INVESTEC BANK (MAURITIUS) LIMITED

(Incorporated in the Republic of Mauritius on 20 April 1990 with limited liability under business registration number 8752/3362)

ZAR6,000,000,000 Medium Term Note and Preference Share Programme

Issuer Disclosure and Risk Factors

DESCRIPTION OF INVESTEC BANK (MAURITIUS) LIMITED

Introduction and History

The Investec group, comprising Investec plc and Investec Limited, (the "**Investec group**" or the "**group**") is an international bank and wealth manager servicing private and corporate clients in two principal markets **-** the UK and Southern Africa.

Founded as a leasing company in Johannesburg in 1974, the Investec group acquired a banking licence in 1980 and listed on the JSE Limited (the "**JSE**") in South Africa in 1986. In 1992, the Investec group made its first international acquisition, in the United Kingdom.

On 22 July 2002, the Investec group implemented a Dual Listed Companies ("**DLC**") structure and listed its offshore businesses on the London Stock Exchange (the "**LSE**"). In terms of the DLC structure, Investec Limited is the controlling company of the Investec group's businesses in Southern Africa and Mauritius and Investec plc is the controlling company of Investec group's non-Southern African businesses. Investec Limited is listed on the JSE with secondary listings on the Namibian (NSX) and Botswana stock exchanges (BSE), whilst Investec plc has a primary listing on the LSE and a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited together form a single economic enterprise (the Investec group). Shareholders have common economic and voting interests as if Investec Limited and Investec plc are a single company. Creditors are, however, ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies.

In 2003, Investec Limited concluded a significant empowerment transaction in which its empowerment partners collectively acquired a 25.1% (twenty-five-point one percent) stake in its issued share capital.

In March 2020, the Asset Management business was demerged from the group and separately listed as Ninety One plc on the LSE and Ninety One Limited on the JSE.

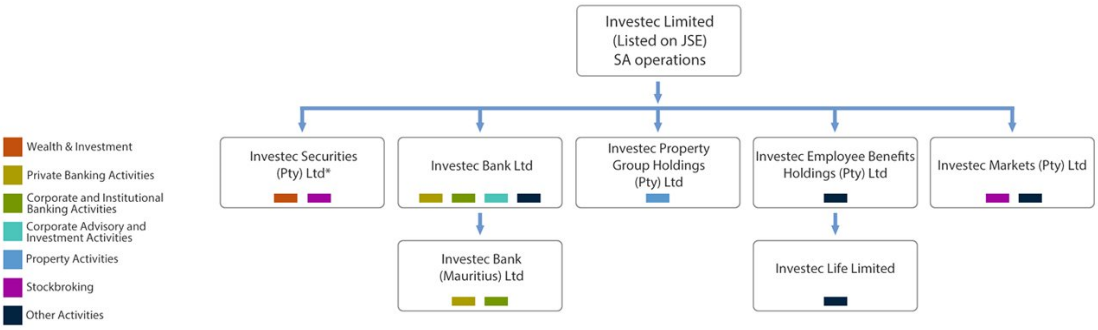
Effective 16 September 2021, Investec Limited and Investec plc listed on A2X, a licensed stock exchange authorised to provide a secondary listing venue for companies. Post this secondary listing, Investec Limited's ordinary shares are available for trading on the JSE, NSX, BSE and A2X, while Investec plc's ordinary shares are available for trading on the LSE, JSE and A2X.

Investec Bank Limited, the main banking subsidiary of Investec Limited, acquired all the shares in Banque Privee Edmond De Rothschild (Ocean Indien) Ltee in 1997. By special resolution, Banque Privee Edmond De Rothschild (Ocean Indien) Ltee changed its name to Investec Bank (Mauritius) Limited ("**IBM**" or the "**bank**").

The principal legislation under which the bank operates, is: (1) the Banking Act 35 of 2004; (2) the Companies Act of 2001; (3) the Financial Intelligence and Anti-Money Laundering Act 6 of 2002; (4) the Financial Services Act 14 of 2007. IBM's telephone number is: +230 207 4000.

Ownership and Control

As at the Programme Date, the structure under which the Issuer operates is as follows:



As at the Programme Date, IBM is a wholly owned subsidiary of Investec Bank Limited, which is a wholly owned subsidiary of Investec Limited. As at 31 March 2021, the major shareholders of Investec Limited, which owns 100% (one hundred percent) of the ordinary share capital of Investec Bank Limited, were as follows:

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	42 895 324	13.5%
2. Allan Gray (ZA)	29 164 629	9.2%
3. Investec Staff Share Scheme (ZA)	24 973 434	7.8%
4. Sanlam Group (ZA)	11 569 125	3.6%
5. BlackRock Inc (US & UK)	10 938 965	3.4%
6. The Vanguard Group, Inc (US)	8 831 140	2.8%
7. Westwood Global Investments (US)	8 219 098	2.6%
8. Prudential Portfolio Mgrs (ZA)	8 010 749	2.5%
9. Absa Group Limited (ZA)	7 106 361	2.2%
10. Old Mutual Investment Group (ZA)	7 027 649	2.2%
Cumulative total	**158 736 474**	**49.8%**

The top 10 shareholders account for 49.8% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

The Investec Group's Strategy

Investec is a distinctive bank and wealth manager, driven by commitment to our core philosophies and values. We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all our stakeholders and contributing meaningfully to our people, communities, and planet.

Our strategic direction

The One Investec strategy is, first and foremost, a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each and every client, regardless of specialisation or geography.

One Investec is also about improving internal operating efficiencies; ensuring that investments in infrastructure and technology support our differentiated service offering across the entire group, not just within specific operating units or geographies.

And in our allocation of capital, the One Investec strategy demands a disciplined approach to optimising returns, not merely for one region or business area but for the group as a whole.

Our distinction

The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach, and an ability to be nimble, flexible, and innovative. We do not seek to be all things to all people. Our aim is to build well-defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance.

Our unique positioning is reflected in our iconic brand, our high-tech and high-touch approach and our positive contribution to society, macro-economic stability, and the environment. Ours is a culture that values innovative thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team, and we employ passionate, talented people who are empowered and committed to our mission and values.

Our values

Investec exists to create enduring worth for all our stakeholders: our clients, our people and the communities in which we operate.

This purpose is expressed in five key values that shape the way that we work and live within society:

1	2	3	4	5
Cast-iron integrity	**Distinctive performance**	**Client focus**	**Entrepreneurial spirit**	**Dedicated partnership**
We believe in long-term relationships built on mutual trust, open and honest dialogue and cast-iron integrity.	We thrive on energy, ambition and outstanding talent. We are open to fresh thinking. We believe in diversity and respect for others.	We are committed to genuine collaboration and unwavering dedication to our clients' needs and goals.	We are pioneers at heart. Shaped by our non-traditional origin and evolution, we share with our clients a willingness to challenge the status quo in pursuit of a better, more sustainable tomorrow.	We collaborate unselfishly in pursuit of group performance, through open and honest dialogue – using process to test decisions, seek challenge and accept responsibility.

Activities of Investec Bank (Mauritius) Limited

IBM operates as a specialist bank and wealth manager within Mauritius. IBM offers the following Specialist Banking services:

a) Transactional banking, which includes:

- multi-currency accounts
- 24x7 multi-currency online transactional banking
- an online Forex trading platform
- treasury products
- multi-currency debit cards

b) Lending, which includes:

- exclusive residential and commercial property finance
- medium and long-term structured finance
- aviation finance
- portfolio-backed finance
- fund finance – bridging finance and long-term gearing
- asset finance.

c) Savings

- call and fixed term deposit accounts
- dual currency deposits

Investec Wealth & Investment Mauritius offers an integrated investment management service, comprising:

a) Flexible investment management offering through:

- discretionary and advisory portfolio management services for private clients
- segregated or unitised portfolio solutions
- specialist portfolio management services for international clients.

b) Underlying specialised mandates:

- segregated fixed income and equity centric portfolios
- capital protected structured investments
- risk profiles multi-manager unitised strategies.

Board of Directors

The board seeks to exercise leadership, integrity and judgement in pursuit of strategic goals and objectives, to achieve long-term sustainability, growth and prosperity. The board operates within the group's governance framework and is accountable for the performance and affairs of the bank. It provides leadership for the bank within a framework of prudent and effective controls which allows risks to be assessed and managed.

