

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: INVP
 JSE share code: INP
 ISIN: GB00B17BBQ50

Investec (comprising Investec plc and Investec Limited) – Basel III disclosures at 31 December 2016**3 February 2017****Capital disclosures**

The disclosures below are made with respect to Basel III quarterly disclosure requirements. The group holds capital in excess of regulatory requirements targeting a minimum common equity tier one capital ratio above 10% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited.

As at 31 December 2016	Investec plc ^{*^} GBP 'mn	IBP ^{*^} GBP 'mn	Investec Limited* R'mn	IBL* R'mn
Common equity tier 1 capital before deductions	2,012	1,965	30,775	32,718
Deductions	(525)	(393)	413	471
Common equity tier 1 capital	1,487	1,572	31,188	33,189
Additional tier 1 capital	23	-	3,405	921
Tier 1 capital	1,510	1,572	34,593	34,110
Tier 2 capital	512	590	12,386	13,981
Total regulatory capital	2,022	2,162	46,979	48,091
Risk-weighted assets per risk type:				
Credit risk	9,865	9,568	243,791	243,690
Counterparty credit risk	434	434	4,592	4,592
Credit valuation adjustment risk	80	80	1,632	1,632
Equity risk	95	95	44,692	43,770
Market risk	861	823	5,155	4,887
Operational risk	1,905	1,521	27,799	18,841
Total risk-weighted assets	13,240	12,521	327,661	317,412
Total minimum capital requirement	1,059	1,002	33,995	32,931
Capital ratios				
Common equity tier 1 ratio	11.2%	12.6%	9.5%	10.5%
Tier 1 ratio	11.4%	12.6%	10.6%	10.7%
Total capital ratio	15.3%	17.3%	14.3%	15.2%

Leverage ratio disclosures

As at 31 December 2016	Investec plc ^{*^} GBP 'mn	IBP ^{*^} GBP 'mn	Investec Limited* R'mn	IBL* R'mn
Tier 1 capital	1,510	1,572	34,593	34,110
Total exposure	20,207	19,972	469,400	437,045
Leverage ratio	7.5%	7.9%	7.4%	7.8%

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

^ The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the group operates. For Investec plc and IBP this does not include the deduction of foreseeable dividends when calculating CET1 capital as now required under the Capital Requirements Regulation and EBA technical standards. Investec plc's capital information includes unaudited profits for the last quarter. If unaudited profits are excluded from the capital information, Investec plc's CET1 and tier 1 capital ratios would be 50bps lower and its total capital ratio would be 40bps lower.

Liquidity coverage ratio disclosure

The objective of the liquidity coverage ratio (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.

Investec Bank Limited (solo basis) and Investec Bank Limited Consolidated Group

The minimum LCR requirement in South Africa was 70% throughout 2016, and will increase by 10% each year to 100% on 1 January 2019.

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, as set out in Directive 6/2014 and Directive 11/2014. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord.

The following table sets out the LCR for Investec Bank Limited (solo basis) and Investec Bank Consolidated Group as at 31 December 2016:

R'mn	Investec Bank Limited Solo – Total weighted value	Investec Bank Limited Consolidated Group – Total weighted value
High quality liquid assets (HQLA)	73,248	73,333
Net cash outflows	49,029	44,031
Actual LCR (%)	150.4%	167.9%
Required LCR (%)	70%	70%

The values in the table are calculated as the simple average of daily observations over the period 1 October 2016 to 31 December 2016 for Investec Bank Limited (IBL) bank solo. 61 business day observations were used. Investec Bank Limited consolidated group values use daily values for IBL bank solo, while those for other group entities use the average of October, November, December 2016 month-end values.

Investec plc, Investec Bank plc (solo basis)

On 1 October 2015 under European Commission Delegated Regulation 2015/61, the LCR became the PRA's primary regulatory reporting standard for liquidity. The LCR is a Pillar 1 metric to which the PRA apply Pillar 2 add-ons. The LCR is being introduced on a phased basis, and the PRA has opted to impose higher liquidity coverage requirements during the phased-in period than the minimum required by CRD IV. From 1 January 2017, UK banks are required to maintain a minimum of 90%, rising to 100% on 1 January 2018. The published LCR excludes Pillar 2 add-ons.

For Investec plc and Investec Bank plc (solo basis), the LCR is calculated using our own interpretations of the EU Delegated Act. The reported LCR may change over time with regulatory developments.

The LCR reported to the PRA at 31 December 2016 was 844% for Investec plc and 829% for Investec Bank plc (solo basis).