

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

Unaudited condensed consolidated financial information for the six months ended 30 September 2014





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

### Overview of results

#### Unaudited

	30 Sept 2014	30 Sept 2013	% change	31 March 2014
Total operating income before impairment losses on loans and advances (R'million)	6,872	5,786	18.8%	12,331
Operating costs (R'million)	3,570	3,143	13.6%	6,718
Operating profit before taxation and headline adjustments (R'million)	3,074	2,337	31.5%	4,950
Headline earnings attributable to ordinary shareholders (R'million)	2,050	1,705	20.2%	3,211
Cost to income ratio	51.9%	54.3%		54.5%
Total capital resources (including subordinated liabilities) (R'million)	44,316	39,508	12.2%	41,625
Total equity (R'million)	33,671	29,104	15.7%	31,127
Total assets (R'million)	443,379	394,028	12.5%	430,091
Net core loans and advances (R'million)	170,521	150,260	13.5%	156,870
Customer accounts (deposits) (R'million)	217,550	200,512	8.5%	204,903
Cash and near cash balances (R'million)	82,252	74,479	10.4%	84,476
Third party assets under management (R'million)	756,772	665,593	13.7%	715,200
Capital adequacy ratio (current)	15.0%	15.4%		14.9%
Common equity tier 1 ratio (current)	9.5%	9.5%		9.4%
Leverage ratio (current)	8.2%	n/a		7.8%
Tier 1 ratio (current)	11.2%	11.2%		11.0%
Defaults (net of impairments) as a % of net core loans and advances	1.27%	2.09%		1.46%
Net defaults (after collateral and impairments) as a % of net core loans and advances	-	-		-
Annualised credit loss ratio (income statement impairment charge as a percentage of average core loans and advances)	0.29%	0.40%		0.42%
Total gearing ratio (total assets excluding assurance assets to total equity)	10.0x	10.5x		10.5x
Loans and advances to customers: customer deposits	75.0%	72.0%		72.9%



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

### Consolidated income statement

#### Unaudited

#### R'million

	6 months to 30 Sept 2014	6 months to 30 Sept 2013	Year to 31 March 2014
Interest income	9,753	8,390	17,453
Interest expense	(7,045)	(6,165)	(12,700)
<b>Net interest income</b>	<b>2,708</b>	<b>2,225</b>	<b>4,753</b>
Fee and commission income	3,296	2,840	5,972
Fee and commission expense	(125)	(154)	(246)
Investment income	800	397	1,069
Trading income arising from:			
- customer flow	132	180	432
- balance sheet management and other trading activities	46	273	309
Other operating income	15	25	42
<b>Total operating income before impairment on loans and advances</b>	<b>6,872</b>	<b>5,786</b>	<b>12,331</b>
Impairment losses on loans and advances	(221)	(298)	(636)
<b>Operating income</b>	<b>6,651</b>	<b>5,488</b>	<b>11,695</b>
Operating costs	(3,570)	(3,143)	(6,718)
<b>Operating profit before impairment of goodwill</b>	<b>3,081</b>	<b>2,345</b>	<b>4,977</b>
Impairment of goodwill	(7)	(8)	(27)
<b>Operating profit</b>	<b>3,074</b>	<b>2,337</b>	<b>4,950</b>
Non operational costs arising from partial disposal of subsidiary	-	(33)	(31)
<b>Profit before taxation</b>	<b>3,074</b>	<b>2,304</b>	<b>4,919</b>
Taxation	(525)	(349)	(825)
<b>Profit after taxation</b>	<b>2,549</b>	<b>1,955</b>	<b>4,094</b>
Earnings attributable to Asset Management non-controlling interests	(78)	(25)	(93)
Earnings attributable to other non-controlling interests	(149)	(18)	(274)
<b>Earnings attributable to shareholders</b>	<b>2,322</b>	<b>1,912</b>	<b>3,727</b>

### Consolidated statement of comprehensive income

#### R'million

	6 months to 30 Sept 2014	6 months to 30 Sept 2013	Year to 31 March 2014
<b>Profit after taxation</b>	<b>2,549</b>	<b>1,955</b>	<b>4,094</b>
<b>Other comprehensive income*:</b>			
Cash flow hedge movements taken directly to other comprehensive income**	(95)	(115)	(75)
Gains on realisation of available-for-sale assets recycled to the income statement**	(58)	(1)	(2)
Fair value movements on available-for-sale assets taken directly to other comprehensive income**	62	(256)	23
Foreign currency adjustments on translating foreign operations	302	314	482
<b>Total comprehensive income</b>	<b>2,760</b>	<b>1,897</b>	<b>4,522</b>
Total comprehensive income attributable to non-controlling interests	227	43	367
Total comprehensive income attributable to ordinary shareholders	2,368	1,697	3,836
Total comprehensive income attributable to perpetual preference shareholders	165	157	319
<b>Total comprehensive income</b>	<b>2,760</b>	<b>1,897</b>	<b>4,522</b>

\*All items in other comprehensive income are or may subsequently be reclassified to the income statement.

\*\*Net of taxation of (R20.8 million) (Six months to 30 September 2013: (R14 million); Year to 31 March 2014: R119 million).

#### R'million

	6 months to 30 Sept 2014	6 months to 30 Sept 2013	Year to 31 March 2014
<b>Calculation of headline earnings</b>			
Earnings attributable to shareholders	2,322	1,912	3,727
Dividends paid to perpetual preference shareholders	(165)	(157)	(319)
<b>Earnings attributable to ordinary shareholders</b>	<b>2,157</b>	<b>1,755</b>	<b>3,408</b>
Headline adjustments:	(107)	(50)	(197)
Goodwill impairment	7	8	27
Revaluation of investment properties, net of taxation^	(56)	(58)	(225)
(Gain)/loss on disposal of available-for-sale instruments, net of taxation^	(58)	-	1
<b>Headline earnings attributable to ordinary shareholders</b>	<b>2,050</b>	<b>1,705</b>	<b>3,211</b>

^Taxation on headline earnings adjustments amounted to R44.6 million (Six months to 30 September 2013: R22.7 million; Year to 31 March 2014: R55.1 million, with no impact on earnings attributable to non-controlling interests.)



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

### Consolidated balance sheet

Unaudited R'million	30 Sept 2014	31 March 2014	30 Sept 2013
<b>Assets</b>			
Cash and balances at central banks	5,946	5,927	7,270
Loans and advances to banks	30,469	35,169	22,099
Non-sovereign and non-bank cash placements	10,403	9,045	7,722
Reverse repurchase agreements and cash collateral on securities borrowed	7,241	8,419	10,586
Sovereign debt securities	32,929	34,815	31,811
Bank debt securities	23,380	22,355	23,028
Other debt securities	7,823	10,112	9,318
Derivative financial instruments	12,918	12,299	11,625
Securities arising from trading activities	6,783	4,975	5,311
Investment portfolio	9,425	8,657	8,547
Loans and advances to customers	163,122	149,354	144,290
Own originated loans and advances to customers securitised	7,399	7,516	5,970
Other loans and advances	508	552	638
Other securitised assets	1,137	1,968	2,869
Interests in associated undertakings	56	52	49
Deferred taxation assets	456	457	491
Other assets	6,351	5,925	7,008
Property and equipment	724	752	771
Investment properties	8,608	7,857	6,437
Goodwill	111	118	137
Intangible assets	102	102	95
Non-current assets classified as held for sale	731	731	-
	<b>336,622</b>	<b>327,157</b>	<b>306,072</b>
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	106,757	102,934	87,956
	<b>443,379</b>	<b>430,091</b>	<b>394,028</b>
<b>Liabilities</b>			
Deposits by banks	24,109	22,902	11,591
Derivative financial instruments	9,534	9,259	8,930
Other trading liabilities	9,377	8,247	7,326
Repurchase agreements and cash collateral on securities lent	12,511	17,686	15,581
Customer accounts (deposits)	217,550	204,903	200,512
Debt securities in issue	9,308	8,556	7,840
Liabilities arising on securitisation of own originated loans and advances	1,929	4,924	6,346
Liabilities arising on securitisation of other assets	154	156	572
Current taxation liabilities	1,590	1,770	1,704
Deferred taxation liabilities	554	463	620
Other liabilities	5,690	6,666	5,542
	<b>292,306</b>	<b>285,532</b>	<b>266,564</b>
Liabilities to customers under investment contracts	106,732	102,906	87,927
Insurance liabilities, including unit-linked liabilities	25	28	29
	<b>399,063</b>	<b>388,466</b>	<b>354,520</b>
Subordinated liabilities	10,645	10,498	10,404
	<b>409,708</b>	<b>398,964</b>	<b>364,924</b>
<b>Equity</b>			
Ordinary share capital	1	1	1
Share premium	10,297	10,045	10,044
Treasury shares	(958)	(952)	(687)
Other reserves	976	694	190
Retained income	17,255	16,702	15,762
Shareholders' equity excluding non-controlling interests	<b>27,571</b>	<b>26,490</b>	<b>25,310</b>
Non-controlling interests	5,550	4,637	3,794
- Perpetual preferred securities issued by subsidiary	1,534	1,534	1,534
- Non-controlling interests in partially held subsidiaries	4,016	3,103	2,260
Other Additional Tier 1 securities in issue	550	-	-
<b>Total equity</b>	<b>33,671</b>	<b>31,127</b>	<b>29,104</b>
<b>Total liabilities and shareholders' equity</b>	<b>443,379</b>	<b>430,091</b>	<b>394,028</b>



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

### Condensed consolidated statement of changes in equity

Unaudited

R'million	6 months to 30 Sept 2014	6 months to 30 Sept 2013	Year to 31 March 2014
Balance at the beginning of the period	31,127	24,546	24,546
Total comprehensive income	2,760	1,897	4,522
Issue of ordinary shares	252	230	231
Issue of Other Additional Tier 1 securities in issue	550	-	-
Movement of treasury shares	(913)	(306)	(771)
Share-based payments adjustments	226	240	485
Partial disposal of group operations	751	1,398	1,449
Movement in non-controlling interest due to capital conversion of subsidiary	-	2,044	2,044
Movement in non-controlling interest due to shares issued in subsidiary	138	-	623
Dividends paid to ordinary shareholders	(874)	(785)	(1,578)
Dividends declared to perpetual preference shareholders	(109)	(96)	(211)
Dividends paid to perpetual preference shareholders included in non-controlling interests	(56)	(61)	(108)
Dividends paid to non-controlling interests	(181)	(3)	(105)
<b>Balance at the end of the period</b>	<b>33,671</b>	<b>29,104</b>	<b>31,127</b>



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

### Segmental information - business analysis

Unaudited

For the six months to 30 September 2014

R'million	Asset Management	Wealth & Investment	Specialist Banking	Total
Net interest income	35	13	2,660	2,708
Fee and commission income	1,472	531	1,293	3,296
Fee and commission expense	-	(14)	(111)	(125)
Investment income	-	-	800	800
Trading income arising from:				
- customer flow	-	1	131	132
- balance sheet management and other trading activities	-	2	44	46
Other operating income	16	-	(1)	15
<b>Total operating income before impairment on loans and advances</b>	<b>1,523</b>	<b>533</b>	<b>4,816</b>	<b>6,872</b>
Impairment losses on loans and advances	-	-	(221)	(221)
<b>Operating income</b>	<b>1,523</b>	<b>533</b>	<b>4,595</b>	<b>6,651</b>
Operating costs	(825)	(339)	(2,406)	(3,570)
<b>Operating profit before impairment of goodwill</b>	<b>698</b>	<b>194</b>	<b>2,189</b>	<b>3,081</b>
Impairment of goodwill	(7)	-	-	(7)
<b>Profit before taxation</b>	<b>691</b>	<b>194</b>	<b>2,189</b>	<b>3,074</b>
Earnings attributable to non-controlling interests	(78)	-	(149)	(227)
<b>Profit before taxation and after non-controlling interests</b>	<b>613</b>	<b>194</b>	<b>2,040</b>	<b>2,847</b>
<b>Cost to income ratio</b>	<b>54.2%</b>	<b>63.6%</b>	<b>50.0%</b>	<b>51.9%</b>
<b>Total assets (excluding assurance assets)</b>	<b>2,251</b>	<b>9,667</b>	<b>324,704</b>	<b>336,622</b>

