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

Unaudited condensed consolidated financial information for the six months ended 30 September 2010

IFRS - Rand

Out of the Ordinary®

Investec

Overview of results

Unaudited

	30 Sept 2010	30 Sept 2009	% change	31 March 2010
Operating income (R'million)	4,416	4,396	0.5%	9,300
Operating expenses (R'million)	2,438	2,314	5.4%	4,809
Operating profit before taxation, headline adjustments and impairments (R'million)	1,947	2,067	-5.8%	4,450
(R'million)	1,570	1,652	-5.0%	3,587
Headline earnings attributable to ordinary shareholders (R'million)	1,026	1,008	1.8%	2,141
Cost to income ratio	55.2%	52.6%	-	51.7%
Total capital resources (including subordinated liabilities) (R'million)	26,497	22,096	19.9%	23,932
Total equity (R'million)	19,631	17,005	15.4%	18,591
Total assets (R'million)	293,860	256,028	14.8%	277,102
Net core loans and advances (R'million)	119,407	119,935	-0.4%	118,155
Customer accounts (deposits) (R'million)	150,954	136,498	10.6%	143,121
Cash and near cash balances (R'million)	56,332	41,485	35.8%	47,986
Capital adequacy ratio	16.2%	14.7%	-	15.6%
Tier 1 ratio	12.1%	11.3%	-	12.1%
Default loans (net of impairments) as a % of core loans and advances	3.74%	2.89%	-	3.32%
Net defaults (after collateral and impairments) as a % of net core loans and advances	-	-	-	-
Annualised credit loss ratio (i.e. income statement charge as a % of average loans and advances)	0.62%	0.68%	-	0.71%
Total gearing/leverage ratio (i.e. total assets excluding assurance assets to equity)	11.7x	12.1x	-	11.7x
Core loans (excluding own originated securitised assets) as a % of customer deposits	74.5%	81.1%	-	77.5%

Consolidated income statement

Unaudited

R'million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	Year to 31 March 2010
Interest income	7,991	7,831	16,031
Interest expense	(6,148)	(6,151)	(12,275)
Net interest income	**1,843**	**1,680**	**3,756**
Fee and commission income	1,645	1,427	3,252
Fee and commission expense	(66)	(54)	(115)
Principal transactions	985	1,326	2,315
Operating loss from associates	(17)	(41)	(47)
Investment income on assurance activities	201	845	1,139
Premiums and reinsurance recoveries on insurance contracts	56	27	359
Other operating income/(loss)	1	33	59
Other income	**2,805**	**3,563**	**6,962**
Claims on reinsurance premiums on insurance business	(232)	(847)	(1,418)
Total operating income before impairment losses on loans and advances	**4,416**	**4,396**	**9,300**
Impairment losses on loans and advances	(377)	(415)	(863)
Operating income	**4,039**	**3,981**	**8,437**
Administrative expenses	(2,382)	(2,256)	(4,677)
Depreciation, amortisation and impairment of property, equipment and intangibles	-56	(58)	(132)
Operating profit before goodwill	**1,601**	**1,667**	**3,628**
Impairment of goodwill	(31)	(15)	(41)
Operating profit	**1,570**	**1,652**	**3,587**
Taxation	(328)	(388)	(835)
Profit after taxation	**1,242**	**1,264**	**2,752**
Earnings attributable to minority interests	-	-	(5)
Earnings attributable to shareholders	**1,240**	**1,264**	**2,747**

Combined summarised statement of comprehensive income

R'million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	Year to 31 March 2010
Profit after taxation	**1,242**	**1,264**	**2,752**
Fair value movements on cash flow hedges	(4)	(44)	18
Gain on realisation of available for sale assets recycled to the income statement*	-	40	(40)
Fair value movements on available for sale assets	3	12	55
Foreign currency movements	(100)	(411)	(462)
Total comprehensive income	**1,141**	**861**	**2,323**
Total comprehensive income attributable to minority shareholders	2	-	5
Total comprehensive income attributable to ordinary shareholders	1,139	861	2,318
Total comprehensive income	**1,141**	**861**	**2,323**

**Net of taxation of (R1 million) [Six months to 30 Sept 2009: (R9 million), year to 31 March 2010: R9 million].*

R'million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	Year to 31 March 2010
Calculation of headline earnings			
Earnings attributable to shareholders	1,240	1,264	2,747
Preference dividends paid	(163)	(198)	(353)
Earnings attributable to ordinary shareholders	**1,077**	**1,066**	**2,394**
Headline adjustments:	(51)	(58)	(253)
Goodwill impairment	31	15	41
Revaluation of investment properties	(107)	(113)	(254)
Impairment of associates	25	-	-
Disposal of available for sale instruments	-	40	(40)
Headline earnings attributable to ordinary shareholders	**1,026**	**1,008**	**2,141**

Consolidated balance sheet

Unaudited

R'million	30 Sept 2010	31 March 2010	30 Sept 2009
Assets			
Cash and balances at central banks	3,770	3,660	3,493
Loans and advances to banks	10,631	14,625	8,485
Cash equivalent advances to customers	5,805	6,455	5,954
Reverse repurchase agreements and cash collateral on securities borrowed	4,428	4,676	4,135
Trading securities	54,596	43,268	40,020
Derivative financial instruments	11,303	7,850	8,841
Investment securities	6,940	3,163	934
Loans and advances to customers	113,731	111,932	112,604
Securitised assets	9,155	9,996	11,894
Interests in associated undertakings	128	180	145
Deferred taxation assets	391	403	601
Other assets	5,244	7,319	6,051
Property and equipment	197	188	179
Investment properties	3,571	3,033	2,405
Goodwill	249	280	293
Intangible assets	102	98	78
	230,241	**217,126**	**206,112**
Other financial instruments at fair value through income in respect of			
- Liabiltities to customers	63,589	59,946	49,886
- Assets realted to reinsurance contracts	30	30	30
	293,860	**277,102**	**256,028**
Liabilities			
Deposits by banks	11,846	9,554	10,177
Derivative financial instruments	10,383	7,144	8,304
Other trading liabilities	3,303	3,491	2,499
Repurchase agreements and cash collateral on securities lent	6,202	6,281	3,856
Customer accounts (deposits)	150,954	143,121	136,498
Debt securities in issue	1,574	1,559	1,122
Liabilities arising on securitisation	7,690	8,152	8,796
Current taxation liabilities	1,153	1,348	1,219
Deferred taxation liabilities	1,134	861	1,099
Other liabilities	9,505	11,683	10,445
	203,744	**193,194**	**184,015**
Liabilities to customers under investment contracts	63,537	59,899	49,808
Insurance liabilities, including unit-linked liabilities	52	47	79
Reinsured liabilities	30	32	38
	267,363	**253,172**	**233,940**
Subordinated liabilities	6,866	5,341	5,091
	274,229	**258,513**	**239,031**
Equity			
Ordinary share capital	1	1	1
Share premium	9,185	8,899	8,384
Treasury shares	(942)	(1,140)	(1,177)
Other reserves	(184)	(176)	(218)
Retained income	10,021	9,474	8,510
Shareholders' equity excluding minority interest	**18,081**	**17,058**	**15,500**
Minority interest	1,550	1,533	1,505
- Perpetual preferred securities issued by subsidiaries	1,535	1,518	1,491
- Minority interests in partially held subsidiaries	15	15	14
Total shareholders' equity	**19,631**	**18,591**	**17,005**
Total liabilities and equity	**293,860**	**277,104**	**256,036**

Condensed consolidated statement of changes in equity

Unaudited

R'million	6 months to 30 Sept 2010	Year to 31 March 2010	6 months to 30 Sept 2009
Balance at the beginning of the year	**18,591**	**16,169**	**16,169**
Total comprehensive income	1,141	2,323	861
Issue of ordinary shares	169	73	12
Issue of perpetual preference shares	117	454	-
Issue of perpetual preference shares to minority shareholders	17	27	-
Movement of treasury shares	-	247	291
Share based payments adjustment	192	394	199
Movements on minorities on disposals and acquisitions	-	(3)	-
Dividends paid to ordinary shareholders	(431)	(734)	(324)
Dividends paid to perpetual preference shareholders	(163)	(353)	(198)
Dividends paid to minority shareholders	(2)	(6)	(5)
Balance at the end of the year	**19,631**	**18,591**	**17,005**

Segmental information - business analysis

Unaudited

For the six months to 30 September 2010

R'million	Asset Management	Wealth and Investment*	Property Activities	Private Banking	Investment Banking	Capital Markets	Group Services and Other Activities	Total group
Net interest income	**16**	**11**	**(51)**	**971**	**5**	**531**	**360**	**1,843**
Fee and commission income	788	291	109	162	147	174	(26)	1,645
Fee and commission expense	-	(9)	-	(7)	(20)	(33)	3	(66)
Principal transactions	-	2	186	53	495	317	(68)	985
Operating loss from associates	-	-	-	-	-	-	(17)	(17)
Investment income on assurance activities	-	-	-	-	-	-	201	201
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	-	56	56
Other operating income/(loss)	3	-	(2)	-	-	-	-	1
Other income	**791**	**284**	**293**	**208**	**622**	**458**	**149**	**2,805**
Claims on reinsurance premiums on insurance business	-	-	-	-	-	-	(232)	(232)
Total operating income before impairment losses on loans and advances	**807**	**295**	**242**	**1,179**	**627**	**989**	**277**	**4,416**
Impairment losses on loans and advances	-	-	-	(316)	2	(5)	(58)	(377)
Total operating income	**807**	**295**	**242**	**863**	**629**	**984**	**219**	**4,039**
Administrative expenses	(459)	(209)	(79)	(689)	(213)	(521)	(212)	(2,382)
Depreciation, amortisation and impairment of property, equipment and software	(5)	(1)	-	(16)	-	(9)	(25)	(56)
Operating profit before goodwill	**343**	**85**	**163**	**158**	**416**	**454**	**(18)**	**1,601**
Impairment of goodwill	(31)	-	-	-	-	-	-	(31)
Profit before tax	**312**	**85**	**163**	**158**	**416**	**454**	**(18)**	**1,570**
Cost to income ratio	57.5%	71.2%	32.6%	59.8%	34.0%	53.6%	85.6%	55.2%
Total assets	1,626	3,614	1,570	61,561	2,424	136,413	86,652	293,860

