

Out of the Ordinary since 1974

INVESTEC BANK PLC
(A SUBSIDIARY OF INVESTEC PLC)

Unaudited condensed financial information
for the year ended 31 March 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 26.

→ All other definitions can be found on page 27.

Key financial statistics	31 March 2024	31 March 2023 [^]	% change
Operating income (£'000)	1 158 450	960 901	20.6%
Operating costs (£'000)	626 732	577 152	8.6%
Adjusted operating profit (£'000)	444 517	317 009	40.2%
Earnings attributable to ordinary shareholder (£'000)	719 609	313 609	>100.0%
Cost to income ratio (%)	54.2%	60.1%	
Total capital resources (including subordinated liabilities) (£'000)	4 275 028	3 520 937	21.4%
Total equity (£'000)	3 606 218	2 789 454	29.3%
Total assets (£'000)	29 894 608	28 242 603	5.8%
Net core loans (£'000)	16 557 024	15 562 502	6.4%
Customer accounts (deposits) (£'000)	20 851 216	19 251 399	8.3%
Loans and advances to customers as a % of customer deposits	79.5%	80.9%	
Cash and near cash balances (£'million)	9 652	8 550	12.9%
Funds under management (£'million)*	2 130	42 422	(95.0%)
Total gearing ratio (i.e. total assets to equity)	8.3x	10.1x	
Total capital ratio	19.8%	18.5%	
Tier 1 ratio	15.9%	14.1%	
Common Equity Tier 1 ratio	13.3%	12.7%	
Leverage ratio	10.7%	9.8%	
Leverage ratio (fully loaded)	10.7%	9.6%	
Stage 3 exposure as a % of gross core loans subject to ECL	3.3%	2.3%	
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	2.6%	1.8%	
Credit loss ratio	0.58%	0.37%	

[^] Restated to reflect continuing operations as detailed on page 20.

* Funds under management (FUM) as at 31 March 2023 reflect the funds managed by Investec Wealth and Investment Limited (IW&I UK) and Investec Bank (Switzerland) AG (IBSAG). Following the combination between Rathbones and IW&I UK, FUM as at 31 March 2024 reflects the funds managed by IBSAG.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year to 31 March		
£'000	2024	2023 [^]
Interest income	1 933 984	1 225 353
Interest expense	(1 105 027)	(499 096)
Net interest income	828 957	726 257
Fee and commission income	178 770	131 307
Fee and commission expense	(16 381)	(15 372)
Investment income	2 625	5 003
Share of post-taxation profit of associates and joint venture holdings	31 287	660
Trading income/(loss) arising from		
– customer flow	103 158	87 366
– balance sheet management and other trading activities	27 119	13 060
Other operating income	2 915	12 620
Operating income	1 158 450	960 901
Expected credit loss impairment charges	(85 997)	(66 740)
Operating income after expected credit loss impairment charges	1 072 453	894 161
Operating costs	(626 732)	(577 152)
Operating profit before goodwill, acquired intangibles and strategic actions	445 721	317 009
Impairment of goodwill	—	(805)
Amortisation of acquired intangibles	(940)	—
Amortisation of acquired intangibles of associate	(5 679)	—
Closure and rundown of the Hong Kong direct investments business	(784)	(480)
Operating profit	438 318	315 724
Financial impact of group restructures	(16 576)	—
Profit before taxation	421 742	315 724
Taxation on operating profit before goodwill and strategic actions	(96 956)	(66 087)
Taxation on goodwill, acquired intangibles and strategic actions	427	—
Profit after taxation from continuing operations	325 213	249 637
Profit after taxation from discontinued operations	395 600	63 972
Profit after taxation	720 813	313 609
Profit attributable to non-controlling interests	(1 204)	—
Earnings attributable to shareholder	719 609	313 609

[^] Restated to reflect continuing operations as detailed on page 20.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March £'000	2024	2023 [^]
Profit after taxation from continuing operations	325 213	249 637
Other comprehensive income/(loss) from continuing operations:		
Items that may be reclassified to the income statement:		
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(9 971)	27 635
Gains on realisation of debt instruments at FVOCI recycled through the income statement*	(817)	(313)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	6 078	217
Foreign currency adjustments on translating foreign operations	(3 601)	5 615
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	(7)
Items that will not be reclassified to the income statement:		
Share of other comprehensive income of associates and joint venture holdings	257	—
Total comprehensive income from continuing operations	317 159	282 784
Total comprehensive loss attributable to non-controlling interests from continuing operations	1 183	—
Total comprehensive income attributable to ordinary shareholders from continuing operations	295 338	265 909
Total comprehensive income attributable to perpetual preferred securities and Additional Tier 1 securities	20 638	16 875
Total comprehensive income from continuing operations	317 159	282 784
Profit after taxation from discontinued operations	395 600	63 972
Other comprehensive income/(loss) from discontinued operations:		
Items that will not be reclassified to the income statement:		
Movement in post-retirement benefit liabilities	—	75
Total comprehensive income from discontinued operations	395 600	64 047
Total comprehensive income attributable to non-controlling interests from discontinued operations	—	—
Total comprehensive income attributable to ordinary shareholders from discontinued operations	395 600	64 047
Total comprehensive income from discontinued operations	395 600	64 047
Profit after taxation	720 813	313 609
Other comprehensive income/(loss):		
Items that may be reclassified to the income statement:		
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(9 971)	27 635
Gains on realisation of debt instruments at FVOCI recycled through the income statement*	(817)	(313)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	6 078	217
Foreign currency adjustments on translating foreign operations	(3 601)	5 615
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	(7)
Items that will not be reclassified to the income statement:		
Share of other comprehensive income of associates and joint venture holdings	257	—
Movement in post-retirement benefit liabilities	—	75
Total comprehensive income	712 759	346 831
Total comprehensive loss attributable to non-controlling interests	1 183	—
Total comprehensive income attributable to ordinary shareholders	690 938	329 956
Total comprehensive income attributable to perpetual preferred securities and Additional Tier 1 securities	20 638	16 875
Total comprehensive income	712 759	346 831