For the six months to 30 September 2013

R'million	Asset Management	Wealth & Investment	Specialist Banking	Total
Net interest income	29	6	2,190	2,225
Fee and commission income	1,280	459	1,101	2,840
Fee and commission expense	-	(24)	(130)	(154)
Investment income	-	-	397	397
Trading income arising from:				
- customer flow	-	1	179	180
- balance sheet management and other trading activities	2	-	271	273
Other operating income	31	-	(6)	25
<b>Total operating income before impairment on loans and advances</b>	<b>1,342</b>	<b>442</b>	<b>4,002</b>	<b>5,786</b>
Impairment losses on loans and advances	-	-	(298)	(298)
<b>Operating income</b>	<b>1,342</b>	<b>442</b>	<b>3,704</b>	<b>5,488</b>
Operating costs	(764)	(290)	(2,089)	(3,143)
<b>Operating profit before impairment of goodwill</b>	<b>578</b>	<b>152</b>	<b>1,615</b>	<b>2,345</b>
Impairment of goodwill	(8)	-	-	(8)
<b>Operating profit</b>	<b>570</b>	<b>152</b>	<b>1,615</b>	<b>2,337</b>
Non operational costs arising from part disposal of subsidiary	-	-	(33)	(33)
<b>Profit before taxation</b>	<b>570</b>	<b>152</b>	<b>1,582</b>	<b>2,304</b>
Earnings attributable to non-controlling interests	(25)	-	(18)	(43)
<b>Profit before taxation and after non-controlling interests</b>	<b>545</b>	<b>152</b>	<b>1,564</b>	<b>2,261</b>
<b>Cost to income ratio</b>	<b>56.9%</b>	<b>65.6%</b>	<b>52.2%</b>	<b>54.3%</b>
<b>Total assets (excluding assurance assets)</b>	<b>1,869</b>	<b>8,175</b>	<b>296,028</b>	<b>306,072</b>



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

### Additional income statement note disclosures

Unaudited

#### Net interest income

	2014		2013	
For the 6 months to 30 September	Balance sheet		Balance sheet	
R'million	value	Interest received	value	Interest received
Cash, near cash and bank debt and sovereign debt securities	110,368	2,447	102,516	1,975
Core loans and advances	170,521	6,968	150,260	5,886
Private Client	115,691	4,553	102,931	3,837
Corporate, institutional and other clients	54,830	2,415	47,329	2,049
Other debt securities and other loans and advances	8,331	220	9,956	214
Other interest earning assets	1,137	118	2,869	315
<b>Total interest earning assets</b>	<b>290,357</b>	<b>9,753</b>	<b>265,601</b>	<b>8,390</b>
	-		-	
	2014		2013	
For the 6 months to 30 September	Balance sheet		Balance sheet	
R'million	value	Interest paid	value	Interest paid
Deposits by banks and other debt related securities	45,928	667	35,012	542
Customer accounts (deposits)	217,550	5,820	200,512	5,073
Other interest bearing liabilities	2,083	172	6,918	150
Subordinated liabilities	10,645	386	10,404	400
<b>Total interest bearing liabilities</b>	<b>276,206</b>	<b>7,045</b>	<b>252,846</b>	<b>6,165</b>
<b>Net interest income</b>		<b>2,708</b>		<b>2,225</b>

#### For the 6 months to 30 September

R'million	2014	2013
<b>Asset management and wealth management businesses net fee and commission income</b>	<b>1,989</b>	<b>1,715</b>
Funds management fees/fees for assets under management	1,728	1,481
Private client transactional fees	275	258
Fee and commission expense	(14)	(24)
<b>Specialist Banking net fee and commission income</b>	<b>1,182</b>	<b>971</b>
Corporate and institutional transactional and advisory services	1,011	879
Private client transactional fees	282	222
Fee and commission expense	(111)	(130)
<b>Net fees and commissions</b>	<b>3,171</b>	<b>2,686</b>
Annuity (net of fees payable)	2,378	1,793
Deal	793	893
	-	-

#### Investment income

For the 6 months to 30 September	Investment portfolio* (listed and unlisted equities)	Other debt securities (sovereign, bank and other)	Investment properties	Other asset categories	Total
R'million					
<b>2014</b>					
Realised	53	65	109	(12)	215
Unrealised	616	(20)	(14)	7	589
Dividend income	87	-	-	15	102
Funding and net other related costs	(114)	-	-	8	(106)
	<b>642</b>	<b>45</b>	<b>95</b>	<b>18</b>	<b>800</b>
<b>2013</b>					
Realised	78	-	23	(42)	59
Unrealised	298	3	89	(1)	389
Dividend income	33	-	-	10	43
Funding and net other related costs	(92)	-	(26)	24	(94)
<b>Investment income</b>	<b>317</b>	<b>3</b>	<b>86</b>	<b>(9)</b>	<b>397</b>

\* Including embedded derivatives (warrants and profit shares)



**Investec Limited (excluding the results of Investec plc)**  
**Additional IAS 34 disclosures**  
**Unaudited**

**Analysis of assets and liabilities at fair value and amortised cost**

<b>At 30 September 2014</b> <b>R'million</b>	<b>Financial instruments at fair value</b>	<b>Financial instruments at amortised cost</b>	<b>Insurance related</b>	<b>Non-financial instruments</b>	<b>Total</b>
<b>Assets</b>					
Cash and balances at central banks	-	5,946	-	-	5,946
Loans and advances to banks	585	29,884	-	-	30,469
Non-sovereign and non-bank cash placements	24	10,379	-	-	10,403
Reverse repurchase agreements and cash collateral on securities borrowed	6,764	477	-	-	7,241
Sovereign debt securities	29,407	3,522	-	-	32,929
Bank debt securities	11,013	12,367	-	-	23,380
Other debt securities	5,027	2,796	-	-	7,823
Derivative financial instruments	12,918	-	-	-	12,918
Securities arising from trading activities	6,783	-	-	-	6,783
Investment portfolio	9,425	-	-	-	9,425
Loans and advances to customers	12,596	150,526	-	-	163,122
Own originated loans and advances to customers securitised	-	7,399	-	-	7,399
Other loans and advances	-	508	-	-	508
Other securitised assets	-	1,137	-	-	1,137
Interests in associated undertakings	-	-	-	56	56
Deferred taxation assets	-	-	-	456	456
Other assets	256	3,424	-	2,671	6,351
Property and equipment	-	-	-	724	724
Investment properties	-	-	-	8,608	8,608
Goodwill	-	-	-	111	111
Intangible assets	-	-	-	102	102
Non-current assets classified as held for sale	-	-	-	731	731
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	-	-	106,757	-	106,757
	<b>26,656</b>	<b>228,365</b>	<b>106,757</b>	<b>13,459</b>	<b>443,379</b>
<b>Liabilities</b>					
Deposits by banks	-	24,109	-	-	24,109
Derivative financial instruments	9,534	-	-	-	9,534
Other trading liabilities	9,377	-	-	-	9,377
Repurchase agreements and cash collateral on securities lent	1,676	10,835	-	-	12,511
Customer accounts (deposits)	17,338	200,212	-	-	217,550
Debt securities in issue	3,123	6,185	-	-	9,308
Liabilities arising on securitisation of own originated loans and advances	-	1,929	-	-	1,929
Liabilities arising on securitisation of other assets	-	154	-	-	154
Current taxation liabilities	-	-	-	1,590	1,590
Deferred taxation liabilities	-	-	-	554	554
Other liabilities	953	3,074	-	1,663	5,690
Liabilities to customers under investment contracts	-	-	106,732	-	106,732
Insurance liabilities, including unit-linked liabilities	-	-	25	-	25
Subordinated liabilities	-	10,645	-	-	10,645
	<b>42,001</b>	<b>257,143</b>	<b>106,757</b>	<b>3,807</b>	<b>409,708</b>



## Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Assets and liabilities related to the long-term assurance business attributable to policyholders have been excluded from the analysis as the change in fair value of related assets is attributable to policyholders. These are all level 1 assets.

At 30 September 2014 R'million	Financial instruments at fair value	Level within the fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Loans and advances to banks	585	585	-	-
Non-sovereign and non-bank cash placements	24	-	24	-
Reverse repurchase agreements and cash collateral on securities borrowed	6,764	-	6,764	-
Sovereign debt securities	29,407	29,407	-	-
Bank debt securities	11,013	2,941	8,072	-
Other debt securities	5,027	4,485	319	223
Derivative financial instruments	12,918	-	13,197	(279)
Securities arising from trading activities	6,783	6,783	-	-
Investment portfolio	9,425	681	725	8,019
Loans and advances to customers	12,596	-	12,596	-
Other assets	256	256	-	-
	94,798	45,138	41,697	7,963
<b>Liabilities</b>				
Derivative financial instruments	9,534	-	9,534	-
Other trading liabilities	9,377	8,909	468	-
Repurchase agreements and cash collateral on securities lent	1,676	-	1,676	-
Customer accounts (deposits)	17,338	-	17,338	-
Debt securities in issue	3,123	-	3,123	-
Other liabilities	953	375	578	-
	42,001	9,284	32,717	-
<b>Net assets</b>	52,797	35,854	8,980	7,963

The following table shows a reconciliation from the opening balances to the closing balances for net level 3 instruments measured at fair value through the income statement:

	R'million
<b>Net opening balance at 1 April 2014</b>	7,632
Total gains or losses recognised in the current period	449
Purchases	143
Sales	(192)
Issues	(36)
Transfers out of level 3	(35)
Foreign exchange adjustments	2
<b>Net closing balance at 30 September 2014</b>	7,963

R35 million of level 3 instruments have been transferred out of level 3 into level 1 due to an observable market input becoming available.

The following table quantifies the gains or losses included in the income statement recognised on level 3 financial instruments:

For the period ended 30 September 2014	Total	Realised	Unrealised
<b>Total gains or losses included in the income statement for the period</b>			
Interest income	(7)	(7)	-
Investment income	453	13	440
Trading income arising from customer flow	2	(1)	3
Other operating income	1	-	1
	449	5	444

### Sensitivity of fair values to reasonably possible alternative assumptions by Level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

Alternative assumptions, determined at a valuation level					Reflected in the income statement	
	Balance sheet value	Valuation method	Significant unobservable input changed	Range within unobservable input has been stressed	Favourable changes	Unfavourable changes
At 30 September 2014						
Assets						
Other debt securities	223	Discounted cash flows	Discount rates	(30%)/2%	7	(57)
					7	(57)
Derivative financial instruments	(279)	Black Scholes	Volatilities	(25%)/40%	170	(80)
		Discounted cash flows	Credit spreads	(50bps)/50bps	31	(19)
		Other ***	Various***	***	9	(8)
					130	(53)
Investment portfolio	8,019				1,763	(1,000)
		Other ***	Various***	***	1,763	(1,000)
Total	7,963				1,940	(1,137)

\*\*\* Other - The valuation sensitivity for the private equity and embedded derivatives (profit share) portfolios has been assessed on an adjustment to various inputs such as expected cash flows, discount rates, PE ratios. It is deemed appropriate to reflect the outcome in totality for the purposes of this analysis.

In determining the value of Level 3 financial instruments, the following are the principal inputs that can require judgement:

#### Credit spreads

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

#### Discount rates

Discount rates are the interest rates used to discount future cash flows in a discount cash flow valuation method. The discount rate takes into account time value of money and uncertainty of cash flows.

