

Investec plc silo (excluding the results of Investec Limited)

Unaudited consolidated financial information for the year ended 31 March 2013

IFRS - Pounds Sterling





Overview of results

Unaudited

	31 March 2013	31 March 2012	% change
Operating income (£'000)	1,176,777	1,142,088	3.0%
Operating costs (£'000)	848,502	771,538	10.0%
Operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)	122,770	94,233	30.3%
Earnings attributable to ordinary shareholders (£'000)	63,940	27,886	>100.0%
Cost to income ratio	73.1%	69.3%	
Total capital resources (including subordinated liabilities) (£'000)	3,007,498	2,943,828	2.2%
Total shareholders' equity (£'000)	2,260,253	2,235,552	1.1%
Total assets (£'000)	24,088,830	24,215,070	-0.5%
Net core loans and advances (£'000)	8,250,114	7,736,425	6.6%
Customer accounts (deposits) (£'000)	11,261,754	11,007,758	2.3%
Cash and near cash balances (£'000)	4,604,615	4,575,747	0.6%
Funds under management (£'million)	66,623	57,492	15.9%
Capital adequacy ratio	16.9%	17.5%	
Tier 1 ratio	11.0%	11.6%	
Defaults (net of impairments) as a % of net core loans and advances	3.75%	4.10%	
Net defaults as a % of net core loans and advances	-	-	
Credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	1.16%	1.65%	
Total gearing/leverage ratio (i.e. total assets to total equity)	10.7x	10.8x	
Loans and advances to customers: Customer deposits	68.9%	65.4%	



Consolidated income statement

Unaudited

£'000	Year to 31 March 2013	Year to 31 March 2012
Interest income	924,384	945,837
Interest expense	(564,650)	(593,818)
Net interest income	359,734	352,019
Fee and commission income	761,051	643,581
Fee and commission expense	(131,696)	(118,182)
Investment income	73,620	134,125
Trading income arising from		
- customer flow	58,103	54,291
- balance sheet management and other trading activities	19,375	15,305
Other operating income	36,590	60,949
Total operating income before impairment losses on loans and advances	1,176,777	1,142,088
Impairment losses on loans and advances	(189,036)	(255,791)
Operating income	987,741	886,297
Operating costs	(848,502)	(771,538)
Depreciation on operating leased assets	(16,072)	(28,544)
Operating profit before goodwill and acquired intangibles	123,167	86,215
Impairment of goodwill	(13,409)	(21,510)
Amortisation of acquired intangibles	(13,313)	(9,530)
Costs arising from integration of acquired subsidiaries	(13,119)	(17,117)
Operating profit	83,326	38,058
Non-operational costs arising from acquisition of subsidiary	(1,369)	(5,472)
Profit before taxation	81,957	32,586
Taxation on operating profit before goodwill	(23,597)	(20,882)
Taxation on acquired intangibles and acquisition/disposal/integration of subsidiaries	5,977	8,164
Profit after taxation	64,337	19,868
Operating (income)/losses attributable to non-controlling interests	(397)	8,018
Earnings attributable to shareholders	63,940	27,886

Consolidated statement of comprehensive income

Unaudited

£'000	Year to 31 March 2013	Year to 31 March 2012
Profit after taxation	64,337	19,868
Other comprehensive income/(loss):		
Fair value movements on cash flow hedges taken directly to other comprehensive income	(1,657)	(4,412)
Losses / (gains) on available-for-sale assets recycled through the income statement	407	(40,721)
Fair value movements on available-for-sale assets	(1,704)	25,936
Foreign currency adjustments on translating foreign operations	7,936	4,803
Pension fund actuarial (losses)/gains	(6,195)	282
Total comprehensive income	63,124	5,756
Total comprehensive income/(loss) attributable to non-controlling interests	161	(8,130)
Total comprehensive income/(loss) attributable to ordinary shareholders	47,914	(1,323)
Total comprehensive income attributable to preferred securities and perpetual preference shareholders	15,049	15,209
Total comprehensive income	63,124	5,756



