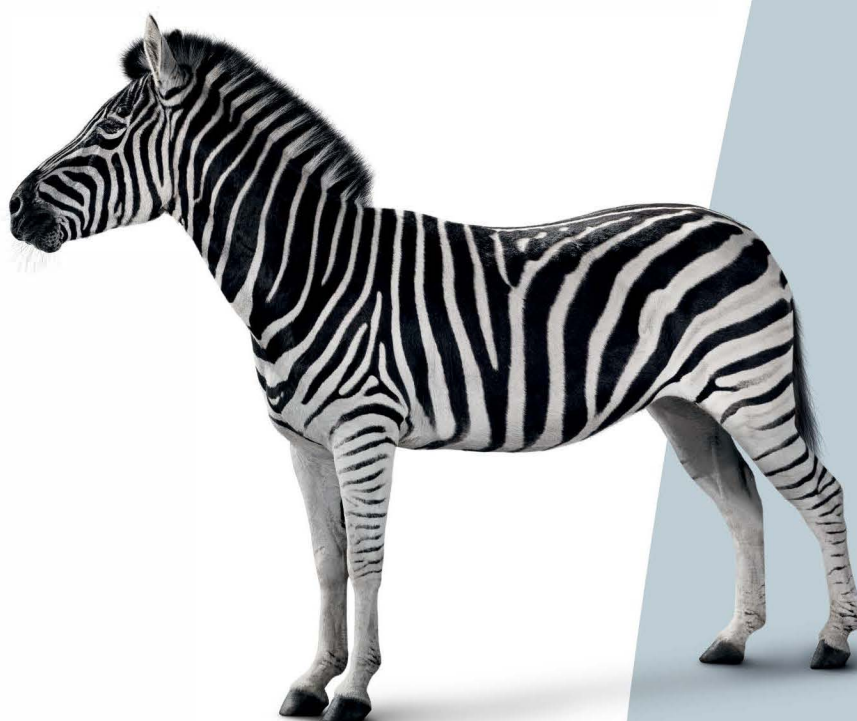


Possibilities and opportunities

Investec Bank plc
(a subsidiary of Investec plc)

Unaudited condensed financial information
for the year ended March 2022

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 22.

→ All other definitions can be found on page 23.

Key financial statistics	31 March 2022	31 March 2021	% change
Total operating income before expected credit loss impairment charges (£'000)	1 073 332	936 332	14.6%
Operating costs (£'000)	760 286	757 758	0.3%
Adjusted operating profit (£'000)	287 683	108 301	>100.0%
Earnings attributable to ordinary shareholder (£'000)	232 881	63 809	>100.0%
Cost to income ratio (%)	70.8%	80.9%	
Total capital resources (including subordinated liabilities) (£'000)	3 305 924	3 136 401	5.4%
Total equity (£'000)	2 547 185	2 364 920	7.7%
Total assets (£'000)	27 588 676	24 395 538	13.1%
Net core loans (£'000)	14 423 199	12 311 104	17.2%
Customer accounts (deposits) (£'000)	18 616 233	16 240 634	14.6%
Loans and advances to customers as a % of customer deposits	77.5%	75.8%	
Cash and near cash balances (£'mn)	8 871	6 857	29.4%
Funds under management (£'mn)	44 419	41 708	6.5%
Total gearing ratio (i.e. total assets to equity)	10.8x	10.3x	
Total capital ratio	18.2%	16.4%	
Tier 1 ratio	13.6%	13.4%	
Common Equity Tier 1 ratio	12.0%	11.8%	
Leverage ratio	9.3%	8.0%	
Leverage ratio (fully loaded)	9.1%	7.7%	
Stage 3 exposure as a % of gross core loans subject to ECL	2.1%	2.8%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.6%	2.0%	
Credit loss ratio	0.17%	0.56%	

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year to 31 March £'000	2022	2021
Interest income	719 538	702 126
Interest expense	(223 230)	(288 035)
Net interest income	496 308	414 091
Fee and commission income	508 929	499 671
Fee and commission expense	(14 697)	(13 201)
Investment income	10 579	23 820
Share of post-taxation profit of associates and joint venture holdings	1 988	1 768
Trading income/(loss) arising from		
– customer flow	60 372	(11 025)
– balance sheet management and other trading activities	(1 305)	11 206
Other operating income	11 158	10 002
Total operating income before expected credit loss impairment charges	1 073 332	936 332
Expected credit loss impairment charges	(25 363)	(71 134)
Operating income	1 047 969	865 198
Operating costs	(760 286)	(757 758)
Operating profit before goodwill, acquired intangibles and strategic actions	287 683	107 440
Impairment of goodwill	—	(8 787)
Amortisation of acquired intangibles	(12 936)	(12 851)
Closure and rundown of the Hong Kong direct investments business	(1 203)	7 387
Operating profit	273 544	93 189
Profit before taxation	273 544	93 189
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(42 174)	(31 270)
Taxation on goodwill, acquired intangibles and strategic actions	1 511	1 029
Profit after taxation	232 881	62 948
Loss attributable to non-controlling interests	—	861
Earnings attributable to shareholder	232 881	63 809

