

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

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

IFRS - Pounds Sterling





## Investec plc (excluding Investec Limited)

### Overview of results

Unaudited

	30 Sept 2012	30 Sept 2011	% change	31 March 2012
Operating income (£'000)	558,595	598,670	(6.7%)	1,142,088
Operating costs (£'000)	402,527	369,353	9.0%	771,538
Operating profit before amortisation of acquired intangibles, non-operating items, taxation and after non controlling interests (£'000)	69,286	99,734	(30.5%)	94,233
Earnings attributable to ordinary shareholders (£'000)	38,540	77,921	(50.5%)	27,886
Cost to income ratio	73.3%	64.1%		69.3%
Total capital resources (including subordinated liabilities) (£'000)	2,977,759	2,836,886	5.0%	2,943,828
Total shareholders' equity (£'000)	2,237,863	2,108,456	6.1%	2,235,552
Total assets (£'000)	23,453,507	23,395,620	0.2%	24,215,070
Net core loans and advances (£'000)	7,768,809	7,646,252	1.6%	7,736,425
Customer accounts (deposits) (£'000)	11,326,716	10,562,962	7.2%	11,007,758
Cash and near cash balances (£'000)	4,715,028	4,326,975	9.0%	4,575,747
Third party assets under management (£'million)	58,852	43,687	34.7%	57,492
Capital adequacy ratio	17.2%	17.1%		17.5%
Tier 1 ratio	11.3%	11.6%		11.6%
Defaults (net of impairments) as a % of net core loans and advances	3.89%	5.69%		4.10%
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)	1.15%	1.71%	-34.5%	1.65%
Total gearing/leverage ratio (i.e. total assets to total equity)	10.5x	11.1x		10.8x
Core loans (excluding own originated assets which have been securitised) to customer deposits	64.5%	67.8%		65.4%



## Investec plc (excluding Investec Limited) consolidated income statement

Unaudited

£'000	6 months to 30 Sept 2012	6 months to 30 Sept 2011 *	Year to 31 March 2012
Interest income	467,778	469,103	945,837
Interest expense	(295,045)	(297,100)	593,818
<b>Net interest income</b>	<b>172,733</b>	<b>172,003</b>	<b>352,019</b>
Fee and commission income	367,122	320,713	643,581
Fee and commission expense	(68,238)	(60,009)	(118,182)
Investment income	25,672	89,288	134,125
Trading income			
– Arising from customer flow	30,562	23,242	54,291
– Arising from balance sheet management and other trading activities	12,032	9,231	15,305
Other operating income	18,712	44,202	60,949
<b>Total operating income before impairment on loans and advances</b>	<b>558,595</b>	<b>598,670</b>	<b>1,142,088</b>
Impairment losses on loans and advances	(84,627)	(112,036)	(255,791)
<b>Operating income</b>	<b>473,968</b>	<b>486,634</b>	<b>886,297</b>
Operating costs	(402,527)	(369,353)	(771,538)
Depreciation of operating leased assets	(9,765)	(22,154)	(28,544)
<b>Operating profit before goodwill and acquired intangibles</b>	<b>61,676</b>	<b>95,127</b>	<b>86,215</b>
Impairment of goodwill	(3,850)	-	(21,510)
Amortisation of acquired intangibles	(6,631)	(4,096)	(9,530)
Costs arising from integration of acquired subsidiaries	(9,462)	-	(17,117)
<b>Operating profit</b>	<b>41,733</b>	<b>91,031</b>	<b>38,058</b>
Non-operational costs arising from acquisition of subsidiary	(1,903)	-	(5,472)
<b>Profit before taxation</b>	<b>39,830</b>	<b>91,031</b>	<b>32,586</b>
Taxation on operating profit before goodwill and acquired intangibles	(12,922)	(19,761)	(20,882)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	4,022	2,044	8,164
<b>Profit after taxation</b>	<b>30,930</b>	<b>73,314</b>	<b>19,868</b>
Operating losses attributable to non-controlling interests	7,610	4,607	8,018
Non-operating losses attributable to non-controlling interests			-
<b>Earnings attributable to shareholders</b>	<b>38,540</b>	<b>77,921</b>	<b>27,886</b>

## Consolidated statement of comprehensive income

£'000	6 months to 30 Sept 2012	6 months to 30 Sept 2011	Year to 31 March 2012
Profit after taxation	30,930	73,314	19,868
Cash flow hedge movements taken directly to other comprehensive income	(4,667)	(5,826)	(4,412)
Gains on realisation of available for sale assets recycled through the income statement	(8,997)	(28,222)	(40,721)
Fair value movements on available for sale assets taken directly to other comprehensive income	5,292	7,533	25,936
Foreign currency adjustments on translating foreign operations	(6,361)	153	4,803
Pension fund actuarial gains	-	-	282
<b>Total comprehensive income</b>	<b>16,197</b>	<b>46,952</b>	<b>5,756</b>
Total comprehensive loss attributable to non-controlling interests	(7,523)	(5,373)	(8,130)
Total comprehensive income / (loss) attributable to ordinary shareholders	9,495	38,640	(1,323)
Total comprehensive income attributable to preferred securities and perpetual preference shareholders	14,225	13,685	15,209
<b>Total comprehensive income</b>	<b>16,197</b>	<b>46,952</b>	<b>5,756</b>

\*As restated for reclassifications set out in separate section.



## Investec plc (excluding Investec Limited) consolidated balance sheet

Unaudited

£'000	30 Sept 2012	31 March 2012	30 Sept 2011 *
<b>Assets</b>			
Cash and balances at central banks	1,665,282	1,835,849	725,442
Loans and advances to banks	1,073,278	1,060,122	1,080,883
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	1,159,138	2,113,932
Sovereign debt securities	1,451,832	1,647,271	968,841
Bank debt securities	726,030	824,552	936,791
Other debt securities	164,307	207,116	177,384
Derivative financial instruments	1,008,970	1,051,365	1,045,976
Securities arising from trading activities	429,895	372,570	654,861
Investment portfolio	307,498	320,111	249,795
Loans and advances to customers	7,311,228	7,201,417	7,157,306
Own originated loans and advances to customers securitised	457,581	535,008	488,946
Other loans and advances	2,161,887	2,789,738	2,894,713
Other securitised assets	3,191,006	2,961,969	2,989,592
Interests in associated undertakings	24,378	24,430	19,601
Deferred taxation assets	117,202	119,690	85,432
Other assets	1,074,930	1,326,907	1,020,573
Property and equipment	95,553	127,497	225,026
Investment property	11,500	11,500	-
Goodwill	459,099	454,623	439,054
Intangible assets	180,532	184,197	121,472
	<b>23,453,507</b>	<b>24,215,070</b>	<b>23,395,620</b>
<b>Liabilities</b>			
Deposits by banks	1,532,674	1,848,534	1,883,526
Derivative financial instruments	784,995	732,601	571,158
Other trading liabilities	310,027	271,627	552,391
Repurchase agreements and cash collateral on securities lent	818,829	1,020,670	904,497
Customer accounts (deposits)	11,326,716	11,007,758	10,562,962
Debt securities in issue	1,620,007	2,179,452	2,017,565
Liabilities arising on securitisation of own originated loans and advances	453,452	526,945	480,683
Liabilities arising on securitisation of other assets	2,505,182	2,361,986	2,530,968
Current taxation liabilities	77,179	77,188	67,550
Deferred taxation liabilities	83,191	82,998	71,962
Other liabilities	963,496	1,161,483	915,472
	<b>20,475,748</b>	<b>21,271,242</b>	<b>20,558,734</b>
Subordinated liabilities	739,896	708,276	728,430
	<b>21,215,644</b>	<b>21,979,518</b>	<b>21,287,164</b>
<b>Equity</b>			
Ordinary share capital	177	175	164
Perpetual preference share capital	151	151	151
Share premium	1,130,210	1,107,651	1,103,879
Treasury shares	(42,668)	(41,941)	(28,534)
Other reserves	396,800	424,271	257,439
Retained income	596,300	580,833	627,607
<b>Shareholders' equity excluding non-controlling interests</b>	<b>2,080,970</b>	<b>2,071,140</b>	<b>1,960,706</b>
Non-controlling interests	156,893	164,412	147,750
- Perpetual preferred securities issued by subsidiaries	159,325	166,762	172,281
- Non-controlling interests in partially held subsidiaries	(2,432)	(2,350)	(24,531)
<b>Total equity</b>	<b>2,237,863</b>	<b>2,235,552</b>	<b>2,108,456</b>
<b>Total liabilities and equity</b>	<b>23,453,507</b>	<b>24,215,070</b>	<b>23,395,620</b>

\*As restated for reclassifications set out in separate section.



## Investec plc (excluding Investec Limited) condensed consolidated statement of changes in equity

Unaudited

£'000	6 months to 30 Sept 2012	Year to 31 March 2012	6 months to 30 Sept 2011
<b>Balance at the beginning of the period</b>	<b>2,235,552</b>	<b>2,063,160</b>	<b>2,063,160</b>
Retained profit for the year	30,930	19,868	73,314
Fair value movements on cash flow hedges	(4,667)	(4,412)	(5,826)
Gains on realisation of available for sale assets recycled through the income statement	(8,997)	(40,721)	(28,222)
Fair value movements on available-for-sale assets	5,292	25,936	7,533
Foreign currency adjustments on translating foreign operations	(6,361)	4,803	153
Pension fund actuarial gains	-	282	-
<b>Total comprehensive income for the period</b>	<b>16,197</b>	<b>5,756</b>	<b>46,952</b>
Share based payment adjustments	18,054	32,550	16,525
Dividends paid to ordinary shareholders	(23,715)	(38,491)	(21,641)
Dividends declared to perpetual preference shareholders	(1,872)	(2,652)	(1,128)
Dividends declared to perpetual preferred securities	(11,353)	(12,557)	(12,557)
Issue of ordinary shares	22,561	204,449	24,837
Issue of perpetual preference shares	-	20,638	20,638
Share issue expenses	-	(607)	(587)
Acquisition of non-controlling interests	(4,111)	(483)	-
Non-controlling interest relating to disposal of subsidiaries	220	19,902	-
Movement of treasury shares	(13,670)	(56,113)	(27,743)
<b>Balance at the end of the period</b>	<b>2,237,863</b>	<b>2,235,552</b>	<b>2,108,456</b>



## Investec plc (excluding Investec Limited) segmental information - business analysis

Unaudited

For the six months to 30 September 2012

£'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	281	4,900	167,552	172,733
Fee and commission income	148,306	92,434	126,382	367,122
Fee and commission expense	(44,451)	(6,525)	(17,262)	(68,238)
Investment income	-	492	25,180	25,672
Trading income	-	(189)	30,751	30,562
– Arising from customer flow	-	(189)	30,751	30,562
– Arising from balance sheet management and other trading activities	(538)	(1)	12,571	12,032
Other operating income	756	307	17,649	18,712
<b>Total operating income before impairment losses on loans and advances</b>	<b>104,354</b>	<b>91,418</b>	<b>362,823</b>	<b>558,595</b>
Impairment losses on loans and advances	-	-	(84,627)	(84,627)
<b>Operating income</b>	<b>104,354</b>	<b>91,418</b>	<b>278,196</b>	<b>473,968</b>
Operating costs	(76,275)	(77,195)	(249,057)	(402,527)
Depreciation of operating leased assets	-	-	(9,765)	(9,765)
<b>Operating profit before goodwill, acquired intangibles</b>	<b>28,079</b>	<b>14,223</b>	<b>19,374</b>	<b>61,676</b>
Operating loss attributable to non-controlling interests	-	-	7,610	7,610
<b>Operating profit before goodwill, acquired intangibles and after non-controlling interests</b>	<b>28,079</b>	<b>14,223</b>	<b>26,984</b>	<b>69,286</b>
Cost to income ratio	73.1%	84.4%	70.5%	73.3%
Total assets (£'million)	313	422	22,719	23,454

For the six months to 30 September 2011

£'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	442	4,144	167,417	172,003
Fee and commission income	143,959	64,319	112,435	320,713
Fee and commission expense	(43,840)	(3,377)	(12,792)	(60,009)
Investment income	-	(210)	89,498	89,288
Trading income	-	(3,568)	26,810	23,242
– Arising from customer flow	-	(3,568)	26,810	23,242
– Arising from balance sheet management and other trading activities	-	(242)	9,473	9,231
Other operating income	-	232	43,970	44,202
<b>Total operating income before impairment losses on loans and advances</b>	<b>100,561</b>	<b>61,298</b>	<b>436,811</b>	<b>598,670</b>
Impairment losses on loans and advances	-	-	(112,036)	(112,036)
<b>Operating income</b>	<b>100,561</b>	<b>61,298</b>	<b>324,775</b>	<b>486,634</b>
Operating costs	(72,160)	(48,081)	(249,112)	(369,353)
Depreciation of operating leased assets	-	-	(22,154)	(22,154)
<b>Operating profit before goodwill, acquired intangibles</b>	<b>28,401</b>	<b>13,217</b>	<b>53,509</b>	<b>95,127</b>
Operating loss attributable to non-controlling interests	-	-	4,607	4,607
<b>Operating profit before goodwill, acquired intangibles and after non-controlling interests</b>	<b>28,401</b>	<b>13,217</b>	<b>58,116</b>	<b>99,734</b>
Cost to income ratio	71.8%	78.4%	60.1%	64.1%
Total assets (£'million)	341	666	22,389	23,396



