



Annual Report and Accounts 2022

LEADERS IN LIQUIDITY



TP ICAP Group is a world-leading liquidity and data solutions specialist.

We connect clients to liquidity, seamlessly and responsibly, across the world's financial and commodities markets, through a full range of broking protocols. We also provide clients with the data and analytics they need to do business better.

Our capacity to connect builds trust with clients, supports the communities in which we operate and equips us to anticipate, respond to, and drive change. It's what makes TP ICAP a mainstay in the effective functioning of global markets, now and in the future.

Our Purpose:

To provide clients with access to global financial and commodities markets, improving price discovery, liquidity and distribution of data, through responsible and innovative solutions.

Our Vision:

To be the world's most trusted, and innovative, liquidity and data solutions specialist.

Our Mission:

Through our people and technology, we connect clients to superior liquidity and data solutions.

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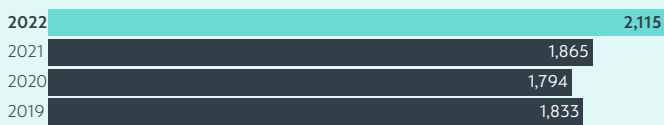
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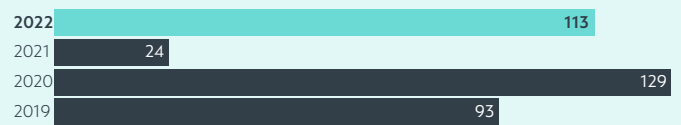
REPORTED FINANCIAL HIGHLIGHTS

Revenue¹



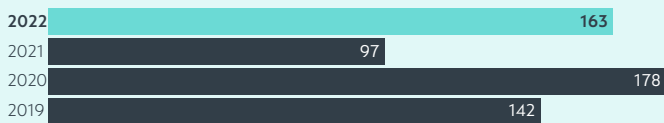
£2,115m

Profit before tax



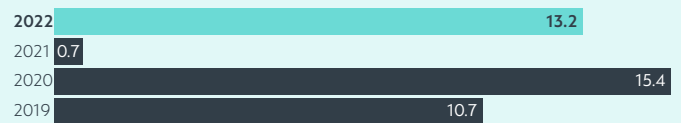
£113m

Operating profit (EBIT)



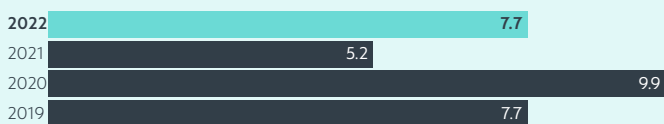
£163m

Basic EPS



13.2p

Operating profit (EBIT) margin



7.7%

¹ Revenue in 2021 includes Liquidnet post acquisition revenue from 23 March to 31 December of £159m.

DIVIDEND

7.9p

Final dividend of 7.9 pence per share recommended for 2022, and payable to shareholders on 23 May 2023.

12.4p +31%

Total dividend for the year of 12.4 pence per share (2021: 9.5p), an increase of 31%.

2x

Dividend policy targets dividend cover of c.2 times on adjusted post-tax earnings (50% pay-out ratio). Typically based on a pay-out range of 30-40% of half-year adjusted post-tax earnings with the balance paid in the final dividend.

KEY FACTS

28
COUNTRIES



5,200
EMPLOYEES
INCLUDING
2,600
BROKERS

5
CORE
PREMIUM
BRANDS



FULL RANGE
OF BROKING
PROTOCOLS

Voice | Hybrid |
Pure Electronic

COVERAGE
ACROSS ALL
MAJOR ASSET
CLASSES

Rates | FX | Credit | Equities |
Energy | Renewables | Other
Commodities | Digital Assets

CLIENTS

Banks | Asset Managers |
Hedge Funds | Corporates |
Trading Houses |
Market Makers

#01

Inter-dealer broker
(by revenue)

#01

Energy & Commodities
broker
(by revenue)

#01

World's leading provider of
OTC pricing data

A WORLD-LEADING LIQUIDITY AND DATA SOLUTIONS SPECIALIST



TP ICAP has long-established, trusted relationships with both top tier global investment banks and investment institutions. Our client-facing brands are recognised globally for their high quality products, solutions and client service.

We offer world-leading liquidity, commensurate with being the largest inter-dealer broker globally.

We invest continually in technology to improve clients' experience of our trading ecosystem, connecting the world's market participants through our platforms and venues.

The outstanding market expertise of our brokers, across a wide range of asset classes and complex financial instruments, aligned with our technology, means TP ICAP plays a central role in the effective functioning of global markets.

Leveraging the strength of our broking franchise, we are also the world's leading provider of scarce, neutral over-the-counter ('OTC') pricing data. We strive to innovate and develop new data-led solutions that provide clients with greater insight. We distribute our offering to a growing client base through a range of channels, from new cloud-based technology, to channel partners, or directly via our webstore.