Consolidated balance sheet

Unaudited

£'000	31 March 2013	31 March 2012
Assets		
Cash and balances at central banks	1,375,670	1,835,849
Loans and advances to banks	1,318,232	1,060,122
Reverse repurchase agreements and cash collateral on securities borrowed	1,528,593	1,159,138
Sovereign debt securities	1,660,377	1,647,271
Bank debt securities	455,201	824,552
Other debt securities	198,946	207,116
Derivative financial instruments	1,134,497	1,051,365
Securities arising from trading activities	673,763	372,570
Investment portfolio	388,625	320,111
Loans and advances to customers	7,758,920	7,201,417
Own originated loans and advances to customers securitised	491,194	535,008
Other loans and advances	2,082,081	2,789,738
Other securitised assets	2,769,126	2,961,969
Interests in associated undertakings	24,707	24,430
Deferred taxation assets	126,822	119,690
Other assets	1,381,370	1,326,907
Property and equipment	80,429	127,497
Investment property	11,500	11,500
Goodwill	456,646	454,623
Intangible assets	172,131	184,197
	24,088,830	24,215,070
Liabilities		
Deposits by banks	1,710,630	1,848,534
Derivative financial instruments	817,526	732,601
Other trading liabilities	372,762	271,627
Repurchase agreements and cash collateral on securities lent	942,396	1,020,670
Customer accounts (deposits)	11,261,754	11,007,758
Debt securities in issue	1,762,338	2,179,452
Liabilities arising on securitisation of own originated loans and advances	477,870	526,945
Liabilities arising on securitisation of other assets	2,195,455	2,361,986
Current taxation liabilities	87,291	77,188
Deferred taxation liabilities	77,851	82,998
Other liabilities	1,375,459	1,161,483
	21,081,332	21,271,242
Subordinated liabilities	747,245	708,276
	21,828,577	21,979,518
Equity		
Ordinary share capital	177	175
Perpetual preference share capital	151	151
Share premium	1,130,210	1,107,651
Treasury shares	(52,098)	(41,941)
Other reserves	409,206	424,271
Retained income	608,053	580,833
Shareholders' equity excluding non-controlling interests	2,095,699	2,071,140
Non-controlling interests	164,554	164,412
- Perpetual preferred securities issued by subsidiaries	169,106	166,762
- Non-controlling interests in partially held subsidiaries	(4,552)	(2,350)
Total equity	2,260,253	2,235,552
Total liabilities and equity	24,088,830	24,215,070



Condensed consolidated statement of changes in equity

Unaudited

£'000	Year to 31 March 2013	Year to 31 March 2012
Balance at the beginning of the year	2,235,552	2,063,160
Profit after taxation	64,337	19,868
Fair value movements on cash flow hedges taken directly to other comprehensive income	(1,657)	(4,412)
Losses / (gains) on available-for-sale assets recycled through the income statement	407	(40,721)
Fair value movements on available-for-sale assets	(1,704)	25,936
Foreign currency adjustments on translating foreign operations	7,936	4,803
Pension fund actuarial (losses)/gains	(6,195)	282
Total comprehensive income for the year	63,124	5,756
Share based payment adjustments	34,164	32,550
Dividends paid to ordinary shareholders	(45,001)	(38,491)
Dividends paid to perpetual preference shareholders	(3,696)	(2,652)
Dividends paid to perpetual preferred securities	(11,353)	(12,557)
Issue of ordinary shares	22,561	204,449
Issue of perpetual preference shares	-	20,638
Share issue expenses	-	(607)
Movement of treasury shares	(31,504)	(56,113)
Movement of non-controlling interests on disposals and acquisitions	(3,594)	(483)
Non-controlling interest relating to disposal of subsidiaries	-	19,902
Balance at the end of the year	2,260,253	2,235,552



Segmental information - business analysis

Unaudited

For the year to 31 March 2013

£'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	492	10,293	348,949	359,734
Fee and commission income	309,933	195,275	255,843	761,051
Fee and commission expense	(92,667)	(11,772)	(27,257)	(131,696)
Investment income	-	555	73,065	73,620
Trading income arising from				
- customer flow	-	361	57,742	58,103
- balance sheet management and other trading activities	(199)	4	19,570	19,375
Other operating income	4,476	774	31,340	36,590
Total operating income before impairment losses on loans and advances	222,035	195,490	759,252	1,176,777
Impairment losses on loans and advances	-	-	(189,036)	(189,036)
Operating income	222,035	195,490	570,216	987,741
Operating costs	(162,694)	(161,581)	(524,227)	(848,502)
Depreciation on operating leased assets	-	-	(16,072)	(16,072)
Operating profit before goodwill and acquired intangibles	59,341	33,909	29,917	123,167
Operating income attributable to non-controlling interests	-	-	(397)	(397)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	59,341	33,909	29,520	122,770
Cost to income ratio	73.3%	82.7%	70.5%	73.1%
Total assets (£'million)	363	439	23,287	24,089