## Investec plc (excluding Investec Limited) segmental information - geographical analysis

Unaudited

For the six months to 30 September 2012

£'000	UK and Europe	Australia	Total group
<b>Net interest income</b>	139,686	33,047	<b>172,733</b>
Fee and commission income	343,183	23,939	367,122
Fee and commission expense	(66,608)	(1,630)	(68,238)
Investment income	21,895	3,777	25,672
Trading income			
– Arising from customer flow	29,658	904	<b>30,562</b>
– Arising from balance sheet management and other trading activities	11,852	180	<b>12,032</b>
Other operating income	18,712	-	<b>18,712</b>
<b>Total operating income before impairment losses on loans and advances</b>	<b>498,378</b>	<b>60,217</b>	<b>558,595</b>
Impairment losses on loans and advances	(78,211)	(6,416)	<b>(84,627)</b>
<b>Operating income</b>	<b>420,167</b>	<b>53,801</b>	<b>473,968</b>
Operating costs	(353,481)	(49,046)	(402,527)
Depreciation of operating leased assets	(9,765)	-	<b>(9,765)</b>
<b>Operating profit before amortisation of acquired intangibles</b>	<b>56,921</b>	<b>4,755</b>	<b>61,676</b>
Operating loss attributable to non-controlling interests	7,610	-	7,610
<b>Operating profit after non-controlling interests</b>	<b>64,531</b>	<b>4,755</b>	<b>69,286</b>
Cost to income ratio	72.3%	81.4%	<b>73.3%</b>
Total assets (£'million)	20,266	3,188	<b>23,454</b>

For the six months to 30 September 2011

£'000	UK and Europe	Australia	Total group
<b>Net interest income</b>	<b>135,934</b>	<b>36,069</b>	<b>172,003</b>
Fee and commission income	302,169	18,544	320,713
Fee and commission expense	(58,045)	(1,964)	(60,009)
Investment income	87,717	1,571	89,288
Trading income			
– Arising from customer flow	18,976	4,266	23,242
– Arising from balance sheet management and other trading activities	8,456	775	9,231
Other operating income/(loss)	44,453	(251)	44,202
<b>Total operating income before impairment losses on loans and advances</b>	<b>539,660</b>	<b>59,010</b>	<b>598,670</b>
Impairment losses on loans and advances	(79,153)	(32,883)	(112,036)
<b>Operating income</b>	<b>460,507</b>	<b>26,127</b>	<b>486,634</b>
Operating costs	(321,847)	(47,506)	(369,353)
Depreciation of operating leased assets	(22,154)	-	(22,154)
<b>Operating profit/(loss) before amortisation of acquired intangibles</b>	<b>116,506</b>	<b>(21,379)</b>	<b>95,127</b>
Operating loss attributable to non-controlling interests	4,607	-	4,607
<b>Operating profit/(loss) after non-controlling interests</b>	<b>121,113</b>	<b>(21,379)</b>	<b>99,734</b>
Cost to income ratio	62.2%	80.5%	<b>64.1%</b>
Total assets (£'million)	20,060	3,336	<b>23,396</b>



## Investec plc (excluding Investec Limited) segmental analysis of operating profit before amortisation of acquired intangibles, non-operating items, taxation and after non-controlling interests

Unaudited

£'000	Uk and Europe	Australia	Total group
<b>For the six months to 30 September 2012</b>			
Asset Management	28,079	-	28,079
Wealth & Investment	14,223	-	14,223
Specialist Banking	22,229	4,755	26,984
Private Banking activities	2,263	(3,222)	(959)
Property activities	318	2,193	2,511
Corporate Advisory and Investment activities	(2,147)	2,747	600
Corporate and Institutional Banking activities	59,844	5,328	65,172
Group Services and Other activities	(38,049)	(2,291)	(40,340)
<b>Total group</b>	<b>64,531</b>	<b>4,755</b>	<b>69,286</b>
<b>Non-controlling interest – equity</b>			(7,610)
Operating profit			<b>61,676</b>
<b>For the six months to 30 September 2011</b>			
Asset Management	28,401	-	28,401
Wealth & Investment	13,217	-	13,217
Specialist Banking	79,495	(21,379)	58,116
Private Banking activities	3,778	(23,382)	(19,604)
Property activities	(19)	1,255	1,236
Corporate Advisory and Investment activities	(2,060)	(1,770)	(3,830)
Corporate and Institutional Banking activities	98,892	1,917	100,809
Group Services and Other activities	(21,096)	601	(20,495)
<b>Total group</b>	<b>121,113</b>	<b>(21,379)</b>	<b>99,734</b>
<b>Non-controlling interest – equity</b>			(4,607)
Operating profit			<b>95,127</b>



## Investec plc (excluding Investec Limited)

### Additional income statement note disclosures

Unaudited

Commentary on additional income statement note disclosures



#### Net interest income

For the 6 months to September 2012 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	5,673,876	45,366	784,065	18,793	6,457,941	64,159
Core loans and advances	5,777,926	166,474	1,990,883	90,809	7,768,809	257,283
Private Client	3,507,042	89,254	1,255,724	67,403	4,762,766	156,657
Corporate, institutional and other clients	2,270,884	77,220	735,159	23,406	3,006,043	100,626
Other debt securities and other loans and advances	2,278,592	78,390	47,602	990	2,326,194	79,380
Other interest earning assets	3,191,006	66,956	-	-	3,191,006	66,956
<b>Total interest earning assets</b>	<b>16,921,400</b>	<b>357,186</b>	<b>2,822,550</b>	<b>110,592</b>	<b>19,743,950</b>	<b>467,778</b>

For the 6 months to September 2012 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	3,444,068	43,125	527,442	16,179	3,971,510	59,304
Customer accounts	9,682,239	104,363	1,644,477	43,943	11,326,716	148,306
Other interest earning liabilities	2,505,072	37,461	453,562	16,210	2,958,634	53,671
Subordinated liabilities	694,847	32,551	45,049	1,213	739,896	33,764
<b>Total interest earning liabilities</b>	<b>16,326,226</b>	<b>217,500</b>	<b>2,670,530</b>	<b>77,545</b>	<b>18,996,756</b>	<b>295,045</b>

<b>Net interest income</b>	<b>139,686</b>	<b>33,047</b>	<b>172,733</b>
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#### Net fees and commissions

£'000	30 September 2012	30 September 2011	Variance	% change
Asset Management	103,855	100,119	3,736	3.7%
Wealth & Investment	85,909	60,942	24,967	41.0%
Specialist Banking	109,120	99,643	9,477	9.5%
<b>Net fees and commissions</b>	<b>298,884</b>	<b>260,704</b>	<b>38,180</b>	<b>14.6%</b>

For the 6 months to September 2012 £'000	UK and Europe	Australia	Total group
Fund management fees/fees for assets under management	219,824	2,608	222,432
Private client transactional fees	37,707	6,339	44,046
Corporate and institutional transactional and advisory services	85,652	14,992	100,644
Fee and commission income	343,183	23,939	367,122
Fee and commission expense	(66,608)	(1,630)	(68,238)
<b>Net fees and commissions</b>	<b>276,575</b>	<b>22,309</b>	<b>298,884</b>
Annuity (net of fees payable)	184,261	9,758	194,019
Deal	92,314	12,551	104,865

#### Investment income

£'000	30 September 2012	30 September 2011	Variance	% change
Asset Management	-	-	-	0.0%
Wealth & Investment	492	(210)	702	-334.3%
Specialist Banking	25,180	89,498	(64,318)	-71.9%
<b>Investment income</b>	<b>25,672</b>	<b>89,288</b>	<b>(63,616)</b>	<b>-71.2%</b>

For the 6 months to September 2012 £'000	UK and Europe	Australia	Total group
Realised	19,712	3,185	22,897
Unrealised	169	-	169
Dividend income	1,201	-	1,201
Funding & net other related costs	813	592	1,405
<b>Investment income</b>	<b>21,895</b>	<b>3,777</b>	<b>25,672</b>

For the 6 months to September 2012 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
<b>UK and Europe</b>	<b>(2,034)</b>	<b>18,210</b>	<b>5,719</b>	<b>21,895</b>
Realised	662	16,351	2,699	19,712
Unrealised	(3,897)	1,859	2,207	169
Dividend income	1,201	-	-	1,201
Funding & net other related costs	-	-	813	813
<b>Australia</b>	<b>1,685</b>	<b>-</b>	<b>2,092</b>	<b>3,777</b>
Realised	1,685	-	1,500	3,185
Unrealised	-	-	-	-
Dividend income	-	-	-	-
Funding & net other related costs	-	-	592	592
<b>Investment income</b>	<b>(349)</b>	<b>18,210</b>	<b>7,811</b>	<b>25,672</b>

## Investec plc (excluding Investec Limited)

### Additional income statement note disclosures

Unaudited

#### Commentary on additional income statement note disclosures

#### Net interest income

For the 6 months to September 2011 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	4,434,238	31,187	920,916	22,880	5,825,889	54,067
Core loans and advances	5,655,886	164,365	1,990,366	101,878	7,646,252	266,243
Private Client	3,484,842	94,660	1,710,852	76,931	5,195,694	171,591
Corporate, institutional and other clients	2,171,044	69,705	279,514	24,947	2,450,558	94,652
Other debt securities and other loans and advances	2,935,585	65,535	136,512	2,952	3,072,097	68,487
Other interest earning assets	2,948,497	80,007	41,095	299	2,989,592	80,306
<b>Total interest earning assets</b>	<b>15,974,206</b>	<b>341,094</b>	<b>3,088,889</b>	<b>128,009</b>	<b>19,533,830</b>	<b>469,103</b>

For the 6 months to September 2011 £'000	UK and Europe		Australia		Total group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	3,928,308	45,599	877,280	26,748	4,805,588	72,347
Customer accounts	9,117,082	100,485	1,445,880	46,691	10,562,962	147,176
Other interest earning liabilities	2,530,968	32,484	480,683	17,077	3,011,651	49,561
Subordinated liabilities	691,098	26,592	37,332	1,424	728,430	28,016
<b>Total interest earning liabilities</b>	<b>16,267,456</b>	<b>205,160</b>	<b>2,841,175</b>	<b>91,940</b>	<b>19,108,631</b>	<b>297,100</b>

<b>Net interest income</b>	<b>135,934</b>	<b>36,069</b>	<b>172,003</b>
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#### Net fees and commissions

For the 6 months to September 2011 £'000	UK and Europe	Australia	Total group
Fund management fees/fees for assets under management	195,381	2,640	198,021
Private client transactional fees	32,245	8,221	40,466
Corporate and institutional transactional and advisory services	74,543	7,683	82,226
Fee and commission income	302,169	18,544	320,713
Fee and commission expense	(58,045)	(1,964)	(60,009)
<b>Net fees and commissions</b>	<b>244,124</b>	<b>16,580</b>	<b>260,704</b>
Annuity (net of fees payable)	168,228	7,560	175,788
Deal	75,896	9,020	84,916

#### Investment income

For the 6 months to September 2011 £'000	UK and Europe	Australia	Total group
Realised	65,556	671	66,227
Unrealised	21,462	(37)	21,425
Dividend income	776	535	1,311
Funding & net other income related costs	(77)	402	325
<b>Investment income</b>	<b>87,717</b>	<b>1,571</b>	<b>89,288</b>

For the 6 months to September 2011 £'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
<b>UK and Europe</b>	<b>9,361</b>	<b>72,554</b>	<b>5,802</b>	<b>87,717</b>
Realised	5,045	54,746	5,765	65,556
Unrealised	3,618	17,844	-	21,462
Dividend income	776	-	-	776
Funding & net other income related costs	(78)	(36)	37	(77)
<b>Australia</b>	<b>993</b>	<b>176</b>	<b>402</b>	<b>1,571</b>
Realised	495	176	-	671
Unrealised	(37)	-	-	(37)
Dividend income	535	-	-	535
Funding & net other income related costs	-	-	402	402
<b>Investment income</b>	<b>10,354</b>	<b>72,730</b>	<b>6,204</b>	<b>89,288</b>

## Investec plc (excluding Investec Limited) consolidated income statement



### Income statement reclassifications

Unaudited

For the six months to 30 September 2011

£'000	New format	As previously reported	Reclassifications
Interest income	469,103	469,103	-
Interest expense	(297,100)	(297,100)	-
<b>Net interest income</b>	<b>172,003</b>	<b>172,003</b>	-
Fee and commission income	320,713	320,713	-
Fee and commission expense	(60,009)	(60,009)	-
Principal transactions		121,761	(121,761)
Investment income	89,288	-	89,288
Trading income			
- Arising from customer flow	23,242	-	23,242
- Arising from balance sheet management and other trading activities	9,231	-	9,231
Other operating income	44,202	44,202	-
<b>Other income</b>	<b>426,667</b>	<b>426,667</b>	-
<b>Total operating income before impairment losses on loans and advances</b>	<b>598,670</b>	<b>598,670</b>	-

### Commentary on income statement reclassifications

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

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

## Investec plc (excluding Investec Limited) consolidated income statement

### Commentary on balance sheet reclassifications

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

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

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

### Loans and securitisation

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

### Securities reclassification

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

30 September 2011 £'000	New format	As previously reported	Loans and securitisations	Securities reclassification
<b>Total assets reclassified</b>				
Sovereign debt securities	968,841	-	-	968,841
Bank debt securities	936,791	-	-	936,791
Other debt securities	177,384	-	-	177,384
Investment securities	-	2,079,129	-	(2,079,129)
Securities arising from trading activities	654,861	925,718	-	(270,857)
Investment portfolio	249,795	-	-	249,795
Loans and advances to customers	7,157,306	10,052,019	(2,894,713)	-
Securitised assets	-	3,478,538	(3,478,538)	-
Own originated loans and advances to customers securitised	488,946	-	488,946	-
Other loans and advances *	1,364,163	-	1,364,163	-
Other securitised assets	2,989,592	-	2,989,592	-
Other assets	1,020,573	1,003,398	-	17,175
<b>Total assets</b>	<b>16,008,252</b>	<b>17,538,802</b>	<b>(1,530,550)</b>	<b>-</b>
<b>Total liabilities reclassified</b>				
Liabilities arising on securitisation	-	3,011,651	(3,011,651)	-
Liabilities arising on securitisation of own originated loans and advances	480,683	-	480,683	-
Liabilities arising on securitisation of other assets	2,530,968	-	2,530,968	-
	<b>3,011,651</b>	<b>3,011,651</b>	<b>-</b>	<b>-</b>

\*Refer to further reclassification note below

### Other balance sheet reclassifications

In the current period, the group has moved warehoused assets and liabilities into other loans and deposits by banks respectively. This change arises from simplifying the face of the balance sheet with the relevant information more appropriately detailed in the notes to the financial statements.

