

Table of Contents

The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

As at December 31, 2014 and 2013, derivative transactions consisted of the following:

| Figures in ZAR '000 | Balance sheet classification | Notional amount | Fair value at | |
|---|---|-----------------|----------------------|-------------------|
| | | | December 31, 2014 | December 31, 2013 |
| Derivative not designated as a hedge | | | | |
| Interest rate swap | Current liabilities—Derivatives | 1 721 081 | (18 763) | — |
| Interest rate swap | Non-current assets—Derivatives | 2 756 453 | — | 8 943 |
| Figures in ZAR '000 | Statement of operations and comprehensive income classification | Notional amount | Fair value movements | |
| | | | December 31, 2014 | December 31, 2013 |
| Derivative not designated as a hedge | | | | |
| Interest rate swap | Loss on derivatives | 1 721 081 | (27 706) | — |
| Interest rate swap | Gain on derivatives | 2 756 453 | — | 9 882 |

The notional amount represents the exposure at the reporting date which varies based on changes in the loan profile.

The Operating Entities' interest rate swaps have the following maturities:

| Figures in ZAR '000 | Notional amount | Maturity date |
|---|-----------------|------------------|
| Derivative not designated as a hedge | | |
| <i>As at December 31, 2013</i> | | |
| Interest rate swap | 650 006 | January 30, 2014 |
| Interest rate swap | 375 904 | April 25, 2014 |
| Interest rate swap | 809 672 | March 28, 2024 |
| Interest rate swap | 920 871 | March 28, 2024 |
| <i>As at December 31, 2014</i> | | |
| Interest rate swap | 804 814 | March 28, 2024 |
| Interest rate swap | 916 267 | March 28, 2024 |

Under the interest rate swap agreement, the Operating Entities pay a fixed rate and the counterparty to the agreement pays the Operating Entities a floating interest rate. The amount recorded in the balance sheet represents the estimated fair value of the net amount that the Operating Entities would receive or pay in order to exit the agreement as at December 31, 2014 and 2013, respectively, if the agreements were transferred to other third parties or canceled by the Operating Entities.

F-314