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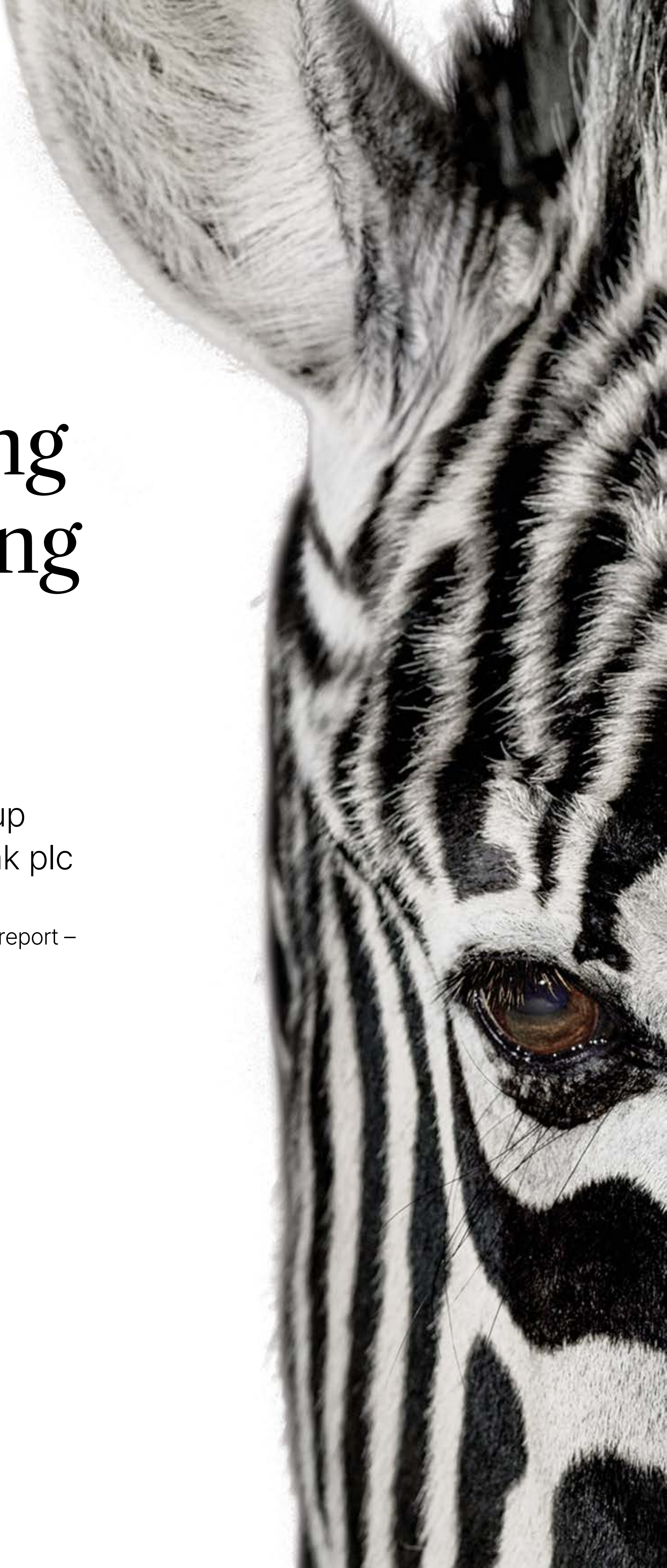

Investec plc Group and Investec Bank plc

Pillar 3 interim disclosure report – 30 September 2023

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ABBREVIATIONS

In the sections that follow, the following abbreviations are used:

AT1	Additional Tier 1
ASF	Available stable funding
CCB	Capital Conservation Buffer
CCF	Credit conversion factor
CCP	Central Counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRM	Credit risk mitigation
CRR	Capital Requirements Regulations
CVA	Credit valuation adjustment
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
ECL	Expected credit loss
EU	European Union
EVE	Economic value of equity
FCA	Financial Conduct Authority
FHC	Financial Holding Company
FPC	Financial Policy Committee
Group	Investec plc and its subsidiaries
HQLA	High Quality Liquid Assets
IAA	Internal assessment approach
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IFRS	International Financial Reporting Standards
IRRBB	Interest rate risk in the banking book
JSE	Johannesburg Stock Exchange
LCR	Liquidity Coverage Ratio
LSE	London Stock Exchange
MDB	Multilateral development bank
MREL	Minimum requirements for own funds and eligible liabilities
NII	Net interest income
NSFR	Net Stable Funding Ratio
OTC	Over-the-counter
PFE	Potential future exposure
PRA	Prudential Regulation Authority
PSE	Public sector entity
QCCP	Qualifying Central Counterparty
RC	Replacement cost
RWEA	Risk weighted exposure amount
RWAs	Risk weighted assets
SA	Standardised approach
SA-CCR	Standardised approach for measuring counterparty credit risk
SEC-ERBA	Securitisation – External Ratings-based approach
SEC-SA	Securitisation – Standardised approach
SFT	Securities financing transaction
SME	Small and medium-sized enterprise
SPEs	Special purpose entities
SREP	Supervisory Review and Evaluation Process
SRT	Significant risk transfer
STS	Simple transparent and standardised
TC	Total capital
T1	Tier 1
T2	Tier 2
UK	United Kingdom

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Introduction

INTRODUCTION

Investec plc is a Specialist Banking Group with access to a diversified wealth management offering to deliver an extensive range of products and services.

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-touch and high-tech approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values purposeful thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team, our people are empowered and committed to our values and culture.

During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

In terms of our DLC structure, Investec Limited is the holding company of our businesses in South Africa and Mauritius, and Investec plc is the holding company of our non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited (JSE) South Africa (since 1986) and Investec plc on the LSE (since 2002). Investec plc is a FTSE 250 company.

Investec plc and Investec Limited are separate legal entities, but are bound together by contractual agreements and mechanisms. Investec operates as a single unified economic enterprise where shareholders have common economic and voting interests. Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies.

Regulation and supervision

Investec plc is an approved United Kingdom (UK) Financial Holding Company (FHC). In line with the Capital Requirements Directive (CRD) V requirements and Capital Requirements Regulation (CRR) II amendments requiring FHC and Mixed FHC of Prudential Regulation Authority (PRA)-regulated subsidiaries to become approved holding companies, Investec plc applied in June 2021 for approval in accordance with Part 12B of the Financial Services and Markets Act 2000. The approval was effective 14 October 2021. Investec plc is now responsible for ensuring compliance with prudential requirements on a consolidated basis. Investec Bank plc, the main banking subsidiary of Investec plc, continues to be authorised by the PRA and regulated by the Financial Conduct Authority (FCA) and the PRA.

Investec plc calculates capital resources and requirements using the Basel 3 framework, as implemented in the European Union (EU) through the CRD IV, as amended by CRR II and CRD V. Following the end of the Brexit transitional period, the EU rules (including binding technical standards) have been onshored and now form part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018.

Subsidiaries of Investec plc may be subject to additional regulations, as implemented in other relevant jurisdictions.

The Basel 3 framework is structured around three ‘pillars’ namely Pillar 1 minimum capital requirements, Pillar 2 supervisory review process and Pillar 3 market discipline. Pillar 3 aims to complement the other two pillars by developing a set of disclosure requirements that will allow market participants to gauge the capital adequacy of a firm.

Policy

The Pillar 3 disclosures in this document are prepared in accordance with the Disclosure (CRR) part of the PRA rulebook, effective 1 January 2022, at the Investec plc consolidated Group level, which includes Investec plc and its subsidiaries (the Group) and comprises both quantitative and qualitative information at 30 September 2023, with comparative figures for 31 March 2023 and commentary provided on material movements, where relevant

The Group is classified as a ‘large institution’ and is therefore subject to quarterly Pillar 3 reporting.

Investec Bank plc (IBP), is the principal banking subsidiary of the Investec plc Group. IBP applies the provisions laid down in Article 9 (solo-consolidation waiver) of the CRR and therefore includes Investec Investments (UK) Limited in the solo-consolidation. In accordance with Article 13 and the Disclosure (CRR) Part of the PRA rulebook, a sub-set of Pillar disclosures have to be published by significant subsidiaries.

Significant subsidiary disclosures are published semi-annually. The sub-set of Pillar 3 disclosures for IBP as at 30 September 2023 are included in Appendix A of the Investec plc Group and Investec Bank plc Interim Pillar 3 disclosure report.

The Pillar 3 disclosures are published in a standalone disclosure report and are available to view on the Investec website at www.investec.com. The Pillar 3 disclosures of the Group are governed by the Investec plc Pillar 3 disclosure policy, which is approved by the DLC Board Risk and Capital Committee (DLC BRCC), a delegated sub-committee of the Investec plc Board. The Board delegates responsibility for review and approval of these disclosures to a sub-committee of the DLC BRCC.

The Pillar 3 disclosures of the Bank are governed by the IBP Pillar 3 disclosure policy, which is approved by the IBP Board Risk and Capital Committee (IBP BRCC), a delegated sub-committee of the IBP Board. The Board delegates responsibility for review and approval of these disclosures to a sub-committee of the IBP BRCC.

Philosophy and approach to capital and liquidity

Investec plc has maintained a conservative approach to capital and liquidity for many years, long before many of the regulations came into effect. The Group holds capital in excess of regulatory requirements and remains well capitalised. At 30 September 2023, the Common Equity Tier (CET1) ratio of the Group was 11.5%. As Investec plc is on the Standardised approach (SA), our risk weighted assets (RWAs) represent a large portion of our total assets. As a result, we inherently hold more capital than firms that apply the Advanced Internal Ratings-Based Approach.

The Group retains one of the highest leverage ratios amongst its peers, whilst meeting the Basel 3 liquidity requirements for some time. The leverage ratio, calculated as regulatory capital over regulatory balance sheet assets for the Group, was 8.6% at 30 September 2023.

Cohesive liquidity management is vital for protecting our depositors, preserving market confidence, safeguarding our reputation and ensuring sustainable growth with established funding sources. Through active liquidity management, we seek to preserve stable, reliable and cost-effective sources of

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funding. As such, the Group considers ongoing access to appropriate liquidity for all its operations to be of paramount importance, and our core liquidity philosophy is reflected in day-to-day practices.

We carry a high level of liquidity in all our banking subsidiaries in order to be able to cope with shocks to the system, targeting a minimum cash to customer deposit ratio of 25%.

Total cash and near cash balances for the Group amounted to £8.7 billion at 30 September 2023 representing 43.7% of customer deposits.

At 30 September 2023 the Group's point-in-time Liquidity Coverage Ratio (LCR) was 393% and the Net Stable Funding Ratio (NSFR) was 146%, well above the minimum regulatory minimum of 100%. The LCR ratio disclosed in table 1 on page 8 reflects the 12-month average ratio.