AWARD-WINNING FRANCHISE

Global Capital Global Derivative Awards

TP ICAP

Inter-dealer Broker of the Year

Weather Derivatives Service Provider of the Year

ICAP

Equity Derivatives Inter-dealer Broker of the Year

FX Derivatives Inter-dealer Broker of the Year

Interest Rate Derivatives Inter-dealer Broker of the Year – Americas

Credit Derivatives Inter-dealer Broker of the Year – Americas

Tullett Prebon

Credit Derivatives Inter-dealer Broker of the Year – Europe & Asia

Interest Rate Derivatives Inter-dealer Broker of the Year – Europe & Asia

Parameta Solutions

Data and Analytics Vendor of the Year – Americas

The TRADE 'Leaders in Trading' Awards.

Liquidnet

Best Electronic Trading Initiative

Waters Rankings Winner 2022

Liquidnet

Best Agency Broker

Risk Awards 2022

TP ICAP

OTC Trading Platform of the Year

Armed Forces Covenant

Gold Award

STRATEGIC HIGHLIGHTS

We are transforming our Group to future proof our core broking proposition. We are doing this through technology, by rolling out our client-led, award-winning electronic platform called Fusion.

We are also diversifying the Group by focusing on new clients, new asset classes, and more non-broking revenue.

Transformation

- > We plan to implement Fusion on desks comprising 55% of total Global Broking revenue, by the end of 2025.
- > The rollout is on track – Fusion has been implemented on desks covering 40% of in-scope revenue (2021: 20%).
- > A dedicated Fusion sales team has been created to drive client adoption, working closely with our brokers.
- > In Energy & Commodities, Fusion is live in the Environmentals business, and the first trades have been completed.

Diversification

Digital Assets

- > FCA registration was obtained for our spot crypto assets institutional platform in December 2022.

Parameta Solutions

- > In May 2022, Parameta Solutions became the first inter-dealer broker to be authorised by the FCA as a benchmark administrator.
- > In August 2022, we launched ClearConsensus, an enhanced consensus pricing tool, in partnership with PeerNova, a Silicon Valley data management and analytics firm.
- > A new partnership with Numerix, a leading global OTC analytics company, was announced in March 2023. We will leverage our market-leading OTC data with Numerix's analytical capability.

Liquidnet

- > The dealer-to-client ("D2C") Credit proposition is live.
- > We are diversifying the core Equities franchise and expanding the product suite in algo, cross-border and programme trading.



OPERATIONAL HIGHLIGHTS

Through our programme of dynamic capital management and ongoing cost discipline we are on track to free up cash and reduce debt.

Dynamic capital management

- > We are focused on managing our capital dynamically, by identifying and returning, where possible and appropriate, surplus capital to shareholders.
- > The return of capital will be subject to our ongoing assessment of our balance sheet and investment requirements.
- > We announced at our 2022 half-year results that we aimed to free up £100m of cash by the end of 2023, to reduce debt. We are on track with around £30m already freed up in H2 2022.

Cost savings

- > We achieved our target to deliver £25m of Group P&L savings by the end of 2022.
- > We are on track to deliver at least £30m of Liquidnet integration costs synergies by the end of 2023, at which point we expect the integration to be complete.

>£30m

Liquidnet synergies of at least £30m by end of 2023.

£100m

Cash to be generated or freed up by end of 2023.

£25m

Group targeted savings of £25m delivered in 2022.

Delivering on our purpose

Our purpose is to provide clients with access to global financial and commodities markets, improving price discovery, liquidity and distribution of data, through responsible and innovative solutions.

FUSION: GATEWAY TO THE GROUP'S LIQUIDITY



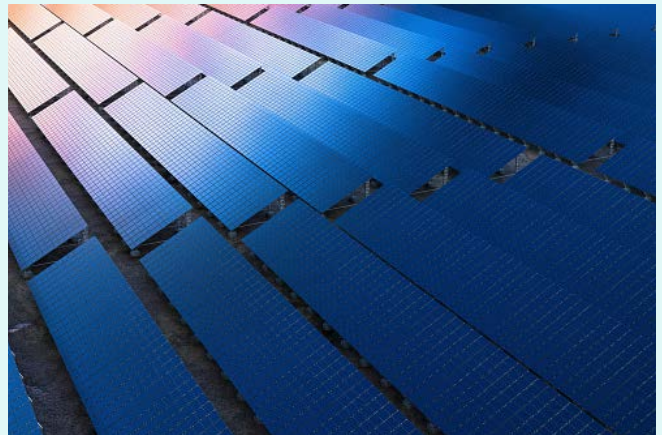
Fusion is our electronic, multi-asset, platform. From a single sign on, Fusion connects clients to TP ICAP's liquidity pools across products, brands and regions. It brings together dedicated hubs for the Rates, FX, Credit and Energy asset classes, offering material scope for trading correlation opportunities.