#### Volatilities

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

#### Cash flows

Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

#### Measurement of financial instruments at level 2

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments categorised as level 2 in the fair value hierarchy:

Valuation basis/techniques	Main inputs	
Assets		
Loans and advances to banks	Discounted cash flows	Discount rates
Non-sovereign and non-bank cash placements	Discounted cash flows	Discount rates
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flows Black-Scholes	Yield curve Volatilities Swap curves and NCD curves
Bank debt securities	Discounted cash flows	Swap curves and NCD curves
Other debt securities	Discounted cash flows Discounted cash flows Black-Scholes	NCD curves Yield curve Volatilities
Derivative financial instruments	Quoted price	Net assets
Investment portfolio		Swap curves and discount rates
Loans and advances to customers	Discounted cash flows	
Liabilities		
Derivative financial instruments	Discounted cash flows	Discount rates
Other trading liabilities	Discounted cash flows	Discount rates
Repurchase agreements and cash collateral on securities lent	Discounted cash flows	Discount rates
Customer accounts (deposits)	Discounted cash flows	Swap curves
Debt securities in issue	Discounted cash flows	Swap curves
Other liabilities	Discounted cash flows	Discount rates

**Fair value of financial assets and liabilities at amortised cost**

**At 30 September 2014**

<b>R'million</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Assets</b>		
Cash and balances at central banks	5,946	5,946
Loans and advances to banks	29,884	29,881
Non-sovereign and non-bank cash placements	10,379	10,379
Reverse repurchase agreements and cash collateral on securities borrowed	477	477
Sovereign debt securities	3,522	3,623
Bank debt securities	12,367	12,731
Other debt securities	2,796	3,079
Loans and advances to customers	150,526	150,820
Own originated loans and advances to customers securitised	7,399	7,399
Other loans and advances	508	508
Other securitised assets	1,137	1,137
Other assets	3,424	3,424
	<b>228,365</b>	<b>229,404</b>
<b>Liabilities</b>		
Deposits by banks	24,109	24,407
Repurchase agreements and cash collateral on securities lent	10,835	10,844
Customer accounts (deposits)	200,212	200,658
Debt securities in issue	6,185	6,447
Liabilities arising on securitisation of own originated loans and advances	1,929	1,929
Liabilities arising on securitisation of other assets	154	154
Other liabilities	3,074	3,074
Subordinated liabilities	10,645	11,629
	<b>257,143</b>	<b>259,142</b>



## Investec Limited silo (excluding the results 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
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk):
  - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party effecting required settlements as they fall due but not receiving settlements to which they are entitled. In terms of our definition, settlement debtors receivable in the short term (i.e. less than three days) are excluded from credit and counterparty risk due to market guaranteed settlement mechanisms
  - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to finalise the transaction.

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

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

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

#### An analysis of gross credit and counterparty exposures

Credit and counterparty exposures increased by 3.0% to R357.5 billion largely as a result of an increase in core loans and advances. Cash and near cash balances decreased by 2.6% to R82 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks, non-sovereign and non-bank cash placements, sovereign debt securities.

R'million	30 Sept 2014	31 March 2014	% change	Average*
Cash and balances at central banks	5 946	5 927	0.3%	5 937
Loans and advances to banks	30 469	35 169	(13.4%)	32 819
Non-sovereign and non-bank cash placements	10 403	9 045	15.0%	9 724
Reverse repurchase agreements and cash collateral on securities borrowed	7 241	8 419	(14.0%)	7 830
Sovereign debt securities	32 929	34 815	(5.4%)	33 872
Bank debt securities	23 380	22 355	4.6%	22 868
Other debt securities	7 823	10 112	(22.6%)	8 968
Derivative financial instruments	12 470	11 881	5.0%	12 176
Securities arising from trading activities	1 642	737	>100%	1 190
Loans and advances to customers (gross)	164 346	150 601	9.1%	157 474
Own originated loans and advances to customers securitised (gross)	7 404	7 520	(1.5%)	7 462
Other loans and advances (gross)	535	597	(10.4%)	566
Other securitised assets	159	157	1.3%	158
Other assets	486	595	(18.3%)	541
<b>Total on-balance sheet exposures</b>	<b>305 233</b>	<b>297 930</b>	<b>2.5%</b>	<b>301 582</b>
Guarantees ^	10 058	10 826	(7.1%)	10 442
Contingent liabilities, committed facilities and other	42 211	38 242	10.4%	40 227
<b>Total off-balance sheet exposures</b>	<b>52 269</b>	<b>49 068</b>	<b>6.5%</b>	<b>50 669</b>
<b>Total gross credit and counterparty exposures pre - collateral or other credit enhancements</b>	<b>357 502</b>	<b>346 998</b>	<b>3.0%</b>	<b>352 250</b>

\* Where the average is based on a straight-line average for period 1 April 2014 to 30 September 2014.

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



## Investec Limited silo (excluding the results 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.

R'million	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note reference	Total balance sheet
<b>At 30 September 2014</b>				
Cash and balances at central banks	5 946	-		5 946
Loans and advances to banks	30 469	-		30 469
Non-sovereign and non-bank cash placements	10 403	-		10 403
Reverse repurchase agreements and cash collateral on securities borrowed	7 241	-		7 241
Sovereign debt securities	32 929	-		32 929
Bank debt securities	23 380	-		23 380
Other debt securities	7 823	-		7 823
Derivative financial instruments	12 470	448		12 918
Securities arising from trading activities	1 642	5 231		6 873
Investment portfolio	-	9 425	1	9 425
Loans and advances to customers	164 346	(1 224)	2	163 122
Own originated loans and advances to customers securitised	7 404	(5)	2	7 399
Other loans and advances	535	(27)	2	508
Other securitised assets	159	978	3	1 137
Interest in associated undertakings	-	56		56
Deferred taxation assets	-	456		456
Other assets	486	5 865	4	6 351
Property and equipment	-	724		724
Investment properties	-	8 608		8 608
Goodwill	-	111		111
Intangible assets	-	102		102
Non-current assets classified as held for sale	-	731		731
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	-	106 757		106 757
<b>Total on-balance sheet exposures</b>	<b>305 233</b>	<b>138 236</b>		<b>443 469</b>
<b>At 31 March 2014</b>				
Cash and balances at central banks	5 927	-		5 927
Loans and advances to banks	35 169	-		35 169
Non-sovereign and non-bank cash placements	9 045	-		9 045
Reverse repurchase agreements and cash collateral on securities borrowed	8 419	-		8 419
Sovereign debt securities	34 815	-		34 815
Bank debt securities	22 355	-		22 355
Other debt securities	10 112	-		10 112
Derivative financial instruments	11 881	418		12 299
Securities arising from trading activities	737	4 238		4 975
Investment portfolio	-	8 657	1	8 657
Loans and advances to customers	150 601	(1 247)	2	149 354
Own originated loans and advances to customers securitised	7 520	(4)	2	7 516
Other loans and advances	597	(45)	2	552
Other securitised assets	157	1 811	3	1 968
Interest in associated undertakings	-	52		52
Deferred taxation assets	-	457		457
Other assets	595	5 330	4	5 925
Property and equipment	-	752		752
Investment properties	-	7 857		7 857
Goodwill	-	118		118
Intangible assets	-	102		102
Non-current assets held for sale	-	731		731
Other financial instruments at fair value through profit and loss in respect of liabilities to customers	-	102 934		102 934
<b>Total on-balance sheet exposures</b>	<b>297 930</b>	<b>132 161</b>		<b>430 091</b>

#### Notes:

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

2. Largely relates to impairments.

3. Whilst the group manages all risks (including credit risk) from a day-to-day operational perspective, certain of 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'.

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



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

### Risk management

#### Unaudited

#### Gross and credit counterparty exposures by residual contractual maturity at 30 September 2014

R'million	Up to three months	Three to six months	Six months to one year	One to five years	Five to ten years	>ten years	Total
Cash and balances at central banks	5 946	-	-	-	-	-	5 946
Loans and advances to banks	28 685	69	819	896	-	-	30 469
Non-sovereign and non-bank cash placements	10 403	-	-	-	-	-	10 403
Reverse repurchase agreements and cash collateral on securities borrowed	3 736	324	217	1 534	816	614	7 241
Sovereign debt securities	13 534	5 795	4 969	2 305	1 220	5 106	32 929
Bank debt securities	1 377	2 370	8 718	8 001	2 119	795	23 380
Other debt securities	181	-	1 596	952	4 555	539	7 823
Derivative financial instruments	2 013	793	1 044	5 158	2 033	1 429	12 470
Securities arising from trading activities	1 287	-	49	166	59	81	1 642
Loans and advances to customers (gross)	18 646	6 763	11 505	73 286	16 805	37 341	164 346
Own originated loans and advances to customers securitised (gross)	3	-	1	1 405	579	5 416	7 404
Other loans and advances (gross)	-	-	-	535	-	-	535
Other securitised assets	-	-	-	-	-	159	159
Other assets	486	-	-	-	-	-	486
<b>Total on-balance sheet exposures</b>	<b>86 297</b>	<b>16 114</b>	<b>28 918</b>	<b>94 238</b>	<b>28 186</b>	<b>51 480</b>	<b>305 233</b>
Guarantees <sup>^</sup>	3 988	177	266	4 830	621	176	10 058
Contingent liabilities, committed facilities and other	12 354	896	2 736	10 973	1 691	13 561	42 211
<b>Total off-balance sheet exposures</b>	<b>16 342</b>	<b>1 073</b>	<b>3 002</b>	<b>15 803</b>	<b>2 312</b>	<b>13 737</b>	<b>52 269</b>
<b>Total gross credit and counterparty exposures pre-collateral or other credit enhancements</b>	<b>102 639</b>	<b>17 187</b>	<b>31 920</b>	<b>110 041</b>	<b>30 498</b>	<b>65 217</b>	<b>357 502</b>

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



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

### Risk management

#### Unaudited

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

	Gross core loans and advances		Other credit and counterparty exposures		Total	
R'million	30 Sept 2014	31 March 2014	30 Sept 2014	31 March 2014	30 Sept 2014	31 March 2014
HNW and professional individuals	77 457	71 242	29 191	26 070	106 648	97 312
Lending collateralised by property largely to private clients	39 112	35 515	6 847	7 464	45 959	42 979
Agriculture	651	823	627	597	1 278	1 420
Electricity, gas and water (utility services)	3 523	3 119	3 727	3 464	7 250	6 583
Public and non-business services	1 332	918	40 312	42 463	41 644	43 381
Business services	5 846	5 173	742	1 182	6 588	6 355
Finance and insurance	5 479	4 978	81 950	84 536	87 429	89 514
Retailers and wholesalers	3 217	2 921	2 743	4 026	5 960	6 947
Manufacturing and commerce	10 899	8 468	5 678	4 427	16 577	12 895
Construction	2 934	2 443	388	276	3 322	2 719
Other residential mortgages	48	-	539	597	587	597
Corporate commercial real estate	6 221	6 756	1 775	720	7 996	7 476
Mining and resources	3 804	5 123	5 469	6 434	9 273	11 557
Leisure, entertainment and tourism	1 540	799	387	893	1 927	1 692
Transport	4 007	4 801	3 316	4 206	7 323	9 007
Communication	5 680	5 042	2 061	1 522	7 741	6 564
<b>Total</b>	<b>171 750</b>	<b>158 121</b>	<b>185 752</b>	<b>188 877</b>	<b>357 502</b>	<b>346 998</b>

Private client loans account for 45.1% 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.

