

Out of the Ordinary since 1974

INVESTEC PLC
(EXCLUDING RESULTS
OF INVESTEC LIMITED)

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)	1 170 211	961 125	21.8%
Operating costs (£'000)	656 599	598 966	9.6%
Adjusted operating profit (£'000)	426 413	295 407	44.3%
Earnings attributable to ordinary shareholders (£'000)	706 210	293 131	>100.0%
Cost to income ratio (%)	56.2%	62.3%	
Total capital resources (including subordinated liabilities) (£'000)	4 140 427	3 450 449	20.0%
Total equity (£'000)	3 471 617	2 718 966	27.7%
Total assets (£'000)	30 060 887	28 386 323	5.9%
Net core loans (£'000)	16 557 024	15 562 502	6.4%
Customer accounts (deposits) (£'000)	20 790 611	19 121 921	8.7%
Loans and advances to customers as a % of customer deposits	79.7%	81.4%	
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)	8.7x	10.4x	
Total capital ratio	18.4%	17.2%	
Tier 1 ratio	14.6%	13.1%	
Common Equity Tier 1 ratio	12.1%	11.7%	
Leverage ratio	10.0%	9.2%	
Leverage ratio (fully loaded)	9.9%	9.0%	
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	1 914 473	1 215 245
Interest expense	(1 103 546)	(501 025)
Net interest income	810 927	714 220
Fee and commission income	173 213	131 795
Fee and commission expense	(16 451)	(15 442)
Investment income	14 322	18 223
Share of post-taxation profit of associates and joint venture holdings	55 793	4 950
Trading income/(loss) arising from		
– customer flow	103 158	87 366
– balance sheet management and other trading activities	27 099	13 134
Other operating income	2 150	6 879
Operating income	1 170 211	961 125
Expected credit loss impairment charges	(85 995)	(66 752)
Operating income after expected credit loss impairment charges	1 084 216	894 373
Operating costs	(656 599)	(598 966)
Operating profit before goodwill, acquired intangibles and strategic actions	427 617	295 407
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	420 214	294 122
Financial impact of strategic actions	(16 576)	(402)
Profit before taxation	403 638	293 720
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(86 502)	(59 623)
Taxation on goodwill, acquired intangibles and strategic actions	727	—
Profit after taxation from continuing operations	317 863	234 097
Profit after taxation from discontinued operations	389 551	59 034
Profit after taxation	707 414	293 131
Profit attributable to other non-controlling interests	(1 204)	—
Earnings attributable to shareholders	706 210	293 131

[^] 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	317 863	234 097
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*	(981)	(314)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	6 243	218
Foreign currency adjustments on translating foreign operations	(3 652)	5 738
Effect rate change on deferred tax relating to adjustment for IFRS 9	—	(7)
Items that will not be reclassified to the income statement:		
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(13 396)	(76 400)
Share of other comprehensive income of associates and joint venture holdings	257	—
Total comprehensive income from continuing operations	296 363	190 967
Total comprehensive loss attributable to non-controlling interests from continuing operations	1 183	—
Total comprehensive income attributable to ordinary shareholders from continuing operations	274 538	174 087
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities	20 642	16 880
Total comprehensive income from continuing operations	296 363	190 967
Profit after taxation from discontinued operations	389 551	59 034
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	389 551	59 109
Total comprehensive income attributable to non-controlling interests from discontinued operations	—	—
Total comprehensive income attributable to ordinary shareholders from discontinued operations	389 551	59 109
Total comprehensive income from discontinued operations	389 551	59 109
Profit after taxation	707 414	293 131
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*	(981)	(314)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	6 243	218
Foreign currency adjustments on translating foreign operations	(3 652)	5 738
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	(7)
Items that will not be reclassified to the income statement:		
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(13 396)	(76 400)
Share of other comprehensive income of associates and joint venture holdings	257	—
Movement in post-retirement benefit liabilities	—	75
Total comprehensive income	685 914	250 076
Total comprehensive loss attributable to non-controlling interests	1 183	—
Total comprehensive income attributable to ordinary shareholders	664 089	233 196
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities	20 642	16 880
Total comprehensive income	685 914	250 076

