

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

Unaudited consolidated financial information for the year ended 31 March 2014

IFRS - Pounds Sterling





Investec Bank plc

Overview of results

Unaudited

	31 March 2014	31 March 2013*	% change
Operating income (£'000)	875,364	839,177	4.3%
Operating costs (£'000)	661,263	627,772	5.3%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)	109,503	86,862	26.1%
Earnings attributable to ordinary shareholders (£'000)	51,568	31,822	62.1%
Cost to income ratio	76.1%	76.3%	
Total capital resources (including subordinated liabilities) (£'000)	2,579,048	2,557,869	0.8%
Total shareholders' equity (£'000)	1,909,272	1,879,127	1.6%
Total assets (£'000)	20,035,483	21,331,214	-6.1%
Net core loans and advances (£'000)	8,200,545	8,236,777	-0.4%
Customer accounts (deposits) (£'000)	11,095,782	11,355,475	-2.3%
Cash and near cash balances (£'000)	4,252,549	4,543,000	-6.4%
Funds under management (£'mn)	27,206	25,054	8.6%
Capital adequacy ratio	16.0%	16.1%	
Tier 1 ratio	11.0%	11.1%	
Default loans (net of impairments) as a % of net core loans and advances	3.22%	3.76%	
Net defaults (after collateral and impairments) as a % of net core loans and advances	-	-	
Credit loss ratio (i.e. income statement impairment charge as a % of average core loans and advances)	1.00%	1.20%	
Total gearing ratio (i.e. total assets to total equity)	10.5x	11.4x	
Loans and advances to customers: customer deposits	69.9%	68.2%	

*Restated.



Investec Bank plc

Consolidated income statement

Unaudited £'000	Year to 31 March 2014	Year to 31 March 2013*
Interest income	723,962	814,084
Interest expense	(422,516)	(526,414)
Net interest income	301,446	287,670
Fee and commission income	420,570	411,001
Fee and commission expense	(35,041)	(30,563)
Investment Income	98,491	68,648
Trading income arising from		
- customer flow	77,052	57,867
- balance sheet management and other trading activities	639	13,209
Other operating income	12,207	31,345
Total operating income before impairment losses on loans and advances	875,364	839,177
Impairment losses on loans and advances	(97,491)	(110,403)
Operating income	777,873	728,774
Operating costs	(661,263)	(627,772)
Depreciation on operating leased assets	(6,044)	(16,072)
Operating profit before goodwill and acquired intangibles	110,566	84,930
Impairment of goodwill	(11,233)	(13,409)
Amortisation of acquired intangibles	(13,393)	(11,262)
Operating costs arising from integration and restructuring of subsidiaries	(16,911)	(12,462)
Operating profit	69,029	47,797
Net gain on disposal of subsidiaries	9,653	-
Non-operational costs arising from acquisition of subsidiary	-	(1,219)
Profit before taxation	78,682	46,578
Taxation on operating profit before goodwill	(33,440)	(22,541)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	7,389	5,853
Profit after taxation	52,631	29,890
(Profit)/loss attributable to non-controlling interests	(1,063)	1,932
Earnings attributable to shareholder	51,568	31,822

*Restated.

Consolidated statement of comprehensive income

£'000	Year to 31 March 2014	Year to 31 March 2013*
Profit after taxation	52,631	29,890
Other comprehensive (loss)/income:		
Items that may be reclassified to the income statement:		
Fair value movements on cash flow hedges taken directly to other comprehensive income	2,799	(1,663)
(Gains)/losses on realisation of available-for-sale assets recycled through the income statement	(2,898)	407
Fair value movements on available-for-sale assets taken directly to other comprehensive income	1,250	(1,747)
Foreign currency adjustments on translating foreign operations	(43,387)	8,733
Total comprehensive income	10,395	35,620
Total comprehensive income/(loss) attributable to non-controlling interests	1,597	(2,168)
Total comprehensive income attributable to ordinary shareholder	8,798	37,788
Total comprehensive income	10,395	35,620

*Restated.