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

R'million	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 services	Finance and insurance	Retailers and wholesalers	Manufacturing and commerce	Construction	Other residential mortgages	Corporate commercial real estate	Mining and resources	Leisure, entertainment and tourism	Transport	Communication	Total
<b>At 30 September 2014</b>																	
Cash and balances at central banks	-	-	-	-	-	5 946	-	-	-	-	-	-	-	-	-	-	5 946
Loans and advances to banks	-	-	-	-	-	-	30 469	-	-	-	-	-	-	-	-	-	30 469
Non-sovereign and non-bank cash placements	-	-	-	22	-	129	3 404	1 466	3 312	254	-	-	633	-	785	398	10 403
Reverse repurchase agreements and cash collateral on securities borrowed	447	-	-	20	-	-	5 808	-	923	-	-	-	-	-	43	-	7 241
Sovereign debt securities	-	-	-	-	32 929	-	-	-	-	-	-	-	-	-	-	-	32 929
Bank debt securities	-	-	-	-	-	-	23 380	-	-	-	-	-	-	-	-	-	23 380
Other debt securities	-	-	-	573	-	-	2 970	-	-	-	-	-	-	-	-	-	7 241
Derivative financial instruments	43	-	21	188	-	266	10 497	188	412	2	-	619	2 037	150	41	950	12 895
Securities arising from trading activities	-	-	-	76	299	-	1 113	-	-	98	-	-	4	5	52	-	1 642
Loans and advances to customers (gross)	70 055	39 110	651	3 523	1 332	5 846	5 479	3 217	10 899	2 934	48	6 221	3 804	1 540	4 007	5 680	164 346
Own originated loans and advances to customers securitised (gross)	7 402	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 404
Other loans and advances (gross)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	535
Other securitised assets	-	-	-	-	159	-	-	-	-	-	-	535	-	-	-	-	159
Other assets	-	-	-	1	-	-	481	-	-	-	-	4	-	-	-	-	486
<b>Total on-balance sheet exposures</b>	<b>77 947</b>	<b>39 112</b>	<b>672</b>	<b>4 403</b>	<b>40 665</b>	<b>6 241</b>	<b>83 601</b>	<b>4 871</b>	<b>15 546</b>	<b>3 288</b>	<b>587</b>	<b>6 840</b>	<b>6 628</b>	<b>1 545</b>	<b>5 878</b>	<b>7 409</b>	<b>305 233</b>
Guarantees <sup>A</sup>	2 545	1 178	-	173	904	22	1 818	766	658	-	-	986	734	194	5	75	10 058
Contingent liabilities, committed facilities and other	26 156	5 669	606	2 674	75	325	2 010	323	373	34	-	170	1 911	188	1 440	257	42 211
<b>Total off-balance sheet exposures</b>	<b>28 701</b>	<b>6 847</b>	<b>606</b>	<b>2 847</b>	<b>979</b>	<b>347</b>	<b>3 828</b>	<b>1 089</b>	<b>1 031</b>	<b>34</b>	<b>-</b>	<b>1 156</b>	<b>2 645</b>	<b>382</b>	<b>1 445</b>	<b>332</b>	<b>52 269</b>
<b>Total gross credit and counterparty exposures pre-collateral or other credit enhancements</b>	<b>106 648</b>	<b>45 959</b>	<b>1 278</b>	<b>7 250</b>	<b>41 644</b>	<b>6 588</b>	<b>87 429</b>	<b>5 960</b>	<b>16 577</b>	<b>3 322</b>	<b>587</b>	<b>7 996</b>	<b>9 273</b>	<b>1 927</b>	<b>7 323</b>	<b>7 741</b>	<b>357 502</b>
<b>At 31 March 2014</b>																	
Cash and balances at central banks	-	-	-	-	-	5 927	-	-	-	-	-	-	-	-	-	-	5 927
Loans and advances to banks	-	-	-	-	-	-	35 169	-	-	-	-	-	-	-	-	-	35 169
Non-sovereign and non-bank cash placements	-	-	-	24	17	484	2 000	1 682	2 063	240	-	-	541	-	1 803	191	9 045
Reverse repurchase agreements and cash collateral on securities borrowed	485	-	-	20	-	-	6 827	-	1 008	-	-	-	-	-	79	-	8 419
Sovereign debt securities	-	-	-	-	34 815	-	-	-	-	-	-	-	-	-	-	-	34 815
Bank debt securities	-	-	-	-	-	-	22 355	-	-	-	-	-	-	-	-	-	22 355
Other debt securities	-	-	-	-	-	-	4 841	-	-	-	-	-	-	-	-	-	10 112
Derivative financial instruments	61	-	9	85	-	52	10 113	247	469	5	-	607	138	11	84	-	11 881
Securities arising from trading activities	-	-	-	4	-	-	148	-	149	-	-	-	-	-	39	-	737
Loans and advances to customers (gross)	63 722	35 515	823	3 119	918	5 173	4 978	2 921	8 468	2 443	-	6 756	5 123	799	4 801	5 042	150 601
Own originated loans and advances to customers securitised (gross)	7 520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 520
Other loans and advances (gross)	-	-	-	-	-	-	-	-	-	-	-	597	-	-	-	-	597
Other securitised assets	-	-	-	-	157	-	-	-	-	-	-	-	-	-	-	-	157
Other assets	-	-	-	1	300	-	294	-	-	-	-	-	-	-	-	-	595
<b>Total on-balance sheet exposures</b>	<b>71 788</b>	<b>35 515</b>	<b>832</b>	<b>3 557</b>	<b>42 534</b>	<b>5 709</b>	<b>86 725</b>	<b>4 850</b>	<b>12 157</b>	<b>2 688</b>	<b>597</b>	<b>7 363</b>	<b>8 028</b>	<b>810</b>	<b>8 353</b>	<b>6 427</b>	<b>297 930</b>
Guarantees <sup>A</sup>	2 361	1 518	-	158	843	33	2 539	1 325	110	-	-	1	1 713	197	20	8	10 826
Contingent liabilities, committed facilities and other	23 163	5 946	588	2 868	7	613	250	772	628	31	-	112	1 816	685	634	129	38 242
<b>Total off-balance sheet exposures</b>	<b>25 524</b>	<b>7 464</b>	<b>588</b>	<b>3 026</b>	<b>850</b>	<b>646</b>	<b>2 789</b>	<b>2 097</b>	<b>738</b>	<b>31</b>	<b>-</b>	<b>113</b>	<b>3 529</b>	<b>882</b>	<b>654</b>	<b>137</b>	<b>49 068</b>
<b>Total gross credit and counterparty exposures pre-collateral or other credit enhancements</b>	<b>97 312</b>	<b>42 979</b>	<b>1 420</b>	<b>6 583</b>	<b>43 381</b>	<b>6 355</b>	<b>89 514</b>	<b>6 947</b>	<b>12 895</b>	<b>2 719</b>	<b>597</b>	<b>7 476</b>	<b>11 557</b>	<b>1 692</b>	<b>9 007</b>	<b>6 564</b>	<b>346 998</b>

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



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

### Risk management

#### Unaudited

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

R'million	30 Sept 2014	31 March 2014
Loans and advances to customers as per balance sheet	163 122	149 354
Add: own originated loans and advances to customers securitised as per the balance sheet	7 399	7 516
<b>Net core loans and advances to customers</b>	<b>170 521</b>	<b>156 870</b>

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

R'million	30 Sept 2014	31 March 2014
<b>Gross core loans and advances to customers</b>	<b>171 750</b>	<b>158 121</b>
<b>Total impairments</b>	<b>(1 229)</b>	<b>(1 251)</b>
Portfolio impairments	(178)	(174)
Specific impairments	(1 051)	(1 077)
<b>Net core loans and advances to customers</b>	<b>170 521</b>	<b>156 870</b>
<b>Average gross core loans and advances to customers</b>	<b>164 936</b>	<b>150 669</b>
Current loans and advances to customers	167 051	153 166
Past due loans and advances to customers (1-60 days)	1 037	746
Special mention loans and advances to customers	266	668
Default loans and advances to customers	3 396	3 541
<b>Gross core loans and advances to customers</b>	<b>171 750</b>	<b>158 121</b>
Current loans and advances to customers	167 051	153 166
Default loans that are current and not impaired	188	162
Gross core loans and advances to customers that are past due but not impaired	1 951	2 211
Gross core loans and advances to customers that are impaired	2 560	2 582
<b>Gross core loans and advances to customers</b>	<b>171 750</b>	<b>158 121</b>
<b>Total income statement charge for impairments on core loans and advances</b>	<b>(239)^</b>	<b>(636)</b>
Gross default loans and advances to customers	3 396	3 541
Specific impairments	(1 051)	(1 077)
Portfolio impairments	(178)	(174)
<b>Defaults net of impairments</b>	<b>2 167</b>	<b>2 290</b>
Collateral and other credit enhancements	3 218	3 549
<b>Net default loans and advances to customers (limited to zero)</b>	<b>-</b>	<b>-</b>
<b>Ratios:</b>		
Total impairments as a % of gross core loans and advances to customers	0.72%	0.79%
Total impairments as a % of gross default loans	36.19%	35.33%
Gross defaults as a % of gross core loans and advances to customers	1.98%	2.24%
Defaults (net of impairments) as a % of net core loans and advances to customers	1.27%	1.46%
Net defaults as a % of net core loans and advances to customers	-	-
Annualised credit loss ratio (i.e. income statement impairment charge on core loans as a % of average gross core loans and advances)	0.29%	0.42%

^ Difference when comparing to total income statement charge for impairments relates to recovery on non-core loans.





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

### Risk management

#### Unaudited

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

R'million	30 Sept 2014	31 March 2014
Default loans that are current	851	784
1 - 60 days	1 546	1 161
61 - 90 days	157	241
91 - 180 days	274	457
181 - 365 days	268	585
>365 days	1 603	1 727
<b>Past due and default core loans and advances to customers (actual capital exposure)</b>	<b>4 699</b>	<b>4 955</b>
1 - 60 days	585	235
61 - 90 days	44	29
91 - 180 days	83	106
181 - 365 days	156	470
>365 days	1 249	1 425
<b>Past due and default core loans and advances to customers (actual amount in arrears)</b>	<b>2 117</b>	<b>2 265</b>

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

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>At 30 September 2014</b>							
<b>Watchlist loans that are neither past due nor impaired</b>							
Total capital exposure	188	-	-	-	-	-	188
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	1 154	119	157	64	457	1 951
Amount in arrears	-	279	22	57	21	268	647
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	663	392	38	117	204	1 146	2 560
Amount in arrears	-	306	22	26	135	981	1 470
<b>At 31 March 2014</b>							
<b>Watchlist loans that are neither past due nor impaired</b>							
Total capital exposure	162	-	-	-	-	-	162
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	1 014	173	277	326	421	2 211
Amount in arrears	-	192	18	39	246	298	793
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	622	147	68	180	259	1 306	2 582
Amount in arrears	-	43	11	67	224	1 127	1 472



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

### Risk management

#### Unaudited

#### An age analysis of past due and default core loans and advances to customers at 30 September 2014 (based on total capital exposure)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	1 037	-	-	-	-	1 037
<b>Special mention</b>	-	54	111	36	7	58	266
Special mention (1 - 90 days)	-	54	1	36*	7*	58*	156
Special mention (61 - 90 days and item well secured)	-	-	110	-	-	-	110
<b>Default</b>	851	455	46	238	261	1 545	3 396
Sub-standard	188	63	10	122	57	399	839
Doubtful	663	392	36	116	204	1 146	2 557
<b>Total</b>	851	1 546	157	274	268	1 603	4 699

#### An age analysis of past due and default core loans and advances to customers at 30 September 2014 (based on actual amount in arrears)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	221	-	-	-	-	221
<b>Special mention</b>	-	24	16	14	3	11	68
Special mention (1 - 90 days)	-	24	-	14*	3*	11*	52
Special mention (61 - 90 days and item well secured)	-	-	16	-	-	-	16
<b>Default</b>	-	340	28	69	153	1 238	1 828
Sub-standard	-	34	6	43	18	257	358
Doubtful	-	306	22	26	135	981	1 470
<b>Total</b>	-	585	44	83	156	1 249	2 117

#### An age analysis past due and default core loans and advances to customers at 31 March 2014 (based on total capital exposure)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	746	-	-	-	-	746
<b>Special mention</b>	-	241	151	3	214	59	668
Special mention (1 - 90 days)	-	241	23	3*	214*	59*	540
Special mention (61 - 90 days and item well secured)	-	-	128	-	-	-	128
<b>Default</b>	784	174	90	454	371	1 668	3 541
Sub-standard	162	29	25	274	112	363	965
Doubtful	622	145	65	180	259	1 305	2 576
<b>Total</b>	784	1 161	241	457	585	1 727	4 955

#### An age analysis of past due and default core loans and advances to customers at 31 March 2014 (based on actual amount in arrears)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	78	-	-	-	-	78
<b>Special mention</b>	-	113	17	1	187	9	327
Special mention (1 - 90 days)	-	113	3	1*	187*	9*	313
Special mention (61 - 90 days and item well secured)	-	-	14	-	-	-	14
<b>Default</b>	-	44	12	105	283	1 416	1 860
Sub-standard	-	1	1	38	59	287	386
Doubtful	-	43	11	67	224	1 129	1 474
<b>Total</b>	-	235	29	106	470	1 425	2 265