For the year to 31 March 2012

£'000	Asset Management	Wealth & Investment	Specialist Banking	Total group
Net interest income	651	8,647	342,721	352,019
Fee and commission income	288,578	142,361	212,642	643,581
Fee and commission expense	(86,903)	(8,182)	(23,097)	(118,182)
Investment income	-	(392)	134,517	134,125
Trading income arising from				
- customer flow	-	(386)	54,677	54,291
- balance sheet management and other trading activities	61	(7)	15,251	15,305
Other operating (loss)/income	(309)	406	60,852	60,949
Total operating income before impairment losses on loans and advances	202,078	142,447	797,563	1,142,088
Impairment losses on loans and advances	-	-	(255,791)	(255,791)
Operating income	202,078	142,447	541,772	886,297
Operating costs	(143,156)	(119,226)	(509,156)	(771,538)
Depreciation on operating leased assets	-	-	(28,544)	(28,544)
Operating profit before goodwill and acquired intangibles	58,922	23,221	4,072	86,215
Operating loss attributable to non-controlling interests	-	47	7,971	8,018
Operating profit before goodwill, acquired intangibles and after non-controlling interests	58,922	23,268	12,043	94,233
Cost to income ratio	70.8%	83.7%	66.2%	69.3%
Total assets (£'million)	393	502	23,320	24,215



Segmental information - geographical analysis

Unaudited

For the year to 31 March 2013

£'000	UK and Other	Australia	Total group
Net interest income	290,646	69,088	359,734
Fee and commission income	701,620	59,431	761,051
Fee and commission expense	(127,170)	(4,526)	(131,696)
Investment income	73,082	538	73,620
Trading income arising from			
- customer flow	51,157	6,946	58,103
- balance sheet management and other trading activities	19,939	(564)	19,375
Other operating income	34,781	1,809	36,590
Total operating income before impairment losses on loans and advances	1,044,055	132,722	1,176,777
Impairment losses on loans and advances	(171,187)	(17,849)	(189,036)
Operating income	872,868	114,873	987,741
Operating costs	(737,030)	(111,472)	(848,502)
Depreciation on operating lease assets	(16,072)	-	(16,072)
Operating profit before goodwill and acquired intangibles	119,766	3,401	123,167
Operating income attributable to non-controlling interests	(397)	-	(397)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	119,369	3,401	122,770
Cost to income ratio	71.7%	84.0%	73.1%
Total assets (£'million)	20,843	3,246	24,089

For the year to 31 March 2012

£'000	UK and Other	Australia	Total group
Net interest income	285,677	66,342	352,019
Fee and commission income	605,125	38,456	643,581
Fee and commission expense	(114,807)	(3,375)	(118,182)
Investment income	142,599	(8,474)	134,125
Trading income arising from			
- customer flow	43,179	11,112	54,291
- balance sheet management and other trading activities	16,431	(1,126)	15,305
Other operating income/(loss)	62,128	(1,179)	60,949
Total operating income before impairment losses on loans and advances	1,040,332	101,756	1,142,088
Impairment losses on loans and advances	(187,919)	(67,872)	(255,791)
Operating income	852,413	33,884	886,297
Operating costs	(671,773)	(99,765)	(771,538)
Depreciation on operating lease assets	(28,544)	-	(28,544)
Operating profit before goodwill and acquired intangibles	152,096	(65,881)	86,215
Operating loss attributable to non-controlling interests	8,018	-	8,018
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	160,114	(65,881)	94,233
Cost to income ratio	66.4%	98.0%	69.3%
Total assets (£'million)	20,831	3,384	24,215

