated loans and advances to customers securitised (gross)
- Other loans and advances (gross)
- Other securitised assets (gross)
- Other assets
- Property and equipment
- Total off-balance sheet exposures



Investec Bank plc (a subsidiary of Investec plc)

Risk management

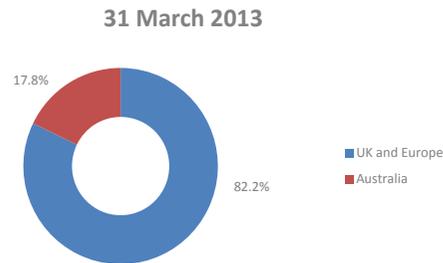
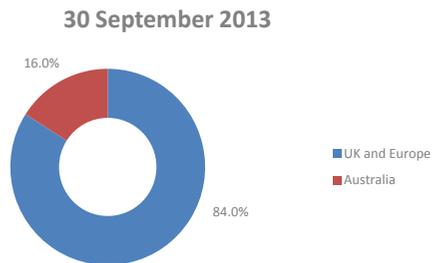
Unaudited

An analysis of gross credit and counterparty exposures by geography

£'000	UK and Europe		Australia		Total	
	30 Sept 2013	31 March 2013	30 Sept 2013	31 March 2013	30 Sept 2013	31 March 2013
Cash and balances at central banks	1 459 253	1 228 289	35 107	144 523	1 494 360	1 372 812
Loans and advances to banks	858 349	1 055 303	59 990	85 176	918 339	1 140 479
Reverse repurchase agreements and cash collateral on securities borrowed	1 181 230	1 528 593	-	-	1 181 230	1 528 593
Sovereign debt securities	1 147 111	1 365 463	364 620	294 914	1 511 731	1 660 377
Bank debt securities	249 720	275 173	147 863	180 028	397 583	455 201
Other debt securities	199 673	161 306	16 550	22 506	216 223	183 812
Derivative financial instruments	789 985	618 462	57 021	74 213	847 006	692 675
Securities arising from trading activities	475 757	459 731	7 162	8 269	482 919	468 000
Loans and advances to customers (gross)	6 397 989	6 207 293	1 430 301	1 730 920	7 828 290	7 938 213
Own originated loans and advances to customers securitised (gross)	-	-	504 946	491 753	504 946	491 753
Other loans and advances (gross)	1 009 243	1 268 102	-	-	1 009 243	1 268 102
Other securitised assets (gross)	167 654	27 544	-	-	167 654	27 544
Other assets	56 580	61 291	-	-	56 580	61 291
Property and equipment	839	4 726	-	-	839	4 726
Total on-balance sheet exposures	13 993 383	14 261 276	2 623 560	3 032 302	16 616 943	17 293 578
Guarantees [^]	159 347	169 282	33 162	39 075	192 509	208 357
Contingent liabilities, committed facilities and other	639 303	488 157	155 904	162 761	795 207	650 918
Total off-balance sheet exposures	798 650	657 439	189 066	201 836	987 716	859 275
Total gross credit and counterparty exposures pre collateral or other credit enhancements	14 792 033	14 918 715	2 812 626	3 234 138	17 604 659	18 152 853

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

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 2013				
Cash and balances at central banks	1 494 360	3 079		1 497 439
Loans and advances to banks	918 339	-		918 339
Reverse repurchase agreements and cash collateral on securities borrowed	1 181 230	-		1 181 230
Sovereign debt securities	1 511 731	-		1 511 731
Bank debt securities	397 583	-		397 583
Other debt securities	216 223	12 302		228 525
Derivative financial instruments	847 006	302 499		1 149 505
Securities arising from trading activities	482 919	169 585		652 504
Investment portfolio	-	319 216	1	319 216
Loans and advances to customers	7 828 290	(186 036)	2	7 642 254
Own originated loans and advances to customers securitised	504 946	(354)	2	504 592
Other loans and advances	1 009 243	592 478	3	1 601 721
Other securitised assets	167 654	897 778	4	1 065 432
Interest in associated undertakings	-	16 200		16 200
Deferred taxation assets	-	89 502		89 502
Other assets	56 580	988 867	5	1 045 447
Property and equipment	839	75 065		75 904
Investment properties	-	-		-
Goodwill	-	317 433		317 433
Intangible assets	-	165 377		165 377
Total on-balance sheet exposures	16 616 943	3 762 991		20 379 934
As at 31 March 2013*				
Cash and balances at central banks	1 372 812	2 842		1 375 654
Loans and advances to banks	1 140 479	-		1 140 479
Reverse repurchase agreements and cash collateral on securities borrowed	1 528 593	-		1 528 593
Sovereign debt securities	1 660 377	-		1 660 377
Bank debt securities	455 201	-		455 201
Other debt securities	183 812	5 447		189 259
Derivative financial instruments	692 675	255 914		948 589
Securities arising from trading activities	468 000	205 763		673 763
Investment portfolio	-	333 291	1	333 291
Loans and advances to customers	7 938 213	(192 630)	2	7 745 583
Own originated loans and advances to customers securitised	491 753	(559)	2	491 194
Other loans and advances	1 268 102	484 786	3	1 752 888
Other securitised assets	27 544	1 077 486	4	1 105 030
Interest in associated undertakings	-	16 989		16 989
Deferred taxation assets	-	112 172		112 172
Other assets	61 291	1 140 439	5	1 201 730
Property and equipment	4 726	81 877		86 603
Investment properties	-	11 500		11 500
Goodwill	-	326 841		326 841
Intangible assets	-	175 478		175 478
Total on-balance sheet exposures	17 293 578	4 037 636		21 331 214

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

* Restated. Refer further on for information

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 2013

	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 2013							
Cash and balances at central banks	1 494 360	-	-	-	-	-	1 494 360
Loans and advances to banks	848 347	-	69 852	140	-	-	918 339
Reverse repurchase agreements and cash collateral on securities borrowed	1 119 418	61 812	-	-	-	-	1 181 230
Sovereign debt securities	681 767	94 410	23 891	85 168	98 476	528 019	1 511 731
Bank debt securities	23 175	3 187	52 276	165 145	153 800	-	397 583
Other debt securities	6 014	-	-	55 534	54 568	100 107	216 223
Derivative financial instruments	371 897	11 281	172 511	209 697	23 273	58 347	847 006
Securities arising from trading activities	55 870	869	15 264	180 978	13 798	216 140	482 919
Loans and advances to customers	2 246 121	310 393	784 420	3 368 173	592 934	526 249	7 828 290
Own originated loans and advances to customers securitised	27 526	16 031	41 302	387 272	19 147	13 668	504 946
Other loans and advances	-	4 234	-	12 565	1 532	990 912	1 009 243
Other securitised assets	-	-	-	-	-	167 654	167 654
Other assets	54 799	1 781	-	-	-	-	56 580
Property and equipment	300	200	300	39	-	-	839
Total on-balance sheet exposures	6 929 594	504 198	1 159 816	4 464 711	957 528	2 601 096	16 616 943
Guarantees	14 589	15 781	14 361	147 581	197	-	192 509
Contingent liabilities, committed facilities and other	247 820	22 756	88 285	388 544	47 594	208	795 207
Total off-balance sheet exposures	262 409	38 537	102 646	536 125	47 791	208	987 716
Total gross credit and counterparty exposures pre collateral or other credit enhancements	7 192 003	542 735	1 262 462	5 000 836	1 005 319	2 601 304	17 604 659