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March £'000	2022	2021
Profit after taxation	232 881	62 948
Other comprehensive income/(loss):		
Items that may be reclassified to the income statement:		
(Gains)/losses on realisation of debt instruments at FVOCI recycled through the income statement*	(307)	821
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	(2 276)	(228)
Foreign currency adjustments on translating foreign operations**	5 401	(3 771)
Effect of rate change on deferred tax relating to adjustment for IFRS 9	617	380
Items that will not be reclassified to the income statement:		
Gains attributable to own credit risk*	11 059	62
Movement in post-retirement benefit liabilities	40	(39)
Total comprehensive income	247 415	60 173
Total comprehensive loss attributable to non-controlling interests	—	(861)
Total comprehensive income attributable to ordinary shareholder	230 540	44 159
Total comprehensive income attributable to perpetual preferred securities and Additional Tier 1 securities	16 875	16 875
Total comprehensive income	247 415	60 173

* Net of £4.2 million tax credit (31 March 2021: £0.2 million tax credit), except for the impact of rate changes on deferred tax as shown separately above.

** Year to 31 March 2022 includes £0.6 million loss on recycling of currency translation differences from sale of Investec Capital Asia Limited.

CONSOLIDATED BALANCE SHEET

At 31 March £'000	2022	2021
Assets		
Cash and balances at central banks	5 379 994	3 043 034
Loans and advances to banks	1 467 039	1 383 602
Reverse repurchase agreements and cash collateral on securities borrowed	1 447 473	2 065 232
Sovereign debt securities	1 165 777	1 108 253
Bank debt securities	61 714	48 044
Other debt securities	437 649	708 845
Derivative financial instruments	717 457	773 334
Securities arising from trading activities	163 165	281 645
Investment portfolio	333 221	350 941
Loans and advances to customers	14 426 475	12 316 313
Other loans and advances	147 025	162 456
Other securitised assets	93 087	107 259
Interests in associated undertakings and joint venture holdings	11 444	4 213
Deferred taxation assets	109 542	109 849
Current taxation assets	15 727	42 620
Other assets	1 161 549	1 395 915
Property and equipment	155 055	185 502
Goodwill	244 072	244 072
Software	7 066	7 791
Other acquired intangible assets	44 145	56 618
	27 588 676	24 395 538
Liabilities		
Deposits by banks	2 026 573	1 352 279
Derivative financial instruments	863 295	916 352
Other trading liabilities	42 944	49 055
Repurchase agreements and cash collateral on securities lent	154 828	157 357
Customer accounts (deposits)	18 616 233	16 240 634
Debt securities in issue	1 120 841	1 193 378
Liabilities arising on securitisation of other assets	95 885	108 281
Current taxation liabilities	2 082	37 287
Deferred taxation liabilities	—	20 652
Other liabilities	1 360 071	1 183 862
	24 282 752	21 259 137
Subordinated liabilities	758 739	771 481
	25 041 491	22 030 618
Equity		
Ordinary share capital	1 280 550	1 280 550
Share premium	199 538	199 538
Capital reserve	153 177	153 177
Other reserves	1 667	(12 827)
Retained income	661 420	494 092
	2 296 352	2 114 530
Shareholder's equity excluding non-controlling interests		
Additional Tier 1 securities in issue	250 000	250 000
Non-controlling interests in partially held subsidiaries	833	390
	2 547 185	2 364 920
Total equity	2 547 185	2 364 920
Total liabilities and equity	27 588 676	24 395 538

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Share premium	Capital reserve account
At 1 April 2020	1 280 550	199 538	153 177
Movement in reserves 1 April 2020 – 31 March 2021			
Profit after taxation	—	—	—
Effect of rate change on deferred tax relating to adjustment for IFRS 9	—	—	—
Losses on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Gains attributable to own credit risk	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Total comprehensive income for the year	—	—	—
Share-based payments adjustments	—	—	—
Employee benefit liability recognised	—	—	—
Dividends paid to ordinary shareholder	—	—	—
Dividends declared to Additional Tier 1 security holders	—	—	—
Dividends paid to Additional Tier 1 security holders	—	—	—
Transfer from foreign currency reserve	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
At 31 March 2021	1 280 550	199 538	153 177
Movement in reserves 1 April 2021 – 31 March 2022			
Profit after taxation	—	—	—
Effect of rate change on deferred tax relating to adjustment for IFRS 9	—	—	—
Gains on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Gains attributable to own credit risk	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Total comprehensive income for the year	—	—	—
Share-based payments adjustments	—	—	—
Employee benefit liability recognised	—	—	—
Dividends paid to ordinary shareholder	—	—	—
Dividends declared to Additional Tier 1 security holders	—	—	—
Dividends paid to Additional Tier 1 security holders	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
At 31 March 2022	1 280 550	199 538	153 177