* 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	676 464	893 297
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	437 255	634 123
Securities arising from trading activities	157 332	127 537
Investment portfolio	405 410	489 204
Loans and advances to customers	16 570 313	15 567 809
Other loans and advances	117 514	142 626
Other securitised assets	66 702	78 231
Interests in associated undertakings and joint venture holdings	857 247	52 320
Deferred taxation assets	119 730	112 347
Current taxation assets	31 200	34 324
Other assets	740 121	965 449
Property and equipment	72 947	121 014
Goodwill	68 669	255 267
Software	4 571	9 415
Other acquired intangible assets	—	40 550
	30 060 887	28 386 323
Liabilities		
Deposits by banks	2 174 305	2 172 171
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)	20 790 611	19 121 921
Debt securities in issue	1 273 106	1 449 545
Liabilities arising on securitisation of other assets	71 751	81 609
Current taxation liabilities	8 672	5 370
Other liabilities	1 025 813	1 232 729
	25 920 460	24 935 874
Subordinated liabilities	668 810	731 483
	26 589 270	25 667 357
Equity		
Ordinary share capital	202	202
Ordinary share premium	555 812	555 812
Treasury shares	(192 783)	(181 797)
Other reserves	(311 415)	(109 679)
Retained income	2 934 048	2 178 683
Ordinary shareholders' equity	2 985 864	2 443 221
Perpetual preference share capital and premium	24 794	24 794
Shareholders' equity excluding non-controlling interests	3 010 658	2 468 015
Other Additional Tier 1 securities in issue	458 108	250 000
Non-controlling interests in partially held subsidiaries	2 851	951
Total equity	3 471 617	2 718 966
Total liabilities and equity	30 060 887	28 386 323

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2022	202	806 812	(161 522)
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	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Fair value movements on equity instruments transferred to retained earnings	—	—	—
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 shareholders	—	—	—
Dividends declared to perpetual preference shareholders	—	—	—
Dividends paid to perpetual preference shareholders	—	—	—
Dividends declared to Other Additional Tier 1 security holders	—	—	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—
Transfer from share premium to retained income	—	(251 000)	—
Distribution to shareholders	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Movement of treasury shares	—	—	(20 275)
At 31 March 2023	202	555 812	(181 797)
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	—	—	—
Fair value movements on equity 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	—	—	—
Transaction with equity holders	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends declared to perpetual preference shareholders	—	—	—
Dividends paid to perpetual preference shareholders	—	—	—
Dividends declared to Other Additional Tier 1 security holders	—	—	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—
Gain on Other Additional Tier 1 security instruments callback	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Movement of treasury shares	—	—	(10 986)
Release of capital reserve to retained income	—	—	—
At 31 March 2024	202	555 812	(192 783)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves					Ordinary shareholders' equity	Perpetual preference share capital and premium	Shareholders' equity excluding non- controlling interests	Other Additional Tier 1 securities in issue	Non- controlling interests	Total equity
Capital reserve account	Fair value reserve	Cash flow hedge reserve	Foreign currency reserves	Retained income						
(191 018)	160 075	—	7 029	1 782 961	2 404 539	24 794	2 429 333	250 000	833	2 680 166
—	—	—	—	293 131	293 131	—	293 131	—	—	293 131
—	(7)	—	—	—	(7)	—	(7)	—	—	(7)
—	(314)	—	—	—	(314)	—	(314)	—	—	(314)
—	—	27 635	—	—	27 635	—	27 635	—	—	27 635
—	218	—	—	—	218	—	218	—	—	218
—	(76 400)	—	—	—	(76 400)	—	(76 400)	—	—	(76 400)
—	(48 318)	—	—	48 318	—	—	—	—	—	—
—	—	—	5 738	—	5 738	—	5 738	—	—	5 738
—	—	—	—	75	75	—	75	—	—	75
—	(124 821)	27 635	5 738	341 524	250 076	—	250 076	—	—	250 076
—	—	—	—	5 095	5 095	—	5 095	—	—	5 095
—	—	—	—	(4 540)	(4 540)	—	(4 540)	—	—	(4 540)
—	—	—	—	(88 463)	(88 463)	—	(88 463)	—	—	(88 463)
—	—	—	—	(540)	(540)	540	—	—	—	—
—	—	—	—	—	—	(540)	(540)	—	—	(540)
—	—	—	—	(16 880)	(16 880)	—	(16 880)	16 880	—	—
—	—	—	—	—	—	—	—	(16 880)	—	(16 880)
—	—	—	—	251 000	—	—	—	—	—	—
—	—	—	—	(91 474)	(91 474)	—	(91 474)	—	—	(91 474)
—	—	—	—	—	—	—	—	—	118	118
5 683	—	—	—	—	(14 592)	—	(14 592)	—	—	(14 592)
(185 335)	35 254	27 635	12 767	2 178 683	2 443 221	24 794	2 468 015	250 000	951	2 718 966
—	—	—	—	706 210	706 210	—	706 210	—	1 204	707 414
—	(981)	—	—	—	(981)	—	(981)	—	—	(981)
—	—	(9 971)	—	—	(9 971)	—	(9 971)	—	—	(9 971)
—	6 243	—	—	—	6 243	—	6 243	—	—	6 243
—	(13 396)	—	—	—	(13 396)	—	(13 396)	—	—	(13 396)
—	—	—	(3 631)	—	(3 631)	—	(3 631)	—	(21)	(3 652)
—	—	—	—	257	257	—	257	—	—	257
—	(8 134)	(9 971)	(3 631)	706 467	684 731	—	684 731	—	1 183	685 914
—	—	—	—	(13 736)	(13 736)	—	(13 736)	—	—	(13 736)
—	—	—	—	(2 971)	(2 971)	—	(2 971)	—	—	(2 971)
—	—	—	—	—	—	—	—	350 000	—	350 000
—	—	—	—	—	—	—	—	(141 892)	—	(141 892)
—	—	—	—	(94 405)	(94 405)	—	(94 405)	—	—	(94 405)
—	—	—	—	(1 455)	(1 455)	1 455	—	—	—	—
—	—	—	—	—	—	(1 455)	(1 455)	—	—	(1 455)
—	—	—	—	(20 642)	(20 642)	—	(20 642)	20 642	—	—
—	—	—	—	—	—	—	—	(20 642)	—	(20 642)
—	—	—	—	1 420	1 420	—	1 420	—	—	1 420
—	—	—	—	—	—	—	—	—	717	717
687	—	—	—	—	(10 299)	—	(10 299)	—	—	(10 299)
(180 687)	—	—	—	180 687	—	—	—	—	—	—
(365 335)	27 120	17 664	9 136	2 934 048	2 985 864	24 794	3 010 658	458 108	2 851	3 471 617

