

Investec Limited

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

Investec plc

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

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

Accordingly, we advise of the following:

Investec Limited – Basel III disclosures at 30 June 2020**Capital disclosures**

The disclosures below are made with respect to Basel III quarterly disclosure requirements. Investec Limited holds capital in excess of regulatory requirements. Effective 1 April 2019, Investec Limited and Investec Bank Limited adopted the Foundation Internal Ratings Based (FIRB) approach for calculating regulatory capital. As such the below capital disclosures have been prepared on this basis.

As at 30 June 2020	Including unappropriated profits	
	Investec Limited* R'mn	IBL* R'mn
Common equity tier 1 capital	40,007	41,257
Additional tier 1 capital	1,870	652
Tier 1 capital	41,877	41,909
Tier 2 capital	10,825	12,682
Total regulatory capital	52,702	54,591
Risk-weighted assets per risk type:		
Credit risk	261,108	261,741
Counterparty credit risk	8,745	8,699
Credit valuation adjustment risk	2,827	2,821
Equity risk	29,864	14,519
Market Risk	6,530	6,150
Operational risk	27,777	22,162
Total risk-weighted assets	336,851	316,092
Total minimum capital requirement	35,369	33,190
Capital ratios		
Common equity tier 1 ratio	11.9%	13.1%
Tier 1 ratio	12.4%	13.3%
Total capital adequacy ratio	15.6%	17.3%

Leverage ratio disclosures

As at 30 June 2020	Including unappropriated profits	
	Investec Limited* R'mn	IBL* R'mn
Tier 1 capital	41,877	41,909
Total exposure	590,570	562,460
Leverage ratio	7.1%	7.5%

As at 30 June 2020	Excluding unappropriated profits	
	Investec Limited* R'mn	IBL* R'mn
Common equity tier 1 capital	38,016	39,889
Additional tier 1 capital	1,882	612
Tier 1 capital	39,898	40,501
Tier 2 capital	10,960	12,597
Total regulatory capital	50,858	53,098
Risk-weighted assets per risk type:		
Credit risk	260,244	261,327
Counterparty credit risk	8,745	8,699
Credit valuation adjustment risk	2,827	2,821
Equity risk	29,598	14,519
Market Risk	6,530	6,150
Operational risk	27,777	22,162
Total risk-weighted assets	335,721	315,678
Total minimum capital requirement	35,251	33,146
Capital ratios		
Common equity tier 1 ratio	11.3%	12.6%
Tier 1 ratio	11.9%	12.8%
Total capital adequacy ratio	15.1%	16.8%

Leverage ratio disclosures

As at 30 June 2020	Excluding unappropriated profits	
	Investec Limited* R'mn	IBL* R'mn
Tier 1 capital	39,898	40,501
Total exposure	590,163	562,296
Leverage ratio	6.8%	7.2%

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

Liquidity disclosures

Liquidity coverage ratio (LCR)

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

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

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

The following table sets out the LCR for IBL (solo basis) and IBL consolidated group for the quarter ending 30 June 2020:

	IBL (solo basis) – Total weighted value	IBL consolidated group – Total weighted value
High quality liquid assets (HQLA) (R'mn)	82,946	84,633
Net cash outflows (R'mn)	62,198	59,928
Actual LCR	134.4%	142.6%
Required LCR	80%^	80%^

^ - temporarily reduced from 100% by the PA

The values in the table are calculated as the simple average of 91 calendar daily values over the period 1 April 2020 to 30 June 2020 for IBL (solo basis). IBL consolidated group values use daily values for IBL (solo basis), while those for other group entities use the average of April, May and June 2020 month-end values.

Net stable funding ratio (NSFR)

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

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

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

The following table sets out the NSFR for IBL (solo basis) and IBL consolidated group as at 30 June 2020:

	IBL (solo basis)	IBL consolidated group
Actual NSFR	117.4%	118.5%
Required NSFR	100%	100%

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

31 July 2020

Sponsor: Investec Bank Limited