For the six months to 30 September 2009

R'million	Asset Management	Wealth and Investment*	Property Activities	Private Banking	Investment Banking	Capital Markets	Group Services and Other Activities	Total group
Net interest income	**18**	**6**	**(45)**	**790**	**25**	**529**	**357**	**1,680**
Fee and commission income	639	239	55	174	155	180	(15)	1,427
Fee and commission expense	-	(19)	-	(2)	(13)	(18)	(2)	(54)
Principal transactions	-	13	193	2	444	275	399	1,326
Operating loss from associate	-	-	-	-	-	-	(41)	(41)
Investement income on assurance activities	-	-	-	-	-	-	845	845
Premiums and reinsurance recoveries on insurance contracts	-	-	-	-	-	-	27	27
Other operating (loss)/income	35	-	(2)	-	-	-	-	33
Other income	**674**	**233**	**246**	**174**	**586**	**437**	**1,213**	**3,563**
Claims and reinsurance premiums on insurance business	-	-	-	-	-	-	(847)	(847)
Total operating income before impairment losses on loans and advances	**692**	**239**	**201**	**964**	**611**	**966**	**723**	**4,396**
Impairment losses on loans and advances	-	-	-	(226)	-	(83)	(106)	(415)
Operating income	**692**	**239**	**201**	**738**	**611**	**883**	**617**	**3,981**
Administrative expenses	(413)	(155)	(82)	(620)	(269)	(481)	(236)	(2,256)
Depreciation, amortisation and impairment of property, equipment and software	(5)	-	-	(16)	-	(15)	(22)	(58)
Operating profit before goodwill	**274**	**84**	**119**	**102**	**342**	**387**	**359**	**1,667**
Impairment of goodwill	(15)	-	-	-	-	-	-	(15)
Profit before tax	**259**	**84**	**119**	**102**	**342**	**387**	**359**	**1,652**
Cost to income ratio	60.4%	64.9%	40.8%	66.0%	44.0%	51.3%	35.7%	52.6%
Total assets	1,851	4,550	1,365	58,102	2,360	119,094	68,714	256,036

**Previously Private Wealth.*

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

R'million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	% change
Asset Management	**343**	**274**	**25.2%**
Wealth and Investment*	**85**	**84**	**1.2%**
Property Activities	**163**	**119**	**37.0%**
Private Banking	**158**	**102**	**54.9%**
Investment Banking			
Corporate Finance	21	27	(22.2%)
Institutional Research, Sales and Trading	(6)	10	(>100.0%)
Principal Investments	401	305	31.5%
	416	**342**	**21.6%**
Capital Markets	**454**	**387**	**17.3%**
Group Services and Other Activities			
International Trade Finance	34	26	30.8%
Central Funding	138	541	(>100.0%)
Central Costs	(186)	(208)	(10.6%)
	(18)	**359**	**(>100.0%)**
Total group	**1,601**	**1,667**	**(4.0%)**

**Previously Private Wealth.*

Risk management

As per Basel II regulations, the following risk management and capital section will provide detail on the quantitative risk disclosures required on a semi-annual basis. For any additional qualitative disclosures, definitions and descriptions, please refer to our Annual Financial Statements for the year ended 31 March 2010.

Philosophy and approach

The bank recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, our comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with each of our businesses.

Risk awareness, control and compliance are embedded in all our day-to-day activities.

Group Risk Management (part of Group Services) is independent from the business units and monitors, manages and reports on our risk to ensure it is within the stated appetite as mandated by the board of directors through the Board Risk and Capital Committee. Business units are ultimately responsible for managing risks that arise.

We monitor and control risk exposure through credit, market, liquidity, operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the group.

Group Risk Management divisions with international responsibility are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. Group Risk Management continually seeks new ways to enhance its techniques.

Group Risk Management objectives are to:

- Be the custodian of our risk management culture
- To ensure the business operates within the board stated appetite
- Set, approve and monitor adherence to risk parameters and limits across the group and ensure they are implemented and adhered to consistently
- Aggregate and monitor our exposure across risk classes
- Co-ordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the boards reasonable assurance that the risks we are exposed to are identifi ed and, to the best extent possible, managed and controlled
- Run appropriate risk committees, as mandated by the board.

Overall group summary of the year in review from a risk perspective

Investec has continued to maintain a sound balance sheet with low leverage, and a diversified business model. This has been supported by the following key operating fundamentals:

- Intimate involvement of senior management ensuring stringent management of risk, liquidity and capital

- Strong risk and capital management culture embedded in our day-to-day activities and values. We seek to achieve an appropriate balance between risk and reward in our business, taking cognisance of all stakeholders' interests.

- Reward programmes that align directors' and employees' interests with those of stakeholders, ensuring that these programmes promote effective risk management. Annual bonuses are closely linked to business performance, determined in the main by realised Economic Value Added profit performance against pre-determined targets above a risk and capital weighted return. This model has been consistently applied for in excess of ten years

- Credit and counterparty exposures to a select target market; our risk appetite continues to favour lower risk, income-based lending, with credit risk taken over a short to medium term exposure is taken against defined target clients displaying a profile of good character, sound financial strength and integrity, a core competency and a sound track record in the activity funded. We have, however, continued to experience an increase in defaults as a result of weak economic conditions. The credit loss ratio improved from 0.71% at 31 March 2010 to 0.62% at 30 September 2010

- Limited exposure to rated and unrated structured credit investments; representing 1.1% of total assets

- A low leverage (gearing) ratio of approximately 12 times

- Low equity (investment) risk exposure; within total investments comprising 5.8% of total assets

- Modest proprietary market risk within our trading portfolio; value at risk and stress testing scenarios remain at prudent levels

- Potential losses that could arise in our trading book portfolio stress tested under extreme market conditions amount to 0.8% of total operating income for the six months ended 30 September 2010

- A high level of readily available, high quality liquid assets; average cash and near cash of approximately R56 billion, representing 25% to 35% of our liability base. We continue to maintain a low reliance on interbank wholesale funding to fund core lending asset growth

- An increase in retail customer deposits

- Healthy capital ratios; we have always held capital in excess of regulatory requirements and we intend to perpetuate this philosophy. We have continued to strengthen our capital base during the period

- Operational diversity with a high level or recurring income which continues to support sustainablilty of operating profit.

Salient information

A summary of key risk indicators for Investec Limited is provided in the table below.

	30 Sept 2010	31 March 2010
Net core loans and advances (R'million)	**119,407**	118,155
Gross defaults as a % of gross core loans and advances	**4.56%**	3.96%
Defaults (net of impairments) as a % of net core loans and advances	**3.74%**	3.32%
Credit loss ratio^	**0.62%**	0.71%
Structured credit investments as a % of total assets	**1.1%**	1.5%
Banking book investment and equity risk exposures as a % of total assets	**5.8%**	5.5%
Traded market risk: one-day value at risk (R'million)	**4.9**	3.6
Cash and near cash (R'million)	**56,332**	47,986
Customer accounts (deposits) (R'million)	**150,954**	143,121
Core loans to equity ratio	**6.1x**	6.4x
Total gearing/leverage ratio*	**11.7x**	11.7x
Core loans (excluding own originated assets which have been securitised) to customer deposits	**74.5%**	77.5%
Capital adequacy ratio	**16.2%**	15.6%
Tier 1 ratio	**12.1%**	12.1%

^Income statement impairment charge on loans as a percentage of average advances.
*Total assets excluding assurance assets to total equity.

Risk management

Credit and counterparty risk management

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

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

• Lending transactions, giving rise to a direct exposure. The risk is created that an obligor will be unable or unwilling to repay capital and/or interest on advances and loans granted to it. This category includes bank placements, where we have placed funds with other financial institutions

• Issuer risk on financial instruments where payments due from the issuer of a financial instrument will not be received

• Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk)
 - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party effecting required settlements as they fall due but not receiving settlements to which they are entitled
 - 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.