Minimum capital requirements

The Group's minimum CET1 requirement at 30 September 2023 is 8.6% comprising a 4.5% Pillar 1 minimum requirement, a 2.5% Capital Conservation Buffer (CCB), a 0.31% Pillar 2A requirement and a 1.3% Countercyclical Capital Buffer (CCyB). The Group's institution-specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set. As at 30 September 2023 the UK CCyB rate is 2%.

Regulatory developments

From 5 July 2023, the UK CCyB rate increased from 1% to 2%. The Financial Policy Committee (FPC) agreed when they met in July 2023, to maintain the UK CCyB rate at 2%, ensuring banks have sufficient capacity to absorb future shocks without unduly restricting lending.

On 30 November 2022, the PRA published a consultation paper on the Implementation of the Basel 3.1 standards, which set out the proposed rules and expectations that cover parts of the Basel 3 standards that remain to be implemented in the UK and relate to the calculation of RWAs.

The Basel 3.1 standards aim to restore credibility in risk-weighted ratios, by introducing more robust and risk-sensitive Standardised approaches, whilst curtailing the RWA benefits Internal Models can provide. The proposals aim to advance the PRA's primary objective to promote the safety and soundness of the firms that it regulates. By improving the measurement of risk, the PRA are of the view that it will help ensure firms are adequately capitalised given the risks they are exposed to. Whilst the PRA are proposing limited adjustments to the international standards in order to adhere to the global reforms, they have proposed the removal of several onshored EU discretions, such as the small and medium-sized enterprise (SME) supporting factor.

The consultation closed for comment on 31 March 2023 with the rule changes initially planned to take effect from 1 January 2025. However, on 27 September 2023, the PRA released a statement confirming that the final rules will be published in two parts. The first set of rules will be published in Q4 2023 and will cover market risk, credit valuation adjustment (CVA) risk, counterparty credit risk (CCR) and operational risk. The second set of rules will be published in Q2 2024 and will cover the remaining elements: credit risk, the output floor and the reporting and disclosure requirements. Additionally, the PRA has confirmed that implementation will be delayed by six months to 1 July 2025, with full compliance required by 1 January 2030.

Material changes to the Group during the first half of 2023

In the prior period, the Boards and Management of Investec Group and Rathbones Group plc ("Rathbones") entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited ("IW&I UK") and Rathbones (the "Combination"). The Combination brings together two trusted and prestigious UK wealth management businesses with closely aligned cultures and operating models.

The IW&I UK and Rathbones combination creates the UK's leading discretionary wealth manager with c.£100 billion in funds under management and administration ("FUMA"), delivering the scale that will underpin future growth.

The announcement on 21 September 2023 marked the completion of the combination and the beginning of an exciting long-term strategic partnership between Investec and Rathbones, with a coordinated banking and wealth management offering for clients. The Investec Group now has an economic interest of 41.25% in Rathbones' enlarged share capital and a 29.9% voting right.

From the effective date of the combination (i.e. 21 September 2023), the Group will apply equity accounting to its investment in the Rathbones Group, however, for regulatory purposes proportional consolidation has been applied to the Group's 41.25% interest in Rathbones.

Current regulatory framework

In the UK, banks are required to meet minimum capital requirements as prescribed by CRD IV for Pillar 1, namely a CET1 capital requirement of 4.5% of RWAs, a Tier 1 (T1) capital requirement of 6% of RWAs and a total capital (TC) requirement of 8% of RWAs. In addition, banks are required to meet their Pillar 2A total capital requirement, as determined by the Supervisory Review and Evaluation Process (SREP), with at least 56.25% CET1 capital.

The PRA buffer, which is also determined as part of the SREP, must be supported with CET1 capital.

UK firms are required to meet a combined buffer requirement, which is in addition to the Pillar 1 and Pillar 2A capital requirements. The combined buffer includes the CCB and the CCyB and must be met with CET1 capital. The buffer for global systemically important institutions and the systemic risk buffer do not apply to Investec plc and will not be included in the combined buffer requirement.

As at 30 September 2023, Investec plc holds a CCB of 2.5% and an institution specific CCyB of 1.3% of RWAs. The Group's institution specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set.

The Group continues to hold capital in excess of all regulatory capital and buffer requirements.

The Group applies the SA to calculate credit risk, CCR, securitisation risk, operational risk and market risk capital requirements.

In October 2021, the FPC and the PRA confirmed the new UK leverage ratio framework will apply from 1 January 2022 and the existing leverage ratio parts of the UK CRR would be revoked. Investec plc is not subject to the minimum leverage ratio requirement of 3.25%, but is subject to a "supervisory expectation" to manage excessive leverage by ensuring the leverage ratio does not fall below 3.25%. For simplicity, the same leverage ratio exposure measure and capital measure will now apply to all UK banks (including the exemption of central

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bank reserves and will reflect updated international standards). These changes are reflected in our disclosures.

Subsidiaries of Investec plc may be subject to additional regulations as implemented by local regulators in other relevant jurisdictions. Management within each regulated entity pays close attention to prevailing local regulatory rules as determined by their respective regulators. For capital management purposes, it is the prevailing rules applied to the consolidated Investec plc Group that are monitored closely. With the support of the Group's prudential advisory and reporting team, local management of each regulated entity ensures that capital remains prudently above minimum regulatory requirements at all times.

Table 1: Key metrics (UK KM1)

Ref^	£'million	30 Sept 2023	30 Jun 2023*	31 Mar 2023	31 Dec 2022*	30 Sept 2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	2 127	2 001	2 071	1 963	1 956
	Common Equity Tier 1 (CET1) capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	2 107	1 981	2 023	1 913	1 909
2	Tier 1 capital	2 377	2 251	2 321	2 213	2 206
	Tier 1 capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	2 357	2 231	2 273	2 163	2 159
3	Total capital	3 088	2 992	3 060	2 953	2 837
	Total capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied	3 068	2 973	3 013	2 905	2 778
	Risk weighted exposure amounts					
4	Total risk weighted exposure amount	18 504	18 220	17 767	17 864	18 025
	Total risk-weighted exposure amount as if IFRS9 or analogous ECLs transitional arrangements had not been applied	18 485	18 201	17 718	17 814	17 978
	Capital ratios					
5	Common Equity Tier 1 ratio (%)	11.5%	11.0%	11.7%	11.0%	10.8%
	Common Equity Tier 1 ratio (%) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	11.4%	10.9%	11.4%	10.7%	10.6%
6	Tier 1 ratio (%)	12.8%	12.4%	13.1%	12.4%	12.2%
	Tier 1 ratio (%) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	12.8%	12.3%	12.8%	12.1%	12.0%
7	Total capital ratio (%)	16.7%	16.4%	17.2%	16.5%	15.7%
	Total capital ratio (%) as if IFRS9 or analogous ECLs transitional arrangements had not been applied	16.6%	16.3%	17.0%	16.3%	15.5%
	Additional own funds requirements based on SREP (as a percentage of risk weighted exposure amounts)					
UK 7a	Additional CET1 SREP requirement (%)	0.3%	0.3%	0.3%	0.3%	0.3%
UK 7b	Additional AT1 SREP requirement (%)	0.1%	0.1%	0.1%	0.1%	0.1%
UK 7c	Additional T2 SREP requirements (%)	0.1%	0.1%	0.1%	0.1%	0.1%
UK 7d	Total SREP own funds requirements (%)	8.5%	8.6%	8.6%	8.6%	8.5%
	Combined buffer requirement (as a percentage of risk weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	1.3%	0.7%	0.6%	0.6%	0.0%
11	Combined buffer requirement (%)	3.8%	3.2%	3.1%	3.1%	2.5%
UK 11a	Overall capital requirements (%)	12.3%	11.7%	11.7%	11.7%	11.1%
12	CET1 available after meeting the total SREP own funds requirements (%)^^	2.9%	2.4%	3.1%	2.4%	2.3%

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ Line 12 CET1 available after meeting the total SREP own funds requirements (%) is equal to CET1 ratio (line 5) minus total SREP own funds requirements (line UK 7d).
* The 30 June 2023 and 31 December 2022 capital amounts and capital ratios exclude quarterly profits and associated foreseeable charges and dividends for the period 1 April 2023 to 30 June 2023 and 1 October 2022 to 31 December 2022. In accordance with the PRA rules, profits may only be included in a firm's capital position once the profits have been independently verified by an external audit firm. Note 30 September 2023, 31 March 2023 and 30 September 2022 comparatives include verified profits and associated foreseeable charges and dividends for that period.

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Table 1: Key metrics (UK KM1) (CONTINUED)

Ref^	£'million	30 Sept 2023	30 Jun 2023*	31 Mar 2023	31 Dec 2022*	30 Sept 2022
	Leverage ratio^^^					
13	Leverage ratio total exposure measure	27 495	26 507	25 216	25 551	27 692
14	Leverage ratio	8.6%	8.7%	9.2%	8.7%	8.0%
	Leverage ratio as if IFRS9 or analogous ECLs transitional arrangements had not been applied	8.6%	8.7%	9.0%	8.5%	7.8%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	6 543	6 364	6 436	6 456	6 253
UK 16a	Cash outflows – Total weighted value	3 246	3 310	3 379	3 595	3 692
UK 16b	Cash inflows – Total weighted value	1 577	1 653	1 778	1 904	1 998
16	Total net cash outflows (adjusted value)	1 669	1 657	1 601	1 691	1 694
17	Liquidity coverage ratio (%)**	401%	393%	411%	392%	375%
	Net Stable Funding Ratio					
18	Total available stable funding	21 357	20 988	20 783		
19	Total required stable funding	14 771	14 767	14 561		
20	NSFR ratio (%)	145%	142%	143%		

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^^ The leverage ratios are calculated on an end-quarter basis, applying the UK leverage ratio framework which applies to all UK firms from 1 January 2022.
* The 30 June 2023 and 31 December 2022 capital amounts and capital ratios exclude quarterly profits and associated foreseeable charges and dividends for the period 1 April 2023 to 30 June 2023 and 1 October 2022 to 31 December 2022. In accordance with the PRA rules, profits may only be included in a firm's capital position once the profits have been independently verified by an external audit firm. Note 30 September 2023, 31 March 2023 and 30 September 2022 comparatives include verified profits and associated foreseeable charges and dividends for that period.
** The LCR ratio disclosed in this table is the 12-month average ratio.

Minimum requirement for own funds and eligible liabilities

The BoE formally notified Investec plc on 28 June 2023 that Investec plc's preferred resolution strategy will change to Bail-in from 1 January 2026 and as such Investec plc and IBP as a material subsidiary, will be subject to a revised minimum requirement for own funds and eligible liabilities (MREL) from 1 January 2026 onwards in a phased manner. End-state MREL will apply from 1 January 2032. Any additional requirements will be met as part of increasing wholesale market issuance from the existing established base. The Pillar 3 disclosure requirements for MREL, per Article 432(a) of the CRR, are therefore not applicable for 30 September 2023.

