

# *Out of the Ordinary* since 1974

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INVESTEC BANK PLC  
(A SUBSIDIARY OF INVESTEC PLC)

Unaudited condensed financial information  
for the six months ended 30 September 2024  
IFRS – Pound Sterling



## OVERVIEW OF RESULTS

## Introduction

We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information.

→ The description of alternative performance measures and their calculation is provided on page 49.

→ All other definitions can be found on page 50.

<b>Key financial statistics</b>	<b>30 Sept 2024</b>	30 Sept 2023	% change	31 March 2024
Operating income (£'000)	586 010	574 942	1.9%	1 158 450
Operating costs (£'000)	290 910	310 656	(6.4%)	626 732
Adjusted operating profit (£'000)	241 477	225 215	7.2%	444 517
Earnings attributable to ordinary shareholder (£'000)	171 133	571 246	(70.0%)	719 609
Cost to income ratio (%)	49.7%	54.0%		54.2%
Total capital resources (including subordinated liabilities) (£'000)	4 380 455	3 990 447	9.8%	4 275 028
Total equity (£'000)	3 680 153	3 323 131	10.7%	3 606 218
Total assets (£'000) <sup>^</sup>	29 915 714	29 250 964	2.3%	29 838 043
Net core loans (£'000)	16 746 325	16 270 723	2.9%	16 557 024
Customer accounts (deposits) (£'000)	21 765 399	20 002 201	8.8%	20 851 216
Loans and advances to customers as a % of customer deposits	77.0%	81.4%		79.5%
Cash and near cash balances (£'million)	9 769	8 708	12.2%	9 652
Funds under management (£'million)	2 675	1 962	36.3%	2 130
Total gearing ratio (i.e. total assets to equity) <sup>^</sup>	8.1x	8.8x		8.3x
Total capital ratio	19.9%	18.0%		19.8%
Tier 1 ratio	16.0%	14.0%		15.9%
Common Equity Tier 1 ratio	13.5%	12.6%		13.3%
Leverage ratio	10.4%	9.3%		10.7%
Leverage ratio (fully loaded)	10.4%	9.2%		10.7%
Stage 3 exposure as a % of gross core loans subject to ECL	3.2%	2.8%		3.3%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.6%	2.2%		2.6%
Credit loss ratio <sup>*</sup>	0.67%	0.55%		0.58%

\* Annualised.

<sup>^</sup> Restated as detailed on page 27.

## CONDENSED CONSOLIDATED INCOME STATEMENT

£'000	Six months to 30 Sept 2024	Six months to 30 Sept 2023 <sup>^</sup>	Year to 31 March 2024
Interest income	1 029 859	941 883	1 933 984
Interest expense	(632 599)	(522 993)	(1 105 027)
<b>Net interest income</b>	<b>397 260</b>	<b>418 890</b>	<b>828 957</b>
Fee and commission income	86 577	82 509	178 770
Fee and commission expense	(6 497)	(7 474)	(16 381)
Investment income	12 610	4 065	2 625
Share of post-taxation profit of associates and joint venture holdings	32 416	237	31 287
Trading income/(loss) arising from			
– customer flow	47 487	60 412	103 158
– balance sheet management and other trading activities	14 528	15 715	27 119
Other operating income	1 629	588	2 915
<b>Operating income</b>	<b>586 010</b>	<b>574 942</b>	<b>1 158 450</b>
Expected credit loss impairment charges	(52 832)	(39 265)	(85 997)
<b>Operating income after expected credit loss impairment charges</b>	<b>533 178</b>	<b>535 677</b>	<b>1 072 453</b>
Operating costs	(290 910)	(310 656)	(626 732)
<b>Operating profit before acquired intangibles and strategic actions</b>	<b>242 268</b>	<b>225 021</b>	<b>445 721</b>
Amortisation of acquired intangibles	—	—	(940)
Amortisation of acquired intangibles of associate	(5 679)	—	(5 679)
Amortisation of intangible assets of associate*	(6 359)	—	(6 945)
Acquisition related and integration costs of associate*	(7 195)	—	(9 631)
Closure and rundown of the Hong Kong direct investments business	(1 269)	2 304	(784)
Financial impact of strategic actions	(4 100)	—	—
<b>Profit before taxation</b>	<b>217 666</b>	<b>227 325</b>	<b>421 742</b>
Taxation on operating profit before acquired intangibles and strategic actions	(45 742)	(51 873)	(96 956)
Taxation on acquired intangibles and strategic actions	—	—	427
<b>Profit after taxation from continuing operations</b>	<b>171 924</b>	<b>175 452</b>	<b>325 213</b>
<b>Profit after taxation from discontinued operations</b>	<b>—</b>	<b>395 600</b>	<b>395 600</b>
<b>Profit after taxation</b>	<b>171 924</b>	<b>571 052</b>	<b>720 813</b>
(Profit)/loss attributable to non-controlling interests	(791)	194	(1 204)
<b>Earnings attributable to shareholder</b>	<b>171 133</b>	<b>571 246</b>	<b>719 609</b>

<sup>^</sup> Restated as detailed on page 27.

\* The lines 'Amortisation of intangible assets of associate' and 'Acquisition related and integration costs of associate' reported in the prior year as 'Financial impact of strategic actions' have been disaggregated to provide information at a more granular level.

## CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Six months to 30 Sept 2024	Six months to 30 Sept 2023	Year to 31 March 2024
<b>Profit after taxation</b>	<b>171 924</b>	<b>571 052</b>	<b>720 813</b>
Other comprehensive income/(loss):			
<b>Items that may be reclassified to the income statement:</b>			
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(5 111)	(9 770)	(9 971)
Gains on realisation of loans and advances and debt instruments at FVOCI recycled through the income statement*	(177)	(156)	(817)
Fair value movements on loans and advances and debt instruments at FVOCI taken directly to other comprehensive income*	(3 182)	7 067	6 078
Foreign currency adjustments on translating foreign operations	(4 081)	1 120	(3 601)
<b>Items that will not be reclassified to the income statement:</b>			
Share of other comprehensive (loss)/income of associates and joint venture holdings	(3 741)	—	257
<b>Total comprehensive income</b>	<b>155 632</b>	<b>569 313</b>	<b>712 759</b>
Total comprehensive income/(loss) attributable to non-controlling interests	729	(188)	1 183
Total comprehensive income attributable to ordinary shareholders	132 829	561 063	690 938
Total comprehensive income attributable to perpetual preferred securities and Additional Tier 1 securities	22 074	8 438	20 638
<b>Total comprehensive income</b>	<b>155 632</b>	<b>569 313</b>	<b>712 759</b>

\* Net of £3.7 million tax credit (31 March 2024: £8.8 million tax charge; 30 September 2023: £9.7 million tax charge).

## CONDENSED CONSOLIDATED BALANCE SHEET

£'000	At 30 Sept 2024	At 31 March 2024 <sup>^</sup>	At 30 Sept 2023 <sup>^</sup>
<b>Assets</b>			
Cash and balances at central banks	3 939 001	5 661 623	4 750 689
Loans and advances to banks	723 652	676 001	1 004 395
Reverse repurchase agreements and cash collateral on securities borrowed	1 568 757	1 140 115	1 122 420
Sovereign debt securities	3 074 220	1 928 134	1 958 303
Bank debt securities	282 386	297 255	227 229
Other debt securities	594 997	708 285	831 608
Derivative financial instruments	524 743	432 395	641 625
Securities arising from trading activities	208 496	157 332	130 726
Loans and advances to customers	16 757 667	16 570 313	16 282 144
Other loans and advances	167 691	145 545	165 015
Other securitised assets	63 627	66 702	72 443
Investment portfolio	226 797	244 140	246 407
Interests in associated undertakings and joint venture holdings	789 870	791 272	782 636
Current taxation assets	33 329	13 254	15 687
Deferred taxation assets	110 958	119 730	101 921
Other assets	722 442	750 347	777 986
Property and equipment	65 839	72 947	76 547
Goodwill	56 581	58 082	58 495
Software	4 661	4 571	4 688
	<b>29 915 714</b>	<b>29 838 043</b>	<b>29 250 964</b>
<b>Liabilities</b>			
Deposits by banks	1 464 124	2 174 305	2 388 974
Derivative financial instruments	402 014	409 255	677 874
Other trading liabilities	21 548	18 449	21 038
Repurchase agreements and cash collateral on securities lent	84 599	85 091	99 736
Customer accounts (deposits)	21 765 399	20 851 216	20 002 201
Debt securities in issue	885 644	956 887	1 027 601
Liabilities arising on securitisation of other assets	67 988	71 751	76 084
Current taxation liabilities	7 486	8 624	7 194
Other liabilities	836 457	987 437	959 815
	<b>25 535 259</b>	<b>25 563 015</b>	<b>25 260 517</b>
Subordinated liabilities	700 302	668 810	667 316
	<b>26 235 561</b>	<b>26 231 825</b>	<b>25 927 833</b>
<b>Equity</b>			
Shareholder's equity excluding non-controlling interests	3 219 653	3 145 259	3 071 692
Additional Tier 1 securities in issue	458 108	458 108	250 000
Non-controlling interests in partially held subsidiaries	2 392	2 851	1 439
	<b>3 680 153</b>	<b>3 606 218</b>	<b>3 323 131</b>
<b>Total equity</b>	<b>3 680 153</b>	<b>3 606 218</b>	<b>3 323 131</b>
<b>Total liabilities and equity</b>	<b>29 915 714</b>	<b>29 838 043</b>	<b>29 250 964</b>

<sup>^</sup> Restated as detailed on page 27.

Included in Loans and advances to banks £43 million (31 March 2024: £19 million); Sovereign debt securities £58 million (31 March 2024: £nil); Bank debt securities £20 million (31 March 2024: £39 million); Securities arising from trading activities £7 million (31 March 2024: £19 million) and Other loans and advances £2 million (31 March 2024: £3 million) are assets provided as collateral where the transferee has the right to resell or repledge.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

£'000	Six months to 30 Sept 2024	Year to 31 March 2024 <sup>^</sup>	Six months to 30 Sept 2023 <sup>^</sup>
Cash inflows from operations	224 010	456 755	268 231
Increase in operating assets	(1 808 719)	(1 471 004)	(1 425 993)
Increase in operating liabilities	23 432	1 273 760	961 202
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1 561 277)</b>	<b>259 511</b>	<b>(196 560)</b>
Net cash outflow from investing activities	(2 226)	(204 865)	(204 449)
Net cash outflow from financing activities	(105 918)	(9 485)	(136 835)
Effects of exchange rate changes on cash and cash equivalents	(335)	(498)	(142)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1 669 756)</b>	<b>44 663</b>	<b>(537 986)</b>
Cash and cash equivalents at the beginning of the year	6 332 409	6 287 746	6 287 746
<b>Cash and cash equivalents at the end of the year</b>	<b>4 662 653</b>	<b>6 332 409</b>	<b>5 749 760</b>

<sup>^</sup> Restated as detailed on page 27.

Cash and cash equivalents are defined as including cash and balances at central banks and on demand loans and advances to banks (all of which have a maturity profile of less than three months).

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<b>For the six months to 30 September 2024</b> <b>£'000</b>	Shareholders' equity excluding non- controlling interests	Additional Tier 1 securities in issue	Non- controlling interests	<b>Total equity</b>
<b>Balance at the beginning of the period</b>	<b>3 145 259</b>	<b>458 108</b>	<b>2 851</b>	<b>3 606 218</b>
Total comprehensive income for the period	154 903	—	729	155 632
Share-based payments adjustments	1 214	—	—	1 214
Employee benefit liability recognised	364	—	—	364
Dividends paid to ordinary shareholders	(60 013)	—	—	(60 013)
Dividends declared to Additional Tier 1 security holders	(22 074)	22 074	—	—
Dividends paid to Additional Tier 1 security holders	—	(22 074)	—	(22 074)
Dividends paid to non-controlling interests	—	—	(1 276)	(1 276)
Net equity impact of non-controlling interest movements	—	—	88	88
<b>Balance at the end of the period</b>	<b>3 219 653</b>	<b>458 108</b>	<b>2 392</b>	<b>3 680 153</b>

<b>For the six months to 30 September 2023</b> <b>£'000</b>	Shareholders' equity excluding non- controlling interests	Additional Tier 1 securities in issue	Non- controlling interests	<b>Total equity</b>
<b>Balance at the beginning of the period</b>	<b>2 538 503</b>	<b>250 000</b>	<b>951</b>	<b>2 789 454</b>
Total comprehensive income for the period	569 501	—	(188)	569 313
Share-based payments adjustments	5 428	—	—	5 428
Employee benefit liability recognised	1 698	—	—	1 698
Dividends paid to ordinary shareholders	(35 000)	—	—	(35 000)
Dividends declared to Additional Tier 1 security holders	(8 438)	8 438	—	—
Dividends paid to Additional Tier 1 security holders	—	(8 438)	—	(8 438)
Net equity impact of non-controlling interest movements	—	—	676	676
<b>Balance at the end of the period</b>	<b>3 071 692</b>	<b>250 000</b>	<b>1 439</b>	<b>3 323 131</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
CONTINUED

<b>For the year to 31 March 2024</b> <b>£'000</b>	Shareholders' equity excluding non- controlling interests	Additional Tier 1 securities in issue	Non- controlling interests	<b>Total equity</b>
<b>Balance at the beginning of the year</b>	<b>2 538 503</b>	<b>250 000</b>	<b>951</b>	<b>2 789 454</b>
Total comprehensive income for the year	711 576	—	1 183	712 759
Share-based payments adjustments	5 427	—	—	5 427
Employee benefit liability recognised	1 740	—	—	1 740
Transaction with equity holders	(2 971)	—	—	(2 971)
Issue of Additional Tier 1 security instruments	—	350 000	—	350 000
Redemption of Additional Tier 1 security instruments	—	(141 892)	—	(141 892)
Dividends paid to ordinary shareholder	(89 798)	—	—	(89 798)
Dividends declared to Additional Tier 1 security holders	(20 638)	20 638	—	—
Dividends paid to Additional Tier 1 security holders	—	(20 638)	—	(20 638)
Gain on Additional Tier 1 security instruments callback	1 420	—	—	1 420
Net equity impact of non-controlling interest movements	—	—	717	717
<b>Balance at the end of the year</b>	<b>3 145 259</b>	<b>458 108</b>	<b>2 851</b>	<b>3 606 218</b>



## SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT

For the six months to 30 September 2024 £'000	Specialist Banking			Total Group
	Private Client			
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	
Net interest income	4 164	49 697	343 399	397 260
Fee and commission income	4 756	598	81 223	86 577
Fee and commission expense	(496)	(15)	(5 986)	(6 497)
Investment income	1	—	12 609	12 610
Share of post-taxation profit of associates and joint venture holdings	32 332	—	84	32 416
Trading income/(loss) arising from				
– customer flow	943	1 533	45 011	47 487
– balance sheet management and other trading activities	(10)	(93)	14 631	14 528
Other operating income	—	—	1 629	1 629
<b>Operating income</b>	<b>41 690</b>	<b>51 720</b>	<b>492 600</b>	<b>586 010</b>
Expected credit loss impairment charges	(2)	(1 556)	(51 274)	(52 832)
<b>Operating income after expected credit loss impairment charges</b>	<b>41 688</b>	<b>50 164</b>	<b>441 326</b>	<b>533 178</b>
Operating costs	(7 405)	(24 383)	(259 122)	(290 910)
<b>Operating profit before acquired intangibles and strategic actions from continuing operations</b>	<b>34 283</b>	<b>25 781</b>	<b>182 204</b>	<b>242 268</b>
Profit attributable to other non-controlling interests	—	—	(791)	(791)
<b>Adjusted operating profit from continuing operations</b>	<b>34 283</b>	<b>25 781</b>	<b>181 413</b>	<b>241 477</b>
<b>Operating profit before acquired intangibles and strategic actions from discontinued operations</b>				<b>—</b>
<b>Operating profit before acquired intangibles, strategic actions and after non-controlling interests</b>				<b>241 477</b>
<b>Selected returns and key statistics</b>				
Cost to income ratio	17.8%	47.1%	52.7%	49.7%
Total assets (£'million)	999	5 180	23 737	29 916

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT  
CONTINUED

	Specialist Banking			Total Group
	Private Client		Corporate, Investment Banking and Other	
For the six months to 30 September 2023 <sup>*</sup> £'000	Wealth & Investment	Private Banking		
Net interest income	4 122	57 817	356 951	418 890
Fee and commission income	4 486	309	77 714	82 509
Fee and commission expense	(366)	(21)	(7 087)	(7 474)
Investment income	—	—	4 065	4 065
Share of post-taxation profit of associates and joint venture holdings	—	—	237	237
Trading income/(loss) arising from				
– customer flow	478	2 239	57 695	60 412
– balance sheet management and other trading activities	75	—	15 640	15 715
Other operating income	—	—	588	588
<b>Operating income</b>	<b>8 795</b>	<b>60 344</b>	<b>505 803</b>	<b>574 942</b>
Expected credit loss impairment charges	(1)	(965)	(38 299)	(39 265)
<b>Operating income after expected credit loss impairment charges</b>	<b>8 794</b>	<b>59 379</b>	<b>467 504</b>	<b>535 677</b>
Operating costs	(7 015)	(25 415)	(278 226)	(310 656)
<b>Operating profit before acquired intangibles and strategic actions from continuing operations</b>	<b>1 779</b>	<b>33 964</b>	<b>189 278</b>	<b>225 021</b>
Loss attributable to other non-controlling interests	—	—	194	194
<b>Adjusted operating profit/(loss) from continuing operations</b>	<b>1 779</b>	<b>33 964</b>	<b>189 472</b>	<b>225 215</b>
<b>Operating profit before acquired intangibles and strategic actions from discontinued operations</b>				<b>47 828</b>
<b>Operating profit before acquired intangibles, strategic actions and after non-controlling interests</b>				<b>273 043</b>
<b>Selected returns and key statistics</b>				
Cost to income ratio	79.8%	42.1%	55.0%	54.0%
Total assets (£'million) <sup>^</sup>	1 022	4 928	23 301	29 251

\* Following a strategic review of our Private Capital business, previously reported as part of our Private Banking segment, the business is now reported in the Corporate, Investment Banking and Other segment. The comparative period has been restated to reflect this change.

<sup>^</sup> Restated as detailed on page 27.

## ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

## Net interest income

For the six months to 30 September £'000	Notes	2024			2023 <sup>^</sup>		
		Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income	Average yield
Cash, near cash and bank debt and sovereign debt securities	1	9 959 426	251 939	5.06%	8 875 193	209 548	4.72%
Loans and advances	2	16 771 451	686 221	8.18%	15 967 599	625 987	7.84%
Private client		5 159 485	142 306	5.52%	4 977 266	124 903	5.02%
Corporate, Investment Banking and Other		11 611 966	543 915	9.37%	10 990 333	501 084	9.12%
Other debt securities and other loans and advances		801 487	29 688	7.41%	918 260	31 355	6.83%
Other <sup>#</sup>	3	163 356	62 011	n/a	197 472	74 993	n/a
<b>Total interest-earning assets</b>		<b>27 695 720</b>	<b>1 029 859</b>	<b>7.44%</b>	<b>25 958 524</b>	<b>941 883</b>	<b>7.26%</b>

For the six months to 30 September £'000	Notes	2024			2023 <sup>^</sup>		
		Average balance sheet value	Interest expense	Average yield	Average balance sheet value	Interest expense	Average yield
Deposits by banks and other debt-related securities	4	3 020 640	59 772	3.96%	3 474 664	61 009	3.51%
Customer accounts (deposits)		21 377 789	490 559	4.59%	19 617 458	373 191	3.80%
Subordinated liabilities		680 576	25 229	7.41%	696 581	26 578	7.63%
Other <sup>#</sup>	5	229 366	57 039	n/a	269 630	62 215	n/a
<b>Total interest-bearing liabilities</b>		<b>25 308 371</b>	<b>632 599</b>	<b>5.00%</b>	<b>24 058 333</b>	<b>522 993</b>	<b>4.35%</b>
<b>Net interest income</b>			<b>397 260</b>			<b>418 890</b>	
<b>Annualised net interest margin</b>			<b>2.87%</b>			<b>3.23%</b>	

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; and bank debt securities.

2. Comprises (as per the balance sheet) loans and advances to customers.

3. Comprises (as per the balance sheet) lease receivables (housed in other assets on the balance sheet) as well as interest income from derivative financial instruments and off-balance sheet assets where there is no associated balance sheet value.

4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.

5. Comprises (as per the balance sheet) liabilities arising from lease liabilities (housed in other liabilities on the balance sheet) as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

<sup>#</sup> Includes interest income and interest expense on derivative assets and liabilities used for hedging purposes. This results in interest income and interest expense being recognised with no associated balance sheet value.

<sup>^</sup> Restated as detailed on page 27.

## ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES CONTINUED

### Net fee and commission income

For the six months to 30 September £'000	2024	2023
<b>Wealth &amp; Investment businesses net fee and commission income</b>	<b>4 260</b>	<b>4 120</b>
Fund management fees/fees for assets under management	4 142	3 329
Private client transactional fees	614	1 157
Fee and commission expense	(496)	(366)
<b>Specialist Banking net fee and commission income</b>	<b>75 820</b>	<b>70 915</b>
Specialist Banking fee and commission income	81 821	78 023
Specialist Banking fee and commission expense	(6 001)	(7 108)
<b>Net fee and commission income</b>	<b>80 080</b>	<b>75 035</b>
Fee and commission income	86 577	82 509
Fee and commission expense	(6 497)	(7 474)
<b>Net fee and commission income</b>	<b>80 080</b>	<b>75 035</b>
Annuity fees (net of fees payable)	13 305	7 760
Deal fees	66 775	67 275

### Investment income

For the six months to 30 September £'000	Listed equities	Unlisted equities	Warrants and profit shares	Total investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset categories	Total
<b>2024</b>								
Realised	(2 324)	(9 588)	514	(11 398)	986	1 400	(164)	(9 176)
Unrealised*	2 393	26 869	229	29 491	936	(11 000)	694	20 121
Dividend income	—	670	—	670	—	—	—	670
Funding and other net related income	—	—	—	—	—	995	—	995
	<b>69</b>	<b>17 951</b>	<b>743</b>	<b>18 763</b>	<b>1 922</b>	<b>(8 605)</b>	<b>530</b>	<b>12 610</b>
<b>2023</b>								
Realised	—	62 918	187	63 105	607	—	(4 247)	59 465
Unrealised*	(286)	(64 623)	—	(64 909)	1 185	(2 100)	9 773	(56 051)
Dividend income	—	551	—	551	—	—	100	651
Funding and other net related income	—	—	—	—	—	—	—	—
	<b>(286)</b>	<b>(1 154)</b>	<b>187</b>	<b>(1 253)</b>	<b>1 792</b>	<b>(2 100)</b>	<b>5 626</b>	<b>4 065</b>

\* In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised line item.

## ADDITIONAL IAS 34 DISCLOSURES

**Analysis of financial assets and liabilities by category of financial instruments**

<b>At 30 September 2024</b>	Total	Amortised	Non-financial	<b>Total</b>
<b>£'000</b>	instruments at fair value	cost	instruments or scoped out of IFRS 9	
<b>Assets</b>				
Cash and balances at central banks	—	3 939 001	—	3 939 001
Loans and advances to banks	—	723 652	—	723 652
Reverse repurchase agreements and cash collateral on securities borrowed	55 083	1 513 674	—	1 568 757
Sovereign debt securities	1 265 085	1 809 135	—	3 074 220
Bank debt securities	282 386	—	—	282 386
Other debt securities	60 747	534 250	—	594 997
Derivative financial instruments	524 743	—	—	524 743
Securities arising from trading activities	208 496	—	—	208 496
Loans and advances to customers	2 542 914	14 214 753	—	16 757 667
Other loans and advances	—	167 691	—	167 691
Other securitised assets	63 627	—	—	63 627
Investment portfolio	226 797	—	—	226 797
Interests in associated undertakings and joint venture holdings	—	—	789 870	789 870
Current taxation assets	—	—	33 329	33 329
Deferred taxation assets	—	—	110 958	110 958
Other assets	1 672	420 151	300 619	722 442
Property and equipment	—	—	65 839	65 839
Goodwill	—	—	56 581	56 581
Software	—	—	4 661	4 661
	<b>5 231 550</b>	<b>23 322 307</b>	<b>1 361 857</b>	<b>29 915 714</b>
<b>Liabilities</b>				
Deposits by banks	—	1 464 124	—	1 464 124
Derivative financial instruments	402 014	—	—	402 014
Other trading liabilities	21 548	—	—	21 548
Repurchase agreements and cash collateral on securities lent	—	84 599	—	84 599
Customer accounts (deposits)	—	21 765 399	—	21 765 399
Debt securities in issue	417	885 227	—	885 644
Liabilities arising on securitisation of other assets	67 988	—	—	67 988
Current taxation liabilities	—	—	7 486	7 486
Other liabilities	—	505 141	331 316	836 457
	<b>491 967</b>	<b>24 704 490</b>	<b>338 802</b>	<b>25 535 259</b>
Subordinated liabilities	—	700 302	—	700 302
	<b>491 967</b>	<b>25 404 792</b>	<b>338 802</b>	<b>26 235 561</b>

## ADDITIONAL IAS 34 DISCLOSURES

### CONTINUED

### Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

**Level 1** – quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2** – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 September 2024 £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Reverse repurchase agreements and cash collateral on securities borrowed	55 083	—	55 083	—
Sovereign debt securities	1 265 085	1 265 085	—	—
Bank debt securities	282 386	282 386	—	—
Other debt securities	60 747	8 638	51	52 058
Derivative financial instruments	524 743	—	514 819	9 924
Securities arising from trading activities	208 496	208 496	—	—
Loans and advances to customers	2 542 914	—	64 745	2 478 169
Other securitised assets	63 627	—	—	63 627
Investment portfolio	226 797	1 258	142	225 397
Other assets	1 672	1 672	—	—
	<b>5 231 550</b>	<b>1 767 535</b>	<b>634 840</b>	<b>2 829 175</b>
<b>Liabilities</b>				
Derivative financial instruments	402 014	—	400 952	1 062
Other trading liabilities	21 548	21 548	—	—
Debt securities in issue	417	—	417	—
Liabilities arising on securitisation of other assets	67 988	—	—	67 988
	<b>491 967</b>	<b>21 548</b>	<b>401 369</b>	<b>69 050</b>
<b>Net assets at fair value</b>	<b>4 739 583</b>	<b>1 745 987</b>	<b>233 471</b>	<b>2 760 125</b>

### Transfers between level 1 and level 2

During the current year there were no transfers between level 1 and level 2.

## ADDITIONAL IAS 34 DISCLOSURES CONTINUED

### Fair value hierarchy (continued)

The following table is a reconciliation of the opening balances to the closing balances for the fair value measurements in level 3 of the fair value hierarchy:

£'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets <sup>1</sup>	Total
<b>Assets</b>					
<b>Balance as at 1 April 2024<sup>^</sup></b>	<b>242 593</b>	<b>2 042 150</b>	<b>66 702</b>	<b>70 183</b>	<b>2 421 628</b>
Total gains or (losses)	5 479	102 725	724	2 545	111 473
In the income statement	5 479	106 664	724	2 545	115 412
In the statement of comprehensive income	—	(3 939)	—	—	(3 939)
Purchases	5 935	1 546 712	—	12 659	1 565 306
Sales	(6 722)	(431 495)	—	—	(438 217)
Settlements	(15 592)	(698 960)	(3 799)	(19 489)	(737 840)
Transfers out of level 3	—	(1 825)	—	—	(1 825)
Foreign exchange adjustments	(6 296)	(81 138)	—	(3 916)	(91 350)
<b>Balance as at 30 September 2024</b>	<b>225 397</b>	<b>2 478 169</b>	<b>63 627</b>	<b>61 982</b>	<b>2 829 175</b>

1. Comprises level 3 other debt securities and derivative financial instruments.

<sup>^</sup> Restated as detailed on page 27.

£'000	Liabilities arising on securitisation of other assets	Derivative financial instruments <sup>^</sup>	Total
<b>Liabilities</b>			
<b>Balance as at 1 April 2024<sup>^</sup></b>	<b>71 751</b>	<b>934</b>	<b>72 685</b>
Total losses	366	127	493
In the income statement	366	127	493
Settlements	(4 129)	—	(4 129)
Foreign exchange adjustments	—	1	1
<b>Balance as at 30 September 2024</b>	<b>67 988</b>	<b>1 062</b>	<b>69 050</b>

<sup>^</sup> Restated as detailed on page 27.

The Group transfers between levels within the fair value hierarchy when the observability of inputs change or if the valuation methods change.

For the six months to 30 September 2024, loans and advances to customers of £1.8 million were transferred from level 3 to level 2. The valuation methodologies were reviewed and broker inputs were used to determine the fair value.