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



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

### Risk management

Unaudited

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

R'million	Gross core loans and advances that are neither past due nor impaired	Gross core loans and advances that are past due but not impaired	Gross core loans and advances that are impaired	Total gross core loans and advances (actual capital exposure)	Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears
<b>At 30 September 2014</b>								
Current core loans and advances	167 051	-	-	167 051	-	(169)	166 882	-
Past due (1-60 days)	-	1 037	-	1 037	-	(6)	1 031	221
Special mention	-	266	-	266	-	(3)	263	68
Special mention (1 - 90 days)	-	156	-	156	-	(2)	154	52
Special mention (61 - 90 days and item well secured)	-	110	-	110	-	(1)	109	16
Default	188	648	2 560	3 396	(1 051)	-	2 345	1 828
Sub-standard	188	648	3	839	-	-	839	358
Doubtful	-	-	2 557	2 557	(1 051)	-	1 506	1 470
<b>Total</b>	<b>167 239</b>	<b>1 951</b>	<b>2 560</b>	<b>171 750</b>	<b>(1 051)</b>	<b>(178)</b>	<b>170 521</b>	<b>2 117</b>
<b>At 31 March 2014</b>								
Current core loans and advances	153 166	-	-	153 166	-	(160)	153 006	-
Past due (1-60 days)	-	746	-	746	-	(4)	742	78
Special mention	-	668	-	668	-	(10)	658	327
Special mention (1 - 90 days)	-	540	-	540	-	(9)	531	313
Special mention (61 - 90 days and item well secured)	-	128	-	128	-	(1)	127	14
Default	162	797	2 582	3 541	(1 077)	-	2 464	1 860
Sub-standard	162	797	6	965	-	-	965	386
Doubtful	-	-	2 576	2 576	(1 077)	-	1 499	1 474
<b>Total</b>	<b>153 328</b>	<b>2 211</b>	<b>2 582</b>	<b>158 121</b>	<b>(1 077)</b>	<b>(174)</b>	<b>156 870</b>	<b>2 265</b>



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

### Risk management

Unaudited

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

R'million	Private client professionals and HNW individuals	Corporate Sector	Banking, insurance, financial services (excluding sovereign)	Public and government sector (including central banks)	Trade Finance and other	Total gross core loans and advances to customers
<b>At 30 September 2014</b>						
Current core loans and advances	112 963	44 074	5 474	1 332	3 208	167 051
Past due (1-60 days)	796	150	5	-	86	1 037
Special mention	230	1	-	-	35	266
Special mention (1 - 90 days)	156	-	-	-	-	156
Special mention (61 - 90 days and item well secured)	74	1	-	-	35	110
Default	2 580	703	-	-	113	3 396
Sub-standard	642	193	-	-	4	839
Doubtful	1 938	510	-	-	109	2 557
<b>Total gross core loans and advances to customers</b>	<b>116 569</b>	<b>44 928</b>	<b>5 479</b>	<b>1 332</b>	<b>3 442</b>	<b>171 750</b>
<b>Total impairments</b>	<b>( 878)</b>	<b>(248)</b>	<b>(2)</b>	<b>(4)</b>	<b>(97)</b>	<b>(1 229)</b>
Specific impairments	( 759)	(195)	-	-	(97)	(1 051)
Portfolio impairments	(119)	(53)	(2)	(4)	-	(178)
<b>Net core loans and advances to customers</b>	<b>115 691</b>	<b>44 680</b>	<b>5 477</b>	<b>1 328</b>	<b>3 345</b>	<b>170 521</b>
<b>At 31 March 2014</b>						
Current core loans and advances	102 743	41 829	4 797	917	2 880	153 166
Past due (1-60 days)	486	200	-	-	60	746
Special mention	666	-	-	-	2	668
Special mention (1 - 90 days)	540	-	-	-	-	540
Special mention (61 - 90 days and item well secured)	126	-	-	-	2	128
Default	2 862	390	183	-	106	3 541
Sub-standard	774	3	183	-	5	965
Doubtful	2 088	387	-	-	101	2 576
<b>Total gross core loans and advances to customers</b>	<b>106 757</b>	<b>42 419</b>	<b>4 980</b>	<b>917</b>	<b>3 048</b>	<b>158 121</b>
<b>Total impairments</b>	<b>( 988)</b>	<b>(180)</b>	<b>(2)</b>	<b>(1)</b>	<b>(80)</b>	<b>(1 251)</b>
Specific impairments	( 869)	(128)	-	-	(80)	(1 077)
Portfolio impairments	(119)	(52)	(2)	(1)	-	(174)
<b>Net core loans and advances to customers</b>	<b>105 769</b>	<b>42 239</b>	<b>4 978</b>	<b>916</b>	<b>2 968</b>	<b>156 870</b>

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

R'million	30 Sept 2014	31 March 2014
Private client professionals and HNW individuals	116 569	106 757
Corporate sector	44 928	42 419
Banking, insurance, financial services (excluding sovereign)	5 479	4 980
Public and government sector (including central banks)	1 332	917
Trade finance and other	3 442	3 048
<b>Total gross core loans and advances to customers</b>	<b>171 750</b>	<b>158 121</b>



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

### Risk management

Unaudited

#### Analysis of core loans and advances by risk category at 30 September 2014

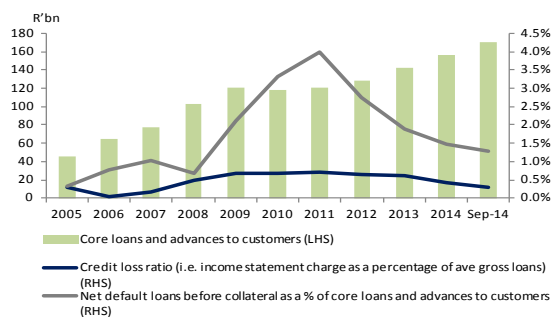
R'million	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Income statement impairments*
<b>Lending collateralised by property</b>	<b>39 112</b>	<b>1 667</b>	<b>1 491</b>	<b>(642)</b>	<b>(135)</b>
<b>Commercial real estate</b>	<b>35 959</b>	<b>722</b>	<b>757</b>	<b>(296)</b>	<b>(141)</b>
Commercial real estate - investment	32 110	345	449	( 145)	( 31)
Commercial real estate - development	2 100	-	-	( 3)	-
Commercial vacant land and planning	1 749	377	308	( 148)	( 110)
<b>Residential real estate</b>	<b>3 153</b>	<b>945</b>	<b>734</b>	<b>(346)</b>	<b>6</b>
Residential real estate - development	1 608	361	345	( 52)	( 1)
Residential vacant land and planning	1 545	584	389	( 294)	7
<b>High net worth and other private client lending</b>	<b>77 457</b>	<b>913</b>	<b>1 155</b>	<b>(235)</b>	<b>27</b>
Mortgages (owner occupied)	47 722	586	841	(80)	13
High net worth and specialised lending	29 735	327	314	(155)	14
<b>Corporate and other lending</b>	<b>55 181</b>	<b>816</b>	<b>572</b>	<b>( 352)</b>	<b>( 131)</b>
Acquisition finance	16 001	536	488	(148)	( 83)
Asset-based lending	3 447	113	60	( 97)	( 17)
Other corporate lending	27 255	145	13	(85)	(21)
Asset finance	3 672	22	11	(22)	(10)
Small ticket asset finance	1 165	22	11	(12)	(11)
Large ticket asset finance	2 507	-	-	( 10)	1
Project finance	4 312	-	-	-	-
Resource finance and commodities	494	-	-	-	-
<b>Total</b>	<b>171 750</b>	<b>3 396</b>	<b>3 218</b>	<b>(1 229)</b>	<b>( 239)</b>

#### Analysis of core loans and advances by risk category at 31 March 2014

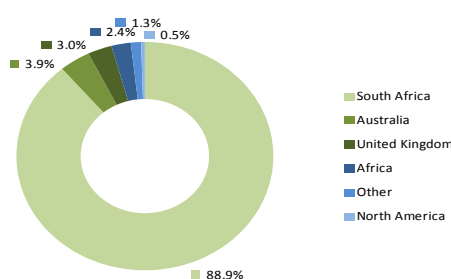
R'million	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Income statement impairments*
<b>Lending collateralised by property</b>	<b>35 515</b>	<b>1 844</b>	<b>1 716</b>	<b>(694)</b>	<b>( 197)</b>
<b>Commercial Real Estate</b>	<b>32 571</b>	<b>749</b>	<b>899</b>	<b>( 237)</b>	<b>( 67)</b>
Commercial Real Estate - investment	28 949	516	636	(168)	( 32)
Commercial Real Estate - development	1 846	-	-	( 3)	( 16)
Commercial vacant land and planning	1 776	233	263	(66)	( 19)
<b>Residential Real Estate</b>	<b>2 944</b>	<b>1 095</b>	<b>817</b>	<b>( 457)</b>	<b>( 130)</b>
Residential real estate - development	1 231	328	324	(50)	( 46)
Residential vacant land and planning	1 713	767	493	(407)	( 84)
<b>High net worth and other private client lending</b>	<b>71 242</b>	<b>1 018</b>	<b>1 208</b>	<b>( 294)</b>	<b>( 356)</b>
Mortgages (owner occupied)	43 105	619	819	(118)	( 90)
High net worth and specialised lending	28 137	399	389	(176)	( 266)
<b>Corporate and other lending</b>	<b>51 364</b>	<b>679</b>	<b>625</b>	<b>( 263)</b>	<b>( 83)</b>
Acquisition finance	12 188	527	557	( 100)	8
Asset-based lending	3 050	106	55	( 80)	( 35)
Other corporate lending	28 739	46	13	(75)	39
Asset finance	3 519	-	-	( 8)	( 9)
Small ticket asset finance	2 512	-	-	( 8)	( 9)
Large ticket asset finance	1 007	-	-	-	-
Project finance	3 220	-	-	-	( 86)
Resource finance and commodities	648	-	-	-	-
<b>Total</b>	<b>158 121</b>	<b>3 541</b>	<b>3 549</b>	<b>(1 251)</b>	<b>( 636)</b>

\* Where a positive number represents a recovery

### Asset quality trends



### An analysis of gross core loans and advances to customers by country of exposure





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

### Risk management

#### Unaudited

#### Collateral

A summary of total collateral is provided in the table below

R'million	Collateral held against		Total
	Gross core loans and advances	Other credit and counterparty exposures*	
<b>At 30 September 2014</b>			
<b>Eligible financial collateral</b>	<b>32 686</b>	<b>18 752</b>	<b>51 438</b>
Listed shares	28 850	18 720	47 570
Cash	1 172	32	1 204
Debt securities issued by sovereigns	2 664	-	2 664
<b>Mortgage bonds</b>	<b>218 660</b>	<b>93</b>	<b>218 753</b>
Residential mortgages	109 388	-	109 388
Commercial property development	7 382	93	7 475
Commercial property investments	101 890	-	101 890
<b>Other collateral</b>	<b>71 414</b>	<b>1 208</b>	<b>72 622</b>
Unlisted shares	28 600	743	29 343
Bonds other than mortgage bonds	7 832	-	7 832
Debtors stock and other corporate assets	4 646	-	4 646
Guarantees	12 876	155	13 031
Other	17 460	310	17 770
			-
<b>Total collateral</b>	<b>322 760</b>	<b>20 053</b>	<b>342 813</b>
<b>At 31 March 2014</b>			
<b>Eligible financial collateral</b>	<b>25 949</b>	<b>13 547</b>	<b>39 496</b>
Listed shares	24 725	13 545	38 270
Cash	1 224	2	1 226
<b>Mortgage bonds</b>	<b>211 125</b>	<b>631</b>	<b>211 756</b>
Residential mortgages	105 588	552	106 140
Commercial property development	6 323	79	6 402
Commercial property investments	99 214	-	99 214
<b>Other collateral</b>	<b>75 252</b>	<b>1 497</b>	<b>76 749</b>
Unlisted shares	29 784	782	30 566
Bonds other than mortgage bonds	8 622	-	8 622
Debtors stock and other corporate assets	9 922	-	9 922
Guarantees	12 136	157	12 293
Other	14 788	558	15 346
<b>Total collateral</b>	<b>286 377</b>	<b>15 675</b>	<b>328 001</b>

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



## Investec Limited silo (excluding the results 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 group:

- **Principal Investments (Private Equity and Direct Investments):** investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy. In addition, as a result of our local market knowledge and investment banking expertise, we are well positioned to take direct positions in listed shares where we believe that the market is mispricing the value of the underlying portfolio with the intention to stimulate corporate activity. In South Africa, we also continue to pursue opportunities to help create and grow black-owned and controlled companies
- **Lending transactions:** the manner in which we structure certain transactions results in equity, warrant and profit shares being held, predominantly within unlisted companies
- **Property activities:** We source development, investment and trading opportunities to create value and trade for profit within agreed risk parameters
- **Central Funding:** central funding is the custodian of certain equity and property investments, which have largely arisen from corporate acquisitions made, notably in the early 2000s.