* Net of £8.8 million tax charge (31 March 2023: £0.2 million tax credit), except for the impact of rate changes on deferred taxation relating to adjustment for IFRS 9 as shown separately above.

[^] Restated to reflect continuing operations as detailed on page 20.

CONSOLIDATED BALANCE SHEET

At 31 March		
£'000	2024	2023
Assets		
Cash and balances at central banks	5 661 623	5 400 401
Loans and advances to banks	676 001	892 791
Reverse repurchase agreements and cash collateral on securities borrowed	1 140 115	1 338 699
Sovereign debt securities	1 928 134	1 221 744
Bank debt securities	297 255	204 691
Other debt securities	708 285	697 275
Derivative financial instruments	474 834	680 262
Securities arising from trading activities	157 332	127 537
Investment portfolio	244 140	311 618
Loans and advances to customers	16 570 313	15 567 809
Other loans and advances	145 545	172 087
Other securitised assets	66 702	78 231
Interests in associated undertakings and joint venture holdings	791 272	10 851
Deferred taxation assets	119 730	111 513
Current taxation assets	13 254	9 890
Other assets	764 473	993 385
Property and equipment	72 947	121 014
Goodwill	58 082	249 503
Software	4 571	9 415
Other acquired intangible assets	—	43 887
	29 894 608	28 242 603
Liabilities		
Deposits by banks	2 174 305	2 172 170
Derivative financial instruments	472 662	704 816
Other trading liabilities	18 449	28 184
Repurchase agreements and cash collateral on securities lent	85 091	139 529
Customer accounts (deposits)	20 851 216	19 251 399
Debt securities in issue	956 887	1 140 879
Liabilities arising on securitisation of other assets	71 751	81 609
Current taxation liabilities	8 624	4 813
Other liabilities	980 595	1 198 267
	25 619 580	24 721 666
Subordinated liabilities	668 810	731 483
	26 288 390	25 453 149
Equity		
Ordinary share capital	1 280 550	1 280 550
Share premium	199 538	199 538
Capital reserve	11 274	153 177
Other reserves	26 524	34 814
Retained income	1 627 373	870 424
	3 145 259	2 538 503
Shareholder's equity excluding non-controlling interests		
Additional Tier 1 securities in issue	458 108	250 000
Non-controlling interests in partially held subsidiaries	2 851	951
	3 606 218	2 789 454
Total equity	3 606 218	2 789 454
Total liabilities and equity	29 894 608	28 242 603

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Share premium	Capital reserve account
At 1 April 2022	1 280 550	199 538	153 177
Movement in reserves 1 April 2022 – 31 March 2023			
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 cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
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 2023	1 280 550	199 538	153 177
Movement in reserves 1 April 2023 – 31 March 2024			
Profit after taxation	—	—	—
Gains on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Share of other comprehensive income of associates and joint venture holdings	—	—	—
Total comprehensive income for the year	—	—	—
Share-based payments adjustments	—	—	—
Employee benefit liability recognised	—	—	—
Transaction with equity holders	—	—	—
Issue of Additional Tier 1 security instruments	—	—	—
Redemption of Additional Tier 1 security instruments	—	—	—
Dividends paid to ordinary shareholder	—	—	—
Dividends declared to Additional Tier 1 security holders	—	—	—
Dividends paid to Additional Tier 1 security holders	—	—	—
Gain on Additional Tier 1 security instruments callback	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Release of capital reserve to retained income	—	—	(141 903)
At 31 March 2024	1 280 550	199 538	11 274