## ADDITIONAL IAS 34 DISCLOSURES

### CONTINUED

### Fair value hierarchy (continued)

The following table quantifies the gains or (losses) included in the income statement and other comprehensive income recognised on level 3 financial instruments:

<b>For the six months to 30 September 2024</b>			
<b>£'000</b>	<b>Total</b>	Realised	Unrealised
<b>Total gains or (losses) included in the income statement for the year</b>			
Net interest income	108 738	81 638	27 100
Investment income	6 147	(12 036)	18 183
Trading income arising from customer flow	34	—	34
	<b>114 919</b>	<b>69 602</b>	<b>45 317</b>
<b>Total gains or (losses) included in other comprehensive income for the year</b>			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	235	235	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(3 939)	—	(3 939)
	<b>(3 704)</b>	<b>235</b>	<b>(3 939)</b>

### Level 2 financial assets and financial liabilities

The following table sets out the Group's principal valuation techniques as at 30 September 2024 used in determining the fair value of its financial assets and financial liabilities that are classified within level 2 of the fair value hierarchy:

	Valuation basis/Technique	Main assumptions
<b>Assets</b>		
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model	Discount rates
Other debt securities	Discounted cash flow model	Discount rates, swap curves and negotiable certificate of deposit curves, external prices and broker quotes
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Investment portfolio	Discounted cash flow model, net asset value model	Discount rate and fund unit price
	Comparable quoted inputs	Discount rate and net assets
Loans and advances to customers	Discounted cash flow model	Yield curves
	Broker inputs	Broker quotes
<b>Liabilities</b>		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Debt securities in issue	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves



## ADDITIONAL IAS 34 DISCLOSURES CONTINUED

### Fair value hierarchy (continued)

#### Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

The fair values of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The table below shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

At 30 September 2024	Balance sheet value £'000	Valuation technique	Significant unobservable input	Range of unobservable input used	Favourable changes £'000	Unfavourable changes £'000
<b>Assets</b>						
Other debt securities	52 058		Potential impact on income statement		1 947	(3 521)
		Discounted cash flows	Credit spreads	0.36%–1.22%	54	(102)
		Discounted cash flows	Cash flow adjustments	CPR 14.18%	186	(252)
		Other	Other	^	1 707	(3 167)
Derivative financial instruments	9 924		Potential impact on income statement		938	(696)
		Option pricing model	Volatilities	7.5%–16.95%	1	(1)
		Discounted cash flows	Cash flow adjustments	CPR 7.71%	17	(20)
		Underlying asset value	Underlying asset value	^^	1	(3)
		Other	Other	^	919	(672)
Investment portfolio	225 397		Potential impact on income statement		24 463	(45 789)
		Price earnings	Price earnings multiple	4x–9x	8 585	(14 767)
		Discounted cash flows	Cash flow adjustments	10%	223	(446)
		Underlying asset value	Underlying asset value	^^	3 293	(5 373)
		Other	Other	^	12 362	(25 203)
Loans and advances to customers	2 478 169		Potential impact on income statement		12 562	(27 564)
		Discounted cash flows	Credit spreads	0.16%–37.3%	9 012	(18 909)
		Price earnings	Price earnings multiple	4x	2 099	(6 951)
		Underlying asset value	Underlying asset value	^^	1 400	(1 603)
		Other	Other	^	51	(101)
			Potential impact on other comprehensive income			
		Discounted cash flows	Credit spreads	0.15%–5.3%	12 417	(21 285)
Other securitised assets	63 627		Potential impact on income statement			
		Discounted cash flows	Cash flow adjustments	CPR 7.71%	672	(440)
<b>Total level 3 assets</b>	<b>2 829 175</b>				<b>52 999</b>	<b>(99 295)</b>
<b>Liabilities</b>						
Derivative financial instruments	1 062		Potential impact on income statement		—	1
		Option pricing model	Volatilities	9%–16.95%	—	1
Liabilities arising on securitisation of other assets	67 988		Potential impact on income statement			
		Discounted cash flows	Cash flow adjustments	CPR 7.71%	(365)	290
<b>Total level 3 liabilities</b>	<b>69 050</b>				<b>(365)</b>	<b>291</b>
<b>Net level 3 assets</b>	<b>2 760 125</b>					

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as net asset value and probability of recovery rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the assets cannot be determined through the adjustment of a single input.

^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.

## ADDITIONAL IAS 34 DISCLOSURES CONTINUED

### **Fair value hierarchy (continued)**

In determining the value of level 3 financial instruments the following are the principal inputs that can require judgement:

#### **Credit spreads**

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument. It is an unobservable input into a discounted cash flow valuation.

#### **Discount rates**

Discount rates are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future cash flows.

#### **Volatilities**

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying instrument. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

#### **Cash flows**

Cash flows relate to the future cash flows that can be expected from the instrument and requires judgement. Cash flows are input into a discounted cash flow valuation.

#### **Price earnings multiple**

The price-to-earnings ratio is an equity valuation multiple used in the adjustment of underlying market prices. It is a key driver in the valuation of unlisted investments.

#### **Underlying asset value**

In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

ADDITIONAL IAS 34 DISCLOSURES  
CONTINUED

### Fair value of financial instruments at amortised cost

The following table sets out the fair value of financial instruments held at amortised cost when the carrying value is not a reasonable approximation of fair value:

At 30 September 2024 £'000	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts
<b>Assets</b>				
Cash and balances at central banks	3 939 001	3 939 001	—	—
Loans and advances to banks	723 652	723 652	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 513 674	1 046 393	467 281	467 549
Sovereign debt securities	1 809 135	4 137	1 804 998	1 806 965
Other debt securities	534 250	24 932	509 318	510 210
Loans and advances to customers	14 214 753	591 323	13 623 430	13 510 323
Other loans and advances	167 691	116 513	51 178	51 239
Other assets	420 151	420 151	—	—
	<b>23 322 307</b>	<b>6 866 102</b>	<b>16 456 205</b>	<b>16 346 286</b>
<b>Liabilities</b>				
Deposits by banks	1 464 124	206 974	1 257 150	1 270 607
Repurchase agreements and cash collateral on securities lent	84 599	84 599	—	—
Customer accounts (deposits)	21 765 399	11 783 787	9 981 612	9 950 744
Debt securities in issue	885 227	1 194	884 033	888 385
Other liabilities	505 141	504 048	1 093	304
Subordinated liabilities	700 302	—	700 302	727 577
	<b>25 404 792</b>	<b>12 580 602</b>	<b>12 824 190</b>	<b>12 837 617</b>

## ADDITIONAL IAS 34 DISCLOSURES CONTINUED

### Expected credit loss impairment charges or (release)

<b>For the six months to 30 September</b>		
<b>£'000</b>	<b>2024</b>	2023
Expected credit losses have arisen on the following items:		
Loans and advances to customers	54 044	42 919
Other loans and advances	(3)	(11)
Other balance sheet assets	(134)	(159)
Off-balance sheet commitments and guarantees	(1 075)	(3 484)
	<b>52 832</b>	<b>39 265</b>

### Operating costs

<b>For the six months to 30 September</b>		
<b>£'000</b>	<b>2024</b>	2023
Staff costs	211 846	235 281
Premises expenses	12 928	14 589
Premises expenses (excluding depreciation and impairments)	5 140	7 503
Premises depreciation and impairments	7 788	7 086
Equipment expenses (excluding depreciation)	21 660	21 881
Business expenses	38 242	33 835
Marketing expenses	5 179	3 456
Depreciation, amortisation and impairment of equipment, software and intangibles	1 055	1 614
	<b>290 910</b>	<b>310 656</b>

### Reverse repurchase agreements and cash collateral on securities borrowed and repurchase agreements and cash collateral on securities lent

<b>£'000</b>	<b>30 Sept 2024</b>	31 March 2024
<b>Assets</b>		
Gross reverse repurchase agreements and cash collateral on securities borrowed	1 568 778	1 140 129
Expected credit loss	(21)	(14)
<b>Net reverse repurchase agreements and cash collateral on securities borrowed</b>	<b>1 568 757</b>	<b>1 140 115</b>
Reverse repurchase agreements	1 561 998	1 131 175
Cash collateral on securities borrowed	6 759	8 940
	<b>1 568 757</b>	<b>1 140 115</b>
<b>Liabilities</b>		
Repurchase agreements	78 278	67 521
Cash collateral on securities lent	6 321	17 570
	<b>84 599</b>	<b>85 091</b>

## ADDITIONAL IAS 34 DISCLOSURES CONTINUED

### Extract of loans and advances to customers and other loans and advances

£'000	30 Sept 2024	31 March 2024
Gross loans and advances to customers at amortised cost	14 373 670	14 631 845
Gross loans and advances to customers at FVOCI <sup>^</sup>	1 975 671	1 471 371
Suspended interest	6 320	5 066
<b>Gross loans and advances to customers subject to expected credit losses</b>	<b>16 355 661</b>	<b>16 108 282</b>
Expected credit losses on loans and advances to customers at amortised cost and FVOCI <sup>^</sup>	(158 917)	(174 100)
Suspended interest	(6 320)	(5 066)
<b>Net loans and advances to customers at amortised cost and FVOCI<sup>^</sup></b>	<b>16 190 424</b>	<b>15 929 116</b>
Loans and advances to customers at fair value through profit and loss	567 243	641 197
<b>Net loans and advances to customers</b>	<b>16 757 667</b>	<b>16 570 313</b>
Gross other loans and advances	167 710	145 575
Expected credit losses on other loans and advances	(19)	(30)
<b>Net other loans and advances</b>	<b>167 691</b>	<b>145 545</b>

<sup>^</sup> Expected credit losses above do not include £11.3 million (31 March 2024: £13.3 million) ECL held against financial assets held at FVOCI. This is reported on the balance sheet within fair value reserve.

### Other securitised assets

£'000	30 Sept 2024	31 March 2024
Loans and advances to customers	63 315	66 234
Other debt securities	312	468
	<b>63 627</b>	<b>66 702</b>

### Other assets

£'000	30 Sept 2024	31 March 2024 <sup>^</sup>
<b>Financial assets</b>		
Settlement debtors	330 379	336 788
Trading initial margin	1 672	4 732
Prepayments and accruals	49 821	38 509
Other	39 951	75 417
	<b>421 823</b>	<b>455 446</b>
<b>Scoped out of IFRS 9</b>		
Trading properties	84 662	62 500
Prepayments and accruals	18 110	19 296
Finance lease receivables	138 643	160 628
Indirect taxation assets receivable	80	80
Other	59 124	52 397
	<b>300 619</b>	<b>294 901</b>
	<b>722 442</b>	<b>750 347</b>

<sup>^</sup> Restated as detailed on page 27.

ADDITIONAL IAS 34 DISCLOSURES  
CONTINUED

### Debt securities in issue

£'000	30 Sept 2024	31 March 2024
<b>Repayable in:</b>		
Less than three months	14 103	16 660
Three months to one year	102 344	96 842
One to five years	768 003	832 710
Greater than five years	1 194	10 675
	<b>885 644</b>	<b>956 887</b>
<b>Debt securities in issue shown above comprise:</b>		
Senior unsecured notes	661 679	660 117
Structured notes	222 771	295 576
Redeemable preference shares	1 194	1 194
	<b>885 644</b>	<b>956 887</b>

### Extract of deferred taxation

£'000	30 Sept 2024	31 March 2024
Losses carried forward	<b>1 951</b>	2 046

ADDITIONAL IAS 34 DISCLOSURES  
CONTINUED

### Extract of subordinated liabilities

£'000	30 Sept 2024	31 March 2024
<b>Issued by Investec Bank plc</b>		
Remaining maturities:		
In one year or less, or on demand	—	—
In more than one year, but not more than two years	—	—
In more than two years, but not more than five years	—	—
In more than five years	700 302	668 810
	<b>700 302</b>	<b>668 810</b>

### Medium-term notes

#### Subordinated prepayable fixed rate resettable medium-term loan (denominated in Pound Sterling) – accounted for at amortised cost

On 4 October 2021, Investec Bank plc entered into a £350 000 000 subordinated loan at a rate of 2.625% and repayable in 2032 (2032 loan) with Investec plc. Interest, after the initial short-period distribution paid on 4 January 2022, is paid annually commencing on 4 January 2023 and ending on the maturity date. The loan may be prepaid on any date in the period from 4 October 2026 to (and including) 4 January 2027 subject to conditions. If the option to prepay is not exercised, the loan will be repaid on the maturity date of 4 January 2032.

#### Subordinated prepayable fixed rate resettable medium-term loan (denominated in Pounds Sterling) – accounted for at amortised cost

On 6 December 2022, Investec Bank plc entered into a £350 000 000 subordinated loan at a rate of 9.125% (2033 loan) with Investec plc. Interest, after the initial short-period distribution paid on 6 March 2023, is paid annually commencing on 6 March 2024 and ending on the maturity date. The loan may be prepaid on any date in the period from 6 December 2027 to (and including) 6 March 2028 subject to conditions. If the option to prepay is not exercised, the loan will be repaid on the maturity date of 6 March 2033.

ADDITIONAL IAS 34 DISCLOSURES  
CONTINUED

## Offsetting

At 30 September 2024 £'000	Amounts subject to enforceable netting arrangements					
	Effects of offsetting on balance sheet			Related amounts not offset		
	Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Financial instruments (including non-cash collateral)	Cash collateral	Net amount
<b>Assets</b>						
Cash and balances at central banks	3 939 001	—	3 939 001	—	—	3 939 001
Loans and advances to banks	723 652	—	723 652	—	(41 084)	682 568
Reverse repurchase agreements and cash collateral on securities borrowed	1 568 757	—	1 568 757	(6 759)	(71 565)	1 490 433
Sovereign debt securities	3 074 220	—	3 074 220	—	—	3 074 220
Bank debt securities	282 386	—	282 386	—	—	282 386
Other debt securities	594 997	—	594 997	—	—	594 997
Derivative financial instruments	524 743	—	524 743	(244 906)	(150 804)	129 033
Securities arising from trading activities	208 496	—	208 496	(6 760)	—	201 736
Loans and advances to customers	16 757 667	—	16 757 667	—	—	16 757 667
Other loans and advances	167 691	—	167 691	—	(578)	167 113
Other securitised assets	63 627	—	63 627	—	—	63 627
Investment portfolio	226 797	—	226 797	—	—	226 797
Other assets	722 442	—	722 442	—	—	722 442
	<b>28 854 476</b>	<b>—</b>	<b>28 854 476</b>	<b>(258 425)</b>	<b>(264 031)</b>	<b>28 332 020</b>
<b>Liabilities</b>						
Deposits by banks	1 464 124	—	1 464 124	—	(140 492)	1 323 632
Derivative financial instruments	402 014	—	402 014	(244 906)	(31 644)	125 464
Other trading liabilities	21 548	—	21 548	(6 759)	—	14 789
Repurchase agreements and cash collateral on securities lent	84 599	—	84 599	(6 343)	(77 104)	1 152
Customer accounts (deposits)	21 765 399	—	21 765 399	—	(14 791)	21 750 608
Debt securities in issue	885 644	—	885 644	(417)	—	885 227
Liabilities arising on securitisation of other assets	67 988	—	67 988	—	—	67 988
Other liabilities	836 457	—	836 457	—	—	836 457
Subordinated liabilities	700 302	—	700 302	—	—	700 302
	<b>26 228 075</b>	<b>—</b>	<b>26 228 075</b>	<b>(258 425)</b>	<b>(264 031)</b>	<b>25 705 619</b>



ADDITIONAL IAS 34 DISCLOSURES  
CONTINUED

**Offsetting (continued)**

	Amounts subject to enforceable netting arrangements					Net amount
	Effects of offsetting on balance sheet		Net amounts reported on the balance sheet	Related amounts not offset		
At 31 March 2024 £'000	Gross amounts <sup>^</sup>	Amounts offset			Financial instruments (including non-cash collateral)	Cash collateral
<b>Assets</b>						
Cash and balances at central banks	5 661 623	—	5 661 623	—	—	5 661 623
Loans and advances to banks	676 001	—	676 001	—	(19 695)	656 306
Reverse repurchase agreements and cash collateral on securities borrowed	1 140 115	—	1 140 115	(8 940)	(1 381)	1 129 794
Sovereign debt securities	1 928 134	—	1 928 134	—	—	1 928 134
Bank debt securities	297 255	—	297 255	—	—	297 255
Other debt securities	708 285	—	708 285	—	—	708 285
Derivative financial instruments	432 395	—	432 395	(124 113)	(158 857)	149 425
Securities arising from trading activities	157 332	—	157 332	(27 398)	—	129 934
Loans and advances to customers	16 570 313	—	16 570 313	—	—	16 570 313
Other loans and advances	145 545	—	145 545	—	(399)	145 146
Other securitised assets	66 702	—	66 702	—	—	66 702
Investment portfolio	244 140	—	244 140	—	—	244 140
Other assets	750 347	—	750 347	—	—	750 347
	<b>28 778 187</b>		<b>28 778 187</b>	<b>(160 451)</b>	<b>(180 332)</b>	<b>28 437 404</b>
<b>Liabilities</b>						
Deposits by banks	2 174 305	—	2 174 305	—	(157 489)	2 016 816
Derivative financial instruments	409 255	—	409 255	(124 113)	(15 417)	269 725
Other trading liabilities	18 449	—	18 449	(8 940)	—	9 509
Repurchase agreements and cash collateral on securities lent	85 091	—	85 091	(17 575)	(4 677)	62 839
Customer accounts (deposits)	20 851 216	—	20 851 216	—	(2 749)	20 848 467
Debt securities in issue	956 887	—	956 887	(9 823)	—	947 064
Liabilities arising on securitisation of other assets	71 751	—	71 751	—	—	71 751
Other liabilities	987 437	—	987 437	—	—	987 437
Subordinated liabilities	668 810	—	668 810	—	—	668 810
	<b>26 223 201</b>		<b>26 223 201</b>	<b>(160 451)</b>	<b>(180 332)</b>	<b>25 882 418</b>

<sup>^</sup> Restated as detailed on page 27.