The board:

- approves the bank's strategy;
- ensures that the bank complies with the applicable laws and considers adherence to non-binding rules and standards;
- is responsible for the governance of risk, including that of information technology (IT);
- acts as focal point for, and custodian of, corporate governance;

- provides effective leadership on an ethical foundation; and

- ensures the bank is and is seen to be a responsible corporate citizen.

The board meets its objectives by reviewing and guiding corporate strategy, setting the bank's values and standards, promoting high standards of corporate governance, approving key policies and objectives, ensuring that obligations to its shareholder and other stakeholders are understood and met, understanding the key risks the bank faces, determining the bank's risk tolerance and approving and reviewing the processes in operation to mitigate risk from materialising, including the approval of the terms of reference of key supporting board committees. Certain matters are specifically reserved for the board.

To achieve its objectives, the board may delegate certain of its duties and functions to various board committees, bank forums or the Chief Executive Officer, without abdicating its own responsibilities. The board has formally defined and documented by way of terms of reference the authority it has delegated to the various board committees and bank forums. In fulfilling its responsibilities, the board is supported by management in implementing the plans and strategies approved by the board.

Furthermore, directly or through its sub-committees, the board:

- assesses the quantitative and qualitative aspects of the bank's performance through a comprehensive system of financial and non-financial monitoring involving an annual budget process, detailed monthly reporting, regular review of forecasts and regular management strategic and operational updates;

- approves annual budgets, capital plans, projections and business plans;

- monitors compliance with relevant laws, regulations and codes of business practice;

- ensures there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders and monitors communication with all stakeholders and disclosures made to ensure transparent and effective communication;

- identifies and monitors key risk areas and key performance indicators;

- reviews processes and procedures to ensure the effectiveness of its internal systems of control;

- ensures the bank adopts sustainable business practices, including social and environmental activities

- assisted by the audit committee, ensures appropriate IT governance processes are in place for the implementation of which management is responsible, and ensures that the process is aligned to the performance and sustainability objectives of the board;

- monitors and evaluates significant IT investments and expenditure;

- ensures information assets are managed effectively;

- ensures the appropriate risk governance, including IT, is in place including continual risk monitoring by management, determines the levels of risk tolerance and that risk assessments are performed on a continual basis;

- ensures the integrity of the bank's integrated report, which includes sustainability reporting;

- ensures the induction of, and ongoing training and development of, directors;

- evaluates the performance of senior management and considers succession planning. In accordance with the Code for Corporate Governance for Mauritius and the Bank of Mauritius ("**BoM**") Guidelines on Corporate Governance, there is a clear division of responsibility between the chairman and the chief executive officer to ensure balance of power and authority.

The board is led by the chairman while the chief executive officer leads the executive management team responsible for the day-to-day running of the business and affairs of the bank. The majority of the board members are non-executive directors. The board comprises five members; the bank's chief executive officer, one independent external director and three non-executive directors. One non-executive director is also a director on the parent company's board.

Chairman: Lourens F Janse Van Rensburg (B Com, B Compt (Hons), CA (SA), CFA, HDip Tax Law)

Chief Executive Officer: Grant M Parsons (Diploma in Accounting, BCom, CA (SA))

Zarina BM Bassa (BAcc, DipAcc, CA(SA))

Ramdeo Erriah (LLB, LLM, TEP, Barrister-at-Law)

Kailash Sharma Ramnauth (FCMA, MBA)

Company Secretary: Prithiviraj Jeewooth (FCCA)

Office 660, 6th Floor Dias Pier Building

Le Caudan Waterfront

Port Louis Mauritius

Contact: +23 0 207 4000

E-mail: infomru@investec.co.mu

Corporate Governance and Regulatory Framework

IBM adheres to the King Report on Governance for South Africa 2016 (King IV). Further, as a public company and holder of a Banking Licence, IBM remains guided by, and complies with, the principles issued by:

- the Mauritius Financial Reporting Council in its "Guidelines on Compliance with the Code of Corporate Governance";

- the BoM in its "Guidelines on Corporate Governance", which can be accessed on the BoM website: https://www.bom.mu/financial-stability/supervision/guidelines/guideline-corporate-governance;

- the provisions of the Mauritian Companies Act 2001; and

- the provisions of the Mauritius Banking Act 2004.

The board continuously reviews the implications of corporate governance best practices and accordingly it has taken all the required actions to comply with the requirements of the Guideline on Corporate Governance issued by the BoM, as revised in October 2017.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision. The information given below is as at the Programme Date.

Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme

Risks relating to the macro-environment in which the Issuer operates

A decline in the business, operating results, financial condition and prospects of the Issuer may have an adverse impact on the ability of the Issuer to make payments under the Notes. The key factors which may impact on the performance of the Issuer are set out below.

Market risks, business and general macro-economic conditions and fluctuations as well as volatility in the global financial markets

In recent years, economic conditions in many countries have been negatively impacted by a number of global macroeconomic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the exit of certain member states from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the global economy and by financial institutions in particular, and have placed strains on funding markets at times when many financial institutions have material funding needs. Any further adverse developments in the global economy and in particular the Mauritian economy could have an adverse impact on the Issuer's business, results of operations, financial condition and prospects.

Revenues from the Issuer's business activities are also sensitive to market volatility. Deterioration in the financial markets and general economic activity has in the past affected, and will continue to affect levels of private client activity. The Issuer's investment banking and corporate banking income is directly related to the number and size of the transactions in which the Issuer participates and general corporate and institutional activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its results of operations. Moreover, some of the Issuer's income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments and, as such, revenues, returns and profitability may fluctuate, impacting the Issuer's results of operations. As a result of the foregoing factors, market volatility may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer also maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that the Issuer will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect investor sentiment. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in the Issuer incurring losses.

Social, political and economic risks and other unforeseen events outside the Issuer's control may adversely affect its business and results of operations

Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the performance and demand for the Issuer's products and services. The Issuer's businesses, results of operations and financial condition could be materially adversely affected by changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which the Issuer operates. Among others, the actions of such governments in relation to employee relations, salaries, the setting of interest rates, or in relation to exerting controls on prices, exchange rates or local and foreign investment, may adversely affect the Issuer's business and results of operations.

Risks relating to the impact of COVID-19

Pandemics and widespread public health crises (including the recent Coronavirus Disease 2019 (also known as "**COVID-19**") outbreak, the ongoing impact of which will depend on future developments which are highly unpredictable and uncertain) has and may continue to cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity which could have a significant adverse effect on Investec's results or operations, reputation and financial condition.

There continues to be unprecedented uncertainty resulting from the COVID-19 pandemic, including the depth of the potential downturn in activity, the duration of restrictive measures and the lockdown exit plans within the geographies in which Investec operates. It continues to be difficult to predict the full impact of the pandemic on the group. The board and management continue to meet regularly to ensure that all aspects of the challenges posed by COVID-19 are given full attention.

An immediate financial impact of the outbreak is an increase in expected credit losses ("**ECL**") driven by a change in the forward-looking economic scenarios used to calculate ECL. The outbreak has led to a weakening in gross domestic product and an increase in unemployment, both key inputs for calculating ECL. The impact of the outbreak on the long-term prospects of businesses is uncertain and may lead to significant ECL charges on certain exposures. There has been enhanced governance and additional oversight on areas that have been most exposed to the pandemic to date.

Should the COVID-19 outbreak continue to cause disruption to economic activity, there could be further adverse impacts on the Issuer's income due to lower lending and transaction volumes. In addition, lower interest rates would adversely impact net interest income.

Moreover, the Issuer has financial instruments which are carried at fair value, and such fair values may be impacted by the market volatility resulting from the COVID-19 outbreak. This would in turn affect the market value of such instruments and result in markdowns on such instruments and an increase in the size of fair value adjustments.

There remain significant uncertainties in assessing the duration of the COVID-19 outbreak and its impact. Any and all such events mentioned above (including, without limitation, a prolonged period of significantly reduced economic activity as a result of the impact of the outbreak) could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings, as well as on the Issuer's employees, clients and communities.

Risks associated with interest rate levels and volatility

Interest rates, which are impacted by factors outside of the Issuer's control, including the fiscal and monetary policies of the Mauritian government and the BoM, as well as Mauritian and international political and economic conditions, affect the Issuer's results of operations, profitability and return on capital in three principal areas: margins and income, cost and availability of funding and impairment levels.