£'000	Restated	As previously reported	Changes to previously reported
<b>31 March 2012</b>			
Other loans and advances	2,789,738	1,358,026	1,431,712
Warehoused assets- Kensington warehouse funding	-	1,431,712	(1,431,712)
Deposits by banks	1,848,534	1,013,622	834,912
Deposits by banks - Kensington warehouse funding	-	834,912	(834,912)
<b>30 September 2011</b>			
Other loans and advances	2,894,713	1,364,163	1,530,550
Warehoused assets- Kensington warehouse funding	-	1,530,550	(1,530,550)
Deposits by banks	1,883,526	984,962	898,564
Deposits by banks - Kensington warehouse funding	-	898,564	(898,564)
<b>31 March 2011</b>			
Other loans and advances	2,593,873	981,682	1,612,191
Warehoused assets- Kensington warehouse funding	-	1,612,191	(1,612,191)
Deposits by banks	1,874,695	899,153	975,542
Deposits by banks - Kensington warehouse funding	-	975,542	(975,542)



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Credit and counterparty risk management

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

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

- Lending transactions, giving rise to a direct exposure. The risk is created that an obligor will be unable or unwilling to repay capital and/or interest on advances and loans granted to it. This category includes bank placements, where we have placed funds with other financial institutions
- Issuer risk on financial instruments where payments due from the issuer of a financial instrument will not be received; and
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk)

- Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party effecting required settlements as they fall due but not receiving settlements to which they are entitled. In terms of our definition, settlement debtors receivable in the short term (i.e. less than three days) are excluded from credit and counterparty risk due to market guaranteed settlement mechanisms

- Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to finalise the transaction.

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

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

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

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

Credit and counterparty exposures decreased by 3.5% to £18.0 billion largely as a result of an increase in cash and near cash balances and warehoused assets partially offset by a decrease in off-balance sheet exposures. Cash and near cash balances increased by 3.0% to £4.7 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks and sovereign debt securities.

£'000	30 Sept 2012	31 March 2012	% change	Average*
Cash and balances at central banks	1 665 226	1,835,820	(9.3%)	1,750,523
Loans and advances to banks	1 073 278	1,060,122	1.2%	1,066,700
Reverse repurchase agreements and cash collateral on securities borrowed	1 541 519	1,159,138	33.0%	1,350,329
Sovereign debt securities	1 451 832	1,647,271	(11.9%)	1,549,552
Bank debt securities	726 030	824,552	(11.9%)	775,291
Other debt securities	127 957	169,223	(24.4%)	148,590
Derivative financial instruments	664 188	653,160	1.7%	658,674
Securities arising from trading activities	329 284	250,071	31.7%	289,678
Loans and advances to customers (gross)	7 491 858	7,364,466	1.7%	7,428,162
Own originated loans and advances to customers securitised (gross)	458 283	536,297	>100%	497,290
Other loans and advances (gross)	1 765 220	2,337,413	(24.5%)	2,051,317
Other securitised assets (gross)	54 150	67,349	(19.6%)	60,750
Other assets	36 322	2,390	>100%	19,356
Property and equipment	9 383	19,761	(52.5%)	14,572
<b>Total on-balance sheet exposures</b>	<b>17,394,530</b>	<b>17,927,033</b>	<b>(3.0%)</b>	<b>17,660,782</b>
Guarantees <sup>^</sup>	81 488	56,321	44.7%	68,905
Contingent liabilities, committed facilities and other	540 320	687,376	(21.4%)	613,848
<b>Total off-balance sheet exposures</b>	<b>621,808</b>	<b>743,697</b>	<b>(16.4%)</b>	<b>682,753</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>18,016,338</b>	<b>18,670,730</b>	<b>(3.5%)</b>	<b>18,343,534</b>

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

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



## Investec plc (excluding Investec Limited)

### Risk management

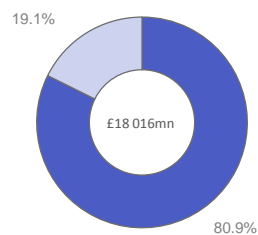
Unaudited

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

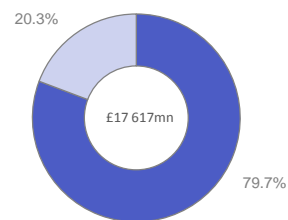
£'million	UK and Europe		Australia		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
Cash and balances at central banks	1,574	1,656	91	180	1,665	1,836
Loans and advances to banks	984	992	89	68	1,073	1,060
Reverse repurchase agreements and cash collateral on securities borrowed	1,542	1,159	-	-	1,542	1,159
Sovereign debt securities	1,291	1,415	161	232	1,452	1,647
Bank debt securities	283	295	443	530	726	825
Other debt securities	81	87	47	82	128	169
Derivative financial instruments	532	519	132	134	664	653
Securities arising from trading activities	326	243	3	7	329	250
Loans and advances to customers (gross)	5,950	5,937	1,542	1,427	7,492	7,364
Own originated loans and advances to customers securitised (gross)	-	-	458	536	458	536
Other loans and advances (gross)	1,765	1,285	-	-	1,765	1,285
Other securitised assets (gross)	54	67	-	-	54	67
Other assets	37	3	-	-	37	3
Property and equipment	10	20	-	-	10	20
<b>Total on-balance sheet exposures</b>	<b>14,429</b>	<b>13,678</b>	<b>2,966</b>	<b>3,196</b>	<b>17,395</b>	<b>16,874</b>
Guarantees	40	24	41	32	81	56
Contingent liabilities, committed facilities and other	363	522	177	165	540	687
<b>Total off-balance sheet exposures</b>	<b>403</b>	<b>546</b>	<b>218</b>	<b>197</b>	<b>621</b>	<b>743</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>14,832</b>	<b>14,224</b>	<b>3,184</b>	<b>3,393</b>	<b>18,016</b>	<b>17,617</b>

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

30 Sept 2012



31 March 2012



■ UK and Europe  
□ Australia



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

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

£'000	Total credit and counterparty exposure	Assets that we deem to have no legal credit exposure	Note reference	Total balance sheet
<b>As at 30 September 2012</b>				
Cash and balances at central banks	1,665,226	56		1,665,282
Loans and advances to banks	1,073,278	-		1,073,278
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	-		1,541,519
Sovereign debt securities	1,451,832	-		1,451,832
Bank debt securities	726,030	-		726,030
Other debt securities	127,957	36,350		164,307
Derivative financial instruments	664,188	344,782		1,008,970
Securities arising from trading activities	329,284	100,611		429,895
Investment portfolio	-	307,498	1	307,498
Loans and advances to customers	7,491,858	(180,630)	2	7,311,228
Own originated loans and advances to customers securitised	458,283	(702)	2	457,581
Other loans and advances	1,765,220	396,667	3	2,161,887
Other securitised assets	54,150	3,136,856	4	3,191,006
Interest in associated undertakings	-	24,378		24,378
Deferred taxation assets	-	117,202		117,202
Other assets	36,322	1,038,608	5	1,074,930
Property and equipment	9 383 <sup>^</sup>	86,170		95,553
Investment properties	-	11,500		11,500
Goodwill	-	459,099		459,099
Intangible assets	-	180,532		180,532
<b>Total on-balance sheet exposures</b>	<b>17,394,530</b>	<b>6,058,977</b>		<b>23,453,507</b>
<b>As at 31 March 2012</b>				
Cash and balances at central banks	1,835,820	29		1,835,849
Loans and advances to banks	1,060,122	-		1,060,122
Reverse repurchase agreements and cash collateral on securities borrowed	1,159,138	-		1,159,138
Sovereign debt securities	1,647,271	-		1,647,271
Bank debt securities	824,552	-		824,552
Other debt securities	169,223	37,893		207,116
Derivative financial instruments	653,160	398,205		1,051,365
Securities arising from trading activities	250,071	122,499		372,570
Investment portfolio	-	320,111	1	320,111
Loans and advances to customers	7,364,466	(163,049)	2	7,201,417
Own originated loans and advances to customers securitised	536,297	(1,289)	2	535,008
Other loans and advances	2,337,413	452,325	3	2,789,738
Other securitised assets	67,349	2,894,620	4	2,961,969
Interest in associated undertakings	-	24,430		24,430
Deferred taxation assets	-	119,690		119,690
Other assets	2,390	1,324,517	5	1,326,907
Property and equipment	19761 <sup>^</sup>	107,736		127,497
Investment properties	-	11,500		11,500
Goodwill	-	454,623		454,623
Intangible assets	-	184,197		184,197
<b>Total on-balance sheet exposures</b>	<b>17,927,033</b>	<b>6,288,037</b>		<b>24,215,070</b>

<sup>^</sup>Reflects future receivables in respect of assets subject to operating lease contracts

Notes:

1. Largely relates to exposures that are classified as equity risk in the banking book.
2. Largely relates to impairments and the impact of hedge accounting.
3. Whilst the group manages all risks (including credit risk) from a day to day operational perspective these assets are within special purpose vehicles that ring fence the assets to specific credit providers and limits 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 do not hold legal credit risk or have no legal credit exposure'.
4. Largely relates to net investments in Kensington securitised vehicles to which Investec has no direct exposures.

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



Unaudited

## Risk management

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

	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	5 to 10 years	>10 years	Total
<b>£'000</b>							
Cash and balances at central banks	1,665,226	-	-	-	-	-	1,665,226
Loans and advances to banks	1,002,455	-	192	70,631	-	-	1,073,278
Reverse repurchase agreements and cash collateral on securities borrowed	1,541,519	-	-	-	-	-	1,541,519
Sovereign debt securities	603,739	103,075	-	281,300	95,074	368,644	1,451,832
Bank debt securities	55,120	15,182	43,144	465,049	147,535	-	726,030
Other debt securities	7,126	206	3,336	32,508	61	84,720	127,957
Derivative financial instruments	96,032	20,875	34,447	430,727	34,076	48,031	664,188
Securities arising from trading activities	1,571	-	-	177,847	55,039	94,827	329,284
Loans and advances to customers	2,006,802	596,213	828,065	3,388,929	534,645	137,204	7,491,858
Own originated loans and advances to customers securitised	58,757	49,015	95,287	239,773	15,451	-	458,283
Other loans and advances	4,210	-	-	20,032	7,133	1,733,845	1,765,220
Other securitised assets	-	-	-	-	-	54,150	54,150
Other assets	36,322	-	-	-	-	-	36,322
Property and equipment	2,349	2,059	2,834	2,141	-	-	9,383
<b>Total on-balance sheet exposures</b>	<b>7,081,228</b>	<b>786,625</b>	<b>1,007,305</b>	<b>5,108,937</b>	<b>889,014</b>	<b>2,521,421</b>	17,394,530
Guarantees	-	35,876	21,599	23,459	554	-	81,488
Contingent liabilities, committed facilities and other	196,522	33,236	45,760	220,899	34,158	9,745	540,320
<b>Total off-balance sheet exposures</b>	<b>196,522</b>	<b>69,112</b>	<b>67,359</b>	<b>244,358</b>	<b>34,712</b>	<b>9,745</b>	621,808
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>7,277,750</b>	<b>855,737</b>	<b>1,074,664</b>	<b>5,353,295</b>	<b>923,726</b>	<b>2,531,166</b>	18,016,338



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Breakdown of gross credit exposure by industry

	Gross core loans and advances		Other credit and counterparty exposures		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
<b>£'000</b>						
HNW and professional individuals	4,915,225	5,167,270	269,316	289,365	5,184,541	5,456,635
Agriculture	8,343	13,559	57	517	8,400	14,076
Electricity, gas and water (utility services)	343,054	368,128	60,155	64,349	403,209	432,477
Public and non-business services	153,240	148,830	3,315,291	3,347,310	3,468,531	3,496,140
Business service	221,693	218,905	18,137	17,958	239,830	236,863
Finance and insurance	346,685	304,180	4,504,351	4,842,876	4,851,036	4,947,056
Retailers and wholesalers	231,446	268,965	40,251	37,195	271,697	306,160
Manufacturing and commerce	389,807	415,882	60,123	70,494	449,930	486,376
Construction	54,689	47,992	52,876	48,073	107,565	96,065
Commercial real estate	638,943	384,277	107,598	114,029	746,541	498,306
Residential mortgages	-	-	1,433,537	1,905,755	1,433,537	1,905,755
Mining and resources	93,164	89,032	74,485	66,912	167,649	155,944
Leisure, entertainment and tourism	101,121	117,694	10,084	24,834	111,205	142,528
Transport and communication	452,731	356,049	119,936	140,300	572,667	496,349
<b>Total</b>	<b>7,950,141</b>	<b>7,900,763</b>	<b>10,066,197</b>	<b>10,769,967</b>	<b>18,016,338</b>	<b>18,670,730</b>

Private client loans account for 61.8% of total core loans and advances, as represented by the industry classification 'HNW and professional individuals'. A more detailed analysis of the private client loan portfolio is provided further on. The remainder of core loans and advances largely reside within our corporate client division and are evenly spread across industry sectors. A more detailed analysis of the corporate client loan portfolio is provided further on.

Other credit and counterparty exposures are largely reflective of cash and near cash balances held with institutions and central banks, thus the large balance reflected in the 'public and non-business services' and 'finance and insurance' sectors.

These exposures also include off-balance sheet items such as guarantees, committed facilities and contingent liabilities, largely to our HNW and professional individual Private Clients division clients.