## ADDITIONAL IAS 34 DISCLOSURES

### CONTINUED

#### Historical German dividend tax arbitrage transactions

Investec Bank plc has previously been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum-ex transactions). Investigations are ongoing and no formal proceedings have been issued against Investec Bank plc by the Office of the Public Prosecutor. In addition, Investec Bank plc received certain enquiries in respect of client tax reclaims for the periods 2010-2011 relating to the historical German dividend arbitrage transactions from the German Federal Tax Office (FTO) in Bonn. The FTO has provided more information in relation to their claims and Investec Bank plc has sought further information and clarification.

Investec Bank plc is cooperating with the German authorities and continues to conduct its own internal investigation into the matters in question. A provision is held to reflect the estimate of financial outflows that could arise as a result of this matter. There are factual issues to be resolved which may have legal consequences, including financial penalties.

In relation to potential civil claims; whilst Investec Bank plc is not a claimant nor a defendant to any civil claims in respect of cum-ex transactions, Investec Bank plc has received third party notices in relation to two civil proceedings in Germany and may elect to join the proceedings as a third party participant. Investec Bank plc has itself served third party notices on various participants to these historic transactions in order to preserve the statute of limitations on any potential future claims that Investec Bank plc may seek to bring against those parties, should Investec Bank plc incur any liability in the future. Investec Bank plc has also entered into standstill agreements with some third parties in order to suspend the limitation period in respect of the potential civil claims. While Investec Bank plc is not a claimant nor a defendant to any civil claims at this stage, it cannot rule out the possibility of civil claims by or against Investec Bank plc in future in relation to the relevant transactions.

The Group has not provided further disclosure with respect to these historical dividend arbitrage transactions because it has concluded that such disclosure may be expected to seriously prejudice its outcome.

#### Motor commission review

Investec Group (the Group) notes the recent Court of Appeal decisions on Wrench, Johnson and Hopcraft relating to motor commission arrangements. The Group also notes the intention of the lenders to appeal the decisions to the UK Supreme Court.

The Court of Appeal has determined that motor dealers acting as credit brokers owe certain duties to disclose to their customers commission payable to them by lenders, and that lenders will be liable for dealers' non-disclosures. This sets a higher bar for the disclosure of and consent to the existence, nature, and quantum of any commission paid than had been understood to be required or applied across the motor finance industry prior to the decision. Our understanding of compliant disclosure was built on FCA/ regulatory guidance and previous legal authorities. These decisions relate to commission disclosure and consent obligations which go beyond the scope of the current FCA motor commissions review.

The Group has assessed the potential impact of these decisions, as well as any broader implications, pending the outcome of the intended appeal applications and concluded the provision of £30 million at 31 March 2024 still remains appropriate based on the information currently available. This provision continues to include estimates for operational and legal costs, including litigation costs, together with estimates for potential awards, based on various scenarios using a range of assumptions.

There is significant uncertainty across the industry as to the extent of any misconduct and customer loss that may be identified, and/or the nature, extent and timing of any remediation action that may subsequently be required following the court of appeal decision and FCA motor commission review. The Group therefore notes that the ultimate financial impact of the Court of Appeal decision and ongoing FCA investigation into motor commission could materially vary, pending further guidance from the FCA or the outcome of the intended appeal to the UK Supreme Court.

#### Events after the reporting period

At the date of this report, there were no significant events subsequent to period end.

## DISCONTINUED OPERATIONS

**Investec Wealth & Investment Limited**

In the prior year, on 21 September 2023 the Investec Group successfully completed the all-share combination of Investec Wealth & Investment Limited with Rathbones Group Plc (Rathbones). On completion Rathbones issued new Rathbones shares in exchange for 100% of Investec Wealth & Investment Limited's share capital. The Group now owns 41.25% of the economic interest in the enlarged Rathbones Group, with the Group's voting rights limited to 29.9%. The Group's holding in Rathbones Group Plc is equity accounted for as an interest in associated undertakings and joint venture holdings in accordance with IAS 28.

**Income statement of discontinued operations**

For the six months to 30 September 2023 and year to 31 March 2024

£'000

Interest income	17 755
Interest expense	(431)
<b>Net interest income</b>	<b>17 324</b>
Fee and commission income	161 610
Fee and commission expense	—
Investment income	—
Trading income arising from	
– customer flow	—
– balance sheet management and other trading activities	—
Other operating income	—
<b>Operating income</b>	<b>178 934</b>
Expected credit loss impairment charges	—
<b>Operating income after expected credit loss impairment charges</b>	<b>178 934</b>
Operating costs	(131 106)
<b>Operating profit before acquired intangibles and strategic actions</b>	<b>47 828</b>
Amortisation of acquired intangibles	(6 424)
<b>Operating profit</b>	<b>41 404</b>
Gain on all-share combination net of implementation costs	364 554
<b>Profit before taxation</b>	<b>405 958</b>
Taxation on operating profit before acquired intangibles and strategic actions	(11 973)
Taxation on acquired intangibles and strategic actions	1 615
<b>Profit after taxation</b>	<b>395 600</b>
Profit attributable to non-controlling interests of discontinued operations	—
<b>Earnings attributable to shareholder</b>	<b>395 600</b>

**Gain on loss of control of Investec Wealth & Investment Limited**

The gain is calculated as follows:

£'000

Fair value of 41.25% interest in Rathbones Group	779 421
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	(413 915)
<b>Gain on the combination of Rathbones Group (before tax)</b>	<b>365 506</b>
Implementation costs	(952)
<b>Gain on combination of Rathbones Group (before tax)</b>	<b>364 554</b>
Taxation on gain	—
<b>Gain on combination of Rathbones Group net of taxation and implementation costs</b>	<b>364 554</b>

**Major classes of assets and liabilities**

£'000

Loans and advances to banks	172 595
Goodwill	247 175
Other assets	363 718
Other liabilities	(369 573)
	<b>413 915</b>

## RESTATEMENTS

### Reclassifications between interest income, interest expense and trading income/(loss)

For the six months to 30 September 2023, realised cash flows on interest rate swaps were incorrectly grossed up and separately recognised as interest income and interest expense. The two lines were appropriately reduced for the gross cash flows of £169 million and the net movement was accounted for in either 'interest income' or 'interest expense' (depending on whether it was an asset or liability being hedged).

Cash flows on non-qualifying hedge related interest rate swaps were incorrectly classified as interest income and interest expense. Interest income was adjusted by £0.4 million and interest expense was adjusted by £3.9 million and these amounts were reclassified to Trading income/(loss) arising from balance sheet management and other trading activities by £3.5 million.

This reclassification in the income statement for the prior reported period and the consequential restated comparative have been shown below.

£'000	Six months to 30 Sept 2023 as previously reported	Reversal of interest rate swaps gross-up	Reclassification of non-qualifying hedge related interest rate swaps	Six months to 30 Sept 2023 restated
Interest income	1 111 312	(169 048)	(381)	941 883
Interest expense	(695 943)	169 048	3 902	(522 993)
<b>Net interest income</b>	<b>415 369</b>	<b>—</b>	<b>3 521</b>	<b>418 890</b>
<b>Trading income/(loss) arising from balance sheet management and other trading activities</b>	<b>19 236</b>	<b>—</b>	<b>(3 521)</b>	<b>15 715</b>

### Derecognition of derivative assets and liabilities

Post the review of the accounting treatment of an aviation lease structure, it was identified that at 31 March 2024 Derivative financial instruments assets of £42.4 million (30 September 2023: £41.8 million) and Derivative financial instruments liabilities of £63.4 million (30 September 2023: £62.1 million) were incorrectly bifurcated from leases in the past. These have now been derecognised in the comparative balances and included in the measurement of associated lease contracts, leading to a reduction in the net investment in a finance sublease of £14.1 million (30 September 2023: £13.7 million), reflecting historic impairments, and an increase in other liabilities of £6.8 million (30 September 2023: £6.6 million). This change has no material impact on the income statement, cash flow statement or statement of changes in equity.

£'000	At 31 March 2024 as previously reported	Adjustment	At 31 March 2024 restated
Derivative financial instruments	474 834	(42 439)	432 395
Other assets	764 473	(14 126)	750 347
<b>Total assets</b>	<b>1 239 307</b>	<b>(56 565)</b>	<b>1 182 742</b>
Derivative financial instruments	472 662	(63 407)	409 255
Other liabilities	980 595	6 842	987 437
<b>Total liabilities</b>	<b>1 453 257</b>	<b>(56 565)</b>	<b>1 396 692</b>

£'000	At 30 Sept 2023 as previously reported	Adjustment	At 30 Sept 2023 restated
Derivative financial instruments	683 432	(41 807)	641 625
Other assets	791 686	(13 700)	777 986
<b>Total assets</b>	<b>1 475 118</b>	<b>(55 507)</b>	<b>1 419 611</b>
Derivative financial instruments	740 017	(62 143)	677 874
Other liabilities	953 179	6 636	959 815
<b>Total liabilities</b>	<b>1 693 196</b>	<b>(55 507)</b>	<b>1 637 689</b>

## CREDIT AND COUNTERPARTY RISK

The following risk management and capital section will provide details on the quantitative disclosure required on a semi-annual basis. For additional qualitative disclosures, definitions and descriptions, please refer to our annual financial statements for the year ended 31 March 2024.

### An analysis of gross core loans, asset quality and ECL

The tables that follow provide information with respect to the asset quality of our gross core loans on a statutory basis.

Net core loans grew to £16.7 billion (31 March 2024: £16.6 billion) or 2.3% annualised growth. Diversified growth across corporate client lending accounts for the majority of this increase at 5.2% annualised to £8.6 billion. High net worth and other private client lending has increased, driven by 7.3% of annualised growth in mortgages to £5.1 billion despite market activity being affected by the high interest rate environment. Lending collateralised by property has decreased by £149 million since 31 March 2024, driven by increased redemptions.

Stage 2 exposures have decreased to £1 135 million or 6.9% of gross core loans subject to ECL at 30 September 2024 (£1 391 million or 8.6% at 31 March 2024) as underlying portfolios continue to perform.

Stage 3 exposures have also reduced as a proportion of the loan book to 3.2% of gross core loans subject to ECL or £528 million (3.3% or £531 million at 31 March 2024).

The annualised credit loss ratio as at 30 September 2024 is 67bps, which is above the upper end of the guided range for the financial year ended 2025 of 50bps to 60bps, driven by a small number of idiosyncratic impairments given higher for longer rates.

£'million	30 Sept 2024	31 March 2024
<b>Gross core loans</b>	<b>16 917</b>	<b>16 744</b>
Gross core loans at fair value through profit and loss (FVPL)	567	641
<b>Gross core loans subject to ECL*</b>	<b>16 350</b>	<b>16 103</b>
Stage 1	14 687	14 181
Stage 2	1 135	1 391
<i>of which past due greater than 30 days</i>	61	150
Stage 3 <sup>#</sup>	528	531
<b>ECL<sup>^</sup></b>	<b>(170)</b>	<b>(187)</b>
Stage 1	(38)	(43)
Stage 2	(30)	(33)
Stage 3	(102)	(111)
<b>Coverage ratio</b>		
Stage 1	0.26%	0.30%
Stage 2	2.6%	2.4%
Stage 3	19.3%	20.9%
<b>Annualised credit loss ratio</b>	<b>0.67%</b>	<b>0.58%</b>
ECL impairment charges on core loans	(54)	(90)
Average gross core loans subject to ECL	16 226	15 631
<b>An analysis of Stage 3 gross core loans subject to ECL</b>		
Stage 3 net of ECL	426	420
Aggregate collateral and other credit enhancements on Stage 3	447	445
Stage 3 as a % of gross core loans subject to ECL	3.2%	3.3%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.6%	2.6%

Note: Our exposure (net of ECL) to the UK Legacy portfolio has reduced from £32 million at 31 March 2024 to £28 million at 30 September 2024. These Legacy assets are predominantly reported in Stage 3. These assets have been significantly provided for and coverage remains high at 49.2%.

\* Refer to definitions on page 50.

<sup>^</sup> Comprises ECL held against both amortised cost and FVOCI loans.

<sup>#</sup> Stage 3 exposures disclosed above and in the tables that follow are net of suspended interest. Refer to page 20 for additional information.