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

	Income (pre funding costs)				
R'million	Unrealised	Realised	Dividends	Total	Fair value through equity
For the six months to 30 September 2014					
Unlisted investments	543	14	64	621	-
Listed equities^	38	2	23	63	(12)
Investment and trading properties^	( 10)	98	-	88	-
Warrants, profit shares and other embedded derivatives	34	37	-	71	-
Total	605	151	87	843	(12)
For the year ended 31 March 2014					
Unlisted investments	8	93	660	761	-
Listed equities*	7	53	3	63	7
Investment and trading properties*	172	114	-	286	-
Warrants, profit shares and other embedded derivatives	( 22)	129	-	107	-
Total	165	389	663	1 217	7

<sup>^</sup> For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 29.4%. It is noted that the ultimate impact on the income statement reflects the group's net attributable earnings from the investment

<sup>\*</sup> For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 44.3%. It is noted that the ultimate impact on the income statement reflects the group's net attributable earnings from the investment

Unrealised revaluation gains through profit and loss are included in tier 1 capital. Investec Limited continues to exclude revaluation gains posted directly to equity from their capital position.



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

### Risk management

#### Unaudited

#### Summary of investments held and stress-testing analysis

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

	On-balance sheet value of investments	Valuation change stress test*	On-balance sheet value of investments	Valuation change stress test*
R'million	30 Sept 2014	30 Sept 2014	31 March 2014	31 March 2014
Unlisted investments **	9 088	1 363	8 563	1 285
Listed equities **	1 068	267	825	206
Investment and trading properties^	6 126	794	6 615	829
Warrants, profit shares and other embedded derivatives	449	157	417	146
<b>Total</b>	<b>16 731</b>	<b>2 581</b>	<b>16 420</b>	<b>2 466</b>

\*\* Includes the investment portfolio and non-current assets classified as held-for-sale as per the balance sheet.

^ For the purposes of the above analysis, the exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 29.4% at September 2014 and 44.3% at March 2014.

\*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%

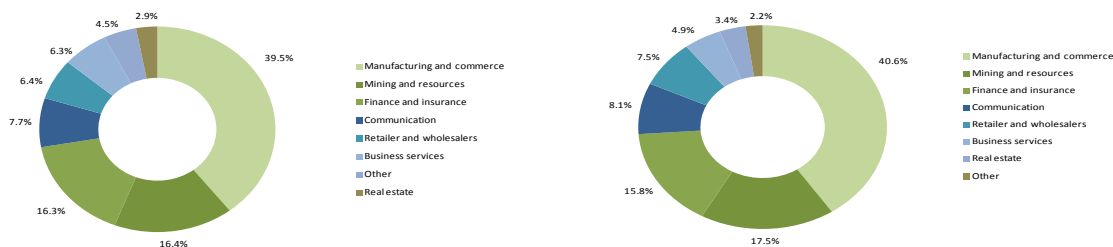
#### Stress testing summary

Based on the information at 30 September 2014, as reflected above we could have a R2.6 billion 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.

### An analysis of the principal investment portfolio by industry of exposure

30 September 2014 (R10.6 billion)

31 March 2014 (R9.8 billion)







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

### Risk management

#### Unaudited

#### Securitisation/structured credit activities and exposures

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

In South Africa, our securitisation business was established over 10 years ago. Over this time, we have arranged a number of residential and commercial mortgage-backed programmes, asset-backed commercial paper conduits (ABCP) and third party securitisations.

Historically, we have also assisted in the development of select securitisation platforms with external third party originating intermediaries. Our exposure to these platforms has reduced and been sold down over the last few years and at present we have a single limited warehouse funding line to one platform.

Furthermore, we are sponsor to and provide a standby liquidity facility to Grayston Conduit 1 (RF) Limited Series 1, Series 2 and Private Mortgages 1. These facilities which totalled R0.4 billion at 30 September 2014 (31 March 2014: R1.3 billion), have not been drawn on and is thus reflected as off-balance sheet contingent exposures in terms of our credit analysis. The liquidity risk associated with these facilities is included in the stress testing for the group and is managed in accordance with our overall liquidity position.

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

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

Total assets that have been originated and securitised by the Private Client division amount to R7.4 billion (March 2014: R7.5 billion). These securitisation structures have all been rated by Moody's.

## Credit analysis

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

Nature of exposure/activity	Exposure at 30 Sept 2014 R'mn	Exposure at 31 March 2014 R'mn	Internal balance sheet and credit risk classification
Structured credit*	2,677	3 813	Other debt securities and other loans and advances
Rated	2,455	3 520	
Unrated	222	293	
Loans and advances to customers, and third party intermediary originating platforms (mortgage loans) (with the potential to be securitised)	508	552	Other loans and advances
Private client division assets which have been securitised	7,399	7 516	Own originated loans and advances to customers securitised
Liquidity facilities provided to third party corporate securitisation vehicles	358	1 305	Off-balance sheet credit exposure as these facilities have remained undrawn and reflect a contingent liability of the bank.

\* Analysis of structured rated and unrated credit

R'mn	30 September 2014			31 March 2014		
	Rated**	Unrated	Total	Rated**	Unrated	Total
US corporate loans	34	-	34	32	11	43
UK and European RMBS	2,096	-	2,096	2,891	-	2,891
UK and European CMBS	160	-	160	1	-	1
UK and European corporate loans	-	222	222	-	282	282
Australian RMBS	165	-	165	365	-	365
South African RMBS	-	-	-	74	-	74
South African CMBS	-	-	-	157	-	157
<b>Total</b>	<b>2,455</b>	<b>222</b>	<b>2,677</b>	<b>3,520</b>	<b>293</b>	<b>3,813</b>

\*\*A further analysis of rated structured credit at 30 September 2014

R'mn	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	-	34	-	-	34
UK and European RMBS	-	471	753	660	212	-	-	2,096
UK and European CMBS	-	159	-	1	-	-	-	160
Australian RMBS	-	165	-	-	-	-	-	165
Total at 30 September 2014	-	795	753	661	246	-	-	2,455
Total at 31 March 2014	-	989	869	1,394	268	-	-	3,520



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

### Risk management

#### Unaudited

#### Market risk in the trading book

##### 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 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.

The Market Risk Management 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 South Africa, we have internal model approval from the SARB and so trading capital is calculated as a function of the 99% 10-day VaR as well as the 99% 10-day stressed VaR (sVaR). Backtesting results and a detailed stress testing pack are submitted to the regulator on a monthly basis.

#### VaR

R'million	30 September 2014				31 March 2014			
	Period end	Average	High	Low	Year end	Average	High	Low
<b>95%(one day)</b>								
Commodities	-	0.1	0.4	-	0.5	0.1	0.5	-
Equities	3.1	2.2	4.8	0.7	1.7	4.3	8.9	0.5
Foreign exchange	3.9	3.3	5.9	1.1	1.9	2.5	7.2	1.1
Interest rates	1.4	1.6	2.6	0.9	1.3	2.2	6.0	0.7
<b>Consolidated*</b>	<b>5.3</b>	<b>4.0</b>	<b>6.6</b>	<b>1.7</b>	<b>2.8</b>	<b>5.3</b>	<b>9.3</b>	<b>1.7</b>

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



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

### Risk management

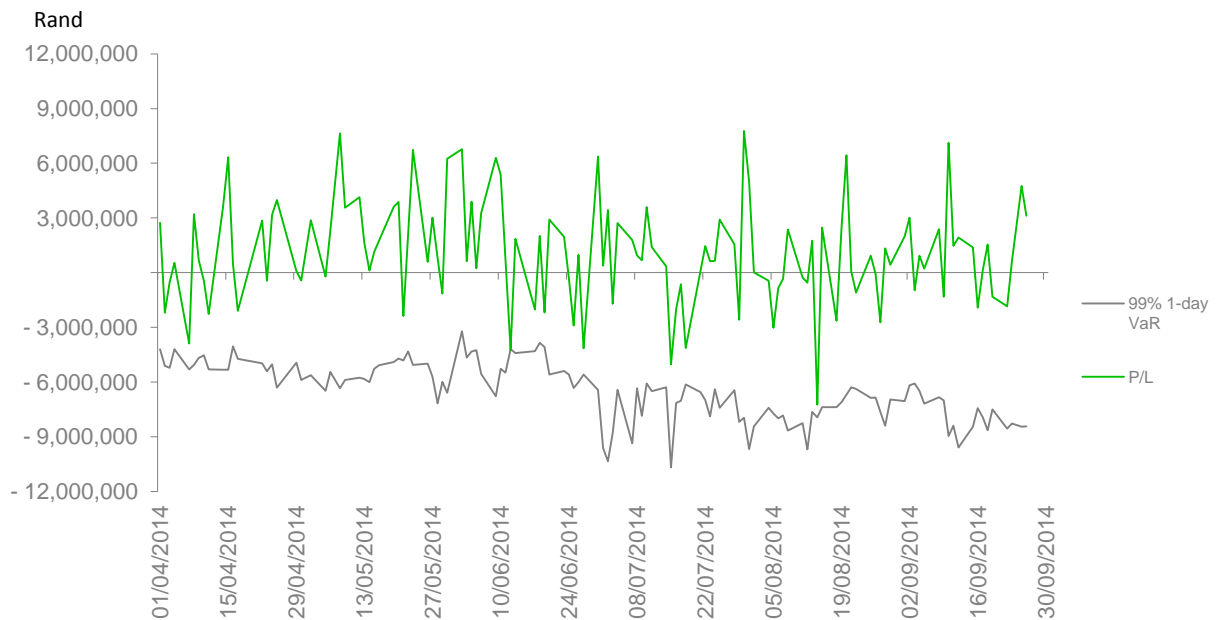
#### Unaudited

#### Traded market risk management

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

#### 99% 1-day VaR Backtesting

VaR for the six months to 30 September 2014 increased moderately during the period. Using hypothetical (clean) profit and loss data for backtesting yielded no exceptions. That is, no losses exceeded the 99% VaR figure for the South African trading desk.