Segmental business analysis - income statement

Unaudited

For the year to 31 March 2013

£'000	Asset Management	Wealth & Investment	Specialist Banking			Total group		
	UK and Other	UK and Other	UK and Other	Australia	Total	UK and Other	Australia	Total
Net interest income	492	10,293	279,861	69,088	348,949	290,646	69,088	359,734
Fee and commission income	309,933	195,275	196,412	59,431	255,843	701,620	59,431	761,051
Fee and commission expense	(92,667)	(11,772)	(22,731)	(4,526)	(27,257)	(127,170)	(4,526)	(131,696)
Investment income	-	555	72,527	538	73,065	73,082	538	73,620
Trading income arising from								
- customer flow	-	361	50,796	6,946	57,742	51,157	6,946	58,103
- balance sheet management and other trading activities	(199)	4	20,134	(564)	19,570	19,939	(564)	19,375
Other operating income	4,476	774	29,531	1,809	31,340	34,781	1,809	36,590
Total operating income before impairment losses on loans and advances	222,035	195,490	626,530	132,722	759,252	1,044,055	132,722	1,176,777
Impairment losses on loans and advances	-	-	(171,187)	(17,849)	(189,036)	(171,187)	(17,849)	(189,036)
Operating income	222,035	195,490	455,343	114,873	570,216	872,868	114,873	987,741
Operating costs	(162,694)	(161,581)	(412,755)	(111,472)	(524,227)	(737,030)	(111,472)	(848,502)
Depreciation on operating leased assets	-	-	(16,072)	-	(16,072)	(16,072)	-	(16,072)
Operating profit before goodwill and acquired intangibles	59,341	33,909	26,516	3,401	29,917	119,766	3,401	123,167
Operating income attributable to non-controlling interests	-	-	(397)	-	(397)	(397)	-	(397)
Operating profit before goodwill, acquired intangibles and after non-controlling interests	59,341	33,909	26,119	3,401	29,520	119,369	3,401	122,770
Selected returns and key statistics								
Cost to income ratio	73.3%	82.7%	67.6%	84.0%	70.5%	71.7%	84.0%	73.1%
Total assets (£'million)	363	439	20,041	3,246	23,287	20,843	3,246	24,089

For the year to 31 March 2012

£'000	Asset Management	Wealth & Investment	Specialist Banking			Total group		
	UK and Europe	UK and Europe	UK and Europe	Australia	Total	UK and Europe	Australia	Total
Net interest income	651	8,647	276,379	66,342	342,721	285,677	66,342	352,019
Fee and commission income	288,578	142,361	174,186	38,456	212,642	605,125	38,456	643,581
Fee and commission expense	(86,903)	(8,182)	(19,722)	(3,375)	(23,097)	(114,807)	(3,375)	(118,182)
Investment income	-	(392)	142,991	(8,474)	134,517	142,599	(8,474)	134,125
Trading income arising from								
- customer flow	-	(386)	43,565	11,112	54,677	43,179	11,112	54,291
- balance sheet management and other trading activities	61	(7)	16,377	(1,126)	15,251	16,431	(1,126)	15,305
Other operating income	(309)	406	62,031	(1,179)	60,852	62,128	(1,179)	60,949
Total operating income before impairment losses on loans and advances	202,078	142,447	695,807	101,756	797,563	1,040,332	101,756	1,142,088
Impairment losses on loans and advances	-	-	(187,919)	(67,872)	(255,791)	(187,919)	(67,872)	(255,791)
Operating income	202,078	142,447	507,888	33,884	541,772	852,413	33,884	886,297
Operating costs	(143,156)	(119,226)	(409,391)	(99,765)	(509,156)	(671,773)	(99,765)	(771,538)
Depreciation on operating leased assets	-	-	(28,544)	-	(28,544)	(28,544)	-	(28,544)
Operating profit before goodwill and acquired intangibles	58,922	23,221	69,953	(65,881)	4,072	152,096	(65,881)	86,215
Operating losses attributable to non-controlling interests	-	47	7,971	-	7,971	8,018	-	8,018
Operating profit before goodwill, acquired intangibles and after non-controlling interests	58,922	23,268	77,924	(65,881)	12,043	160,114	(65,881)	94,233
Selected returns and key statistics								
Cost to income ratio	70.8%	83.7%	61.4%	98.0%	66.2%	66.4%	98.0%	69.3%
Total assets (£'million)	393	502	19,936	3,384	23,320	20,831	3,384	24,215