CREDIT AND COUNTERPARTY RISK  
CONTINUED

An analysis of core loans by risk category – Lending collateralised by property

£'million	Gross core loans at amortised cost and FVOCI								Gross core loans at FVPL	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 30 September 2024</b>										
<b>Commercial real estate</b>	<b>1 274</b>	<b>(6)</b>	<b>115</b>	<b>(4)</b>	<b>82</b>	<b>(5)</b>	<b>1 471</b>	<b>(15)</b>	<b>51</b>	<b>1 522</b>
Commercial real estate – investment	974	(5)	88	(3)	81	(5)	1 143	(13)	46	1 189
Commercial real estate – development	300	(1)	21	(1)	—	—	321	(2)	5	326
Commercial vacant land and planning	—	—	6	—	1	—	7	—	—	7
<b>Residential real estate</b>	<b>728</b>	<b>(1)</b>	<b>40</b>	<b>—</b>	<b>60</b>	<b>(15)</b>	<b>828</b>	<b>(16)</b>	<b>5</b>	<b>833</b>
Residential real estate – investment	445	(1)	16	—	33	(3)	494	(4)	5	499
Residential real estate – development	263	—	24	—	4	(1)	291	(1)	—	291
Residential vacant land and planning	20	—	—	—	23	(11)	43	(11)	—	43
<b>Total lending collateralised by property</b>	<b>2 002</b>	<b>(7)</b>	<b>155</b>	<b>(4)</b>	<b>142</b>	<b>(20)</b>	<b>2 299</b>	<b>(31)</b>	<b>56</b>	<b>2 355</b>
<b>Coverage ratio</b>		<b>0.35%</b>		<b>2.6%</b>		<b>14.1%</b>		<b>1.3%</b>		
<b>At 31 March 2024</b>										
<b>Commercial real estate</b>	<b>1 365</b>	<b>(8)</b>	<b>119</b>	<b>(3)</b>	<b>92</b>	<b>(21)</b>	<b>1 576</b>	<b>(32)</b>	<b>49</b>	<b>1 625</b>
Commercial real estate – investment	1 045	(7)	102	(1)	86	(17)	1 233	(25)	45	1 278
Commercial real estate – development	320	(1)	11	(2)	—	—	331	(3)	4	335
Commercial vacant land and planning	—	—	6	—	6	(4)	12	(4)	—	12
<b>Residential real estate</b>	<b>790</b>	<b>(2)</b>	<b>49</b>	<b>—</b>	<b>52</b>	<b>(14)</b>	<b>891</b>	<b>(16)</b>	<b>5</b>	<b>896</b>
Residential real estate – investment	502	(2)	40	—	25	(2)	567	(4)	5	572
Residential real estate – development	262	—	8	—	4	(1)	274	(1)	—	274
Residential vacant land and planning	26	—	1	—	23	(11)	50	(11)	—	50
<b>Total lending collateralised by property</b>	<b>2 155</b>	<b>(10)</b>	<b>168</b>	<b>(3)</b>	<b>144</b>	<b>(35)</b>	<b>2 467</b>	<b>(48)</b>	<b>54</b>	<b>2 521</b>
<b>Coverage ratio</b>		<b>0.46%</b>		<b>1.8%</b>		<b>24.3%</b>		<b>1.9%</b>		

An analysis of core loans by risk category – High net worth and other private client lending

£'million	Gross core loans at amortised cost and FVOCI								Gross core loans at FVPL	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 30 September 2024</b>										
Mortgages	4 794	(5)	140	—	109	(6)	5 043	(11)	35	5 078
Other high net worth lending	641	(1)	79	(1)	57	(16)	777	(18)	8	785
<b>Total high net worth and other private client lending</b>	<b>5 435</b>	<b>(6)</b>	<b>219</b>	<b>(1)</b>	<b>166</b>	<b>(22)</b>	<b>5 820</b>	<b>(29)</b>	<b>43</b>	<b>5 863</b>
<b>Coverage ratio</b>		<b>0.11%</b>		<b>0.5%</b>		<b>13.3%</b>		<b>0.5%</b>		
<b>At 31 March 2024</b>										
Mortgages	4 589	(4)	162	—	105	(4)	4 856	(8)	41	4 897
Other high net worth lending	674	(2)	98	(1)	65	(12)	837	(15)	2	839
<b>Total high net worth and other private client lending</b>	<b>5 263</b>	<b>(6)</b>	<b>260</b>	<b>(1)</b>	<b>170</b>	<b>(16)</b>	<b>5 693</b>	<b>(23)</b>	<b>43</b>	<b>5 736</b>
<b>Coverage ratio</b>		<b>0.11%</b>		<b>0.4%</b>		<b>9.4%</b>		<b>0.4%</b>		

## CREDIT AND COUNTERPARTY RISK CONTINUED

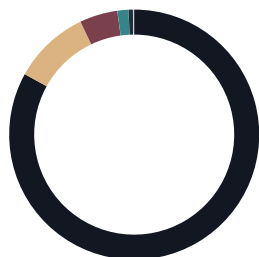
### An analysis of core loans by risk category – Corporate and other lending

£'million	Gross core loans at amortised cost and FVOCI								Gross core loans at FVPL	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 30 September 2024</b>										
Corporate and acquisition finance	1 760	(7)	238	(9)	111	(32)	2 109	(48)	114	2 223
Asset-based lending	179	(1)	143	(4)	—	—	322	(5)	—	322
Fund finance	1 563	(1)	—	—	—	—	1 563	(1)	55	1 618
Other corporate and financial institutions and governments	611	(2)	58	(3)	19	(3)	688	(8)	35	723
Small ticket asset finance	1 441	(9)	175	(4)	31	(14)	1 647	(27)	—	1 647
Motor finance	1 043	(3)	75	(3)	23	(9)	1 141	(15)	—	1 141
Aviation finance	185	(1)	7	—	—	—	192	(1)	247	439
Power and infrastructure finance	468	(1)	65	(2)	36	(2)	569	(5)	17	586
<b>Total corporate and other lending</b>	<b>7 250</b>	<b>(25)</b>	<b>761</b>	<b>(25)</b>	<b>220</b>	<b>(60)</b>	<b>8 231</b>	<b>(110)</b>	<b>468</b>	<b>8 699</b>
<b>Coverage ratio</b>		<b>0.34%</b>		<b>3.3%</b>		<b>27.3%</b>		<b>1.3%</b>		
<b>At 31 March 2024</b>										
Corporate and acquisition finance	1 831	(9)	249	(7)	102	(33)	2 182	(49)	135	2 317
Asset-based lending	106	—	188	(4)	—	—	294	(4)	—	294
Fund finance	1 320	(1)	24	—	—	—	1 344	(1)	51	1 395
Other corporate and financial institutions and governments	529	(3)	65	(4)	22	(3)	616	(10)	66	682
Small ticket asset finance	1 325	(9)	211	(5)	39	(13)	1 575	(27)	—	1 575
Motor finance	1 022	(3)	81	(5)	19	(7)	1 122	(15)	—	1 122
Aviation finance	96	—	76	(1)	—	—	172	(1)	270	442
Power and infrastructure finance	534	(2)	69	(3)	35	(4)	638	(9)	22	660
<b>Total corporate and other lending</b>	<b>6 763</b>	<b>(27)</b>	<b>963</b>	<b>(29)</b>	<b>217</b>	<b>(60)</b>	<b>7 943</b>	<b>(116)</b>	<b>544</b>	<b>8 487</b>
<b>Coverage ratio</b>		<b>0.40%</b>		<b>3.0%</b>		<b>27.6%</b>		<b>1.5%</b>		

### An analysis of gross core loans by country of exposure

30 September 2024

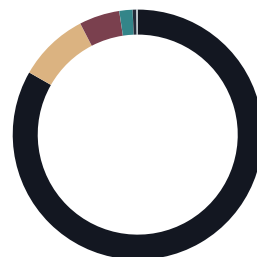
£16 917 million



United Kingdom	83.0%
Europe (excluding UK)	9.9%
North America	4.9%
Asia	1.4%
Other	0.6%
Australia	0.2%

31 March 2024

£16 744 million



United Kingdom	83.3%
Europe (excluding UK)	9.1%
North America	5.2%
Asia	1.7%
Other	0.5%
Australia	0.2%

## CREDIT AND COUNTERPARTY RISK CONTINUED

### An analysis of staging and ECL movements for core loans subject to ECL

The table below indicates underlying movements in gross core loans subject to ECL from 31 March 2024 to 30 September 2024. The transfers between stages of gross core loans indicate the impact of stage transfers upon the gross exposure and associated opening ECL.

There has been a net transfer of exposures into Stage 1 from Stage 2. Transfers into Stage 3 since 31 March 2024 have slowed when compared to the previous reporting period.

The net remeasurement of ECL arising from stage transfers represents the (increase)/decrease in ECL due to these transfers. New lending net of repayments comprises new originations, further drawdowns, repayments and sell-downs as well as, with respect to ECLs, Stage 3 ECLs that have been written off, typically when an asset has been sold.

The ECL impact of changes to risk parameters and models during the year relate to the adjustment of model changes to more effectively calculate probability of default reflective of the current experience in the economic environment. The foreign exchange and other category largely comprises the impact on the closing balance as a result of movements and translations in foreign exchange rates since 31 March 2024.

£'million	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
<b>At 31 March 2024</b>	<b>14 181</b>	<b>(43)</b>	<b>1 391</b>	<b>(33)</b>	<b>531</b>	<b>(111)</b>	<b>16 103</b>	<b>(187)</b>
Transfer from Stage 1	(336)	2	309	(2)	27	—	—	—
Transfer from Stage 2	357	(5)	(483)	7	126	(2)	—	—
Transfer from Stage 3	1	—	18	—	(19)	—	—	—
ECL remeasurement arising from transfer of stage	—	3	—	(8)	—	(8)	—	(13)
New lending net of repayments (includes assets written off)	579	—	(91)	1	(134)	18	354	19
Changes to risk parameters and models	—	5	—	5	—	—	—	10
Foreign exchange and other	(95)	—	(9)	—	(3)	1	(107)	1
<b>At 30 September 2024</b>	<b>14 687</b>	<b>(38)</b>	<b>1 135</b>	<b>(30)</b>	<b>528</b>	<b>(102)</b>	<b>16 350</b>	<b>(170)</b>



## CREDIT AND COUNTERPARTY RISK CONTINUED

The tables that follow provide further analysis of the Bank's gross credit and counterparty exposures.

### An analysis of gross credit and counterparty exposures

Gross credit and counterparty exposure totalled £30.6 billion at 30 September 2024. Cash and near cash balances amounted to £9.8 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks and sovereign debt securities. These exposures are all Stage 1. There are immaterial Stage 2 and Stage 3 exposures outside of loans and advances to customers which are small relative to the balance sheet. Loans and advances to customers (including committed facilities) account for greater than 99.8% of overall ECLs.

### An analysis of gross credit and counterparty exposures

£'million	30 Sept 2024	31 March 2024*
Cash and balances at central banks	3 939	5 662
Loans and advances to banks	724	676
Reverse repurchase agreements and cash collateral on securities borrowed	1 569	1 140
Sovereign debt securities	3 074	1 928
Bank debt securities	282	297
Other debt securities	595	708
Derivative financial instruments	509	353
Securities arising from trading activities	1	13
Loans and advances to customers	16 917	16 744
Other loans and advances	168	146
Other securitised assets	—	2
Other assets	68	33
<b>Total on-balance sheet exposures</b>	<b>27 846</b>	<b>27 702</b>
Guarantees	36	34
Committed facilities related to loans and advances to customers	2 314	2 327
Contingent liabilities, letters of credit and other	452	461
<b>Total off-balance sheet exposures</b>	<b>2 802</b>	<b>2 822</b>
<b>Total gross credit and counterparty exposures</b>	<b>30 648</b>	<b>30 524</b>

\* Restated as detailed on page 27.

## CREDIT AND COUNTERPARTY RISK

### CONTINUED

#### A further analysis of gross credit and counterparty exposures

The table below indicates in which class of asset (on the face of the consolidated balance sheet) credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

At 30 September 2024 £'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	3 939	—	3 939	—	—	3 939
Loans and advances to banks	724	—	724	—	—	724
Reverse repurchase agreements and cash collateral on securities borrowed	1 569	55	1 514	—	—	1 569
Sovereign debt securities	3 074	—	3 074	—	—	3 074
Bank debt securities	282	—	282	—	—	282
Other debt securities	595	52	543	—	—	595
Derivative financial instruments	509	509	—	—	16	525
Securities arising from trading activities	1	1	—	—	207	208
Loans and advances to customers	16 917	567	16 350	(159)	—	16 758
Other loans and advances	168	—	168	—	—	168
Other securitised assets	—	—	—	—	64 <sup>^</sup>	64
Investment portfolio	—	—	—	—	227*	227
Interests in associated undertakings and joint venture holdings	—	—	—	—	790	790
Current taxation assets	—	—	—	—	33	33
Deferred taxation assets	—	—	—	—	111	111
Other assets	68	—	68	—	654**	722
Property and equipment	—	—	—	—	66	66
Goodwill	—	—	—	—	57	57
Software	—	—	—	—	5	5
<b>Total on-balance sheet exposures</b>	<b>27 846</b>	<b>1 184</b>	<b>26 662</b>	<b>(159)</b>	<b>2 230</b>	<b>29 917</b>
Guarantees	36	—	36	—	—	36
Committed facilities related to loans and advances to customers	2 314	104	2 210	(7)	—	2 307
Contingent liabilities, letters of credit and other	452	14	438	(3)	173	622
<b>Total off-balance sheet exposures</b>	<b>2 802</b>	<b>118</b>	<b>2 684</b>	<b>(10)</b>	<b>173</b>	<b>2 965</b>
<b>Total exposures</b>	<b>30 648</b>	<b>1 302</b>	<b>29 346</b>	<b>(169)</b>	<b>2 403</b>	<b>32 882</b>

\* Relates to exposures that are classified as investment risk in the banking book.

<sup>^</sup> While the Bank manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the Bank. The credit exposure that the Bank has in the vehicles is reflected in the 'total gross credit and counterparty exposure' for other securitised assets.

\*\* Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

The table below summarises the ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves. The ECL charges are recognised in 'ECL impairment charges on core loans and advances' in the income statement.

At 30 September 2024

£'million	Fair value	ECL
Loans and advances to customers	1 976	(11)

## CREDIT AND COUNTERPARTY RISK CONTINUED

### A further analysis of gross credit and counterparty exposures (continued)

At 31 March 2024 <sup>^^</sup> £'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL <sup>#</sup>	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	5 662	—	5 662	—	—	5 662
Loans and advances to banks	676	—	676	—	—	676
Reverse repurchase agreements and cash collateral on securities borrowed	1 140	164	976	—	—	1 140
Sovereign debt securities	1 928	—	1 928	—	—	1 928
Bank debt securities	297	—	297	—	—	297
Other debt securities	708	59	649	—	—	708
Derivative financial instruments	353	353	—	—	79	432
Securities arising from trading activities	13	13	—	—	144	157
Loans and advances to customers	16 744	641	16 103	(187)	—	16 557
Other loans and advances	146	—	146	—	—	146
Other securitised assets	2	2	—	—	65 <sup>^</sup>	67
Investment portfolio	—	—	—	—	244 <sup>*</sup>	244
Interests in associated undertakings and joint venture holdings	—	—	—	—	791	791
Current taxation assets	—	—	—	—	13	13
Deferred taxation assets	—	—	—	—	120	120
Other assets	33	—	33	—	717 <sup>**</sup>	750
Property and equipment	—	—	—	—	73	73
Goodwill	—	—	—	—	58	58
Software	—	—	—	—	5	5
<b>Total on-balance sheet exposures</b>	<b>27 702</b>	<b>1 232</b>	<b>26 470</b>	<b>(187)</b>	<b>2 309</b>	<b>29 824</b>
Guarantees	34	—	34	—	—	34
Committed facilities related to loans and advances to customers	2 327	102	2 225	(8)	—	2 319
Contingent liabilities, letters of credit and other	461	27	434	(3)	112	570
<b>Total off-balance sheet exposures</b>	<b>2 822</b>	<b>129</b>	<b>2 693</b>	<b>(11)</b>	<b>112</b>	<b>2 923</b>
<b>Total exposures</b>	<b>30 524</b>	<b>1 361</b>	<b>29 163</b>	<b>(198)</b>	<b>2 421</b>	<b>32 747</b>

<sup>#</sup> ECLs include £13.4 million ECL held against financial assets held at FVOCI.