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT

For the year to 31 March 2024 £'000	Private Client		Specialist Banking	Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other			
Continuing operations						
Net interest income	8 340	132 302	670 285	—	—	810 927
Fee and commission income	9 170	874	163 169	—	—	173 213
Fee and commission expense	(992)	(41)	(15 418)	—	—	(16 451)
Investment income	2	1 138	1 461	11 721	—	14 322
Share of post-taxation profit of associates and joint venture holdings	31 013	—	24 780	—	—	55 793
Trading income/(loss) arising from						
– customer flow	2 099	4 869	96 190	—	—	103 158
– balance sheet management and other trading activities	(662)	(99)	27 860	—	—	27 099
Other operating income	—	—	2 150	—	—	2 150
Operating income	48 970	139 043	970 477	11 721	—	1 170 211
Expected credit loss impairment charges	4	(13 557)	(72 442)	—	—	(85 995)
Operating income after expected credit loss impairment charges	48 974	125 486	898 035	11 721	—	1 084 216
Operating costs	(14 178)	(57 090)	(558 981)	—	(26 350)	(656 599)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions from continuing operations	34 796	68 396	339 054	11 721	(26 350)	427 617
Profit attributable to other non-controlling interests	—	—	(1 204)	—	—	(1 204)
Adjusted operating profit/(loss) from continuing operations	34 796	68 396	337 850	11 721	(26 350)	426 413
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						474 241
Selected returns and key statistics						
Cost to income ratio	29.0%	41.1%	57.7%	n/a	n/a	56.2%
Total assets (£million)	1 028	5 327	23 547	159	n/a	30 061