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 2013	31 March 2013	30 Sept 2013	31 March 2013	30 Sept 2013	31 March 2013
HNW and professional individuals	2 516 735	2 438 316	227 269	125 894	2 744 004	2 564 210
Lending collateralised by property largely to private clients	2 669 417	2 748 792	138 266	116 142	2 807 683	2 864 934
Agriculture	21 957	9 620	2 267	26	24 224	9 646
Electricity, gas and water (utility services)	328 285	355 389	83 517	60 441	411 802	415 830
Public and non-business services	163 731	189 498	3 461 702	3 502 318	3 625 433	3 691 816
Business service	243 428	416 214	80 025	65 242	323 453	481 456
Finance and insurance	468 126	473 013	3 832 540	4 682 599	4 300 666	5 155 612
Retailers and wholesalers	358 971	313 682	75 087	43 989	434 058	357 671
Manufacturing and commerce	521 864	453 329	81 595	68 377	603 459	521 706
Construction	45 254	36 964	51 566	35 605	96 820	72 569
Corporate commercial real estate	56 703	32 408	47 719	81 326	104 422	113 734
Residential mortgages	21 433	-	1 071 336	1 090 145	1 092 769	1 090 145
Mining and resources	136 819	107 813	49 557	53 181	186 376	160 994
Leisure, entertainment and tourism	132 844	128 593	22 935	10 797	155 779	139 390
Transport	429 418	284 393	35 209	124 143	464 627	408 536
Communication	218 251	441 942	10 833	277	229 084	442 219
Total	8 333 236	8 429 966	9 271 423	10 060 502	17 604 659	18 490 468

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	Lending collateralised by property largely to private clients	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business service	Finance and insurance	Retailers and wholesalers	Manufacturing and commerce	Construction	Corporate commercial real estate	Other residential mortgages	Mining and resources	Leisure, entertainment and tourism	Transport	Communication	Total
As at 30 September 2013																	
Cash and balances at central banks	-	-	-	-	1 494 360	-	-	-	-	-	-	-	-	-	-	-	1 494 360
Loans and advances to banks	-	-	-	-	-	-	918 339	-	-	-	-	-	-	-	-	-	918 339
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	-	1 181 230	-	-	-	-	-	-	-	-	-	1 181 230
Sovereign debt securities	-	-	-	-	1 511 731	-	-	-	-	-	-	-	-	-	-	-	1 511 731
Bank debt securities	-	-	-	-	-	-	397 583	-	-	-	-	-	-	-	-	-	397 583
Other debt securities	-	-	-	-	-	-	177 696	-	-	-	32 511	-	6 016	-	-	-	216 223
Derivative financial instruments	8 260	315	166	13 860	3 625	6 330	737 565	34 242	12 530	16 147	-	1 098	1 214	7 315	2 034	2 305	847 006
Securities arising from trading activities	-	-	-	-	444 152	31	38 529	207	-	-	-	-	-	-	-	-	482 919
Loans and advances to customers (gross)	2 011 789	2 669 417	21 957	328 285	163 731	243 428	468 126	358 971	521 864	45 254	56 703	21 433	136 819	132 844	429 418	218 251	7 828 290
Own originated loans and advances to customers securitised (gross)	504 946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	504 946
Other loans and advances (gross)	84 403	-	-	-	-	-	166 692	-	-	-	-	758 148	-	-	-	-	1 009 243
Other securitised assets (gross)	-	-	-	-	-	-	-	-	-	-	-	167 654	-	-	-	-	167 654
Other assets	-	-	-	-	-	-	54 228	-	1 781	-	-	-	123	-	448	-	56 580
Property and equipment	-	-	-	-	-	-	87	-	215	-	-	-	-	-	-	-	839
Total on-balance sheet exposures	2 609 398	2 669 732	22 123	342 145	3 617 599	249 789	4 140 075	393 420	536 390	61 401	89 214	948 456	144 049	140 607	431 989	220 556	16 616 943
Guarantees	12 995	382	-	58	-	753	2 384	578	6 219	-	-	144 313	24 388	439	-	-	192 509
Contingent liabilities, committed facilities and other	121 611	137 569	2 101	69 599	7 834	72 911	158 207	40 060	60 850	35 419	15 208	-	17 939	14 733	32 638	8 528	795 207
Total off-balance sheet exposures	134 606	137 951	2 101	69 657	7 834	73 664	160 591	40 638	67 069	35 419	15 208	144 313	42 327	15 172	32 638	8 528	987 716
Total gross credit and counterparty exposures pre collateral or other credit enhancements	2 744 004	2 807 683	24 224	411 802	3 625 433	323 453	4 300 666	434 058	603 459	96 820	104 422	1 092 769	186 376	155 779	464 627	229 084	17 604 659
As at 31 March 2013*																	
Cash and balances at central banks	-	-	-	-	1 372 812	-	-	-	-	-	-	-	-	-	-	-	1 372 812
Loans and advances to banks	-	-	-	-	-	-	1 140 479	-	-	-	-	-	-	-	-	-	1 140 479
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	-	1 528 593	-	-	-	-	-	-	-	-	-	1 528 593
Sovereign debt securities	-	-	-	-	1 660 377	-	-	-	-	-	-	-	-	-	-	-	1 660 377
Bank debt securities	-	-	-	-	-	-	455 201	-	-	-	-	-	-	-	-	-	455 201
Other debt securities	-	-	-	-	-	-	130 406	-	-	7 270	46 136	-	-	-	-	-	183 812
Derivative financial instruments	2 355	-	26	20 846	4 674	6 692	591 864	7 676	14 628	24 268	10 712	-	1 993	3 497	3 342	102	692 675
Securities arising from trading activities	-	-	-	-	458 545	593	8 743	-	-	-	-	-	-	-	116	-	468 000
Loans and advances to customers (gross)	1 946 563	2 748 792	9 620	355 389	189 498	416 214	473 013	313 682	453 329	36 964	32 408	-	107 813	128 593	284 393	441 942	7 938 213
Own originated loans and advances to customers securitised (gross)	491 753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491 753
Other loans and advances (gross)	-	-	-	-	-	-	177 901	-	-	-	-	1 090 145	-	-	56	-	1 268 102
Other securitised assets (gross)	-	-	-	-	-	-	365 159	-	-	-	-	-	-	-	-	-	365 159
Other assets	-	-	-	24	-	-	56 605	-	187	-	3 707	-	593	-	-	175	61 291
Property and equipment	-	-	-	8	32	2 191	810	528	428	65	248	-	11	1	406	-	4 726
Total on-balance sheet exposures	2 440 671	2 748 792	9 646	376 270	3 685 938	425 690	4 928 774	321 886	468 570	68 567	93 211	1 090 145	110 410	132 091	288 313	442 219	17 631 193
Guarantees	21 427	630	-	118	-	883	150 508	687	4 174	-	994	-	28 586	350	-	-	208 357
Contingent liabilities, committed facilities and other	102 112	115 512	-	39 442	5 878	54 883	76 330	35 098	48 962	4 002	19 529	-	21 998	6 949	120 223	-	650 918
Total off-balance sheet exposures	123 539	116 142	-	39 560	5 878	55 766	226 838	35 785	53 136	4 002	20 523	-	50 584	7 299	120 223	-	859 275
Total gross credit and counterparty exposures pre collateral or other credit enhancements	2 564 210	2 864 934	9 646	415 830	3 691 816	481 456	5 147 112	357 671	521 706	72 569	113 734	1 090 145	160 994	139 390	408 536	442 219	18 490 468