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	Cash flow hedge reserve	Foreign currency reserves	Retained income				
413	—	1 254	661 420	2 296 352	250 000	833	2 547 185
—	—	—	313 609	313 609	—	—	313 609
(7)	—	—	—	(7)	—	—	(7)
(313)	—	—	—	(313)	—	—	(313)
—	27 635	—	—	27 635	—	—	27 635
217	—	—	—	217	—	—	217
—	—	5 615	—	5 615	—	—	5 615
—	—	—	75	75	—	—	75
(103)	27 635	5 615	313 684	346 831	—	—	346 831
—	—	—	(295)	(295)	—	—	(295)
—	—	—	7 490	7 490	—	—	7 490
—	—	—	(95 000)	(95 000)	—	—	(95 000)
—	—	—	(16 875)	(16 875)	16 875	—	—
—	—	—	—	—	(16 875)	—	(16 875)
—	—	—	—	—	—	118	118
310	27 635	6 869	870 424	2 538 503	250 000	951	2 789 454
—	—	—	719 609	719 609	—	1 204	720 813
(817)	—	—	—	(817)	—	—	(817)
—	(9 971)	—	—	(9 971)	—	—	(9 971)
6 078	—	—	—	6 078	—	—	6 078
—	—	(3 580)	—	(3 580)	—	(21)	(3 601)
—	—	—	257	257	—	—	257
5 261	(9 971)	(3 580)	719 866	711 576	—	1 183	712 759
—	—	—	5 427	5 427	—	—	5 427
—	—	—	1 740	1 740	—	—	1 740
—	—	—	(2 971)	(2 971)	—	—	(2 971)
—	—	—	—	—	350 000	—	350 000
—	—	—	—	—	(141 892)	—	(141 892)
—	—	—	(89 798)	(89 798)	—	—	(89 798)
—	—	—	(20 638)	(20 638)	20 638	—	—
—	—	—	—	—	(20 638)	—	(20 638)
—	—	—	1 420	1 420	—	—	1 420
—	—	—	—	—	—	717	717
—	—	—	141 903	—	—	—	—
5 571	17 664	3 289	1 627 373	3 145 259	458 108	2 851	3 606 218

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT

For the year to 31 March 2024 £'000	Specialist Banking			Total Group
	Private Client			
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	
Continuing operations				
Net interest income	8 340	132 302	688 315	828 957
Fee and commission income	9 170	874	168 726	178 770
Fee and commission expense	(993)	(41)	(15 347)	(16 381)
Investment income	2	1 138	1 485	2 625
Share of post-taxation profit of associates and joint venture holdings	31 013	—	274	31 287
Trading income/(loss) arising from				
– customer flow	2 099	4 869	96 190	103 158
– balance sheet management and other trading activities	(662)	(99)	27 880	27 119
Other operating income	—	—	2 915	2 915
Operating income	48 969	139 043	970 438	1 158 450
Expected credit loss impairment charges	4	(13 557)	(72 444)	(85 997)
Operating income after expected credit loss impairment charges	48 973	125 486	897 994	1 072 453
Operating costs	(14 178)	(57 090)	(555 464)	(626 732)
Operating profit before goodwill, acquired intangibles and strategic actions from continuing operations	34 795	68 396	342 530	445 721
Profit attributable to other non-controlling interests	—	—	(1 204)	(1 204)
Adjusted operating profit from continuing operations	34 795	68 396	341 326	444 517
Operating profit before acquired intangibles and strategic actions from discontinued operations				47 828
Operating profit before goodwill, acquired intangibles, strategic actions and after non-controlling interests				492 345
Selected returns and key statistics				
Cost to income ratio	29.0%	41.1%	57.3%	54.2%
Total assets (£'million)	1 028	5 327	23 540	29 895

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT
CONTINUED

For the year to 31 March 2023 [^] £'000	Specialist Banking			Total Group
	Private Client		Corporate, Investment Banking and Other	
	Wealth & Investment	Private Banking		
Continuing operations				
Net interest income	5 382	128 945	591 930	726 257
Fee and commission income	8 284	2 120	120 903	131 307
Fee and commission expense	(691)	(174)	(14 507)	(15 372)
Investment income	7	141	4 855	5 003
Share of post-taxation profit of associates and joint venture holdings	—	—	660	660
Trading income/(loss) arising from				
– customer flow	1 252	4 449	81 665	87 366
– balance sheet management and other trading activities	10	13	13 037	13 060
Other operating income	—	—	12 620	12 620
Operating income	14 244	135 494	811 163	960 901
Expected credit loss impairment charges	2	(6 344)	(60 398)	(66 740)
Operating income after expected credit loss impairment charges	14 246	129 150	750 765	894 161
Operating costs	(14 286)	(58 996)	(503 870)	(577 152)
Operating profit/(loss) before goodwill and strategic actions from continuing operations	(40)	70 154	246 895	317 009
Profit attributable to other non-controlling interests	—	—	—	—
Adjusted operating profit/(loss) from continuing operations	(40)	70 154	246 895	317 009
Operating profit before acquired intangibles and strategic actions from discontinued operations				91 767
Operating profit before goodwill, acquired intangibles, strategic actions and after non-controlling interests				408 776
Selected returns and key statistics				
Cost to income ratio	100.3%	43.5%	62.1%	60.1%
Total assets (£'million)	1 061	5 202	21 979	28 242

[^] Restated to reflect continuing operations as detailed on page 20.

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

Net interest income

This note analyses net interest income from the Group's continuing operations.