<sup>\*</sup> Relates to exposures that are classified as investment risk in the banking book.

<sup>^</sup> While the Bank manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the Bank. The credit exposure that the Bank has in the vehicles is reflected in the 'total gross credit and counterparty exposure' for other securitised assets.

<sup>\*\*</sup> Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

<sup>^^</sup> Restated as detailed on page 27.

## CREDIT AND COUNTERPARTY RISK CONTINUED

### Gross credit and counterparty exposures by industry

£'million	High net worth and other professional individuals	Lending collateralised by property	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business services	Finance and insurance
<b>At 30 September 2024</b>							
Cash and balances at central banks	—	—	—	—	3 939	—	—
Loans and advances to banks	—	—	—	—	—	—	724
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	—	—	1 569
Sovereign debt securities	—	—	—	—	2 933	—	141
Bank debt securities	—	—	—	—	—	—	282
Other debt securities	—	—	—	—	2	15	505
Derivative financial instruments	1	3	3	17	2	10	383
Securities arising from trading activities	—	—	—	—	—	—	1
Loans and advances to customers	5 863	2 355	20	700	247	1 075	2 628
Other loans and advances	—	—	—	—	—	—	168
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	68
<b>Total on-balance sheet exposures</b>	<b>5 864</b>	<b>2 358</b>	<b>23</b>	<b>717</b>	<b>7 123</b>	<b>1 100</b>	<b>6 469</b>
Guarantees	15	—	—	—	—	—	—
Committed facilities related to loans and advances to customers	211	268	—	528	30	148	766
Contingent liabilities, letters of credit and other	37	—	—	258	—	3	145
<b>Total off-balance sheet exposures</b>	<b>263</b>	<b>268</b>	<b>—</b>	<b>786</b>	<b>30</b>	<b>151</b>	<b>911</b>
<b>Total gross credit and counterparty exposures</b>	<b>6 127</b>	<b>2 626</b>	<b>23</b>	<b>1 503</b>	<b>7 153</b>	<b>1 251</b>	<b>7 380</b>
<b>At 31 March 2024*</b>							
Cash and balances at central banks	—	—	—	—	5 662	—	—
Loans and advances to banks	—	—	—	—	—	—	676
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	131	—	1 009
Sovereign debt securities	—	—	—	—	1 902	—	26
Bank debt securities	—	—	—	—	—	—	297
Other debt securities	—	—	—	—	3	24	596
Derivative financial instruments	—	1	1	7	1	6	311
Securities arising from trading activities	—	—	—	—	—	—	13
Loans and advances to customers	5 736	2 521	19	790	234	1 180	2 321
Other loans and advances	—	—	—	—	—	—	146
Other securitised assets	—	—	—	—	—	—	—
Other assets	5	—	—	—	—	—	27
<b>Total on-balance sheet exposures</b>	<b>5 741</b>	<b>2 522</b>	<b>20</b>	<b>797</b>	<b>7 933</b>	<b>1 210</b>	<b>5 422</b>
Guarantees	12	—	—	—	—	—	—
Committed facilities related to loans and advances to customers	215	300	—	433	62	158	847
Contingent liabilities, letters of credit and other	39	—	—	268	—	3	135
<b>Total off-balance sheet exposures</b>	<b>266</b>	<b>300</b>	<b>—</b>	<b>701</b>	<b>62</b>	<b>161</b>	<b>982</b>
<b>Total gross credit and counterparty exposures</b>	<b>6 007</b>	<b>2 822</b>	<b>20</b>	<b>1 498</b>	<b>7 995</b>	<b>1 371</b>	<b>6 404</b>

\* Restated as detailed on page 27.

CREDIT AND COUNTERPARTY RISK  
CONTINUED

Retailers and wholesalers	Manufacturing and commerce	Construction	Other residential mortgages	Corporate commercial real estate	Mining and resources	Leisure, entertainment and tourism	Transport	Motor finance	Communication	Total
—	—	—	—	—	—	—	—	—	—	3 939
—	—	—	—	—	—	—	—	—	—	724
—	—	—	—	—	—	—	—	—	—	1 569
—	—	—	—	—	—	—	—	—	—	3 074
—	—	—	—	—	—	—	—	—	—	282
—	—	—	43	—	—	—	30	—	—	595
34	19	1	—	1	—	—	32	—	3	509
—	—	—	—	—	—	—	—	—	—	1
263	835	151	—	136	4	93	865	1 141	541	16 917
—	—	—	—	—	—	—	—	—	—	168
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	68
<b>297</b>	<b>854</b>	<b>152</b>	<b>43</b>	<b>137</b>	<b>4</b>	<b>93</b>	<b>927</b>	<b>1 141</b>	<b>544</b>	<b>27 846</b>
—	—	—	—	3	—	—	18	—	—	36
12	179	4	—	1	—	2	51	—	114	2 314
—	8	—	—	—	—	—	1	—	—	452
<b>12</b>	<b>187</b>	<b>4</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>2</b>	<b>70</b>	<b>—</b>	<b>114</b>	<b>2 802</b>
<b>309</b>	<b>1 041</b>	<b>156</b>	<b>43</b>	<b>141</b>	<b>4</b>	<b>95</b>	<b>997</b>	<b>1 141</b>	<b>658</b>	<b>30 648</b>
—	—	—	—	—	—	—	—	—	—	5 662
—	—	—	—	—	—	—	—	—	—	676
—	—	—	—	—	—	—	—	—	—	1 140
—	—	—	—	—	—	—	—	—	—	1 928
—	—	—	—	—	—	—	—	—	—	297
—	—	—	51	—	—	—	34	—	—	708
6	12	—	—	1	—	—	6	—	1	353
—	—	—	—	—	—	—	—	—	—	13
246	860	143	—	120	36	87	811	1 122	518	16 744
—	—	—	—	—	—	—	—	—	—	146
—	—	—	2	—	—	—	—	—	—	2
1	—	—	—	—	—	—	—	—	—	33
<b>253</b>	<b>872</b>	<b>143</b>	<b>53</b>	<b>121</b>	<b>36</b>	<b>87</b>	<b>851</b>	<b>1 122</b>	<b>519</b>	<b>27 702</b>
—	—	—	—	3	—	—	19	—	—	34
12	135	1	—	7	—	3	30	—	124	2 327
—	14	—	—	—	—	—	2	—	—	461
<b>12</b>	<b>149</b>	<b>1</b>	<b>—</b>	<b>10</b>	<b>—</b>	<b>3</b>	<b>51</b>	<b>—</b>	<b>124</b>	<b>2 822</b>
<b>265</b>	<b>1 021</b>	<b>144</b>	<b>53</b>	<b>131</b>	<b>36</b>	<b>90</b>	<b>902</b>	<b>1 122</b>	<b>643</b>	<b>30 524</b>

## CREDIT AND COUNTERPARTY RISK

### CONTINUED

#### Gross credit and counterparty exposures by residual contractual maturity

<b>At 30 September 2024</b>	Up	Three	Six	One	Five to 10	> 10 years	
<b>£'million</b>	to three	to six	months to	to five	years		<b>Total</b>
	months	months	one year	years			
Cash and balances at central banks	3 939	—	—	—	—	—	3 939
Loans and advances to banks	724	—	—	—	—	—	724
Reverse repurchase agreements and cash collateral on securities borrowed	1 047	315	207	—	—	—	1 569
Sovereign debt securities	1 573	1 022	83	351	45	—	3 074
Bank debt securities	1	4	1	276	—	—	282
Other debt securities	7	—	5	52	229	302	595
Derivative financial instruments	230	61	80	123	7	8	509
Securities arising from trading activities	—	—	—	1	—	—	1
Loans and advances to customers	1 717	1 037	2 185	8 708	1 788	1 482	16 917
Other loans and advances	3	—	—	51	85	29	168
Other securitised assets	—	—	—	—	—	—	—
Other assets	68	—	—	—	—	—	68
<b>Total on-balance sheet exposures</b>	<b>9 309</b>	<b>2 439</b>	<b>2 561</b>	<b>9 562</b>	<b>2 154</b>	<b>1 821</b>	<b>27 846</b>
Guarantees	12	3	—	21	—	—	36
Committed facilities related to loans and advances to customers	186	162	248	1 325	384	9	2 314
Contingent liabilities, letters of credit and other	53	12	87	295	5	—	452
<b>Total off-balance sheet exposures</b>	<b>251</b>	<b>177</b>	<b>335</b>	<b>1 641</b>	<b>389</b>	<b>9</b>	<b>2 802</b>
<b>Total gross credit and counterparty exposures</b>	<b>9 560</b>	<b>2 616</b>	<b>2 896</b>	<b>11 203</b>	<b>2 543</b>	<b>1 830</b>	<b>30 648</b>

## ADDITIONAL CREDIT AND COUNTERPARTY RISK DISCLOSURES

### Key judgements at 30 September 2024

Key judgemental areas under IFRS 9 are subject to robust governance processes. At 30 September 2024, the composition and weightings of the forward-looking macro-economic scenarios were revised to reflect the current pressures in the macro-economic environment, however there remains reliance on expert credit judgements to ensure that the overall level of ECL is reasonable.

We continue to hold a management overlay of £3.7 million at 30 September 2024 (31 March 2024: £3.7 million) which captures the uncertainty that remains in the model's predictive capability. The overlay is apportioned to Stage 2 assets.

### Forward-looking macro-economic scenarios

The measurement of ECL also requires the use of multiple economic scenarios to calculate a probability weighted forward-looking estimate. These scenarios are updated at least twice a year, or more frequently if there is a macro-economic shock or significant shift in expectations. The weighting of these scenarios for IFRS 9 as well as the scenarios themselves are discussed and presented at the relevant BRCCs as well as the relevant capital committees for approval, which form part of the principal governance framework for macro-economic scenarios. They are also approved by the relevant Audit Committees.

A number of forecast economic scenarios are considered for capital planning, stress testing (including Investec-specific stress scenarios) and IFRS 9 ECL measurement.

For IBP, four macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, an upside case and two downside cases.

At 30 September 2024, these scenarios have been updated in order to reflect the latest macro-economic developments and risks. The composition of economic scenarios used in ECL measurement remains unchanged.

The downside scenarios continue to be consistent with those used at 31 March 2024. Downside 1 – inflation scenario captures the risk of persistent inflation and high policy rates, and downside 2 – global stress (cautious easing, severe recession) scenario is designed to act as a proxy for an evolving set of global economic risks.

Alongside a reassessment of the macro-economic scenarios, a review of the probability weightings for the scenarios also took place to take into account the latest economic circumstances and the associated risks to the outlook. The latest weightings are as follows: 10% upside, 65% base case, 10% downside 1 – inflation and 15% downside 2 – global stress. Although the risks to economic activity remain skewed to the downside, the weightings have been calibrated to consider the risk that inflation, which has moderated significantly from its peak, is less likely to remain elevated and consequently neither will interest rates.

In the base case, the UK economy assumes a continued recovery following solid gross domestic product (GDP) growth in the first half of 2024, driven by a buoyant real household income backdrop and an expected easing of monetary policy. The Bank rate is anticipated to fall to 4.75% by the end of 2024 and 3.75% at the end of 2025. As such, UK economic growth is expected to strengthen to 1.6% in fiscal year 2024/2025 and to 1.8% in 2025/2026, whilst medium-term growth is assumed around 1.8%. Lower interest rates and strengthening economic activity are also expected to lead to a recovery in UK real estate markets. Meanwhile the global situation is anticipated to mirror that of the UK, with a further moderation in inflation leading to an easing in central bank policy rates and strengthening economic activity.

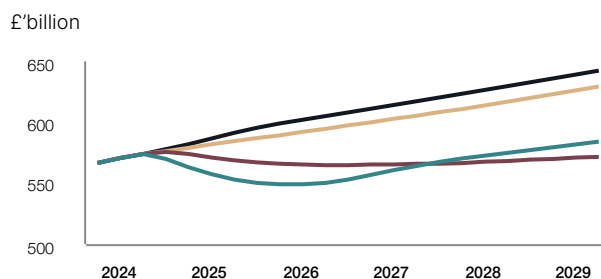
The downside 1 – inflation scenario assumes that inflation pressures prove more sustained and protracted. Consumer price index (CPI) inflation is expected to average 3.6% across the scenario horizon. Central banks respond by tightening policy further, with the Bank rate assumed to rise to 5.50% and remaining at this level for an extended period of time. This further tightening of monetary conditions triggers renewed weakness in the economy, the UK backdrop being one of economic stagnation, with annual GDP growth averaging 0.0% across the five-year forecast horizon.

The downside 2 – global stress (cautious easing, severe recession) scenario is a hypothetical scenario designed as a proxy for economic tail risks. The scenario assumes a deep global economic downturn. However, given residual inflation concerns, central banks are more cautious to ease monetary policy than they were to tighten it. In the UK, interest rates are assumed to be cut from 5.25% to 2.00%. Consequently, the UK endures a material six-quarter recession, with the cumulative fall in GDP totalling 4%. Given the severity of the recession asset values undergo a correction, with UK residential house prices falling 15%, whilst the current downturn in commercial real estate is exacerbated, values falling a further 18%.

The upside case assumes the UK economy proves to be more resilient and the pace of recovery more robust as stronger confidence and lower interest rates prompt a pickup in investment. We also assume that Labour achieves some success in lifting trend growth towards 2.5% and so accordingly medium-term GDP growth averages 2.2% per annum. The relatively brisk rebound in activity is experienced globally and monetary policy normalises gradually enough so as not to subdue growth.

The graph below shows forecasted UK GDP under each macro-economic scenario applied at 30 September 2024.

### UK GDP scenarios



## ADDITIONAL CREDIT AND COUNTERPARTY RISK DISCLOSURES

### CONTINUED

The table that follows shows the key factors that form part of the macro-economic scenarios and their relative applied weightings.

Macro-economic scenarios	At 30 September 2024 average 2024 – 2029				At 31 March 2024 average 2024 – 2029			
	Upside %	Base case %	Downside 1 inflation %	Downside 2 global stress %	Upside %	Base case %	Downside 1 inflation %	Downside 2 global stress %
<b>UK</b>								
GDP growth	2.2	1.8	—	0.4	1.9	1.6	(0.1)	0.2
Unemployment rate	4.4	4.5	5.5	6.5	3.5	4.4	5.5	6.5
CPI inflation	1.9	2.0	3.6	2.4	1.9	2.0	4.1	2.4
House price growth	3.0	2.3	(0.6)	(1.5)	3.0	2.5	(0.6)	(1.6)
BoE – Bank rate (end year)	3.3	3.4	5.4	2.5	3.1	3.2	5.4	2.5
<b>Euro area</b>								
GDP growth	1.9	1.5	0.4	0.4	1.9	1.5	0.4	0.3
<b>US</b>								
GDP growth	2.5	2.0	0.8	0.9	2.5	1.9	0.7	0.8
<b>Scenario weightings</b>	<b>10</b>	<b>65</b>	<b>10</b>	<b>15</b>	<b>10</b>	<b>60</b>	<b>15</b>	<b>15</b>

The following table shows annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2024.