Increases in interest rates could also adversely affect the Issuer. In an increasing interest rate environment, the Issuer may be more exposed to re-pricing of its liabilities than competitors with higher levels of term deposits. In the event of sudden large or frequent increases in interest rates, the Issuer also may not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact the Issuer's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Issuer. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on the Issuer's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on the Issuer's profitability.

If the Issuer is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

Government support of the finance and banking industry may have a disproportionate effect on some and an unintended effect on other participants in that industry

The actions of some governments, providing support to certain participants in the finance and banking industry (whether explicitly or implicitly), have had and will continue to have a fundamental effect on the finance and banking industry. Whether such actions have had a positive effect on the industry as a whole and/or the wider economy, there is a risk that those participants in the industry who have not received such government support, including the Issuer, may have been and may continue to be disadvantaged. For example, it is possible that those banks which have not received the support of governments may be perceived by potential clients as lacking stability. Such a perception may lead to a loss of clients by smaller participants in the industry, including the Issuer, if clients, for example, take deposits to an institution perceived to be more secure. If this were to occur, the Issuer's, operating results, financial condition and prospects may be adversely affected.

The response of governments and regulators to instability in the global financial markets may not be effective

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions in which the Issuer operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact the Issuer’s business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of companies can have unintended effects on the environment within which companies operate. There can be no guarantee that the governments and regulators in the jurisdictions in which the Issuer operates will not make policy decisions to implement reforms which increase the burdens faced by the Issuer in relation to compliance and reporting. This could increase the costs the Issuer has to devote to compliance and reporting and, in turn, could have a negative effect on the Issuer's financial condition and results of operations.

Risks relating to the Issuer's business

The Issuer is subject to risks concerning customer and counterparty credit quality

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable to unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Issuer has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received; and
- trading transactions, giving risk to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

The Issuer's credit risk arises primarily in relation to its lending businesses, through which it offers products such as residential and commercial property finance, specialised lending to high income professionals and high net worth individuals and a range of lending products to corporate clients.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, the Issuer makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. The Issuer may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite the Issuer having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on the Issuer's business, results of operations, financial condition and prospects.

Concentration of credit risk could increase the Issuer's potential for significant losses

The Issuer is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While the Issuer's loan book remains well diversified, geographical concentration in its loan book may pose risks. In the event of a disruption to the credit markets in the geographies in which the Issuer operates or the emergence of adverse economic conditions in any of those geographies, including in relation to interest rates and unemployment levels, this concentration of credit risk could cause the Issuer to experience greater losses than its competitors. While the Issuer regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

Liquidity risk may adversely affect the Issuer's profitability and results while excess liquidity may negatively impact the Issuer's returns

Ready access to funds is essential to any banking business, including those operated by the Issuer. An inability on the part of the Issuer to access funds or to access the markets from which it raises funds may lead to the Issuer being unable to finance its operations adequately, which in turn could materially adversely affect its results of operations and financial condition. In particular, the Issuer takes deposits with maturities which are shorter than the loans it makes. This exposes the Issuer to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strains. Additionally, the Issuer's ability to raise or access funds may be impaired by factors that are not specific to it, such as general market conditions, severe disruption of the financial markets or negative views about the prospects for the industries or regions in which the Issuer operates.

The Issuer's ability to raise deposits in hard currencies at competitive pricing is heavily linked to the attractiveness of Mauritius as an international financial centre of repute. Mauritius is on the Organization for Economic Co-operation and Development ("**OECD**") white list and has forged a solid reputation as a jurisdiction of substance and choice based on sound regulatory practices, international norms, political and economic stability and a conducive business environment. On 21 February 2020 the Financial Action Task Force ("**FATF**") placed Mauritius on their "grey list" list of jurisdictions under increased monitoring. Replicating the findings of FATF, on 7 May 2020 the European Union announced the adoption of a new list of third countries which, according to the Commission, had strategic deficiencies in their anti-money laundering and counter terrorism financing (AML-CFT) regimes ("**EU black list**"). Mauritius was added to this list, with effect from 1 October 2020. Following the FATF's Plenary meeting on 21 October, Mauritius was removed from the FATF "grey list", having addressed the recommended actions. Following this removal, the European Union announced on 7 January 2022 that Mauritius will be removed from the EU black list.

There are no exchange control restrictions applicable in Mauritius and funds may be freely repatriated. Mauritius offers a very favourable tax regime to international investors, with a wide network of double taxation treaties, low taxes for global businesses and no withholding taxes on dividends, interest and royalties. In addition, Mauritius has also entered into more than 30 (thirty) bilateral Investment Promotion and Protection Agreements ("**IPPA**"), mainly with countries on the African continent. These IPPA provide significant protection to investors using Mauritius to route their cross border investments. An adverse change in the reputation of Mauritius as an international centre or in the tax environment may negatively impact on the business of the Issuer.

The Issuer's business performance could be affected if its capital resources and liquidity are not managed effectively

The Issuer's capital and liquidity is critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. The Issuer mitigates capital and liquidity risk by careful management of its balance sheet, through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying its funding sources. The Issuer is required by regulators in the jurisdictions in which it undertakes regulated activities, to maintain adequate capital and liquidity. The maintenance of adequate capital and liquidity is also necessary for the Issuer's financial flexibility in the face of any turbulence and uncertainty in the global economy.

Extreme and unanticipated market circumstances, similar to those experienced in the recent financial crisis and situations arising from a further deterioration in the Eurozone, may cause exceptional changes in the Issuer's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liability, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit the Issuer's ability effectively to manage its capital resources could have a material adverse impact on the Issuer's profitability and results. If such exceptional changes persist, the Issuer may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance its businesses or services take advantage of business opportunities or respond to competitive pressures.

The regulation and supervision of financial institutions is currently undergoing a period of significant change in response to the global financial crisis. The Issuer is subject to government regulation in South Africa, Mauritius and other jurisdictions within which it operate. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may range from capital adequacy, funding and liquidity risk management and credit risk management to practices relating to marketing and selling, advertising, licensing agents, policy forms, terms of business and permitted investments.

The Issuer is subject to capital adequacy guidelines adopted by the BoM and the South African Reserve Bank, which provide for a minimum target ratio of capital to risk-adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Securities.

The Basel III proposals agreed by the Governors and Heads of the Basel committee on Banking Supervision, and endorsed by the G20 leaders at their November 2010 Seoul summit. In June 2014, BoM issued Guidelines setting out its proposals for the implementation of Basel III in Mauritius. From a capital perspective the most heavily impacted banks are those with relatively large capital market businesses, particularly trading activities, complex securitisations, over-the-counter derivatives (counterparty credit risk) and securities lending. The Issuer has a relatively small capital markets business and therefore the overall impact is manageable. In October 2017, BoM issued a Guideline on Liquidity Risk Management setting out its liquidity coverage ratio ("**LCR**") requirements which came into effect 3 November 2017. The Issuer complies with the LCR requirements.

The financial services industry in which the Issuer operates is intensely competitive

The financial services industry in which the Issuer's businesses operate is highly competitive. The Issuer competes on the basis of a number of factors, including customer services and quality, transaction execution, its products and services, innovation, reputation and price. New competitors, including companies other than banks, may disintermediate the market and as a result they may acquire significant market share. Some of the Issuer's competitors also offer a wider range of services and products than the Issuer offers and have greater name recognition, greater financial resources and more extensive customer bases. These competitors may be able to respond more quickly to new or evolving opportunities, technologies and customer requirements than the Issuer and may be able to undertake more extensive promotional activities. If the Issuer is unable to compete successfully, its future revenue and profit growth could be materially adversely affected.

Additional risks relating to the Issuer

The Issuer's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, market and other banking risks and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure by the Issuer's risk management techniques may have a material adverse effect on its results of operations and financial condition.

The Issuer may be vulnerable to the failure of its information and operating systems and breaches of its security systems

The Issuer relies on the proper functioning of its information and operating systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business continuity planning. Any significant degradation, failure or lack of capacity of the Issuer's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations and financial condition or could give rise to adverse regulatory and reputational consequences for the Issuer's business.