Margin analysis

Unaudited

For the year to 31 March 2013

£'000	UK & Other		Australia		Total group	
	Balance sheet value	Interest Received	Balance sheet value	Interest Received	Balance sheet value	Interest Received
Cash, near cash and bank debt and sovereign debt securities	5,630,675	47,639	707,398	16,076	6,338,073	63,715
Core loans and advances	6,045,068	357,343	2,205,046	180,301	8,250,114	537,644
Private Client	3,170,221	162,618	1,405,696	112,566	4,575,917	275,184
Corporate, institutional and other clients	2,874,847	194,725	799,350	67,735	3,674,197	262,460
Other debt securities and other loans and advances	2,258,521	144,138	22,506	18,205	2,281,027	162,343
Other interest earning assets	2,769,126	160,682	-	-	2,769,126	160,682
Total interest earning assets	16,703,390	709,802	2,934,950	214,582	19,638,340	924,384

For the year to 31 March 2013

£'000	UK & Other		Australia		Total group	
	Balance sheet value	Interest Paid	Balance sheet value	Interest Paid	Balance sheet value	Interest Paid
Deposits by banks and other debt related securities	3,944,675	70,619	470,689	32,436	4,415,364	103,055
Customer accounts	9,568,934	222,703	1,692,820	79,411	11,261,754	302,114
Other interest bearing liabilities	2,195,422	63,119	477,903	30,486	2,673,325	93,605
Subordinated liabilities	664,625	62,715	82,620	3,161	747,245	65,876
Total interest bearing liabilities	16,373,656	419,156	2,724,032	145,494	19,097,688	564,650

Net interest income	290,646	69,088	359,734
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For the year to 31 March 2012

£'000	UK & Other		Australia		Total group	
	Balance sheet value	Interest Received	Balance sheet value	Interest Received	Balance sheet value	Interest Received
Cash, near cash and bank debt and sovereign debt securities	5,516,447	50,414	1,010,485	59,939	6,526,932	110,353
Core loans and advances	5,788,118	359,715	1,948,307	186,654	7,736,425	546,369
Private Client	3,431,420	200,531	1,593,600	158,697	5,025,020	359,228
Corporate, institutional and other clients	2,356,698	159,184	354,707	27,957	2,711,405	187,141
Other debt securities and other loans and advances	1,483,282	78,608	81,860	4,310	1,565,142	82,918
Other interest earning assets	4,393,681	206,197	-	-	4,393,681	206,197
Total interest earning assets	17,181,528	694,934	3,040,652	250,903	20,222,180	945,837

For the year to 31 March 2012

£'000	UK & Other		Australia		Total group	
	Balance sheet value	Interest Paid	Balance sheet value	Interest Paid	Balance sheet value	Interest Paid
Deposits by banks and other debt related securities	4,271,470	90,387	777,186	62,939	5,048,656	153,326
Customer accounts	9,471,155	204,366	1,536,603	83,708	11,007,758	288,074
Other interest bearing liabilities	2,361,985	53,614	526,946	33,569	2,888,931	87,183
Subordinated liabilities	661,921	60,890	46,355	4,345	708,276	65,235
Total interest bearing liabilities	16,766,531	409,257	2,887,090	184,561	19,653,621	593,818

Net interest income	285,677	66,342	352,019
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Fees and commissions

Unaudited

For the year to 31 March 2013

£'000	UK & Other	Australia	Total group
Fund management fees/fees for assets under management	458,321	3,972	462,293
Private client transactional fees	83,926	9,579	93,505
Corporate and institutional transactional and advisory services	159,373	45,880	205,253
Fee and commission income	701,620	59,431	761,051
Fee and commission expense	(127,170)	(4,526)	(131,696)
Net fees and commissions	574,450	54,905	629,355
Annuity fees (net of fees payable)	392,722	26,138	418,860
Deal fees	181,728	28,767	210,495

For the year to 31 March 2012

£'000	UK & Other	Australia	Total group
Fund management fees/fees for assets under management	404,327	5,674	410,001
Private client transactional fees	62,486	9,251	71,737
Corporate and institutional transactional and advisory services	138,312	23,531	161,843
Fee and commission income	605,125	38,456	643,581
Fee and commission expense	(114,807)	(3,375)	(118,182)
Net fees and commissions	490,318	35,081	525,399
Annuity fees (net of fees payable)	339,849	14,115	353,964
Deal fees	150,469	20,966	171,435