Base case %	Financial years				
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
<b>UK</b>					
GDP growth	1.6	1.8	1.8	1.8	2.0
Unemployment rate	4.8	4.8	4.5	4.3	4.3
CPI inflation	2.0	1.8	2.0	2.0	2.0
House price growth	2.0	2.4	2.4	2.4	2.4
BoE – Bank rate (end year)	4.5	3.5	3.0	3.0	3.0
<b>Euro area</b>					
GDP growth	1.1	1.6	1.6	1.6	1.6
<b>US</b>					
GDP growth	2.2	1.7	1.9	2.1	2.3

The following table outlines the extreme point forecast for each economic factor across the scenarios as at 30 September 2024. Baseline represents the five-year base case average. Upside scenario values represent the best outcomes, namely the highest quarterly level of GDP, house price growth (year-on-year), lowest level of unemployment and Bank rate. Upside scenario value for CPI inflation is represented by the five-year average. Downside scenario values represent the worst outcomes being the lowest quarterly level of GDP and house price growth (year-on-year). For Bank rate and CPI inflation the most extreme point is listed, the highest level reflective in downside 1 – inflation scenario and the lowest level in downside 2 – global stress scenario.

Five-year extreme points At 30 September 2024	Upside	Baseline: Base case five-year average	Downside 1 inflation	Downside 2 global stress
	%	%	%	%
<b>UK</b>				
GDP growth	3.0	1.8	(1.5)	(3.6)
Unemployment rate	4.3	4.5	5.8	7.9
CPI inflation	1.9	2.0	4.0	2.0
House price growth	4.7	2.3	(3.7)	(11.0)
BoE – Bank rate (end year)	3.0	3.4	5.5	2.0
<b>Euro area</b>				
GDP growth	2.0	1.5	(0.5)	(3.0)
<b>US</b>				
GDP growth	2.6	2.0	(0.3)	(4.0)



## INVESTMENT RISK

**Investment risk in the banking book**

Investment risk in the banking book comprises 1.1% of total assets at 30 September 2024.

**Summary of investments**

An analysis of income and revaluations of these investments can be found in the investment income note on page 11. The balance sheet value of investments is indicated in the table below.

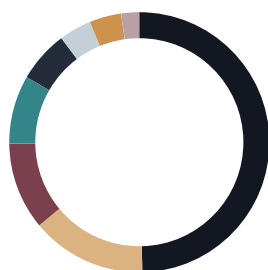
<b>£'million Category</b>	<b>On-balance sheet value of investments 30 Sept 2024</b>	On-balance sheet value of investments 31 March 2024
Unlisted investments	227	243
Listed equities	—	1
<b>Total investment portfolio</b>	<b>227</b>	<b>244</b>
Trading properties	85	63
Warrants and profit shares	4	4
<b>Total</b>	<b>316</b>	<b>311</b>

Note: IBP's investment in Rathbones is equity accounted for on a statutory basis and recognised as an associate. We do not include the investment in Rathbones Group plc as a part of the above analysis due to the nature of this strategic transaction.

**An analysis of the investment portfolio, warrants and profit shares**

30 September 2024

£231 million



Finance and insurance	49.7%
Transport	14.3%
Retailers and wholesalers	10.9%
Business services	8.5%
Construction	6.4%
Other	4.0%
Real estate	4.0%
Leisure, entertainment and tourism	2.2%

## SECURITISATION/STRUCTURED CREDIT

**Securitisation/structured credit activities exposures****Overview**

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.

In the UK, capital requirements for securitisation positions are calculated using either the standardised approach (SEC-SA) or the external ratings-based approach (SEC-ERBA). Given risk-weightings under the SEC-SA approach do not rely on external ratings, a breakdown by risk-weight has also been provided in the analysis below.

**Credit analysis**

In terms of our analysis of our credit and counterparty risk, exposures arising from securitisation/structured credit activities reflect only those exposures to which we consider ourselves to be at risk.

Nature of exposure/activity	30 Sept 2024 £'million	31 March 2024 £'million	Balance sheet and credit risk classification
Structured credit (gross exposure)	659	738	Other debt securities and other loans and advances
<40% risk weighted assets (RWAs)	651	736	
>40% risk weighted assets (RWAs)	8	2	

**Analysis of gross structured credit exposure**

£'million	AAA	AA	A	BBB	BB	B and below	Total rated	Total unrated	Total
US corporate loans	415	111	—	—	—	—	526	28	554
UK RMBS	39	4	—	—	—	—	43	1	44
European corporate loans	61	—	—	—	—	—	61	—	61
<b>Total at 30 September 2024</b>	<b>515</b>	<b>115</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>630</b>	<b>29</b>	<b>659</b>
<40% RWAs	511	112	—	—	—	—	623	28	651
>40% RWAs	4	3	—	—	—	—	7	1	8
<b>Total at 31 March 2024</b>	<b>607</b>	<b>95</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>703</b>	<b>35</b>	<b>738</b>

## MARKET RISK

## Market risk in the trading book

## Traded market risk

The focus of our trading activities is primarily to support 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.

## Value at Risk (VaR)

VaR numbers using a one-day holding period are monitored daily at the 95% and 99% confidence intervals, with limits set at the 95% confidence interval. Expected shortfalls are also monitored daily at the 95% and 99% levels, being the average of the losses in the tail of the VaR distribution.

The table below contains the 95% one-day VaR figures for the trading businesses.

95% one-day VaR £'000	30 September 2024				31 March 2024			
	Period	Average	High	Low	Year end	Average	High	Low
Interest rates	29	33	43	27	43	45	60	31
Foreign exchange	9	9	34	4	12	10	98	—
Equities	125	168	309	95	173	225	641	117
Commodities	4	5	9	3	8	9	15	5
Credit	34	15	38	—	36	32	85	—
<b>Consolidated*</b>	<b>128</b>	<b>170</b>	<b>327</b>	<b>95</b>	<b>186</b>	<b>238</b>	<b>612</b>	<b>137</b>

\* The consolidated VaR is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes (diversification).

## Expected shortfall (ES)

The ES measure overcomes some of VaR's shortcomings. ES seeks to quantify losses encountered in the tail beyond the VaR level. The 95% one-day ES is the average loss given that the 95% one-day VaR level has been exceeded. The table below contains the 95% one-day ES figures.

95% one-day ES £'000	30 Sept 2024 Period end	31 March 2024 Year end
Interest rates	42	59
Foreign exchange	14	29
Equities	167	210
Commodities	5	13
Credit	45	48
<b>Consolidated*</b>	<b>163</b>	<b>224</b>

\* The consolidated ES is lower than the sum of the individual ESs. This arises from the correlation offset between various asset classes.

## Stressed VaR

Stressed VaR (sVaR) is calculated using the VaR model but is based on a one-year period through which the relevant market factors experienced stress. The information in the table below contains the 99% one-day sVaR.

£'000	30 Sept 2024 Period end	31 March 2024 Year end
<b>99% one-day sVaR</b>	<b>852</b>	<b>694</b>

**MARKET RISK**  
CONTINUED

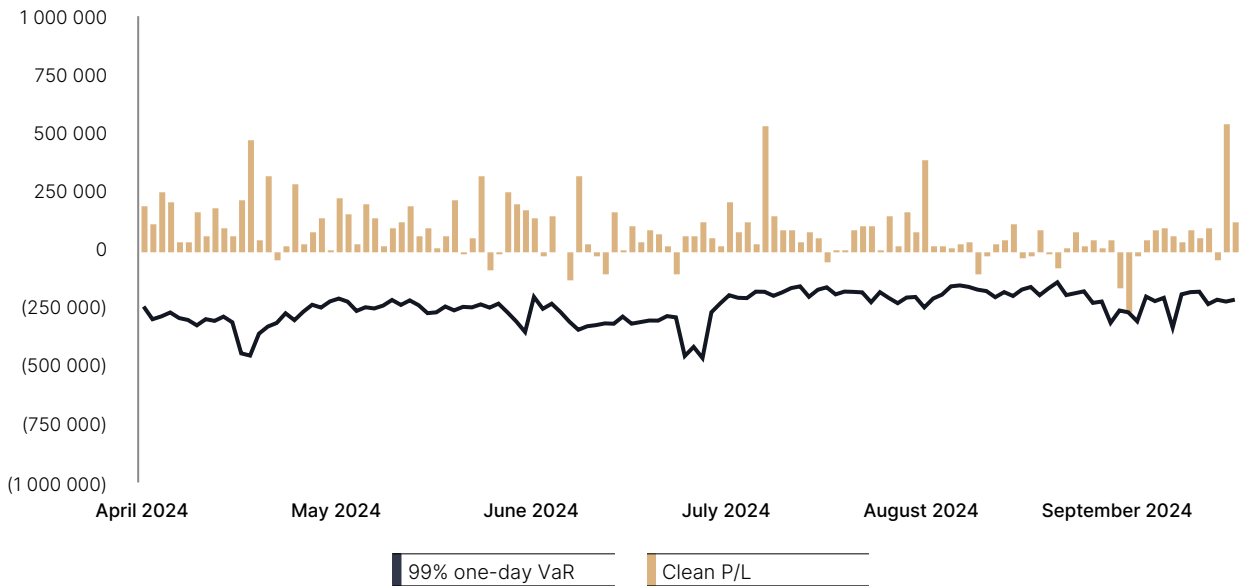
**Backtesting**

The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily clean profit and loss against one-day VaR based on a 99% confidence level. Clean profit and loss excludes items such as intra-day transactions, valuation adjustments, provisions, recoveries, commission, fees and hedge costs included in the new trade revenue. If a loss exceeds the one-day VaR, a backtesting exception is considered to have occurred. Over time we expect the average rate of observed backtesting exceptions to be consistent with the percentile of the VaR statistic being tested. This is conducted at an aggregate and desk level on a daily basis.

The graph that follows shows the result of backtesting the total daily 99% one-day VaR against the clean profit and loss data for our trading activities over the reporting period. Based on these graphs, we can gauge the accuracy of the VaR figures, i.e. 99% of the time, losses are not expected to exceed the 99% one-day VaR.

The average VaR for the period ended 30 September 2024 was lower compared to the year ended 31 March 2024, driven by lower equity market volatility and continued risk reduction in the financial products book. Using clean profit and loss data for backtesting resulted in no exceptions over the period at the 99% confidence level, which is below the expected number of two to three exceptions per annum as implied by the 99% VaR model.

**99% one-day VaR backtesting (£)**

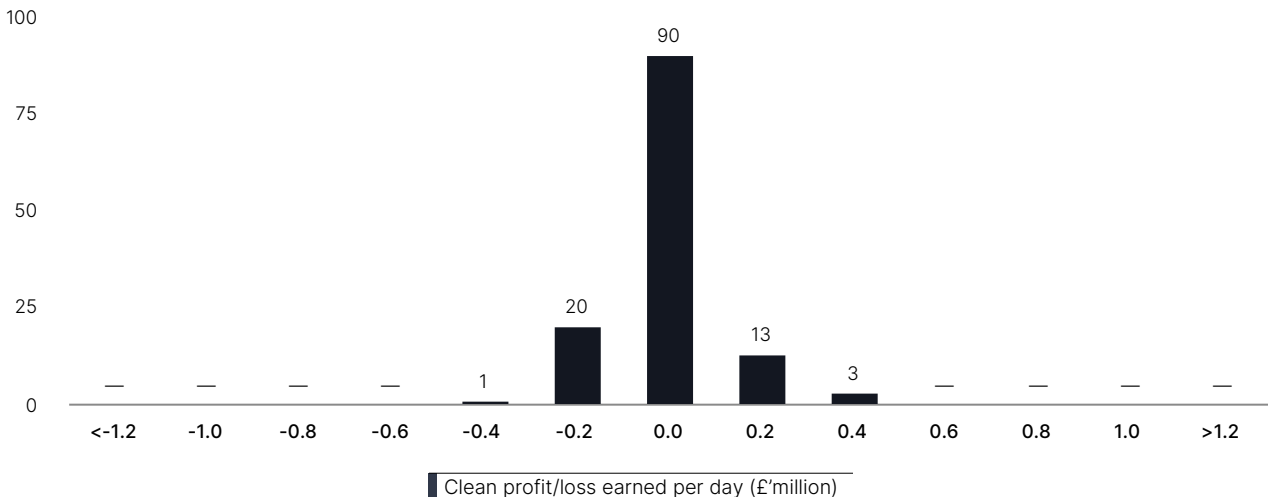


**Clean profit and loss histogram**

The histogram below illustrates the distribution of clean profit and loss during the six months to 30 September 2024 for our trading businesses. The graph shows that a clean profit was realised on 106 days out of a total of 127 days in the trading business. The average daily clean profit and loss generated for the six months to 30 September 2024 was £84 144 (six months to 30 September 2023: £83 347).

**Clean profit and loss**

Frequency: Days in the period



## BALANCE SHEET RISK AND LIQUIDITY

### Balance sheet risk management

The balance sheet risk framework continually ensures that a comprehensive approach is taken to the management and mitigation of liquidity, funding and IRRBB risks, while ensuring adherence to regulatory requirements and internal risk appetite and policies.

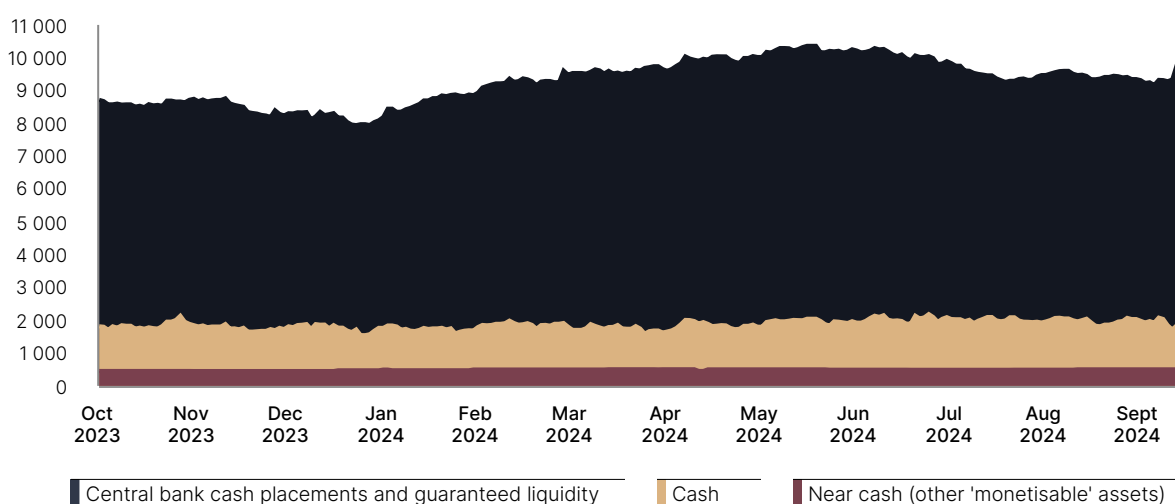
#### Liquidity risk

Liquidity risk refers to the possibility that, despite being solvent, we have insufficient capacity to fund increases in assets or are unable to meet our payment obligations as they fall due, in normal and stressed conditions. This includes repaying depositors or maturing wholesale debt. This risk arises from mismatches in the timing of cash flows, and is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

As at 30 September 2024, IBP had £0.7 billion of drawings under the BoE Term Funding Scheme with additional incentives for Small and Medium Enterprises (TFSME) (£1.2 billion as at March 2024).