* Restated: Refer further on for information



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 2013	31 March 2013
Loans and advances to customers as per the balance sheet	7 642 254	7 745 583
Add: own-originated loans and advances securitised as per the balance sheet	504 592	491 194
Net core loans and advances to customers	8 146 846	8 236 777

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

£'000	30 Sept 2013	31 March 2013
Gross core loans and advances to customers	8 333 236	8 429 966
Total impairments	(186 390)	(193 189)
Portfolio impairments	(8 462)	(6 694)
Specific impairments	(177 928)	(186 495)
Net core loans and advances to customers	8 146 846	8 236 777
Average gross core loans and advances to customers	8 381 601	8 153 153
Current loans and advances to customers	7 730 632	7 767 954
Past due loans and advances to customers (1-60 days)	106 358	131 348
Special mention loans and advances to customers	25 986	27 943
Default loans and advances to customers	470 260	502 721
Gross core loans and advances to customers	8 333 236	8 429 966
Current loans and advances to customers	7 730 632	7 767 954
Default loans that are current and not impaired	-	8 005
Gross core loans and advances to customers that are past due but not impaired	141 615	177 909
Gross core loans and advances to customers that are impaired	460 989	476 098
Gross core loans and advances to customers	8 333 236	8 429 966
Total income statement charge for impairments on core loans and advances	(46 923)	(97 729)
Gross default loans and advances to customers	470 260	502 721
Specific impairments	(177 928)	(186 495)
Portfolio impairments	(8 462)	(6 694)
Defaults net of impairments	283 870	309 532
Collateral and other credit enhancements	295 828	356 321
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Total impairments as a % of gross core loans and advances to customers	2.24%	2.29%
Total impairments as a % of gross default loans	39.64%	38.43%
Gross defaults as a % of gross core loans and advances to customers	5.64%	5.96%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.48%	3.76%
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 core loans and advances)	1.12%	1.20%



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 2013	31 March 2013	30 Sept 2013	31 March 2013	30 Sept 2013	31 March 2013
Gross core loans and advances to customers	6 397 989	6 207 293	1 935 247	2 222 673	8 333 236	8 429 966
Total impairments	(180 353)	(175 562)	(6 037)	(17 627)	(186 390)	(193 189)
Specific impairments	(173 344)	(170 564)	(4 584)	(15 931)	(177 928)	(186 495)
Portfolio impairments	(7 009)	(4 998)	(1 453)	(1 696)	(8 462)	(6 694)
Net core loans and advances to customers	6 217 636	6 031 731	1 929 210	2 205 046	8 146 846	8 236 777
% of total	76.3%	73.2%	23.7%	26.8%	100.0%	100.0%
% change since 31 March 2013	3.1%		(12.5%)		(1.1%)	
Average gross core loans and advances to customers	6 302 641	6 061 535	2 078 960	2 091 618	8 381 601	8 153 153
Current loans and advances to customers	5 844 991	5 628 594	1 885 641	2 139 360	7 730 632	7 767 954
Past due loans and advances to customers (1-60 days)	87 033	113 723	19 325	17 625	106 358	131 348
Special mention loans and advances to customers	22 604	26 948	3 382	995	25 986	27 943
Default loans and advances to customers	443 361	438 028	26 899	64 693	470 260	502 721
Gross core loans and advances to customers	6 397 989	6 207 293	1 935 247	2 222 673	8 333 236	8 429 966
Current loans and advances to customers	5 844 991	5 628 594	1 885 641	2 139 360	7 730 632	7 767 954
Default loans that are current and not impaired	-	8 005	-	-	-	8 005
Gross core loans and advances to customers that are past due but not impaired	112 854	146 014	28 761	31 895	141 615	177 909
Gross core loans and advances to customers that are impaired	440 144	424 680	20 845	51 418	460 989	476 098
Gross core loans and advances to customers	6 397 989	6 207 293	1 935 247	2 222 673	8 333 236	8 429 966
Total income statement charge for impairments on core loans and advances	(31 332)	(79 880)	(15 591)	(17 849)	(46 923)	(97 729)
Gross default loans and advances to customers	443 361	438 028	26 899	64 693	470 260	502 721
Specific impairments	(173 344)	(170 564)	(4 584)	(15 931)	(177 928)	(186 495)
Portfolio impairments	(7 009)	(4 998)	(1 453)	(1 696)	(8 462)	(6 694)
Defaults net of impairments	263 008	262 466	20 862	47 066	283 870	309 532
Collateral and other credit enhancements	273 084	306 490	22 744	49 831	295 828	356 321
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	2.82%	2.83%	0.31%	0.79%	2.24%	2.29%
Total impairments as a % of gross default loans	40.68%	40.08%	22.44%	27.25%	39.64%	38.43%
Gross defaults as a % of gross core loans and advances to customers	6.93%	7.06%	1.39%	2.91%	5.64%	5.96%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.23%	4.35%	1.08%	2.13%	3.48%	3.76%
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)	0.99%	1.32%	1.50%	0.85%	1.12%	1.20%



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 2013	31 March 2013
Default loans that are current	382 155	427 013
1 - 60 days	145 914	132 634
61 - 90 days	24 595	29 321
91 - 180 days	12 732	14 379
181 - 365 days	15 842	22 876
>365 days	21 366	35 789
Past due and default core loans and advances to customers (actual capital exposure)	602 604	662 012
1 - 60 days	7 837	10 160
61 - 90 days	1 062	680
91 - 180 days	7 278	1 913
181 - 365 days	4 094	18 107
>365 days	15 157	23 938
Past due and default core loans and advances to customers (actual amount in arrears)	35 428	54 798

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 2013							
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	-	108 011	24 333	5 608	1 368	2 295	141 615
Amount in arrears	-	6 526	862	295	137	1 964	9 784
Gross core loans and advances to customers that are impaired							
Total capital exposure	382 155	37 903	262	7 124	14 474	19 071	460 989
Amount in arrears	-	1 311	200	6 983	3 957	13 193	25 644
As at 31 March 2013							
Watchlist loans neither past due nor impaired							
Total capital exposure	8 005	-	-	-	-	-	8 005
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	131 544	27 747	13 396	5 057	165	177 909
Amount in arrears	-	9 284	398	1 265	2 566	66	13 579
Gross core loans and advances to customers that are impaired							
Total capital exposure	419 008	1 090	1 574	983	17 819	35 624	476 098
Amount in arrears	-	876	282	648	15 541	23 872	41 219



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 2013 (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)	-	106 358	-	-	-	-	106 358
Special mention	-	1 653	24 333	-	-	-	25 986
Special mention (1 - 90 days)	-	1 653	23	-	-	-	1 676
Special mention (61 - 90 days and item well secured)	-	-	24 310	-	-	-	24 310
Default	382 155	37 903	262	12 732	15 842	21 366	470 260
Sub-standard	145 248	8 624	-	5 608	14 121	2 295	175 896
Doubtful	83 737	29 178	255	7 115	1 602	17 524	139 411
Loss	153 170	101	7	9	119	1 547	154 953
Total	382 155	145 914	24 595	12 732	15 842	21 366	602 604