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves				Shareholder's equity excluding non-controlling interests	Additional Tier 1 securities in issue	Non-controlling interests	Total equity
Fair value reserve	Foreign currency reserves	Own credit reserve	Retained income				
2 469	(1 356)	(12 184)	455 609	2 077 803	250 000	3 369	2 331 172
—	—	—	63 809	63 809	—	(861)	62 948
(19)	—	399	—	380	—	—	380
821	—	—	—	821	—	—	821
(228)	—	—	—	(228)	—	—	(228)
—	(3 771)	—	—	(3 771)	—	—	(3 771)
—	—	62	—	62	—	—	62
—	—	—	(39)	(39)	—	—	(39)
574	(3 771)	461	63 770	61 034	—	(861)	60 173
—	—	—	107	107	—	—	107
—	—	—	3 729	3 729	—	—	3 729
—	—	—	(11 000)	(11 000)	—	—	(11 000)
—	—	—	(16 875)	(16 875)	16 875	—	—
—	—	—	—	—	(16 875)	—	(16 875)
—	980	—	(980)	—	—	—	—
—	—	—	(268)	(268)	—	(2 118)	(2 386)
3 043	(4 147)	(11 723)	494 092	2 114 530	250 000	390	2 364 920
—	—	—	232 881	232 881	—	—	232 881
(47)	—	664	—	617	—	—	617
(307)	—	—	—	(307)	—	—	(307)
(2 276)	—	—	—	(2 276)	—	—	(2 276)
—	5 401	—	—	5 401	—	—	5 401
—	—	11 059	—	11 059	—	—	11 059
—	—	—	40	40	—	—	40
(2 630)	5 401	11 723	232 921	247 415	—	—	247 415
—	—	—	3 637	3 637	—	—	3 637
—	—	—	4 145	4 145	—	—	4 145
—	—	—	(56 500)	(56 500)	—	—	(56 500)
—	—	—	(16 875)	(16 875)	16 875	—	—
—	—	—	—	—	(16 875)	—	(16 875)
—	—	—	—	—	—	443	443
413	1 254	—	661 420	2 296 352	250 000	833	2 547 185

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT

For the year to 31 March 2022 £'000	Specialist Banking			Total Group
	Private Client		Corporate, Investment Banking and Other	
	Wealth & Investment	Private Banking		
Net interest income	2 268	70 692	423 348	496 308
Fee and commission income	344 685	1 579	162 665	508 929
Fee and commission expense	(656)	(23)	(14 018)	(14 697)
Investment income	(2)	816	9 765	10 579
Share of post-taxation profit of associates and joint venture holdings	—	—	1 988	1 988
Trading income/(loss) arising from				
– customer flow	1 194	2 228	56 950	60 372
– balance sheet management and other trading activities	(307)	2	(1 000)	(1 305)
Other operating income	—	—	11 158	11 158
Total operating income before expected credit loss impairment charges	347 182	75 294	650 856	1 073 332
Expected credit loss impairment charges	(5)	(2 432)	(22 926)	(25 363)
Operating income	347 177	72 862	627 930	1 047 969
Operating costs	(259 496)	(42 034)	(458 756)	(760 286)
Operating profit before goodwill, acquired intangibles and strategic actions	87 681	30 828	169 174	287 683
Loss attributable to other non-controlling interests	—	—	—	—
Adjusted operating profit after non-controlling interests	87 681	30 828	169 174	287 683
Selected returns and key statistics				
Cost to income ratio	74.7%	55.8%	70.5%	70.8%
Total assets (£'mn)	1 137	4 528	21 924	27 589

For the year to 31 March 2021 £'000	Specialist Banking			Total Group
	Private Client		Corporate, Investment Banking and Other	
	Wealth & Investment	Private Banking		
Net interest income	2 296	34 664	377 131	414 091
Fee and commission income	316 813	705	182 153	499 671
Fee and commission expense	(773)	(61)	(12 367)	(13 201)
Investment income	272	19	23 529	23 820
Share of post-taxation profit of associates and joint venture holdings	—	—	1 768	1 768
Trading income/(loss) arising from				
– customer flow	920	1 196	(13 141)	(11 025)
– balance sheet management and other trading activities	(9)	13	11 202	11 206
Other operating income	—	—	10 002	10 002
Total operating income before expected credit loss impairment charges	319 519	36 536	580 277	936 332
Expected credit loss impairment charges	(4)	(1 515)	(69 615)	(71 134)
Operating income	319 515	35 021	510 662	865 198
Operating costs	(245 175)	(38 033)	(474 550)	(757 758)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	74 340	(3 012)	36 112	107 440
Loss attributable to other non-controlling interests	—	—	861	861
Adjusted operating profit/(loss) after non-controlling interests	74 340	(3 012)	36 973	108 301
Selected returns and key statistics				
Cost to income ratio	76.7%	104.1%	81.7%	80.9%
Total assets (£'mn)	1 016	3 338	20 042	24 396

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

Net interest income

		2022			2021		
For the year to 31 March £'000	Notes	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	8 070 458	24 438	0.30%	7 709 727	27 778	0.36%
Loans and advances	2	13 423 611	623 975	4.65%	12 142 660	578 446	4.76%
Private client		4 013 304	123 740	3.08%	2 873 101	84 191	2.93%
Corporate, Investment Banking and Other		9 410 307	500 235	5.32%	9 269 559	494 255	5.33%
Other debt securities and other loans and advances		652 331	18 047	2.77%	912 818	34 207	3.75%
Other [#]	3	233 801	53 078	n/a	287 831	61 695	n/a
Total interest-earning assets		22 380 201	719 538	3.22%	21 053 036	702 126	3.34%