Investec Bank plc

Consolidated balance sheet

Unaudited

£'000	31 March 2014	31 March 2013*	31 March 2012*
Assets			
Cash and balances at central banks	1,742,605	1,375,654	1,835,836
Loans and advances to banks	1,105,205	1,140,479	863,664
Reverse repurchase agreements and cash collateral on securities borrowed	1,215,500	1,528,593	1,159,138
Sovereign debt securities	1,232,415	1,660,377	1,647,271
Bank debt securities	371,182	455,201	824,552
Other debt securities	229,228	189,259	185,343
Derivative financial instruments	782,947	948,589	866,408
Securities arising from trading activities	586,706	673,763	372,570
Investment portfolio	341,360	333,291	290,275
Loans and advances to customers	7,752,907	7,745,583	7,176,992
Own originated loans and advances to customers securitised	447,638	491,194	535,008
Other loans and advances	1,509,714	1,752,888	2,062,968
Other securitised assets	1,011,257	1,105,030	777,228
Interests in associated undertakings	16,637	16,989	17,780
Deferred taxation assets	97,614	112,172	89,490
Other assets	1,014,416	1,201,730	1,116,826
Property and equipment	63,487	86,603	126,790
Investment property	61,715	11,500	11,500
Goodwill	296,247	326,841	278,574
Intangible assets	156,703	175,478	117,525
	20,035,483	21,331,214	20,355,738
Liabilities			
Deposits by banks	834,876	997,439	700,919
Derivative financial instruments	669,159	817,689	732,510
Other trading liabilities	391,650	372,762	271,627
Repurchase agreements and cash collateral on securities lent	614,733	942,396	1,020,670
Customer accounts (deposits)	11,095,782	11,355,475	11,035,470
Debt securities in issue	1,316,102	1,713,736	2,046,651
Liabilities arising on securitisation of own originated loans and advances	449,083	477,903	526,946
Liabilities arising on securitisation of other assets	962,253	850,887	647,657
Current taxation liabilities	103,432	82,630	57,783
Deferred taxation liabilities	37,717	44,945	32,487
Other liabilities	981,648	1,117,483	938,809
	17,456,435	18,773,345	18,011,529
Subordinated liabilities	669,776	678,742	643,162
	18,126,211	19,452,087	18,654,691
Equity			
Ordinary share capital	1,186,800	1,173,800	1,070,700
Share premium	143,287	136,267	129,255
Capital reserve	162,789	162,789	114,128
Other reserves	42,797	84,610	76,767
Retained income	376,824	326,213	312,342
Shareholders' equity excluding non-controlling interests	1,912,497	1,883,679	1,703,192
Non-controlling interests in partially held subsidiaries	(3,225)	(4,552)	(2,145)
Total equity	1,909,272	1,879,127	1,701,047
Total liabilities and equity	20,035,483	21,331,214	20,355,738

*Restated.



Investec Bank plc

Condensed consolidated statement of changes in equity

Unaudited

£'000	Year to 31 March 2014	Year to 31 March 2013*
At 1 April 2012 - as previously reported		1,726,246
Restatement on adoption of IFRS 10		(25,199)
Balance at the beginning of the year	1,879,127	1,701,047
Profit after taxation	52,631	29,890
Fair value movements on cash flow hedges taken directly to other comprehensive income	2,799	(1,663)
(Gains) / losses on realisation of available-for-sale assets recycled through the income statement	(2,898)	407
Fair value movements on available-for-sale assets taken directly to other comprehensive income	1,250	(1,747)
Foreign currency adjustments on translating foreign operations	(43,387)	8,733
Total comprehensive income for the year	10,395	35,620
Dividends paid to ordinary shareholders	-	(12,500)
Issue of ordinary shares	20,020	158,773
Movement arising on reduction/acquisition of non-controlling interests	(270)	(3,813)
Balance at the end of the year	1,909,272	1,879,127

*Restated.