Investment income

Unaudited

Investment income for the year to 31 March 2013

£'000	UK & Other	Australia	Total group
Realised	33,534	1,752	35,286
Unrealised	35,104	(1,654)	33,450
Dividend income	2,999	240	3,239
Funding and other net related costs/income	1,445	200	1,645
Investment income	73,082	538	73,620

Investment income for the year to 31 March 2013

£'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	917	26,264	6,353	33,534
Unrealised	31,116	5,617	(1,629)	35,104
Dividend income	2,999	-	-	2,999
Funding and other net related costs/income	-	-	1,445	1,445
Investment income: UK & Other	35,032	31,881	6,169	73,082

Investment income for the year to 31 March 2013

£'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	64	1,617	71	1,752
Unrealised	(2,716)	-	1,062	(1,654)
Dividend income	240	-	-	240
Funding and other net related costs /income	-	-	200	200
Investment income: Australia	(2,412)	1,617	1,333	538

Investment income: Total

32,620	33,498	7,502	73,620
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Investment income for the year to 31 March 2012

£'000	UK & Other	Australia	Total group
Realised	129,057	(8,929)	120,128
Unrealised	11,652	(66)	11,586
Dividend income	1,890	521	2,411
Investment income	142,599	(8,474)	134,125

Investment income for the year to 31 March 2012

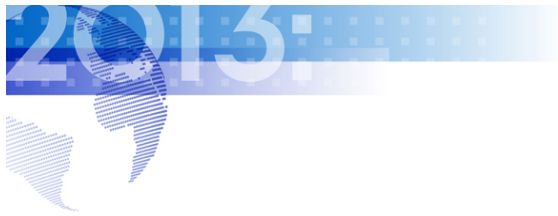
£'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	26,230	89,737	13,090	129,057
Unrealised	14,929	(3,226)	(51)	11,652
Dividend income	1,890	-	-	1,890
Investment income: UK & Other	43,049	86,511	13,039	142,599

Investment income for the year to 31 March 2012

£'000	Investment portfolio (listed and unlisted equities)	Debt securities (sovereign, bank and other)	Other asset categories	Total
Realised	1,539	(784)	(9,684)	(8,929)
Unrealised	(66)	-	-	(66)
Dividend income	71	450	-	521
Investment income: Australia	1,544	(334)	(9,684)	(8,474)

Investment income: Total

44,593	86,177	3,355	134,125
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An analysis of our core loans and advances, asset quality and impairments

Unaudited

£'000	31 March 2013	31 March 2012
Gross core loans and advances to customers	8,443,304	7,900,763
Total impairments	(193,190)	(164,338)
Portfolio impairments	(6,696)	(3,210)
Specific impairments	(186,494)	(161,128)
Net core loans and advances to customers	8,250,114	7,736,425
Average gross core loans and advances to customers	8,172,034	7,868,100
Current loans and advances to customers	7,781,266	7,177,965
Past due loans and advances to customers (1 - 60 days)	131,349	230,053
Special mention loans and advances to customers	27,967	10,834
Default loans and advances to customers	502,722	481,911
Gross core loans and advances to customers	8,443,304	7,900,763
Current loans and advances to customers	7,781,266	7,177,965
Default loans that are current and not impaired	8,006	-
Gross core loans and advances to customers that are past due but not impaired	177,933	256,624
Gross core loans and advances to customers that are impaired	476,099	466,174
Gross core loans and advances to customers	8,443,304	7,900,763
Total income statement charge for core loans and advances	(94,751)	(156,361)
Gross default loans and advances to customers	502,722	481,911
Portfolio impairments	(6,696)	(3,210)
Specific impairments	(186,494)	(161,128)
Defaults net of impairments	309,532	317,573
Collateral and other credit enhancements	356,321	347,112
Net default loans and advances to customers (limited to zero)	-	-
Ratios:		
Total impairments as a % of gross core loans and advances to customers	2.29%	2.08%
Total impairments as a % of gross default loans	38.43%	34.10%
Gross defaults as a % of gross core loans and advances to customers	5.95%	6.10%
Defaults (net of impairments) as a % of net core loans and advances to customers	3.75%	4.10%
Net defaults as a % of gross core loans and advances to customers	-	-
Credit loss ratio (i.e. income statement impairments charge as a % of average gross loans and advances)	1.16%	1.65%