An age analysis of past due and default core loans and advances to customers as at 30 September 2013 (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)	-	6 493	-	-	-	-	6 493
Special mention	-	34	861	-	-	-	895
Special mention (1 - 90 days)	-	34	1	-	-	-	35
Special mention (61 - 90 days and item well secured)	-	-	860	-	-	-	860
Default	-	1 310	201	7 278	4 094	15 157	28 040
Sub-standard	-	-	-	295	2 787	1 964	5 046
Doubtful	-	1 209	194	6 974	1 188	11 646	21 211
Loss	-	101	7	9	119	1 547	1 783
Total	-	7 837	1 062	7 278	4 094	15 157	35 428

An age analysis of past due and default core loans and advances to customers as at 31 March 2013 (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)	-	131 348	-	-	-	-	131 348
Special mention	-	195	27 748	-	-	-	27 943
Special mention (1 - 90 days)	-	195	398	-	-	-	593
Special mention (61 - 90 days and item well secured)	-	-	27 350	-	-	-	27 350
Default	427 013	1 091	1 573	14 379	22 876	35 789	502 721
Sub-standard	142 770	-	-	13 396	5 057	13 540	174 763
Doubtful	119 190	882	1 573	890	17 793	20 390	160 718
Loss	165 053	209	-	93	26	1 859	167 240
Total	427 013	132 634	29 321	14 379	22 876	35 789	662 012

An age analysis of past due and default core loans and advances to customers as at 31 March 2013 (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)	-	9 278	-	-	-	-	9 278
Special mention	-	-	398	-	-	-	398
Special mention (1 - 90 days)	-	-	7	-	-	-	7
Special mention (61 - 90 days and item well secured)	-	-	391	-	-	-	391
Default	-	882	282	1 913	18 107	23 938	45 122
Sub-standard	-	-	-	1 265	2 566	2 193	6 024
Doubtful	-	765	282	625	15 515	19 886	37 073
Loss	-	117	-	23	26	1 859	2 025
Total	-	10 160	680	1 913	18 107	23 938	54 798



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 2013								
Current core loans and advances	7 730 632	-	-	7 730 632	-	(8 462)	7 722 170	-
Past due (1-60 days)	-	106 358	-	106 358	-	-	106 358	6 493
Special mention	-	25 986	-	25 986	-	-	25 986	895
Special mention (1 - 90 days)	-	1 676	-	1 676	-	-	1 676	35
Special mention (61 - 90 days and item well secured)	-	24 310	-	24 310	-	-	24 310	860
Default	-	9 271	460 989	470 260	(177 928)	-	292 332	28 040
Sub-standard	-	9 271	166 625	175 896	(38 197)	-	137 699	5 046
Doubtful	-	-	139 411	139 411	(57 180)	-	82 231	21 211
Loss	-	-	154 953	154 953	(82 551)	-	72 402	1 783
Total	7 730 632	141 615	460 989	8 333 236	(177 928)	(8 462)	8 146 846	35 428
As at 31 March 2013								
Current core loans and advances	7 767 954	-	-	7 767 954	-	(6 694)	7 761 260	-
Past due (1-60 days)	-	131 348	-	131 348	-	-	131 348	9 278
Special mention	-	27 943	-	27 943	-	-	27 943	398
Special mention (1 - 90 days)	-	593	-	593	-	-	593	7
Special mention (61 - 90 days and item well secured)	-	27 350	-	27 350	-	-	27 350	391
Default	8 005	18 618	476 098	502 721	(186 495)	-	316 226	45 122
Sub-standard	6 005	18 618	150 140	174 763	(32 542)	-	142 221	6 024
Doubtful	2 000	-	158 718	160 718	(69 361)	-	91 357	37 073
Loss	-	-	167 240	167 240	(84 592)	-	82 648	2 025
Total	7 775 959	177 909	476 098	8 429 966	(186 495)	(6 694)	8 236 777	54 798



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 client, professional and HNW individuals	Corporate sector	Insurance, financial services (excluding sovereign)	Public and government sector (including central banks)	Total gross core loans and advances to customers
As at 30 September 2013					
Current core loans and advances	4 391 736	2 699 358	476 382	163 156	7 730 632
Past due (1 – 60 days)	99 400	6 958	-	-	106 358
Special mention	9 457	16 529	-	-	25 986
Special mention (1 – 90 days)	1 676	-	-	-	1 676
Special mention (61 – 90 days and item well secured)	7 781	16 529	-	-	24 310
Default	399 044	70 463	178	575	470 260
Sub-standard	148 153	27 743	-	-	175 896
Doubtful	97 555	41 210	71	575	139 411
Loss	153 336	1 510	107	-	154 953
Total gross core loans and advances to customers	4 899 637	2 793 308	476 560	163 731	8 333 236
Total impairments	(157 373)	(28 596)	(160)	(261)	(186 390)
Specific impairments	(148 911)	(28 596)	(160)	(261)	(177 928)
Portfolio impairments	(8 462)	-	-	-	(8 462)
Net core loans and advances to customers	4 742 264	2 764 712	476 400	163 470	8 146 846
			8 434	-	-
As at 31 March 2013					
Current core loans and advances	4 093 983	2 961 845	523 142	188 984	7 767 954
Past due (1 – 60 days)	87 298	44 050	-	-	131 348
Special mention	9 879	18 064	-	-	27 943
Special mention (1 – 90 days)	330	263	-	-	593
Special mention (61 – 90 days and item well secured)	9 549	17 801	-	-	27 350
Default	384 756	117 351	100	514	502 721
Sub-standard	145 993	28 770	-	-	174 763
Doubtful	73 514	86 590	100	514	160 718
Loss	165 249	1 991	-	-	167 240
Total gross core loans and advances to customers	4 575 916	3 141 310	523 242	189 498	8 429 966
Total impairments	(148 994)	(43 804)	(64)	(327)	(193 189)
Specific impairments	(147 298)	(38 806)	(64)	(327)	(186 495)
Portfolio Impairments	(1 696)	(4 998)	-	-	(6 694)
Net core loans and advances to customers	4 426 922	3 097 506	523 178	189 171	8 236 777

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

£'000	30 Sept 2013	31 March 2013
Private Banking professional and HNW individuals	4 899 637	4 575 916
Corporate sector	2 793 308	3 141 310
Insurance, financial services (excluding sovereign)	476 560	523 242
Public and government sector (including central banks)	163 731	189 498
Trade finance and other	-	-
Total gross core loans and advances to customers	8 333 236	8 429 966