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

	HNW and professional individuals	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business service	Finance and insurance (including central banks)	Retailers and wholesalers	Manufacturing and commerce	Construction	Commercial real estate	Residential mortgages	Mining and resources	Leisure, entertainment and tourism	Transport and communication	Total
<b>£'000</b>															
<b>As at 30 September 2012</b>															
Cash and balances at central banks	-	-	-	1,574,707	-	90,519	-	-	-	-	-	-	-	-	1,665,226
Loans and advances to banks	-	-	-	-	-	1,073,278	-	-	-	-	-	-	-	-	1,073,278
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	1,541,519	-	-	-	-	-	-	-	-	1,541,519
Sovereign debt securities	-	-	-	1,451,832	-	-	-	-	-	-	-	-	-	-	1,451,832
Bank debt securities	-	-	-	-	-	726,030	-	-	-	-	-	-	-	-	726,030
Other debt securities	-	-	21,615	-	-	51,229	10,095	-	6,874	34,247	-	-	-	3,897	127,967
Derivative financial instruments	6,768	57	19,469	-	5,040	541,847	12,231	17,812	30,017	17,175	-	7,827	5,445	500	664,188
Securities arising from trading activities	-	-	-	274,527	-	54,757	-	-	-	-	-	-	-	-	329,284
Loans and advances to customers (gross)	4,456,942	8,343	343,054	153,240	221,693	346,685	231,446	389,807	54,689	638,943	-	93,164	101,121	452,731	7,491,858
Own originated loans and advances to customers securitised (gross)	458,283	-	-	-	-	-	-	-	-	-	-	-	-	-	458,283
Other loans and advances (gross)	8	-	-	-	-	331,628	-	-	-	-	1,433,537	-	-	47	1,765,220
Other securitised assets (gross)	-	-	-	-	-	28,179	-	-	-	25,971	-	-	-	-	54,150
Other assets	-	-	-	-	-	36,317	-	-	-	5	-	-	-	-	36,322
Property and equipment	-	-	27	132	2,272	383	1,558	2,575	220	808	-	29	147	-	9,383
<b>Total on-balance sheet exposures</b>	<b>4,922,001</b>	<b>8,400</b>	<b>384,165</b>	<b>3,454,438</b>	<b>229,005</b>	<b>4,822,371</b>	<b>255,390</b>	<b>410,194</b>	<b>91,800</b>	<b>717,149</b>	<b>1,433,537</b>	<b>101,020</b>	<b>106,718</b>	<b>458,407</b>	<b>17,394,530</b>
Guarantees	25,771	-	4,364	-	449	3,069	2,460	-	719	-	-	10,283	350	-	81,488
Contingent liabilities, committed facilities and other	236,769	-	14,880	14,093	10,376	25,596	13,907	39,736	15,046	29,392	-	56,346	4,142	-	540,320
<b>Total off-balance sheet exposures</b>	<b>262,540</b>	<b>-</b>	<b>19,044</b>	<b>14,093</b>	<b>10,825</b>	<b>28,665</b>	<b>16,367</b>	<b>39,736</b>	<b>15,765</b>	<b>29,392</b>	<b>-</b>	<b>66,629</b>	<b>4,492</b>	<b>114,260</b>	<b>621,808</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>5,184,541</b>	<b>8,400</b>	<b>403,209</b>	<b>3,468,531</b>	<b>239,830</b>	<b>4,851,036</b>	<b>271,697</b>	<b>449,930</b>	<b>107,565</b>	<b>746,541</b>	<b>1,433,537</b>	<b>167,649</b>	<b>111,205</b>	<b>572,667</b>	<b>18,016,338</b>
<b>As at 31 March 2012</b>															
Cash and balances at central banks	-	-	-	1,655,761	-	180,059	-	-	-	-	-	-	-	-	1,835,820
Loans and advances to banks	-	-	-	-	-	1,060,122	-	-	-	-	-	-	-	-	1,060,122
Non-sovereign and non-bank cash placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreements and cash collateral on securities borrowed	-	-	-	-	-	1,159,138	-	-	-	-	-	-	-	-	1,159,138
Sovereign debt securities	-	-	-	1,470,207	-	177,064	-	-	-	-	-	-	-	-	1,647,271
Bank debt securities	-	-	-	-	-	824,552	-	-	-	-	-	-	-	-	824,552
Other debt securities	-	-	-	-	-	86,643	-	-	-	-	-	-	-	-	169,223
Derivative financial instruments	907	119	15,702	-	3,884	561,465	7,846	17,707	6,831	59,530	-	5,020	12,313	3,906	653,160
Securities arising from trading activities	-	-	-	202,558	-	47,513	-	-	17,010	17,472	-	-	4,528	1,500	250,071
Loans and advances to customers (gross)	4,630,973	13,559	368,128	148,830	218,905	304,180	268,965	415,882	47,992	384,277	-	89,032	117,694	356,049	7,364,466
Own originated loans and advances to customers securitised (gross)	536,297	-	-	-	-	-	-	-	-	-	-	-	-	-	536,297
Other loans and advances (gross)	-	-	-	-	-	431,658	-	-	-	-	1,905,755	-	-	-	2,337,413
Other securitised assets (gross)	-	-	-	-	-	34,800	-	-	-	32,549	-	-	-	-	67,349
Other assets	-	-	-	-	-	2,390	-	-	-	-	-	-	-	-	2,390
Property and equipment	-	398	442	1,101	5,390	1,035	2,569	4,375	553	1,633	-	-	330	-	19,761
<b>Total on-balance sheet exposures</b>	<b>5,168,177</b>	<b>14,076</b>	<b>384,272</b>	<b>3,478,457</b>	<b>228,179</b>	<b>4,870,619</b>	<b>279,380</b>	<b>437,964</b>	<b>72,386</b>	<b>495,461</b>	<b>1,905,755</b>	<b>94,052</b>	<b>134,865</b>	<b>363,390</b>	<b>17,927,033</b>
Guarantees	5,857	-	4,365	-	-	6,762	1,858	-	-	-	-	33,828	500	-	3,124
Contingent liabilities, committed facilities and other	262,601	-	43,810	17,683	8,684	69,675	24,922	48,412	23,679	2,845	-	28,064	7,163	-	129,838
<b>Total off-balance sheet exposures</b>	<b>288,458</b>	<b>-</b>	<b>48,205</b>	<b>17,683</b>	<b>8,684</b>	<b>76,437</b>	<b>26,780</b>	<b>48,412</b>	<b>23,679</b>	<b>2,845</b>	<b>-</b>	<b>61,892</b>	<b>7,663</b>	<b>132,959</b>	<b>743,697</b>
<b>Total gross credit and counterparty exposures pre collateral or other credit enhancements</b>	<b>5,456,635</b>	<b>14,076</b>	<b>432,477</b>	<b>3,496,140</b>	<b>236,863</b>	<b>4,947,056</b>	<b>306,160</b>	<b>486,376</b>	<b>96,065</b>	<b>498,306</b>	<b>1,905,755</b>	<b>155,944</b>	<b>142,528</b>	<b>496,349</b>	<b>18,670,730</b>



## Investec plc (excluding Investec Limited)

### Risk management

Unaudited

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

#### Calculation of core loans and advances to customers

£'000	30 Sept 2012	31 March 2012
Loans and advances to customers as per the balance sheet	7,311,228	7,201,417
Add: own originated loans and advances securitised as per the balance sheet	457,581	535,008
<b>Net core loans and advances to customers</b>	<b>7,768,809</b>	<b>7,736,425</b>

The tables below provides information with respect to the asset quality of our core loans and advances

£'000	30 Sept 2012	31 March 2012
<b>Gross core loans and advances to customers</b>	<b>7,950,141</b>	<b>7,900,763</b>
<b>Total impairments</b>	<b>(181,332)</b>	<b>(164,338)</b>
Portfolio impairments	(12,133)	(3,210)
Specific impairments	(169,199)	(161,128)
<b>Net core loans and advances to customers</b>	<b>7,768,809</b>	<b>7,736,425</b>
<b>Average gross core loans and advances to customers</b>	<b>7,925,452</b>	<b>7,868,100</b>
Current loans and advances to customers	7,283,831	7,177,965
Past due loans and advances to customers (1-60 days)	149,367	230,053
Special mention loans and advances to customers	33,054	10,834
Default loans and advances to customers	483,889	481,911
<b>Gross core loans and advances to customers</b>	<b>7,950,141</b>	<b>7,900,763</b>
Current loans and advances to customers	7,283,831	7,177,965
Default loans that are current and not impaired	6,872	-
Gross core loans and advances to customers that are past due but not impaired	199,900	256,624
Gross core loans and advances to customers that are impaired	459,538	466,174
<b>Gross core loans and advances to customers</b>	<b>7,950,141</b>	<b>7,900,763</b>
<b>Total income statement charge for impairments on core loans and advances</b>	<b>(51,221)</b>	<b>(156,361)</b>
Gross default loans and advances to customers	483,889	481,911
Specific impairments	(169,199)	(161,128)
Portfolio impairments	(12,133)	(3,210)
<b>Defaults net of impairments</b>	<b>302,557</b>	<b>317,573</b>
Collateral and other credit enhancements	319,769	347,112
<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	2.28%	2.08%
Total impairments as a % of gross default loans	37.47%	34.10%
Gross defaults as a % of gross core loans and advances to customers	6.09%	6.10%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.89%	4.10%
Net defaults as a % of gross core loans and advances to customers	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.15%	1.65%

## Investec plc (excluding Investec Limited)

Unaudited



### Risk management

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

£'000	UK and Europe		Australia		Total	
	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012	30 Sept 2012	31 March 2012
Gross core loans and advances to customers	5,950,156	5,940,202	1,999,985	1,960,561	7,950,141	7,900,763
Total impairments	(172,230)	(152,084)	(9,102)	(12,254)	(181,332)	(164,338)
Portfolio impairments	(10,587)	(1,667)	(1,546)	(1,543)	(12,133)	(3,210)
Specific impairments	(161,643)	(150,417)	(7,556)	(10,711)	(169,199)	(161,128)
Net core loans and advances to customers	5,777,926	5,788,118	1,990,883	1,948,307	7,768,809	7,736,425
% of total	74.4%	74.8%	25.6%	25.2%	100.0%	100.0%
% change since 31 March 2012	(0.2%)		2.2%		0.4%	
Average gross core loans and advances to customers	5,945,178	5,835,985	1,980,274	2,032,115	7,925,452	7,868,100
Current loans and advances to customers	5,341,427	5,278,429	1,942,404	1,899,536	7,283,831	7,177,965
Past due loans and advances to customers (1-60 days)	136,830	215,758	12,537	14,295	149,367	230,053
Special mention loans and advances to customers	23,915	9,411	9,139	1,423	33,054	10,834
Default loans and advances to customers	447,984	436,604	35,905	45,307	483,889	481,911
Gross core loans and advances to customers	5,950,156	5,940,202	1,999,985	1,960,561	7,950,141	7,900,763
Current loans and advances to customers	5,341,427	5,278,429	1,942,404	1,899,536	7,283,831	7,177,965
Default loans that are current and not impaired	6,872	-	-	-	6,872	-
Gross core loans and advances to customers that are past due but not impaired	163,469	230,488	36,431	26,136	199,900	256,624
Gross core loans and advances to customers that are impaired	438,388	431,285	21,150	34,889	459,538	466,174
Gross core loans and advances to customers	5,950,156	5,940,202	1,999,985	1,960,561	7,950,141	7,900,763
Total income statement charge for impairments on core loans and advances	(44,804)	(88,489)	(6,417)	(67,872)	(51,221)	(156,361)
Gross default loans and advances to customers	447,984	436,604	35,905	45,307	483,889	481,911
Specific impairments	(161,643)	(150,417)	(7,556)	(10,711)	(169,199)	(161,128)
Portfolio impairments	(10,587)	(1,667)	(1,546)	(1,543)	(12,133)	(3,210)
Defaults net of impairments	275,754	284,520	26,803	33,053	302,557	317,573
Collateral and other credit enhancements	286,824	311,329	32,945	35,783	319,769	347,112
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	2.89%	2.56%	0.46%	0.63%	2.28%	2.08%
Total impairments as a % of gross default loans	38.45%	34.83%	25.35%	27.05%	37.47%	34.10%
Gross defaults as a % of gross core loans and advances to customers	7.53%	7.35%	1.80%	2.31%	6.09%	6.10%
Defaults (net of impairments) as a % of net core loans and advances to customers	4.77%	4.92%	1.35%	1.70%	3.89%	4.10%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.33%	1.22%	0.65%	3.13%	1.15%	1.65%