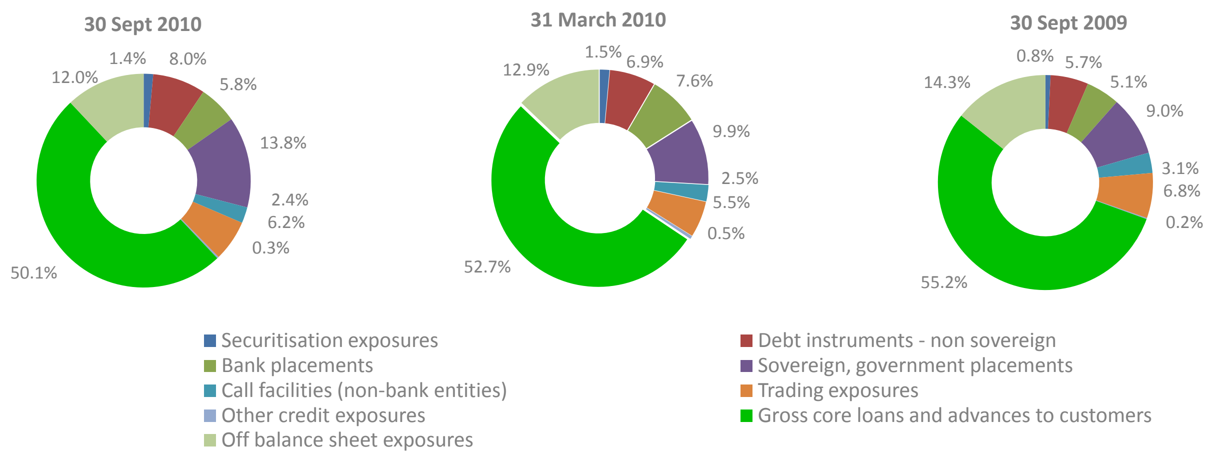
The tables that follow provide an analysis of our credit and counterparty risk exposures.

An analysis of gross credit and counterparty exposures

R'million	30 Sept 2010	31 March 2010	% change	Average*	30 Sept 2009
On-balance sheet exposures	**211,622**	**196,392**	**7.8%**	**204,007**	**188,056**
Securitisation exposures arising from securitisation/principal finance activities	3,445	3,298	4.5%	3,372	1,685
Rated instruments	2,176	1,794	21.3%	1,985	-
Unrated instruments	339	383	(11.5%)	361	551
Other	930	1,121	(17.0%)	1,026	1,134
Debt instruments - non sovereign (NCDs, bonds held, debentures)	19,215	15,576	23.4%	17,396	12,509
Bank placements	14,062	17,206	(18.3%)	15,634	11,114
Sovereign, government placements	33,098	22,366	48.0%	27,732	19,714
Call facilities (non-bank entities)	5,805	5,577	4.1%	5,691	6,701
Trading exposures (positive fair value excluding potential future exposures)	14,947	12,372	20.8%	13,660	14,898
Other credit exposures	617	1,060	(41.8%)	839	362
Gross core loans and advances to customers	120,433	118,937	1.3%	119,685	121,073
Off-balance sheet exposures	**28,868**	**29,069**	**(0.7%)**	**28,969**	**31,396**
Guarantees ^	5,568	4,643	19.9%	5,106	6,507
Contingent liabilities , committed facilities, other	23,300	24,426	(4.6%)	23,863	24,889
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**240,490**	**225,461**	**6.7%**	**232,976**	**219,452**

*Where the average is based on a straight line average for the period 31 March 2010 to 30 September 2010

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



Risk management

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

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

	Securitisation exposures arising from securitisation/principal finance activities														
R'million	Total	Rated instruments	Unrated instruments	Other	Debt instruments - non sovereign (NCDs, bonds held, debentures)	Bank placements	Sovereign, government placements	Call facilities (non-bank entities)	Trading exposures (positive fair value excluding potential future exposures)	Other credit exposures	Gross core loans and advances to customers	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note reference	Total balance sheet
As at 30 September 2010															
Cash and balances at central banks	-	-	-	-	-	39	3,731	-	-	-	-	3,770	-		3,770
Loans and advances to banks	-	-	-	-	-	10,371	-	-	260	-	-	10,631	-		10,631
Cash equivalent advances to customers	-	-	-	-	-	-	-	5,805	-	-	-	5,805	-		5,805
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	168	3,592	-	-	668	-	-	4,428	-		4,428
Trading securities	279	105	174	-	14,151	-	28,547	-	2,466	-	-	45,443	9,153	1	54,596
Derivative financial instruments	-	-	-	-	-	-	-	-	10,823	-	-	10,823	480	1	11,303
Investment securities	2,165	2,071	94	-	3,920	-	820	-	-	-	-	6,905	35	1	6,940
Loans and advances to customers	925	-	19	906	-	-	-	-	-	360	113,530	114,815	(1,084)	2	113,731
Securitised assets	76	-	52	24	-	-	-	-	-	-	6,903	6,979	2,176	3	9,155
Deferred taxation assets	-	-	-	-	-	-	-	-	-	-	-	-	391		391
Other assets	-	-	-	-	976	60	-	-	730	257	-	2,023	3,221		5,244
Interests in associated undertakings	-	-	-	-	-	-	-	-	-	-	-	-	128		128
Property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	197		197
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	3,571		3,571
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	249		249
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	102		102
Insurance assets	-	-	-	-	-	-	-	-	-	-	-	-	63,619		63,619
Total	**3,445**	**2,176**	**339**	**930**	**19,215**	**14,062**	**33,098**	**5,805**	**14,947**	**617**	**120,433**	**211,622**	**82,238**		**293,860**
As at 31 March 2010															
Cash and balances at central banks	-	-	-	-	-	43	3,617	-	-	-	-	3,660	-		3,660
Loans and advances to banks	-	-	-	-	-	14,318	-	4	301	2	-	14,625	-		14,625
Cash equivalent advances to customers	-	-	-	-	-	-	-	5,573	-	882	-	6,455	-		6,455
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	1,326	2,841	-	-	509	-	-	4,676	-		4,676
Trading securities	230	-	230	-	12,469	-	18,749	-	3,049	-	-	34,497	8,771	1	43,268
Derivative financial instruments	-	-	-	-	-	-	-	-	7,400	-	-	7,400	450	1	7,850
Investment securities	1,869	1,794	75	-	1,237	-	-	-	-	-	-	3,106	57	1	3,163
Loans and advances to customers	1,108	-	23	1,085	-	-	-	-	-	-	111,682	112,790	(858)	2	111,932
Securitised assets	91	-	55	36	-	-	-	-	-	-	7,255	7,346	2,650	3	9,996
Deferred taxation assets	-	-	-	-	-	-	-	-	-	-	-	-	403		403
Other assets	-	-	-	-	544	4	-	-	1,113	176	-	1,837	5,482		7,319
Interests in associated undertakings	-	-	-	-	-	-	-	-	-	-	-	-	180		180
Property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	188		188
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	3,033		3,033
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	280		280
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	98		98
Insurance assets	-	-	-	-	-	-	-	-	-	-	-	-	59,978		59,978
Total	**3,298**	**1,794**	**383**	**1,121**	**15,576**	**17,206**	**22,366**	**5,577**	**12,372**	**1,060**	**118,937**	**196,392**	**80,712**		**277,104**

Notes:
1. Largely relates to exposures that are classified as equity risk in the banking book
2. Relates to impairments.
3. Largely includes liquidity facilities provided to third party corporate securitisation vehicles. These facilities have remained undrawn and are reflected as a contingent liability, i.e. off-balance sheet exposures of the bank.

Risk management

An analysis of gross credit and counterparty exposure by industry

R'million	Gross core loans and advances		Other credit and counterparty exposures		Total	
	30 Sept 2010	31 March 2010	30 Sept 2010	31 March 2010	30 Sept 2010	31 March 2010
HNW and professional individuals	87,585	85,917	21,150	21,606	108,735	107,523
Agriculture	307	378	205	60	512	438
Electricity, gas and water (utility services)	940	722	216	470	1,156	1,192
Public and non-business services	801	1,599	33,173	22,367	33,974	23,966
Business service	1,809	862	947	1,002	2,756	1,864
Finance and insurance	10,087	9,960	55,336	52,921	65,423	62,881
Retailers and wholesalers	1,523	1,555	2,382	2,061	3,905	3,616
Manufacturing and commerce	6,034	6,937	1,647	2,361	7,681	9,298
Real estate	3,227	2,863	1,280	615	4,507	3,478
Mining and resources	1,515	1,239	1,522	1,322	3,037	2,561
Leisure, entertainment and tourism	1,946	1,891	695	353	2,641	2,244
Transport and communication	4,659	5,014	1,504	1,386	6,163	6,400
Total	**120,433**	**118,937**	**120,057**	**106,524**	**240,490**	**225,461**

Private Banking loans account for 72.7% of total core loans and advances, as represented by the industry classification 'HNW and professional individuals'. A more detailed analysis of the Private Banking loan portfolio is provided further on. The remainder of core loans and advances largely reside within our Capital Markets division and are evenly spread across industry sectors. A more detailed analysis of the Capital Markets loan portfolio is provided further on.