Basis of consolidation

The regulatory basis of consolidation differs from the basis of consolidation used for financial reporting purposes. The financial accounting position of the Group is reported under International Financial Reporting Standards (IFRS) and is described on page 64 of the Investec plc 2023 annual report.

The regulatory consolidation includes all financial sector subsidiaries, the majority of which are wholly-owned by the relevant parent company. Investments in financial sector associates are equity accounted in the financial accounting consolidation. In the regulatory consolidation, exposures to financial sector associates are proportionally consolidated. Subsidiaries and associates engaged in non-financial activities are excluded from the regulatory consolidation. In addition, special purpose entities (SPEs) are not consolidated for regulatory purposes, where significant credit risk has been transferred to third parties. The positions IBP continues to hold in these securitisation SPEs will either be risk weighted and/or deducted from CET1 capital.

Table 2 reconciles the Group's financial accounting balance sheet to the regulatory scope balance sheet. The key change from 31 March 2023, is the proportional consolidation of the Group's 41.25% interest in Rathbones from 21 September 2023. The alphabetic references included in the reconciliation provide a mapping of the balance sheet items to elements included in the composition of regulatory own funds (UK CC1) table 3, set out on page 11.

Regulatory capital requirements are driven by the regulatory balance sheet and not the financial accounting balance sheet.

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Table 2: Reconciliation of the financial accounting balance sheet to the regulatory scope of consolidation (UK CC2)

£'million	Ref^	Accounting balance sheet 30 September 2023	Regulatory balance sheet 30 September 2023	Accounting balance sheet 31 March 2023	Regulatory balance sheet 31 March 2023
Cash and balances at central banks		4 751	5 212	5 400	5 400
Loans and advances to banks		1 005	1 139	893	921
Reverse repurchase agreements and cash collateral on securities borrowed		1 122	1 122	1 339	1 339
Sovereign debt securities		1 958	1 958	1 222	1 222
Bank debt securities		227	227	205	205
Other debt securities		832	1 319	697	697
Derivative financial instruments		633	592	635	596
Securities arising from trading activities		131	131	128	128
Investment portfolio		408	406	489	483
Loans and advances to customers		16 282	16 337	15 568	15 566
Other loans and advances		134	156	143	149
Other securitised assets		72	72	78	78
Interests in associated undertakings		827	—	52	—
Deferred taxation assets	a	102	105	112	115
– relates to losses carried forward	a	2	2	2	2
Current taxation assets		43	46	34	36
Other assets	b	779	775	965	695
Property and equipment		77	113	121	122
Goodwill	c	69	291	255	270
Software	c	5	5	9	10
Other acquired intangible assets	c	—	447	41	41
Investment in subsidiary companies		—	81	—	79
Total assets		**29 457**	**30 534**	**28 386**	**28 152**
Deposits by banks		2 389	2 398	2 172	2 172
Derivative financial instruments		740	702	705	669
Other trading liabilities		21	21	28	28
Repurchase agreements and cash collateral on securities lent		100	100	140	140
Customer deposits (deposits)		19 922	20 863	19 122	19 137
Debt securities in issue		1 325	1 325	1 450	1 450
Liabilities arising on securitisation of other assets		76	76	82	82
Current taxation liabilities		8	11	5	8
Deferred taxation liabilities		—	49	—	3
Other liabilities		998	1 102	1 232	1 024
Subordinated liabilities of which:		667	684	731	731
– term subordinated debt included in Tier 2 capital	d	667	684	731	731
Total liabilities		**26 246**	**27 331**	**25 667**	**25 444**
Equity					
Ordinary share premium		556	556	556	556
Treasury shares		(169)	(169)	(182)	(182)
Other reserves		(124)	(122)	(110)	(108)
Retained income		2 672	2 658	2 179	2 163
Ordinary shareholders' equity		**2 935**	**2 923**	**2 443**	**2 429**
Perpetual preference share capital and premium		25	25	25	25
Shareholders' equity excluding non-controlling interests		**2 960**	**2 948**	**2 468**	**2 454**
Other Additional Tier 1 securities in issue	e	250	250	250	250
Non-controlling interests in partially held subsidiaries		1	5	1	4
Total equity		**3 211**	**3 203**	**2 719**	**2 708**
Total liabilities and equity		**29 457**	**30 534**	**28 386**	**28 152**

^ The alphabetical references provide a mapping of the balance sheet items to elements included in the composition of regulatory own funds (UK CC1) table 3, set out on page 11.

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Capital adequacy and leverage

CAPITAL ADEQUACY AND LEVERAGE

Regulatory own funds
Table 3: Composition of regulatory own funds (UK CC1)

Ref^	Common Equity Tier 1 (CET1) capital: instruments and reserves £'million	Ref*	30 September 2023	31 March 2023
1	Capital instruments and the related share premium accounts		556	556
	of which: Ordinary shares (including share premium)		556	556
2	Retained earnings		2 621	1 806
3	Accumulated other comprehensive income (and other reserves)		(125)	194
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**		**3 052**	**2 556**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		(5)	(5)
8	Intangible assets (net of related tax liability) (negative amount)	c	(743)	(312)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	a	(2)	(2)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		(18)	(28)
15	Defined-benefit pension fund assets (negative amount)	b	(3)	—
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		(169)	(182)
UK-20a	Exposure amount of the following items which qualify for a RW of 1 250%, where the institution opts for the deduction alternative		(4)	(4)
UK-20c	of which: securitisation positions (negative amount)		(4)	(4)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)		19	49
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**		**(925)**	**(484)**
29	**Common Equity Tier 1 (CET1) capital**		**2 127**	**2 071**
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	e	250	250
31	of which: classified as equity under applicable accounting standards	e	250	250
36	Additional Tier 1 (AT1) capital before regulatory adjustments		250	250
44	**Additional Tier 1 (AT1) capital**		**250**	**250**
45	**Tier 1 capital (T1 = CET1 + AT1)**		**2 377**	**2 321**
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts***	d	711	694
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	d	—	45
51	Tier 2 (T2) capital before regulatory adjustments		711	739
	Tier 2 (T2) capital: regulatory adjustments			
57	**Total regulatory adjustments to Tier 2 (T2) capital**		—	—
58	**Tier 2 (T2) capital**		**711**	**739**
59	**Total capital (TC = T1 + T2)**		**3 088**	**3 060**
60	**Total Risk exposure amount**		**18 504**	**17 767**

^ The references identify the lines prescribed in the PRA template. Lines represented in this table are those lines which are applicable and have a value assigned to it. All other lines have been suppressed.
* The alphabetical references identify balance sheet components in table 2 – Reconciliation of the financial accounting balance sheet to the regulatory scope of consolidation (UK CC2) which are used in the calculation of regulatory capital.
*** Line 46 includes £17 million of subordinated liabilities arising from the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Table 3: Composition of regulatory own funds (UK CC1) (CONTINUED)

Ref^	£'million	Ref	30 September 2023	31 March 2023
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)		11.5%	11.7%
62	Tier 1 (as a percentage of total risk exposure amount)		12.8%	13.1%
63	Total capital (as a percentage of total risk exposure amount)		16.7%	17.2%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92(1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)		8.6%	7.9%
65	of which: capital conservation buffer requirement		2.5%	2.5%
66	of which: countercyclical buffer requirement		1.3%	0.6%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		6.7%	6.8%
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		69	70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		169	183
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met)		48	60

^ The references identify the lines prescribed in the PRA template. Lines represented in this table are those lines which are applicable and have a value assigned to it. All other lines have been suppressed.

At 30 September 2023, the CET1 ratio decreased to 11.5% from 11.7% at 31 March 2023. CET1 capital increased by £56 million to £2.1 billion, mainly as a result of:

- CET1 capital generation of £555 million through profit after taxation
- A decrease in the treasury share deduction of £13 million.

The increases were partially offset by:

- An increase in the goodwill and intangible assets net of deferred taxation deduction of £431 million, with £364 million arising on the Rathbones combination (net of IW&I UK) and a further £56 million attributable to goodwill arising on the Group's acquisition of a majority interest in Capitalmind
- Dividends paid to ordinary shareholders and AT1 security holders of £49 million, net of a reduction in the foreseeable charges and dividends recognised for the period
- A decrease of £29 million in the IFRS 9 transitional add-back adjustment.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Overview of risk weighted assets

Table 4: Overview of risk weighted exposure amounts (UK OV1)

		Risk weighted exposure amounts (RWEAs)		Total own fund requirements*
Ref^	**£'million**	**30 September 2023**	31 March 2023	**30 September 2023**
1	Credit risk (excluding CCR)	15 487	14 596	1 239
2	Of which the standardised approach	15 487	14 596	1 239
6	Counterparty credit risk – CCR	446	514	36
7	Of which the standardised approach	379	456	30
UK 8a	Of which exposures to a CCP	9	10	1
UK 8b	Of which credit valuation adjustment – CVA	47	37	4
9	Of which other CCR	11	11	1
15	Settlement risk	4	5	—
16	Securitisation exposures in the non-trading book (after the cap)	141	115	11
18	Of which SEC-ERBA (including IAA)	3	1	—
19	Of which SEC-SA approach	138	114	11
UK 19a	Of which 1 250% / deduction^^	4	4	—
20	Position, foreign exchange and commodities risks (Market risk)	402	513	32
21	Of which the standardised approach	402	513	32
23	Operational risk	2 024	2 024	162
UK 23b	Of which standardised approach	2 024	2 024	162
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	646	656	52
29	**Total**	**18 504**	**17 767**	**1 480**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ Investec plc has chosen to deduct from CET1 capital securitisation positions that attract a RW of 1 250%. Line 19a will not be included in line 16 Securitisation exposures in the non-trading book (after the cap).
* Total own funds requirements measured at 8% of risk weighted assets.
** The RWAs are already included in total credit risk.

Risk-weighted assets (RWAs) increased by 4% or £737 million to £18.5 billion over the period, predominantly within credit risk RWAs.

Credit risk RWAs, which includes equity risk, increased by £916 million. £210 million of the increase is attributable to RWAs arising on the proportional consolidation of the Group's 41.25% interest in the Rathbones Group plc (net of IW&I UK). The remaining increase reflects asset growth in Growth and Leveraged Finance, Fund Solutions, Project Finance and Asset Finance.

Counterparty credit risk RWAs (including CVA risk) decreased by £68 million compared to 31 March 2023, primarily driven by a decrease in repurchase agreements and derivative financial instruments.

Market risk RWAs decreased by £111 million, mainly due to a decrease in the collective investment undertaking position and foreign currency exchange risk.