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

As at 30 September 2012

	Private Client**			Corporate Client **			Other*			Total
	UK and Europe	Australia	Total	UK and Europe	Australia	Total	UK and Europe	Australia	Total	Total
£'000										
<b>Gross core loans and advances to customers</b>	<b>3,651,109</b>	<b>1,264,116</b>	<b>4,915,225</b>	<b>2,159,576</b>	<b>675,462</b>	<b>2,835,038</b>	<b>139,471</b>	<b>60,407</b>	<b>199,878</b>	<b>7,950,141</b>
<b>Total impairments</b>	<b>(144,067)</b>	<b>(8,392)</b>	<b>(152,459)</b>	<b>(16,380)</b>	<b>(710)</b>	<b>(17,090)</b>	<b>(11,783)</b>	<b>-</b>	<b>(11,783)</b>	<b>(181,332)</b>
Portfolio impairments	-	(1,546)	(1,546)	-	-	-	(10,587)	-	(10,587)	(12,133)
Specific impairments	(144,067)	(6,846)	(150,913)	(16,380)	(710)	(17,090)	(1,196)	-	(1,196)	(169,199)
<b>Net core loans and advances to customers</b>	<b>3,507,042</b>	<b>1,255,724</b>	<b>4,762,766</b>	<b>2,143,196</b>	<b>674,752</b>	<b>2,817,948</b>	<b>127,688</b>	<b>60,407</b>	<b>188,095</b>	<b>7,768,809</b>
<b>Average gross core loans and advances to customers</b>	<b>3,606,607</b>	<b>1,434,640</b>	<b>5,041,247</b>	<b>2,196,889</b>	<b>485,401</b>	<b>2,682,290</b>	<b>141,682</b>	<b>60,233</b>	<b>201,915</b>	<b>7,925,452</b>
Current loans and advances to customers	3,117,145	1,218,787	4,335,932	2,090,501	663,210	2,753,711	133,781	60,407	194,188	7,283,831
Past due loans and advances to customers (1-60 days)	131,935	5,048	136,983	4,877	7,489	12,366	18	-	18	149,367
Special mention loans and advances to customers	23,711	8,880	32,591	175	259	434	29	-	29	33,054
Default loans and advances to customers	378,318	31,401	409,719	64,023	4,504	68,527	5,643	-	5,643	483,889
<b>Gross core loans and advances to customers</b>	<b>3,651,109</b>	<b>1,264,116</b>	<b>4,915,225</b>	<b>2,159,576</b>	<b>675,462</b>	<b>2,835,038</b>	<b>139,471</b>	<b>60,407</b>	<b>199,878</b>	<b>7,950,141</b>
Current loans and advances to customers	3,117,145	1,218,787	4,335,932	2,090,501	663,210	2,753,711	133,781	60,407	194,188	7,283,831
Default loans that are current and not impaired	-	-	-	6,872	-	6,872	-	-	-	6,872
Gross core loans and advances to customers that are past due but not impaired	157,937	25,481	183,418	5,485	10,950	16,435	47	-	47	199,900
Gross core loans and advances to customers that are impaired	376,027	19,848	395,875	56,718	1,302	58,020	5,643	-	5,643	459,538
<b>Gross core loans and advances to customers</b>	<b>3,651,109</b>	<b>1,264,116</b>	<b>4,915,225</b>	<b>2,159,576</b>	<b>675,462</b>	<b>2,835,038</b>	<b>139,471</b>	<b>60,407</b>	<b>199,878</b>	<b>7,950,141</b>
<b>Total income statement charge for impairments on core loans and advances</b>	<b>(19,491)</b>	<b>(9,390)</b>	<b>(28,881)</b>	<b>(15,118)</b>	<b>2,696</b>	<b>(12,422)</b>	<b>(10,195)</b>	<b>277</b>	<b>(9,918)</b>	<b>(51,221)</b>
Gross default loans and advances to customers	378,318	31,401	409,719	64,023	4,504	68,527	5,643	-	5,643	483,889
Specific impairments	(144,067)	(6,846)	(150,913)	(16,380)	(710)	(17,090)	(1,196)	-	(1,196)	(169,199)
Portfolio impairments	-	(1,546)	(1,546)	-	-	-	(10,587)	-	(10,587)	(12,133)
<b>Defaults net of impairments</b>	<b>234,251</b>	<b>23,009</b>	<b>257,260</b>	<b>47,643</b>	<b>3,794</b>	<b>51,437</b>	<b>(6,140)</b>	<b>-</b>	<b>(6,140)</b>	<b>302,557</b>
Collateral and other credit enhancements	239,180	29,046	268,226	47,644	3,899	51,543	-	-	-	319,769
<b>Net default loans and advances to customers (limited to zero)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total impairments as a % of gross core loans and advances to customers	3.95%	0.66%	3.10%	0.76%	0.11%	0.60%	8.45%	-	5.90%	2.28%
Total impairments as a % of gross default loans	38.08%	26.73%	37.21%	25.58%	15.76%	24.94%	>100.0%	-	>100.0%	37.47%
Gross defaults as a % of gross core loans and advances to customers	10.36%	2.48%	8.34%	2.96%	0.67%	2.42%	4.05%	-	2.82%	6.09%
Defaults (net of impairments) as a % of net core loans and advances to customers	6.68%	1.83%	5.40%	2.22%	0.56%	1.83%	(4.81%)	-	(3.26%)	3.89%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-	-	-	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.08%	1.26%	1.13%	0.97%	(1.14%)	0.69%	13.64%	(1.21%)	10.16%	1.15%

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

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

As at 31 March 2012

	Private Client			Corporate Client			Other*			
£'000	UK and Europe	Australia	Total	UK and Europe	Australia	Total	UK and Europe	Australia	Total	Total
Gross core loans and advances to customers	3,562,107	1,605,163	5,167,270	2,234,201	295,340	2,529,541	143,894	60,058	203,952	7,900,763
Total impairments	(130,687)	(11,563)	(142,250)	(19,731)	(690)	(20,421)	(1,667)	-	(1,667)	(164,338)
Portfolio impairments	-	(1,543)	(1,543)	-	-	-	(1,667)	-	(1,667)	(3,210)
Specific impairments	(130,687)	(10,020)	(140,707)	(19,731)	(690)	(20,421)	-	-	-	(161,128)
Net core loans and advances to customers	3,431,420	1,593,600	5,025,020	2,214,470	294,650	2,509,120	142,227	60,058	202,285	7,736,425
Average gross core loans and advances to customers	3,540,997	1,726,800	5,267,797	2,135,431	274,353	2,409,784	159,557	30,962	190,519	7,868,100
Current loans and advances to customers	3,008,547	1,551,702	4,560,249	2,126,551	287,777	2,414,328	143,330	60,058	203,388	7,177,965
Past due loans and advances to customers (1-60 days)	192,924	9,992	202,916	22,819	4,303	27,122	15	-	15	230,053
Special mention loans and advances to customers	8,834	972	9,806	537	451	988	40	-	40	10,834
Default loans and advances to customers	351,802	42,497	394,299	84,294	2,809	87,103	509	-	509	481,911
Gross core loans and advances to customers	3,562,107	1,605,163	5,167,270	2,234,201	295,340	2,529,541	143,894	60,058	203,952	7,900,763
Current loans and advances to customers	3,008,547	1,551,702	4,560,249	2,126,551	287,777	2,414,328	143,330	60,058	203,388	7,177,965
Gross core loans and advances to customers that are past due but not impaired	206,812	20,176	226,988	23,623	5,958	29,581	55	-	55	256,624
Gross core loans and advances to customers that are impaired	346,748	33,285	380,033	84,027	1,605	85,632	509	-	509	466,174
Gross core loans and advances to customers	3,562,107	1,605,163	5,167,270	2,234,201	295,340	2,529,541	143,894	60,058	203,952	7,900,763
Total income statement charge for impairments on core loans and advances	(52,188)	(72,647)	(124,835)	(37,104)	4,787	(32,317)	803	(12)	791	(156,361)
Gross default loans and advances to customers	351,802	42,497	394,299	84,294	2,809	87,103	509	-	509	481,911
Specific impairments	(130,687)	(10,020)	(140,707)	(19,731)	(690)	(20,421)	-	-	-	(161,128)
Portfolio impairments	-	(1,543)	(1,543)	-	-	-	(1,667)	-	(1,667)	(3,210)
Defaults net of impairments	221,115	30,934	252,049	64,563	2,119	66,682	(1,158)	-	(1,158)	317,573
Collateral and other credit enhancements	222,624	33,235	255,859	88,152	2,549	90,701	552	-	552	347,112
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	3.67%	0.72%	2.75%	0.88%	0.23%	0.81%	1.16%	-	0.82%	2.08%
Total impairments as a % of gross default loans	37.15%	27.21%	36.08%	23.41%	24.56%	23.44%	>100.0%	-	>100.0%	34.10%
Gross defaults as a % of gross core loans and advances to customers	9.88%	2.65%	7.63%	3.77%	0.95%	3.44%	0.35%	-	0.25%	6.10%
Defaults (net of impairments) as a % of net core loans and advances to customers	6.44%	1.94%	5.02%	2.92%	0.72%	2.66%	(0.81%)	-	(0.57%)	4.10%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-	-	-	-	-
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.41%	3.96%	2.25%	1.13%	(1.74%)	0.90%	(0.50%)	0.04%	(0.41%)	1.65%

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

^ Exposures cannot be set-off against one another



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

£'000	30 Sept 2012	31 March 2012
Default loans that are current	409,824	406,491
1 - 60 days	166,259	233,545
61 - 90 days	18,905	11,252
91 - 180 days	18,171	11,469
181 - 365 days	33,713	30,341
>365 days	19,438	29,700
<b>Past due and default core loans and advances to customers (actual capital exposure)</b>	<b>666,310</b>	<b>722,798</b>
1 - 60 days	3,944	6,478
61 - 90 days	7,986	646
91 - 180 days	9,928	1,458
181 - 365 days	12,631	6,283
>365 days	17,209	27,327
<b>Past due and default core loans and advances to customers (actual amount in arrears)</b>	<b>51,698</b>	<b>42,192</b>

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

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>As at 30 September 2012</b>							
Watchlist loans neither past due nor impaired							
Total capital exposure	6,872	-	-	-	-	-	6,872
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	165,242	17,179	16,420	690	369	199,900
Amount in arrears	-	3,192	7,644	9,103	190	123	20,252
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	402,952	1,017	1,726	1,751	33,023	19,069	459,538
Amount in arrears	-	752	342	825	12,441	17,086	31,446
<b>As at 31 March 2012</b>							
Watchlist loans neither past due nor impaired							
Total capital exposure	-	-	-	-	-	-	-
<b>Gross core loans and advances to customers that are past due but not impaired</b>							
Total capital exposure	-	231,012	9,875	6,727	4,187	4,823	256,624
Amount in arrears	-	5,389	272	193	3,499	4,388	13,741
<b>Gross core loans and advances to customers that are impaired</b>							
Total capital exposure	406,491	2,533	1,377	4,742	26,154	24,877	466,174
Amount in arrears	-	1,089	374	1,265	2,784	22,939	28,451

## Investec plc (excluding Investec Limited)

Unaudited



### Risk management

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

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	149,367	-	-	-	-	149,367
<b>Special mention</b>	-	15,875	17,179	-	-	-	33,054
Special mention (1 - 90 days)	-	15,875	7,329	-	-	-	23,204
Special mention (61 - 90 days and item well secured)	-	-	9,850	-	-	-	9,850
<b>Default</b>	409,824	1,017	1,726	18,171	33,713	19,438	483,889
Sub-standard	185,473	-	-	16,420	25,265	1,947	229,105
Doubtful	53,975	1,017	1,726	1,751	8,415	15,746	82,630
Loss	170,376	-	-	-	33	1,745	172,154
<b>Total</b>	409,824	166,259	18,905	18,171	33,713	19,438	666,310

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

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	3,136	-	-	-	-	3,136
<b>Special mention</b>	-	56	7,644	-	-	-	7,700
Special mention (1 - 90 days)	-	56	7,329	-	-	-	7,385
Special mention (61 - 90 days and item well secured)	-	-	315	-	-	-	315
<b>Default</b>	-	752	342	9,928	12,631	17,209	40,862
Sub-standard	-	-	-	9,103	4,427	364	13,894
Doubtful	-	752	342	825	8,171	15,100	25,190
Loss	-	-	-	-	33	1,745	1,778
<b>Total</b>	-	3,944	7,986	9,928	12,631	17,209	51,698

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

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	230,053	-	-	-	-	230,053
<b>Special mention</b>	-	959	9,875	-	-	-	10,834
Special mention (1 - 90 days)	-	959	127	-	-	-	1,086
Special mention (61 - 90 days and item well secured)	-	-	9,748	-	-	-	9,748
<b>Default</b>	406,491	2,533	1,377	11,469	30,341	29,700	481,911
Sub-standard	184,398	-	-	8,627	22,073	6,365	221,463
Doubtful	78,313	2,533	1,377	2,842	8,268	23,335	116,668
Loss	143,780	-	-	-	-	-	143,780
<b>Total</b>	406,491	233,545	11,252	11,469	30,341	29,700	722,798

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

£'000	Current watchlist loans	1 - 60 days	61-90 days	91-180 days	181-365 days	>365days	Total
<b>Past due (1-60 days)</b>	-	5,362	-	-	-	-	5,362
<b>Special mention</b>	-	27	272	-	-	-	299
Special mention (1 - 90 days)	-	27	16	-	-	-	43
Special mention (61 - 90 days and item well secured)	-	-	256	-	-	-	256
<b>Default</b>	-	1,089	374	1,458	6,283	27,327	36,531
Sub-standard	-	-	-	205	4,443	4,595	9,243
Doubtful	-	1,089	374	1,253	1,840	22,732	27,288
Loss	-	-	-	-	-	-	-
<b>Total</b>	-	6,478	646	1,458	6,283	27,327	42,192



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

	Gross core loans and advances that are neither past due nor impaired	Gross core loans and advances that are past due but not impaired	Gross core loans and advances that are impaired	Total gross core loans and advances (actual capital exposure)	Specific impairments	Portfolio impairments	Total net core loans and advances (actual capital exposure)	Actual amount in arrears
<b>As at 30 September 2012</b>								
<b>Current core loans and advances</b>	7,283,831	-	-	7,283,831	-	(8,994)	7,274,837	-
<b>Past due (1-60 days)</b>	-	149,367	-	149,367	-	-	149,367	3,136
<b>Special mention</b>	-	33,054	-	33,054	-	-	33,054	7,700
Special mention (1 - 90 days)	-	23,204	-	23,204	-	-	23,204	7,385
Special mention (61 - 90 days and item well secured)	-	9,850	-	9,850	-	-	9,850	315
<b>Default</b>	6,872	17,479	459,538	483,889	(169,199)	(3,139)	311,551	40,862
Sub-standard	6,872	17,479	204,754	229,105	(40,325)	-	188,780	13,894
Doubtful	-	-	82,630	82,630	(37,512)	(1,546)	43,572	25,190
Loss	-	-	172,154	172,154	(91,362)	(1,593)	79,199	1,778
<b>Total</b>	7,290,703	199,900	459,538	7,950,141	(169,199)	(12,133)	7,768,809	51,698
<b>As at 31 March 2012</b>								
<b>Current core loans and advances</b>	7,177,965	-	-	7,177,965	-	(1,542)	7,176,423	-
<b>Past due (1-60 days)</b>	-	230,053	-	230,053	-	-	230,053	5,362
<b>Special mention</b>	-	10,834	-	10,834	-	-	10,834	299
Special mention (1 - 90 days)	-	1,086	-	1,086	-	-	1,086	43
Special mention (61 - 90 days and item well secured)	-	9,748	-	9,748	-	-	9,748	256
<b>Default</b>	-	15,737	466,174	481,911	(161,128)	(1,668)	319,115	36,531
Sub-standard	-	15,737	205,726	221,463	(35,791)	-	185,672	9,243
Doubtful	-	-	116,668	116,668	(38,043)	-	78,625	27,288
Loss	-	-	143,780	143,780	(87,294)	(1,668)	54,818	
<b>Total</b>	7,177,965	256,624	466,174	7,900,763	(161,128)	(3,210)	7,736,425	42,192





## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

	Private Banking professional and HNW individuals	Corporate sector	Insurance, financial services (excluding sovereign)	Public and government sector (including central banks)	Trade finance and other	Total core loans and advances to customers
<b>£'000</b>						
<b>As at 30 September 2012</b>						
Current core loans and advances	4,335,932	2,392,260	344,559	152,434	58,646	7,283,831
<b>Past due (1 – 60 days)</b>	136,983	10,585	1,781	-	18	149,367
<b>Special mention</b>	32,591	434	-	-	29	33,054
Special mention (1 – 90 days)	23,204	-	-	-	-	23,204
Special mention (61 – 90 days and item well secured)	9,387	434	-	-	29	9,850
<b>Default</b>	<b>409,719</b>	<b>73,019</b>	<b>345</b>	<b>806</b>	<b>-</b>	<b>483,889</b>
Sub-standard	191,581	37,415	109	-	-	229,105
Doubtful	47,763	33,825	236	806	-	82,630
Loss	170,375	1,779	-	-	-	172,154
<b>Total gross core loans and advances to customers</b>	<b>4,915,225</b>	<b>2,476,298</b>	<b>346,685</b>	<b>153,240</b>	<b>58,693</b>	<b>7,950,141</b>
<b>Total impairments</b>	<b>(152,459)</b>	<b>(21,189)</b>	<b>(7,135)</b>	<b>(549)</b>	<b>-</b>	<b>(181,332)</b>
Specific impairments	(150,913)	(12,195)	(5,542)	(549)	-	(169,199)
Portfolio Impairments	(1,546)	(8,994)	(1,593)	-	-	(12,133)
<b>Net core loans and advances to customers</b>	<b>4,762,766</b>	<b>2,455,109</b>	<b>339,550</b>	<b>152,691</b>	<b>58,693</b>	<b>7,768,809</b>
<b>As at 31 March 2012</b>						
Current core loans and advances	4,556,988	2,117,832	302,144	148,106	52,895	7,177,965
<b>Past due (1 – 60 days)</b>	<b>202,916</b>	<b>25,334</b>	<b>1,788</b>	<b>-</b>	<b>15</b>	<b>230,053</b>
<b>Special mention</b>	<b>10,257</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>10,834</b>
Special mention (1 – 90 days)	1,086	-	-	-	-	1,086
Special mention (61 – 90 days and item well secured)	9,171	537	-	-	40	9,748
<b>Default</b>	<b>397,109</b>	<b>83,321</b>	<b>248</b>	<b>724</b>	<b>509</b>	<b>481,911</b>
Sub-standard	203,311	18,152	-	-	-	221,463
Doubtful	50,018	65,169	248	724	509	116,668
Loss	143,780	-	-	-	-	143,780
<b>Total gross core loans and advances to customers</b>	<b>5,167,270</b>	<b>2,227,024</b>	<b>304,180</b>	<b>148,830</b>	<b>53,459</b>	<b>7,900,763</b>
<b>Total impairments</b>	<b>(142,940)</b>	<b>(14,361)</b>	<b>(6,613)</b>	<b>(424)</b>	<b>-</b>	<b>(164,338)</b>
Specific impairments	(140,707)	(15,051)	(4,946)	(424)	-	(161,128)
Portfolio Impairments	(1,543)	-	(1,667)	-	-	(3,210)
<b>Net core loans and advances to customers</b>	<b>5,025,020</b>	<b>2,211,973</b>	<b>297,567</b>	<b>148,406</b>	<b>53,459</b>	<b>7,736,425</b>

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

	30 Sept 2012	31 March 2012
<b>£'000</b>		
Private Banking professional and HNW individuals	4,915,225	5,167,270
Corporate sector	2,476,298	2,227,024
Insurance, financial services (excluding sovereign)	346,685	304,180
Public and government sector (including central banks)	153,240	148,830
Trade finance and other	58,693	53,459
<b>Total gross core loans and advances to customers</b>	<b>7,950,141</b>	<b>7,900,763</b>



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

£'million	UK and Europe				Australia				Total			
	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments	Gross core loans	Gross defaults	Collateral	Balance sheet impairments
<b>Private Client</b>												
<b>Residential Property</b>	1,541	231	150	(82)	151	16	17	(4)	1,692	247	167	(86)
Residential property investment	672	31	23	(8)	-	-	-	-	672	31	23	(8)
Residential mortgages (owner occupied)	309	1	1	-	87	-	-	-	396	1	1	-
Residential property development	435	130	81	(50)	63	16	17	(4)	498	146	98	(54)
Residential estates/land/planning	125	69	45	(24)	1	-	-	-	126	69	45	(24)
<b>Commercial Property</b>	1,338	130	80	(54)	385	4	2	(2)	1,723	134	82	(56)
Commercial property investment	1,081	47	39	(10)	385	4	2	(2)	1,466	51	41	(12)
Commercial property land/planning	172	65	30	(36)	-	-	-	-	172	65	30	(36)
Commercial property development	85	18	11	(8)	-	-	-	-	85	18	11	(8)
<b>Other</b>	772	17	9	(8)	728	11	10	(2)	1,500	28	19	(10)
Other secured lending to private clients	747	5	1	(4)	661	10	10	(1)	1,408	15	11	(5)
Unsecured lending	25	12	8	(4)	67	1	-	(1)	92	13	8	(5)
<b>Total Private Client</b>	3,651	378	239	(144)	1,264	31	29	(8)	4,915	409	268	(152)
<b>Corporate Client</b>												
Acquisition finance	495	2	9	(5)	146	-	-	-	641	2	9	(5)
Asset finance	511	11	4	(6)	16	-	-	-	527	11	4	(6)
Corporate loans	748	25	23	(1)	374	5	4	(1)	1,122	30	27	(2)
Project finance	371	26	11	(4)	83	-	-	-	454	26	11	(4)
Resource finance and commodities	34	-	-	-	56	-	-	-	90	-	-	-
<b>Total Corporate Client</b>	2,159	64	47	(16)	675	5	4	(1)	2,834	69	51	(17)
<b>Other*</b>	140	5	-	(12)	61	-	-	-	201	5	-	(12)
<b>Total group</b>	5,950	447	286	(172)	2,000	36	33	(9)	7,950	483	319	(181)

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Collateral

A summary of total collateral is provided in the table below

£'000	Collateral held against		Total
	Core loans and advances	Other credit and counterparty exposures *	
<b>As at 30 September 2012</b>			
<b>Eligible financial collateral</b>	<b>514,670</b>	<b>15,536</b>	<b>530,206</b>
Listed shares	429,320	-	429,320
Cash	85,350	15,536	100,886
<b>Mortgage bonds</b>	<b>5,328,352</b>	<b>307,909</b>	<b>5,636,261</b>
Residential mortgages	1,843,706	307,909	2,151,615
Residential development	747,394	-	747,394
Commercial property development	260,473	-	260,473
Commercial property investments	2,476,779	-	2,476,779
<b>Other collateral</b>	<b>3,671,383</b>	<b>-</b>	<b>3,671,383</b>
Unlisted shares	198,420	-	198,420
Bonds other than mortgage bonds	54,466	-	54,466
Debtors, stock and other corporate assets	2,136,867	-	2,136,867
Guarantees	565,624	-	565,624
Other	716,006	-	716,006
<b>Total collateral</b>	<b>9,514,405</b>	<b>323,445</b>	<b>9,837,850</b>
<b>As at 31 March 2012</b>			
<b>Eligible financial collateral</b>	<b>455,745</b>	<b>11,477</b>	<b>467,222</b>
Listed shares	354,050	-	354,050
Cash	101,695	11,477	113,172
<b>Mortgage bonds</b>	<b>5,789,609</b>	<b>1,109,372</b>	<b>6,898,981</b>
Residential mortgages	1,822,665	1,109,372	2,932,037
Residential development	868,833	-	868,833
Commercial property development	317,894	-	317,894
Commercial property investments	2,780,217	-	2,780,217
<b>Other collateral</b>	<b>4,020,429</b>	<b>1,444</b>	<b>4,021,873</b>
Unlisted shares	183,496	-	183,496
Bonds other than mortgage bonds	60,451	-	60,451
Debtors, stock and other corporate assets	2,790,217	-	2,790,217
Guarantees	155,533	1,444	156,977
Other	830,732	-	830,732
<b>Total collateral</b>	<b>10,265,783</b>	<b>1,122,293</b>	<b>11,388,076</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 plc (excluding Investec Limited)

Unaudited

### Risk management

#### Securitisation/credit investment and trading activities exposures

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

#### UK and Europe

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

We retain residual net exposures amounting to £894 million to the assets originated, warehoused and securitised by Kensington.

#### Australia

Investec Bank (Australia) Limited acquired Experien in October 2007 (now Investec professional finance). Assets originated by the business have been securitised. These amount to A\$711 million (31 March 2012: A\$825 million).

#### Credit analysis

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

Nature of exposure/activity	Exposure as at 30 Sept 2012 £'mn	Exposure as at 31 March 2012 £'mn	Balance sheet and credit risk classification	Asset quality - relevant comments	Capital treatment
Structured credit investments *	608	619	Other debt securities and other loans and advances		Risk-weighted or supervisory deductions against primary and secondary capital
Rated	479	518			
Unrated	129	101			
Kensington – mortgage assets: Net exposures (after impairments) to the securitised book (i.e. those assets have been securitised)	4	12	Other securitised assets. We are required to fully consolidate assets acquired from Kensington. However only those assets to which we are at risk are reflected in this analysis with the balance reflected under 'no credit exposures'	see further on	Risk-weighted or supervisory deductions against primary and secondary capital.
Kensington – mortgage assets: Net exposures (after impairments) to the warehouse book (i.e. those assets that have been originated and placed in special purpose vehicles awaiting securitisation)	890	926	We are required to fully consolidate assets acquired from Kensington. However, only those assets to which we are legally at risk are reflected in this analysis with the balance reflected under 'no credit exposures'	see further on	Risk-weighted
Warehouse lines provided to own originated loans and advances to customers and investment in third party intermediary originating platforms (mortgage and auto loans)	955	803	Other loans and advances		Risk-weighted depending on rating of counterparty
Private Client division assets which have been securitised	458	535	Own originated loans and advances to customers securitised	Analysed as part of the group's overall asset quality on core loans and advances as reflected on previous tables	We apply securitisation rules: either risk-weighted or supervisory deductions against primary and secondary capital

#### \*Analysis of structured rated and unrated credit investments

£'million	30 September 2012				31 March 2012			
	Rated**	Unrated	Other	Total	Rated**	Unrated	Other	Total
US corporate loans	15	-	-	15	15	-	-	15
US ABS	1	-	-	1	1	-	-	1
European ABS	3	7	-	10	8	5	-	13
European RMBS	358	119	-	477	319	88	-	407
European CMBS	34	-	-	34	56	5	-	61
European corporate loans	38	3	-	41	67	3	-	70
Australian RMBS	30	-	-	30	52	-	-	52
Other (credit default swaps)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>479</b>	<b>129</b>	<b>-</b>	<b>608</b>	<b>518</b>	<b>101</b>	<b>-</b>	<b>619</b>

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

£'million	AAA	AA	A	BBB	BB	B	C and below	Total
US corporate loans	-	-	-	4	10	-	1	15
US ABS	-	-	-	-	-	-	1	1
European ABS	-	-	-	3	-	-	-	3
European RMBS	154	48	54	34	22	24	22	358
European CMBS	2	8	-	8	10	-	6	34
European corporate loans	24	1	10	-	-	-	3	38
Australian RMBS	17	4	7	2	-	-	-	30
<b>Total as at 30 September 2012</b>	<b>197</b>	<b>61</b>	<b>71</b>	<b>51</b>	<b>42</b>	<b>24</b>	<b>33</b>	<b>479</b>
<b>Total as at 31 March 2012</b>	<b>226</b>	<b>115</b>	<b>52</b>	<b>47</b>	<b>27</b>	<b>23</b>	<b>28</b>	<b>518</b>

## Investec plc (excluding Investec Limited)

Unaudited



### Risk management

#### Kensington summary and statistics

As at 30 Sept 2012	Warehouse book	Securitised portfolio	Total	% of Total
<b>Assets and business activity statistics</b>				
Mortgage assets under management (£'million)	1 342	2 121	3 463	
IFRS adjustments (£'million)	( 75)	366	291	
Mortgage assets under management (£'million)	1 417	1 755	3 172	
First charge % of total mortgage assets under management	94.2%	93.7%	93.9%	
Second charge % of total mortgage assets under management	5.8%	6.3%	6.1%	
Fixed rate loans % of total mortgage assets under management	0.4%	0.0%	0.2%	
Number of accounts	12 907	20 621	33 528	
Average loan balance (first charge) (£)	140 447	105 742	118 913	
Largest loan balance (£)	1 116 935	1 212 112	1 212 112	
Weighted average loan mature margin %	4.3%	5.0%	4.7%	
<b>Product mix (pre-IFRS adjustments) (£'million)</b>	<b>1 417</b>	<b>1 755</b>	<b>3 172</b>	<b>100.0%</b>
Prime	4	-	4	0.2%
Near prime	456	359	6	25.7%
Adverse	343	1 295	1 638	51.6%
Adverse buy to let and right to buy	56	100	156	4.9%
Start - Irish operations	558	-	558	17.6%
<b>Geographic distribution (£'million)</b>	<b>1 417</b>	<b>1 755</b>	<b>3 172</b>	<b>100.0%</b>
UK - North	258	572	830	26.2%
UK - South West	64	120	184	5.8%
UK - South East	189	361	550	17.3%
Outer London	139	221	360	11.3%
Inner London	68	121	189	6.0%
Midlands	141	360	501	15.8%
Start - Irish operations	558	-	558	17.6%
<b>Spread of value of properties (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
>£500,000	3.1%	1.0%	1.8%	
>£250,000 <=£500,000	22.5%	9.9%	14.8%	
>£200,000 <=£250,000	16.6%	11.6%	13.5%	
>£150,000 <=£200,000	21.2%	20.1%	20.5%	
>£100,000 <=£150,000	23.3%	30.6%	27.8%	
>£70,000 <=£100,000	11.2%	20.6%	17.0%	
>£50,000 <=£70,000	1.7%	5.1%	3.8%	
<£50,000	0.4%	1.1%	0.8%	
<b>Asset quality statistics</b>				
Weighted average current LTV of portfolio (adjusted for house price index movement*)	106.6%	78.8%	91.3%	
<b>LTV spread - % of book</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<= 65%	11.7%	23.2%	18.9%	
>65% - <70%	3.2%	6.5%	5.3%	
>70% - <75%	3.9%	8.9%	7.0%	
>75% - <80%	4.3%	9.3%	7.4%	
>80% - <85%	5.7%	11.2%	9.1%	
>85% - <90%	6.9%	11.7%	9.9%	
>90% - <95%	8.6%	8.4%	8.5%	
>95% - <100%	9.1%	6.9%	7.6%	
> 100%	46.6%	13.9%	26.3%	
% of accounts > 90 days in arrears	36.8%	27.8%	31.3%	
number of accounts > 90 in arrears	4 726	5 735	10 461	
<b>Total capital lent in arrears (£'million)</b>	<b>762</b>	<b>777</b>	<b>1 539</b>	<b>100.0%</b>
Arrears 0 - 60 days	67	132	199	12.9%
Arrears 61 - 90 days	56	93	149	9.7%
Arrears >90 days	592	511	1 103	71.7%
Possession	47	41	88	5.7%
Debt to income ratio of clients %	19.9%	19.2%	19.5%	
Investec investment/exposure to assets reflected above (£'million)	1 016	27	1 043	
On balance sheet provision (£'million)	( 126)	( 23)	( 149)	
<b>Investec net investment/exposure to assets reflected above (£'million)</b>	<b>890</b>	<b>4</b>	<b>894</b>	

\*Bad debt provision is based on house price index assumptions of:

UK: calendar year: house price growth of nil going forward, with the additional -20% haircut to the price to reflect the forced sale discount.