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

R'million	HNW and professional individuals	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business service	Finance and insurance	Retailers and wholesalers	Manufacturing and commerce	Real estate	Mining and resources	Leisure, entertainment and tourism	Transport and communication	Total
As at 30 Sept 2010													
On-balance sheet exposures	**87,860**	**413**	**1,114**	**33,974**	**2,573**	**60,797**	**3,825**	**7,367**	**4,459**	**1,899**	**1,980**	**5,361**	**211,622**
Securitisation exposures arising from securitisation/principal finance activities	-	-	-	-	-	3,278	80	-	87	-	-	-	3,445
Rated instruments	-	-	-	-	-	2,176	-	-	-	-	-	-	2,176
Unrated instruments	-	-	-	-	-	181	71	-	87	-	-	-	339
Other	-	-	-	-	-	921	9	-	-	-	-	-	930
Debt instruments - non sovereign (NCDs, bonds held, debentures)	-	-	10	75	-	18,713	-	-	-	-	-	417	19,215
Bank placements	-	-	-	-	-	14,062	-	-	-	-	-	-	14,062
Sovereign, government placements	-	-	-	33,098	-	-	-	-	-	-	-	-	33,098
Call facilities (non-bank entities)	-	101	-	-	343	2,041	1,689	1,235	-	303	-	93	5,805
Trading exposures (positive fair value excluding potential future exposures)	272	5	164	-	421	12,362	533	98	785	81	34	192	14,947
Other credit exposures	3	-	-	-	-	254	-	-	360	-	-	-	617
Gross core loans and advances to customers	87,585	307	940	801	1,809	10,087	1,523	6,034	3,227	1,515	1,946	4,659	120,433
Off-balance sheet exposures	**20,875**	**99**	**42**	**-**	**183**	**4,626**	**80**	**314**	**48**	**1,138**	**661**	**802**	**28,868**
Guarantees	3,162	-	42	-	183	1,835	4	121	-	141	7	73	5,568
Contingent liabilities , committed facilities, other	17,713	99	-	-	-	2,791	76	193	48	997	654	729	23,300
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**108,735**	**512**	**1,156**	**33,974**	**2,756**	**65,423**	**3,905**	**7,681**	**4,507**	**3,037**	**2,641**	**6,163**	**240,490**
As at 31 March 2010													
On-balance sheet exposures	**86,156**	**438**	**1,174**	**23,966**	**1,811**	**57,607**	**3,533**	**8,973**	**3,470**	**1,546**	**1,935**	**5,783**	**196,392**
Securitisation exposures arising from securitisation/principal finance activities	-	-	-	-	-	3,110	91	-	97	-	-	-	3,298
Rated Instruments	-	-	-	-	-	1,794	-	-	-	-	-	-	1,794
Unrated instruments	-	-	-	-	-	231	55	-	97	-	-	-	383
Other	-	-	-	-	-	1,085	36	-	-	-	-	-	1,121
Debt instruments (NCDs, bonds held, debentures)	-	-	230	-	-	15,204	-	-	-	-	-	142	15,576
Bank placements	-	-	-	-	-	17,206	-	-	-	-	-	-	17,206
Sovereign, government placements	-	-	-	22,366	-	-	-	-	-	-	-	-	22,366
Call facilities (non-bank entities)	-	50	-	-	336	1,466	1,224	1,804	-	259	-	438	5,577
Trading exposures (positive fair value excluding potential future exposures)	238	10	222	-	613	9,646	660	206	510	34	44	189	12,372
Other credit exposures	1	-	-	1	-	1,015	3	26	-	14	-	-	1,060
Gross core loans and advances to customers	85,917	378	722	1,599	862	9,960	1,555	6,937	2,863	1,239	1,891	5,014	118,937
Off-balance sheet exposures	**21,367**	**-**	**18**	**-**	**53**	**5,274**	**83**	**325**	**8**	**1,015**	**309**	**617**	**29,069**
Guarantees	2,745	-	18	-	53	1,467	-	211	-	147	-	2	4,643
Contingent liabilities, committed facilities, other	18,622	-	-	-	-	3,807	83	114	8	868	309	615	24,426
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**107,523**	**438**	**1,192**	**23,966**	**1,864**	**62,881**	**3,616**	**9,298**	**3,478**	**2,561**	**2,244**	**6,400**	**225,461**

Risk management

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

In order to assess and analyse the credit risk associated with loans and advances we believe that certain adjustments should be made to the category "loans and advances to customers" as reflected on the IFRS consolidated balance sheet. We believe that these adjustments are necessary in order to derive a number that reflects actual core lending activities. In this regard the following methodology has been applied:

- Loans and advances which have been originated by us and securitised primarily to provide an alternative source of funding are added to loans and advances.
- Warehouse funding facilities and structured credit investments arising out of our securitisation and principal finance activities have been deducted.

R'million	30 Sept 2010	31 March 2010	30 Sept 2009
Loans (pre-impairments and intercompany loans)as per balance sheet	**114,815**	112,790	113,812
Less: warehouse facilities and structured credit investments arising out of our securitisation, principal finance activities and other credit exposures (pre-impairments)	**(1,285)**	(1,108)	(1,104)
Add: own-originated securitised assets	**6,903**	7,255	8,365
Gross core loans and advances to customers (pre-impairments)	**120,433**	**118,937**	**121,073**

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

R'million	30 Sept 2010	31 March 2010	30 Sept 2009
Gross core loans and advances to customers	**120,433**	**118,937**	**121,073**
Total impairments	**(1,026)**	**(782)**	**(1,138)**
Portfolio impairments	(412)	(322)	(298)
Specific impairments	(614)	(460)	(840)
Net core loans and advances to customers	**119,407**	**118,155**	**119,935**
Average gross core loans and advances to customers	**119,685**	**120,200**	**121,268**
Current loans and advances to customers	112,200	111,670	113,073
Total gross non-current loans and advances to customers	8,233	7,267	8,000
Past due loans and advances to customers (1-60 days)	1,678	2,016	1,816
Special mention loans and advances to customers	1,069	546	1,575
Default loans and advances to customers	5,486	4,705	4,609
Gross core loans and advances to customers	**120,433**	**118,937**	**121,073**
Total gross non-current core loans and advances to customers	**8,233**	**7,267**	**8,000**
Default loans that are current and not impaired	411	385	118
Gross core loans and advances to customers that are past due but not impaired	5,431	5,191	4,152
Gross core loans and advances to customers that are impaired	2,391	1,691	3,730
Total income statement charge for core loans and advances	**(377)**	**(863)**	**(415)**
Gross default loans and advances to customers	5,486	4,705	4,609
Specific impairments	(614)	(460)	(840)
Portfolio impairments	(412)	(322)	(298)
Defaults net of impairments	**4,460**	**3,923**	**3,471**
Collateral and other credit enhancements	6,903	6,015	5,148
Net default loans and advances to customers (limited to zero)	-	**-**	**-**
Ratios:			
Total impairments as a % of gross core loans and advances to customers	0.85%	0.66%	0.94%
Total impairments as a % of gross default loans	18.70%	16.62%	24.69%
Gross defaults as a % of gross core loans and advances to customers	4.56%	3.96%	3.81%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.74%	3.32%	2.89%
Net defaults as a % of core loans and advances to customers	-	-	-
Annualised credit loss ratio (i.e income statement charge as a % of average gross loans and advances)	0.62%	0.71%	0.68%

Risk management

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

	Private Bank		Capital Markets		Other*		Total	
R'million	**30 Sept 2010**	**31 March 2010**	**30 Sept 2010**	**31 March 2010**	**30 Sept 2010**	**31 March 2010**	**30 Sept 2010**	**31 March 2010**
Gross core loans and advances to customers	**87,585**	**85,917**	**28,605**	**28,794**	**4,243**	**4,226**	**120,433**	**118,937**
Total impairments	**(632)**	**(418)**	**(17)**	**(16)**	**(377)**	**(348)**	**(1,026)**	**(782)**
Portfolio impairments	(151)	(114)	(17)	(16)	(244)	(192)	(412)	(322)
Specific impairments	(481)	(304)	-	-	(133)	(156)	(614)	(460)
Net core loans and advances to customers	**86,953**	**85,499**	**28,588**	**28,778**	**3,866**	**3,878**	**119,407**	**118,155**
Average gross core loans and advances	**86,750**	**85,238**	**28,700**	**30,809**	**4,235**	**4,153**	**119,685**	**120,200**
Current loans and advances to customers	79,748	79,167	28,490	28,568	3,962	3,935	112,200	111,670
Total gross non current loans and advances to customers	7,837	6,750	115	226	281	291	8,233	7,267
Past due loans and advances to customers (1-60 days)	1,575	1,776	-	155	103	85	1,678	2,016
Special mention loans and advances to customers	966	542	74	-	29	4	1,069	546
Default loans and advances to customers	5,296	4,432	41	71	149	202	5,486	4,705
Gross core loans and advances to customers	**87,585**	**85,917**	**28,605**	**28,794**	**4,243**	**4,226**	**120,433**	**118,937**
Total gross non-current core loans and advances to customers	**7,837**	**6,750**	**115**	**226**	**281**	**291**	**8,233**	**7,267**
Default loans that are current and not impaired	411	385	-	-	-	-	411	385
Gross core loans and advances to customers that are past due but not impaired	5,184	4,876	115	226	132	89	5,431	5,191
Gross core loans and advances to customers that are impaired	2,242	1,489	-	-	149	202	2,391	1,691
Total income statement charge for impairments on core loans	**(316)**	**(497)**	**(5)**	**(113)**	**(56)**	**(253)**	**(377)**	**(863)**
Gross default loans and advances to customers	5,296	4,432	41	71	149	202	5,486	4,705
Specific impairments	(481)	(304)	-	-	(133)	(156)	(614)	(460)
Portfolio impairments	(151)	(114)	(17)	(16)	(244)	(192)	(412)	(322)
Defaults net of impairments	**4,664**	**4,014**	**24**	**55**	**(228)**	**(146)**	**4,460**	**3,923**
Collateral and other credit enhancements	6,796	5,789	41	156	66	70	6,903	6,015
Net default loans and advances to customers (limited to zero)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total impairments as a % of gross core loans and advances to customers	0.72%	0.49%	0.06%	0.06%	8.89%	8.23%	0.85%	0.66%
Total impairments as a % of gross default loans	11.93%	9.43%	41.46%	22.54%	253.02%	172.28%	18.70%	16.62%
Gross defaults as a % of gross core loans and advances to customers	6.05%	5.16%	0.14%	0.25%	3.51%	4.78%	4.56%	3.96%
Defaults (net of impairments) as a % of net core loans and advances to customers	5.36%	4.69%	0.08%	0.19%	(5.90%)	-3.76%	3.74%	3.32%
Net defaults as a % of core loans and advances to customers	-	-	-	-	-	-	-	-
Annualised credit loss ratio (i.e income statement charge as a % of average gross loans and advances)	0.73%	0.58%	0.03%	0.35%	2.64%	6.09%	0.62%	0.71%