The secure transmission of confidential information is a critical element of the Issuer's operations. The Issuer's networks and systems may be vulnerable to unauthorised access and other security problems. The Issuer cannot be certain that its existing security measures will prevent security breaches including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Issuer's or its client's confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

The Issuer's future success will depend in part on its ability to respond to changing technologies and demands of the market place. The Issuer's failure to upgrade its information and communications system on a time or cost-effective basis could have an adverse effect on its business, financial condition and/or operating results and could damage its relationships with its clients and counterparties.

Failing infrastructure systems may negatively impact the economy generally and the business and results of operations of the Issuer

Events such as electricity supply failures, the shut-down of transport systems due to inclement weather (such as cyclones, flash floods or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most firms, including the Issuer, to do business. The regular occurrence of such events or timing of the occurrence of such events could have an adverse effect on the Issuer's operations.

The Issuer may be unable to recruit, retain and motivate key personnel

The Issuer's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by the Issuer for a substantial period of time and have developed with the business. In addition, while the Issuer is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the Issuer's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the Issuer's business. The Issuer's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers.

The Issuer may be adversely affected if its reputation is harmed

The Issuer is subject to the risk of loss due to customer or staff misconduct. The Issuer's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to the Issuer.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Issuer's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from the Issuer, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. The Issuer has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

The Issuer faces risks associated with the implementation of its strategy

The Issuer's ability to implement its strategy successfully is subject to execution risks, including management of its cost base and limitations in its management or operational capacity. These risks may be exacerbated by a number of external factors, including a downturn in the Mauritian or global economy, increased competition in the financial services industry and/or significant or unexpected changes in the regulation of the financial services sector in Mauritius. If the Issuer is unable to implement its business strategy, its business, results of operations, financial condition and prospects could be material adversely affected.

Operational risks may disrupt the Issuer's business or result in regulatory action

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Issuer. Notwithstanding anything contained in this risk factor, it should not be taken as implying that the Issuer will be unable to comply with its obligations.

Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on the bank's results of operations, reputation and financial condition.

The inability of the Issuer to adequately insure against specific risks could have a material adverse effect on its business, financial condition, results of operations and prospects

The Issuer's business entails the risk of liability related to litigation from customers, shareholders, employees or third-party service providers and actions taken by regulatory agencies, which may not be adequately covered by insurance or at all. Specifically, there is a risk that claims may arise in relation to damage resulting from the Issuer's employees' or service providers' operational errors or negligence, or misconduct or misrepresentation by its employees, agents and other operational personnel, there can be no assurance that a claim or claims will be covered by insurance or, if covered, that any such claim will not exceed the limits of available insurance coverage or that any insurer will meet its obligations to insure. There can also be no assurance that insurance coverage with sufficient limits will continue to be available at a reasonable cost. Renewals of insurance policies or claims under existing policies may expose the Issuer to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability. A significant increase in the costs of maintaining insurance cover or the costs of meeting liabilities not covered by insurance could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to conduct risk, including the risk that it treats its customers unfairly and delivers inappropriate outcomes and the risk of conducting itself negatively in the market

The Issuer is exposed to conduct risk, including retail conduct risk and wholesale conduct risk. Retail conduct risk is the risk that the Issuer treats its customers unfairly and delivers inappropriate outcomes. Wholesale conduct risk is the risk of conducting itself negatively in the market. Certain aspects of the Issuer's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner. If the

Issuer fails to comply with any relevant laws or regulations, it may suffer reputational damage and may become subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities. Changes in laws or regulations may also vastly change the requirements applicable to the Issuer in a short period of time and/or without transitional arrangements. If the Issuer is unable to manage any related emerging risks, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Issuer may fail to detect or prevent money laundering and other financial crime activities

The Issuer is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing and other laws and regulations in the jurisdictions in which it operates and the extra-jurisdictional reach of international laws. These laws and regulations require the Issuer, among other things, to conduct customer due diligence regarding fiscal evasion, anti-money laundering, sanctions and politically exposed persons screening, keep customer and supplier account and transaction information up to date and implement effective financial crime policies and procedures. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals on identified lists.

Financial crime has become the subject of enhanced scrutiny and supervision by regulators globally. Anti-money laundering, anti-bribery and anti-corruption, and insider dealing and economic sanctions laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory supervision, requiring businesses to invest in improved systems, sophisticated monitoring and skilled compliance personnel. Regulatory authorities may from time to time make enquiries of companies within their respective jurisdictions regarding compliance with regulations governing the conduct of business or the operation of a regulated business (including the degree and sufficiency of supervision of the business) and the handling and treatment of customers or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive.

Financial crime is continually evolving, and the expectations of regulators are increasing. This requires similarly proactive and adaptable responses from the Issuer so that it is able to effectively deter threats and criminality, in particular in certain of the emerging markets jurisdictions where the Issuer operates and undertakes investment activities. Even known threats can never be fully eliminated, and there may in the future be instances where the Issuer may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Issuer relies on its employees, external administrators and certain other third-party service providers to identify and report such activities. There is a risk that they will fail to do so or otherwise fail to comply with or implement the Issuer’s policies and procedures relating to financial crime.

Where the Issuer is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. Globally, anti-money laundering and financial crime compliance is expected to remain a key regulatory priority from a supervisory and enforcement perspective.

The Issuer cannot guarantee that its current policies and procedures are sufficient to completely prevent situations of fiscal evasion, money laundering, bribery, fraud or corruption, including actions by the Issuer’s employees, for which the Issuer might be held responsible. Any such event may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer must comply with complex data protection and privacy laws

The Issuer is subject to regulations and heightened regulatory scrutiny in the jurisdictions in which it operates regarding the use of personal data. As data privacy concerns have increased in recent years, a number of jurisdictions have implemented, or commenced exploration into the introduction of, new regulations on the treatment and protection of client data. The Issuer collects and processes personal data (including name, address, age, bank and credit card details and other personal data) from its customers, third party claimants, business contacts and employees as part of the operation of its business, and therefore it must comply with data protection and privacy laws. Those laws generally impose certain requirements on the Issuer in respect of the collection, retention, deletion, use and processing of such personal data.

Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of policies or overpayment of claims. The Issuer seeks to ensure that procedures are in place to comply with the relevant data protection regulations by its employees and any third-party service providers, and also implement security measures to help prevent cyber-theft. Notwithstanding such efforts, the Issuer is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. In addition, the Issuer may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with the growing threat.

In addition, the introduction of e-privacy legislation may result in new rules around, amongst other things, confidentiality of online communications, the use of cookies and direct marketing, again increasing the regulatory burden on the Issuer in conducting its business and impacting the way it markets its products and services.

In addition, the Issuer expects data privacy to remain a focus area for regulators in many of the other jurisdictions where it operates and that new data protection requirements will continue to be introduced in the future.

If the Issuer or any of the third-party service providers on which it relies (including non-subsidiary affiliates of the Issuer) fails to comply with existing data protection laws or fails to adapt to new or amended data protection laws, due to any failure to store or transmit customer information in a secure manner or any loss or wrongful processing of personal data, the Issuer could be subject to investigative and enforcement action by relevant regulatory authorities, claims or complaints from the individuals to whom the data relates or could face liability under data protection laws. Any of these events could also result in the Issuer suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

Negligent or fraudulent actions by the Issuer’s personnel could lead to regulatory claims or reputational damage

The Issuer is exposed to risk from potential non-compliance by its staff with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of financial institutions have suffered material losses due to the actions of “rogue traders” and other employees. Although the Issuer takes precautions to prevent and detect misconduct by its employees, such as hiding unauthorised activities, carrying out improper or unauthorised activities on behalf of customers or improper use of confidential information or funds, it is not always possible to deter or prevent employee misconduct, and the precautions the Issuer takes to detect and prevent these activities may not always be effective. Given the Issuer’s high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Failure by the Issuer to identify, prevent or manage employee misconduct, or any inadequacy of the Issuer's internal processes or systems in detecting or containing such risks, could adversely affect the Issuer's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.