		2022			2021		
For the year to 31 March £'000	Notes	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	2 813 105	18 114	0.64%	2 794 305	27 636	0.99%
Customer accounts (deposits)		17 035 633	93 229	0.55%	16 218 480	131 227	0.81%
Subordinated liabilities		870 954	49 467	5.68%	789 555	48 145	6.10%
Other [#]	5	363 193	62 420	n/a	436 350	81 027	n/a
Total interest-bearing liabilities		21 082 885	223 230	1.06%	20 238 690	288 035	1.42%
Net interest income			496 308			414 091	
Net interest margin			2.22%			1.97%	

Notes:

- 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.
- [#] 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.

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

CONTINUED

Net fee and commission income

For the year to 31 March £'000	2022	2021
Wealth & Investment businesses net fee and commission income	344 029	316 040
Fund management fees/fees for assets under management	301 950	267 381
Private client transactional fees	42 735	49 432
Fee and commission expense	(656)	(773)
Specialist Banking net fee and commission income	150 203	170 430
Specialist Banking fee and commission income	164 244	182 858
Specialist Banking fee and commission expense	(14 041)	(12 428)
Net fee and commission income	494 232	486 470
Annuity fees (net of fees payable)	317 990	284 109
Deal fees	176 242	202 361

Investment income

For the year to 31 March £'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
2022								
Realised	2 414	18 028	552	20 994	512	(4 383)	11 865	28 988
Unrealised*	(4 169)	2 082	1 176	(911)	(457)	4 274	(29 900)	(26 994)
Dividend income	37	6 667	—	6 704	—	—	213	6 917
Funding and other net related income	—	—	—	—	—	1 668	—	1 668
	(1 718)	26 777	1 728	26 787	55	1 559	(17 822)	10 579
2021								
Realised	9 363	971	13	10 347	6 121	(1 755)	23 165	37 878
Unrealised*	6 449	8 229	(35)	14 643	(2 967)	(3 141)	(28 823)	(20 288)
Dividend income	21	3 906	—	3 927	—	—	—	3 927
Funding and other net related income	—	—	—	—	—	2 303	—	2 303
	15 833	13 106	(22)	28 917	3 154	(2 593)	(5 658)	23 820

* 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

At 31 March 2022 £'000	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Assets				
Cash and balances at central banks	—	5 379 994	—	5 379 994
Loans and advances to banks	—	1 467 039	—	1 467 039
Reverse repurchase agreements and cash collateral on securities borrowed	669 108	778 365	—	1 447 473
Sovereign debt securities	1 165 777	—	—	1 165 777
Bank debt securities	61 714	—	—	61 714
Other debt securities	144 048	293 601	—	437 649
Derivative financial instruments	717 457	—	—	717 457
Securities arising from trading activities	163 165	—	—	163 165
Investment portfolio	333 221	—	—	333 221
Loans and advances to customers	1 294 469	13 132 006	—	14 426 475
Other loans and advances	—	147 025	—	147 025
Other securitised assets	93 087	—	—	93 087
Interests in associated undertakings and joint venture holdings	—	—	11 444	11 444
Deferred taxation assets	—	—	109 542	109 542
Current taxation assets	—	—	15 727	15 727
Other assets	9 606	822 300	329 643	1 161 549
Property and equipment	—	—	155 055	155 055
Goodwill	—	—	244 072	244 072
Software	—	—	7 066	7 066
Other acquired intangible assets	—	—	44 145	44 145
	4 651 652	22 020 330	916 694	27 588 676
Liabilities				
Deposits by banks	—	2 026 573	—	2 026 573
Derivative financial instruments	863 295	—	—	863 295
Other trading liabilities	42 944	—	—	42 944
Repurchase agreements and cash collateral on securities lent	—	154 828	—	154 828
Customer accounts (deposits)	—	18 616 233	—	18 616 233
Debt securities in issue	46 192	1 074 649	—	1 120 841
Liabilities arising on securitisation of other assets	95 885	—	—	95 885
Current taxation liabilities	—	—	2 082	2 082
Deferred taxation liabilities	—	—	—	—
Other liabilities	—	805 880	554 191	1 360 071
	1 048 316	22 678 163	556 273	24 282 752
Subordinated liabilities	—	758 739	—	758 739
	1 048 316	23 436 902	556 273	25 041 491

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).