Ireland calendar year 2012: peak to trough decline of 53%, including calendar year: house price decline assumption of -9% for 2012, and house price growth assumption of 1%, 3%, 4%, 4% per annum respectively for the period 2013-2016, and an additional forced sale discount of 5% - 6%.

## Investec plc (excluding Investec Limited)

Unaudited



### Risk management

#### Equity and investment risk in the banking book

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

Principal Investments (Private Equity and Direct Investments): Investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy

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

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

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

Country/category £'000	Income (pre funding costs)			Total	Fair value through equity
	Unrealised	Realised	Dividends and other		
<b>Six months to 30 September 2012</b>					
<b>Unlisted investments</b>	(16 445)	2 347	452	(13 646)	(1 161)
UK and Europe	(16 445)	662	452	(15 331)	(1 161)
Australia	-	1 685	-	1 685	-
<b>Listed equities</b>	(2 460)	-	556	(1 904)	726
UK and Europe	(2 460)	-	556	(1 904)	992
Australia	-	-	-	-	( 266)
<b>Investment and trading properties</b>	-	-	-	-	-
UK and Europe	-	-	-	-	-
Australia	-	-	-	-	-
<b>Warrants, profit shares and other embedded derivatives</b>	15 008	-	2 595	17 603	-
UK and Europe	15 008	-	2 595	17 603	-
Australia	-	-	-	-	-
<b>Total</b>	(3 897)	2 347	3 603	2 053	( 435)
<b>Year ended 31 March 2012</b>					
<b>Unlisted investments</b>	18 003	25 880	1 458	45 342	1 690
UK and Europe	18 069	24 689	1 303	44 062	2 286
Australia	( 66)	1 191	155	1 280	( 596)
<b>Listed equities</b>	(3 140)	1 889	503	( 748)	(1 858)
UK and Europe	(3 140)	1 541	587	(1 012)	828
Australia	-	348	( 84)	264	(2 686)
<b>Investment and trading properties</b>	( 11)	(7 580)	779	(6 812)	-
UK and Europe	( 11)	2 737	779	3 505	-
Australia	-	(10 317)	-	(10 317)	-
<b>Warrants, profit shares and other embedded derivatives</b>	-	-	1 648	1 648	-
UK and Europe	-	-	1 648	1 648	-
Australia	-	-	-	-	-
<b>Total</b>	14 852	20 189	4 388	39 430	( 168)

Unrealised revaluation gains through profit and loss are included in tier 1 capital. Revaluations that are posted directly to equity are included in tier 2 capital within Investec plc.

## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

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

Country/category £'000	On-balance sheet value of investments	Valuation change stress test*	On -balance sheet value of investments	Valuation change stress test*
	30 Sept 2012	30 Sept 2012	31 March 2012	31 March 2012
<b>Unlisted investments</b>	<b>275 704</b>	<b>41 745</b>	<b>285 287</b>	<b>42 793</b>
UK and Europe	271 687	41 142	280 183	42 027
Australia	4 017	603	5 104	766
<b>Listed equities</b>	<b>31 794</b>	<b>7 948</b>	<b>34 824</b>	<b>8 706</b>
UK and Europe	24 508	6 127	27 843	6 961
Australia	7 286	1 821	6 981	1 745
<b>Investment and trading properties</b>	<b>99 564</b>	<b>19 913</b>	<b>102 029</b>	<b>20 406</b>
UK and Europe	59 394	11 879	58 336	11 667
Australia	40 170	8 034	43 693	8 739
<b>Warrants, profit shares and other embedded derivatives</b>	<b>51 849</b>	<b>18 147</b>	<b>35 979</b>	<b>12 593</b>
UK and Europe	51 849	18 147	35 979	12 593
Australia	-	-	-	-
<b>Total</b>	<b>458 911</b>	<b>87 753</b>	<b>458 119</b>	<b>84 498</b>

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

#### Stress test values applied

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

#### Stress testing summary

Based on the information as at 30 September 2012, as reflected above we could have a £88 million reversal in revenue (which assumes a year in which there is a 'severe stress scenario'). This would not cause the group to report a loss but could have a significantly negative impact on earnings for that period. The probability of all these asset classes in all geographies in which we operate being negatively impacted at the same time is very low, although the probability of listed equities being negatively impacted at the same time is very high.

#### Capital requirements

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





Unaudited

## Risk management

## Traded market risk management

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

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

## Management and measurement of traded market risk

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

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

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

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

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

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

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

	UK and Europe 95% (one-day)				Australia 95% (one-day)			
	Period end £'000	Average £'000	High £'000	Low £'000	Period end A\$'000	Average A\$'000	High A\$'000	Low A\$'000
<b>30 September 2012</b>								
Commodities	-	-	-	-	-	-	-	-
Equity derivatives	585	945	1 677	391	-	-	-	-
Foreign exchange	21	34	81	10	20	33	135	1
Interest rates	324	286	513	1,145	23	39	102	21
<b>Consolidated*</b>	<b>589</b>	<b>987</b>	<b>1 742</b>	<b>481</b>	<b>28</b>	<b>54</b>	<b>141</b>	<b>23</b>
<b>31 March 2012</b>								
Commodities	-	1	64	-	-	-	8	-
Equity derivatives	549	1 029	1 677	536	-	-	-	-
Foreign exchange	31	34	105	9	2	31	192	1
Interest rates	288	231	424	115	31	57	116	17
<b>Consolidated*</b>	<b>624</b>	<b>1 060</b>	<b>1 742</b>	<b>610</b>	<b>31</b>	<b>68</b>	<b>184</b>	<b>19</b>

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

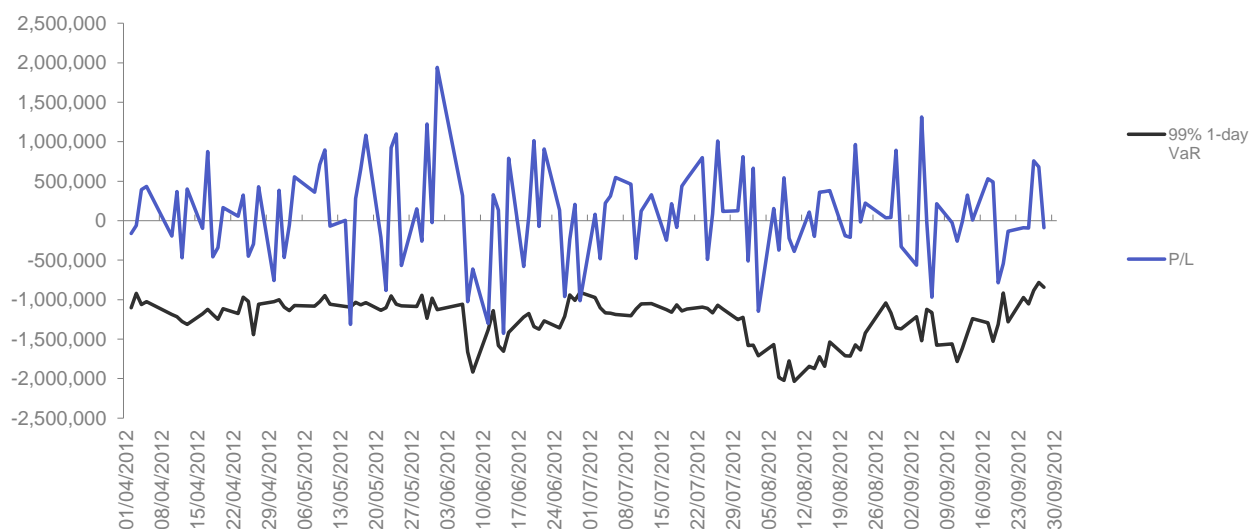
#### Traded market risk management

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

##### UK and Europe

The average VaR utilisation was lower than at year end March 2012, mainly as a result of a reduction in risk on the structured equity derivatives desk. There were 2 exceptions over the half year i.e. where the loss was greater than the 99% one-day VaR.

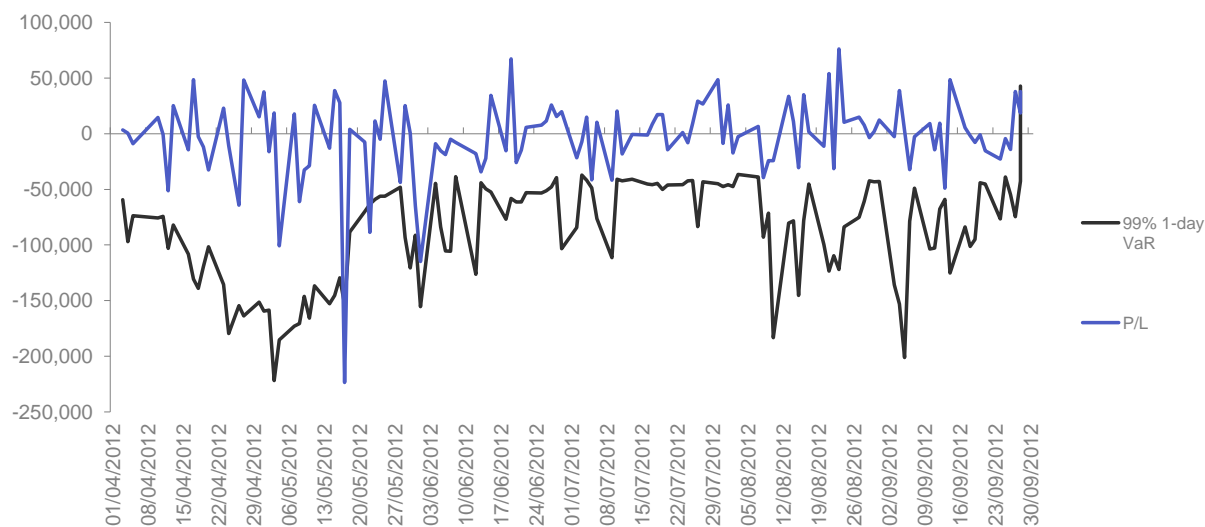
##### 99% 1 - day VaR backtesting (GBP)



##### Australia

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

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





## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### ETL

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

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

#### Stress testing

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

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Profit and loss histograms

##### UK and Europe

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



##### Australia

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





## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Balance sheet risk management

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

#### Non-trading interest rate risk description

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

Sources of interest rate risk include:

**Repricing risk:** Arises from the timing differences in the fixed rate maturity and floating rate repricing of bank assets, liabilities and 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

**Optionality:** We are not materially exposed to optionality risk, as contract breakage penalties on fixed-rate advances specifically cover this risk, while prepayment optionality is restricted to variable rate contracts and has no impact on interest rate risk.