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

An analysis of default core loans and advances

£'000	UK and Europe					Australia					Total group				
	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Income statement impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Income statement impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Income statement impairments
30 September 2013															
Lending collateralised by property	2 517 498	359 263	215 710	(143 749)	(14 031)	151 919	13 146	10 461	(2 686)	(6 579)	2 669 417	372 409	226 171	(146 435)	(20 610)
Commercial real estate	1 587 074	120 509	66 733	(58 552)	(7 719)	88 403	7 173	7 173	-	(1 324)	1 675 477	127 682	73 906	(58 552)	(9 043)
Commercial real estate - investment	1 379 970	57 919	39 249	(13 522)	(4 540)	84 995	7 173	7 173	-	(1 324)	1 464 965	65 092	46 422	(13 522)	(5 864)
Commercial real estate - development	91 460	14 914	7 438	(8 315)	(206)	219	-	-	-	-	91 679	14 914	7 438	(8 315)	(206)
Commercial vacant land and planning	115 644	47 676	20 046	(36 715)	(2 973)	3 189	-	-	-	-	118 833	47 676	20 046	(36 715)	(2 973)
Residential real estate	930 424	238 754	148 977	(85 197)	(6 312)	63 516	5 973	3 288	(2 686)	(5 255)	993 940	244 727	152 265	(87 883)	(11 567)
Residential real estate - investment	401 334	43 873	29 768	(9 597)	(2 793)	1 427	227	227	-	-	402 761	44 100	29 995	(9 597)	(2 793)
Residential development	397 104	132 775	77 878	(56 220)	(3 020)	40 660	-	-	-	(690)	437 764	132 775	77 878	(56 220)	(3 710)
Residential vacant land and planning	131 986	62 106	41 331	(19 380)	(499)	21 429	5 746	3 061	(2 686)	(4 565)	153 415	67 852	44 392	(22 066)	(5 064)
High net worth and other private client lending	1 258 049	21 152	26 072	(7 659)	(5 585)	1 258 685	5 481	4 083	(3 279)	(2 003)	2 516 734	26 633	30 155	(10 938)	(7 588)
Mortgages	854 654	3 550	2 840	(532)	(33)	14 418	-	-	-	-	869 072	3 550	2 840	(532)	(33)
High net worth and specialised lending	403 395	17 602	23 232	(7 127)	(5 552)	1 244 267	5 481	4 083	(3 279)	(2 003)	1 647 662	23 083	27 315	(10 406)	(7 555)
Corporate client and other lending	2 622 442	62 946	31 302	(28 945)	(11 716)	524 643	8 272	8 200	(72)	(7 009)	3 147 085	71 218	39 502	(29 017)	(18 725)
Acquisition finance	711 496	30 637	11 042	(16 217)	(7 456)	157 269	7 605	7 605	-	(6 935)	868 765	38 242	18 647	(16 217)	(14 391)
Fund finance	175 702	-	-	-	-	-	-	-	-	-	175 702	-	-	-	-
Investment and portfolio gearing	6 561	-	-	-	-	33 485	-	-	-	-	40 046	-	-	-	-
Other corporates and financial institutions and governments	509 040	-	-	-	(110)	127 363	-	-	-	-	636 403	-	-	-	(110)
Asset finance	810 122	20 723	16 252	(5 150)	(2 350)	85 196	667	595	(72)	(74)	895 318	21 390	16 847	(5 222)	(2 424)
Large ticket asset finance	228 212	12 753	12 135	(618)	-	31 118	-	-	(72)	-	259 330	12 753	12 135	(690)	-
Small ticket asset finance	581 910	7 970	4 117	(4 532)	(2 350)	54 078	667	595	-	(74)	636 988	8 637	4 712	(4 532)	(2 424)
Project finance	384 138	11 586	4 008	(7 578)	(1 800)	66 275	-	-	-	-	450 413	11 586	4 008	(7 578)	(1 800)
Resource finance	25 383	-	-	-	-	55 055	-	-	-	-	80 438	-	-	-	-
Total	6 397 989	443 361	273 084	(180 353)	(31 332)	1 935 247	26 899	22 744	(6 037)	(15 591)	8 333 236	470 260	295 828	(186 390)	(46 923)



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

A summary of total collateral

£'000	Collateral held against		Total
	Core loans and advances	Other credit and counterparty exposures *	
As at 30 September 2013			
Eligible financial collateral	407 513	370 697	778 210
Listed shares	267 876	-	267 876
Cash	139 637	19 952	159 589
Debt securities issued by sovereigns	-	350 745	350 745
Mortgage bonds	4 828 296	873 456	5 701 752
Residential mortgages	1 939 865	873 367	2 813 232
Residential development	721 927	-	721 927
Commercial property developments	151 768	-	151 768
Commercial property investments	2 014 736	89	2 014 825
Other collateral	4 750 806	10 490	4 761 296
Unlisted shares	295 604	-	295 604
Bonds other than mortgage bonds	16 959	-	16 959
Debtors, stock and other corporate assets	2 852 006	-	2 852 006
Guarantees	548 110	-	548 110
Other	1 038 127	10 490	1 048 617
Total collateral	9 986 615	1 254 643	11 241 258
As at 31 March 2013			
Eligible financial collateral	513 644	1 754 519	2 268 163
Listed shares	429 158	596 579	1 025 737
Cash	84 486	824 311	908 797
Debt securities issued by sovereigns	-	333 629	333 629
Mortgage bonds	5 155 339	880 017	6 035 356
Residential mortgages	1 850 593	880 017	2 730 610
Residential development	727 057	-	727 057
Commercial property developments	242 977	-	242 977
Commercial property investments	2 334 712	-	2 334 712
Other collateral	3 970 962	11 378	3 982 340
Unlisted shares	281 074	-	281 074
Bonds other than mortgage bonds	34 128	-	34 128
Debtors, stock and other corporate assets	2 437 885	-	2 437 885
Guarantees	587 428	-	587 428
Credit derivatives	-	4 050	4 050
Other	630 447	7 328	637 775
Total collateral	9 639 945	2 645 914	12 285 859

* 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

Unaudited

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		
Six months to 30 September 2013					
Unlisted investments	193	30 859	1 647	32 699	1 627
UK and Europe	193	30 920	1 640	32 753	1 652
Australia	-	(61)	7	(54)	(25)
Listed equities	(6 337)	5 456	317	(564)	1 806
UK and Europe	(6 337)	3 394	266	(2 677)	755
Australia	-	2 062	51	2 113	1 051
Investment and trading properties	(2 725)	1 212	-	(1 513)	-
UK and Europe	(1 084)	1 234	-	150	-
Australia	(1 641)	(22)	-	(1 663)	-
Warrants, profit shares and other embedded derivatives	12 054	2 538	-	14 592	-
UK and Europe	12 054	2 538	-	14 592	-
Australia	-	-	-	-	-
Total	3 185	40 065	1 964	45 214	3 433
Year ended 31 March 2013					
Unlisted investments	4 546	1 130	2 141	7 817	(2 620)
UK and Europe	5 050	1 113	2 141	8 304	(2 620)
Australia	(504)	17	-	(487)	-
Listed equities	(8 858)	(38)	1 048	(7 848)	(3 560)
UK and Europe	(6 646)	(85)	808	(5 923)	(4 800)
Australia	(2 212)	47	240	(1 925)	1 240
Investment and trading properties	(1 089)	450	-	(639)	-
UK and Europe	-	202	-	202	-
Australia	(1 089)	248	-	(841)	-
Warrants, profit shares and other embedded derivatives	29 821	-	-	29 821	-
UK and Europe	29 821	-	-	29 821	-
Australia	-	-	-	-	-
Total	24 420	1 542	3 189	29 151	(6 180)

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

Unaudited

Equity and investment risk in the banking book

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 2013	30 Sept 2013*	31 March 2013	31 March 2013*
Unlisted investments	242 383	36 358	280 119	42 018
UK and Europe	237 091	35 564	273 381	41 007
Australia	5 292	794	6 738	1 011
Listed equities	76 833	19 208	53 172	13 293
UK and Europe	74 273	18 568	48 380	12 095
Australia	2 560	640	4 792	1 198
Investment and trading properties	113 437	22 688	131 040	25 058
UK and Europe	54 994	10 999	59 439	10 738
Australia	58 443	11 689	71 601	14 320
Warrants, profit shares and other embedded derivatives	81 128	28 395	72 187	25 265
UK and Europe	81 128	28 395	72 187	25 265
Australia	-	-	-	-
Total	513 781	106 649	536 518	105 634