Fusion was recognised as the 'OTC Trading Platform of the Year' at the 2022 Risk Awards. The Risk Awards are the industry's longest-running and most prestigious awards, recognising firms for performance and innovation across all over-the-counter ('OTC') derivatives platforms.

Delivering on our purpose

Embracing features such as a common look-and-feel user interface covering all TP ICAP screens, Fusion enables clients to trade the way they want with highly customisable screens. This scalable and innovative solution improves workflow efficiency for traders active across multiple instruments or asset classes, better enabling them to process information pre-trade, at point of trade, and post-trade.

SOLAR POWER



Climate is playing an increasingly important role in energy generation outcomes and the way in which portfolios manage risk.

Recognising this, ICAP is the first broker to connect a renewable energy provider and a reinsurance company participant through a fixed agreement. The transaction has enabled an Australian utility company to lock in a fixed price for the electricity generated by its solar plant, with the volume of power in the trade determined by the amount of sunshine on the day.

As a result, the Australian utility firm has the certainty of a fixed price in a market that is highly volatile, ensuring that it can effectively manage investment in the solar plant. The reinsurance company benefits from exposure to the variability in sunshine and power prices, enabling it to diversify its risk exposure across different weather elements and regions.

Delivering on our purpose

The first trade of its type, this innovative and environmentally responsible solution enables market participants to diversify their risks, increase investment in the renewable energy industry and accelerate the transition to a low-carbon economy.

INNOVATING IN BENCHMARK AND INDICES



In 2022, Parameta Solutions, the data and analytics division of TP ICAP, became an FCA-authorized benchmark administrator, making it the first inter-dealer broker to administer OTC benchmarks and indices.

Parameta Solutions administers the nine TP ICAP interest rate swaps benchmarks that cover the mid-price interest rate swaps from TP ICAP's Global Broking business. This increases transparency for market participants for whom data-driven insight is crucial, especially for risk and compliance purposes. Visibility into the level of the implied mid-price in the relevant underlying swap rate is key for clients as they adopt these benchmarks.

Delivering on our purpose

Parameta Solutions is leveraging its position as the world's leading provider of OTC pricing data to develop new, innovative data-led solutions. Independent, bespoke and transparent benchmarks and indices help clients accurately compare performance against their asset allocation strategy, drive innovation and better manage risk.

ELECTRONIFYING PRIMARY MARKETS



The process of issuing new bonds is one of the last parts of the capital markets to electronify. Throughout, the workflow is manual, error prone, and inefficient.

The Liquidnet Primary Markets offering addresses this pain point.

By way of illustration, an investment management firm decides to buy a new bond to be issued that day via Liquidnet. The syndicate banks send the live deal announcement to Liquidnet, who then makes it available in Liquidnet Primary Markets. The investment manager trader sets up the deal in their Order Management System. The trader is then able to send orders straight to multiple syndicate banks in a single message. This reduces operational risk, expense, and ultimately brings better value to the investment management firm's end clients by eliminating time-consuming tasks, meaning they can instead focus on the critical stages of the investment process.

Delivering on our purpose

An industry-first solution, Liquidnet Primary Markets addresses the challenges of fragmented new issue dissemination and improving the format of new issue announcements. For clients, this means access to primary and secondary markets through a single Liquidnet application, so creating a network where market participants can engage with each other seamlessly.



STRATEGIC REPORT

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[Our transformation](#)

We are transforming our business through technology, and by expanding and diversifying our activities and client base.

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CONNECTED CONTENT

Sustainability

Our sustainability strategy is formed of three priorities: 'Reporting and Performance Management'; 'Supporting our Clients'; and 'Community Impact'.

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GIC

In this section

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Stakeholder engagement
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Dear fellow shareholder

In this review, I will concentrate on three key areas of focus for the Board in 2022: (a) growth of major businesses, (b) key areas of review, and (c) further strengthening our senior management bench, particularly the cohort just below Board level. I will also touch on our Board capabilities, including the important issue of diversity.

Our performance and market commentary

Before dealing with these topics, I would like to set out the main elements of our performance as a Group last year.

Overall, we delivered a strong performance in 2022. Key features include: high single-digit revenue growth, another uptick in productivity in Global Broking (our largest division), a strong performance by Parameta Solutions, and an increase in overall profitability.