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

### Risk management

#### Unaudited

#### ETL 95% (one day)

R'million	30 Sept 2014	31 March 2014
Commodities	0.1	0.5
Equities	4.8	2.7
Foreign exchange	5.8	2.7
Interest rates	2.5	1.9
<b>Consolidated*</b>	<b>7.2</b>	<b>4.0</b>

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

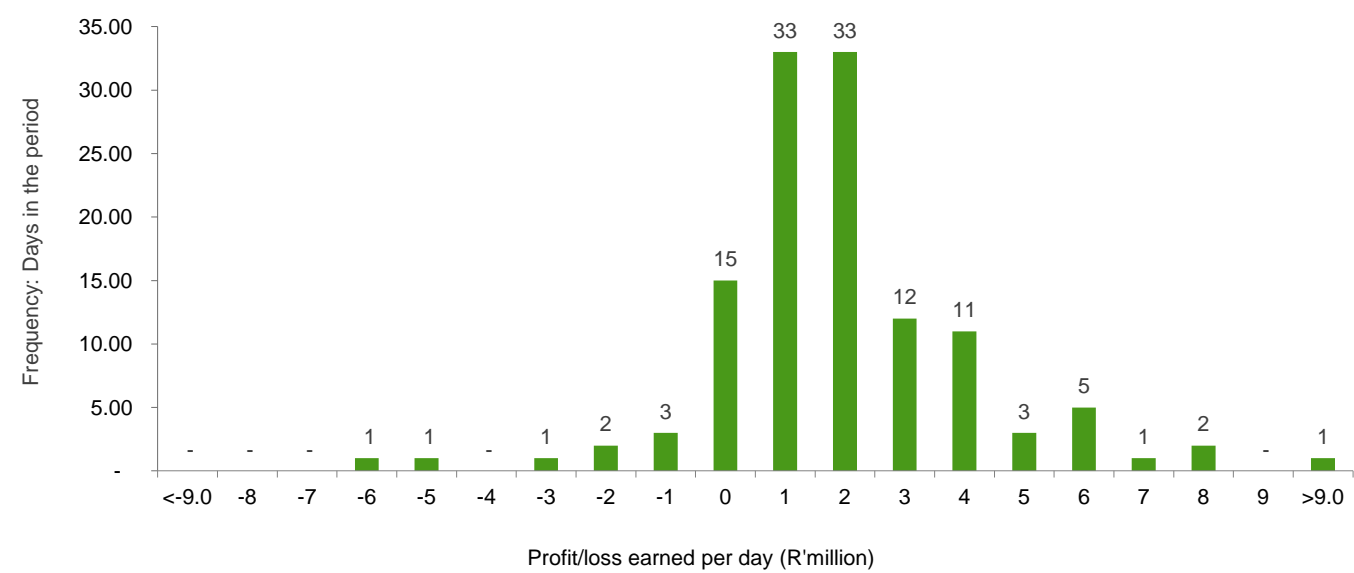
### Stress testing

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

R'million	30 September 2014 Period end	Average	High	Low	31 March 2014 Year end
Commodities	0.1	0.4	6.5	0.1	1.6
Equities	9.8	10.9	20.2	5.7	6.8
Foreign exchange	10.7	10.6	16.0	6.4	12.9
Interest rates	5.5	11.3	23.5	5.5	6.6
<b>Consolidated</b>	<b>13.7</b>	<b>14.8</b>	<b>24.2</b>	<b>7.0</b>	<b>16.0</b>

Profit and loss histograms

The histogram below illustrates the distribution in daily revenue during the period for our trading businesses. The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 101 days out of a total of 124 days in the trading business. The average daily trading revenue generated for the six months to 30 September 2014 was R1.4 million (year ended March 2014: R1.4 million)





## Investec Limited silo (excluding the results 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 interest rate risk include:

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

These above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest income and the economic value of equity.





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

### Risk management

#### Unaudited

#### Interest rate sensitivity gap

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

At 30 September 2014 R'million	Not > three months	> three months but < six months	> six months but < one year	> one year but < five years	> five years	Non-rate	Total non- trading
Cash and short-term funds - banks	28 230	58	2	35	-	5 841	34 166
Cash and short-term funds - non-banks	10 403	-	-	-	-	-	10 403
Investment/trading assets and statutory liquids	30 369	8 610	8 076	11 420	8 534	23 522	90 531
Securitised assets	7 998	-	-	-	-	538	8 536
Advances	144 066	3 311	1 673	6 887	4 877	2 816	163 630
Other assets	1 267	-	-	-	-	6 252	7 519
<b>Assets</b>	<b>222 333</b>	<b>11 979</b>	<b>9 751</b>	<b>18 342</b>	<b>13 411</b>	<b>38 969</b>	<b>314 785</b>
Deposits - banks	(23 534)	(412)	-	(77)	-	(86)	(24 109)
Deposits - non-banks	(180 965)	(12 682)	(11 232)	(8 498)	(2 424)	(1 326)	(217 127)
Negotiable paper	(3 998)	(317)	(924)	(4 069)	-	-	(9 308)
Securitized liabilities	(1 288)	-	-	-	-	(795)	(2 083)
Investment/trading liabilities	(8 700)	( 291)	(1 070)	(1 639)	( 89)	(8 085)	(19 874)
Subordinated liabilities	(7 450)	-	( 125)	(400)	(2 670)	-	(10 645)
Other liabilities	(19)	-	-	-	-	(7 073)	(7 092)
<b>Liabilities</b>	<b>(225 954)</b>	<b>(13 702)</b>	<b>(13 351)</b>	<b>(14 683)</b>	<b>(5 183)</b>	<b>(17 365)</b>	<b>(290 238)</b>
<b>Intercompany loans</b>	<b>11 429</b>	<b>(711)</b>	<b>(413)</b>	<b>2 374</b>	<b>(40)</b>	<b>1 609</b>	<b>14 248</b>
<b>Shareholders' funds</b>	<b>(3 266)</b>	<b>-</b>	<b>-</b>	<b>( 410)</b>	<b>(871)</b>	<b>(29 124)</b>	<b>(33 671)</b>
<b>Balance sheet</b>	<b>4 542</b>	<b>(2 434)</b>	<b>(4 013)</b>	<b>5 623</b>	<b>7 317</b>	<b>(5 911)</b>	<b>5 124</b>
<b>Off-balance sheet</b>	<b>14 286</b>	<b>(2 328)</b>	<b>(2 177)</b>	<b>(10 385)</b>	<b>(4 534)</b>	<b>14</b>	<b>(5 124)</b>
<b>Repricing gap</b>	<b>18 828</b>	<b>(4 762)</b>	<b>(6 190)</b>	<b>(4 762)</b>	<b>2 783</b>	<b>(5 897)</b>	<b>-</b>
Cumulative repricing gap	18 828	14 066	7 876	3 114	5 897	-	-

#### Economic value sensitivity at 30 September 2014

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

'million	Sensitivity to the following interest rates (expressed in original currencies)						All (ZAR)
	ZAR	GBP	USD	EUR	AUD	Other (ZAR)	
200bps down	(157.3)	8.6	12.9	(2.5)	0.5	8.4	124.0
200bps up	107.8	(7.5)	(9.9)	2.5	(0.7)	(7.0)	(119.7)



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

### Risk management

#### Unaudited

#### Balance sheet risk management

#### Liquidity risk

Liquidity risk is the risk that, despite being solvent, 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 market-wide events.

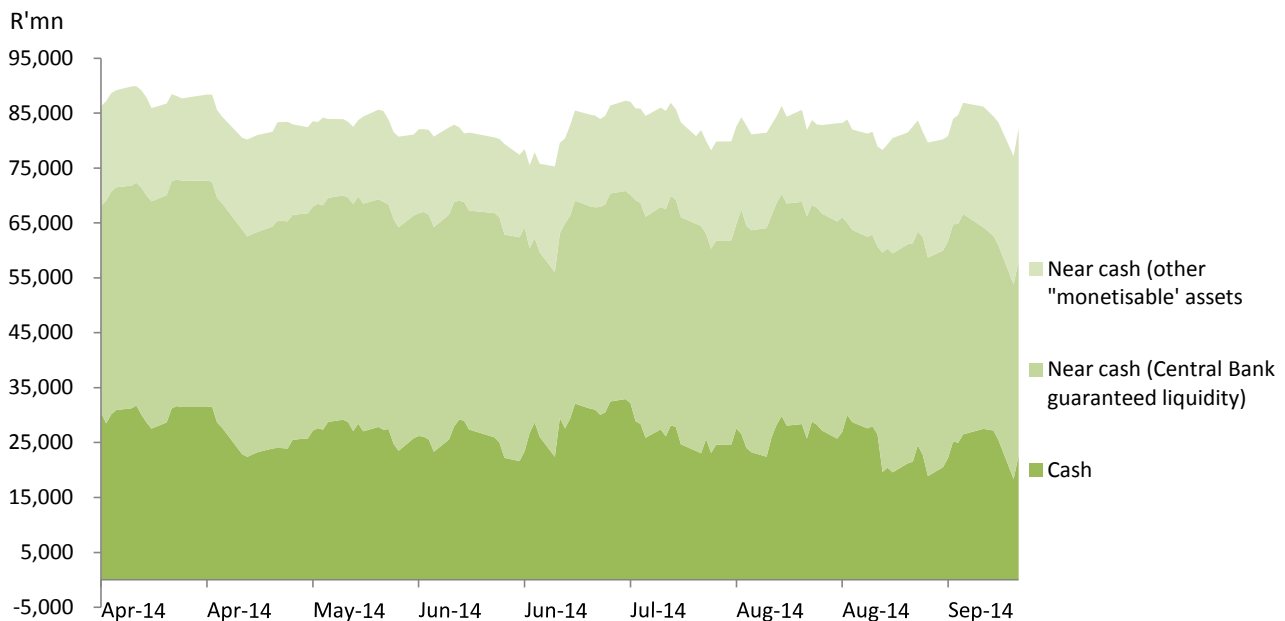
Liquidity risk is further broken down into:

- **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 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
- A sudden increased demand for loans in the absence of corresponding funding inflows of appropriate maturity.

#### Cash and near cash trend





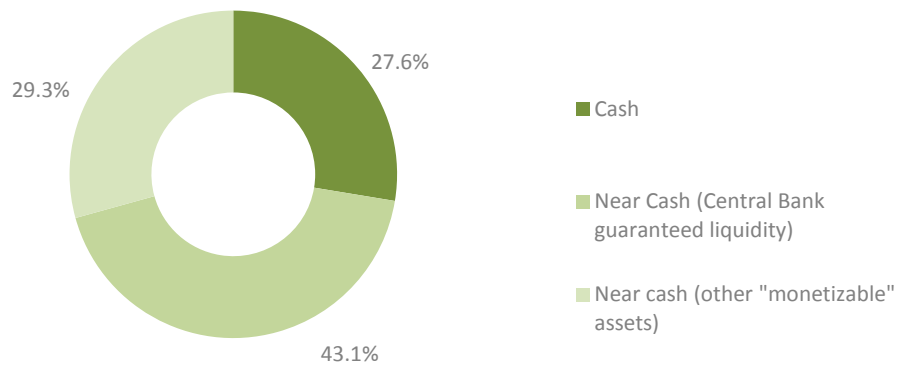
## Investec Limited silo (excluding the results of Investec plc)

### Risk management

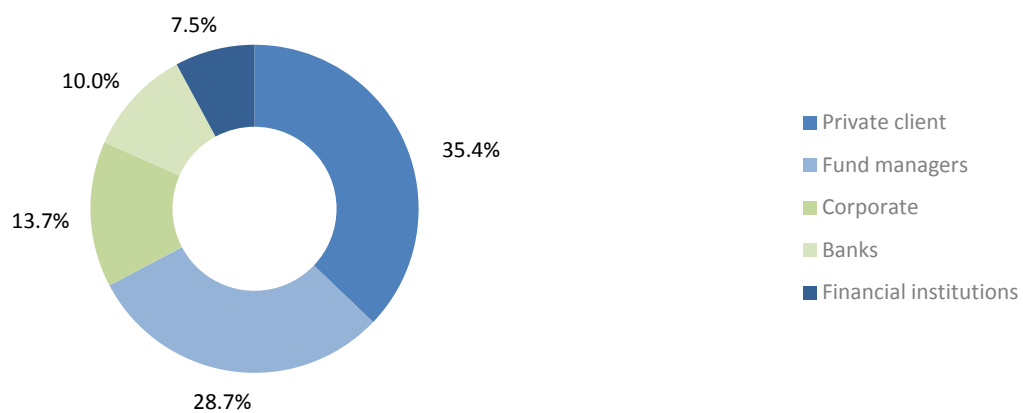
#### Unaudited

#### Balance sheet risk management (continued)

An analysis of cash and near cash at 30 September 2014 (R82.3 billion)



Bank and non-bank depositor concentration by type at 30 September 2014 (R241.7 billion)





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

### Risk management

#### Unaudited

#### Liquidity mismatch

The table that follows show our contractual liquidity mismatch.