Certain financial instruments are recorded at fair value under relevant accounting rules. To determine fair value, the Issuer uses financial models which require it to make certain assumptions and judgements and estimates which may change over time

Under IFRS, the Issuer is required to carry certain financial instruments on its balance sheet at fair value, including, among others, trading assets (which include certain retained interests in loans that have been securitised), other comprehensive income, equity and debt instruments, assets where the business model is to hold to collect the contractual cash flows but the loan has failed the SPPI test. Generally, in order to establish the fair value of these instruments, the Issuer relies on quoted market prices or internal valuation models that utilise observable market data. In certain circumstances and over the last year in particular, however, the ability of the Issuer and other financial institutions to establish fair values has been influenced by the lack of readily available observable market prices and data and the fact that the availability or reliability of such information has diminished due to market conditions. Furthermore, in common with other financial institutions, the Issuer's processes and procedures governing internal valuation models are complex and require the Issuer to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent the Issuer's assumptions, judgements or estimates change over time in response to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on the Issuer's balance sheet could have a material adverse effect on the Issuer's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets identified as hold to collect are carried at amortised cost while assets held to sell or to collect and sell are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon their business model assessments. In addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments.

Accordingly, the Issuer’s carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments.

Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on the Issuer’s financial condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which the Issuer believes it could ultimately be realised.

Risks relating to the Issuer’s fiscal, legal and regulatory compliance

Legal and regulatory risks are substantial in the Issuer’s business

Substantial legal liability or a significant regulatory action against the Issuer could have a material adverse effect or cause significant reputational harm to the Issuer, which, in turn, could seriously harm the Issuer’s business prospects and have an adverse effect on its results of operations and financial condition.

Legal liability

The Issuer faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading statements made in connection with the sale of securities and other transactions, potential liability for advice the Issuer provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. The Issuer also faces the possibility that counterparties in complex or risky trading transactions will claim that the Issuer failed to properly inform them of the risks or that they were not authorised or permitted to enter into these transactions with the Issuer and that their obligations to the Issuer are not enforceable.

The Issuer may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the Issuer’s results of operations and financial condition.

These issues require the Issuer to deal appropriately with, inter alia, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Issuer, with an increase in the number of litigation claims and the amount of damages asserted against the Issuer, or subject the Issuer to regulatory enforcement actions, fines, penalties or reputational damage.

Mauritian Regulatory developments

To ensure adherence to international standards with respect to exchange of information, Mauritius has adopted the Multilateral Convention on Mutual Administrative Assistance in tax matters developed jointly by the Council of Europe and the OECD.

Regulatory risks

The Issuer is regulated by both the BoM and the South African Reserve Bank. In addition, the Issuer is subject to extensive and increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which it operates. The requirements imposed by the Issuer's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with the Issuer. These requirements are not in all cases designed to protect the Issuer's shareholders.

In addition, new laws are introduced, and existing laws are amended from time to time, including Tax, consumer protection, privacy and other legislation, which affect the environment in which the Issuer operates. Governmental policies and regulatory changes in the other areas which could affect the Issuer, include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which the Issuer operates or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy and liquidity framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- further developments in the corporate governance, conduct of business and employee compensation environments;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political or diplomatic developments or legal uncertainty which, in turn, may affect demand for the Issuer's products and services.

Consequently, changes in these governmental policies and regulation may limit the Issuer's activities, which could have an adverse effect on the Issuer's results.

It is widely expected that as a result of recent interventions by governments in response to global economic conditions, there will be a substantial increase in government regulation and supervision of the financial services industry, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. If enacted, such new regulations could significantly impact the profitability and results of firms operating within the financial services industry, or could require those affected to enter into business transactions that are not otherwise part of their preferred strategies, prevent the continuation of current lines of operations, restrict the type or volume of transactions which may be entered into or set limits on, or require the modification of, rates or fees that may be charged on certain loan or other products. Such new regulations may also result in increased compliance costs and limitations on the ability of the Issuer or others within the financial services industry to pursue business opportunities.

Further changes to the regulatory requirements applicable to the Issuer, whether resulting from recent events in the credit markets or otherwise, could materially affect its business, the products and services it offers and the value of its assets.

Factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities it wishes to subscribe for, the merits and risks of investing in such Securities and the information contained or incorporated by reference in this Programme Memorandum and/or any Applicable Pricing Supplement (Notes) and/or Applicable Pricing Supplement (Preference Shares);
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities in question will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest or dividends (as applicable) payable in one or more currencies, or where the currency for principal or interest or dividends (as applicable) payments is different from the potential Investor's currency;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential Investor's overall investment portfolio.

Risks related to the structure of a particular issue of Securities

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Securities subject to optional redemption by the Issuer

If specified as applicable in the Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares), as the case may be, in respect of a Tranche of Securities, the Issuer may, at its option, redeem that Tranche of Securities (in whole or in part) on the Optional Redemption Date as set out in Condition 9.3 (*Early Redemption at the option of the Issuer*) of the Note Terms and Conditions or Condition 10.3 (*Early Redemption at the option of the Issuer*) of the Programme Preference Share Terms and Conditions, as applicable. In addition, the Issuer may, at its option, redeem Tranche(s) of Notes in a Series (in whole but not in part) in the circumstances set out in Condition 9.2 (*Redemption following the occurrence of a Tax Event (Gross Up) or Tax Event (Deductibility) or Change in Law*) of the Note Terms and Conditions and Tranche(s) of Programme Preference Shares in a Class (in whole but not in part) in the circumstances set out in Condition 10.2 (*Early Redemption following a Regulatory Event)*, as the case may be.

An optional redemption feature of Securities is likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Securities and Dual Currency Notes

The Issuer may issue Securities with principal or interest or redemption amount or dividend, as the case may be, determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**").

In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Securities may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest or redemption amount or divided, as applicable, payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Securities. Accordingly, you should consult your own financial and legal advisers about the risk entailed by an investment in any Index Linked Securities and the suitability of such Securities in light of their particular circumstances.

Variable rate Securities with a multiplier or other leverage factor

Securities with variable interest rates or dividend rates, as applicable, can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Securities

Fixed/Floating Rate Securities may bear interest and/or dividends, as the case may be, at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Securities may be less favourable than then prevailing spreads on comparable Floating Rate Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Securities.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as JIBAR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

The payment obligations of the Issuer under Subordinated Notes will rank behind Senior Notes. Subordinated Notes constitute direct, unconditional, unsecured, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain debts accorded preferential rights by law) and at least *pari passu* with all other Subordinated Indebtedness of the Issuer.

See Condition 6.2 (*Status of Subordinated Notes*) of the Note Terms and Conditions of the Notes for a full description of subordination and the payment obligations of the Issuer under Subordinated Notes.

With regard to any Subordinated Notes, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, administration or wound-up or if business rescue proceedings are commenced in respect of the Issuer, the Issuer will be required to pay or discharge the claims of the holders of Senior Notes and other unsubordinated creditors in full before it can make any payments in respect of such Subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such Subordinated Notes.

The ranking of the Programme Preference Shares

Each Programme Preference Share will rank as regards to the payment of dividends and a return of capital on the winding-up of the Issuer in accordance with the Issuer's Constitution.

Capital Regulations

In order for the proceeds of the issuance of any Class of Programme Preference Shares to qualify as Regulatory Capital, the Class of Programme Preference Shares must comply with the applicable Regulatory Capital Requirements, where "**Regulatory Capital Requirements**" means, at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa and Mauritius in relation to banks registered under the South African Banks Act, 1990 and the Mauritius Banking Act, 2004, and licensed to conduct the business of a bank in Mauritius and/or South Africa or the controlling companies of such banks.

Risks related to Securities generally

Set out below is a brief description of certain risks relating to the Securities generally:

Because the Uncertificated Securities are held by or on behalf of CSD, investors will have to rely on their procedures for transfers, payments and communications with the Issuer

Securities issued under the Programme may be issued in uncertificated form and will in such cases be deposited with the CSD. Except in the circumstances described in Condition 14 (*Exchange of Beneficial Interests and Replacement of Certificates*) of the Note Terms and Conditions and Condition 14 (*Exchange of Beneficial Interests and Replacement of Certificates*) of the Programme Preference Share Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in the Uncertificated Notes. Investors will be able to trade their Beneficial Interests in such uncertificated Securities only through CSD.

While any Securities are issued in uncertificated form, the Issuer will discharge its payment obligations under such Securities by making payments to the CSD for distribution to their account holders. A holder of a Beneficial Interest must rely on the procedures of the CSD to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests in the uncertificated Securities.