Markets, always a major consideration for us, saw a significant shift which benefitted TP ICAP, particularly our Global Broking business (59% of total revenues). Central banks embarked on the first major monetary tightening programme since before the Global Financial Crisis. Interest rates moved up to levels not seen in more than a decade. Around the world, central banks also began to withdraw liquidity. This new environment was particularly beneficial to our Rates business – the biggest, and most profitable, part of our Global Broking franchise. Conversely, the extraordinary conditions in the energy sector generated by the war in Ukraine resulted in a pronounced ‘risk off’ stance for many participants and led to excessive volatility and reduced activity in parts of our European Energy & Commodities division. The acquired Liquidnet business also experienced difficult markets: pronounced falls and high levels of volatility in many stock markets – the most significant for some years – drove a marked disinclination by institutions to engage in larger block trading, a key market segment for us. Parameta Solutions delivered a strong revenue performance (up 8%) whilst again broadening its product range and extending its partnership base.

“The Group has stretching, but achievable, strategic priorities: transformation, diversification, and dynamic capital management.”

Against this backdrop, our diversified business model enabled us to deliver a 7%¹ increase in Group revenue. Group adjusted EBIT² (£275m) increased by 8%¹ (2021: £255m¹). Group reported EBIT (£163m) was up 68% (2021: £97m). In line with our dividend policy, the Board is pleased to recommend a final dividend of 7.9 pence per share to be paid on 23 May 2023 and with a record date of 14 April 2023. This brings the total dividend for the year to 12.4 pence per share, 31% ahead of 2021.

Growing key businesses

A key emphasis for the Board in 2022 was the growth, and strategic development, of a number of our key businesses, including Global Broking and Parameta Solutions.

As I mentioned earlier, market dynamics were particularly advantageous for our Global Broking business. What is especially pleasing, however, is the way in which Global Broking seized the opportunities to hand. The collective experience of our brokers is significant – they have seen a number of interest rate cycles over the decades. That experience, and the insights that go with it, were deployed with clients at a time when some market participants had not previously witnessed the monetary tightening that we saw unfold last year.

Global Broking also delivered substantial progress on the rollout of Fusion, our market-leading electronic platform. As Nicolas Breteau, our Group Chief Executive, notes elsewhere in this report, the Fusion rollout is on track. We have met the target we set ourselves for this year. Even more importantly, the Board has concentrated this year, working with key Global Broking executives like Dan Fields (see page 11), on how we ensure a smooth, and successful, adoption of Fusion over the next few years by our colleagues and clients alike. Developments included our review of the Fusion rollout and the incorporation of specific internal KPIs related to adoption – client usage, for example – into our overall approach. We were also pleased to see the establishment of a dedicated Fusion sales team. There will be a greater emphasis on client marketing as part of the overall Fusion rollout.

Parameta Solutions, our market-leading data and analytics division, is another business that has made substantial progress. A key focus for the Board this year has been on Parameta Solutions’ continued strong overall performance, and future ongoing options for growth. This is essentially about two things. First, ensuring that we are fully leveraging the data generated by our broking businesses: Global Broking and Energy & Commodities. Second, expanding Parameta Solutions’ proposition to include more substantial partnerships as well as additional higher-value products to offer new and existing clients.

¹ In constant currency.

² Refer to page 218 for Appendix – Alternative Performance Measures.

Regulatory change, which is ever constant, is driving a demand for ever more quality data and insights. Parameta Solutions is capitalising on this pronounced trend through new partnerships and initiatives. For example, the efficient deployment of regulatory capital is, of course, a key priority for financial institutions. In August, Parameta Solutions announced a new partnership with PeerNova, a Silicon Valley data management and analytics company, to help institutions improve their fair value assessments, a key enabler for more efficient capital utilisation. Earlier in the year, the division became an FCA-authorized benchmark administrator. This is another growing area where new entrants like Parameta Solutions can provide quality data, and insights, as well as introducing greater choice for clients. A win-win, in short, for us and them.

Key review areas for the Board

The Board has spent a substantial amount of time on a number of important business, and regulatory, issues. The two areas that I will focus on here are (a) Liquidnet: strategy and execution, and (b) sustainability, particularly the embedding of the Task Force for Climate-related Financial Disclosures ('TCFD') requirements across our Company – especially in relation to the UK's regulatory framework.

Liquidnet

The Liquidnet division, as I noted earlier, has had a challenging twelve months given the marked downward shift in stock market valuations around the world and high levels of volatility. Against this backdrop, the Board has focused on three things. First, ensuring that we are on track to deliver by the end of 2023 at least £30m of Liquidnet integration cost savings, exceeding our £25m target – we are. Second, working with the senior executive team, including Mark Govoni (see page 11), the new CEO of the division, to ensure that we build out, and diversify, Liquidnet's core Equities franchise. Third, reviewing the rollout of the Fixed Income franchise, including the Dealer-to-Client ('D2C') proposition.

Progress has been made – with more to do – on underpinning, and diversifying, the core Liquidnet Equities franchise. As the Board reviewed developments, we were keen to ensure there was an emphasis on the development of existing clients, and the winning of new ones, through product expansion and diversification. A range of initiatives are in place to do so, including the expansion of the product suite: programme trading, algorithmic trading, and cross-border flows. These initiatives are bearing fruit. However, we are conscious that we will need to maintain the momentum given the uncertain outlook for equities, and larger block trading.