Operational risk RWAs remained flat at £2 billion.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Leverage ratio

Overview

In October 2021, the FPC and the PRA confirmed the new UK leverage ratio framework would apply from 1 January 2022 and the existing leverage ratio parts of the UK CRR would be revoked. Investec plc is not subject to the minimum leverage ratio requirement of 3.25%, but is subject to a “supervisory expectation” to manage excessive leverage by ensuring the leverage ratio does not fall below 3.25%. For simplicity the same leverage ratio exposure measure and capital measure applies to all UK banks (including the exemption of central bank reserves and will reflect updated international standards).

Governance

As with the governance of capital, the IBP, Investec plc and DLC Capital Committees are responsible for ensuring that the impact of any regulatory changes on the leverage ratio is calculated, analysed and understood at all reporting levels. The leverage exposure measure is calculated on a monthly and quarterly basis and is presented to these committees on a regular basis. These committees are also responsible for monitoring the risk of excessive leverage.

Table 5: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1 – LRSum)

Ref^	£'million	30 September 2023	31 March 2023
1	Total assets as per published financial statements	29 457	28 386
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	1 079	(238)
4	(Adjustment for exemption of exposures to central banks)	(5 212)	(5 400)
8	Adjustment for derivative financial instruments	1 274	1 184
9	Adjustment for securities financing transactions (SFTs)	36	35
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1 567	1 552
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital (leverage))	(5)	(5)
12	Other adjustments	(701)	(298)
13	**Total exposure measure**	**27 495**	**25 216**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Table 6: Leverage ratio common disclosure (UK LR2 – LRCom)

		Leverage ratio exposures	
Ref^	**£'million**	**30 September 2023**	31 March 2023
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	28 820	26 216
6	(Asset amounts deducted in determining Tier 1 capital (leverage))	(706)	(303)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**28 114**	**25 913**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	1 393	1 286
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	439	451
11	Adjusted effective notional amount of written credit derivatives	32	41
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1)	(1)
13	**Total derivatives exposures**	**1 863**	**1 777**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1 127	1 339
16	Counterparty credit risk exposure for SFT assets	36	35
18	**Total securities financing transaction exposures**	**1 163**	**1 374**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	3 151	2 903
20	(Adjustments for conversion to credit equivalent amounts)	(1 584)	(1 351)
22	**Off-balance sheet exposures**	**1 567**	**1 552**
	Capital and total exposure measure		
23	Tier 1 capital (leverage)	2 377	2 321
24	Total exposure measure including claims on central banks	32 707	30 616
UK-24a	(-) Claims on central banks excluded	(5 212)	(5 400)
UK-24b	Total exposure measure excluding claims on central banks	27 495	25 216
	Leverage ratio		
25	Leverage ratio excluding claims on central banks (%)	8.6%	9.2%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	8.6%	9.0%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	8.6%	9.2%
UK-25c	Leverage ratio including claims on central banks (%)	7.3%	7.6%

The Group's leverage ratio decreased to 8.6% from 9.2% at 31 March 2023. The decrease is primarily driven by an increase of £2.3 billion in the leverage exposure measure, of which £608 million has arisen on the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc (net of IW&I UK). The remaining increase is attributable to asset growth across multiple balance sheet line items, most notably in sovereign debt securities of £737 million, loans to customers of £715 million and loans to banks of £326 million.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Table 7: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3 – LRSpl)

		Leverage ratio exposures	
Ref^	£'million	30 September 2023	31 March 2023
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**28 820**	**26 216**
UK-2	Trading book exposures	129	128
UK-3	Banking book exposures, of which:	28 691	26 088
UK-4	Covered bonds	163	133
UK-5	Exposures treated as sovereigns	7 476	6 950
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	70	35
UK-7	Institutions	1 520	853
UK-8	Secured by mortgages of immovable properties	6 343	6 156
UK-9	Retail exposures	2 206	1 972
UK-10	Corporates	7 239	6 978
UK-11	Exposures in default	349	292
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	3 325	2 719

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Capital buffers

Overview

The Group is subject to a CCB and an institution-specific CCyB. As at 30 September 2023 the Group holds a CCB, which must be met with CET1 capital, of 2.5%.

The institution-specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set.

From 5 July 2023, the UK CCyB rate increased from 1% to 2%. The FPC agreed when they met in July 2023, to maintain the UK CCyB rate at 2%, ensuring banks have sufficient capacity to absorb future shocks without unduly restricting lending.

Table 8: Amount of institution specific countercyclical capital buffer (UK CCyB2)

Ref^	£' million	30 September 2023	31 March 2023
1	Total risk exposure amount	18 504	17 767
2	Institution specific countercyclical capital buffer rate	1.3%	0.6%
3	**Institution specific countercyclical capital buffer requirement**	**240**	**111**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

The institution specific CCyB requirement increased to £240 million from £111 million at 31 March 2023. The majority of the increase is attributable to the UK CCyB rate increase from 1% to 2% in July 2023.

Table 9, which follows, shows the geographical distribution of credit exposures relevant to the calculation of the CCyB.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Table 9: Geographical distribution of credit exposures for the calculation of the countercyclical buffer (UK CCyB1)

		General credit exposure	Relevant credit exposures – Market risk			Own funds requirements						
Ref^	**£'million**	**Exposure value under the standardised approach**	**Sum of long and short position of trading book exposures for SA**	**Securitisation exposure Exposure value for non-trading book**	**Total exposure value**	**Relevant credit risk exposures – Credit risk**	**Relevant credit risk exposures – Market risk**	**Relevant credit risk exposures – Securitisation positions in the non-trading book**	**Total**	**Risk weighted exposure amounts**	**Own funds require-ment weights (%)**	**Counter-cyclical capital buffer rate (%)**
	30 September 2023											
10	**Breakdown by country**											
	Iceland	1	—	—	1	—	—	—	—	1	— %	2.0 %
	Sweden	1	2	—	3	—	—	—	—	4	— %	2.0 %
	France	25	—	—	25	2	—	—	2	25	0.2 %	0.5 %
	Norway	41	—	—	41	3	—	—	3	41	0.3 %	2.5 %
	Hong Kong	55	1	—	56	4	—	—	4	50	0.3 %	1.0 %
	Germany	337	1	—	338	26	—	—	26	327	2.1 %	0.8 %
	Netherlands	342	1	14	357	28	—	—	28	351	2.3 %	1.0 %
	Ireland	344	—	101	445	25	—	1	26	323	2.1 %	0.5 %
	Luxembourg	893	—	—	893	69	—	—	69	861	5.5 %	0.5 %
	United Kingdom	12 362	26	85	12 473	750	1	1	752	9 388	60.5 %	2.0 %
	Total countries with existing CCyB rates >0%*	**14 401**	**31**	**200**	**14 632**	**907**	**1**	**2**	**910**	**11 371**	**73.2 %**	
	Singapore	172	—	—	172	13	—	—	13	169	1.1 %	
	Switzerland	234	3	—	237	15	—	—	15	183	1.2 %	
	British Virgin Islands	340	—	—	340	19	—	—	19	243	1.6 %	
	Cayman Islands	347	—	343	690	29	—	5	34	429	2.8 %	
	Guernsey	563	—	—	563	38	—	—	38	474	3.1 %	
	Jersey	979	—	—	979	71	—	—	71	882	5.7 %	
	United States of America	1 180	3	219	1 402	88	—	4	92	1 153	7.4 %	
	Total countries with own funds requirements weights 1% or above^^	**3 815**	**6**	**562**	**4 383**	**273**	**—**	**9**	**282**	**3 533**	**22.7 %**	
	Total countries with own funds requirements weights below 1% and without an existing CCyB rate	**798**	**1**	**167**	**966**	**50**	**1**	**—**	**51**	**623**	**4.1 %**	
	Total	**19 014**	**38**	**929**	**19 981**	**1 230**	**2**	**11**	**1 243**	**15 527**	**100.0 %**	

* We have have only disclosed countries with existing CCyB rates > 0% to which we have an exposure.
^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ The countries listed with own funds requirements weights 1% or above all have a countercyclical capital buffer rate of 0% at 30 September 2023.

CAPITAL ADEQUACY AND LEVERAGE
CONTINUED

Table 9: Geographical distribution of credit exposures for the calculation of the countercyclical buffer (UK CCyB1) (CONTINUED)

		General credit exposure	Relevant credit exposures – Market risk			Own funds requirements						
Ref^	£'million	Exposure value under the standardised approach	Sum of long and short position of trading book exposures for SA	Securitisation exposure Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own funds requirement weights (%)	Counter-cyclical capital buffer rate (%)
	31 March 2023											
10	**Breakdown by country**											
	Norway	41	—	—	41	3	—	—	3	41	0.3 %	2.5 %
	Hong Kong	60	1	—	61	4	—	—	4	52	0.3 %	1.0 %
	Luxembourg	852	—	—	852	65	—	—	65	818	5.5 %	0.5 %
	United Kingdom	11 510	32	85	11 627	702	1	1	704	8 790	58.9 %	1.0 %
	Total countries with existing CCyB rates >0%*	**12 463**	**33**	**85**	**12 581**	**774**	**1**	**1**	**776**	**9 701**	**65.0 %**	
	Cayman Islands	300	—	343	643	25	—	4	29	366	2.5 %	
	Guernsey	532	—	—	532	34	—	—	34	430	2.9 %	
	Ireland	321	—	101	422	23	—	1	24	298	2.0 %	
	Jersey	960	—	—	960	70	—	—	70	881	5.9 %	
	Netherlands	431	—	14	445	35	—	—	35	432	2.9 %	
	Switzerland	243	3	—	246	15	—	—	15	189	1.3 %	
	United States of America	1 027	5	220	1 252	78	—	3	81	1 004	6.7 %	
	British Virgin Islands	411	—	—	411	25	—	—	25	314	2.1 %	
	Total countries with own funds requirements weights 1% or above^^	**4 225**	**8**	**678**	**4 911**	**305**	**—**	**8**	**313**	**3 914**	**26.2 %**	
	Total countries with own funds requirements weights below 1% and without an existing CCyB rate	**1 606**	**14**	**—**	**1 620**	**103**	**1**	**—**	**104**	**1 300**	**8.7 %**	
	Total	**18 294**	**55**	**763**	**19 112**	**1 182**	**2**	**9**	**1 193**	**14 915**	**100.0 %**	

* We have have only disclosed countries with existing CCyB rates > 0% to which we have an exposure.
^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ The countries listed with own funds requirements weights 1% or above all have a countercyclical capital buffer rate of 0% at 31 March 2023.

03

Credit and counterparty risk

CREDIT AND COUNTERPARTY RISK

Overview

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

- Lending transactions, through loans and advances to clients and counterparties, creating the risk that an obligor will be unable or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where we have placed funds with other financial institutions
- Financial instrument transactions, producing issuer risk where payments due from the issuer of a financial instrument may not be received
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk):
  - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party making required settlements as they fall due but not receiving the performance to which they are entitled
  - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to fulfil the transaction.