Holders of Beneficial Interests in uncertificated Securities will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Compliance with the Mauritian Companies Act in relation to the payment of any Preference Dividend and/or Redemption Amount under the Programme Preference Shares

The payment of any Preference Dividend and/or Redemption Amount under the Programme Preference Share is subject to the relevant provisions of section 61, 76 and 80 of the Mauritian Companies Act. Failure by the Issuer to satisfy the requirements of the Mauritius Companies Act at any time when the Preference Dividend and/or Redemption Amount, as the case may be, is due to be paid under the Programme Preference Share Terms and Conditions shall not relieve the Issuer of its obligation to pay such Preference Dividend and/or Redemption Amount, as applicable, at any time when it is lawfully able to do so.

Modification and waivers and substitution

The Applicable Terms and Conditions contain provisions for calling meetings of holders of Securities respectively, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Programme Preference Shareholders, as the case may be, including holders who did not attend and vote at the relevant meeting and holders of Securities who voted in a manner contrary to the majority.

Change of law

This Programme Memorandum, the Securities and the Applicable Terms and Conditions, are governed by, and will be construed in accordance with, the laws of South Africa. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa or administrative practice in South Africa after the Programme Date.

Taxation

A general guide of the relevant tax laws is set out in that section of this Programme Memorandum headed "*Taxation*".

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest or dividend rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt or equity securities. Illiquidity may have a severely adverse effect on the market value of Securities. To the extent required by a Financial Exchange and/or the listings requirements of such Financial Exchange, as the case may be, on which a Tranche of Securities is listed, the Issuer may procure that a third party provide liquidity by appointing a third party as a market maker. However, to the extent not required by the Financial Exchange or the listings requirements of that Financial Exchange on which the Tranche of Securities is listed, the decision to appoint a market maker is voluntary and there can be no guarantee or assurance that a market maker will be appointed.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an Investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities. Similarly, the Issuer may be exposed to potential losses if the Specified Currency was to depreciate against key currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial condition and results of operations.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Dealings in the Securities and the performance by the Issuer of its obligations under any of the Securities may be subject to the South African Exchange Control Regulations. In particular, no Security may be (a) subscribed for, or purchased, by a Resident (as defined in "*South African Exchange Control Regulations*"); or (b) sold to a Resident; or (c) beneficially held, or owned, by a Resident, other than in strict compliance with the South African Exchange Control Regulations in effect from time to time. A summary of the South African Exchange Control Regulations is set out in the section of this disclosure document headed "*South African Exchange Control Regulations*".

Interest rate and/or dividend rate risks

Investment in Fixed Rate Notes and/or Fixed Rate Programme Preference Shares, as the case may be, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and/or Fixed Rate Programme Preference Shares, as the case may be.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Additional Risk Factors Applicable to the Relevant Credit Linked Securities

General Considerations

The Relevant Credit Linked Securities are securities which are credit-linked to the performance of the Reference Entity and the obligations of such Reference Entity under the Reference Obligations. Investors should note that the Relevant Credit Linked Securities differ from ordinary debt or equity securities issued by the Issuer in that the amount of interest, principal and (if any) dividends payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity. If a Credit Event occurs in relation to any Relevant Credit Linked Securities, the Issuer will, subject to certain conditions, redeem those Relevant Credit Linked Securities by payment of money (in an amount equal to the Cash Settlement Amount) or, if so provided, by the Delivery of Deliverable Obligations comprising the Entitlement or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the value of the Deliverable Obligations comprising the Entitlement may be less than the Nominal Amount or Calculation Amount of the Securities or zero. Accordingly, the Securities Holders may be exposed to the credit of the Reference Entities up to the full extent of their investment in the Relevant Credit Linked Securities. An investment in such Relevant Credit Linked Securities is speculative and volatile and involves a high degree of risk and accordingly, in certain circumstances, the Relevant Credit Linked Securities will cease to accrue Scheduled Preference Dividends or Interest and the value received by Securities Holders on redemption may be less than their original investment and may in certain circumstances be zero. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in the Relevant Credit Linked Securities as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

The Relevant Credit Linked Securities are linked to the creditworthiness of the Reference Entity. The likelihood of a Credit Event occurring in respect of the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the Reference Entity, general economic conditions, the condition of certain financial markets, political events in one or more jurisdictions, developments or trends in any particular industry and changes in prevailing interest rates. Accordingly, the price of the Relevant Credit Linked Securities may be volatile.

Credit risk on Reference Entity

Investors in the Relevant Credit Linked Securities will be exposed to the credit of the Reference Entity, which exposure shall be, unless otherwise stated in the Applicable Pricing Supplements, to the full extent of their investment in such Relevant Credit Linked Securities. Upon the occurrence of any of the default events comprising a Credit Event with respect to the Reference Entity, the Relevant Credit Linked Securities may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of the Reference Entity. However, the holding of a Relevant Credit Linked Securities is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Securities Holders should also note that a Credit Event may occur even if the obligations of the Reference Entity are unenforceable or their performance is prohibited by Applicable Laws or exchange controls.

The occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Relevant Credit Linked Securities for a reduced redemption amount or at zero, and, (if applicable) in a reduction of the amount on which and, if so specified in the Applicable Pricing Supplements, a reduction in the rate at which, dividends or interest are calculated.

Investors in the Relevant Credit Linked Securities are accordingly exposed, as to both principal and (if applicable) dividends, to the credit risk of the Reference Entity. The maximum loss to an investor in the Relevant Credit Linked Securities is 100 percent of their initial investment, together with (if applicable) any Scheduled Preference Dividends or Interest.

Prospective investors in the Relevant Credit Linked Securities should conduct their own investigations and analysis, in deciding whether or not to invest in the Relevant Credit Linked Securities, should form their own views of the merits of an investment related to the Relevant Credit Linked Securities based upon such investigations. In particular, each investor contemplating investing in any Relevant Credit Linked Securities should make its own appraisal of the Reference Entity. If in doubt, potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision. Neither the Issuer nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity.

Reliance on Creditworthiness of the Issuer

The Relevant Credit Linked Securities comprise debt obligations of the Issuer and, consequently, the Relevant Credit Linked Securities are relying not only on the creditworthiness of the Reference Entity but also on the creditworthiness of the Issuer. The Relevant Credit Linked Securities are not secured in any way.

Credit observation period

Securities Holders may suffer a loss of some, or all, of the principal of the Relevant Credit Linked Securities in respect of one or more Credit Events that occur prior to the Issue Date. Neither the Calculation Agent or the Issuer nor any of their respective Affiliates has any responsibility to inform any Securities Holders, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Issue Date.

Auction Settlement – Auction Final Price

Where Auction Settlement is specified as the applicable Settlement Method in respect of the Relevant Credit Linked Securities and an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable Credit Derivatives Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation. The Issuer and the Securities Holders may have little or no influence in the outcome of any such auction.

Auction Final Price and the Issuer's ability to influence the Auction Final Price

If the Relevant Credit Linked Securities are redeemed following the occurrence of a Credit Event, the amount payable in respect of the Securities may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms. There is a possibility that the Issuer or the Calculation Agent (or one of their Affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Issuer or the Calculation Agent (or any Affiliate of any of them) shall be under no obligation to consider the interests of any Securities Holder.

Conflict of interest

The Issuer and/or one or more of its Affiliates may act in a number of capacities. The Issuer will act as Paying Agent, Calculation Agent, Settlement Agent and Transfer Agent, and will be responsible for determining whether a Credit Event has occurred, calculating the payments to be made in respect of the Relevant Credit Linked Securities, and determining the dates of such payments in accordance with the applicable Terms and

Conditions. The Issuer and/or one or more of its Affiliates may also deal in the Relevant Credit Linked Securities.

The Issuer will exercise its rights under the terms of the Relevant Credit Linked Securities, including in particular the right to designate a Credit Event and the right to select obligations of the Reference Entity for valuation, in its own interests and those of its Affiliates, and not in the interests of investors in the Relevant Credit Linked Securities. The exercise of such rights in such manner, for example, by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation may result in increased credit loss for Securities Holders.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstances, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Securities Holder. In performing its duties pursuant to the Relevant Credit Linked Securities and making any determination expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Securities Holders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations.

The Issuer may have business or other relationships with the Reference Entity and/or its Affiliates and may hold debt obligations (whether or not constituting Obligations) of, or otherwise have credit exposure to, the Reference Entity and/or its Affiliates. Nothing contained in any of the Applicable Pricing Supplements shall be deemed to restrict or impose any liability, duty or restriction on the Issuer, its Affiliates or any of its officers or directors, in respect of dealing with, or otherwise extending credit to or advising the Reference Entity or any of its Affiliates.