For the year to 31 March £'000	Notes	2024			2023 [^]		
		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	8 871 883	427 558	4.82%	9 148 091	210 026	2.30%
Loans and advances	2	16 247 191	1 304 395	8.03%	15 268 383	915 989	6.00%
Private client		5 302 275	272 640	5.14%	5 085 272	214 368	4.22%
Corporate, Investment Banking and Other		10 944 916	1 031 755	9.43%	10 183 111	701 621	6.89%
Other debt securities and other loans and advances		920 886	66 290	7.20%	758 352	38 862	5.12%
Other [#]	3	190 123	135 741	n/a	225 900	60 476	n/a
Total interest-earning assets		26 230 083	1 933 984	7.37%	25 400 726	1 225 353	4.82%

For the year to 31 March £'000	Notes	2024			2023 [^]		
		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	3 397 885	64 221	1.89%	3 435 368	41 516	1.21%
Customer accounts (deposits)		19 842 571	886 358	4.47%	19 192 531	383 189	2.00%
Subordinated liabilities		692 444	51 863	7.49%	753 269	34 548	4.59%
Other [#]	5	259 387	102 585	n/a	309 623	39 843	n/a
Total interest-bearing liabilities		24 192 287	1 105 027	4.57%	23 690 791	499 096	2.11%
Net interest income			828 957			726 257	
Net interest margin			3.16%			2.86%	

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.
- [^] Restated to reflect continuing operations as detailed on page 20.

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

CONTINUED

Net fee and commission income

This note analyses net fee and commission income from the Group's continuing operations.

For the year to 31 March £'000	2024	2023 [^]
Wealth & Investment businesses net fee and commission income	8 177	7 593
Fund management fees/fees for assets under management	6 862	6 688
Private client transactional fees	2 308	1 596
Fee and commission expense	(993)	(691)
Specialist Banking net fee and commission income	154 212	108 342
Specialist Banking fee and commission income	169 600	123 023
Specialist Banking fee and commission expense	(15 388)	(14 681)
Net fee and commission income	162 389	115 935
Fee and commission income	178 770	131 307
Fee and commission expense	(16 381)	(15 372)
Net fee and commission income	162 389	115 935
Annuity fees (net of fees payable)	17 864	21 978
Deal fees	144 525	93 957

[^] Restated to reflect continuing operations as detailed on page 20.

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
2024								
Realised	(2 907)	40 717	287	38 097	831	—	(8 368)	30 560
Unrealised*	2 798	(32 260)	450	(29 012)	(253)	(12 500)	12 369	(29 396)
Dividend income	—	1 261	—	1 261	—	—	200	1 461
Funding and other net related income	—	—	—	—	—	—	—	—
	(109)	9 718	737	10 346	578	(12 500)	4 201	2 625
2023								
Realised	(994)	53 495	1 062	53 563	(528)	(1 118)	(38 759)	13 158
Unrealised*	1 147	(51 333)	(1 281)	(51 467)	(5 649)	(2 325)	43 875	(15 566)
Dividend income	—	6 313	—	6 313	—	—	233	6 546
Funding and other net related income	—	—	—	—	—	865	—	865
	153	8 475	(219)	8 409	(6 177)	(2 578)	5 349	5 003

* 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 2024 £'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	—	5 661 623	—	5 661 623
Loans and advances to banks	—	676 001	—	676 001
Reverse repurchase agreements and cash collateral on securities borrowed	164 319	975 796	—	1 140 115
Sovereign debt securities	993 289	934 845	—	1 928 134
Bank debt securities	247 263	49 992	—	297 255
Other debt securities	68 230	640 055	—	708 285
Derivative financial instruments	474 834	—	—	474 834
Securities arising from trading activities	157 332	—	—	157 332
Investment portfolio	244 140	—	—	244 140
Loans and advances to customers	2 112 568	14 457 745	—	16 570 313
Other loans and advances	—	145 545	—	145 545
Other securitised assets	66 702	—	—	66 702
Interests in associated undertakings and joint venture holdings	—	—	791 272	791 272
Deferred taxation assets	—	—	119 730	119 730
Current taxation assets	—	—	13 254	13 254
Other assets	4 732	450 714	309 027	764 473
Property and equipment	—	—	72 947	72 947
Goodwill	—	—	58 082	58 082
Software	—	—	4 571	4 571
	4 533 409	23 992 316	1 368 883	29 894 608
Liabilities				
Deposits by banks	—	2 174 305	—	2 174 305
Derivative financial instruments	472 662	—	—	472 662
Other trading liabilities	18 449	—	—	18 449
Repurchase agreements and cash collateral on securities lent	—	85 091	—	85 091
Customer accounts (deposits)	—	20 851 216	—	20 851 216
Debt securities in issue	9 823	947 064	—	956 887
Liabilities arising on securitisation of other assets	71 751	—	—	71 751
Current taxation liabilities	—	—	8 624	8 624
Other liabilities	—	557 111	423 484	980 595
	572 685	24 614 787	432 108	25 619 580
Subordinated liabilities	—	668 810	—	668 810
	572 685	25 283 597	432 108	26 288 390

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 31 March 2024 £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Assets				
Reverse repurchase agreements and cash collateral on securities borrowed	164 319	—	164 319	—
Sovereign debt securities	993 289	993 289	—	—
Bank debt securities	247 263	247 263	—	—
Other debt securities	68 230	8 552	65	59 613
Derivative financial instruments	474 834	—	421 825	53 009
Securities arising from trading activities	157 332	157 332	—	—
Investment portfolio	244 140	793	754	242 593
Loans and advances to customers	2 112 568	—	70 418	2 042 150
Other securitised assets	66 702	—	—	66 702
Other assets	4 732	4 732	—	—
	4 533 409	1 411 961	657 381	2 464 067
Liabilities				
Derivative financial instruments	472 662	—	408 321	64 341
Other trading liabilities	18 449	18 449	—	—
Debt securities in issue	9 823	—	9 823	—
Liabilities arising on securitisation of other assets	71 751	—	—	71 751
	572 685	18 449	418 144	136 092
Net assets at fair value	3 960 724	1 393 512	239 237	2 327 975