		Fair value category		
At 31 March 2022 £'000	Total instruments at fair value	Level 1	Level 2	Level 3
Assets				
Reverse repurchase agreements and cash collateral on securities borrowed	669 108	—	669 108	—
Sovereign debt securities	1 165 777	1 165 777	—	—
Bank debt securities	61 714	61 714	—	—
Other debt securities	144 048	—	39 017	105 031
Derivative financial instruments	717 457	19	673 488	43 950
Securities arising from trading activities	163 165	158 213	172	4 780
Investment portfolio	333 221	2 034	6 552	324 635
Loans and advances to customers	1 294 469	—	82 621	1 211 848
Other securitised assets	93 087	—	—	93 087
Other assets	9 606	9 606	—	—
	4 651 652	1 397 363	1 470 958	1 783 331
Liabilities				
Derivative financial instruments	863 295	—	817 526	45 769
Other trading liabilities	42 944	42 944	—	—
Debt securities in issue	46 192	—	46 192	—
Liabilities arising on securitisation of other assets	95 885	—	—	95 885
	1 048 316	42 944	863 718	141 654
Net assets at fair value	3 603 336	1 354 419	607 240	1 641 677

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 ¹	Total
Assets					
Balance as at 1 April 2021	336 951	1 045 663	107 259	135 369	1 625 242
Total gains or (losses)	22 677	63 202	(657)	19 577	104 799
In the income statement	22 677	63 768	(657)	19 577	105 365
In the statement of comprehensive income	—	(566)	—	—	(566)
Purchases	33 602	1 845 044	—	59 165	1 937 811
Sales	(66 682)	(1 079 005)	—	(19 783)	(1 165 470)
Settlements	(8 498)	(695 450)	(13 515)	(49 392)	(766 855)
Transfers into level 3	621	—	—	—	621
Foreign exchange adjustments	5 964	32 394	—	8 825	47 183
Balance as at 31 March 2022	324 635	1 211 848	93 087	153 761	1 783 331

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities ²	Total
Liabilities			
Balance as at 1 April 2021	108 281	28 034	136 315
Total (gains) or losses	(2 094)	16 148	14 054
In the income statement	(2 094)	16 148	14 054
Settlements	(10 303)	(270)	(10 573)
Foreign exchange adjustments	1	1 857	1 858
Balance as at 31 March 2022	95 885	45 769	141 654

¹ Comprises level 3 other debt securities, derivative financial instruments and securities arising from trading.

² Comprises level 3 deposits by banks and derivative financial instruments.

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

For the year to 31 March 2022, investment portfolio of £0.6 million was transferred from level 2 to level 3. The valuation methodologies were reviewed and unobservable 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:

For the year to 31 March 2022 £'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Net interest income	65 943	57 918	8 025
Investment income*	27 562	52 666	(25 104)
Trading loss arising from customer flow	(2 194)	(491)	(1 703)
	91 311	110 093	(18 782)
Total gains or (losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	440	440	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(566)	—	(566)
	(126)	440	(566)

* Included within the investment income statement balance are unrealised gains of £0.7 million presented within operational items in the income statement.

Level 2 financial assets and financial liabilities

The following table sets out the Group's principal valuation techniques as at 31 March 2022 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
Assets		
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 NCD curves, external prices, 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
Securities arising from trading activities	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
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	Average broker quotes	Broker quotes
Liabilities		
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

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

The fair value 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 31 March 2022	Balance sheet value £'000	Significant unobservable input	Range of unobservable input used	Favourable changes £'000	Unfavourable changes £'000
Assets					
Other debt securities	105 031	Potential impact on income statement		3 199	(5 851)
		Credit spreads	0.74%-2.75%	141	(286)
		Cash flow adjustments	CPR 8.4%	6	(8)
		Other	[^]	3 052	(5 557)
Derivative financial instruments	43 950	Potential impact on income statement		4 643	(5 266)
		Volatilities	5%-18.9%	15	(29)
		Cash flow adjustments	CPR 8.4%	—	(6)
		Underlying asset value	^{^^}	4 026	(4 028)
		Other	[^]	602	(1 203)
Securities arising from trading activities	4 780	Potential impact on income statement			
		Cash flow adjustments	CPR 11%	481	(635)
Investment portfolio	324 635	Potential impact on income statement		34 225	(68 234)
		Price earnings multiple	5.5x-15x	9 505	(18 206)
		Underlying asset value	^{^^}	9 636	(20 897)
		Other	[^]	15 084	(29 131)
Loans and advances to customers	1 211 848	Potential impact on income statement		24 838	(40 047)
		Credit spreads	0.15%-34.3%	10 656	(27 586)
		Price earnings multiple	3.5x-4.2x	7 824	(1 136)
		Underlying asset value	^{^^}	3 528	(5 665)
		Other	[^]	2 830	(5 660)
		Potential impact on other comprehensive income			
		Credit spreads	0.14%-6.17%	8 440	(15 725)
Other securitised assets	93 087	Potential impact on income statement			
		Cash flow adjustments	CPR 8.4%	988	(1 057)
Total level 3 assets	1 783 331			76 814	(136 815)
Liabilities					
Derivative financial instruments	45 769	Potential impact on income statement		(4 046)	4 060
		Volatilities	5%-18.9%	(21)	35
		Underlying asset value	^{^^}	(4 025)	4 025
Liabilities arising on securitisation of other assets [*]	95 885	Potential impact on income statement			
		Cash flow adjustments	CPR 8.4%	(292)	299
Total level 3 liabilities	141 654			(4 338)	4 359
Net level 3 assets	1 641 677				