Credit risk

Tables 10 and 11, which follow, analyse credit risk exposures by regulatory asset class. Note that these tables do not include CCR. CCR exposures are disclosed on pages 30 and 31.

Table 10: Standardised approach – credit risk exposure and credit risk mitigation effects (UK CR4)

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density^^	
Ref^	£'million	On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWAs	RWAs density (%)
	30 September 2023						
1	Central governments or central banks	7 143	—	7 257	—	—	— %
2	Regional governments or local authorities	6	—	6	—	1	17 %
3	Public sector entities	64	—	64	—	13	20 %
4	Multilateral development banks	333	—	333	—	—	— %
6	Institutions	1 520	86	1 520	88	373	23 %
7	Corporates	7 239	2 478	7 115	1 119	7 956	97 %
8	Retail	2 206	150	2 091	87	1 456	67 %
9	Secured by mortgages on immovable property	6 343	206	6 343	103	3 081	48 %
10	Exposures in default	349	1	338	—	389	115 %
11	Items associated with particularly high risk	586	229	586	121	1 061	150 %
12	Covered bonds	163	—	163	—	16	10 %
14	Collective investment undertakings	6	1	6	1	6	86 %
15	Equity exposures	260	—	260	—	514	198 %
16	Other exposures	549	—	549	—	621	113 %
17	**Total**	**26 767**	**3 151**	**26 631**	**1 519**	**15 487**	**55 %**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ RWAs are reported after the application of the small and medium-sized enterprise (SME) and infrastructure supporting factors set out in Article 501 and 501(a) of CRR II.

Exposures before credit conversion factor (CCF) and before CRM have increased by £2 billion at 30 September 2023. Nearly half of the increase is attributable to assets arising on the proportional consolidation of the Group's 41.25% interest in the Rathbones Group plc, with notable increases in exposure to central governments or central banks and institutions. The remaining increase reflects balance sheet asset growth in Growth and Leveraged Finance, Fund Solutions, Project Finance and Asset Finance.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 10: Standardised approach – credit risk exposure and credit risk mitigation effects (UK CR4) (CONTINUED)

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density^^	
Ref^	£'million	On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWAs	RWAs density (%)
	31 March 2023						
1	Central governments or central banks	6 605	—	6 752	9	—	— %
2	Regional governments or local authorities	2	—	2	—	—	20 %
3	Public sector entities	33	—	32	—	6	19 %
4	Multilateral development banks	345	—	345	—	—	— %
6	Institutions	853	90	853	90	193	20 %
7	Corporates	6 978	2 223	6 790	1 051	7 569	97 %
8	Retail	1 972	143	1 814	70	1 246	66 %
9	Secured by mortgages on immovable property	6 156	138	6 156	69	2 935	47 %
10	Exposures in default	292	4	275	2	329	119 %
11	Items associated with particularly high risk	580	305	578	160	1 106	150 %
12	Covered bonds	133	—	133	—	13	10 %
15	Equity exposures	321	—	321	—	594	185 %
16	Other exposures	516	—	516	—	605	117 %
17	**Total**	**24 786**	**2 903**	**24 567**	**1 451**	**14 596**	**56 %**

Table 11: Standardised approach (UK CR5)

		Risk weight^^										
Ref^	£'million	0%	2%	10%	20%	35%	50%	75%	100%	150%	250%	Total
	30 September 2023											
1	Central governments or central banks	7 257	—	—	—	—	—	—	—	—	—	7 257
2	Regional governments or local authorities	—	—	—	6	—	—	—	—	—	—	6
3	Public sector entities	—	—	—	64	—	—	—	—	—	—	64
4	Multilateral development banks	333	—	—	—	—	—	—	—	—	—	333
6	Institutions	—	—	—	1 447	—	155	—	6	—	—	1 608
7	Corporates	—	—	—	—	—	40	—	8 165	29	—	8 234
8	Retail	—	—	—	—	—	—	2 144	34	—	—	2 178
9	Secured by mortgages on immovable property	—	—	—	—	5 147	—	—	1 299	—	—	6 446
10	Exposures in default	—	—	—	—	—	—	—	231	107	—	338
11	Items associated with particularly high risk	—	—	—	—	—	—	—	—	707	—	707
12	Covered bonds	—	—	163	—	—	—	—	—	—	—	163
14	Collective investment undertakings	—	—	—	—	—	—	—	7	—	—	7
15	Equity exposures	—	—	—	—	—	—	—	91	—	169	260
16	Other exposures	—	—	—	—	—	—	—	501	—	48	549
17	**Total**	**7 590**	**—**	**163**	**1 517**	**5 147**	**195**	**2 144**	**10 334**	**843**	**217**	**28 150**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ RWAs are reported after the application of the small and medium-sized enterprise (SME) and infrastructure supporting factors set out in Article 501 and 501(a) of CRR II.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 11: Standardised approach (UK CR5) (CONTINUED)

		Risk weight^^										
Ref^	**£'million**	**0%**	**2%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Total**
	31 March 2023											
1	Central governments or central banks	6 761	—	—	—	—	—	—	—	—	—	6 761
2	Regional governments or local authorities	—	—	—	2	—	—	—	—	—	—	2
3	Public sector entities	—	—	—	32	—	—	—	—	—	—	32
4	Multilateral development banks	345	—	—	—	—	—	—	—	—	—	345
6	Institutions	—	—	—	937	—	2	—	4	—	—	943
7	Corporates	—	—	—	—	—	46	—	7 759	36	—	7 841
8	Retail	—	—	—	—	—	—	1 884	—	—	—	1 884
9	Secured by mortgages on immovable property	—	—	—	—	5 030	—	—	1 195	—	—	6 225
10	Exposures in default	—	—	—	—	—	—	—	173	104	—	277
11	Items associated with particularly high risk	—	—	—	—	—	—	—	—	738	—	738
12	Covered bonds	—	—	133	—	—	—	—	—	—	—	133
15	Equity exposures	—	—	—	—	—	—	—	138	—	183	321
16	Other exposures	—	—	—	—	—	—	—	456	—	60	516
17	**Total**	**7 106**	**—**	**133**	**971**	**5 030**	**48**	**1 884**	**9 725**	**878**	**243**	**26 018**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ The above table does not take into account the impact of the SME and infrastructure reducing factor set out in Article 501 and 501(a) of CRR II.

Credit quality of assets

The tables which follow analyse the amount and quality of performing, non-performing and forborne exposures, including an ageing analysis and the distribution of these exposures by geographical area and industry type. These templates are populated following the guidance provided in the PRA rulebook Reporting (CRR) part for financial reporting (FINREP) templates.

In line with Article 9 of Part 5 of the Disclosure (CRR) part of the PRA rulebook, a firm, classified as a large institution with a gross non-performing loan ratio of less than 5%, is not required to disclose templates UK CR2a, UK CQ2, UK CQ6, UK CQ8, columns b and d of templates UK CQ4 and UK CQ5. In addition, we have not disclosed UK CQ7. Investec plc has not obtained any collateral by taking possession and therefore it is a nil return for 30 September 2023.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 12: Performing and non-performing exposures and related provisions (UK CR1)

		Gross carrying amount/nominal amount^^						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
Ref^	£' million		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
	30 September 2023															
005	Cash balances at central banks and other demand deposits	5 212	5 212	—	—	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	18 929	17 596	1 333	532	—	532	(69)	(38)	(31)	(163)	—	(163)	(1)	10 761	290
040	Credit institutions	1 990	1 990	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	4 065	3 931	134	37	—	37	(9)	(6)	(3)	(14)	—	(14)	—	955	11
060	Non-financial corporations	7 923	6 917	1 006	387	—	387	(51)	(27)	(24)	(141)	—	(141)	(1)	5 587	187
070	Of which SMEs	2 392	2 030	362	81	—	81	(23)	(11)	(12)	(24)	—	(24)	—	990	16
080	Households	4 951	4 758	193	108	—	108	(9)	(5)	(4)	(8)	—	(8)	—	4 219	92
090	Debt securities	3 515	3 515	—	3	—	3	—	—	—	—	—	—	—	—	—
110	General governments	2 004	2 004	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	1 332	1 332	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	71	71	—	3	—	3	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	108	108	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	3 142	3 040	102	7	—	7	(11)	(10)	(1)	(1)	—	(1)		637	—
180	Credit institutions	2	2	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	1 210	1 179	31	1	—	1	(4)	(4)	—	—	—	—		25	—
200	Non-financial corporations	1 701	1 635	66	6	—	6	(6)	(5)	(1)	(1)	—	(1)		456	—
210	Households	229	224	5	—	—	—	(1)	(1)	—	—	—	—		156	—
220	**Total**	**30 798**	**29 363**	**1 435**	**542**	**—**	**542**	**(80)**	**(48)**	**(32)**	**(164)**	**—**	**(164)**	**(1)**	**11 398**	**290**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.
^^ Loans held at fair value through profit and loss are included in the gross carrying amount but are excluded from the staging analysis, in line with the FINREP definitions.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 12: Performing and non-performing exposures and related provisions (UK CR1) (CONTINUED)

		Gross carrying amount/nominal amount^^						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
Ref^	£' million		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
	31 March 2023															
005	Cash balances at central banks and other demand deposits	5 400	5 400	—	—	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	18 442	17 114	1 328	430	—	430	(66)	(35)	(31)	(138)	—	(138)	(23)	10 572	229
040	Credit institutions	1 984	1 984	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	3 818	3 717	101	39	—	39	(8)	(6)	(2)	(12)	—	(12)	—	823	16
060	Non-financial corporations	7 538	6 460	1 078	314	—	314	(50)	(25)	(25)	(121)	—	(121)	(23)	5 312	135
070	Of which SMEs	2 331	1 902	429	83	—	83	(24)	(12)	(12)	(26)	—	(26)	—	911	9
080	Households	5 102	4 953	149	77	—	77	(8)	(4)	(4)	(5)	—	(5)	—	4 437	78
090	Debt securities	2 137	2 137	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
110	General governments	1 222	1 222	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	747	747	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	103	103	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—
140	Non-financial corporations	65	65	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance sheet exposures	2 887	2 707	180	4	—	4	(16)	(10)	(6)	—	—	—		602	5
180	Credit institutions	2	2	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	1 085	1 031	54	—	—	—	(6)	(3)	(3)	—	—	—		37	—
200	Non-financial corporations	1 630	1 509	121	4	—	4	(9)	(6)	(3)	—	—	—		445	5
210	Households	170	165	5	—	—	—	(1)	(1)	—	—	—	—		120	—
220	**Total**	**28 866**	**27 358**	**1 508**	**434**	**—**	**434**	**(83)**	**(46)**	**(37)**	**(138)**	**—**	**(138)**	**(23)**	**11 174**	**234**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.
^^ Loans held at fair value through profit and loss are included in the gross carrying amount but are excluded from the staging analysis, in line with the FINREP definitions.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 13: Maturity of exposures (UK CR1-A)