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 2023	309 067	1 303 646	78 231	151 118	1 842 062
Total gains or (losses)	(731)	175 394	(1 495)	5 307	178 475
In the income statement	(731)	177 180	(1 495)	5 307	180 261
In the statement of comprehensive income	—	(1 786)	—	—	(1 786)
Purchases	31 559	2 551 558	—	39 709	2 622 826
Sales	(75 323)	(1 058 680)	—	(14 481)	(1 148 484)
Settlements	(18 352)	(898 422)	(10 034)	(74 870)	(1 001 678)
Foreign exchange adjustments	(3 627)	(31 346)	—	5 839	(29 134)
Balance as at 31 March 2024	242 593	2 042 150	66 702	112 622	2 464 067

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

£'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities ²	Total
Liabilities			
Balance as at 1 April 2023	81 609	65 782	147 391
Total losses	1 190	6 183	7 373
In the income statement	1 190	6 183	7 373
Deconsolidation of subsidiaries	—	(3 933)	(3 933)
Settlements	(11 048)	(2 391)	(13 439)
Foreign exchange adjustments	—	(1 300)	(1 300)
Balance as at 31 March 2024	71 751	64 341	136 092

2. Comprises level 3 derivative financial instruments and other liabilities.

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 2024, there were no transfers into or from level 3.

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 2024 £'000	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the year			
Net interest income	174 393	156 766	17 627
Investment income*	649	31 331	(30 682)
Trading income arising from customer flow	(2 154)	—	(2 154)
	172 888	188 097	(15 209)
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	534	534	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(1 786)	—	(1 786)
	(1 252)	534	(1 786)

* Included within the investment income statement balance are fair value losses of £5.1 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 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
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 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
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

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 31 March 2024	Balance sheet value £'000	Significant unobservable input	Range of unobservable input used	Favourable changes £'000	Unfavourable changes £'000
Assets					
Other debt securities	59 613	Potential impact on income statement		2 192	(3 713)
		Credit spreads	0.75%–0.86%	40	(68)
		Cash flow adjustments	CPR 7.62%–11.08%	214	(160)
		Other	^	1 938	(3 485)
Derivative financial instruments	53 009	Potential impact on income statement		5 329	(5 420)
		Volatilities	7.5%–19.1%	1	(3)
		Cash flow adjustments	CPR 7.62%	2	(2)
		Underlying asset value	^^	4 574	(4 619)
		Other	^	752	(796)
Investment portfolio	242 593	Potential impact on income statement		24 639	(48 475)
		Price earnings multiple	3.8x–9x	6 485	(13 200)
		Cash flow adjustments	10%	225	(449)
		Underlying asset value	^^	9 798	(18 625)
		Other	^	8 131	(16 201)
Loans and advances to customers	2 042 150	Potential impact on income statement		16 027	(35 018)
		Credit spreads	0.16%–37.8%	10 840	(24 697)
		Price earnings multiple	3.8x	2 762	(6 893)
		Underlying asset value	^^	1 435	(1 631)
		Other	^	990	(1 797)
		Potential impact on other comprehensive income			
		Credit spreads	0.14%–5.0%	12 783	(24 177)
Other securitised assets	66 702	Potential impact on income statement			
		Cash flow adjustments	CPR 7.62%	770	(1 291)
Total level 3 assets	2 464 067			61 740	(118 094)
Liabilities					
Derivative financial instruments	64 341	Potential impact on income statement		(5 552)	3 507
		Volatilities	9%–23.3%	(1)	2
		Underlying asset value	^^	(5 550)	3 505
		Other	^	(1)	—
Liabilities arising on securitisation of other assets*	71 751	Potential impact on income statement			
		Cash flow adjustments	CPR 7.62%	(805)	440
Total level 3 liabilities	136 092			(6 357)	3 947
Net level 3 assets	2 327 975				

* 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 and 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

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. 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 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
Assets				
Cash and balances at central banks	5 661 623	5 661 623	—	—
Loans and advances to banks	676 001	676 001	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	975 796	904 973	70 823	70 775
Sovereign debt securities	934 845	4 253	930 592	930 937
Bank debt securities	49 992	—	49 992	50 432
Other debt securities	640 055	26 958	613 097	614 800
Loans and advances to customers	14 457 745	542 986	13 914 759	13 715 487
Other loans and advances	145 545	99 497	46 048	46 167
Other assets	450 714	450 714	—	—
	23 992 316	8 367 005	15 625 311	15 428 598
Liabilities				
Deposits by banks	2 174 305	271 520	1 902 785	1 917 265
Repurchase agreements and cash collateral on securities lent	85 091	85 091	—	—
Customer accounts (deposits)	20 851 216	10 018 541	10 832 675	10 810 561
Debt securities in issue	947 064	1 194	945 870	951 478
Other liabilities	557 111	555 484	1 627	536
Subordinated liabilities	668 810	—	668 810	661 143
	25 283 597	10 931 830	14 351 767	14 340 983

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

Following a review into the motor vehicle financing market completed by the (Financial Conduct Authority) FCA in March 2019 and subsequent policy statement issued in July 2020, the use of discretionary commission arrangements was prohibited with effect from the 28th January 2021 on the basis that such arrangements had the potential to cause consumer detriment. The Group fully complied with this requirement.

