

Investec Limited

Incorporated in the Republic of South Africa
 Registration number 1925/002833/06
 JSE share code: INL
 NSX share code: IVD
 BSE share code: INVESTEC
 ISIN: ZAE000081949

Investec plc

Incorporated in England and Wales
 Registration number 3633621
 LSE share code: INV P
 JSE share code: INP
 ISIN: GB00B17BBQ50

As part of the dual listed company structure, Investec plc and Investec Limited notify both the London Stock Exchange and the JSE Limited of matters which are required to be disclosed under the Disclosure Guidance, Transparency Rules (DTR) and Listing Rules of the United Kingdom Listing Authority (the "UKLA") and/or the JSE Listing Requirements.

Accordingly, we advise of the following:

Investec Limited – Basel III disclosures at 31 December 2020**Capital disclosures**

The disclosures below are made with respect to Basel III quarterly disclosure requirements and have been prepared in line with the Foundation Internal Ratings Based (FIRB) approach. Investec Limited's application for conversion to the Advanced Internal Ratings Based (AIRB) approach remains under review by the South African Prudential Authority (PA). Investec Limited has commenced with its six-month parallel run for certain AIRB models. Full conversion to AIRB is expected to result in a circa 2% uplift to the CET1 ratio. Investec Limited continues to hold capital in excess of regulatory requirements and board-approved minimum targets.

As at 31 December 2020	Including unappropriated profits	
	Investec Limited* R'mn	IBL* R'mn
Common equity tier 1 capital	41,698	42,109
Additional tier 1 capital	2,127	1,040
Tier 1 capital	43,825	43,149
Tier 2 capital	10,460	12,371
Total regulatory capital	54,285	55,520
Risk-weighted assets per risk type:		
Credit risk	266,468	262,701
Counterparty credit risk	9,030	9,029
Credit valuation adjustment risk	6,062	6,062
Equity risk	30,717	14,961
Market Risk	5,928	4,841
Operational risk	28,795	22,529
Total risk-weighted assets	347,000	320,123
Total minimum capital requirement	36,435	33,613
Capital ratios		
Common equity tier 1 ratio	12.0%	13.2%
Tier 1 ratio	12.6%	13.5%
Total capital adequacy ratio	15.6%	17.3%

Leverage ratio disclosures

As at 31 December 2020	Including unappropriated profits	
	Investec Limited*	IBL*
	R'mn	R'mn
Tier 1 capital	43,825	43,149
Total exposure	567,335	544,253
Leverage ratio	7.7%	7.9%

As at 31 December 2020	Excluding unappropriated profits	
	Investec Limited*	IBL*
	R'mn	R'mn
Common equity tier 1 capital	39,245	39,936
Additional tier 1 capital	2,145	1,039
Tier 1 capital	41,390	40,975
Tier 2 capital	10,730	12,371
Total regulatory capital	52,120	53,346
Risk-weighted assets per risk type:		
Credit risk	265,664	262,207
Counterparty credit risk	9,030	9,029
Credit valuation adjustment risk	6,062	6,062
Equity risk	30,302	14,961
Market Risk	5,928	4,841
Operational risk	28,795	22,529
Total risk-weighted assets	345,781	319,629
Total minimum capital requirement	36,307	33,561
Capital ratios		
Common equity tier 1 ratio	11.3%	12.5%
Tier 1 ratio	12.0%	12.8%
Total capital adequacy ratio	15.1%	16.7%

Leverage ratio disclosures

As at 31 December 2020	Excluding unappropriated profits	
	Investec Limited*	IBL*
	R'mn	R'mn
Tier 1 capital	41,390	40,975
Total exposure	566,801	544,055
Leverage ratio	7.3%	7.5%

* Where: IBL is Investec Bank Limited consolidated. The information for Investec Limited includes the information for IBL.

Liquidity disclosures

Liquidity coverage ratio (LCR)

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high-quality liquid assets to survive a significant stress scenario lasting 30 calendar days.

With effect from 1 April 2020, the minimum LCR requirement in South Africa was reduced from 100% to 80%, until such time as the South African Prudential Authority (PA) is of the view that the financial markets have normalised post COVID-19. This applies for both Investec Bank Limited (IBL) (solo basis) and Investec Bank Limited (IBL) consolidated group.

In accordance with the provisions of section 6(6) of the South African Banks Act 1990 (Act No. 94 of 1990), banks are directed to comply with the relevant LCR disclosure requirements. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by BCBS d400 (2017) and Directive D1/2018.

The following table sets out the LCR for IBL (solo basis) and IBL consolidated group for the quarter ending 31 December 2020:

	IBL (solo basis) – Total weighted value	IBL consolidated group – Total weighted value
High quality liquid assets (HQLA) (R'mn)	86,019	87,717
Net cash outflows (R'mn)	58,751	56,030
Actual LCR	147.4%	157.6%
Required LCR	80%^	80%^

^ - temporarily reduced from 100% by the PA.

The values in the table are calculated as the simple average of 92 calendar daily values over the period 1 October 2020 to 31 December 2020 for IBL (solo basis). IBL consolidated group values use daily values for IBL (solo basis), while those for other group entities use the average of October, November and December 2020 month-end values.

Net stable funding ratio (NSFR)

The objective of the NSFR is to promote the resilience of the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a bank's funding sources would erode its liquidity position, increase its risk of failure and potentially lead to broader systemic risk.

The minimum NSFR requirement in South Africa is 100%. This applies to both IBL (solo basis) and IBL consolidated group.

In accordance with the provisions of section 6(6) of the South African Banks Act 1990 (Act No. 94 of 1990), banks are directed to comply with the relevant NSFR disclosure requirements. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by Directive 11/2015 and Directive 01/2018.

The following table sets out the NSFR for IBL (solo basis) and IBL consolidated group as at 31 December 2020:

	IBL (solo basis)	IBL consolidated group
Actual NSFR	110.7%	112.2%
Required NSFR	100%	100%

Further disclosures with respect to Investec Limited's and Investec Bank Limited's capital and liquidity will be provided on the Investec website in due course as required by the relevant regulations.

29 January 2021
Sponsor: Investec Bank Limited