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

Risk management
An age analysis of gross non-current core loans and advances to customers

R'million	30 Sept 2010	31 March 2010
Default loans that are current	688	605
1 - 60 days	1,958	2,428
61 - 90 days	611	461
91 - 180 days	1,273	1,075
181 - 365 days	1,596	1,305
>365 days	2,107	1,393
Total gross non-current loans and advances to customers (actual capital exposure)	**8,233**	**7,267**
1 - 60 days	726	514
61 - 90 days	126	184
91 - 180 days	652	833
181 - 365 days	1,327	872
>365 days	1,837	1,154
Total gross non-current loans and advances to customers (actual amount in arrears)	**4,668**	**3,557**

A further age analysis of non-current loans and advances to customers

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
As at 30 September 2010							
Default loans that are current							
Total capital exposure	411	-	-	-	-	-	**411**
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	1,903	598	1,089	968	873	**5,431**
Amount in arrears	-	704	123	552	795	690	**2,864**
Gross core loans and advances to customers that are impaired							
Total capital exposure	277	55	13	184	628	1,234	**2,391**
Amount in arrears	-	22	3	100	532	1,147	**1,804**
As at 31 March 2010							
Default loans that are current							
Total capital exposure	385	-	-	-	-	-	**385**
Gross core loans and advances to customers that are past due but not impaired							
Total capital exposure	-	2,289	443	847	858	754	**5,191**
Amount in arrears	-	408	179	740	634	699	**2,660**
Gross core loans and advances to customers that are impaired							
Total capital exposure	220	139	18	228	447	639	**1,691**
Amount in arrears	-	106	5	93	238	455	**897**

Risk management

An age analysis of gross non-current core loans and advances to customers as at 30 September 2010 (based on total capital exposure)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	1,678	-	-	-	-	1,678
Special mention	-	201	574	59	145	90	1,069
Special mention (1 - 90 days)	-	201	229	59	145	90	724
Special mention (61 - 90 days and item well secured)	-	-	345	-	-	-	345
Default	688	79	37	1,214	1,451	2,017	5,486
Sub-standard	380	10	21	969	700	559	2,639
Doubtful	308	69	16	245	751	1,458	2,847
Loss	-	-	-	-	-	-	-
Total	688	1,958	611	1,273	1,596	2,107	8,233

An age analysis of gross non-current core loans and advances to customers as at 30 September 2010 (based on actual amount in arrears)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	554	-	-	-	-	554
Special mention	-	149	112	41	134	25	461
Special mention (1 - 90 days)	-	149	6	*41	*134	*25	355
Special mention (61 - 90 days and item well secured)	-	-	106	-	-	-	106
Default	-	23	14	611	1,193	1,812	3,653
Sub-standard	-	-	12	507	623	484	1,626
Doubtful	-	23	2	104	570	1,328	2,027
Loss	-	-	-	-	-	-	-
Total	-	726	126	652	1,327	1,837	4,668

An age analysis gross non-current core loans and advances to customers as at 31 March 2010 (based on total capital exposure)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	2,016	-	-	-	-	2,016
Special mention	-	120	300	16	101	9	546
Special mention (1 - 90 days)	-	120	59	*16	*101	*9	305
Special mention (61 - 90 days and item well secured)	-	-	241	-	-	-	241
Default	605	292	161	1,059	1,204	1,384	4,705
Sub-standard	347	153	73	555	575	599	2,302
Doubtful	258	139	88	504	629	785	2,403
Loss	-	-	-	-	-	-	-
Total	605	2,428	461	1,075	1,305	1,393	7,267

An age analysis of gross non-current core loans and advances to customers as at 31 March 2010 (based on actual amount in arrears)

R'million	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
Past due (1-60 days)	-	366	-	-	-	-	366
Special mention	-	19	98	7	14	3	141
Special mention (1 - 90 days)	-	19	36	*7	*14	*3	79
Special mention (61 - 90 days and item well secured)	-	-	62	-	-	-	62
Default	-	129	86	826	858	1,151	3,050
Sub-standard	-	25	14	503	493	589	1,624
Doubtful	-	104	72	323	365	562	1,426
Loss	-	-	-	-	-	-	-
Total	-	514	184	833	872	1,154	3,557

* 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 is 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.

Risk management

An analysis of core loans and advances to customers

R'million	Gross core loans and advances that are neither past due nor impaired	Gross core loans and advances that are past due but not impaired	Gross core loans and advances that are impaired	Total gross core loans and advances (actual capital exposure)	Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears
As at 30 September 2010								
Current core loans and advances	112,200	-	-	112,200	-	(389)	111,811	-
Past due (1-60 days)	-	1,678	-	1,678	-	(10)	1,668	554
Special mention	-	1,069	-	1,069	-	(13)	1,056	461
Special mention (1 - 90 days)	-	724	-	724	-	(10)	714	355
Special mention (61 - 90 days and item well secured)	-	345	-	345	-	(3)	342	106
Default	411	2,684	2,391	5,486	(614)	-	4,872	3,653
Sub-standard	379	2,257	3	2,639	-	-	2,639	1,626
Doubtful	32	427	2,388	2,847	(614)	-	2,233	2,027
Loss	-	-	-	-	-	-	-	-
Total	112,611	5,431	2,391	120,433	(614)	(412)	119,407	4,668
As at 31 March 2010								
Current core loans and advances	111,670	-	-	111,670	-	(309)	111,361	-
Past due (1-60 days)	-	2,016	-	2,016	-	(7)	2,009	366
Special mention	-	546	-	546	-	(6)	540	141
Special mention (1 - 90 days)	-	305	-	305	-	(6)	299	79
Special mention (61 - 90 days and item well secured)	-	241	-	241	-	-	241	62
Default	385	2,629	1,691	4,705	(460)	-	4,245	3,050
Sub-standard	347	1,948	7	2,302	-	-	2,302	1,624
Doubtful	38	681	1,684	2,403	(460)	-	1,943	1,426
Loss	-	-	-	-	-	-	-	-
Total	112,055	5,191	1,691	118,937	(460)	(322)	118,155	3,557

Risk management

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

R'million	Current core loans and advances	Past due (1-60 days)	Special mention (1 - 90 days)	Special mention (61 - 90 days and item well secured)	Sub-standard	Doubtful	Loss	Total gross core loans and advances to customers	Portfolio impairments	Specific impairments	Total impairments
As at 30 September 2010											
Private Banking professional and HNW individuals	79,748	1,575	724	242	2,595	2,701	-	87,585	(151)	(481)	(632)
Corporate sector	20,343	-	-	74	41	79	-	20,537	(255)	(79)	(334)
Banking, insurance, financial services (excluding sovereign)	10,087	-	-	-	-	-	-	10,087	(6)	-	(6)
Public and government sector (including central banks)	801	-	-	-	-	-	-	801	-	-	-
Trade finance	1,221	103	-	29	3	67	-	1,423	-	(54)	(54)
Total gross core loans and advances to customers	**112,200**	**1,678**	**724**	**345**	**2,639**	**2,847**	**-**	**120,433**	**(412)**	**(614)**	**(1,026)**
As at 31 March 2010											
Private Banking professional and HNW individuals	79,167	1,776	305	237	2,227	2,205	-	85,917	(113)	(305)	(418)
Corporate sector	19,827	155	-	-	71	81	-	20,134	(203)	(81)	(284)
Banking, insurance, financial services (excluding sovereign)	9,960	-	-	-	-	-	-	9,960	(6)	-	(6)
Public and government sector (including central banks)	1,599	-	-	-	-	-	-	1,599	-	-	-
Trade finance	1,117	85	-	4	4	117	-	1,327	-	(74)	(74)
Total gross core loans and advances to customers	**111,670**	**2,016**	**305**	**241**	**2,302**	**2,403**	**-**	**118,937**	**(322)**	**(460)**	**(782)**

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

R'million	30 Sept 2010	31 March 2010
Private Banking professional and HNW individuals	87,585	85,917
Corporate sector	20,537	20,134
Banking, insurance, financial services (excluding sovereign)	10,087	9,960
Public and government sector (including central banks)	801	1,599
Trade finance	1,423	1,327
Total gross core loans and advances to customers	**120,433**	**118,937**

Risk management

Analaysis of default core loans and advances

R'million	Gross core loans	Gross defaults	Collateral against defaults	Impairments
Private Bank				
Residential property investment	2,396	140	167	(11)
Residential mortgages - owner occupied	28,029	845	1 125	(83)
Residential property development	1,151	146	189	(21)
Residential estates	3,655	1,697	2 219	(120)
Commercial property investment	34,256	1,212	1 618	(127)
Commercial property development	2,124	288	385	(23)
Commercial land	3,018	176	214	(10)
Cash and securities backed lending	4,232	121	154	(9)
Asset backed lending	4,021	282	328	(155)
Unlisted securities and general corporate lending	3,335	347	392	(37)
Unsecured lending	1,368	42	5	(36)
Total Private Bank	**87,585**	**5,296**	**6 796**	**(632)**
Capital Markets				
Preference shares	8,216	-	-	-
Acquisition finance	3,520	-	-	(10)
Project finance	2,018	-	-	-
Structured finance	13,896	41	41	(7)
Resource finance and commodities	955	-	-	-
Total Capital Markets	**28,605**	**41**	**41**	**(17)**
Other*	4,243	149	66	(377)
Total	**120,433**	**5,486**	**6,903**	**(1 026)**

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

Risk management

Collateral

The following disclosure is made with respect to Basel II requirements and definitions.