Actions of Reference Entities

Actions of the Reference Entity (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Relevant Credit Linked Securities. Securities Holders should be aware that the Reference Entity to which the value of the Relevant Credit Linked Securities are exposed, and the terms of such exposure, may change over the term of the Relevant Credit Linked Securities.

Deferral of payments

In certain circumstances, for example where (a) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date of payment, or (b) where a Potential Failure to Pay exists as at the Final Redemption Valuation Date of the Relevant Credit Linked Securities, payment of the redemption amount of the Relevant Credit Linked Securities and/or Scheduled Preference Dividends (if any) and/or Interest (if any) on the Relevant Credit Linked Securities may be deferred for a material period in whole or in part without compensation to the Securities Holders.

Valuation

Any quotations used in the calculation of the Cash Settlement Amount may be affected by factors other than the occurrence of a Credit Event. Such prices may vary widely from dealer to dealer and substantially between Valuation Dates. Quotations obtained will be “bid-side” – that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealers. The obligations selected, even absent a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of such obligation which in turn will impact on the amount by which the Cash Settlement Amount of the Relevant Credit Linked Securities may be reduced. Quotations may not be available or the level of such quotations may be substantially reduced as a result of such illiquidity. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to, for example, the present value of the related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available. The Calculation Agent is entitled to select the obligation which has the lowest value in the market at the relevant time – providing such obligation satisfies certain specifications and limits for qualification as a Reference Obligation – for the purposes of calculating the amount by which the Cash Settlement Amount is reduced following a Credit Event.

Where credit losses are determined on the basis of a market protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Calculation Agent or any Affiliate thereof participates in any auction for the purposes of such protocol, then it will do so without regard to the interests of Securities Holders. Such participation may have a material effect on the outcome of the relevant auction.

"Cheapest-to-Deliver" risk

Since the Issuer, as buyer of protection and subject to Auction Settlement procedures, if applicable, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of the Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected, provided such obligation satisfies certain specifications and limitations for qualification as a Deliverable Obligation or an Obligation. This could result in a lower recovery value and hence greater losses for investors in the Programme Preference Shares.

No information

The Issuer and the Calculation Agent are not obliged to disclose to Securities Holders any information which they may have at the Issue Date or receive thereafter in relation to the Reference Entity.

Compounding of risks

Various risks relating to the Relevant Credit Linked Securities may be correlated or compounded and such correlation and/or compounding may result in increased volatility in the value of the Relevant Credit Linked Securities and/or increased losses for Securities Holders.

No need for loss

The Issuer's obligations in respect of the Relevant Credit Linked Securities are irrespective of the existence or amount of the Issuer's and/or any Affiliate's credit exposure to the Reference Entity. The Issuer and/or any Affiliate of the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event. Credit losses will be calculated for the purpose of the Relevant Credit Linked Securities irrespective of whether the Issuer or any Affiliate of the Issuer has suffered an actual loss in relation to the Reference Entity or any obligations thereof. The Issuer is not obliged to account for any recovery which it may subsequently make in relation to the Reference Entity or its obligations.

No interest in obligations of Reference Entity

Securities Holders will have a contractual relationship only with the Issuer and not with any obligor in respect of any Obligation or the Reference Entity. Consequently, the Relevant Credit Linked Securities do not constitute a purchase or other acquisition by the Securities Holders, or assignment by the Issuer, of any interest in any Obligation or any obligation of the Reference Entity. The Issuer does not grant any security interest over any such obligation. Securities Holders will have rights solely against the Issuer and will have no recourse against the obligor in respect of any Obligation or the Reference Entity. The Securities Holders will not have any rights to acquire from the Issuer (or to require the Issuer) to transfer, cede, assign or otherwise dispose of any interest in any Obligation or the Reference Entity.

Absence of benchmarks for valuation

In determining the value of the Relevant Credit Linked Securities, Reference Dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the Relevant Credit Linked Securities may be adversely affected.

Historical performance may not predict future performance

The Reference Entity may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of the Reference Entity. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Relevant Credit Linked Securities.

Limited provision of information about Reference Entity

Neither the Programme Memorandum nor any of the Applicable Pricing Supplement provides any information with respect to the Reference Entity. Investors should conduct their own investigation and analysis with respect to the creditworthiness of the Reference Entity and the likelihood of the occurrence of a Credit Event.

The Reference Entity may not be subject to regular reporting requirements under South African securities laws. The Reference Entity may report information in accordance with different disclosure and accounting standards. Consequently, the information available for the Reference Entity may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under South African securities laws. None of the Issuer, the Dealer(s) or the Calculation Agent or any of their respective Affiliates make any representation as to the Reference Entity or as to the accuracy or completeness of any information available with respect to the Reference Entity. Any of such persons may have acquired, or during the term of the Relevant Credit Linked Securities may acquire, non-public information with respect to the Reference Entity that is or may be material in the context of the Relevant Credit Linked Securities. The issue of the Relevant Credit Linked Securities will not create any obligation on the part of any such persons to disclose to Securities Holders or any other party such information (whether or not confidential).

None of the Issuer, the Dealer(s) or the Calculation Agent or any of their respective Affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entity or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event with respect to the Reference Entity.

Limited liquidity

The Reference Obligation may have no, or only a limited, trading market. The liquidity of the Reference Obligation will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Reference Entity. The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the Reference Obligation.

The Reference Obligation may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of the Reference Entity, any resulting diminution in market value of the Reference Obligation could be further magnified by reason of such limited liquidity for obligations of the Reference Entity generally or the Reference Obligation in particular.

Hedging Transactions and Trading Activities

The Issuer and/or any of its Affiliates may be involved in trading transactions with respect to the obligations of the Reference Entity in its normal course of business. In addition, the Issuer and/or any of its Affiliates may hedge itself for protection against the risks which arise in connection with the issue of Relevant Credit Linked Securities by entering into hedging transactions in relation to the obligations of the Reference Entity. In particular, it cannot be excluded that the entering into, or the termination, of such hedging transactions may have a negative effect on the price of the Relevant Credit Linked Securities or on the redemption amounts and/or Scheduled Preference Dividend and/or Interest Amount payable with respect to the Relevant Credit Linked Securities.

ISDA Credit Derivatives Definitions

This Programme contains Credit Linked Conditions with terms based on the 2014 Credit Derivatives Definitions (the "**2014 ISDA Definitions**"). The Issuer has determined that certain provisions of the 2014 ISDA Definitions, which are intended for use by market participants in "over the counter" transactions, require amendment when incorporated in the terms of an offering of securities such as the Relevant Credit Linked Securities. The Credit Linked Conditions also afford the Calculation Agent and the Issuer (as applicable) discretion in respect of determining certain terms that differs in substance in comparison to corresponding terms contemplated in the 2014 ISDA Definitions, including, without limitation, the date on which a Credit Event Determination Date, the Settlement Date or Valuation Date will fall, (which may be determined, inter alia, by reference to the hedging arrangements) and determination of the Quotation Amount. Therefore, a prospective investor should understand that the complete terms and conditions of the Credit Linked Conditions are as set out in this Programme Memorandum and the Applicable Pricing Supplement and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in the Relevant Credit Linked Securities is not necessarily equivalent to investing in a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives, including Relevant Credit Linked Securities are subject to further evolution. Past events have shown that the view of market participants may differ as to how the 2014 ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Relevant Credit Linked Securities may not conform to future market standards. Such a result may have a negative impact on the Relevant Credit Linked Securities. Furthermore, there can be no assurances that changes to the terms applicable to credit derivatives generally will be predicable or favourable to the Issuer or the Securities Holders.

Role of the Credit Derivatives Determinations Committee

Credit Derivative Determinations Committees were established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. In respect of a Credit Event relating to a Relevant Credit Linked Security, prospective investors should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with, and as more fully described in, the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof. Consequently, the payments on the Securities and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a Series of Notes or a Tranche of Programme Preference Shares in the Applicable Pricing Supplement.

Credit Event and Successor Backstop Dates

In respect of a Credit Event relating to a series or tranche of the Relevant Credit Linked Securities, a Credit Event may not be triggered unless a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event within 60 calendar days of the occurrence of such potential Credit Event unless a Credit Event Determination Date has already occurred with respect to such event.