*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 2013, as reflected above we could have a £106.6 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 Bank plc (a subsidiary of Investec plc)

Risk Management

Unaudited

Securitisation/principal finance activities and exposures

Nature of exposure/activity	Exposure as at 30 Sept 2013 £'mn	Exposure as at 31 March 2013 £'mn	Balance sheet and credit risk classification	Asset quality - relevant comments for the period
Structured credit investments*	477	513	Other debt securities and other loans and advances.	
Rated	406	444		
Unrated	71	69		
Loans and advances to customers and investment in third party intermediary originating platforms (mortgage and auto loans) with the potential to be securitised	843	952	Other loans and advances	
Private Client division assets which have been securitised	505	491	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

*Analysis of structured credit investments as at 30 September 2013

£'million	30 September 2013			31 March 2013		
	Rated**	Unrated	Total	Rated	Unrated	Total
US corporate loans	17	-	17	18	-	18
European ABS	3	7	10	3	7	10
European RMBS	302	60	362	327	55	382
European CMBS	12	4	16	15	4	19
European corporate loans	61	-	61	66	3	69
Australian RMBS	11	-	11	15	-	15
Total	406	71	477	444	69	513

**Further analysis of rated structured credit investments as at 30 September 2013

£'million	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	12	5	-	-	17
European ABS	-	-	-	3	-	-	-	3
European RMBS	130	50	37	37	23	1	24	302
European CMBS	-	-	-	7	5	-	-	12
European corporate loans	19	23	16	3	-	-	-	61
Australian RMBS	11	-	-	-	-	-	-	11
Total as at 30 September 2013	160	73	53	62	33	1	24	406
Total as at 31 March 2013	160	76	57	56	41	30	24	444



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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

	30 September 2013				31 March 2013			
	Year end	Average	High	Low	Year end	Average	High	Low
UK and Other 95% (one-day)								
Equity derivatives (£'000)	1 010	842	1 179	467	663	793	1 557	391
Foreign exchange (£'000)	12	17	73	2	11	25	82	5
Interest rates (£'000)	452	434	602	204	426	386	513	365
Consolidated (£'000)*	1 086	986	1 496	523	720	855	1 548	455
Australia 95% (one-day)								
Commodities (A\$'000)	-	-	-	-	-	-	3	-
Equity derivatives (A\$'000)	-	-	-	-	-	-	-	-
Foreign exchange (A\$'000)	178	45	195	1	21	34	135	1
Interest rates (A\$'000)	55	30	91	13	90	34	130	12
Consolidated (A\$'000)*	172	58	172	16	97	53	149	12

*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).



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

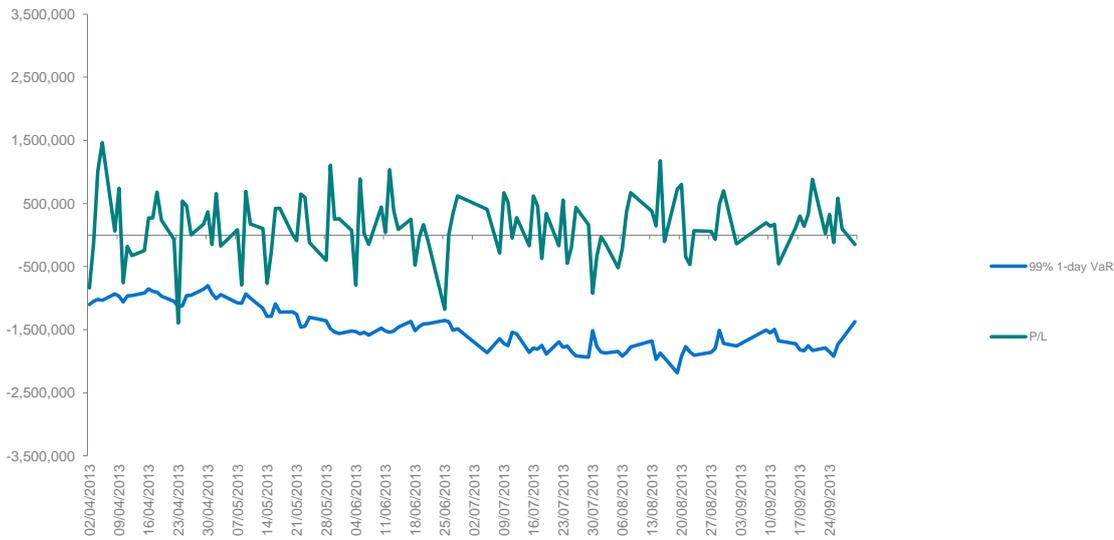
Traded market risk management

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 higher than at year end March 2013. There was one exception for the year to date i.e. where the loss was greater than the 99% one-day VaR.

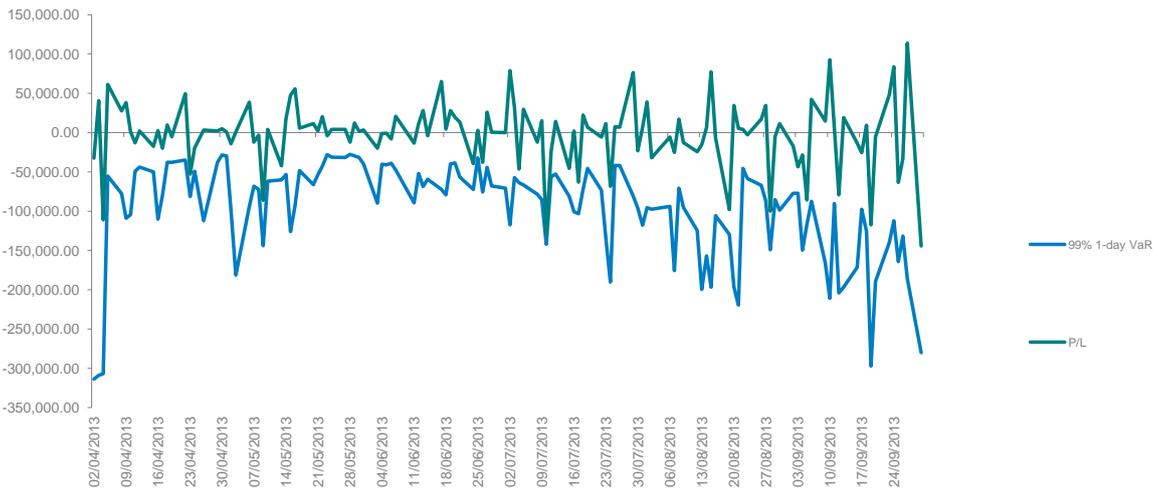
99% 1-day VaR backtesting (GBP)



Australia

Average VaR utilisation for the half year remained at the moderate levels experienced in the year ended 2013. There have been no exceptions i.e. where the loss is greater than the VaR. This is less than the expected number of exceptions at the 99% level and is a result of the lower levels of market volatility.

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





Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

ETL 95% (one-day)

	Uk and Other 95% (one-day) £'000	Australia 95% (one-day) A\$'000
30 September 2013		
Equity derivatives	1 274	-
Foreign exchange	16	237
Interest rates	669	77
Consolidated*	1 462	233
31 March 2013		
Commodities	-	1
Equity derivatives	877	-
Foreign exchange	20	29
Interest rates	635	202
Consolidated*	976	208

*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

	UK and Other Using 99% EVT £'000	Australia Using 99% EVT £'000
30 September 2013		
Equity derivatives	2 309	-
Foreign exchange	26	417
Interest rates	1 289	182
Consolidated	2 460	385
31 March 2013		
Equity derivatives	1 554	4
Foreign exchange	45	75
Interest rates	1 820	456
Consolidated	1 813	435



Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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 80 days out of a total of 127 days in the trading business. The average daily trading revenue generated for the six months to 30 September 2013 was £174 658 (year ended March 2013: £102 733).