Turning to Liquidnet's move into Fixed Income, another strategic priority, good progress has been made with the Primary Markets offering. Our overarching strategy is to work with market participants to electronify the full life cycle of a bond, an area which has not experienced the full force of technology in the way equities have, for example. We are now partnered with 30 banks; a number of platform enhancements have been implemented.

The Board also reviewed progress in relation to the rollout of the D2C proposition. As our Group CEO has noted in his Review in this report, progress has been slower than we would have liked – despite our best efforts – because of the impact of COVID-19. We believe the prize, which is significant, very much remains in sight; the Board has been highly focused on the crystallisation of this opportunity. In this vein, the much closer working relationship that has been developed between Global Broking and Liquidnet should prove very advantageous as we progress the D2C rollout. That collaboration will leverage the combined connectivity of both divisions – clients and their great expertise in Credit – as we bring more institutions onto the platform.

Sustainability

We recognise the increasing importance of sustainability matters for our stakeholders, including shareholders, colleagues, and clients. In 2021, the Board approved the Group's current sustainability strategy which is focused on three priorities: (a) reporting and performance management (b) supporting our clients, and (c) our community impact.

This year, the Board has been focused on the impact of climate change on our business, and the specific UK regulatory requirements related to TCFD. Accordingly, the Board and its Committees reviewed our state of preparedness for TCFD and approved a new climate change planning framework for the Group. We monitored how we are progressing our Scope 1 and 2 emissions reduction targets and our work on Scope 3. A great deal has been done but, as we set out in our Sustainability chapter on page 50, there is more to do. In particular, in 2023 we will conduct, and complete, a detailed qualitative, and quantitative, scenarios analysis. This work will give us a much greater insight into the potential impact of climate change on our business, and the related risks and opportunities.

Alongside our sustainability work programme, we completed a review in 2022, drawing on the relevant FRC guidance, of our purpose, and expanded the project to include our mission and vision statements: they are closely related. Following the conclusion of this project, we have updated our purpose, mission, and vision statements; they can be found on the inside front cover.

Our senior management and Board capabilities

The Group has stretching, but achievable, strategic priorities: transformation, diversification, and dynamic capital management. We have a strong, and highly experienced, senior management cohort in place, led by our Group CEO, who are actively delivering these priorities.

A continued emphasis, nevertheless, by the Board on further strengthening our senior talent pool – vital for our continued success – has been another priority in 2022. Considerable progress has been achieved with the recruitment of two senior executives to lead the Global Broking and Liquidnet divisions respectively. Daniel Fields joined us in the early summer; he was previously a Head of Global Markets at Société Générale. Dan has significant transformation expertise, connectivity, and a background in capital markets: valuable attributes as we execute our Global Broking strategy. Mark Govoni joined us shortly before Dan and is leading the Liquidnet division. Mark is a former President of US Brokerage at Instinet; Mark again has considerable connectivity and market expertise which will be important as we underpin, and diversify, Liquidnet.

Turning to the Board, we believe we have a team in place with the appropriate skills, diversity and experience to oversee the overall direction of the Group and the successful delivery of our strategy. We remain committed to being a diverse Board and are meeting the Parker Review and Hampton Alexander representation targets (36% of our Board is female). Four of the last five Board appointments were female, a good demonstration of our commitment. More information about the work of the Board, and the Nominations & Governance Committee, can be found on page 100.

On 7 February 2023, I was pleased to announce that Kath Cates has agreed to become TP ICAP's Senior Independent Director, replacing Michael Heaney with effect from 1 March 2023. Michael remains a valuable Non-executive Director on the Board and Committees.

Conclusion and looking ahead

As Nicolas Breteau notes in his review on page 12, we have a clear strategy and are fully focused on its execution.

The end of 'easy money' positions us well for a world where central bank liquidity is more limited and there is a greater role for liquidity providers like our Group. As always, there are challenges ahead and areas we need to address. However, I hope that this review has given stakeholders the sense that the Board is actively working with management to meet the challenges and seize the opportunities we face.

One final, and very important, point. Our colleagues are integral to our success. They have again delivered for all of us in 2022. On behalf of the Board, I want to extend our warmest thanks to them for their steadfast work, integrity and commitment. I would also like to express my thanks to all our stakeholders, including our shareholders, for their continued support. I, and the Board, look forward to welcoming shareholders to our AGM in London on 17 May 2023.

Richard Berliand

Board Chair
14 March 2023

Introduction

Our ambition is to be the world's most trusted, and innovative, liquidity and data solutions specialist.

To achieve this, we are focused on the delivery of three strategic priorities:

- > Transforming our business;
- > Diversification; and
- > Dynamic capital management.