R'million	Collateral held against: Gross core loans and advances	Collateral held against: Other credit and counterparty exposures*	Total
As at 30 September 2010			
Eligible financial collateral	**20,307**	**4,755**	**25,062**
Listed shares	15,995	1,903	17,898
Cash	4,123	2,852	6,975
Debt securities issued by sovereigns	189	-	189
Mortgage bonds	**147,282**	**-**	**147,282**
Residential mortgages	47,499	-	47,499
Residential development	-	-	-
Commercial property development	901	-	901
Commercial property investments	98,882	-	98,882
Other collateral	**40,554**	**3,119**	**43,673**
Unlisted shares	816	-	816
Bonds other than mortgage bonds	8,723	3,006	11,729
Debtors, stock and other corporate assets	17,524	-	17,524
Guarantees	7,574	113	7,687
Credit derivatives	-	-	-
Other	5,917	-	5,917
Total collateral	**208,143**	**7,874**	**216,017**
Suretyships	195	-	195
Collateral including suretyships	**208,338**	**7,874**	**216,212**
As at 31 March 2010			
Eligible financial collateral	**21,038**	**3,780**	**24,818**
Listed shares	19,292	1,031	20,323
Cash	1,724	2,749	4,473
Debt securities issued by sovereigns	22	-	22
Mortgage bonds	**146,740**	**-**	**146,740**
Residential mortgages	45,482	-	45,482
Residential development	104	-	104
Commercial property development	678	-	678
Commercial property investments	100,476	-	100,476
Other collateral	**33,573**	**3,777**	**37,350**
Unlisted shares	1,087	-	1,087
Bonds other than mortgage bonds	8,648	3,198	11,846
Debtors, stock and other corporate assets	15,305	-	15,305
Guarantees	7,317	80	7,397
Credit derivatives	-	-	-
Other	1,216	499	1,715
Total collateral	**201,351**	**7,557**	**208,908**
Suretyships	46	-	46
Collateral including suretyships	**201,397**	**7,557**	**208,954**

* 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.

Risk management

Securitisation/principal finance activities and exposures

In South Africa, our securitisation business, which forms part of our Structured Finance unit, was established approximately eight years ago when the debt capital markets commenced development. Over this time, we have arranged a number of corporate bond and commercial paper programmes and third party securitisations.

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

Furthermore, we provide standby liquidity facilities to two conduits, namely the Grayston Conduit 1 (Pty) Ltd Series 1 and Series 2, and to the securitisation structure of the Growthpoint Note Issuer Company (Series 1 Tranche 1; Series 1 Tranche 2; Series 2; and Series 3). These facilities, which totalled R1.8 billion as at 30 September 2010 (31 March 2010: R2.4 billion), have not been drawn on and are thus refl ected 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, securitised assets we have originated in our Private Banking business in South Africa. The primary motivations for the securitisation of assets within our Private Banking division are to:

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

Total assets that have been originated and securitised by the Private Bank amount to R6.9 billion (31 March 2010: R7.3 billion) and include auto loans (R0.9 billion), residential mortgages (R4.9 billion) and commercial mortgages (R1.1 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/principal finance activities reflect only those exposures to which we consider ourselves to be at risk notwithstanding accounting conventions. In addition, assets that have been securitised by our Private Banking division are reflected as part of our core lending exposures and not our securitisation/principal finance exposures as we believe this reflects the true nature and intent of these exposures and activities.

Nature of exposure/activity	Exposure as at 30 Sept 2010 - R'mn	Exposure as at 31 March 2010 - R'mn	Credit analysis internal risk classification	Asset quality - relevant comments for the period	Capital treatment
Structured credit investments*	2,445	2,099	On-balance sheet securitisation/principal finance exposure.		Risk-weighted or supervisory deductions against primary and secondary capital
Rated	2,176	1,794			
Unrated	269	305			
Warehouse lines provided to, and investment in third party intermediary originating platforms (mortgage and auto loans)	906	1,092	On-balance sheet securitisation/principal finance exposure.	The total exposure of R906 million is net of impairments of R95 million	Risk-weighted depending on rating of counterparty.
Private Banking division assets which have been securitised	6,903	7,255	On-balance sheet exposure - reclassified from "accounting securitised assets" to core loans and advances for credit analysis purposes.	Analysed as part of the bank's overall asset quality on core loans and advances.	We apply securitisation rules: either risk-weighted or supervisory deductions against primary and secondary capital
Liquidity facilities provided to third party corporate securitisation vehicles	1,832	2,434	Off-balance sheet credit exposure as these facilities have remained undrawn and reflect a contingent liability		Unutilised facility that is risk-weighted

*A further analysis of rated structured credit investments

R'mn	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	-	64	-	-	**64**
European RMBS	325	463	229	677	314	-	-	**2,007**
South African RMBS	14	9	-	-	-	-	-	**24**
South African CMBS	-	81	-	-	-	-	-	**81**
Total	339	553	229	677	378	-	-	**2,176**

Risk management

Equity and investment risk in the banking book

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

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

• Lending transactions (within the Private Banking and Capital Markets divisions): The manner in which we structure certain transactions results in equity, warrant and profit shares being held, predominantly within unlisted companies.

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

• Central Funding: In South Africa the Central Funding division is the custodian of certain equity and property investments, which have largely arisen from corporate acquisitions made, notably in the early 2000s.

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

	Income (pre funding costs)				
R'million	**Unrealised**	**Realised**	**Dividends, net interest and other**	**Total**	**Fair value through equity**
Six months to 30 September 2010					
Unlisted investments	521	86	69	**676**	-
Listed equities	(1)	19	-	**18**	1
Investment and trading properties	203	-	(1)	**202**	-
Warrants, profit shares and other embedded derivatives	(44)	121	-	**77**	-
Total	**679**	**226**	**68**	**973**	**1**
Year ended 31 March 2010					
Unlisted investments	280	273	213	**766**	-
Listed equities	166	79	1	**246**	1
Investment and trading properties	447	-	(2)	**445**	-
Warrants, profit shares and other embedded derivatives	205	59	3	**267**	-
Total	**1 098**	**411**	**215**	**1 724**	**1**

Risk management

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

R'million	On-balance sheet value of investments 30 Sept 2010	Valuation change stress test* 30 Sept 2010	On-balance sheet value of investments 31 March 2010	Valuation change stress test* 31 March 2010
Unlisted investments	6 921	1 038	5 888	883
Listed equities	691	173	815	204
Investment and trading properties	5 170	555	4 736	534
Warrants, profit shares and other embedded derivatives	505	177	638	223
Total	**13 287**	**1 943**	**12 077**	**1 844**

*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%

Based on the information as at 30 September 2010, as reflected above we could have a R1.9 billion reversal in revenue (which assumes a year in which there is a "worst case scenario"). This would not cause the group to report a loss but could have a significantly negative impact on earnings for that period. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is very low, although the probability of listed equities being negatively impacted at the same time is very high.

Risk management

Traded market risk management

Traded market risk description

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

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

Management and measurement of traded market risk

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

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

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

Measurement techniques used to quantify market risk arising from our trading activities include sensitivity analysis, Value at Risk (VaR) and Expected Tail Loss (ETL). Stress testing and scenario analysis are also used to simulate extreme conditions to supplement these core measures.

VaR numbers are monitored at the 95%, 99% and 100% (maximum loss) confidence intervals. ETLs are monitored 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.
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 actual trading revenues arising from the previous day’s closing positions with the one-day VaR calculated for the previous day on these same positions. If the revenue is negative and exceeds the one-day VaR, a “back testing breach” is considered to have occurred. We also consider the impact of extreme yet plausible future economic events n 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 Executive Risk Review Forum (ERRF).

In South Africa we have Internal Model Approval and so trading capital is calculated as a function of the 99% 10-day VaR. Backtesting results and a detailed stress testing pack are submitted to the regulator on a monthly basis.