		Net exposure value^^				
Ref^	£'million	On demand	<= 1 year	> 1 year < = 5 years	> 5 years	Total
	30 September 2023					
1	Loans and advances	1 567	5 467	8 685	3 510	19 229
2	Debt securities	—	1 954	727	837	3 518
3	**Total**	**1 567**	**7 421**	**9 412**	**4 347**	**22 747**
	31 March 2023					
1	Loans and advances	1 657	4 907	8 287	3 817	18 668
2	Debt securities	—	1 074	382	680	2 136
3	**Total**	**1 657**	**5 981**	**8 669**	**4 497**	**20 804**

Table 14: Changes in the stock of non-performing loans and advances (UK CR2)

		Gross carrying amount	
Ref^	£'million	30 September 2023	31 March 2023
010	**Initial stock of non-performing loans and advances**	430	406
020	Inflows to non-performing portfolios	185	187
030	Outflows from non-performing portfolios	(45)	(43)
040	Outflows due to write-offs	(3)	(21)
050	Outflow due to other situations	(35)	(99)
060	**Final stock of non-performing loans and advances**	**532**	**430**

Table 15: Credit quality of forborne exposures (UK CQ1)

		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
Ref^	£'million	Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	30 September 2023								
010	Loans and advances	49	122	122	122	(3)	(21)	126	60
050	Other financial corporations	—	30	30	30	—	(9)	7	7
060	Non-financial corporations	36	42	42	42	(3)	(9)	64	11
070	Households	13	50	50	50	—	(3)	55	42
090	Loan commitments given	—	1	1	1	—	—	—	—
100	**Total**	**49**	**123**	**123**	**123**	**(3)**	**(21)**	**126**	**60**
	31 March 2023								
010	Loans and advances	78	102	102	102	(1)	(18)	66	15
050	Other financial corporations	—	21	21	21	—	(8)	—	—
060	Non-financial corporations	59	47	47	47	(1)	(9)	38	11
070	Households	19	34	34	34	—	(1)	28	4
090	Loan commitments given	—	—	—	—	—	—	—	—
100	**Total**	**78**	**102**	**102**	**102**	**(1)**	**(18)**	**66**	**15**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ The net exposure value is the gross carrying value of the exposure less impairment allowances or provisions, reported by residual contractual maturity.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 16: Quality of non-performing exposures by geography (UK CQ4)

Ref^	£'million	Gross carrying/nominal amount	Of which defaulted	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	30 September 2023					
010	**On-balance sheet exposures**	**28 191**	**535**	**(170)**		**(62)**
	United Kingdom	19 045	386	(126)		—
	United States	2 105	28	(3)		—
	Germany	976	17	(7)		—
	Jersey	930	30	(13)		—
	Luxembourg	767	—	(1)		—
	Cayman Islands	732	15	—		—
	Guernsey	539	15	(1)		—
	Netherlands	471	—	(2)		—
	Ireland	396	1	(2)		—
	France	377	13	(5)		—
	Switzerland	332	1	(1)		—
	British Virgin Islands	285	—	(2)		(62)
	Singapore	161	—	—		—
	Isle Of Man	140	—	—		—
	South Africa	110	1	—		—
	Other countries^^	825	28	(7)		—
080	**Off-balance sheet exposures**	**3 149**	**7**		**(12)**	
	United Kingdom	1 225	1		(5)	
	United States	753	6		(3)	
	Luxembourg	314	—		(1)	
	Jersey	223	—		(1)	
	Netherlands	160	—		—	
	Other countries^^	474	—		(2)	
150	**Total**	**31 340**	**542**	**(163)**	**(12)**	**(62)**
	31 March 2023					
010	**On-balance sheet exposures**	**26 409**	**430**	**(142)**		**(62)**
	United Kingdom	17 909	368	(104)		—
	United States	1 569	5	(6)		—
	Jersey	915	28	(10)		—
	Luxembourg	763	—	(1)		—
	Germany	715	—	(2)		—
	Cayman Islands	591	—	—		—
	Guernsey	525	—	(1)		—
	Netherlands	442	—	(2)		—
	Ireland	389	1	(1)		—
	British Virgin Islands	355	3	(1)		(62)
	Switzerland	340	1	(1)		—
	France	321	13	(5)		—
	Spain	213	—	—		—
	Isle Of Man	150	—	(1)		—
	Canada	129	—	—		—
	Other countries	1 083	11	(7)		—
080	**Off-balance sheet exposures**	**2 891**	**4**		**(16)**	
	United Kingdom	1 184	—		(8)	
	United States	584	—		(3)	
	Jersey	210	—		(1)	
	Luxembourg	320	—		(1)	
	Netherlands	150	—		(1)	
	Other countries	443	4		(2)	
150	**Total**	**29 300**	**434**	**(142)**	**(16)**	**(62)**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.

^^ Other countries include: Austria, Australia, Mauritius, Belgium, Canada, United Arab Emirates, Hong Kong, Bermuda, Bahamas, Gibraltar, Cyprus, India, Cook Islands, Christmas Island, Italy, Monaco, Seychelles, Israel, Japan, Malta, Qatar, Mayotte, Norway, Panama, Nigeria, Turks and Caicos Islands, Saint Vincent and the Grenadines, Denmark, New Zealand, Brazil, Sweden, Marshall Islands, Portugal, China, Republic of Korea, Kenya, Anguilla, Philippines, Mexico, Czech Republic, Hungary, Romania, Thailand, Finland, Indonesia, United Republic of Tanzania and Malawi.

The table above includes the top 15 countries, which in aggregate, represent more than 98% of the gross carrying amount of £31.3 billion. The remaining 2% are not considered material and have been grouped under 'other countries'.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 17: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5)

Ref^	£'million	Gross carrying/nominal amount	Of which defaulted	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	30 September 2023				
010	Agriculture, forestry and fishing	19	—	—	—
020	Mining and quarrying	54	—	(1)	—
030	Manufacturing	806	87	(13)	(62)
040	Electricity, gas, steam and air conditioning supply	485	6	(1)	—
050	Water supply	170	33	(3)	—
060	Construction	1 115	39	(23)	—
070	Wholesale and retail trade	350	4	(5)	—
080	Transport and storage	369	7	(4)	—
090	Accommodation and food service activities	100	2	(2)	—
100	Information and communication	448	23	(4)	—
120	Real estate activities	2 656	104	(42)	—
130	Professional, scientific and technical activities	293	34	(17)	—
140	Administrative and support service activities	789	18	(9)	—
150	Public administration and defence, compulsory social security	231	—	—	—
160	Education	91	—	(1)	—
170	Human health services and social work activities	179	27	(2)	—
180	Arts, entertainment and recreation	21	1	(1)	—
190	Other services	134	2	(2)	—
200	**Total**	**8 310**	**387**	**(130)**	**(62)**
	31 March 2023				
010	Agriculture, forestry and fishing	19	—	—	—
020	Mining and quarrying	139	—	—	—
030	Manufacturing	756	13	(10)	(62)
040	Electricity, gas, steam and air conditioning supply	341	5	(4)	—
050	Water supply	175	31	(2)	—
060	Construction	1 014	28	(23)	—
070	Wholesale and retail trade	362	5	(6)	—
080	Transport and storage	360	11	(5)	—
090	Accommodation and food service activities	85	2	(3)	—
100	Information and communication	343	—	(2)	—
120	Real estate activities	2 523	151	(33)	—
130	Professional, scientific and technical activities	307	32	(9)	—
140	Administrative and support service activities	719	5	(8)	—
150	Public administration and defence, compulsory social security	318	—	—	—
160	Education	92	—	(1)	—
170	Human health services and social work activities	144	27	(1)	—
180	Arts, entertainment and recreation	19	—	—	—
190	Other services	136	4	(2)	—
200	**Total**	**7 852**	**314**	**(109)**	**(62)**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Credit risk mitigation

For regulatory reporting purposes, credit risk mitigation (CRM) is used to reduce credit risk associated with an exposure, which may reduce potential losses in the event of a client default or other credit event. CRM that meets certain regulatory criteria may be used to reduce the RWAs held against a given client.

Collateral that meets the regulatory conditions is referred to as 'eligible' collateral. Collateral eligibility rules are specified in the CRR. Under the SA, CRM can be achieved through either funded or unfunded credit protection.

Where unfunded credit protection is relied upon for mitigation purposes, the exposure to the borrower is substituted with an exposure to the protection provider after applying a 'haircut' to the value of the collateral due to currency and/or maturity mismatches between the original exposure and the collateral provided. Unfunded credit protection includes eligible guarantees and credit derivatives. Where we rely on funded protection in the form of financial collateral, the value of collateral is adjusted using the financial collateral comprehensive method. This method applies supervisory volatility adjustments to the value of the collateral, and includes the currency and maturity haircuts discussed above.

Table 18 shows the CRM techniques used by the Group to reduce capital requirements. If the collateral held for a particular exposure is not eligible under the CRR rules, the full exposure will be considered unsecured in the below table.

Table 18: Disclosure of the use of CRM techniques (UK CR3)

Ref^	£'million	Unsecured - carrying amount	Secured - carrying amount	Of which secured by collateral	Of which secured by financial guarantees
	30 September 2023				
1	Loans and advances	11 621	7 608	7 462	146
2	Debt securities	3 518	—	—	—
3	**Total**	**15 139**	**7 608**	**7 462**	**146**
4	Of which non-performing exposures	204	168	157	11
5	Of which defaulted	204	168		
	31 March 2023^^				
1	Loans and advances	10 949	7 719	7 537	182
2	Debt securities	2 136	—	—	—
3	**Total**	**13 085**	**7 719**	**7 537**	**182**
4	Of which non-performing exposures	161	131	116	15
5	Of which defaulted	161	131		

^ The references identify the lines in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.
^^ The comparatives have been restated to reflect eligible CRM techniques which are recognised in the RWA calculations. Personal guarantees are not eligible collateral in the CRR rules and are excluded from the analysis above.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Counterparty credit risk

CCR is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It arises on derivative instruments and securities financing transactions held in both the banking and trading book. A significant component remains the historical equity derivative and financial product exposures that the Group is running down. Investec plc applies the SA-CCR calculation methodology and uses the Original Exposure Method to calculate CCR arising on long settlement transactions. The tables which follow analyse CCR exposures, including CVA risk and exposures to central counterparties. Investec plc is not required to populate template UK CCR5. Composition of collateral as both the fair value of collateral posted in the form of debt securities and the fair value of collateral received in that form does not exceed £125 billion.