Investec Bank plc - Segmental information - business analysis

Unaudited

For the year to 31 March 2014

£'000	Wealth and Investment	Specialist Banking	Total group
Net interest income	7,987	293,459	301,446
Fee and commission income	219,434	201,136	420,570
Fee and commission expense	(2,020)	(33,021)	(35,041)
Investment income	1,875	96,616	98,491
Trading income arising from			
- customer flow	389	76,663	77,052
- balance sheet management and other trading activities	(72)	711	639
Other operating income	1,232	10,975	12,207
Total operating income before impairment losses on loans and advances	228,825	646,539	875,364
Impairment losses on loans and advances	-	(97,491)	(97,491)
Operating income	228,825	549,048	777,873
Operating costs	(182,759)	(478,504)	(661,263)
Depreciation on operating leased assets	-	(6,044)	(6,044)
Operating profit before goodwill and acquired intangibles	46,066	64,500	110,566
Profit attributable to non-controlling interests	-	(1,063)	(1,063)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	46,066	63,437	109,503
Cost to income ratio	79.9%	74.7%	76.1%
Total assets (£'mn)	927	19,108	20,035

For the year to 31 March 2013*

£'000	Wealth and Investment	Specialist Banking	Total group
Net interest income	10,079	277,591	287,670
Fee and commission income	167,027	243,974	411,001
Fee and commission expense	(8,420)	(22,143)	(30,563)
Investment income	555	68,093	68,648
Trading income arising from			
- customer flow	361	57,506	57,867
- balance sheet management and other trading activities	4	13,205	13,209
Other operating income	774	30,571	31,345
Total operating income before impairment losses on loans and advances	170,380	668,797	839,177
Impairment losses on loans and advances	-	(110,403)	(110,403)
Operating income	170,380	558,394	728,774
Operating costs	(137,535)	(490,237)	(627,772)
Depreciation on operating leased assets	-	(16,072)	(16,072)
Operating profit before goodwill and acquired intangibles	32,845	52,085	84,930
Loss attributable to non-controlling interests	-	1,932	1,932
Operating profit before goodwill, acquired intangibles and after non-controlling interests	32,845	54,017	86,862
Cost to income ratio	80.7%	75.1%	76.3%
Total assets (£'mn)	866	20,465	21,331



Investec Bank plc - segmental information - geographic analysis

Unaudited

For the year to 31 March 2014

£'000	UK and Other	Australia	Total group
Net interest income	229,931	71,515	301,446
Fee and commission income	386,234	34,336	420,570
Fee and commission expense	(27,956)	(7,085)	(35,041)
Investment income	98,932	(441)	98,491
Trading income arising from			
- customer flow	66,386	10,666	77,052
- balance sheet management and other trading activities	3,418	(2,779)	639
Other operating income	11,939	268	12,207
Total operating income before impairment losses on loans and advances	768,884	106,480	875,364
Impairment losses on loans and advances	(75,372)	(22,119)	(97,491)
Operating income	693,512	84,361	777,873
Operating costs	(563,046)	(98,217)	(661,263)
Depreciation on operating leased assets	(6,044)	-	(6,044)
Operating profit before goodwill and acquired intangibles	124,422	(13,856)	110,566
Profit attributable to non-controlling interests	(1,063)	-	(1,063)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	123,359	(13,856)	109,503
Impairment of goodwill	-	(11,233)	(11,233)
Amortisation of acquired intangibles	(13,393)	-	(13,393)
Operating costs arising from integration and restructuring of subsidiaries	(1,233)	(15,678)	(16,911)
Net gain on disposal of subsidiaries	9,653	-	9,653
Earnings attributable to shareholder before taxation	118,386	(40,767)	77,619
Taxation on operating profit before goodwill	(33,594)	154	(33,440)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	7,389	-	7,389
Earnings attributable to shareholder	92,181	(40,613)	51,568
Cost to income ratio	73.8%	92.2%	76.1%
Total assets (£'mn)	17,592	2,443	20,035

For the year to 31 March 2013*

£'000	UK and Other	Australia	Total group
Net interest income	218,582	69,088	287,670
Fee and commission income	351,570	59,431	411,001
Fee and commission expense	(26,037)	(4,526)	(30,563)
Investment income	68,110	538	68,648
Trading income arising from			
- customer flow	50,921	6,946	57,867
- balance sheet management and other trading activities	13,773	(564)	13,209
Other operating income	29,536	1,809	31,345
Total operating income before impairment losses on loans and advances	706,455	132,722	839,177
Impairment losses on loans and advances	(92,554)	(17,849)	(110,403)
Operating income	613,901	114,873	728,774
Operating costs	(516,300)	(111,472)	(627,772)
Depreciation on operating leased assets	(16,072)	-	(16,072)
Operating profit before goodwill and acquired intangibles	81,529	3,401	84,930
Loss attributable to non-controlling interests	1,932	-	1,932
Operating profit before goodwill, acquired intangibles and after non-controlling interests	83,461	3,401	86,862
Impairment of goodwill	(13,409)	-	(13,409)
Amortisation of acquired intangibles	(11,262)	-	(11,262)
Operating costs arising from integration and restructuring of subsidiaries	(12,462)	-	(12,462)
Non-operational costs arising from acquisition of subsidiary	(1,219)	-	(1,219)
Earnings attributable to shareholder before taxation	45,109	3,401	48,510
Taxation on operating profit before goodwill	(23,971)	1,430	(22,541)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	5,853	-	5,853
Earnings attributable to shareholder	26,991	4,831	31,822
Cost to income ratio	74.8%	84.0%	76.3%
Total assets (£'mn)	18,085	3,246	21,331