Additional Risk Factors Applicable to the Relevant Indexed Securities

Amounts payable in respect of the Relevant Indexed Securities

The Final Redemption Amount and Preference Dividends payable under the Indexed Programme Preference Shares and the Final Redemption Amount and Interest payable under the Indexed Notes are dependent upon the level of, or changes in the level of, the Index. An investment in the Relevant Indexed Securities will entail significant risks not associated with a conventional fixed rate or floating rate Programme Preference Share or Note.

Value of the Index

The value of an Index is calculated by reference to the value of its components. Changes in the values of the Index components, the composition of the Index as well as factors that may influence the value of the Index components also influence the value of the Relevant Indexed Securities and can influence the yield from an investment in the Relevant Indexed Securities. Fluctuations in the value of one index component may be compensated or aggravated by fluctuations in the value of other index components. The past performance of an index does not represent any guarantee of its future performance. The Relevant Indexed Securities may be subject to early redemption or cancellation, as applicable, or adjustment if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index Sponsor fails to calculate and announce the Index, if certain market disruption events occur, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any Affiliate's hedging arrangements.

Miscellaneous risks associated with Relevant Indexed Securities

The movements in the level of the Index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the Index may affect the actual yield to investors, even if the average level is consistent with their expectations.

Adjustments and disruptions to the Index Level

If certain disruption events occur with respect to valuation of the Index and the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, such determination may have an effect on the timing of valuation and consequently the value of the Relevant Indexed Securities and/or may delay settlement in respect of the Relevant Indexed Securities. Prospective purchasers should review the Programme Preference Share Terms and Conditions, the Note Terms and Conditions and the Applicable Pricing Supplements to ascertain whether and how such provisions apply to the Relevant Indexed Securities.

The market price of the Relevant Indexed Securities may be volatile and may depend on the time remaining to the redemption and the volatility of the level of the Index. The level of the Index may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the Index may be traded.

Additional Risk Factors Applicable to the Relevant Equity Linked Securities

Amounts payable in respect of the Relevant Equity Linked Securities

The Issuer may issue the Relevant Equity Linked Securities where the amount payable under such Programme Preference Shares or Notes and/or dividends or interest payable are dependent upon the price of or changes in the price of an Underlying Security or a Basket of Securities or where, depending on the price or change in the price of an Underlying Security or a Basket of Securities, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in the Relevant Equity Linked Securities may bear similar market risks to a direct equity investment and investors should seek professional advice accordingly. An investment in the Relevant Equity Linked Securities will entail significant risks not associated with a conventional debt security.

Underlying Companies

The Relevant Equity Linked Securities are associated with particular risks beyond the Issuer's control, such as the risk that a relevant Underlying Company will become insolvent, be nationalised or the subject of a Merger Event or Tender Offer and the risk that the Underlying Security closing price will fluctuate. The performance of the Underlying Securities depends to a significant extent on developments in the capital markets and the markets in which the relevant Underlying Company operates, which in turn depends on the general global economic situation and more specific economic and political conditions.

No dividends

Holders of Relevant Equity Linked Securities, unlike investors which directly invest in the Underlying Securities, do not receive dividends or other distributions payable to the holders of the Underlying Securities.

Adjustments to the Relevant Equity Linked Securities

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, any such determination may have an effect on the timing of valuation and consequently the value of the Relevant Equity Linked Securities and/or may delay settlement in respect of the Relevant Equity Linked Securities. Prospective purchasers should review the relevant Terms and Conditions of the Relevant Equity Linked Securities and the Applicable Pricing Supplements to ascertain whether and how such provisions apply to the Notes.

Following the declaration by the Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Securities and, if so, will (a) make the corresponding adjustment, if any, to any of the terms of the relevant Terms and Conditions of the Relevant Equity Linked Securities and/or the Applicable Pricing Supplements as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Relevant Equity Linked Securities.

If a Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency occurs in relation to any Underlying Security, the Issuer in its sole and absolute discretion may take the action described in paragraph (i) or (ii) below:

(i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the Terms and Conditions and/or the Applicable Pricing Supplement to account for the Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Relevant Equity Linked Securities; and

(ii) redeem or cancel part (in the case of Equity Basket Notes or Equity Basket Programme Preference Shares) or all (in any other case) of the Notes or the Programme Preference Shares. Following such redemption or cancellation, an investor generally would not be able to reinvest the redemption or cancellation proceeds at an effective interest rate or Dividend Rate as high as the interest rate or Dividend Rate on the Relevant Equity Linked Securities being redeemed or cancelled and may only be able to do so at a significantly lower rate. Prospective investors in the Relevant Equity Linked Securities should consider reinvestment risk in light of other investments available at that time.

Miscellaneous risks associated with Equity Linked Notes or Equity Basket Notes

The market price of the Equity Linked Securities may be volatile and may be affected by the time remaining to the redemption or exercise date, the volatility of the Underlying Securities, the dividend rate (if any) and the financial results and prospects of the relevant Underlying Company as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such Underlying Securities may be traded.

No Underlying Company will have participated in the preparation of the Applicable Pricing Supplements or in establishing the terms of the Relevant Equity Linked Securities and none of the Issuer nor the Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Underlying Company contained in such Applicable Pricing Supplements or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Issue Date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Applicable Pricing Supplement) that would affect the trading price of the Underlying Security will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Underlying Company could affect the trading price of the Underlying Security and therefore the trading price of the Notes or Programme Preference Shares.

SOUTH AFRICAN EXCHANGE CONTROL

Capitalised terms used in this section headed "South African Exchange Control" shall bear the same meanings as used in the relevant Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

Programme Memorandum

This Programme Memorandum does not require the prior approval of the Financial Surveillance Department of the South African Reserve Bank (the "**Exchange Control Authorities**") in terms of the Exchange Control Regulations.

Issue of Securities

The issue of a particular Tranche of Notes or Programme Preference Shares may, depending on the type of Securities in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

In particular, in terms of Rule 3.12(c) of the JSE Debt Listings Requirements, "*where the ... Issuer issues listed [Notes/Programme Preference Shares] that will pay higher than the interest rate to be paid/discounted in terms of exchange control policy, and where there will be foreign participation cross-border funding, the ... Issuer is required to obtain prior [Exchange Control Authorities] approval/directive in respect of the issue. Exchange control policy allows interest to be paid up to the prime overdraft rate (predominant rate) plus 3% per annum or as amended from time to time*".

Dealings in the Securities and the performance by the Issuer of its obligations under the Securities and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Non-South African resident holders of Securities and emigrants from the Common Monetary Area

Emigrant Blocked Rand

Emigrant Blocked Rand may be used for the subscription for or purchase of Securities. Any amounts payable by the Issuer in respect of the Securities subscribed for or purchased with Emigrant Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to holders of the relevant Securities who are emigrants from South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland (the "**Common Monetary Area**") will be endorsed "*non-resident*". Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Securities is held by an emigrant from the Common Monetary Area through the Central Depository, the securities account maintained for such emigrant by the relevant Participant will be designated as an "*emigrant*" account. All payments in respect of subscriptions for Securities by an emigrant from the Common Monetary Area, using Emigrant Blocked Rands, must be made through the Authorised Dealer in foreign exchange controlling the blocked assets.

Any payments of interest and/or principal due to a holder of Securities who is an emigrant from the Common Monetary Area will be deposited into such emigrant holder's Emigrant Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to holders of Securities who are not resident in the Common Monetary Area will be endorsed "*non-resident*". In the event that a Beneficial Interest in Securities is held by a non-resident of the Common Monetary Area through the Central Depository, the securities account for such holder of Securities by the relevant Participant will be designated as a "*non-resident*" account.

It will be incumbent on any such non-resident holder of Securities to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Securities are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Securities are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed "*non-resident*" or the relevant securities account has been designated as a "*non-resident*" account, as the case may be.

As at the Programme Date, no exchange control approval is required in respect of the Programme and/or the Securities.

Signed at Port Louis on this 13th day of May 2022.

For and on behalf of:

IINVESTEC BANK (MAURITIUS) LIMITED

Name: Helena Cloete
Capacity: Authorised signatory
Who warrants his/her authority hereto

Name: James Catto
Capacity: Authorised signatory
Who warrants his/her authority hereto