Credit valuation adjustment risk

CVA risk means an adjustment to the mid-market valuation of the portfolio of transactions with a counterparty. This adjustment reflects the current market value of the credit risk of the counterparty to Investec plc but does not reflect the current market value of the credit risk of Investec plc to the counterparty. The Group uses the SA to calculate CVA risk on all over-the-counter (OTC) derivatives, but as per the CRR exempts transactions to non-financial counterparties and OTC derivatives cleared via central counterparties (CCPs) from CVA risk.

Table 19: Analysis of counterparty credit risk by approach (UK CCR1)

Ref^	£'million	Replacement cost (RC)	Potential future exposure (PFE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
	30 September 2023							
UK1	Original Exposure Method (for derivatives)	—	—	1.4	—	—	—	—
1	SA-CCR (for derivatives)	149	248	1.4	1 121	579	579	379
4	Financial collateral comprehensive method (for SFTs)				907	52	52	11
6	**Total^^**				**2 075**	**678**	**678**	**399**
	31 March 2023							
UK1	Original Exposure Method (for derivatives)	—	—	1.4	—	—	—	—
1	SA-CCR (for derivatives)	222	235	1.4	1 078	640	640	456
4	Financial collateral comprehensive method (for SFTs)				1 122	45	45	11
6	**Total^^**				**2 200**	**685**	**685**	**467**

Table 20: Standardised approach – CCR exposures by regulatory exposure class and risk weights (UK CCR3)

		Risk weight						
Ref^	**£'million**	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Total exposure value**
	30 September 2023							
1	Central governments or central banks	—	—	—	—	—	—	—
2	Regional government or local authorities	—	2	—	—	—	—	2
6	Institutions	—	270	110	—	1	—	381
7	Corporates	—	—	13	—	262	—	275
8	Retail	—	—	—	17	—	—	17
10	Other items	—	—	—	—	3	—	3
11	**Total exposure value**	**—**	**272**	**123**	**17**	**266**	**—**	**678**
	31 March 2023							
1	Central governments or central banks	—	—	—	—	—	—	—
2	Regional government or local authorities	—	5	—	—	—	—	5
6	Institutions	—	143	149	—	1	—	293
7	Corporates	—	—	24	—	339	—	363
8	Retail	—	—	—	24	—	—	24
11	**Total exposure value**	**—**	**148**	**173**	**24**	**340**	**—**	**685**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.
^^ This table excludes the CVA charge and exposures cleared through a CCP. Refer to table 22 and 23 for more information.

CREDIT AND COUNTERPARTY RISK
CONTINUED

Table 21: Credit derivatives exposures (UK CCR6)

Ref^	£'million	Protection bought	Protection sold	Protection bought	Protection sold
		30 September 2023		31 March 2023	
	Notionals				
1	Single name credit default swaps	4	96	12	104
3	Total return swaps	383	—	383	—
6	**Total notionals**	**387**	**96**	**395**	**104**
	Fair values				
7	Positive fair value (assets)	153	2	111	2
8	Negative fair value (liability)	—	1	—	2

Table 22: Transactions subject to own funds requirements for CVA risk (UK CCR2)

Ref^	£'million	Exposure value	RWEA	Exposure value	RWEA
		30 September 2023		31 March 2023	
4	Transactions subject to the Standardised method	**268**	**47**	209	37
5	**Total transactions subject to own funds requirements for CVA risk**	**268**	**47**	**209**	**37**

Table 23: Analysis of exposures to CCPs (UK CCR8)

Ref^	£'million	Exposure value	RWEA	Exposure value	RWEA
		30 September 2023		31 March 2023	
1	**Exposures to QCCPs (total)**		**9**		**10**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	212	4	186	4
3	(i) OTC derivatives	117	2	95	2
4	(ii) Exchange-traded derivatives	95	2	91	2
8	Non-segregated initial margin	19	—	11	—
9	Prefunded default fund contributions	9	5	16	6

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.

04

Securitisation risk

SECURITISATION RISK

Overview and approach

The Group's definition of securitisation/structured credit activities is wider than the definition applied for regulatory capital purposes. The regulatory capital definition focuses largely on positions we hold in an investor capacity and includes securitisation positions we have retained in transactions in which the Group has achieved significant risk transfer. We believe, however, that the information provided below is meaningful in that it groups all these related activities in order for a reviewer to obtain a full picture of the activities that we have conducted in this space. Some of the information provided below overlaps with the Group's credit and counterparty exposure information.

Regulatory approach

Capital requirements for securitisation positions are calculated using either the standardised approach (SEC-SA) or the external ratings-based approach (SEC-ERBA).

The tables that follow provide information on our securitisation portfolio in terms of regulatory definitions and requirements. We have not achieved significant risk transfer for any of the securitisations originated by the Group, therefore the underlying exposures in these securitisations are included in the Group's credit risk RWAs and the disclosure that follows focuses on the positions the Group holds in an investor capacity.

Table 24: Securitisation exposures in the non-trading book (UK - SEC1)

		Institution acts as originator			Institution acts as investor	
		Traditional			Traditional	
		Non-STS				
Ref^	£'million		of which SRT	Sub-total	Non-STS	Sub-total
	30 September 2023					
1	**Total exposures**	**709**	**—**	**709**	**930**	**930**
2	**Retail (total)**	**3**	**—**	**3**	**66**	**66**
3	residential mortgage	3	—	3	66	66
7	**Wholesale (total)**	**706**	**—**	**706**	**864**	**864**
8	loans to corporates	—	—	—	864	864
10	lease and receivables	706	—	706	—	—
	31 March 2023					
1	**Total exposures**	**710**	**—**	**710**	**763**	**763**
2	**Retail (total)**	**4**	**—**	**4**	**85**	**85**
3	residential mortgage	4	—	4	85	85
7	**Wholesale (total)**	**706**	**—**	**706**	**678**	**678**
8	loans to corporates	—	—	—	678	678
10	lease and receivables	706	—	706	—	—

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

In relation to originator securitisations, the table above discloses the retained positions held by the originator in the securitisation, even where the securitisation is not eligible to apply the securitisation framework, due to the absence of significant risk transfer. Investec plc has not achieved significant risk transfer.

The securitisation exposures disclosed under the investor role are the investment positions Investec plc has purchased in third party deals.

Wholesale loans to corporates increased by £186 million mainly as a result of further investment in US middle market collateralised loan obligation positions and Private Debt Lending warehouse facilities.

SECURITISATION RISK
CONTINUED

Table 25: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK - SEC4)

		Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)			RWEA (by regulatory approach)			Capital charge after cap		
Ref^	£'million	≤20% RW	>20% to 50% RW	>50% to 100% RW	1 250% RW/ deductions	SEC-ERBA (including IAA)	SEC-SA	1 250%/ deductions	SEC-ERBA (including IAA)	SEC-SA	1 250%/ deductions	SEC-ERBA (including IAA)	SEC-SA	1 250%/ deductions
	30 September 2023													
1	**Total exposures**	**918**	**8**	**—**	**4**	**9**	**918**	**4**	**3**	**138**	**4**	**—**	**11**	**4**
2	Traditional securitisation	918	8	—	4	9	918	4	3	138	4	—	11	4
3	Securitisation	918	8	—	4	9	918	4	3	138	4	—	11	4
4	Retail underlying	55	8	—	4	8	55	4	2	8	4	—	1	4
6	Wholesale	863	—	—	—	1	863	—	1	130	—	—	10	—
	31 March 2023													
1	**Total exposures**	**758**	**—**	**1**	**4**	**1**	**757**	**4**	**1**	**114**	**4**	**—**	**9**	**4**
2	Traditional securitisation	758	—	1	4	1	757	4	1	114	4	—	9	4
3	Securitisation	758	—	1	4	1	757	4	1	114	4	—	9	4
4	Retail underlying	81	—	—	4	—	81	4	—	12	4	—	1	4
6	Wholesale	677	—	1	—	1	676	—	1	102	—	—	8	—

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.

As explained above in table 24, RWAs have increased by £186 million in the ≤ 20% RW bucket, driven by increases in US middle market collateralised loan obligation positions and Private Debt Lending warehouse facilities.

05

Market risk

MARKET RISK

Overview

The focus of our trading activities is primarily on supporting our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow. Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets.

Table 26: Capital requirements for market risk (UK MR1)

		RWEAs	
Ref^	**£'million**	**30 September 2023**	31 March 2023
	Outright products		
1	Interest rate risk (general and specific)	46	60
2	Equity risk (general and specific)^^	196	257
3	Foreign exchange risk	113	129
	Options		
7	Scenario approach	47	67
9	**Total**	**402**	**513**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
^^ Collective investment undertaking position risk is reported under equity risk.

Market risk RWAs decreased by £111 million, mainly due to a decrease in the collective investment undertaking position and foreign currency exchange risk.

06

Interest rate risk in the banking book

INTEREST RATE RISK IN THE BANKING BOOK

Overview

Interest rate risk in the banking book (IRRBB), arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity (EVE).

Sources of IRRBB include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Group assets, liabilities and off-balance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the Group to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Embedded option risk:** arises from optional elements embedded in items where the Group or its customers can alter the level and timing of their cash flows
- **Endowment risk:** refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and capital

The above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest earnings and the economic value of equity.

Table 27 provides information on Investec plc's changes in EVE and net interest income (NII) under each of the prescribed interest rate shock scenarios.

Table 27: Quantitative information on IRRBB (UK IRRBB1)

		ΔEVE		ΔNII		Tier 1 capital	
Ref^	**£'million**	**30 September 2023**	31 March 2023	**30 September 2023**	31 March 2023	**30 September 2023**	31 March 2023
010	Parallel shock up	(106)	(109)	43	22		
020	Parallel shock down	48	61	(104)	(60)		
030	Steepener shock	(6)	(2)				
040	Flattener shock	(26)	(18)				
050	Short rates shock up	(53)	(58)				
060	Short rates shock down	19	29				
070	**Maximum**	**(106)**	**(109)**	**(104)**	**(60)**		
080	**Tier 1 capital**					**2 377**	**2 321**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.

As at 30 September 2023, the most severe NII shock is the parallel shock down, which increased by £44 million to £104 million compared with 31 March 2023. The increase has arisen due to the application of different repricing assumptions at different points through the tightening cycle. The maximum decline in EVE was in the parallel up shock scenario, which remains fairly consistent with 31 March 2023.

07

Liquidity risk

LIQUIDITY RISK

Liquidity coverage ratio

The LCR is designed to ensure that banks have sufficient high-quality liquid assets to meet their liquidity needs throughout a 30 calendar day severe stress. The table, UK LIQ1, is completed on an Investec plc Group basis in accordance with the PRA Pillar 3 liquidity instruction guidelines and Article 451a(2) (CRR). As required within the guidelines, the table shows values and figures as the simple averages of month-end observations over the 12 months preceding the end of each quarter.

As at 30 September 2023, the LCR was 393% (31 March 2023: 383%) and well above the 100% regulatory requirement. The trailing 12-month average LCR to 30 September 2023 was 401% (31 March 2023: 411%).