On 11th January 2024, the FCA announced a further review of historical motor finance commissions arrangements, in order to assess whether such arrangements had in practice caused consumer detriment. The FCA currently plans to communicate a decision on next steps towards the end of the third quarter of 2024 on the basis of the evidence collated as part of this review. The FCA has indicated that such steps could include establishing an industry-wide consumer redress scheme.

The Group has to date received a small number of complaints in respect of motor finance commissions and is actively engaging with the FOS (Financial Ombudsman Service) in its assessment of these complaints. The Group continues to believe that its historical practices were compliant with the law and regulations in place at the time, and welcomes the FCA intervention through its industry wide review. Nevertheless, the Group recognises that costs and awards could arise in the event that the FCA concludes there has been industry wide misconduct and customer loss that requires remediation. Those costs and awards could arise as the result of a redress scheme, or from adverse FOS/litigation decisions.

Accordingly, in response to the FCA announcement, the Group has recognised a provision of £30 million. This includes estimates for operational and legal costs, including litigation costs, together with estimates for potential awards, based on various scenarios using a range of assumptions. The time period applied in the calculations is between June 2015, the commencement of the business and 28 January 2021, the date that discretionary commissions arrangements were prohibited.

While the FCA review is progressing 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. The Group therefore notes that the ultimate financial impact of the FCA investigation could be either higher or lower than the amount provided for, but is satisfied that the provision it has currently made is reasonable.

Acquisitions

During the reporting period the Group completed a stepped acquisition increasing its shareholding in the Capitalmind associate from 30% to 60% for a consideration of £43.5 million and therefore as at 31 March 2024 has consolidated these entities as subsidiaries. The non-controlling interest has been measured as the proportionate share of the identifiable net assets. Goodwill of £56.3 million, including a deferred taxation liability of £0.2 million and an intangible asset of £0.9 million have been recognised as a consequence of this increased shareholding.

The goodwill recognised is in relation to the purchase price for the additional 30% acquired, the fair value of the previously held 30% and the non-controlling interest measured at its proportionate share of 40% of net asset value compared to the fair value of the identifiable assets on transaction date.

DISCONTINUED OPERATIONS

Investec Wealth & Investment Limited

On 21 September 2023, the Investec Group successfully completed the all-share combination of Investec Wealth & Investment Limited and Rathbones Group Plc. On completion Rathbones issued new Rathbones shares in exchange for 100% of Investec Wealth & Investment Limited share capital. Investec Group now owns 41.25% of the economic interest in the enlarged Rathbones Group's share capital, with Investec 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 year to 31 March		
£'000	2024	2023
Interest income	17 755	23 627
Interest expense	(431)	(859)
Net interest income	17 324	22 768
Fee and commission income	161 610	324 908
Fee and commission expense	—	—
Investment income	—	—
Trading income arising from		
– customer flow	—	—
– balance sheet management and other trading activities	—	—
Other operating income	—	—
Operating income	178 934	347 676
Expected credit loss impairment charges	—	—
Operating income after expected credit loss impairment charges	178 934	347 676
Operating costs	(131 106)	(255 909)
Operating profit before acquired intangibles and strategic actions	47 828	91 767
Amortisation of acquired intangibles	(6 424)	(12 625)
Operating profit	41 404	79 142
Gain on all-share combination net of implementation costs	364 554	—
Profit before taxation	405 958	79 142
Taxation on operating profit before acquired intangibles and strategic actions	(11 973)	(17 201)
Taxation on acquired intangibles and strategic actions	1 615	2 031
Profit after taxation	395 600	63 972
Profit attributable to non-controlling interests of discontinued operations	—	—
Earnings attributable to shareholder	395 600	63 972

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)
Gain on the combination of Rathbones Group (before tax)	365 506
Implementation costs	(952)
Gain on combination of Rathbones Group (before tax)	364 554
Taxation on gain	—
Gain on combination of Rathbones Group net of taxation and implementation costs	364 554

Major classes of assets and liabilities

£'000	
Loans and advances to banks	172 595
Goodwill	247 176
Other assets	363 717
Other liabilities	(369 573)
	413 915

RESTATEMENTS

The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group Plc was 21 September 2023. The Investec Wealth & Investment business has been disclosed as a discontinued operation and the income statement for the prior periods have been appropriately re-presented. Refer to page 19 for discontinued operations.

In addition, 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 £196.3 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).

These reclassifications in the income statement for the prior reported periods and the consequential restated comparatives have been shown below.