*Restated.



Investec Bank plc - Segmental business and geographic analysis - income statement

Unaudited

For the year to 31 March 2014	Wealth & Investment	Specialist Banking			Total Group		
£'000	UK and Other	UK and Other	Australia	Total	UK and Other	Australia	Total
Net interest income	7,987	221,944	71,515	293,459	229,931	71,515	301,446
Fee and commission income	219,434	166,800	34,336	201,136	386,234	34,336	420,570
Fee and commission expense	(2,020)	(25,936)	(7,085)	(33,021)	(27,956)	(7,085)	(35,041)
Investment income	1,875	97,057	(441)	96,616	98,932	(441)	98,491
Trading income arising from							
- customer flow	389	65,997	10,666	76,663	66,386	10,666	77,052
- balance sheet management and other trading activities	(72)	3,490	(2,779)	711	3,418	(2,779)	639
Other operating income	1,232	10,707	268	10,975	11,939	268	12,207
Total operating income before impairment losses on loans and advances	228,825	540,059	106,480	646,539	768,884	106,480	875,364
Impairment losses on loans and advances	-	(75,372)	(22,119)	(97,491)	(75,372)	(22,119)	(97,491)
Operating income	228,825	464,687	84,361	549,048	693,512	84,361	777,873
Operating costs	(182,759)	(380,287)	(98,217)	(478,504)	(563,046)	(98,217)	(661,263)
Depreciation on operating leased assets	-	(6,044)	-	(6,044)	(6,044)	-	(6,044)
Operating profit before goodwill and acquired intangibles	46,066	78,356	(13,856)	64,500	124,422	(13,856)	110,566
Profit attributable to non-controlling interests	-	(1,063)	-	(1,063)	(1,063)	-	(1,063)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	46,066	77,293	(13,856)	63,437	123,359	(13,856)	109,503
Selected returns and key statistics							
Cost to income ratio	79.9%	71.2%	92.2%	74.7%	73.8%	92.2%	76.1%
Total assets (£'mn)	927	16,665	2,443	19,108	17,592	2,443	20,035

For the year to 31 March 2013*
£'000

Net interest income

Fee and commission income
Fee and commission expense
Investment income
Trading income arising from
- customer flow
- balance sheet management and other trading activities
Other operating income

Total operating income before impairment losses on loans and advances

Impairment losses on loans and advances

Operating income

Operating costs
Depreciation on operating leased assets

Operating profit before goodwill and acquired intangibles

Loss attributable to non-controlling interests

Operating profit before goodwill, acquired intangibles and after non-controlling interests

Cost to income ratio

Total assets (£'mn)

Wealth & Investment	Specialist Banking			Total Group		
UK and Other	UK and Other	Australia	Total	UK and Other	Australia	Total
10,079	208,503	69,088	277,591	218,582	69,088	287,670
167,027	184,543	59,431	243,974	351,570	59,431	411,001
(8,420)	(17,617)	(4,526)	(22,143)	(26,037)	(4,526)	(30,563)
555	67,555	538	68,093	68,110	538	68,648
361	50,560	6,946	57,506	50,921	6,946	57,867
4	13,769	(564)	13,205	13,773	(564)	13,209
774	28,762	1,809	30,571	29,536	1,809	31,345
170,380	536,075	132,722	668,797	706,455	132,722	839,177
-	(92,554)	(17,849)	(110,403)	(92,554)	(17,849)	(110,403)
170,380	443,521	114,873	558,394	613,901	114,873	728,774
(137,535)	(378,765)	(111,472)	(490,237)	(516,300)	(111,472)	(627,772)
-	(16,072)	-	(16,072)	(16,072)	-	(16,072)
32,845	48,684	3,401	52,085	81,529	3,401	84,930
-	1,932	-	1,932	1,932	-	1,932
32,845	50,616	3,401	54,017	83,461	3,401	86,862
80.7%	72.8%	84.0%	75.1%	74.8%	84.0%	76.3%
866	17,219	3,246	20,465	18,085	3,246	21,331

*Restated.