^{*} The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

[^] Other – The valuation sensitivity has been assessed by adjusting various inputs such as expected cash flows, earnings multiples 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

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. 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 31 March 2022 £'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
Assets				
Cash and balances at central banks	5 379 994	5 379 994	—	—
Loans and advances to banks	1 467 039	1 467 039	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	778 365	662 151	116 214	115 088
Other debt securities	293 601	7 601	286 000	285 840
Loans and advances to customers	13 132 006	521 321	12 610 685	12 593 362
Other loans and advances	147 025	85 782	61 243	61 253
Other assets	822 300	822 300	—	—
	22 020 330	8 946 188	13 074 142	13 055 543
Liabilities				
Deposits by banks	2 026 573	280 386	1 746 187	1 654 635
Repurchase agreements and cash collateral on securities lent	154 828	103 729	51 099	49 243
Customer accounts (deposits)	18 616 233	12 001 165	6 615 068	6 616 337
Debt securities in issue	1 074 649	1 183	1 073 466	1 076 817
Other liabilities	805 880	802 453	3 427	2 419
Subordinated liabilities	758 739	—	758 739	767 436
	23 436 902	13 188 916	10 247 986	10 166 887

Contingent liabilities

Investec Bank plc (Investec) has 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 proceeding have been issued against Investec by the Office of the Public Prosecutor. Whilst no formal proceedings have been issued against Investec by the Office of the Public Prosecutor, a provision was previously raised to reflect the potential financial outflows that could arise as a result of this matter. In addition, subsequent to the year end date, Investec 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 limited information and Investec has sought further information and clarification. Given the lack of information, it is not possible for Investec to reliably estimate the potential liability, if any, in relation to this matter.

Investec is cooperating with the German authorities and continues to conduct its own internal investigation into the matters in question. There are factual issues to be resolved which may have legal consequences including financial penalties. In relation to potential civil claims; whilst Investec is not a claimant nor a defendant to any civil claims in respect of cum ex transactions, Investec 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 has itself served third party notices on various participants to these historic transactions in order to preserve statute of limitation on any potential future claims that Investec may seek to bring against those parties, should Investec incur any liability in the future. Investec 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 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 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.

ASSET QUALITY

An analysis of gross core loans, asset quality and ECL

£'million	31 March 2022	31 March 2021
Gross core loans	14 557	12 480
Gross core loans at FVPL	609	512
Gross core loans subject to ECL *	13 948	11 968
Stage 1	12 665	10 398
Stage 2	992	1 238
of which past due greater than 30 days	28	90
Stage 3	291	332
of which Ongoing (excluding Legacy) Stage 3*	240	231
ECL	(134)	(169)
Stage 1	(32)	(27)
Stage 2	(35)	(41)
Stage 3	(67)	(101)
of which Ongoing (excluding Legacy) Stage 3*	(40)	(62)
Coverage ratio		
Stage 1	0.25%	0.26%
Stage 2	3.5%	3.3%
Stage 3	23.0%	30.4%
of which Ongoing (excluding Legacy) Stage 3*	16.7%	26.8%
Credit loss ratio	0.17%	0.56%
ECL impairment charges on core loans	(22)	(65)
Average gross core loans subject to ECL	12 958	11 662
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	224	231
of which Ongoing (excluding Legacy) Stage 3*	200	169
Aggregate collateral and other credit enhancements on Stage 3	230	235
Stage 3 as a % of gross core loans subject to ECL	2.1%	2.8%
of which Ongoing (excluding Legacy) Stage 3*	1.7%	1.9%
Stage 3 net of ECL as a % of net core loans subject to ECL	1.6%	2.0%
of which Ongoing (excluding Legacy) Stage 3*	1.4%	1.4%

* Refer to definitions on page 23. Our exposure (net of ECL) to the Legacy portfolio has reduced from £84 million at 31 March 2021 to £43 million at 31 March 2022. These assets are substantially impaired and are largely reported under Stage 3.

ASSET QUALITY

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		
At 31 March 2022										
Commercial real estate	1 334	(3)	152	(6)	105	(21)	1 591	(30)	46	1 637
Commercial real estate – investment	1 104	(2)	108	(4)	99	(18)	1 311	(24)	42	1 353
Commercial real estate – development	222	(1)	38	(1)	—	—	260	(2)	4	264
Commercial vacant land and planning	8	—	6	(1)	6	(3)	20	(4)	—	20
Residential real estate	676	(2)	3	—	34	(16)	713	(18)	29	742
Residential real estate – investment	394	(1)	3	—	4	(1)	401	(2)	27	428
Residential real estate – development	276	(1)	—	—	6	(3)	282	(4)	—	282
Residential vacant land and planning	6	—	—	—	24	(12)	30	(12)	2	32
Total lending collateralised by property	2 010	(5)	155	(6)	139	(37)	2 304	(48)	75	2 379
Coverage ratio	0.25%		3.9%		26.6%		2.1%			
At 31 March 2021										
Commercial real estate	1 126	—	134	(4)	137	(25)	1 397	(29)	19	1 416
Commercial real estate – investment	910	—	118	(3)	130	(21)	1 158	(24)	15	1 173
Commercial real estate – development	211	—	10	—	1	(1)	222	(1)	4	226
Commercial vacant land and planning	5	—	6	(1)	6	(3)	17	(4)	—	17
Residential real estate	614	—	12	—	73	(29)	699	(29)	11	710
Residential real estate – investment	315	—	3	—	19	(6)	337	(6)	9	346
Residential real estate – development	287	—	9	—	23	(5)	319	(5)	—	319
Residential vacant land and planning	12	—	—	—	31	(18)	43	(18)	2	45
Total lending collateralised by property	1 740	—	146	(4)	210	(54)	2 096	(58)	30	2 126
Coverage ratio	0.00%		2.7%		25.7%		2.8%			