£'000	Year to 31 March 2023 as previously reported	Reversal of interest rate swaps gross-up	Re-presentation as a discontinued operation	Year to 31 March 2023 restated
Interest income	1 445 322	(196 342)	(23 627)	1 225 353
Interest expense	(696 297)	196 342	859	(499 096)
Net interest income	749 025	—	(22 768)	726 257
Fee and commission income	456 215	—	(324 908)	131 307
Fee and commission expense	(15 372)	—	—	(15 372)
Investment income	5 003	—	—	5 003
Share of post-taxation profit of associates and joint venture holdings	660	—	—	660
Trading income/(loss) arising from				
– customer flow	87 366	—	—	87 366
– balance sheet management and other trading activities	13 060	—	—	13 060
Other operating income	12 620	—	—	12 620
Operating income	1 308 577	—	(347 676)	960 901
Expected credit loss impairment charges	(66 740)	—	—	(66 740)
Operating income after expected credit loss impairment charges	1 241 837	—	(347 676)	894 161
Operating costs	(833 061)	—	255 909	(577 152)
Operating profit before goodwill, acquired intangibles and strategic actions	408 776	—	(91 767)	317 009
Impairment of goodwill	(805)	—	—	(805)
Amortisation of acquired intangibles	(12 625)	—	12 625	—
Closure and rundown of the Hong Kong direct investments business	(480)	—	—	(480)
Operating profit	394 866	—	(79 142)	315 724
Financial impact of strategic actions	—	—	—	—
Profit before taxation	394 866	—	(79 142)	315 724
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(83 288)	—	17 201	(66 087)
Taxation on goodwill, acquired intangibles and strategic actions	2 031	—	(2 031)	—
Profit after taxation from continuing operations	313 609	—	(63 972)	249 637
Profit after taxation from discontinued operations	—	—	63 972	63 972
Profit after taxation	313 609	—	—	313 609
Profit attributable to other non-controlling interests	—	—	—	—
Earnings attributable to shareholder	313 609	—	—	313 609

ASSET QUALITY

An analysis of gross core loans, asset quality and ECL

£ million	31 March 2024	31 March 2023
Gross core loans	16 744	15 709
Gross core loans at fair value through profit and loss (FVPL)	641	551
Gross core loans subject to ECL*	16 103	15 158
Stage 1	14 181	13 494
Stage 2	1 391	1 321
<i>of which past due greater than 30 days</i>	150	35
Stage 3	531	343
ECL	(187)	(146)
Stage 1	(43)	(39)
Stage 2	(33)	(32)
Stage 3	(111)	(75)
Coverage ratio		
Stage 1	0.30%	0.29%
Stage 2	2.4%	2.4%
Stage 3	20.9%	21.9%
Credit loss ratio	0.58%	0.37%
ECL impairment charges on core loans	(90)	(54)
Average gross core loans subject to ECL	15 631	14 553
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	420	268
Aggregate collateral and other credit enhancements on Stage 3	445	280
Stage 3 as a % of gross core loans subject to ECL	3.3%	2.3%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.6%	1.8%

* Refer to definitions on page 27.

Note: Our exposure (net of ECL) to the UK Legacy portfolio has reduced from £37 million at 31 March 2023 to £32 million at 31 March 2024. These Legacy assets are predominately reported in Stage 3. These assets have been significantly provided for and coverage remains high at 57.1%. Refer to definitions on page 27.

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 2024										
Commercial real estate	1 365	(8)	119	(3)	92	(21)	1 576	(32)	49	1 625
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
Residential real estate	790	(2)	49	—	52	(14)	891	(16)	5	896
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
Total lending collateralised by property	2 155	(10)	168	(3)	144	(35)	2 467	(48)	54	2 521
Coverage ratio		0.46%		1.8%		24.3%		1.9%		
At 31 March 2023										
Commercial real estate	1 241	(6)	231	(8)	76	(16)	1 548	(30)	43	1 591
Commercial real estate – investment	920	(4)	212	(8)	70	(13)	1 202	(25)	40	1 242
Commercial real estate – development	308	(2)	13	—	—	—	321	(2)	3	324
Commercial vacant land and planning	13	—	6	—	6	(3)	25	(3)	—	25
Residential real estate	611	(2)	112	(4)	45	(18)	768	(24)	37	805
Residential real estate – investment	359	(1)	39	(2)	11	(1)	409	(4)	35	444
Residential real estate – development	244	(1)	69	(1)	9	(3)	322	(5)	—	322
Residential vacant land and planning	8	—	4	(1)	25	(14)	37	(15)	2	39
Total lending collateralised by property	1 852	(8)	343	(12)	121	(34)	2 316	(54)	80	2 396
Coverage ratio		0.43%		3.5%		28.1%		2.3%		

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 2024										
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
Total high net worth and other private client lending	5 263	(6)	260	(1)	170	(16)	5 693	(23)	43	5 736
Coverage ratio		0.11%		0.4%		9.4%		0.4%		
At 31 March 2023										
Mortgages	4 480	(2)	128	—	64	(7)	4 672	(9)	25	4 697
Other high net worth lending	863	(2)	36	(1)	20	(6)	919	(9)	3	922
Total high net worth and other private client lending	5 343	(4)	164	(1)	84	(13)	5 591	(18)	28	5 619
Coverage ratio		0.07%		0.6%		15.5%		0.3%		