Investec Bank plc - net interest income

Unaudited

For the year to 31 March 2014

£'000	UK and Other		Australia		Total Group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	5,074,145	45,553	592,762	17,336	5,666,907	62,889
Core loans and advances	6,470,616	382,332	1,729,929	160,356	8,200,545	542,688
Private Client	3,777,504	165,055	1,369,078	102,331	5,146,582	267,386
Corporate, institutional and other clients	2,693,112	217,277	360,851	58,025	3,053,963	275,302
Other debt securities and other loans and advances	1,705,187	74,185	33,755	1,084	1,738,942	75,269
Other interest earning assets	1,011,257	43,116	-	-	1,011,257	43,116
Total interest earning assets	14,261,205	545,186	2,356,446	178,776	16,617,651	723,962

For the year to 31 March 2014

£'000	UK and Other		Australia		Total Group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	2,660,094	49,758	105,617	11,611	2,765,711	61,369
Customer accounts	9,563,902	176,709	1,531,880	62,210	11,095,782	238,919
Other interest bearing liabilities	962,252	29,293	449,084	30,621	1,411,336	59,914
Subordinated liabilities	596,834	59,495	72,942	2,819	669,776	62,314
Total interest bearing liabilities	13,783,082	315,255	2,159,523	107,261	15,942,605	422,516

Net interest income

229,931 71,515 301,446

For the year to 31 March 2013*

£'000	UK and Other		Australia		Total Group	
	Balance sheet value	Interest received	Balance sheet value	Interest received	Balance sheet value	Interest received
Cash, near cash and bank debt and sovereign debt securities	5,452,906	47,028	707,398	16,076	6,160,304	63,104
Core loans and advances	6,031,731	353,625	2,205,046	180,301	8,236,777	533,926
Private Client	3,024,629	162,618	1,402,295	112,566	4,426,924	275,184
Corporate, institutional and other clients	3,007,102	191,007	802,751	67,735	3,809,853	258,742
Other debt securities and other loans and advances	1,919,641	99,760	22,506	18,205	1,942,147	117,965
Other interest earning assets	1,105,030	99,089	-	-	1,105,030	99,089
Total interest earning assets	14,509,308	599,502	2,934,950	214,582	17,444,258	814,084

For the year to 31 March 2013*

£'000	UK and Other		Australia		Total Group	
	Balance sheet value	Interest paid	Balance sheet value	Interest paid	Balance sheet value	Interest paid
Deposits by banks and other debt related securities	3,182,882	50,093	470,689	32,436	3,653,571	82,529
Customer accounts	9,662,655	219,180	1,692,820	79,411	11,355,475	298,591
Other interest bearing liabilities	850,887	53,704	477,903	30,486	1,328,790	84,190
Subordinated liabilities	596,122	57,943	82,620	3,161	678,742	61,104
Total interest bearing liabilities	14,292,546	380,920	2,724,032	145,494	17,016,578	526,414

Net interest income

218,582 69,088 287,670

*Restated.



Investec Bank plc - net fee and commission income

Unaudited

Net fees and commissions

£'000	31 March 2014	31 March 2013	variance	% change
Wealth & Investment	217,414	158,607	58,807	37.1%
Specialist Banking	168,115	221,831	(53,716)	-24.2%
Net fees and commissions	385,529	380,438	5,091	1.3%