SEGMENTAL BUSINESS ANALYSIS – INCOME STATEMENT
CONTINUED

For the year to 31 March 2023 [^] £'000	Private Client		Specialist Banking	Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other			
Continuing operations						
Net interest income	5 382	128 945	579 893	—	—	714 220
Fee and commission income	8 284	2 120	121 391	—	—	131 795
Fee and commission expense	(691)	(174)	(14 577)	—	—	(15 442)
Investment income	7	141	4 865	13 210	—	18 223
Share of post-taxation profit of associates and joint venture holdings	—	—	4 950	—	—	4 950
Trading income/(loss) arising from						
– customer flow	1 252	4 449	81 665	—	—	87 366
– balance sheet management and other trading activities	10	13	13 111	—	—	13 134
Other operating income	—	—	6 879	—	—	6 879
Operating income	14 244	135 494	798 177	13 210	—	961 125
Expected credit loss impairment charges	2	(6 344)	(60 410)	—	—	(66 752)
Operating income after expected credit loss impairment charges	14 246	129 150	737 767	13 210	—	894 373
Operating costs	(14 286)	(58 996)	(504 576)	—	(21 108)	(598 966)
Operating profit/(loss) before goodwill and strategic actions from continuing operations	(40)	70 154	233 191	13 210	(21 108)	295 407
Profit attributable to other non-controlling interests	—	—	—	—	—	—
Adjusted operating profit/(loss) from continuing operations	(40)	70 154	233 191	13 210	(21 108)	295 407
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						387 174
Selected returns and key statistics						
Cost to income ratio	100.3%	43.5%	63.2%	n/a	n/a	62.3%
Total assets (£'million)	1 061	5 202	21 951	172	n/a	28 386

[^] 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	8 872 354	427 558	4.82%	9 148 676	210 026	2.30%
Loans and advances	2	16 247 191	1 304 525	8.03%	15 268 383	915 987	6.00%
Private client		5 295 948	272 640	5.15%	5 085 272	214 368	4.22%
Corporate, Investment Banking and Other		10 951 243	1 031 885	9.42%	10 183 111	701 619	6.89%
Other debt securities and other loans and advances		891 414	66 290	7.44%	731 317	38 862	5.31%
Other [#]	3	190 123	116 100	n/a	225 900	50 370	n/a
Total interest-earning assets		26 201 082	1 914 473	7.31%	25 374 276	1 215 245	4.79%

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	3 702 896	74 690	2.02%	3 788 578	50 675	1.34%
Customer accounts (deposits)		19 743 560	886 358	4.49%	19 010 904	383 198	2.02%
Subordinated liabilities		692 448	51 961	7.50%	737 888	33 615	4.56%
Other [#]	5	259 387	90 537	n/a	309 623	33 537	n/a
Total interest-bearing liabilities		24 398 291	1 103 546	4.52%	23 846 993	501 025	2.10%
Net interest income			810 927			714 220	
Annualised net interest margin			3.10%			2.81%	

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	8 178	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	(992)	(691)
Specialist Banking net fee and commission income	148 584	108 760
Specialist Banking fee and commission income	164 043	123 511
Specialist Banking fee and commission expense	(15 459)	(14 751)
Net fee and commission income	156 762	116 353
Fee and commission income	173 213	131 795
Fee and commission expense	(16 451)	(15 442)
Net fee and commission income	156 762	116 353
Annuity fees (net of fees payable)	18 238	22 396
Deal fees	138 524	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	(2 742)	38 647	287	36 192	831	—	(8 368)	28 655
Unrealised*	2 798	(30 381)	450	(27 133)	(253)	(12 500)	12 370	(27 516)
Dividend income	11 722	1 261	—	12 983	—	—	200	13 183
Funding and other net related income	—	—	—	—	—	—	—	—
	11 778	9 527	737	22 042	578	(12 500)	4 202	14 322
2023								
Realised	(994)	53 495	1 062	53 563	(528)	(1 118)	(38 758)	13 159
Unrealised*	1 147	(51 323)	(1 281)	(51 457)	(5 649)	(2 325)	43 874	(15 557)
Dividend income	13 210	6 313	—	19 523	—	—	233	19 756
Funding and other net related income	—	—	—	—	—	865	—	865
	13 363	8 485	(219)	21 629	(6 177)	(2 578)	5 349	18 223