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 85 days out of a total of 128 days in the trading business. The average daily trading profit generated for the six months to 30 September 2013 was A\$41 127 (year ended March 2013: profit of A\$17 157).





Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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 2013 £'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	2 598	-	70	-	-	2	2 670
Investment/trading assets	1 411	68	147	73	668	544	2 911
Securitised assets	1 028	21	6	2	-	7	1 064
Advances	5 068	1 126	207	863	143	60	7 467
Non-rate assets	41	4	5	2	-	1 314	1 366
Assets	10 146	1 219	435	940	811	1 927	15 478
Deposits - banks	(927)	(28)	(134)	-	-	-	(1 089)
Deposits - retail	(6 554)	(1 615)	(857)	(208)	(13)	(63)	(9 310)
Negotiable paper	(1 104)	(12)	(7)	(81)	(7)	-	(1 211)
Investment/trading liabilities	(289)	(7)	(118)	(2)	-	(106)	(522)
Securitised liabilities	(805)	(18)	-	-	-	(2)	(825)
Subordinated liabilities	-	(14)	-	(72)	(575)	-	(661)
Non-rate assets	-	-	-	-	-	(1 242)	(1 242)
External liabilities	(9 679)	(1 694)	(1 116)	(363)	(595)	(1 413)	(14 860)
Intercompany loans	(37)	11	25	366	126	44	535
Shareholders' funds	(57)	-	-	-	-	(1 484)	(1 541)
Balance sheet	373	(464)	(656)	943	342	(926)	(388)
Off-balance sheet	558	223	931	(849)	(864)	211	210
Repricing gap	931	(241)	275	94	(522)	(715)	(178)
Cumulative repricing gap	931	690	965	1 059	537	(178)	

Australia - interest rate sensitivity

As at 30 September 2013 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	174	-	-	-	-	-	174
Investment/trading assets	697	149	45	23	-	128	1 042
Securitised assets	240	65	121	442	6	-	874
Advances	1 791	99	143	411	9	14	2 467
Other assets	-	-	-	-	-	363	363
Assets	2 902	313	309	876	15	505	4 920
Deposits - non-banks	(1 803)	(490)	(172)	(213)	(12)	(97)	(2 787)
Negotiable paper	(155)	(57)	(6)	(116)	-	(7)	(341)
Securitised liabilities	(878)	-	-	-	-	-	(878)
Subordinated liabilities	(128)	-	-	-	-	(1)	(129)
Other liabilities	-	-	-	-	-	(190)	(190)
Liabilities	(2 964)	(547)	(178)	(329)	(12)	(295)	(4 325)
Intercompany loans	-	-	-	-	-	(12)	(12)
Shareholders' funds	-	-	-	-	-	(583)	(583)
Balance sheet	(62)	(234)	131	547	3	(385)	-
Off-balance sheet	(10)	483	(125)	(350)	-	2	-
Repricing gap	(72)	249	6	197	3	(383)	-
Cumulative repricing gap	(72)	177	183	380	383	-	

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	ZAR	Other (GBP)	
200bp Down	(62.8)	(2.0)	(7.6)	1.1	(0.6)	0.3	(71.6)
200bp Up	62.8	2.0	7.6	(1.1)	0.6	(0.3)	71.6

Australia

' million	AUD
200bp Down	(0.29)
200bp Up	0.29



Investec Bank plc (a subsidiary of Investec plc)

Risk Management

Unaudited

Balance sheet risk management

Liquidity risk description

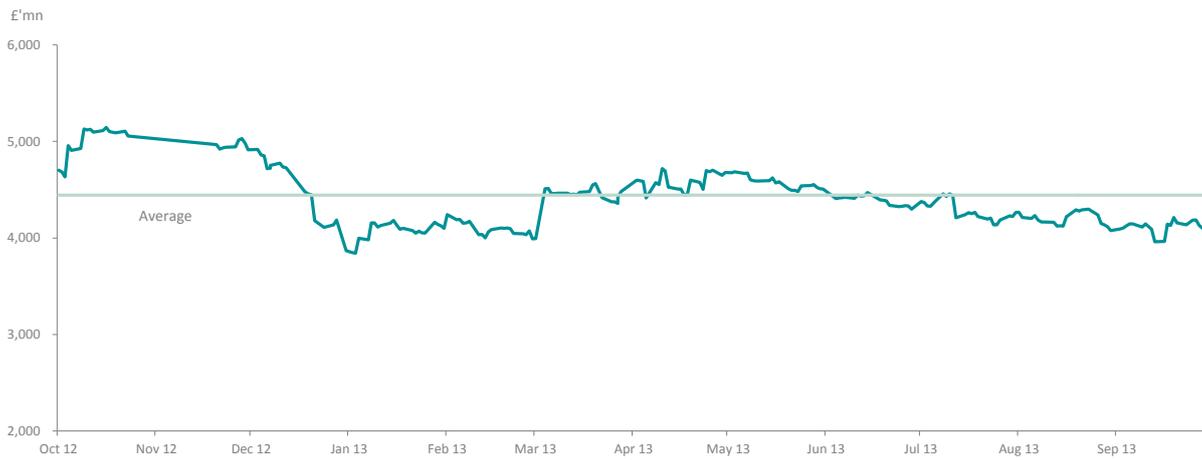
Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, without incurring unacceptable losses. This includes repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations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

Liquidity risk is further broken down into:

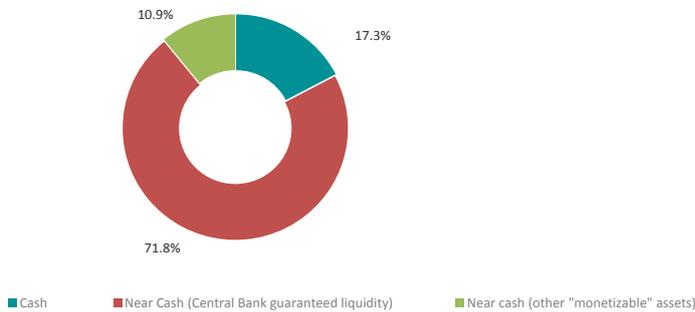
- Funding liquidity: which relates to the risk that the bank will be unable to meet current and/or future cash flow or collateral requirements without adversely affecting the normal course of business, its financial position or its reputation
- Market liquidity: which relates to the risk that the bank 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

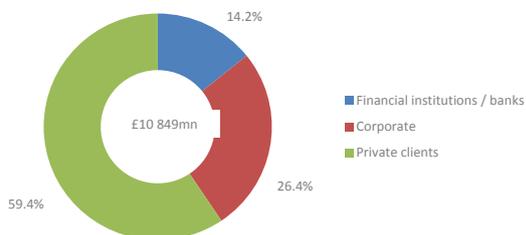


Analysis of cash and near cash as at 30 September 2013 (£4 billion)

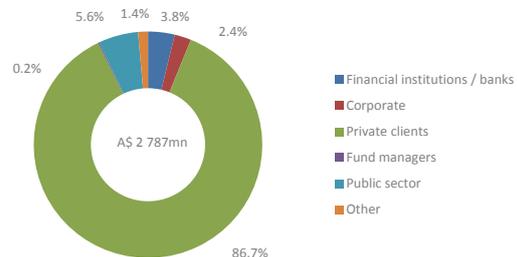


Bank and non bank depositor concentration by type

UK and Europe



Australia





Investec Bank plc (a subsidiary of Investec plc)

Risk management

Unaudited

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.