Net fees and commissions

Year to 31 March 2014 £'000	UK and Other	Australia	Total group
Wealth management businesses net fee and commission income	217,414	-	217,414
Funds management fees/fees for assets under management	157,565	-	157,565
Private client transactional fees	61,869	-	61,869
Fee and commission expense	(2,020)	-	(2,020)
Specialist Banking net fee and commission income	140,864	27,251	168,115
Corporate and institutional transactional and advisory services	152,268	19,013	171,281
Private client transactional fees	14,532	15,323	29,855
Fee and commission expense	(25,936)	(7,085)	(33,021)
Net fees and commissions	358,278	27,251	385,529
Annuity fees (net of fees payable)	203,826	17,844	221,670
Deal fees	154,452	9,407	163,859

Year to 31 March 2013 * £'000	UK and Other	Australia	Total group
Wealth management businesses net fee and commission income	158,607	-	158,607
Funds management fees/fees for assets under management	127,763	-	127,763
Private client transactional fees	39,264	-	39,264
Fee and commission expense	(8,420)	-	(8,420)
Specialist Banking net fee and commission income	166,926	54,905	221,831
Corporate and institutional transactional and advisory services	163,570	49,852	213,422
Private client transactional fees	20,973	9,579	30,552
Fee and commission expense	(17,617)	(4,526)	(22,143)
Net fees and commissions	325,533	54,905	380,438
Annuity fees (net of fees payable)	160,879	26,138	187,017
Deal fees	164,654	28,767	193,421

*Restated.



Investec Bank plc - investment income

For the year to 31 March 2014

£'000	UK and Other	Australia	Total Group
Realised	52,932	1,028	53,960
Unrealised	35,812	(1,348)	34,464
Dividend income	9,665	1,183	10,848
Funding and other net related costs	523	(1,304)	(781)
Investment income	98,932	(441)	98,491

£'000	Investment portfolio (listed and unlisted equities) ^	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	36,618	11,452	4,862	52,932
Unrealised	50,479	(13,363)	(1,304)	35,812
Dividend income	9,472	-	193	9,665
Funding and other net related costs	-	-	523	523
Investment income: UK and Other	96,569	(1,911)	4,274	98,932

£'000	Investment portfolio (listed and unlisted equities) ^	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	1,208	-	(180)	1,028
Unrealised	1,579	-	(2,927)	(1,348)
Dividend income	1,183	-	-	1,183
Funding and other net related costs	-	-	(1,304)	(1,304)
Investment income: Australia	3,970	-	(4,411)	(441)

For the year to 31 March 2013*

£'000	UK and Other	Australia	Total Group
Realised	28,439	1,752	30,191
Unrealised	35,399	(1,654)	33,745
Dividend income	2,949	240	3,189
Funding and other net related costs	1,323	200	1,523
Investment income	68,110	538	68,648

£'000	Investment portfolio (listed and unlisted equities) ^	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	1,027	20,972	6,440	28,439
Unrealised	28,226	8,803	(1,630)	35,399
Dividend income	2,949	-	-	2,949
Funding and other net related costs	-	-	1,323	1,323
Investment income: UK and Other	32,202	29,775	6,133	68,110

£'000	Investment portfolio (listed and unlisted equities) ^	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	64	1,617	71	1,752
Unrealised	(2,716)	-	1,062	(1,654)
Dividend income	240	-	-	240
Funding and other net related costs	-	-	200	200
Investment income: Australia	(2,412)	1,617	1,333	538

* Restated.

^ Including embedded derivatives (warrants and profit shares).



Investec Bank plc - An analysis of our core loans and advances, asset quality and impairments

Risk management

Unaudited

£'000	31 March 2014	31 March 2013
Loans and advances to customers as per the balance sheet	7,752,907	7,745,583
Add: own originated loans and advances securitised as per the balance sheet	447,638	491,194
Net core loans and advances to customers	8 200 545	8 236 777