We aim to deliver sustainable shareholder value in the medium term. We have a clear strategic roadmap and a strong franchise to do so. We are well positioned for current market conditions through our developed business model, market-leading positions, major geographical presence, deep liquidity pools, and cutting-edge technology.

Our business performance

Strategic delivery: Future proofing our business

Our operational leverage delivered an increase in profitability as clients sought out the deep liquidity we provide. As the world thankfully returned to normality following the challenges posed by COVID-19, we delivered a smooth return to the office and the successful execution of important deliverables.

Our markets have been transformed by, for example, regulatory changes following the Global Financial Crisis, including the move away from proprietary trading by investment banks. We have embraced those changes. We have done so through the deployment of new technology and a client-centric approach with a menu of voice, hybrid and electronic broking protocol options.

The recent return to elements of the pre-Global Financial Crisis environment – more elevated interest rates and a bigger role for private sector liquidity providers – underlines the enduring relevance of our broking franchise. The role our brokers play, facilitating liquidity and price discovery, is – and will remain – a key part of the financial services architecture.

We are seeking to future proof our core broking proposition. We are doing so through key initiatives like Fusion, our award-winning, client-focused electronic platform. We are on track to embed Fusion as the 'go-to' platform for clients. In 2022, we moved from 20% to 40% of targeted in-scope revenue in Global Broking covered by Fusion. We are on plan to complete the rollout by 2025 when it will encompass all the in-scope revenue (55% of total Global Broking revenue). This is only part of the story, however. A key focus is the adoption of Fusion by our clients as an essential daily working tool (see page 15).

Market developments

Global Broking, particularly Rates, benefitted from the increased volatility across a range of asset classes. Volatility was driven by: the terrible events in Ukraine, substantive monetary policy tightening, and a marked slowdown in economic growth. The Federal Reserve, in one year, moved the short-term target Federal Funds Rate to a range of 4.25% to 4.5%. For two years, it had been at zero.

Our Energy & Commodities ('E&C') division initially benefitted from volatility too. But, as the year progressed, the geopolitical impact of war in Ukraine had a pronounced impact on energy markets, especially European Gas & Power, leading to an inauspicious trading environment. Excessive volatility – ICE Gasoil registered an average volatility of 61%, a record high – generated a major increase in exchange margin requirements and sharp volume contraction. Average daily volumes on CME West Texas Intermediate ('WTI') – an important benchmark – fell below one million contracts for the first time since 2015.

Equity markets were challenging. In the US and Europe, key Liquidnet markets, many indices recorded very significant declines in 2022, accompanied by high levels of volatility, which negatively impacted block trading. The S&P 500 fell by 19%, its worst performance since 2008; the Stoxx 600 declined by 13%. Accordingly, the commission wallet, in the third quarter, was the smallest since early 2009¹. Parameta Solutions, on the other hand, benefitted from growing demand for high quality, financial markets data. Regulatory change, a key data driver, continues apace. One interesting example: the annual growth rate for new pages of US regulation was recently up over 1%². These pages deliver significant change, and a need for the insights we provide.

We are well positioned for current market conditions through our developed business model, market-leading positions, major geographical presence, deep liquidity pools, and cutting-edge technology.

¹ Source: McLagan.

² Source: The GW Regulatory Studies Centre, The George Washington University.

Revenue

£2,115m

Adjusted EBIT

£275m

Reported EBIT

£163m



CONNECTED CONTENT

Financial performance

A detailed analysis of our financial performance can be found in the Financial and Operating review.

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Strong revenue performance

At the Group level, we delivered 7%³ revenue growth. On a reported currency basis, we recorded 13% revenue growth. Global Broking delivered a strong performance: revenues up 7%. All Global Broking asset classes reported high single-digit growth. Energy & Commodities revenue declined by 2% – in line with exchange volumes. Revenue at the Liquidnet division⁴ was up 18%, driven by a 12-month contribution in 2022 from the acquired Liquidnet platform (which completed in March 2021). On a like-for-like basis, revenue for the Liquidnet platform⁴ declined. This reflected the difficult market conditions for many asset managers and subdued larger block trading – an important segment for us. Parameta Solutions delivered an 8% increase in revenues: it continued to leverage our high quality, and unique, OTC data.

As a leading liquidity provider, we again recorded market share gains: for example, in Global Broking⁵. Parameta Solutions underlined its position as the leading provider of inter-dealer OTC data – we account for around three-quarters⁶ of this market.

Increased profitability and CMD targets update

We saw a substantial increase in market activity at the short-dated end of the yield curve. This benefitted the Rates franchise, our biggest, and most profitable, asset class. Coupled with our operational leverage, this generated an uptick in margin. Adjusted EBIT was up 8%, or 18% in reported currency. Group revenue per broker was up 11% driven by the revenue uplift and a reduction in the average number of brokers. Prior to the impact of the Russian P&L charge of £21m, adjusted EBIT margin increased to 14.0% (2021: 12.9%). Including the Russian impact, adjusted EBIT margin was 13.0%. The reported EBIT margin increased to 7.7% (2021: 5.2%).