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		
At 31 March 2022										
Mortgages	3 995	(1)	86	—	57	(4)	4 138	(5)	25	4 163
High net worth and specialised lending	938	(2)	42	(1)	6	(2)	986	(5)	3	989
Total high net worth and other private client lending	4 933	(3)	128	(1)	63	(6)	5 124	(10)	28	5 152
Coverage ratio	0.06%		0.8%		9.5%		0.2%			
At 31 March 2021										
Mortgages	3 103	(1)	74	—	16	(2)	3 193	(3)	—	3 193
High net worth and specialised lending	832	(1)	31	(1)	2	(1)	865	(3)	7	872
Total high net worth and other private client lending	3 935	(2)	105	(1)	18	(3)	4 058	(6)	7	4 065
Coverage ratio	0.05%		1.0%		16.7%		0.1%			

ASSET QUALITY
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		
At 31 March 2022										
Corporate and acquisition finance	1 528	(7)	207	(13)	10	(1)	1 745	(21)	125	1 870
Asset-based lending	352	(1)	27	—	—	—	379	(1)	12	391
Fund finance	1 194	(1)	18	—	—	—	1 212	(1)	44	1 256
Other corporate and financial institutions and governments	379	(2)	37	(2)	3	(1)	419	(5)	11	430
Small ticket asset finance	1 183	(8)	242	(7)	29	(18)	1 454	(33)	—	1 454
Motor finance	628	(2)	121	(3)	6	(2)	755	(7)	—	755
Other large ticket asset finance	—	—	—	—	—	—	—	—	—	—
Aviation finance	96	(1)	10	(1)	—	—	106	(2)	244	350
Power and infrastructure finance	362	(2)	47	(2)	41	(2)	450	(6)	70	520
Resource finance	—	—	—	—	—	—	—	—	—	—
Total corporate and other lending	5 722	(24)	709	(28)	89	(24)	6 520	(76)	506	7 026
Coverage ratio	0.42%		3.9%		27.0%		1.2%			
At 31 March 2021										
Corporate and acquisition finance	1 000	(7)	336	(17)	12	(4)	1 348	(28)	87	1 435
Asset-based lending	189	(2)	115	(2)	—	—	304	(4)	14	318
Fund finance	1 176	(2)	57	—	—	—	1 233	(2)	48	1 281
Other corporate and financial institutions and governments	422	(2)	18	—	3	(1)	443	(3)	17	460
Small ticket asset finance	1 060	(9)	202	(10)	29	(16)	1 291	(35)	—	1 291
Motor finance	467	(1)	82	(1)	6	(2)	555	(4)	—	555
Other large ticket asset finance	—	—	—	—	23	(18)	23	(18)	—	23
Aviation finance	30	—	95	(2)	6	(2)	131	(4)	262	393
Power and infrastructure finance	351	(2)	82	(4)	25	(1)	458	(7)	47	505
Resource finance	28	—	—	—	—	—	28	—	—	28
Total corporate and other lending	4 723	(25)	987	(36)	104	(44)	5 814	(105)	475	6 289
Coverage ratio	0.53%		3.6%		42.3%		1.8%			

CAPITAL ADEQUACY

A summary of capital adequacy and leverage ratios

	31 March 2022*	31 March 2021*
Common Equity Tier 1 ratio**	12.0%	11.8%
Common Equity Tier 1 ratio (fully loaded)***	11.6%	11.3%
Tier 1 ratio**	13.6%	13.4%
Total capital ratio**	18.2%	16.4%
Risk-weighted assets (£'million)**	16 462	15 789
Leverage exposure measure (£'million)^	23 874	26 351
Leverage ratio^	9.3%	8.0%
Leverage ratio (fully loaded)^ ***	9.1%	7.7%