Capital structure and capital adequacy

Unaudited

£'million	31 March 2013	31 March 2012
Tier 1 capital		
Shareholders' equity	1,848	1,847
Shareholders' equity per balance sheet	2,096	2,071
Perpetual preference share capital and share premium	(150)	(150)
Deconsolidation of special purpose entities	(98)	(74)
Non-controlling interests	(5)	(3)
Non-controlling interests per balance sheet	165	164
Non-controlling interests excluded for regulatory purposes	-	(167)
Non-controlling interests transferred to tier 1	(169)	-
Non-controlling interests in deconsolidated subsidiaries	(1)	-
Regulatory adjustments to the accounting basis	(31)	(19)
Unrealised losses on available-for-sale debt securities	2	6
Defined benefit pension fund adjustment	(22)	(19)
Unrealised gains on available-for-sale equities	(7)	(13)
Prudent Valuation	(16)	(3)
Cash flow hedging reserve	12	10
Foreign currency translation reserve	-	-
Deductions	(600)	(628)
Goodwill and intangible assets	(598)	(605)
Unconsolidated investments	-	-
Securitisation positions	(2)	(23)
Excess of deductions from additional tier 1	-	-
Core tier 1 / common equity tier 1 capital	1,212	1,197
Additional tier 1 capital before deductions	299	296
Additional tier 1 instruments	299	296
Phase out of non-qualifying additional tier 1 instruments	-	-
Non qualifying surplus capital attributable to minorities	-	-
Deductions	(4)	-
Unconsolidated investments	(4)	-
Securitisation positions	-	-
Total tier 1 capital	1,507	1,493
Tier 2 capital		
Total qualifying tier 2 capital before deductions	840	809
Unrealised gains on available-for-sale equities	7	13
Collective impairment allowances	120	101
Tier 2 instruments	713	695
Phase out of non-qualifying tier 2 instruments	-	-
Non qualifying surplus capital attributable to minorities	-	-
Deductions	(6)	(23)
Unconsolidated investments	(4)	-
Securitisation positions	(2)	(23)
Total tier 2 capital	834	786
Total capital deductions	(22)	(31)
Investments that are not material holdings or qualifying holdings	(20)	(21)
Connected lending of a capital nature	(2)	(10)
Total regulatory capital	2,319	2,248
Risk-weighted assets	13,755	12,827
Capital ratios		
Common equity tier 1 ratio	8.8%	9.3%
Tier 1 ratio	11.0%	11.6%
Total capital ratio	16.9%	17.5%
Capital requirements	1,100	1,026
Credit risk - prescribed standardised exposure classes	843	793
Corporates	261	233
Secured on real estate property	232	247
Short term claims on institutions and corporates	35	24
Retail	102	76
Institutions	15	14
Other exposure classes	184	177
Securitisation exposures	14	22
Equity risk - standardised approach	32	26
Listed equities	4	2
Unlisted equities	28	24
Counterparty credit risk	26	21
Market risk	61	56
Interest rate	23	16
Foreign exchange	12	11
Commodities	-	-
Equities	24	20
Collective investment undertakings	-	-
Options	2	9
Operational risk - standardised approach	138	130
Capital adequacy		
Risk-weighted assets (banking and trading)	13,755	12,827
Credit risk - prescribed standardised exposure classes	10,536	9,916
Corporates	3,253	2,909
Secured on real estate property	2,904	3,093
Short term claims on institutions and corporates	433	301
Retail	1,276	950
Institutions	193	176
Other exposure classes	2,296	2,213
Securitisation exposures	181	274
Equity risk - standardised approach	398	325
Listed equities	47	26
Unlisted equities	351	299
Counterparty credit risk	328	268
Market risk	762	695
Interest rate	286	195
Foreign Exchange	150	134
Commodities	-	1
Equities	296	251
Collective investment undertakings	-	-
Options	30	114
Operational risk - standardised approach	1,731	1,623

The full set of annual financial statements will be available on 28 June 2013