Table 28: Quantitative information of LCR (UK LIQ1)

		Total unweighted value (average)				Total weighted value (average)			
Ref^	£'million Quarter ending on	**30 Sept 2023**	30 June 2023	31 March 2023	31 Dec 2022	**30 Sept 2023**	30 June 2023	31 March 2023	31 Dec 2022
UK 1b	Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					**6 543**	**6 364**	**6 436**	**6 456**
	CASH – OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:**	12 620	12 191	11 966	11 768	692	715	742	760
3	Stable deposits	2 047	2 065	2 180	2 322	102	103	109	116
4	Less stable deposits	2 895	3 033	3 161	3 258	452	473	492	505
5	Unsecured wholesale funding	2 762	2 807	2 906	2 903	1 254	1 257	1 302	1 328
7	Non-operational deposits (all counterparties)	2 755	2 800	2 904	2 873	1 247	1 250	1 300	1 298
8	Unsecured debt	7	7	2	30	7	7	2	30
9	Secured wholesale funding					24	46	48	51
10	Additional requirements	2 586	2 578	2 514	2 587	817	817	815	949
11	Outflows related to derivative exposures and other collateral requirements	373	394	418	561	373	394	418	561
12	Outflows related to loss of funding on debt products	39	41	42	47	39	41	42	47
13	Credit and liquidity facilities	2 174	2 143	2 054	1 979	405	382	355	341
14	Other contractual funding obligations	578	612	574	589	397	406	392	422
15	Other contingent funding obligations	666	698	727	732	62	68	80	85
16	**TOTAL CASH OUTFLOWS**					**3 246**	**3 309**	**3 379**	**3 595**
	CASH – INFLOWS								
17	Secured lending (e.g. reverse repos)	599	636	583	553	313	351	365	384
18	Inflows from fully performing exposures	1 006	1 014	1 092	1 171	915	926	1 005	1 082
19	Other cash inflows	597	633	670	709	349	375	408	438
20	**TOTAL CASH INFLOWS**	**2 202**	**2 283**	**2 345**	**2 433**	**1 577**	**1 652**	**1 778**	**1 904**
UK-20a	Fully exempt inflows	—	—	5	4	—	—	—	—
UK-20c	Inflows subject to 75% cap	2 202	2 283	2 340	2 429	1 577	1 653	1 778	1 904
	TOTAL ADJUSTED VALUE								
UK-21	**LIQUIDITY BUFFER**					**6 543**	**6 364**	**6 436**	**6 456**
22	**TOTAL NET CASH OUTFLOWS**					**1 669**	**1 657**	**1 601**	**1 691**
23	**LIQUIDITY COVERAGE RATIO***					**401%**	**393%**	**411%**	**392%**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.
* The LCR is calculated using 12-month averages and therefore the totals in the table above will not tie back to the ratio disclosed. The LCR disclosed in the Investec plc Annual Report is a point-in-time ratio and will not agree to the ratios disclosed in this table.
** Row 2 is made up of total retail deposits (i.e. stable deposits, less stable deposits and LCR exempt retail deposits).

LIQUIDITY RISK
CONTINUED

Net stable funding ratio

The NSFR is the amount of available stable funding (ASF) relative to required stable funding (RSF) over a time horizon of one year with a regulatory minimum of 100%. The PRA communicated in policy statement PS22/21 in October 2021, that effective from 1 January 2022, credit institutions are subject to the UK's new disclosure requirements.

As at 30 September 2023, the NSFR was 146% (31 March 2023: 143%) and above the 100% regulatory requirement. The trailing one year, four-quarterly average NSFR to 30 September 2023 was 145% (31 March 2023: 143%).

Table 29: Net stable funding ratio (UK LIQ2)

Ref^	£'million	Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Average stable funding (ASF) items						
1	Capital items and instruments	2 539	18	—	675	3 214
2	Own funds	2 539	18	—	675	3 214
4	Retail deposits		9 318	2 587	830	11 720
5	Stable deposits		3 129	402	72	3 427
6	Less stable deposits		6 188	2 185	757	8 293
7	Wholesale funding:		6 279	553	3 485	6 371
9	Other wholesale funding		6 279	553	3 485	6 371
11	Other liabilities:	209	893	5	49	52
12	NSFR derivative liabilities	209				
13	All other liabilities and capital instruments not included in the above categories		893	5	49	52
14	**Total available stable funding (ASF)**					**21 357**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					221
17	Performing loans and securities:		4 149	1 757	12 547	12 505
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		303	46	50	167
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1 464	292	855	1 122
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		1 855	1 216	6 490	6 993
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		399	192	4 301	3 368
22	Performing residential mortgages, of which:		506	195	4 407	3 574
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		198	155	4 006	3 056
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		21	7	745	649
26	Other assets:	—	1 349	27	1 552	1 909
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		128	—	—	109
30	NSFR derivative liabilities before deduction of variation margin posted		486	—	—	24
31	All other assets not included in the above categories		735	27	1 552	1 776
32	Off-balance sheet items		630	—	2 088	136
33	**Total RSF**					**14 771**
34	**Net Stable Funding Ratio (%)**					**145%**

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed. Cells shaded dark grey are out of scope in accordance with the PRA requirements.

08

Appendix A – Investec Bank plc individual disclosure table

APPENDIX A

Appendix A – Investec Bank plc individual disclosure table

IBP is authorised by the PRA and is regulated by the FCA and the PRA on a solo-consolidated basis. IBP applies the provisions laid down in Article 9 (solo-consolidation waiver) of the CRR and therefore includes Investec Investments (UK) Limited in the solo-consolidation.

In accordance with Article 13 and the Disclosure (CRR) Part of the PRA rulebook, a sub-set of Pillar disclosures covering key metrics have to be published by significant subsidiaries of the Group. The IBP disclosures which follow are published on an individual level (i.e. solo-consolidation level) as at 30 September 2023, with comparative figures provided for 31 March 2023 where relevant.

Table 30: Key metrics (UK KM1)

Ref^	£'million	30 September 2023	31 March 2023
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	1 822	1 764
	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1 808	1 725
2	Tier 1 capital	2 072	2 014
	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 058	1 975
3	Total capital	2 767	2 778
	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 753	2 739
	Risk weighted exposure amounts		
4	Total risk weighted assets	14 411	14 087
	Total risk weighted exposure amount as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14 397	14 047
	Capital ratios		
5	Common Equity Tier 1 ratio (%)	12.6%	12.5%
	Common Equity Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.6%	12.3%
6	Tier 1 ratio (%)	14.4%	14.3%
	Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.3%	14.1%
7	Total capital ratio (%)	19.2%	19.7%
	Total capital ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.1%	19.5%
	Additional own funds requirements based on SREP (as a percentage of risk weighted exposure amounts)		
UK 7a	Additional CET1 SREP requirement (%)	0.3%	0.3%
UK 7b	Additional AT1 SREP requirement (%)	0.1%	0.1%
UK 7c	Additional T2 SREP requirements (%)	0.1%	0.1%
UK 7d	Total SREP own funds requirements (%)	8.5%	8.5%
	Combined buffer requirement (as a percentage of risk weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%	2.5%
9	Institution-specific countercyclical capital buffer (%)	1.2%	0.6%
11	Combined buffer requirement (%)	3.7%	3.1%
UK 11a	Overall capital requirements (%)	12.2%	11.6%
12	CET1 available after meeting the total SREP own funds requirements (%)*	4.2%	4.0%
	Leverage ratio^^		
13	Leverage ratio total exposure measure	21 875	20 218
14	Leverage ratio	9.5%	10.0%
	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.4%	9.8%

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
* Line 12 CET1 available after meeting the total SREP own funds requirements (%) is equal to CET1 ratio (line 5) minus total SREP own funds requirements (line UK 7d).
^^ The leverage ratios are calculated on an end-quarter basis, applying the UK leverage ratio framework which applies to all UK firms from 1 January 2022.

APPENDIX A
CONTINUED

Table 30: Key metrics (UK KM1) (CONTINUED)

Ref^	£'million	30 September 2023	31 March 2023
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	5 777	5 530
UK 16a	Cash outflows – Total weighted value	2 763	2 828
UK 16b	Cash inflows – Total weighted value	1 411	1 503
16	Total net cash outflows (adjusted value)	1 353	1 325
17	Liquidity coverage ratio (%)**	439%	431%
	Net Stable Funding Ratio		
18	Total available stable funding	20 546	19 678
19	Total required stable funding	14 850	14 526
20	NSFR ratio (%)	138%	136%

^ The references identify the lines prescribed in the PRA template. Only applicable lines with assigned values are reported. All other lines have been suppressed.
** The LCR ratio disclosed in this table is the 12-month average ratio.

At 30 September 2023, the CET1 ratio increased to 12.6% from 12.5% at 31 March 2023. CET1 capital increased by £58 million to £1.8 billion, mainly as a result of:

- CET1 capital generation of £530 million through profit after taxation
- A decrease in the significant investment deduction of £130 million, due to the derecognition of IBP's subsidiary IW&I UK, offset by a 41.25% investment in the Rathbones Group.

The increases were partially offset by:

- An increase in the goodwill and intangible assets net of deferred taxation deduction of £522 million, with the majority arising on the Rathbones combination (net of IW&I UK) and the remaining increase attributable to goodwill arising on the Group's acquisition of a majority interest in Capitalmind
- Dividends paid to ordinary shareholders and AT1 security holders of £63 million, including the increase in foreseeable charges and dividends recognised for the period
- A decrease of £25 million in the IFRS 9 transitional add-back adjustment.

RWAs increased by 2% or £324 million to £14.4 billion over the period, predominantly within credit risk, mainly driven by asset growth in Growth and Leveraged Finance, Fund Solutions and Project Finance. This increase is offset by a decrease in market risk of £106 million, as a result of decreases in the collective investment undertaking position and foreign currency exchange risk.

IBP's Pillar 2A requirement expressed as a percentage of RWAs at 30 September 2023 amounted to 0.48%, of which 0.27% has to be met with CET1 capital.

IBP's institution specific CCyB requirement increased to 1.2% at 30 September 2023 (31 March 2023: 0.6%), primarily driven by the increase in the UK CCyB rate increase from 1% to 2% in July 2023.

IBP's leverage ratio decreased to 9.5% from 10.0% at 31 March 2023. The decrease is primarily driven by an increase of £1.7 billion in the leverage exposure measure which is attributable to asset growth across multiple balance sheet line items, most notably in sovereign debt securities of £844 million, loans to customers of £494 million and loans to banks of £265 million.

The LCR and NSFR ratios remain fairly consistent with the prior period. IBP's trailing 12-month average LCR to 30 September 2023 was 439% (31 March 2023: 431%) and trailing one year, four-quarterly average NSFR to 30 September 2023 was 138% (31 March 2023: 136%), with both ratios well above the 100% regulatory requirement.