* 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	—	676 464	—	676 464
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	437 255	—	—	437 255
Securities arising from trading activities	157 332	—	—	157 332
Investment portfolio	405 410	—	—	405 410
Loans and advances to customers	2 112 568	14 457 745	—	16 570 313
Other loans and advances	—	117 514	—	117 514
Other securitised assets	66 702	—	—	66 702
Interests in associated undertakings and joint venture holdings	—	—	857 247	857 247
Deferred taxation assets	—	—	119 730	119 730
Current taxation assets	—	—	31 200	31 200
Other assets	9 885	417 758	312 478	740 121
Property and equipment	—	—	72 947	72 947
Goodwill	—	—	68 669	68 669
Software	—	—	4 571	4 571
	4 662 253	23 931 792	1 466 842	30 060 887
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)	—	20 790 611	—	20 790 611
Debt securities in issue	9 823	1 263 283	—	1 273 106
Liabilities arising on securitisation of other assets	71 751	—	—	71 751
Current taxation liabilities	—	—	8 672	8 672
Other liabilities	—	594 305	431 508	1 025 813
	572 685	24 907 595	440 180	25 920 460
Subordinated liabilities	—	668 810	—	668 810
	572 685	25 576 405	440 180	26 589 270

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	437 255	—	384 245	53 010
Securities arising from trading activities	157 332	157 332	—	—
Investment portfolio	405 410	159 681	754	244 975
Loans and advances to customers	2 112 568	—	70 418	2 042 150
Other securitised assets	66 702	—	—	66 702
Other assets	9 885	9 885	—	—
	4 662 253	1 576 002	619 801	2 466 450
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	4 089 568	1 557 553	201 657	2 330 358

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	314 368	1 303 646	78 231	151 118	1 847 363
Total gains or (losses)	1 149	175 394	(1 495)	5 307	180 355
In the income statement	1 149	177 180	(1 495)	5 307	182 141
In the statement of comprehensive income	—	(1 786)	—	—	(1 786)
Purchases	31 704	2 551 558	—	39 709	2 622 971
Sales	(80 268)	(1 058 680)	—	(14 481)	(1 153 429)
Settlements	(18 352)	(898 422)	(10 034)	(74 870)	(1 001 678)
Foreign exchange adjustments	(3 626)	(31 346)	—	5 840	(29 132)
Balance as at 31 March 2024	244 975	2 042 150	66 702	112 623	2 466 450

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*	2 520	33 266	(30 746)
Trading income arising from customer flow	(2 145)	—	(2 145)
	174 768	190 032	(15 264)
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	53 010	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	244 975	Potential impact on income statement		24 877	(48 953)
		Price earnings multiple	3.8x–9x	6 485	(13 200)
		Cash flow adjustments	10%	225	(449)
		Underlying asset value	^^	9 798	(18 625)
		Other	^	8 369	(16 679)
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	2 466 450			61 978	(118 572)
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	2 330 358				

* 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	676 464	676 464	—	—
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	117 514	71 467	46 047	46 167
Other assets	417 758	417 758	—	—
	23 931 792	8 306 482	15 625 310	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)	20 790 611	9 957 937	10 832 674	10 810 561
Debt securities in issue	1 263 283	1 194	1 262 089	1 261 504
Other liabilities	594 305	592 679	1 626	536
Subordinated liabilities	668 810	—	668 810	661 143
	25 576 405	10 908 421	14 667 984	14 651 009

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	359 339	(4 938)
Profit before taxation	400 743	74 204
Taxation on operating profit before acquired intangibles and strategic actions	(11 973)	(17 201)
Taxation on acquired intangibles and strategic actions	781	2 031
Profit after taxation	389 551	59 034
Profit attributable to non-controlling interests of discontinued operations	—	—
Earnings attributable to shareholders	389 551	59 034

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)	(405 755)
Gain on the combination of Rathbones Group (before tax)	373 666
Implementation costs	(14 327)
Gain on combination of Rathbones Group (before tax)	359 339
Taxation on gain	(834)
Gain on combination of Rathbones Group net of taxation and implementation costs	358 505

Major classes of assets and liabilities

£'000	
Loans and advances to banks	172 595
Goodwill	242 354
Other assets	360 379
Other liabilities	(369 573)
	405 755

