29 April 2016
GBP

INVESTMENT PRODUCT RESEARCH

6Y Triple Index Fixed Income May 2016 (GBP)

PRODUCT DETAILS

Investor Rationale / Description
This is an income product linked to the UK, European and US stock markets. The structure is appropriate for investors who are targeting a simple annual return of 4.8% pa, regardless of how markets perform. The investor should be prepared to risk losing capital if the worst index falls by more than 35% over the full term.

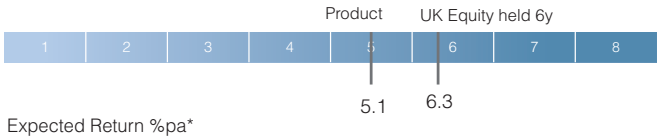
Product Type	Enhanced Income
Strike Date (Initial Observation Date)	27 May 2016
Underlying Indices	FTSE100, S&P500, Eurostoxx50
Promoter	IDAD
Offer Price	100
Currency	GBP
Maximum Term	Six years
ISIN	XS1405997948
Income	Pays a fixed coupon of 1.2% every quarter, irrespective of index performance
Capital Return	65% European barrier (measured at maturity)

Issuing Bank Details	Investec Bank Plc (UK)
Credit Ratings	BBB (Fitch), A2 (Moody's)
CET 1 Ratio (%)	11.1%
Chance of Default (1yr)*	0.08%
Market Capitalisation	EUR4.6bn

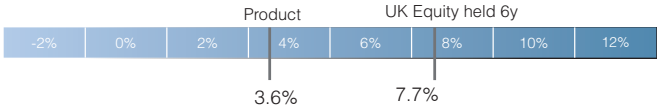
*Source: Bloomberg; IPR #2645 04.04.2016

PRODUCT ANALYSIS*

Risk Indicator (mapped to SRRI volatility buckets)