With respect to the contractual liquidity mismatch:

- No assumptions are made except as mentioned below, and we record all asset and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.

- As an integral part of the broader liquidity generation strategy, we maintain a liquidity buffer in the form of unencumbered cash, government, or rated securities and near cash as a buffer against both expected and unexpected cash flows.

- The actual contractual profile of this asset class is of little consequence, as practically Investec would meet any unexpected net cash outflows by selling these securities. We have:

- set the time horizon to "on demand" to monetise our statutory liquid assets for which liquidity is guaranteed by the central bank
- 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
- reported the "contractual" profile by way of a note to the tables.

With respect to the behavioural liquidity mismatch:

- Behavioural liquidity mismatch tends to display fairly high probability, low severity liquidity position. Many retail deposits, which are included within customer accounts, are repayable on demand or at short notice on a contractual basis. In practise, these instruments form a stable base for the group's operations and liquidity needs because of the broad base customers. To this end, behavioural profiling is applied to liabilities with an indeterminable maturity, as the contractual repayments of many customer accounts are on demand or at short notice, but expect cash flows vary significantly from contractual maturity. An internal analysis model is used, based on statistical research of the historical series of products. This is used to identify significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour. In addition, reinvestment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.



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

### Risk management

#### Unaudited

#### Contractual liquidity at 30 September 2014

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
Cash and short term funds - banks*	26 117	5 514	2 854	-	971	959	-	36 415
Cash and short term funds - non-banks	10 311	72	20	-	-	-	-	10 403
Investment/trading assets and statutory liquids**	34 734	18 115	3 083	3 634	110	23 249	26 969	109 894
Securitised assets	1 024	18	61	106	181	882	6 264	8 536
Advances	6 083	6 123	10 836	11 462	18 196	69 109	41 821	163 630
Other assets	2 902	1 281	191	134	1 401	1 835	-	7 744
<b>Assets</b>	<b>81 171</b>	<b>31 123</b>	<b>17 045</b>	<b>15 336</b>	<b>20 859</b>	<b>96 034</b>	<b>75 054</b>	<b>336 622</b>
Deposits - banks	(1 808)	(2 528)	(431)	(516)	-	(18 826)	-	(24 109)
Deposits - non banks	(84 129)^	(30 103)	(30 168)	(21 965)	(19 215)	(28 922)	(3 048)	(217 550)
Negotiable paper	-	(381)	( 227)	( 515)	(2287)	(5 898)	-	(9 308)
Securitized liabilities	-	(155)	-	-	-	(627)	(1 301)	(2 083)
Investment/trading liabilities	(3 216)	(10 873)	(1 606)	(2 362)	(4 241)	(8 476)	( 648)	(31 422)
Subordinated liabilities	-	-	-	-	(363)	(600)	(9 682)	(10 645)
Other liabilities	( 869)	( 778)	( 524)	(287)	(699)	(415)	(4262)	(7 834)
<b>Liabilities</b>	<b>(90 022)</b>	<b>(44 818)</b>	<b>(32 956)</b>	<b>(25 645)</b>	<b>(26 805)</b>	<b>(63 764)</b>	<b>(18 941)</b>	<b>(302 951)</b>
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33 671)</b>	<b>(33 671)</b>
<b>Contractual liquidity gap</b>	<b>(8 851)</b>	<b>(13 695)</b>	<b>(15 911)</b>	<b>(10 309)</b>	<b>(5 946)</b>	<b>32 270</b>	<b>22 442</b>	<b>-</b>
Cumulative liquidity gap	(8 851)	(22 546)	(38 457)	(48 766)	(54 712)	(22 442)	-	-

^Includes call deposits of R83.3bn and the balance reflects term deposits which have finally reached/are reaching contractual maturity.

\*/\*\* See next page

#### Note: contractual liquidity adjustments

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
*Cash and short term funds - banks	20 320	5 514	2 854	-	971	959	5 797	36,415
**Investment/trading assets and statutory liquids	5 061	15 517	9 551	14 458	8 427	24 079	32 801	109,894

#### Behavioural liquidity

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
<b>Behavioural liquidity gap</b>	<b>32 030</b>	<b>839</b>	<b>4 596</b>	<b>(2072)</b>	<b>(9 057)</b>	<b>(89 719)</b>	<b>63 383</b>	<b>-</b>
Cumulative	32 030	32 869	37 465	35 393	26 336	(63 383)	-	-



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

### Risk management

#### Unaudited

#### Capital structure and capital adequacy

R'million	30 Sept 2014	31 March 2014
<b>Tier 1 capital</b>		
Shareholders' equity	23 730	22 641
Shareholders' equity per balance sheet	27 571	26 490
Perpetual preference share capital and share premium	(3 183)	(3 183)
Equity holding in deconsolidated entities	( 658)	( 666)
<b>Non-controlling interests</b>	<b>651</b>	<b>470</b>
Non-controlling interests per balance sheet	4 015	3 102
Non-controlling interests excluded for regulatory purposes	(3 364)	(2 632)
<b>Regulatory adjustments to the accounting basis</b>	<b>617</b>	<b>521</b>
Cash flow hedging reserve	617	521
<b>Deductions</b>	<b>(213)</b>	<b>(221)</b>
Goodwill and intangible assets net of deferred tax	(213)	(221)
<b>Common equity tier 1 capital</b>	<b>24 785</b>	<b>23 411</b>
<b>Additional tier 1 capital</b>	<b>4 304</b>	<b>3 764</b>
Additional tier 1 instruments	5 267	4 717
Phase out of non-qualifying additional tier 1 instruments	(943)	(943)
Non-qualifying surplus capital attributable to non-controlling interests	(20)	(10)
<b>Tier 1 capital</b>	<b>29 089</b>	<b>27 175</b>
<b>Tier 2 capital</b>	<b>9 993</b>	<b>9 846</b>
Collective impairment allowances	176	172
Tier 2 instruments	10 645	10 498
Non-qualifying surplus capital attributable to non-controlling interests	( 828)	( 824)
<b>Total regulatory capital</b>	<b>39 082</b>	<b>37 021</b>
<b>Risk-weighted assets</b>	<b>260 827</b>	<b>248 040</b>
<b>Capital ratios</b>		
Common equity tier 1 ratio	9.5%	9.4%
Tier 1 ratio	11.2%	11.0%
Total capital ratio	15.0%	14.9%
<b>Capital requirements</b>	<b>26 082</b>	<b>24 804</b>
Credit risk - prescribed standardised exposure classes	19 206	18 308
Corporates	11 494	11 082
Secured on real estate property	1 856	1 601
Short-term claims on institutions and corporates	3 198	2 732
Retail	546	544
Institutions	1 155	1 064
Other exposure classes	121	199
Securitisation exposures	836	1 086
Equity risk - standardised approach	3 606	3 325
Listed equities	207	217
Unlisted equities	3 399	3 108
Counterparty credit risk	546	550
Credit valuation adjustment risk	79	98
Market risk	423	473
Interest rate	77	117
Foreign exchange	148	98
Commodities	3	5
Equities	195	253
Operational risk - standardised approach	2 222	2 050
<b>Risk-weighted assets (banking and trading)</b>	<b>260 827</b>	<b>248 040</b>
Credit risk - prescribed standardised exposure classes	192 063	183 080
Corporates	114 942	110 817
Secured on real estate property	18 561	16 011
Short-term claims on institutions and corporates	31 979	27 319
Retail	5 460	5 441
Institutions	11 551	10 644
Other exposure classes	1 212	1 987
Securitisation exposures	8 358	10 861
Equity risk - standardised approach	36 063	33 250
Listed equities	2 074	2 167
Unlisted equities	33 989	31 083
Counterparty credit risk	5 456	5 503
Credit valuation adjustment risk	797	976
Market risk	4 225	4 731
Interest rate	770	1 174
Foreign Exchange	1 476	978
Commodities	29	50
Equities	1 950	2 529
Operational risk - standardised approach	22 223	20 500



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

### Risk management

#### Unaudited

#### Movement in total regulatory capital

The table below analyses the movement in common equity tier 1, additional tier 1 and tier 2 capital during the year.

R'million	30 Sept 2014	31 March 2014
<b>At 30 September 2014</b>		
<b>Opening common equity tier 1 capital</b>	<b>23 411</b>	<b>17 809</b>
New capital issues	390	159
Dividends	(1 220)	(1 711)
Profit after tax	2 549	3 240
Treasury shares	( 913)	( 401)
Gain on transfer of non-controlling interest	751	-
Share-based payment adjustments	226	388
Movement in other comprehensive income	211	326
Goodwill and intangible assets (deduction net of related tax liability)	8	31
Other, including regulatory adjustments and transitional arrangements	( 628)	189
<b>Closing common equity tier 1 capital</b>	<b>24 785</b>	<b>20 030</b>
<b>Opening additional tier 1 capital</b>	<b>3 764</b>	<b>4 414</b>
New additional tier 1 capital	550	303
Other, including regulatory adjustments and transitional arrangements	( 10)	( 495)
<b>Closing additional tier 1 capital</b>	<b>4 304</b>	<b>4 222</b>
<b>Closing tier 1 capital</b>	<b>29 089</b>	<b>24 252</b>
<b>Opening tier 2 capital</b>	<b>9 846</b>	<b>8 667</b>
New tier 2 capital issues	-	5 295
Redeemed capital	-	(1 508)
Collective impairment allowances	4	( 84)
Other, including regulatory adjustments and transitional arrangements	143	(1 844)
<b>Closing tier 2 capital</b>	<b>9 993</b>	<b>10 526</b>
<b>Closing total regulatory capital</b>	<b>39 082</b>	<b>34 778</b>

### Summary of capital adequacy and leverage ratios

	30 Sept 2014	31 March 2014
Common equity tier 1 (as reported)	9.5%	9.4%
Common equity tier 1 (fully loaded)^	9.4%	9.3%
Tier 1 (as reported)	11.2%	11.0%
Total capital adequacy ratio (as reported)	15.0%	14.9%
Leverage ratio*# - permanent capital	8.5%	8.1%
Leverage ratio*# - current	8.2%	7.8%
Leverage ratio*# - fully loaded^	7.2%	6.7%

\* The leverage ratios are calculated on an end-quarter basis so as to show a consistent basis of calculation across the jurisdictions in which the group operates

^ Based on the group's understanding of current and draft regulations. 'Fully loaded' is based on Basel III capital requirements as fully phased in by 2022.

# Based on revised BIS rules



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

### Risk management

#### Unaudited

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

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

Credit quality steps	30 Sept 2014		31 March 2014	
	Exposure R'mn	Exposure after credit risk mitigation R'mn	Exposure R'mn	Exposure after credit risk mitigation R'mn
<b>Central banks and sovereigns</b>				
1	39 645	39 645	40 716	40 716
2	-	-	-	-
3	155	155	176	176
4	-	-	-	-
5	57	57	105	105
6	-	-	-	-
<b>Institutions original effective maturity of more than three months</b>				
1	428	428	-	-
2	11 324	10 823	12 531	11 818
3	10 819	10 513	7 430	7 167
4	511	511	527	527
5	-	-	-	-
6	395	395	-	-
<b>Short term claims on institutions</b>				
1	2 240	2 240	1 480	1 480
2	7 659	7 659	11 753	11 753
3	14 786	14 786	15 210	15 210
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-
<b>Corporates</b>				
1	3 541	3 073	2 387	2 074
2	2 005	1 411	3 652	2 678
3	4 476	2 324	5 885	4 350
4	453	353	451	418
5	-	-	-	-
6	-	-	-	-
<b>Securitisation positions</b>				
1	636	636	793	793
2	3 427	3 427	5 353	4 540
3	6 715	6 704	2 756	1 437
4	245	245	267	267
5	439	439	1 668	1 668
<b>Total rated counterparty exposures</b>	<b>109 956</b>	<b>105 824</b>	<b>113 140</b>	<b>107 177</b>

The institution's asset class includes exposures to institutions with an original effective maturity of more than and less than three months