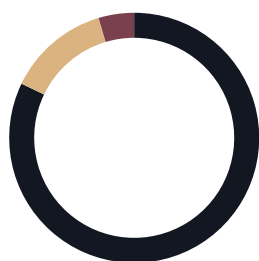
#### Cash and near cash trend

£'million



#### An analysis of cash and near cash at 30 September 2024

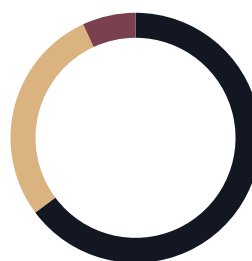
£9 769 million



Central bank cash placements and guaranteed liquidity	82.1%
Cash	13.3%
Near cash (other 'monetisable' assets)	4.6%

#### Customers accounts (deposits) by type at 30 September 2024

£21 765 million



Individuals	64.8%
Other financial institutions and corporates	28.3%
Small business	6.9%
Near cash (other 'monetisable' assets)	4.6%

## BALANCE SHEET RISK AND LIQUIDITY

### CONTINUED

#### Liquidity mismatch

The tables that follow show the contractual and behavioural liquidity mismatch.

The contractual liquidity table records all assets and liabilities with the underlying contractual maturity.

With respect to the behavioural liquidity tables, we adjust the contractual profile of certain assets and liabilities:

- **Liquidity buffer:** the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the Bank would meet any unexpected net cash outflows by repo'ing or selling these highly liquid securities. Consequently, for the liquidity buffer:
  - The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'
  - The time horizon for the cash and near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- **Customer deposits:** historical observations were used to model the behavioural maturity profile, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

#### Contractual liquidity at 30 September 2024

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	4 627	24	12	—	—	—	—	4 663
Investment/trading assets	542	1 963	1 347	1 402	387	826	803	7 270
Securitised assets	—	4	1	—	1	20	38	64
Advances	188	670	857	1 037	2 169	8 648	3 356	16 925
Other assets	57	393	16	11	119	322	76	994
<b>Assets</b>	<b>5 414</b>	<b>3 054</b>	<b>2 233</b>	<b>2 450</b>	<b>2 676</b>	<b>9 816</b>	<b>4 273</b>	<b>29 916</b>
Deposits – banks	(194)	—	—	—	(3)	(1 267)	—	(1 464)
Deposits – non-banks	(6 724)	(1 523)	(5 820)	(4 048)	(2 092)	(1 461)	(97)	(21 765)
Negotiable paper	(1)	(4)	(10)	(74)	(28)	(769)	—	(886)
Securitised liabilities	—	—	—	—	—	—	(68)	(68)
Investment/trading liabilities	(80)	(55)	(100)	(60)	(65)	(118)	(31)	(509)
Subordinated liabilities	—	—	—	—	—	—	(700)	(700)
Other liabilities	(222)	(143)	(10)	(20)	(217)	(214)	(18)	(844)
<b>Liabilities</b>	<b>(7 221)</b>	<b>(1 725)</b>	<b>(5 940)</b>	<b>(4 202)</b>	<b>(2 405)</b>	<b>(3 829)</b>	<b>(914)</b>	<b>(26 236)</b>
Total equity	—	—	—	—	—	—	(3 680)	(3 680)
<b>Contractual liquidity gap</b>	<b>(1 807)</b>	<b>1 329</b>	<b>(3 707)</b>	<b>(1 752)</b>	<b>271</b>	<b>5 987</b>	<b>(321)</b>	<b>—</b>
Cumulative liquidity gap	(1 807)	(478)	(4 185)	(5 937)	(5 666)	321	—	—

#### Behavioural liquidity at 30 September 2024

As discussed above.

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
<b>Behavioural liquidity gap</b>	<b>5 084</b>	<b>836</b>	<b>(4 778)</b>	<b>(2 773)</b>	<b>188</b>	<b>1 795</b>	<b>(352)</b>	<b>—</b>
Cumulative	5 084	5 920	1 142	(1 631)	(1 443)	352	—	—

#### Regulatory ratios

The Liquidity Coverage ratio (LCR) is calculated based on the rules contained in the Prudential Regulatory Authority (PRA) rulebook overlaid with our own interpretations where the regulation requires. Banks are required to maintain a minimum LCR of 100%. As at 30 September 2024, the LCR was 456% for IBP (solo basis).

Within the UK, the Net Stable Funding ratio (NSFR) has become a binding requirement for banks since January 2022. Banks are now required to maintain a minimum NSFR of 100%. The NSFR at 30 September 2024 was 147% for IBP (solo basis).

## BALANCE SHEET RISK AND LIQUIDITY

### CONTINUED

#### Interest rate risk in the banking book (IRRBB)

IRRBB arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity. IRRBB is an inherent consequence of conducting banking activities, and arises from the provision of retail and wholesale (non-trading) banking products and services.

Sources of IRRBB include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Bank assets, liabilities and 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 Bank 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 Bank or its customers can alter the level and timing of their cash flows, such as the prepayment of fixed rate loans and withdrawal of non-maturity deposits (NMDs)
- **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.

#### Net interest income sensitivity at 30 September 2024

IRRBB is measured and monitored using an income sensitivity approach. The table below reflects an illustrative annualised net interest income value sensitivity to a 0.25% parallel shift in interest rates, based on modelled assumptions, assuming no management intervention.

million	All (GBP)
25bps down	(6.1)
25bps up	5.1

#### Economic value (EV) sensitivity at 30 September 2024

IRRBB is measured and monitored using the EV sensitivity approach. The table below reflects an illustrative EV sensitivity to a 2% parallel shift in interest rates, based on modelled assumptions, assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

million	All (GBP)
200bps down	1.8
200bps up	(13.0)

The UK Bank maintains a structural hedging programme to reduce the sensitivity of earnings to short-term interest rate movements. An amortising profile of £1.8 billion tangible equity has been assigned with an average duration of 2.5 years evenly distributed over the period. The termed equity is then hedged and managed within the Bank's overall interest rate risk appetite.

## CAPITAL ADEQUACY

## A summary of capital adequacy and leverage ratios

	30 Sept 2024*	31 March 2024*
Common Equity Tier 1 ratio**	13.5%	13.3%
Common Equity Tier 1 ratio (fully loaded)***	13.5%	13.2%
Tier 1 ratio**	16.0%	15.9%
Total capital ratio**	19.9%	19.8%
Risk weighted assets (£'million)**	18 357	18 054
Leverage exposure measure (£'million)	28 277	26 746
Leverage ratio	10.4%	10.7%
Leverage ratio (fully loaded)***	10.4%	10.7%

## Capital structure and capital adequacy

£'million	30 Sept 2024*	31 March 2024*
<b>Shareholder's equity</b>	<b>3 126</b>	<b>3 070</b>
Shareholder's equity excluding non-controlling interests	3 220	3 145
Foreseeable charges and dividends	(65)	(62)
Deconsolidation of special purpose entities	(29)	(13)
<b>Non-controlling interests</b>	<b>—</b>	<b>—</b>
Non-controlling interests per balance sheet	2	3
Non-controlling interests excluded for regulatory purposes	(2)	(3)
<b>Regulatory adjustments to the accounting basis</b>	<b>(15)</b>	<b>(3)</b>
Additional value adjustments	(6)	(5)
Cash flow hedging reserve	(13)	(18)
Adjustment under IFRS 9 transitional arrangements	4	20
<b>Deductions</b>	<b>(633)</b>	<b>(658)</b>
Goodwill and intangible assets net of deferred taxation	(630)	(652)
Deferred taxation assets that rely on future profitability excluding those arising from temporary differences	(2)	(2)
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(1)	(1)
Defined benefit pension fund adjustment	—	(3)
<b>Common Equity Tier 1 capital</b>	<b>2 478</b>	<b>2 409</b>
Additional Tier 1 instruments	458	458
<b>Tier 1 capital</b>	<b>2 936</b>	<b>2 867</b>
<b>Tier 2 capital</b>	<b>712</b>	<b>712</b>
Tier 2 instruments <sup>^</sup>	712	712
<b>Total regulatory capital</b>	<b>3 648</b>	<b>3 579</b>
<b>Risk weighted assets**</b>	<b>18 357</b>	<b>18 054</b>

\* The capital adequacy disclosures and leverage disclosures for IBP include the deduction of foreseeable charges and dividends when calculating CET1 and Tier 1 capital. These disclosures differ from the disclosures included in the Investec Group's interim report, which follow our normal basis of presentation and do not include this deduction. IBP's CET1 ratio would be 35bps (31 March 2024: 34bps) and the leverage ratio 23bps (31 March 2024: 23bps) higher, on this basis.

\*\* The CET1, Tier 1, total capital ratios and risk weighted assets (RWAs) are calculated applying the IFRS 9 transitional arrangements.

\*\*\* The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assume full adoption of IFRS 9.

<sup>^</sup> Tier 2 instruments include £17 million of subordinated liabilities arising from the proportional consolidation of the Group's 41.25% interest in Rathbones Group plc.



CAPITAL ADEQUACY  
CONTINUED

### Risk weighted assets and capital requirements

£'million	Risk weighted assets**		Capital requirements**	
	30 Sept 2024	31 March 2024	30 Sept 2024	31 March 2024
	<b>18 357</b>	<b>18 054</b>	<b>1 469</b>	<b>1 444</b>
Credit risk	15 405	15 276	1 233	1 222
Equity risk	99	89	8	7
Counterparty credit risk	526	377	42	30
Credit valuation adjustment risk	28	27	2	2
Market risk	442	428	35	34
Operational risk	1 857	1 857	149	149

### Leverage


£'million	30 Sept 2024*	31 March 2024*
Total exposure measure	28 277	26 746
Tier 1 capital**	2 936	2 867
<b>Leverage ratio</b>	<b>10.4%</b>	<b>10.7%</b>
Total exposure measure (fully loaded)	28 273	26 726
Tier 1 capital (fully loaded)	2 932	2 847
<b>Leverage ratio (fully loaded) ***</b>	<b>10.4%</b>	<b>10.7%</b>

\* The leverage disclosures for IBP include the deduction of foreseeable charges and dividends when calculating Tier 1 capital. These disclosures differ from the leverage disclosures included in the Investec Group's interim report, which follow our normal basis of presentation and do not include this deduction. IBP's leverage ratio would be 23bps (31 March 2024: 23bps) higher, on this basis.

\*\* The CET1, Tier 1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

\*\*\* The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assume full adoption of IFRS 9.

## ANNEXURE 1 – ALTERNATIVE PERFORMANCE MEASURES

 We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information to readers. These measures are used to align internal and external reporting, identify items management believes are not representative of the underlying performance of the business and provide insight into how management assesses period-on-period performance. A description of the Group's alternative performance measures and their calculation, where relevant, is set out below.


Alternative performance measures are not measures within the scope of IFRS and are not a substitute for IFRS financial measures. Alternative performance measures constitute pro-forma financial information. The pro-forma financial information is the responsibility of the Board of Directors and is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity and results in operations or cash flows.

## Adjusted operating profit

Refer to the calculation in the table below

£'000	30 Sept 2024	30 Sept 2023	31 March 2024
Operating profit before acquired intangibles and strategic actions	242 268	225 021	445 721
Less: Profit/(loss) attributable to non-controlling interests	(791)	194	(1 204)
<b>Adjusted operating profit</b>	<b>241 477</b>	<b>225 215</b>	<b>444 517</b>

## Annuity income

 Net interest income (refer to page 10) plus net annuity fees and commissions (refer to page 11)

## Core loans

The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

£'million	30 Sept 2024	31 March 2024
Loans and advances to customers per the balance sheet	16 758	16 570
ECL held against FVOCI loans reported on the balance sheet within reserves	(11)	(13)
<b>Net core loans</b>	<b>16 747</b>	<b>16 557</b>
<i>of which amortised cost and FVOCI ('subject to ECL')</i>	16 180	15 916
<i>of which FVPL</i>	567	641
<i>Add: ECL (against amortised cost and FVOCI loans)</i>	170	187
<b>Gross core loans</b>	<b>16 917</b>	<b>16 744</b>
<i>of which amortised cost and FVOCI ('subject to ECL')</i>	16 350	16 103
<i>of which FVPL</i>	567	641

## Cost to income ratio

Refer to the calculation in the table below

£'000	30 Sept 2024	30 Sept 2023	31 March 2024
Operating costs (A)	290 910	310 656	626 732
Operating income	586 010	574 942	1 158 450
Less: Profit/(loss) attributable to non-controlling interests	(791)	194	(1 204)
Total (B)	585 219	575 136	1 157 246
<b>Cost to income ratio (A/B)</b>	<b>49.7%</b>	<b>54.0%</b>	<b>54.2%</b>

## Coverage ratio

ECL as a percentage of gross core loans subject to ECL

## Credit loss ratio

ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL

## Gearing ratio


Total assets divided by total equity

## Loans and advances to customers as a % of customer deposits

Loans and advances to customers as a percentage of customer accounts (deposits)

## Net interest margin

Interest income net of interest expense, divided by average interest-earning assets

 Refer to calculation on page 10

## DEFINITIONS

### Cash and near cash

Comprises cash, near cash (other 'monetisable' assets, which largely include short-dated trading assets) and central bank cash placements and guaranteed liquidity

### ECL

Expected credit loss

### Funds under management

Consists of funds managed by the Wealth & Investment business, and by the Property business (which forms part of the Specialist Bank) in the prior year

### FVOCI

Fair value through other comprehensive income

### FVPL

Fair value through profit and loss

### Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, loans and advances, other debt securities, other loans and advances and finance lease receivables

→ Refer to page 10 for calculation.

### Interest-bearing liabilities

Deposits by banks, customer accounts (deposits), repurchase agreements and cash collateral on securities lent, debt securities in issue, lease liabilities and subordinated liabilities

→ Refer to page 10 for calculation.

### Legacy business in the UK Specialist Bank (Legacy)

Legacy, as separately disclosed from 2014 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking

### Strategic actions

Comprises the closure and rundown of the Hong Kong direct investments business and financial impact of Group restructures

### Subject to ECL

Includes financial assets held at amortised cost and FVOCI

### CET1 capital

Common Equity Tier 1 capital

### RWAs

Risk weighted assets

### CRR II

Capital Requirements Regulation II