Expected Return %pa*

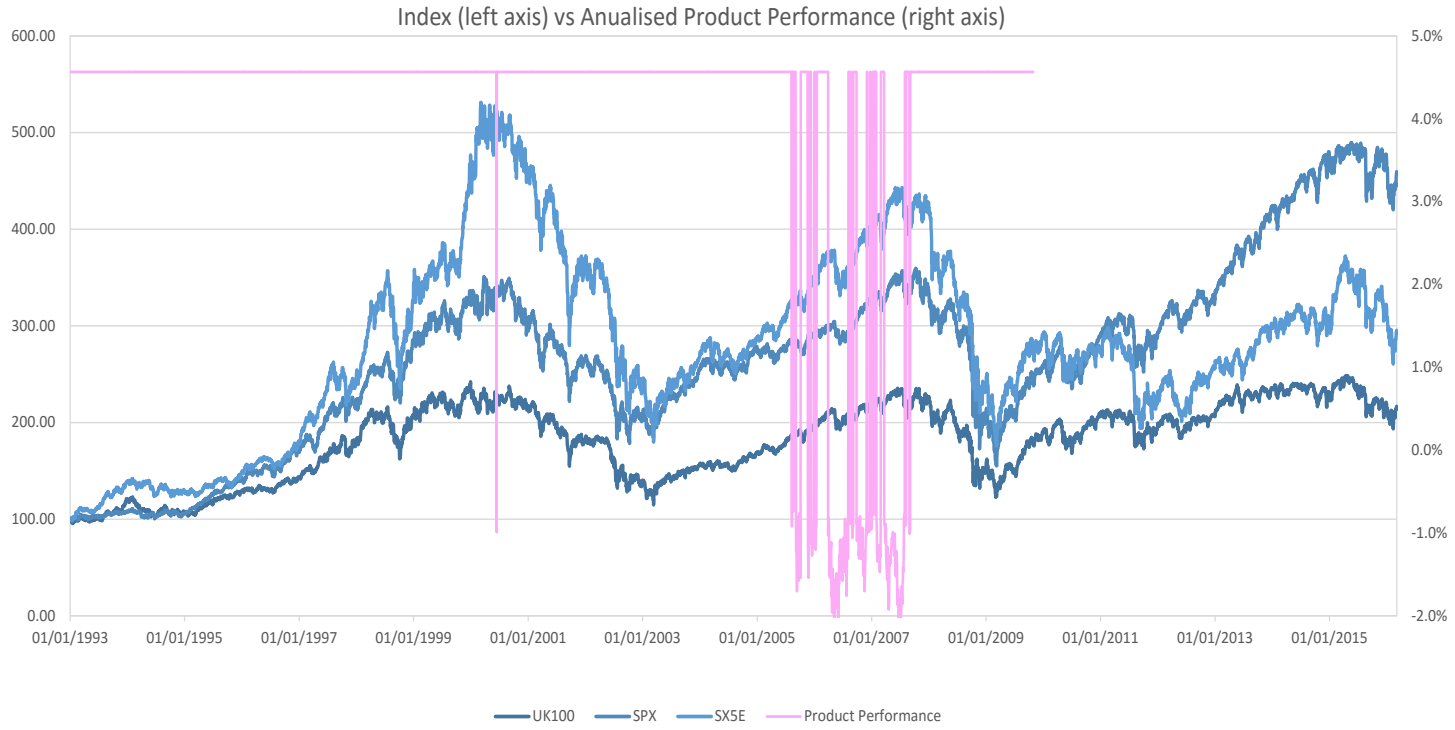


*See overleaf for full details.

Returns	Market (Stress Test)	Historic
Probability of gain	86.2%	92.2%
If there is a gain, the expected annualised return is	4.5%	4.5%
Expected annualised return (based on all scenarios) is	3.6%	4.1%

Risks	Market (Stress Test)	Historic
Probability of Loss	13.5%	7.8%
If there is a loss, the expected annualised return is:	-3.2%	-1.3%
Volatility of Returns	10.6%	5.6%

*Source: Bloomberg; IPR #2645: 29.04.2016



PAST PERFORMANCE SHOULD NOT BE CONSIDERED AN INDICATOR OF FUTURE PEFORMANCE. THIS IS FOR INFORMATION PURPOSES ONLY

ABOUT INVESTMENT PRODUCT RESEARCH (IPR)

Since launch in 2013 IPR has become the leading provider of buy side analytics for structured products. Working together with UK-regulated firm Cube Investing the firm brings together a team of structured product professionals under the leadership of Art Noble.

The IPR team initially began to develop the IPR model to evaluate structured product risk and return in response to a March 2012 paper from the FCA. IPR is a pioneer in evaluating structured product risks and returns and enablilng investors to compare them with other investment types, using a model that is independent of issuer inputs and risk-neutral assumptions made in the pricing of structured products.

Treating the outputs from these models with the due care and diligence of an investor, IPR has devoted much of its efforts to honing how to extract the best metrics to convey the various risks and potential returns of sometimes complex and varying instruments, on a like-for-like basis.

This independent approach (whch was vindicated when the European regulator adopted a similar method to that proposed by IPR) coupled with a robust online IT platform that allows user-defined inputs has placed IPR firmly at the vanguard of structured asset management, product development and risk control.

HOW IPR CALCULATES RISK AND RETURN

IPR performs stress tests and simulations to demonstrate how investments behave in a wide variety of scenarios. These divide into two categories:

Historic - analyses what would have happened if investors could have bought a product with the same terms every day since 1993. This is also known as a rolling backtest.

Market (Stress Test) - analysis based on simulations of potential scenarios using real historic performance data over the last 25 years and the outcomes from these scenarios are collated and termed the product's 'simulated' or 'market' performance. These include extreme, negative events as well as positive and more neutral scenarios.

The SRRI score - uses stress test data to map volatility (as a proxy for riskiness) to the European regulatory standard Synthetic Risk and Return Indicator. To calcultate volatility IPR uses the worst 10% of potential returns to fairly represent the downside risk of the investment. The Risk Indicator maps these volailities to the same scale as the European Synthetic Risk and Return Indicator described below:

Risk Indicator 3. Volatility less than 5%

Risk Indicator 4. Volatility between 5% and 10%

Risk Indicator 5. Volatility between 10% and 15%

Risk Indicator 6. Volatility between 15% and 25%

Risk Indicator 7. Volatility between 25% and 40%

Risk Indicator 8. Volatility above 40%

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IPR uses historical information in order to provide an illustration of how the underlying assets of a prodct may perform in the future. This document may also contain certain performance data based on back-testing, i.e., calculations of the hypothetical performance of a strategy, index or asset as if it had actually existed during a defined period of time. The scenarios, simulations, development expectations and forecasts contained in this presentation are for illustrative purposes only. Capitalised terms like Expected Return are based on our stress test methodology and are therefore not forecasts - they should only be used to assess a product's ranking versus the corresponding scores for the other products analysd in the same way.

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