We are also providing today an interim update on our progress against the three-year targets set out at our Capital Markets Day ('CMD') in December 2020. For a more detailed discussion, see page 25 in the Financial and operating review. We will update the market in due course about our progress in relation to the CMD medium-term targets.

Transforming our business

Delivering Fusion

Our transformation is being delivered at pace, including Fusion, our award-winning electronic platform. Fusion is about providing more client-led technology, and deeper liquidity. It has a range of client-centred features, including a single login access, and access to aggregated liquidity for specific asset classes. Client benefits include lower cost, greater speed and increased efficiency. Benefits for us include enhanced profitability, and stickier client revenue. In our EMEA Rates business, for example, there was a material outperformance in contribution margin in 2022 for Fusion-derived activity compared to desks without the platform. We are receiving ever more positive Fusion feedback from our clients.

It has been a productive year for Fusion. As previously noted, the rollout is on track: 40% of targeted in-scope Global Broking revenue is on the platform. Highlights include Fusion's implementation across the Tullett Prebon ('TP') and ICAP desks covering Inflation and Interest Rate Swaps. Fusion is live on the TP and ICAP EUR Inflation desks, including volume matching and Central Limit Order Book ('CLOB') functionality. Our focus in 2023 remains on Rates and FX, our largest asset classes. We will also commence rolling out Fusion across Credit, another significant asset class, and TP and ICAP Sterling Interest Rate Swaps: Volume Matching.

In Energy & Commodities, brokered markets have not been electronified to any great degree. Our emphasis is therefore on the internal implementation of a new Order Management System ('OMS'). This is an essential prerequisite: it captures all orders and trades electronically. We continue to implement the rollout of OMS across our Oil desks, the largest asset class in Energy & Commodities.

³ All percentages within the CEO review are in constant currency, unless otherwise indicated.

⁴ As previously announced in our Q3 Trading Update on 1 November 2022, the Liquidnet division includes the Liquidnet platform (the acquired business), COEX Partners, ICAP Relative Value, and from October 2022 onwards, MidCap Partners, following the transfer into Liquidnet from Global Broking.

⁵ Compared with the two other listed peers for H1 2022 vs FY 2021.

⁶ Source: TP ICAP estimates.

Driving client adoption

The Fusion delivery programme can be broken down into two key components. In Phase One – from 2020 to end-2023 – the focus is on IT development and implementation. In the Second Phase – to end-2025 – there will be an emphasis on adoption by clients. In fact, the process is already underway. A dedicated Fusion sales team has been established in Global Broking to facilitate adoption. Working closely with our brokers, the team will engage with existing clients, and new ones too. They will help clients to get the best out of Fusion, collecting and acting on their feedback, and delivering a comprehensive marketing programme. We will work with clients on their Fusion utilisation with a range of internal KPIs covering pace of delivery, client usage, and return on investment.

Transformation, of course, is about ensuring we have the leadership in place to drive every aspect of the change programme. It was therefore pleasing to announce some new, key senior level appointments at this important time in our strategic development. Daniel Fields, previously a Global Head of Markets at Société Générale, joined in June to lead Global Broking and drive the Fusion programme. Mark Govoni came on board in May and is leading our Liquidnet division; Mark was the President of US Brokerage at Instinet.

Delivering on diversification

We are diversifying our business through a three-pronged approach focused on: new clients, new asset classes, and more non-broking revenue.

Parameta Solutions

This strategy is exemplified by Parameta Solutions' emphasis on products, clients and distribution to grow revenue and contribution. There has again been good progress across these areas. In May, Parameta Solutions became an FCA-authorized benchmark administrator – the first inter-deal broker to do so. We are now administering the nine TP ICAP interest rate swaps benchmarks; they cover the mid-price interest swaps from our Global Broking division. This enables Parameta Solutions to provide more data-driven analysis for clients, including for risk and compliance purposes: a growing area.

Parameta Solutions announced in August the launch of ClearConsensus, an enhanced consensus pricing tool tailored to our global client base. We are delivering this solution in partnership with PeerNova, a Silicon Valley data management and analytics firm. This is a compelling proposition – it helps our clients improve their fair value assessments, enabling more efficient capital allocation and optimisation.

Maintaining the momentum, Parameta Solutions has announced today a new partnership with Numerix, a leading global OTC analytics company. Together with Numerix, Parameta Solutions will provide a best-of-breed solution to clients. We will do so by leveraging our market-leading OTC data with Numerix's analytical capability. Our goal is to ensure that clients have automated, high-quality, independent fair valuations of OTC derivatives. This is a high growth sector with a large addressable target market (US\$6bn).