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 2024										
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
Energy and infrastructure finance	534	(2)	69	(3)	35	(4)	638	(9)	22	660
Total corporate and other lending	6 763	(27)	963	(29)	217	(60)	7 943	(116)	544	8 487
Coverage ratio		0.40%		3.0%		27.6%		1.5%		
At 31 March 2023										
Corporate and acquisition finance	1 794	(9)	212	(5)	53	(7)	2 059	(21)	125	2 184
Asset-based lending	271	(1)	44	—	—	—	315	(1)	—	315
Fund finance	1 359	(1)	33	—	—	—	1 392	(1)	75	1 467
Other corporate and financial institutions and governments	391	(2)	70	(1)	4	(1)	465	(4)	32	497
Small ticket asset finance	1 142	(9)	279	(6)	30	(11)	1 451	(26)	—	1 451
Motor finance	905	(3)	46	(3)	8	(3)	959	(9)	—	959
Aviation finance	115	(1)	32	(1)	—	—	147	(2)	176	323
Energy and infrastructure finance	322	(1)	98	(3)	43	(6)	463	(10)	35	498
Total corporate and other lending	6 299	(27)	814	(19)	138	(28)	7 251	(74)	443	7 694
Coverage ratio		0.43%		2.3%		20.3%		1.0%		

CAPITAL ADEQUACY

A summary of capital adequacy and leverage ratios

	31 March 2024*	31 March 2023*
Common Equity Tier 1 ratio**	13.3%	12.7%
Common Equity Tier 1 ratio (fully loaded)***	13.2%	12.4%
Tier 1 ratio**	15.9%	14.1%
Total capital ratio**	19.8%	18.5%
Risk weighted assets (£'million)**	18 054	17 308
Leverage exposure measure (£'million)	26 746	24 945
Leverage ratio	10.7%	9.8%
Leverage ratio (fully loaded)***	10.7%	9.6%

Capital structure and capital adequacy

£'million	31 March 2024*	31 March 2023*
Shareholder's equity	3 070	2 486
Shareholder's equity excluding non-controlling interests	3 145	2 539
Foreseeable charges and dividends	(62)	(36)
Deconsolidation of special purpose entities	(13)	(17)
Non-controlling interests	—	—
Non-controlling interests per balance sheet	3	1
Non-controlling interests excluded for regulatory purposes	(3)	(1)
Regulatory adjustments to the accounting basis	(3)	15
Additional value adjustments	(5)	(5)
Cash flow hedging reserve	(18)	(28)
Adjustment under IFRS 9 transitional arrangements	20	48
Deductions	(658)	(306)
Goodwill and intangible assets net of deferred taxation	(652)	(300)
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)	(4)
Defined benefit pension fund adjustment	(3)	—
Common Equity Tier 1 capital	2 409	2 195
Additional Tier 1 instruments	458	250
Tier 1 capital	2 867	2 445
Tier 2 capital	712	764
Tier 2 instruments [^]	712	764
Total regulatory capital	3 579	3 209
Risk weighted assets**	18 054	17 308

* The capital adequacy and leverage disclosures for IBP include the deduction of foreseeable charges and dividends when calculating Common Equity Tier (CET)1 and Tier 1 capital. These disclosures differ from the disclosures included in the Investec Group's year-end results booklet 2024, which follow our normal basis of presentation and do not include this deduction. IBP's CET1 ratio would be 34bps (31 March 2023: 21bps) and leverage ratio 23bps (31 March 2023: 14 bps) 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.

[^] 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**	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	18 054	17 308	1 444	1 385
Credit risk	15 276	14 118	1 222	1 129
Equity risk	89	153	7	13
Counterparty credit risk	377	487	30	39
Credit valuation adjustment risk	27	37	2	3
Market risk	428	511	34	41
Operational risk	1 857	2 002	149	160

Leverage

£'million	31 March 2024*	31 March 2023*
Total exposure measure	26 746	24 945
Tier 1 capital**	2 867	2 445
Leverage ratio	10.7%	9.8%
Total exposure measure (fully loaded)	26 726	24 896
Tier 1 capital (fully loaded)	2 847	2 396
Leverage ratio (fully loaded) ***	10.7%	9.6%

* 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 year-end results booklet 2024, which follow our normal basis of presentation and do not include this deduction. IBP's leverage ratio would be 23bps (31 March 2023: 14bps) 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.

£'000	31 March 2024	31 March 2023
Adjusted operating profit	Refer to the calculation in the table below	
Operating profit before goodwill and strategic actions	445 721	317 009
Less: Profit attributable to non-controlling interests	(1 204)	—
Adjusted operating profit	444 517	317 009
Annuity income	→ Net interest income (refer to page 9) plus net annuity fees and commissions (refer to page 10).	
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 2024	31 March 2023
Loans and advances to customers per the balance sheet	16 570	15 568
ECL held against FVOCI loans reported on the balance sheet within reserves	(13)	(5)
Net core loans	16 557	15 563
of which amortised cost and FVOCI ('subject to ECL')	15 916	15 012
of which FVPL	641	551
Add: ECL	187	146
Gross core loans	16 744	15 709
of which amortised cost and FVOCI ('subject to ECL')	16 103	15 158
of which FVPL	641	551
Cost to income ratio	Refer to the calculation in the table below	
£'000	31 March 2024	31 March 2023
Operating costs (A)	626 732	577 152
Total operating income before expected credit loss impairment charges	1 158 450	960 901
Less: Profit attributable to non-controlling interests	(1 204)	—
Total (B)	1 157 246	960 901
Cost to income ratio (A/B)	54.2%	60.1%
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 9	

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 9 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 9 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