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 2013 £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	2 068	803	19	61	69	-	2	3 022
Investment/trading assets	570	837	84	62	282	461	1 514	3 810
Securitised assets	26	55	79	21	7	79	797	1 064
Advances	102	316	834	397	691	2 752	2 375	7 467
Other assets	146	637	43	44	16	55	494	1 435
Assets	2 912	2 648	1 059	585	1 065	3 347	5 182	16 798
Deposits - banks	(550) [^]	(577)	(1)	(28)	(134)	(179)	(71)	(1 540)
Deposits - non banks	(1 525)	(994)	(2 139)	(2 478)	(955)	(1 120)	(98)	(9 309)
Negotiable paper	(2)	(1)	(8)	(5)	(23)	(643)	(529)	(1 211)
Securitised liabilities	(2)	(52)	(77)	(18)	-	-	(678)	(827)
Investment/trading liabilities	(51)	(123)	(77)	(16)	(172)	(245)	(325)	(1 009)
Subordinated liabilities	-	-	-	-	-	(37)	(626)	(663)
Other liabilities	(348)	(647)	(40)	(19)	(85)	(34)	(69)	(1 242)
Liabilities	(2 478)	(2 394)	(2 342)	(2 564)	(1 369)	(2 258)	(2 396)	(15 801)
Intercompany loans	18	(68)	(84)	-	50	621	6	543
Shareholders' funds	-	-	-	-	-	-	(1 540)	(1 540)
Contractual liquidity gap	452	186	(1 367)	(1 979)	(254)	1 710	1 252	-
Cumulative liquidity gap	452	638	(729)	(2 708)	(2 962)	(1 252)	-	-

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	2 388	(314)	(304)	(375)	(254)	(2 030)	889	-
Cumulative	2 388	2 074	1 770	1 395	1 141	(889)	-	-

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

Australia

Contractual liquidity

As at 30 September 2013 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	170	4	-	-	-	-	-	174
Investment/trading assets*	869	30	8	14	26	58	37	1 042
Securitised assets	6	33	71	84	158	515	7	874
Advances**	51	72	194	236	355	1 441	118	2 467
Other assets	-	-	-	-	-	-	363	363
External Assets	1 096	139	273	334	539	2 014	525	4 920
Deposits - non banks	(391) ^{^^}	(370)	(1 098)	(509)	(181)	(226)	(12)	(2 787)
Negotiable paper	-	-	-	(61)	(9)	(271)	-	(341)
Securitised liabilities	(6)	(33)	(71)	(186)	(130)	(450)	(2)	(878)
Invest/trading liabilities	(1)	(2)	(9)	(7)	(16)	(34)	(19)	(88)
Subordinated liabilities	-	-	-	-	-	(129)	-	(129)
Other liabilities	-	-	-	-	-	-	(102)	(102)
Liabilities	(398)	(405)	(1 178)	(763)	(336)	(1 110)	(135)	(4 325)
Intercompany Loans	-	4	(15)	-	-	-	(1)	(12)
Shareholders' funds	-	-	-	-	-	-	(583)	(583)
Contractual liquidity gap	698	(262)	(920)	(429)	203	904	(194)	-
Cumulative liquidity gap	698	436	(484)	(913)	(710)	194	-	-

^{^^} Includes call deposits of A\$374 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	151	185	23	167	70	392	54	1 042
**Advances	73	73	196	240	364	1 403	118	2 467

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	1 035	(318)	(876)	(615)	73	894	(193)	-
Cumulative	1 035	717	(159)	(774)	(701)	193	-	-



Investec Bank plc (a subsidiary of Investec plc)

Capital adequacy and capital structure

Unaudited

£'million	30 Sept 2013	31 March 2013*
Tier 1 capital		
Shareholders' equity	1 878	1 889
Shareholders' equity per balance sheet	1 878	1 884
Perpetual preference share capital and share premium	-	-
Deconsolidation of special purpose entities	-	5
Non-controlling interests	(6)	(5)
Non-controlling interests per balance sheet	(6)	(5)
Non-controlling interests excluded for regulatory purposes	-	-
Regulatory adjustments to the accounting basis	(5)	(10)
Unrealised losses on available-for-sale debt securities	3	2
Unrealised gains on available-for-sale equities	(4)	(8)
Prudent Valuation	(13)	(16)
Cash flow hedging reserve	9	12
Deductions	(460)	(476)
Goodwill and intangible assets	(454)	(472)
Securitisation positions	(2)	(2)
Excess of deductions from additional tier 1	(4)	(2)
Core tier 1/common equity tier 1 capital	1 407	1 398
Additional tier 1 instruments	-	-
Tier 1 capital	1 407	1 398
Tier 2 capital		
Total qualifying tier 2 capital before deductions	674	685
Unrealised gains on available-for-sale equities	4	8
Collective impairment allowances	24	20
Tier 2 instruments	646	657
Deductions	(6)	(4)
Unconsolidated investments	(2)	(2)
Securitisation positions	(4)	(2)
Total tier 2 capital	668	681
Total capital deductions	(52)	(54)
Investments that are not material holdings or qualifying holdings	(45)	(48)
Connected lending of a capital nature	(7)	(6)
Total regulatory capital	2 023	2 025
Risk-weighted assets	12 687	12 606
Capital ratios		
Core tier 1 ratio/Common equity tier 1 ratio	11.1%	11.1%
Tier 1 ratio	11.1%	11.1%
Total capital ratio	15.9%	16.1%
Capital requirements	1 015	1 007
Credit risk - prescribed standardised exposure classes	772	795
Corporates	276	279
Secured on real estate property	209	224
Short term claims on institutions and corporates	-	-**
Retail	93	102
Institutions	36	31
Other exposure classes	145	145
Securitisation exposures	13	14
Equity risk - standardised approach	31	28
Listed equities	6	4
Unlisted equities	25	24
Counterparty credit risk	26	26
Market risk	70	61
Interest rate	25	22
Foreign Exchange	13	13
Equities	24	24
Options	8	2
Operational risk - standardised approach	116	97
Capital adequacy		
Risk-weighted assets (banking and trading)	12 687	12 606
Credit risk - prescribed standardised exposure classes	9 650	9 952
Corporates	3 456	3 489
Secured on real estate property	2 607	2 799
Short term claims on institutions and corporates	-	-**
Retail	1 164	1 276
Institutions	451	393
Other exposure classes	1 810	1 814
Securitisation exposures	162	181
Equity risk - standardised approach	393	349
Listed equities	77	47
Unlisted equities	316	302
Counterparty credit risk	324	330
Market risk	876	767
Interest rate	308	275
Foreign Exchange	166	166
Equities	301	296
Options	101	30
Operational risk - standardised approach	1 444	1 208

* The 31 March 2013 risk-weighted assets have been restated to reflect the implementation of IFRS10

** Short term claims on institutions and corporates reclassified to exposure classes corporates and institutions as we have no short-term credit assessments available for these claims.