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

£'000	31 March 2014	31 March 2013
Gross core loans and advances to customers	8,393,848	8,429,966
Total impairments	(193,303)	(193,189)
Portfolio impairments	(16,437)	(6,694)
Specific impairments	(176,866)	(186,495)
Net core loans and advances to customers	8,200,545	8,236,777
Average gross core loans and advances to customers	8,411,907	8,153,153
Current loans and advances to customers	7,797,897	7,767,954
Past due loans and advances to customers (1 - 60 days)	124,033	131,348
Special mention loans and advances to customers	14,941	27,943
Default loans and advances to customers	456,977	502,721
Gross core loans and advances to customers	8,393,848	8,429,966
Current loans and advances to customers	7,797,897	7,767,954
Default loans that are current and not impaired	43,508	8,005
Gross core loans and advances to customers that are past due but not impaired	147,216	177,909
Gross core loans and advances to customers that are impaired	405,227	476,098
Gross core loans and advances to customers	8,393,848	8,429,966
Total income statement charge for core loans and advances	(84,327)	(97,729)
Gross default loans and advances to customers	456,977	502,721
Portfolio impairments	(16,437)	(6,694)
Specific impairments	(176,866)	(186,495)
Defaults net of impairments	263,674	309,532
Collateral and other credit enhancements	297,114	356,321
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Total impairments as a % of gross core loans and advances to customers	2.30%	2.29%
Total impairments as a % of gross default loans	42.30%	38.43%
Gross defaults as a % of gross core loans and advances to customers	5.44%	5.96%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.22%	3.76%
Net defaults as a % of gross core loans and advances to customers	-	-
Credit loss ratio (i.e. income statement impairments charge as a % of average gross core loans and advances)	1.00%	1.20%



Investec Bank plc - An analysis of core loans and advances to customers and asset quality by geography

Risk management

Unaudited

£'000	UK and Other		Australia		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Gross core loans and advances to customers	6 652 683	6 207 293	1 741 165	2 222 673	8 393 848	8 429 966
Total impairments	(182 066)	(175 562)	(11 237)	(17 627)	(193 303)	(193 189)
Portfolio impairments	(15 045)	(170 564)	(1 392)	(15 931)	(16 437)	(186 495)
Specific impairments	(167 021)	(4 998)	(9 845)	(1 696)	(176 866)	(6 694)
Net core loans and advances to customers	6 470 617	6 031 731	1 729 928	2 205 046	8 200 545	8 236 777
% of total	78.9%	73.2%	21.1%	26.8%	100.0%	100.0%
% change since 31 March 2013	7.3%		(21.5%)*		(0.4%)	
Average gross core loans and advances to customers	6 429 988	6 061 535	1 981 919	2 091 618	8 411 907	8 153 153
Current loans and advances to customers	6 105 944	5 628 594	1 691 953	2 139 360	7 797 897	7 767 954
Past due loans and advances to customers (1-60 days)	106 417	113 723	17 616	17 625	124 033	131 348
Special mention loans and advances to customers	14 011	26 948	930	995	14 941	27 943
Default loans and advances to customers	426 311	438 028	30 666	64 693	456 977	502 721
Gross core loans and advances to customers	6 652 683	6 207 293	1 741 165	2 222 673	8 393 848	8 429 966
Current loans and advances to customers	6 105 944	5 628 594	1 691 953	2 139 360	7 797 897	7 767 954
Default loans that are current and not impaired	43 508	8 005	-	-	43 508	8 005
Gross core loans and advances to customers that are past due but not impaired	121 402	146 014	25 814	31 895	147 216	177 909
Gross core loans and advances to customers that are impaired	381 829	424 680	23 398	51 418	405 227	476 098
Gross core loans and advances to customers	6 652 683	6 207 293	1 741 165	2 222 673	8 393 848	8 429 966
Total income statement charge for core loans and advances	(62 208)	(79 880)	(22 119)	(17 849)	(84 327)	(97 729)
Gross default loans and advances to customers	426 311	438 028	30 666	64 693	456 977	502 721
Specific impairments	(167 021)	(170 564)	(9 845)	(15 931)	(176 866)	(186 495)
Portfolio impairments	(15 045)	(4 998)	(1 392)	(1 696)	(16 437)	(6 694)
Defaults net of impairments	244 245	262 466	19 429	47 066	263 674	309 532
Collateral and other credit enhancements	262 862	306 490	34 252	49 831	297 114	356 321
Net default loans and advances to customers (limited to zero)	-	-	-	-	-	-
Total impairments as a % of gross core loans and advances to customers	2.74%	2.83%	0.65%	0.79%	2.30%	2.29%
Total impairments as a % of gross default loans	42.71%	40.08%	36.64%	27.25%	42.30%	38.43%
Gross defaults as a % of gross core loans and advances to customers	6.41%	7.06%	1.76%	2.91%	5.44%	5.96%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.77%	4.35%	1.12%	2.13%	3.22%	3.76%
Net defaults as a % of gross core loans and advances to customers	-	-	-	-	-	-
Credit loss ratio (i.e. income statement impairment charge as a % of average gross core loans and advances)	0.97%	1.32%	1.12%	0.85%	1.00%	1.20%