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	1 435 214	(196 342)	(23 627)	1 215 245
Interest expense	(698 226)	196 342	859	(501 025)
Net interest income	736 988	—	(22 768)	714 220
Fee and commission income	456 703	—	(324 908)	131 795
Fee and commission expense	(15 442)	—	—	(15 442)
Investment income	18 223	—	—	18 223
Share of post-taxation profit of associates and joint venture holdings	4 950	—	—	4 950
Trading income/(loss) arising from				
– customer flow	87 366	—	—	87 366
– balance sheet management and other trading activities	13 134	—	—	13 134
Other operating income	6 879	—	—	6 879
Operating income	1 308 801	—	(347 676)	961 125
Expected credit loss impairment charges	(66 752)	—	—	(66 752)
Operating income after expected credit loss impairment charges	1 242 049	—	(347 676)	894 373
Operating costs	(854 875)	—	255 909	(598 966)
Operating profit before goodwill, acquired intangibles and strategic actions	387 174	—	(91 767)	295 407
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	373 264	—	(79 142)	294 122
Financial impact of strategic actions	(5 340)	—	4 938	(402)
Profit before taxation	367 924	—	(74 204)	293 720
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(76 824)	—	17 201	(59 623)
Taxation on goodwill, acquired intangibles and strategic actions	2 031	—	(2 031)	—
Profit after taxation from continuing operations	293 131	—	(59 034)	234 097
Profit after taxation from discontinued operations	—	—	59 034	59 034
Profit after taxation	293 131	—	—	293 131
Profit attributable to other non-controlling interests	—	—	—	—
Earnings attributable to shareholders	293 131	—	—	293 131

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**	12.1%	11.7%
Common Equity Tier 1 ratio (fully loaded)***	12.0%	11.4%
Tier 1 ratio**	14.6%	13.1%
Total capital ratio**	18.4%	17.2%
Risk weighted assets (£'million)**	18 509	17 767
Leverage exposure measure (£'million)	27 015	25 216
Leverage ratio	10.0%	9.2%
Leverage ratio (fully loaded)***	9.9%	9.0%

Capital structure and capital adequacy

£'million	31 March 2024*	31 March 2023*
Shareholders' equity	2 917	2 373
Shareholders' equity excluding non-controlling interests	3 011	2 468
Foreseeable charges and dividends	(56)	(55)
Perpetual preference share capital and share premium	(25)	(25)
Deconsolidation of special purpose entities	(13)	(15)
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)	16
Additional value adjustments	(5)	(5)
Cash flow hedging reserve	(18)	(28)
Adjustment under IFRS 9 transitional arrangements	20	49
Deductions	(677)	(318)
Goodwill and intangible assets net of deferred taxation	(671)	(312)
Deferred taxation assets that rely on future profitability excluding those arising from temporary difference	(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	2 237	2 071
Additional Tier 1 instruments	458	250
Tier 1 capital	2 695	2 321
Tier 2 capital	712	739
Tier 2 instruments [^]	712	764
Non-qualifying surplus capital attributable to non-controlling interests	—	(25)
Total regulatory capital	3 407	3 060
Risk weighted assets**	18 509	17 767

* The capital adequacy and leverage disclosures for Investec plc 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. Investec plc CET1 ratio would be 30bps (31 March 2023: 31bps) and leverage ratio 21bps (31 March 2023: 22bps) 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
	18 509	17 767	1 481	1 421
Credit risk	15 278	14 122	1 223	1 130
Equity risk	527	594	42	47
Counterparty credit risk	370	477	30	38
Credit valuation adjustment risk	27	37	2	3
Market risk	428	513	34	41
Operational risk	1 879	2 024	150	162

Leverage

£'million	31 March 2024*	31 March 2023*
Total exposure measure	27 015	25 216
Tier 1 capital**	2 695	2 321
Leverage ratio	10.0%	9.2%
Total exposure measure (fully loaded)	26 995	25 168
Tier 1 capital (fully loaded)	2 675	2 273
Leverage ratio (fully loaded)***	9.9%	9.0%

* The leverage disclosures for Investec plc 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 21bps (31 March 2023: 22bps) higher, on this basis.

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

*** The CET1 and Tier 1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9.


ANNEXURE 1 – ALTERNATIVE PERFORMANCE MEASURES

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

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

Adjusted operating profit Refer to the calculation in the table below

£'000	31 March 2024	31 March 2023
Operating profit before goodwill and strategic actions	427 617	295 407
Less: Profit attributable to other non-controlling interests	(1 204)	—
Adjusted operating profit	426 413	295 407

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)	656 599	598 966
Total operating income before expected credit loss impairment charges	1 170 211	961 125
Less: Profit attributable to other non-controlling interests	(1 204)	—
Total (B)	1 169 007	961 125
Cost to income ratio (A/B)	56.2%	62.3%


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 2013 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