Capital structure and capital adequacy

£'million	31 March 2022*	31 March 2021*
Shareholder's equity	2 215	2 081
Shareholder's equity excluding non-controlling interests	2 296	2 114
Foreseeable charges and dividends	(61)	(25)
Deconsolidation of special purpose entities	(20)	(8)
Non-controlling interests	—	—
Non-controlling interests per balance sheet	1	—
Non-controlling interests excluded for regulatory purposes	(1)	—
Regulatory adjustments to the accounting basis	71	99
Additional value adjustments	(6)	(6)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	—	12
Adjustment under IFRS 9 transitional arrangements	77	93
Deductions	(304)	(312)
Goodwill and intangible assets net of deferred taxation	(291)	(298)
Deferred taxation assets that rely on future profitability excluding those arising from temporary differences	(8)	(12)
Securitisation positions which can alternatively be subject to a 1 250% risk weight	(5)	(2)
Common Equity Tier 1 capital	1 982	1 868
Additional Tier 1 instruments	250	250
Tier 1 capital	2 232	2 118
Tier 2 capital	766	473
Tier 2 instruments	766	473
Total regulatory capital	2 998	2 591
Risk-weighted assets**	16 462	15 789

* The capital adequacy disclosures for IBP include the deduction of foreseeable charges and dividends when calculating Common Equity Tier (CET)1 capital. These disclosures differ from the capital adequacy disclosures included in the Investec Group's 2022 integrated and strategic annual report, which follow our normal basis of presentation and do not include this deduction when calculating CET1 capital. IBP's CET1 ratios would be 37bps (31 March 2021: 16bps) higher, on this basis.

** The CET1, Tier 1, total capital ratios and risk weighted assets (RWAs) are calculated applying the IFRS 9 transitional arrangements (including the Capital Requirements Regulation (CRR) II changes introduced by the 'quick fix' regulation adopted in June 2020).

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assume full adoption of IFRS 9 (including the 'quick fix' regulation in the UK).

^ The leverage ratios are calculated on an end-quarter basis. In the UK, the 31 March 2022 leverage ratio is calculated applying the UK leverage ratio framework, which applies to all UK firms from 1 January 2022. The 31 March 2021 comparative is calculated on a Capital Requirements Directive (CRD) IV basis.

CAPITAL ADEQUACY

CONTINUED

Risk-weighted assets and capital requirements

£'millions	Risk-weighted assets**		Capital requirements**	
	31 March 2022*	31 March 2021	31 March 2022*	31 March 2021
	16 462	15 789	1 317	1 263
Credit risk	13 332	12 413	1 066	992
Equity risk	57	117	5	10
Counterparty credit risk	591	691	47	55
Credit valuation adjustment risk	103	59	8	5
Market risk	608	778	49	63
Operational risk	1 771	1 731	142	138

Leverage

£'millions	31 March 2022*	31 March 2021*
Total exposure measure	23 874	26 351
Tier 1 capital**	2 232	2 118
Leverage ratio^	9.3%	8.0%
Total exposure measure (fully loaded)	23 797	26 258
Tier 1 capital (fully loaded)	2 155	2 029
Leverage ratio (fully loaded)^ ***	9.1%	7.7%


* The capital adequacy disclosures for IBP include the deduction of foreseeable charges and dividends when calculating CET1 capital. These disclosures differ from the capital adequacy disclosures included in the Investec Group's 2022 integrated and strategic annual report, which follow our normal basis of presentation and do not include this deduction when calculating CET1 capital. IBP's CET1 ratios would be 37bps (31 March 2021: 16bps) higher, on this basis.

** The CET1, Tier 1, total capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements (including the CRR II changes introduced by the 'quick fix' regulation adopted in June 2020).

*** The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assume full adoption of IFRS 9 (including the 'quick fix' regulation in the UK).

^ The leverage ratios are calculated on an end-quarter basis. In the UK, the 31 March 2022 leverage ratio is calculated applying the UK leverage ratio framework, which applies to all UK firms from 1 January 2022. The 31 March 2021 comparative is calculated on a CRD IV basis.

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	31 March 2022	31 March 2021
Operating profit before goodwill, acquired intangibles and strategic actions	287 683	107 440
Add: Loss attributable to non-controlling interests	—	861
Adjusted operating profit	287 683	108 301

Annuity income  Net interest income (refer to page 8) plus net annuity fees and commissions (refer to page 9)

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

£'million	31 March 2022	31 March 2021
Loans and advances to customers per the balance sheet	14 426	12 316
ECL held against FVOCI loans reported on the balance sheet within reserves	(3)	(5)
Net core loans	14 423	12 311
of which amortised cost and FVOCI ('subject to ECL')	13 814	11 799
of which FVPL	609	512
Add: ECL	134	169
Gross core loans	14 557	12 480
of which amortised cost and FVOCI ('subject to ECL')	13 948	11 968
of which FVPL	609	512

Cost to income ratio Refer to the calculation in the table below

£'000	31 March 2022	31 March 2021
Operating costs (A)	760 286	757 758
Total operating income before expected credit loss impairment charges	1 073 332	936 332
Add: Loss attributable to non-controlling interests	—	861
Total (B)	1 073 332	937 193
Cost to income ratio (A/B)	70.8%	80.9%


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 8

DEFINITIONS

Cash and near cash

Includes cash, near cash (other 'monetisable' 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 8 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 8 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

Ongoing basis

Ongoing information, as separately disclosed from 2014 to 2018, excludes Legacy assets (refer to definition), as well as the following businesses sold in previous years: Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited

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

CRD IV

Capital Requirements Directive IV

