



Investec Bank Limited

Net Stable Funding Ratio (NSFR)

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience in 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, increasing its risk of failure and potentially lead to broader systemic risk.

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 Template LIQ2 is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by Directive 11/2015 and Directive 01/2018.

The values in the table are calculated as at 30 June 2018.

The minimum NSFR requirement is 100%. This applies to both IBL bank solo and Investec Bank Limited consolidated group.

The Bank of Mauritius does not currently require banks to comply with the NSFR.

Investec Bank Limited Bank (IBL) solo:

The main drivers of the NSFR results and the evolution of the contribution of inputs to the NSFR's calculation over time:

- The customer type and residual maturity of deposits are the key drivers of available stable funding, in particular those from either retail and small business customers or with maturity longer than a year. Capital issued is also a significant contributor.
- The customer type and residual maturity of loans, as well as holdings in securities eligible as HQLA, are the key drivers of required stable funding. Lower weightings apply to mortgages, shorter-term loans to non-financial customers and especially HQLA.

Investec Bank Limited consolidated group

Only banking and / or deposit-taking entities are included and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance sheet items. Our two banks, Investec Bank Limited (IBL) and Investec Bank (Mauritius) Limited (IBM), contributed over 96% of the group's combined available and required stable funding. The consolidated group NSFR is slightly higher than IBL solo's with the contribution of IBM's capital to available stable funding.

| R'million | Investec Bank Limited Bank Solo | | | | | Investec Bank Limited Consolidated group | | | | |
|---|---------------------------------------|------------|----------------------|----------|----------------|--|------------|----------------------|----------|----------------|
| | Unweighted value by residual maturity | | | | Weighted value | Unweighted value by residual maturity | | | | Weighted value |
| | No maturity | < 6 months | 6 months to < 1 year | > 1 year | | No maturity | < 6 months | 6 months to < 1 year | > 1 year | |
| Available stable funding (ASF) item | | | | | | | | | | |
| Capital: | 34,823 | - | - | 13,691 | 48,514 | 38,207 | - | - | 15,488 | 53,696 |
| Regulatory capital | 34,823 | - | - | 13,691 | 48,514 | 38,207 | - | - | 15,488 | 53,696 |
| Other capital instruments | - | - | - | - | - | - | - | - | - | - |
| Retail deposits and deposits from small business customers: | 74,081 | 6,067 | 3,014 | 1,226 | 76,071 | 75,524 | 6,260 | 3,160 | 1,227 | 77,677 |
| Stable deposits | - | - | - | - | - | - | - | - | - | - |
| Less stable deposits | 74,081 | 6,067 | 3,014 | 1,226 | 76,071 | 75,524 | 6,260 | 3,160 | 1,227 | 77,677 |
| Wholesale funding: | 67,834 | 114,515 | 34,560 | 56,815 | 140,795 | 70,447 | 115,344 | 36,286 | 57,388 | 142,443 |
| Operational deposits | - | - | - | - | - | - | - | - | - | - |
| Other wholesale funding | 67,834 | 114,515 | 34,560 | 56,815 | 140,795 | 70,447 | 115,344 | 36,286 | 57,388 | 142,443 |
| Liabilities with matching interdependent assets | - | - | - | - | - | - | - | - | - | - |
| Other liabilities: | 2,517 | 2,215 | - | 14,536 | 3,033 | 3,696 | 3,202 | - | 14,351 | 3,697 |
| NSFR derivative liabilities | - | - | - | 14,536 | - | - | - | - | 14,348 | - |
| All other liabilities and equity not included in the above categories | 2,517 | 2,215 | - | - | 3,033 | 3,696 | 3,202 | - | 3 | 3,697 |
| Total ASF | | | | | 268,413 | | | | | 277,513 |
| Required stable funding (RSF) item | | | | | | | | | | |
| Total NSFR high-quality liquid assets (HQLA) | | | | | 4,381 | | | | | 4,386 |
| Deposits held at other financial institutions for operational purposes | - | - | - | - | - | - | - | - | - | - |
| Performing loans and securities: | 48,733 | 57,225 | 24,569 | 196,305 | 223,687 | 38,343 | 64,807 | 28,118 | 202,963 | 223,413 |
| Performing loans to financial institutions secured by Level 1 HQLA | - | 8,004 | - | - | 800 | - | 8,004 | - | - | 800 |
| Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 23,965 | 24,326 | 3,743 | 25,878 | 47,499 | 13,575 | 25,645 | 3,739 | 21,424 | 32,887 |
| Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 16,854 | 24,011 | 19,815 | 93,305 | 113,952 | 16,854 | 30,240 | 22,983 | 103,448 | 127,272 |
| With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk | - | - | - | 5,335 | 3,467 | - | - | - | 5,335 | 3,467 |
| Performing residential mortgages, of which: | - | 445 | 475 | 58,657 | 38,587 | - | 454 | 510 | 58,727 | 38,654 |
| With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk | - | 445 | 475 | 58,657 | 38,587 | - | 454 | 510 | 58,727 | 38,654 |
| Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 7,914 | 439 | 536 | 18,465 | 22,849 | 7,914 | 464 | 886 | 19,364 | 23,800 |
| Assets with matching interdependent liabilities | - | - | - | - | - | - | - | - | - | - |
| Other assets: | 15,356 | - | - | 31,111 | 16,905 | 22,370 | - | - | 30,979 | 23,957 |
| Physical traded commodities, including gold | - | - | - | - | - | - | - | - | - | - |
| Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | - | - | - | 362 | 308 | - | - | - | 362 | 308 |
| NSFR derivative assets | - | - | - | 10,646 | - | - | - | - | 10,646 | - |
| NSFR derivative liabilities before deduction of variation margin posted | - | - | - | 20,103 | 2,010 | - | - | - | 19,915 | 1,992 |
| All other assets not included in the above categories | 15,356 | - | - | - | 14,587 | 22,370 | - | - | 56 | 21,657 |
| Off-balance sheet items | - | 158,564 | - | - | 3,721 | - | 159,083 | - | - | 3,824 |
| Total RSF | | | | | 248,694 | | | | | 255,580 |
| Net Stable Funding Ratio (%) | | | | | 107.9 | | | | | 108.6 |