* Impacted by the depreciation of the Australian Dollar against the Pound Sterling. Neutral currency Australian book declined by 3.2%



Investec Bank plc - Capital adequacy and capital structure

Unaudited

£'million	31 March 2014*	31 March 2013**
Tier 1 capital		
Shareholders' equity	1,883	1,889
Shareholders' equity per balance sheet	1,912	1,884
Deconsolidation of special purpose entities	(29)	5
Non-controlling interests	(3)	(5)
Non-controlling interests per balance sheet	(3)	(5)
Regulatory adjustments to the accounting basis	(11)	(10)
Unrealised losses on available-for-sale debt securities	-	2
Unrealised gains on available-for-sale equities	(7)	(8)
Additional value adjustments	(11)	(16)
Cash flow hedging reserve	7	12
Deductions	(480)	(476)
Goodwill and intangible assets net of deferred tax	(431)	(472)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(38)	-
Securitisation positions	(3)	(2)
Connected funding of a capital nature	(8)	-
Excess of deductions from additional tier 1	-	(2)
Common equity tier 1 capital/core tier 1 capital	1,389	1,398
Total tier 1 capital	1,389	1,398
Tier 2 capital	637	685
Unrealised gains on available-for-sale equities	-	8
Collective impairment allowances	-	20
Tier 2 instruments	642	657
Phase out of non-qualifying tier 2 instruments	(3)	-
Non-qualifying surplus capital attributable to non-controlling interests	(2)	-
Deductions	-	(4)
Unconsolidated investments	-	(2)
Securitisation positions	-	(2)
Total tier 2 capital	637	681
Total capital deductions	-	(54)
Investments that are not material holdings or qualifying holdings	-	(48)
Connected lending of a capital nature	-	(6)
Total regulatory capital	2,026	2,025
Risk-weighted assets	12,668	12,606
Capital ratios		
Common equity tier 1 ratio	11.0%	11.1%
Tier 1 ratio	11.0%	11.1%
Total capital ratio	16.0%	16.1%
Capital requirements	1,014	1,007
Credit risk - prescribed standardised exposure classes	787	795
Corporates	294	279
Secured on real estate property	154	224
Retail	102	102
Institutions	38	31
Other exposure classes	189	145
Securitisation exposures	10	14
Equity risk - standardised approach	21	28
Listed equities	5	4
Unlisted equities	16	24
Counterparty credit risk	22	26
Credit valuation adjustment risk	16	-
Market risk	52	61
Interest rate	21	22
Foreign exchange	5	13
Securities underwriting	1	-
Equities	22	24
Options	3	2
Operational risk - standardised approach	116	97
Capital adequacy		
Risk-weighted assets (banking and trading)	12,668	12,606
Credit risk - prescribed standardised exposure classes	9,844	9,952
Corporates	3,683	3,489
Secured on real estate property	1,923	2,799
Retail	1,278	1,276
Institutions	473	393
Other exposure classes	2,364	1,814
Securitisation exposures	123	181
Equity risk - standardised approach	267	349
Listed equities	62	47
Unlisted equities	205	302
Counterparty credit risk	271	330
Credit valuation adjustment risk	194	-
Market risk	648	767
Interest rate	262	275
Foreign exchange	57	166
Securities underwriting	13	-
Equities	276	296
Options	40	30
Operational risk - standardised approach	1,444	1,208

* The 2014 capital calculation is based on Basel III capital requirements currently applicable in the UK, whilst comparative information is disclosed on a Basel II basis. The capital adequacy disclosures follow Investec's normal basis of presentation and this does not include the deduction of foreseeable dividends when calculating CET1 as now required under the Capital Requirements Regulation and European Banking Authority technical standards. The impact of the final proposed ordinary dividend totalling £32 million on the group's CET1 ratio would be around 30bps.

** Restated to reflect the implementation of IFRS 10 and the reclassification of short term claims on insitutions and corporates.

The full set of annual financial statements will be available on 30 June 2014