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Interest rate sensitivity gap

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

UK and Europe - interest rate sensitivity as at 30 September 2012

£'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non-trading
Cash and short-term funds - banks	2 352	-	-	71	-	129	2 552
Investment/trading assets	2 757	122	-	48	532	425	3 884
Securitised assets	2 685	21	122	67	-	296	3 191
Advances	6 686	362	127	543	114	107	7 939
Other assets	5	-	-	80	6	1 627	1 718
<b>Assets</b>	<b>14 485</b>	<b>505</b>	<b>249</b>	<b>809</b>	<b>652</b>	<b>2 584</b>	<b>19 284</b>
Deposits - banks	(1 330)	(20)	(40)	(107)	-	(22)	(1 519)
Deposits - retail	(7 843)	(651)	(749)	(376)	(2)	(52)	(9 673)
Negotiable paper	(943)	(8)	(27)	(58)	-	-	(1 036)
Investment/trading liabilities	(1 222)	-	-	-	-	(87)	(1 309)
Securitised liabilities	(2 266)	-	-	-	-	(240)	(2 506)
Subordinated liabilities	-	(33)	-	(70)	(592)	-	(695)
Non-rate assets	(3)	-	-	-	(3)	(1 061)	(1 067)
<b>Liabilities</b>	<b>(13 607)</b>	<b>(712)</b>	<b>(816)</b>	<b>(611)</b>	<b>(597)</b>	<b>(1 462)</b>	<b>(17 805)</b>
<b>Intercompany loans</b>	<b>311</b>	<b>-</b>	<b>1</b>	<b>(80)</b>	<b>81</b>	<b>(59)</b>	<b>254</b>
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 852)</b>	<b>(1 852)</b>
<b>Balance sheet</b>	<b>1 189</b>	<b>(207)</b>	<b>(566)</b>	<b>118</b>	<b>136</b>	<b>(789)</b>	<b>(119)</b>
Off-balance sheet	30	255	600	(372)	(523)	208	198
<b>Repricing gap</b>	<b>1 219</b>	<b>48</b>	<b>34</b>	<b>(254)</b>	<b>(387)</b>	<b>(581)</b>	<b>79</b>
Cumulative repricing gap	1 219	1 267	1 301	1 047	660	79	

Australia - interest rate sensitivity as at 30 September 2012

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

#### Economic value sensitivity

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

UK and Europe

' million	Sensitivity to the following interest rates (expressed in original currencies)						All (GBP)
	GBP	USD	EUR	AUD	ZAR	Other (GBP)	
200bp Down	(62.7)	(0.4)	(1.7)	(0.2)	(0.1)	(0.6)	(65.6)
200bp Up	62.7	0.4	1.7	0.2	0.1	0.6	65.6

Australia

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



## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Balance sheet risk management

##### Liquidity risk description

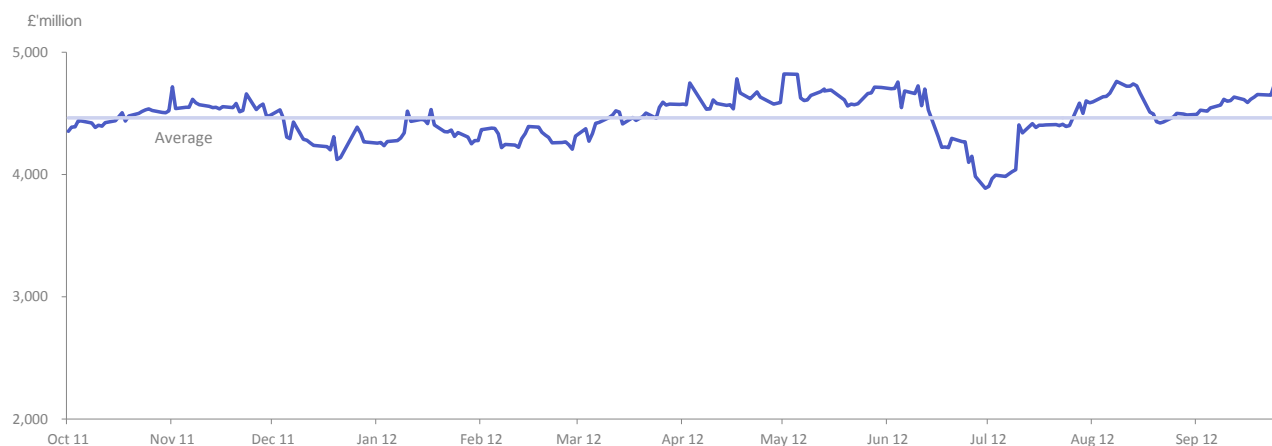
Liquidity risk is the risk that we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due, without incurring unacceptable losses. This includes repaying depositors or maturing wholesale debt. This risk is inherent in all banking operations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

Liquidity risk is further broken down into:

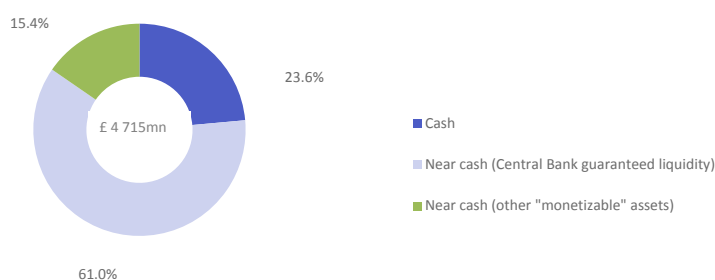
- Funding liquidity: which relates to the risk that the bank will be unable to meet current and/or future cash flow or collateral requirements without adversely affecting the normal course of business, its financial position or its reputation.
- Market liquidity: which relates to the risk that the bank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

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

#### Investec plc cash and near cash trend

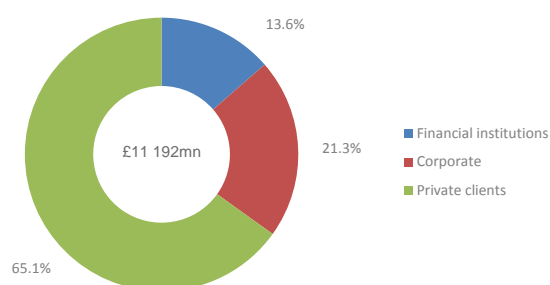


An analysis of cash and near cash as at 30 September 2012 (£4,715 million)

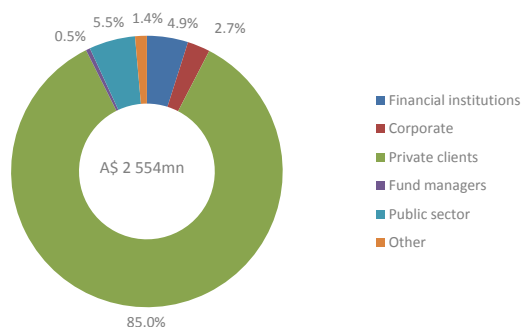


#### Bank and non-bank depositor concentration by type

##### UK and Europe



##### Australia





## Investec plc (excluding Investec Limited)

Unaudited

### Risk management

#### Balance sheet risk management

##### Liquidity mismatch

The tables that follow show our contractual liquidity mismatch.

With respect to the contractual liquidity mismatch:

- No assumptions are made except 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 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'. Many retail deposits, which are included within customer accounts, are repayable on demand or at short notice on a contractual basis. In practice, these instruments form a stable base for the group's operations and liquidity needs because of the broad base of customers. To this end, behavioural profiling is applied to liabilities with an indeterminable maturity, as the contractual repayments of many customer accounts are on demand or at short notice but expected cash flows vary significantly from contractual maturity. An internal analysis model is used, based on statistical research of the historical series of products. This is used to identify significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.



**Investec plc (excluding Investec Limited)**  
Unaudited

**Risk management**

**UK and Europe**

Contractual liquidity as at 30 September 2012

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	2 247	216	15	2	-	72	-	2 552
Investment/trading assets	1 111	983	171	127	50	967	1 123	4 532
Securitised assets	375	3	3	4	8	166	2 632	3 191
Advances	-	413	657	568	847	2 814	2 640	7 939
Other assets	145	623	71	10	30	108	731	1 718
<b>Assets</b>	<b>3 878</b>	<b>2 238</b>	<b>917</b>	<b>711</b>	<b>935</b>	<b>4 127</b>	<b>7 126</b>	<b>19 932</b>
Deposits - banks	( 410)	( 155)	( 21)	( 32)	( 40)	( 857)	( 4)	(1 519)
Deposits - non-banks	(642) <sup>^</sup>	(2 084)	(1 671)	(2 970)	( 788)	(1 414)	( 104)	(9 673)
Negotiable paper	-	-	( 6)	( 7)	( 58)	( 637)	( 381)	(1 089)
Securitised liabilities	( 632)	( 10)	-	-	-	-	(1 864)	(2 506)
Investment/trading liabilities	( 694)	( 456)	( 14)	( 13)	( 23)	( 439)	( 145)	(1 784)
Subordinated liabilities	-	-	( 4)	-	-	( 64)	( 627)	( 695)
Other liabilities	( 127)	( 552)	( 51)	( 20)	( 154)	( 92)	( 71)	(1 067)
<b>Liabilities</b>	<b>(2 505)</b>	<b>(3 257)</b>	<b>(1 767)</b>	<b>(3 042)</b>	<b>(1 063)</b>	<b>(3 503)</b>	<b>(3 196)</b>	<b>(18 333)</b>
Intercompany loans	9	( 9)	1	( 1)	44	215	( 5)	254
Shareholders' funds	-	-	-	-	-	-	(1 853)	(1 853)
<b>Contractual liquidity gap</b>	<b>1 382</b>	<b>(1 028)</b>	<b>( 849)</b>	<b>(2 332)</b>	<b>( 84)</b>	<b>839</b>	<b>2 072</b>	<b>-</b>
Cumulative liquidity gap	1 382	354	( 495)	(2 827)	(2 911)	(2 072)	-	-

**Behavioural liquidity**

£'million	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	> 5 years	Total
Behavioural liquidity gap	3 120	(1 350)	( 100)	( 566)	( 84)	(2 265)	1 245	-
Cumulative	3 120	1 770	1 670	1 104	1 020	(1 245)	-	-

<sup>^</sup>The deposits shown in the demand column at 30 September 2012 reflect cash margin deposits held.

**Australia**

Contractual liquidity as at 30 September 2012

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

Note: contractual liquidity adjustments

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

**Behavioural liquidity**

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

<sup>^^</sup> Includes call deposits of A\$414 million and the balance reflects term deposits which have finally reached/are reaching contractual maturity.



# Investec plc (excluding Investec Limited)

Unaudited



## Capital adequacy and capital structure

£'million	30 Sept 2012	31 March 2012	30 Sept 2011
<b>Regulatory capital</b>			
<b>Tier 1</b>			
Share premium	1,130	1,108	1,104
Retained income	479	465	509
Treasury shares	(43)	(42)	(29)
Other reserves	388	426	266
Non-controlling interest in subsidiaries	156	164	166
Goodwill and intangibles	(608)	(605)	(540)
<b>Primary capital (tier 1)</b>	<b>1,502</b>	<b>1,516</b>	<b>1,476</b>
Less: deductions	(23)	(23)	(18)
	<b>1,479</b>	<b>1,493</b>	<b>1,458</b>
<b>Tier 2 capital</b>			
Aggregate amount	811	809	753
Less: deductions	(23)	(23)	(18)
	<b>788</b>	<b>786</b>	<b>735</b>
<b>Other deductions from tier 1 and tier 2</b>	<b>(24)</b>	<b>(31)</b>	<b>(32)</b>
<b>Total capital</b>	<b>2,243</b>	<b>2,248</b>	<b>2,161</b>
<b>Risk-weighted assets (banking and trading)</b>	<b>13,045</b>	<b>12,827</b>	<b>12,610</b>
Credit risk - prescribed standardised exposure classes	9,928	9,910	9,778
Corporates	2,974	2,909	2,640
Secured on real estate property	2,599	3,093	3,464
Counterparty risk on trading positions	347	268	301
Short term claims on institutions and corporates	329	301	288
Retail	1,111	950	710
Institutions	215	176	260
Other exposure classes	2,353	2,213	2,115
Securitised exposures	215	274	-
Equity risk - standardised approach	440	325	589
Listed equities	20	26	303
Unlisted equities	420	299	286
Market risk - portfolios subject to internal models approach	731	695	620
Interest rate	221	200	216
Foreign Exchange	157	195	243
Commodities	-	1	-
Equities	353	299	161
Operational risk - standardised approach	1,731	1,623	1,623
<b>Capital requirements</b>	<b>1,044</b>	<b>1,026</b>	<b>1,009</b>
Credit risk - prescribed standardised exposure classes	794	792	783
Corporates	238	233	211
Secured on real estate property	208	247	277
Counterparty risk on trading positions	28	21	24
Short term claims on institutions and corporates	26	24	23
Retail	89	76	57
Institutions	17	14	21
Other exposure classes	188	177	170
Securitised exposures	17	22	-
Equity risk - standardised approach	36	26	47
Listed equities	2	2	24
Unlisted equities	34	24	23
Market risk - portfolios subject to internal models approach	59	56	49
Interest rate	18	16	17
Foreign Exchange	13	16	19
Equities	28	24	13
Operational risk - standardised approach	138	130	130
<b>Capital adequacy ratio</b>	<b>17.2%</b>	<b>17.5%</b>	<b>17.1%</b>
Tier 1 ratio	11.3%	11.6%	11.6%



## Investec plc (excluding Investec Limited)

Unaudited

### Credit quality steps

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

Credit quality step	Risk weight	30 September 2012		31 March 2012	
		Exposure £'mn	Exposure after Credit Risk Mitigation £'mn	Exposure £'mn	Exposure after Credit Risk Mitigation £'mn
Central banks and sovereigns					
1	0%	4 302	3 912	3 831	3 831
2	20%	-	-	-	-
3	50%	-	-	-	-
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Institutions original effective maturity of more than three months					
1	20%	42	42	196	196
2	50%	236	236	262	262
3	50%	22	22	3	3
4	100%	-	-	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Short term claims on institutions					
1	20%	137	137	167	167
2	20%	479	294	572	411
3	20%	11	11	13	13
4	50%	4	4	6	6
5	50%	-	-	-	-
6	150%	-	-	-	-
Counterparty credit risk- effective original maturity of more than three months					
1	20%	93	17	302	214
2	50%	100	85	132	106
3	50%	231	16	579	15
4	100%	-	-	1	1
5	100%	-	-	-	-
6	150%	-	-	-	-
Counterparty credit risk- effective original maturity of less than three months					
1	20%	202	69	874	183
2	50%	988	345	384	167
3	50%	82	3	72	19
4	100%	1	1	-	-
5	100%	-	-	-	-
6	150%	-	-	-	-
Corporates					
1	20%	-	-	92	92
2	50%	16	16	17	17
3	100%	154	154	16	16
4	100%	-	-	15	15
5	150%	14	14	14	14
6	150%	-	-	-	-
Securitisation positions					
1	20%	78	78	163	163
2	50%	59	59	90	90
3	100%	16	16	36	36
4	350%	13	13	13	13
5	1250%	33	33	29	29
Re-securitisation positions					
1	40%	108	108	165	165
2	100%	13	13	16	16
3	225%	10	10	11	11
4	650%	-	-	1	1
5	1250%	8	8	16	16
Total rated counterparty exposure		7 452	5 716	8 297	6 499