VaR 95% (one-day)

R'million	Period end	Average	High	Low
30 September 2010				
Commodities	0.1	0.1	0.3	-
Equity derivatives	1.0	2.0	5.2	0.6
Foreign exchange	1.8	2.3	5.7	1.1
Interest rates	4.1	2.1	4.1	1.1
Consolidated*	**4.9**	**4.1**	**7.5**	**2.7**
31 March 2010				
Commodities	0.1	0.1	0.6	-
Equity derivatives	1.1	2.9	18.2	0.6
Foreign exchange	2.4	2.4	7.1	1.2
Interest rates	1.3	2.0	6.5	0.9
Consolidated*	**3.6**	**4.5**	**16.9**	**2.3**

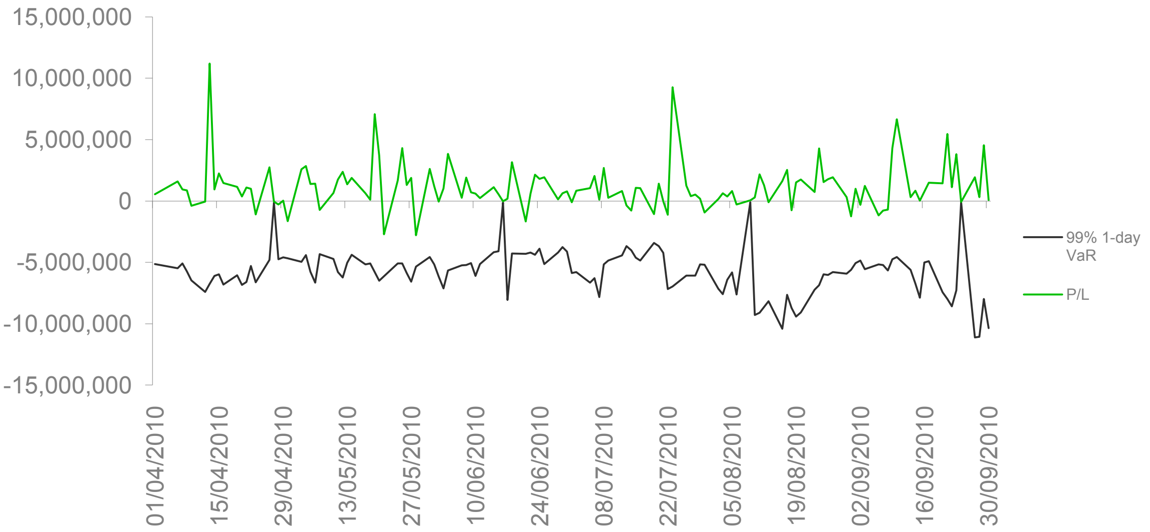
*The consolidated VaR for each desk is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes.

Risk management

Traded market risk management

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

99% 1-day VaR Backtesting (Rands)



There have been no exceptions i.e. where the losses were greater than the 99% 1-day VaR over the period ending 30 September 2010. This is less than expected and indicative of the low limit utilisation and low client flow experienced in the trading area.

Risk management

ETL 95% (one day)

R'million	30 Sept 2010	31 March 2010
Commodities	0.1	0.1
Equity derivatives	4.4	1.8
Foreign exchange	3.3	4.0
Interest rates	7.4	2.4
Consolidated*	**8.3**	**5.0**

*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

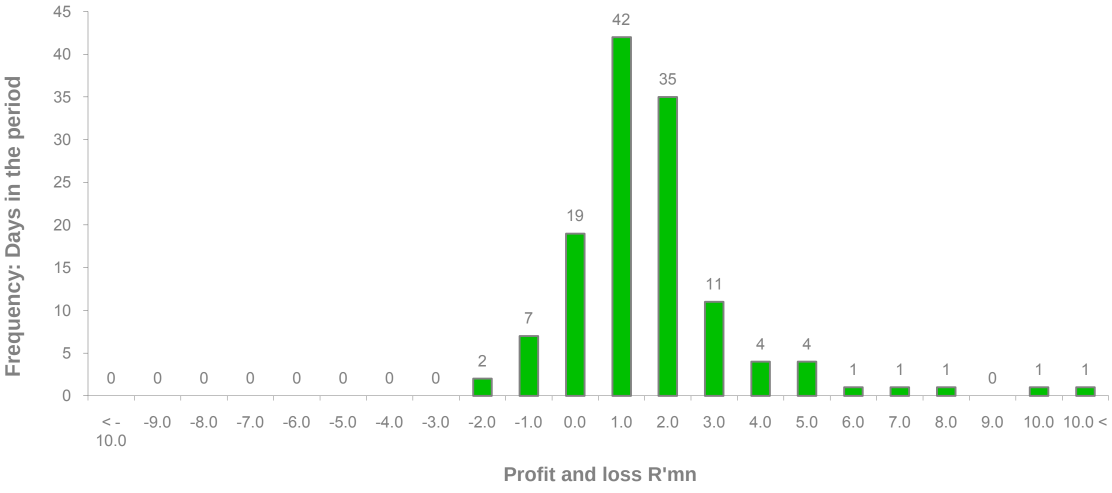
The table below for March 2010 assumes normal distribution of profits and losses that could arise if the portfolio is stress tested under extreme market conditions (15 standard deviations). The September table utilises the Extreme Value theory to calculate the 1 in 8 year loss. These numbers are therefore not comparable.

R'million	Using 99% EVT 30 Sept 2010	Using VaR 31 March 2010
Commodities	0.4	0.6
Equity derivatives	54.0	8.6
Foreign exchange	10.6	18.4
Interest rates	20.1	10.3
Consolidated	**22.4**	**37.9**

* The consolidated stress EVT for each desk and each entity at the period is lower than the sum of the individual stress EVT's. This arises from the corre offset between various asset classes.

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 129 days in the trading business. The average daily trading revenue generated for the six months ending 30 September 2010 was R1.1 million



Risk management

Balance sheet risk management

Balance sheet risk management encompasses the independent monitoring and prudential management of 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 is the impact on net interest earnings and sensitivity to economic value, as a result of increases or decreases in interest rates arising from the execution of our core business strategies and the delivery of products and services to our customers.

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

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Risk management

Interest rate sensitivity gap

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

As at 30 September 2010 R'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non-trading
Cash and short-term funds - banks	9 708	677	-	-	-	3 748	14 133
Cash and short-term funds - non-banks	5 805	-	-	-	-	-	5 805
Investment/trading assets	27 653	8 845	6 847	5 763	847	14 369	64 324
Securitised assets	8 616	26	48	154	10	301	9 155
Advances	98 677	1 508	1 211	8 963	3 156	216	113 731
Other assets	-	-	-	-	-	5 939	5 939
Assets	**150 459**	**11 056**	**8 106**	**14 880**	**4 013**	**24 573**	**213 087**
Deposits - banks	(11 599)	(70)	(25)	(120)	-	(32)	(11 846)
Deposits - non-banks	(128 670)	(9 718)	(7 241)	(2 594)	(627)	(1 430)	(150 280)
Negotiable paper	(1 088)	(186)	(300)	-	-	-	(1 574)
Securitised liabilities	(6 899)	(53)	(270)	(218)	-	(250)	(7 690)
Investment/trading liabilities	(3 065)	-	-	-	-	(3 023)	(6 088)
Subordinated liabilities	(2 777)	-	-	(2 567)	(1 508)	(14)	(6 866)
Other liabilities	(3 230)	(546)	(159)	(50)	(100)	(7 121)	(11 206)
Liabilities	**(157 328)**	**(10 573)**	**(7 995)**	**(5 549)**	**(2 235)**	**(11 870)**	**(195 550)**
Intercompany loans	3 800	(186)	(177)	(1 056)	-	(285)	2 096
Shareholders' funds	**(3 197)**	**-**	**-**	**-**	**(1 246)**	**(15 118)**	**(19 561)**
Balance sheet	**(6 266)**	**297**	**(66)**	**8 275**	**532**	**(2 700)**	**72**
Off-balance sheet	12 485	496	(239)	(10 268)	(2 546)	-	(72)
Repricing gap	**6 219**	**793**	**(305)**	**(1 993)**	**(2 014)**	**(2 700)**	**-**
Cumulative repricing gap	6 219	7 012	6 707	4 714	2 700	-	

Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The table below reflects our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention, i.e. the numbers represent the change in our net asset value should such a hypothetical scenario arise.

	Sensitivity to the following interest rates (expressed in original currencies)					
'million	ZAR	GBP	USD	EUR	AUD	All (ZAR)
200bp down	(276.8)	0.2	1.2	1.7	0.1	(249.6)
200bp up	255.3	(0.4)	(3.4)	(2.8)	(0.1)	199.7

Risk management

Balance sheet risk management

Liquidity risk

Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, including repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

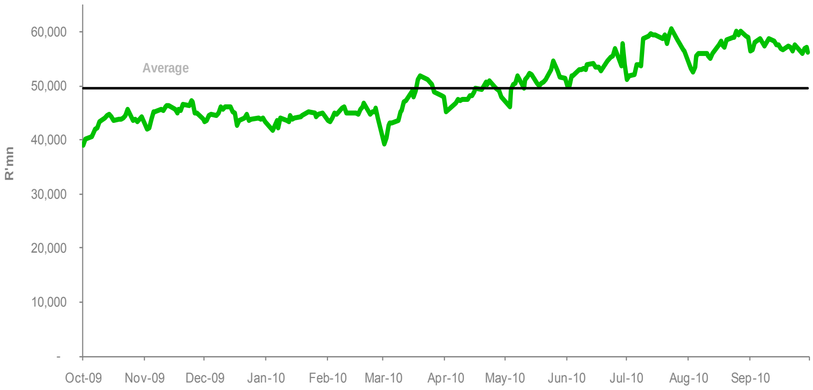
Liquidity risk description

Liquidity risk is further broken down into:

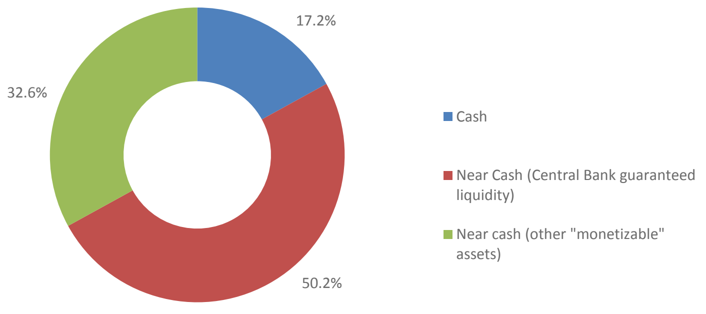
- **Funding liquidity:** which relates to the risk that the bank will be unable to meet current and/or future cash fl ow or collateral requirements without adversely affecting the normal course of business, its fi nancial position or its reputation
- **Market liquidity:** which relates to the risk that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

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

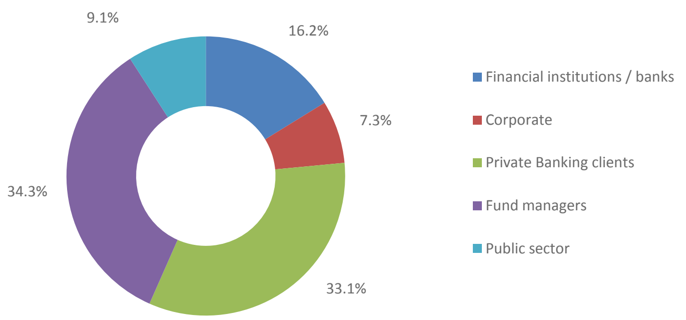
Investec Limited cash and near cash trend



An analysis of cash and near cash as at 30 September 2010 (R56,332 million)



Bank and non-bank depositor concerntration by type (R 162,800 million)



Risk management

Liquidity mismatch

The tables that follow show our liquidity mismatch.

With respect to the contractual liquidity mismatch:

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

• As an integral part of the broader liquidity generation strategy, we maintain a liquidity buffer in the form of unencumbered cash, government, or bank paper (typically eligible for repurchase with the central bank), and near cash as a buffer against both expected and unexpected cash flows.

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

- Set the time horizon to one month to monetise our cash and near cash portfolio of "available for sale" discretionary treasury assets, where there are deep secondary markets for this elective asset class.
- Set the time horizon to "on demand" to monetise our statutory liquid assets for which liquidity is guaranteed by the central bank.

- Reported the "contractual" profile by way of a note to the tables.

With respect to the behavioural liquidity mismatch:

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

Contractual liquidity

As at 30 September 2010 **R'million**	**Demand**	**Up to 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Cash and short term funds - banks*	7 934	2 635	2 050	530	45	1 207	-	14 401
Cash and short term funds - non-banks	5 805	-	-	-	-	-	-	5 805
Investment/trading assets**	29 436	18 045	769	1 502	2 645	19 065	9 504	80 966
Securitised assets	680	120	262	236	953	3 134	3 770	9 155
Advances	7 673	5 625	8 665	10 368	12 293	40 539	28 568	113 731
Other assets	352	1 949	217	524	32	475	2 634	6 183
Assets	**51 880**	**28 374**	**11 963**	**13 160**	**15 968**	**64 420**	**44 476**	**230 241**
Deposits - banks	(2 709)	(800)	(831)	(70)	(583)	(6 853)	-	(11 846)
Deposits - non banks	(47322)^	(27 228)	(30 936)	(16 487)	(16 458)	(10 577)	(1 946)	(150 954)
Negotiable paper	-	(148)	(609)	(247)	(430)	(140)	-	(1 574)
Securitised liabilities	(105)	(496)	(4 009)	(53)	(1 458)	(1 355)	(214)	(7 690)
Investment/trading liabilities	(2 196)	(4 068)	(1 190)	(518)	(1 437)	(9 717)	(762)	(19 888)
Subordinated liabilities	-	-	-	-	-	(4 008)	(2 858)	(6 866)
Other liabilities	(250)	(1 606)	(2 388)	(1 119)	(1 016)	(1 474)	(3 939)	(11 792)
Liabilities	**(52 582)**	**(34 346)**	**(39 963)**	**(18 494)**	**(21 382)**	**(34 124)**	**(9 719)**	**(210 610)**
Shareholders' funds	-	-	-	-	-	-	**(19 637)**	**(19 637)**
Liquidity gap	**(702)**	**(5 972)**	**(28 000)**	**(5 334)**	**(5 414)**	**30 296**	**15 126**	-
Cumulative liquidity gap	(702)	(6 674)	(34 674)	(40 008)	(45 422)	(15 126)	-	-

Note: contractual liquidity adjustments

R'million	**Demand**	**Up to 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**> 5 years**	**Total**
*Cash and short term funds - banks	4,203	2,635	2,050	530	45	1,207	3,731	**14 401**
**Investment/trading assets	4,438	11,963	7,023	12,252	11,451	23,615	10,224	**80,966**

Behavioural liquidity

R'million	**Demand**	**Up to 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**> 5 years**	**Total**
Behavioural liquidity gap	**24 397**	**(2 587)**	**(4 496)**	**1 118**	**(3 083)**	**(43 710)**	**28 361**	**-**
Cumulative	24 397	21 810	17 314	18 432	15 349	(28 361)	-	-

^ Includes call deposits of R 43.3 billion and the balance reflects term deposits which have finally reached/are reaching contractual maturity

Capital adequacy

R'million	30 Sept 2010	31 March 2010	30 Sept 2009
Regulatory capital			
Tier 1			
Share premium	10,719	10,416	9,875
Retained income	9,957	9,405	8,524
Treasury shares	(942)	(1,140)	(1,177)
Other reserves	607	439	174
Intangible assets	(351)	(378)	(372)
Primary capital (Tier 1)	**19,990**	**18,742**	**17,024**
Less: deductions	(332)	(266)	(140)
	19,658	**18,476**	**16,884**
Tier 2 capital			
Aggregate amount	7,129	5,553	5,264
Less: deductions	(332)	(265)	(140)
	6,797	**5,288**	**5,124**
Total capital	**26,455**	**23,764**	**22,008**
Risk-weighted assets (banking and trading)	**162,888**	**152,264**	**149,339**
Credit risk - prescribed standardised exposure classes	124,249	121,226	121,326
Corporates	74,258	78,746	75,405
Secured on real estate property	11,524	10,525	11,582
Counterparty risk on trading positions	4,424	3,380	3,867
Short term claims on institutions and corporates	16,166	13,495	17,244
Retail	7,620	7,352	6,801
Institutions	9,704	6,955	5,926
Other exposure classes	553	773	731
Securitised exposures	3,557	3,748	1,700
Equity risk - standardised approach	14,754	7,547	6,760
Listed equities	941	578	665
Unlisted equities	13,813	6,969	6,095
Market risk - portfolios subject to internal models approach	1,725	1,618	2,225
Interest rate	373	325	294
Foreign Exchange	334	326	401
Commodities	9	13	14
Equities	1,009	954	1,516
Operational risk - standardised approach	18,603	18,125	17,328
Capital requirements	15,475	14,465	14,186
Credit risk - prescribed standardised exposure classes	11,805	11,516	11,525
Corporates	7,055	7,481	7,164
Secured on real estate property	1,095	1,000	1,100
Counterparty risk on trading positions	420	321	367
Short term claims on institutions and corporates	1,536	1,282	1,638
Retail	724	698	646
Institutions	922	661	541
Other exposure classes	53	73	69
Securitised exposures	338	356	162
Equity risk - standardised approach	1,401	717	642
Listed equities	89	55	63
Unlisted equities	1,312	662	579
Market risk - portfolios subject to internal models approach	164	154	211
Interest rate	35	31	28
Foreign Exchange	32	31	38
Commodities	1	1	1
Equities	96	91	144
Operational risk - standardised approach	1,767	1,722	1,646
Capital adequacy ratio	**16.2%**	**15.6%**	**14.7%**
Tier 1 ratio	12.1%	12.1%	11.3%
Capital adequacy ratio - pre operational risk	**18.3%**	**17.7%**	**16.7%**
Tier 1 ratio - pre operational risk	13.6%	13.8%	12.8%

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	Risk weight	30 Sept 2010 Exposure R'mn	30 Sept 2010 Exposure after Credit Risk Mitigation R'mn	31 March 2010 Exposure R'mn	31 March 2010 Exposure after Credit Risk Mitigation R'mn
Central Banks and Sovereigns:					
1	0%	31,395	31,395	21,363	21,363
2	20%	-	-	-	-
3	50%	39	39	43	43
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Institutions original effective maturity of more than three months:					
1	20%	1,584	1,584	-	-
2	50%	9,979	9,979	6,303	6,303
3	50%	8,068	7,927	5,624	5,480
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Short term claims on institutions:					
1	20%	2,302	2,302	3,986	3,986
2	20%	2,931	2,931	6,067	6,067
3	20%	937	937	2,023	2,023
4	50%	-	-	-	-
5	50%	-	-	-	-
6	150%	-	-	-	-
Corporates:					
1	20%	-	-	40	40
2	50%	158	158	133	133
3	100%	55	54	157	145
4	100%	35	35	-	-
5	150%	-	-	-	-
6	150%	58	58	-	-
Securitisation positions:					
1	20%	1,038	1,038	1,042	1,042
2	50%	1,767	1,767	2,147	2,147
3	100%	689	689	820	820
4	350%	520	520	500	500
5	1250%	885	885	638	638
Total rated counterparty exposures		**62,440**	**62,298**	**50,886**	**50,730**