Energy & Commodities

We are the leading OTC energy and commodities broker, delivering for clients through three key brands: Tullett Prebon, ICAP and PVM. Alongside well-developed market positions in major areas like Oil, Gas and Power, we are making good progress expanding our revenue streams in two new segments: renewables and crypto assets.

The energy transition is, of course, already under way. The end state remains unclear, however, and may remain so for some time to come. It is clear, though, that there will be a continued, and important role, for Oil: currently our largest asset class. The International Energy Agency ('IEA'), for instance, in its recent STEPS scenario, sees Oil demand reaching a high point in mid-2030 before slightly moderating at that stage. Natural Gas – another key asset class for us – was designated at the recent COP27 as a low-emission energy source.

Emissions credits trading will play a key role during the energy transition. This is an area we are focusing on: we are building an environmental hub and developing new products. In February, Tullett Prebon launched a well-received Brazilian energy desk majoring on renewables. We also launched a client-facing Fusion screen covering Green Certificates in Norway, voluntary emissions in Europe, and Australian renewables. Client reaction is positive; trades have already been completed through the platform.

Turning to crypto assets, we obtained FCA registration in December as a crypto asset exchange provider. We are planning to launch our wholesale marketplace in 2023. Our Fusion-enabled platform – for institutional clients only – combines our expertise in operating venues, alongside the industry-leading custodial expertise provided by Fidelity Digital AssetsSM. We are also working closely with a range of market makers, including Virtu Financial, Flow Traders, Jane Street, Susquehanna and Hudson River Trading.

Our Digital Assets proposition provides the credible infrastructure, and assurance, needed for institutions to allocate capital to this growing asset class. Research by Grayscale Investments suggests seven out of ten professional investors believe institutions will hold 60% of all Digital Assets within seven years; they currently hold 3% with retail investors owning 97%. Longer-term, we believe blockchain will lead to the tokenisation of traditional asset classes, resulting in more efficient, automated trading and settlement. We are well placed to capitalise on this structural shift. Early client reaction to the Fusion Digital Assets trading and operating model is positive.

Liquidnet

Liquidnet is a leading, technology-driven agency execution specialist with a global Equities and Fixed Income footprint. Liquidnet's strong, and long established, buy-side connectivity brings us considerable client diversification. So too does the Dealer-to-Client ('D2C') Credit proposition. Our strategy is focused on: (a) completing the Liquidnet integration, (b) expanding the product suite to meet the changing needs of clients, and (c) exploiting new growth opportunities like D2C Credit.

As I touched on earlier, Mark Govoni, joined in May as CEO of Liquidnet. Mark has reviewed the business, and implemented an action plan, at an opportune time. The integration programme is progressing well. The majority of deliverables are completed. We are on track to complete the integration by the end of 2023 and deliver at least £30m of integration cost synergies, ahead of our £25m target.

Equity markets, in particular block trading, as previously discussed, were challenging. Against this backdrop, Liquidnet is focused on growing – and diversifying – its core Equities franchise. The plan includes an even greater emphasis on developing existing clients, expanding the product suite into fast-growing market segments, and new client acquisition.

Client development initiatives include the successful launch of a pre-market block trading capability at the full day Volume-weighted Average Price ('VWAP') in Hong Kong and Australia. Expansion of the product suite is being delivered through initiatives designed to exploit changing market features. Expanding in algorithmic ('algo') trading is delivering results with algo revenue now 31% of total revenue, compared with 29% in 2021. Algo trading – the ability to process large amounts of data and automatically execute trades at speed based on intelligent rules – is growing rapidly. Mordor Intelligence estimates CAGR growth of just over 10% up to 2028. The US is the biggest market with Asia the fastest-growing segment.

Another focus area is programme trading where Liquidnet has recorded a number of new business wins. In addition, cross-border trading now accounts for 18% of total Liquidnet revenue. New client acquisition has included establishing, for the first time, a presence in Paris, Madrid, Frankfurt and South Africa, including sales capability.

Growing Fixed Income is a priority: it is a substantial opportunity for the Group. Liquidnet is making good progress on its Primary Markets Offering, a strategic initiative towards our goal to electronify the full life cycle of a bond. Liquidnet has partnered with 30 syndicate banks and increased new issue announcements coverage (now at 80%). In Secondary, Liquidnet now has around 450 active firms and average daily liquidity of £15bn. On D2C, the proposition went live, as planned, last summer. All of the client-facing tech has been built and is in place. Feedback is good; the key issue now is growing the liquidity on the platform. Major banks are already connected to the platform, and we are working with many additional institutions. COVID-19 has had a material impact on how dealers and potential clients for the platform have been prioritising projects and IT tasks. We are pushing hard to be further up their priority list. We have also identified opportunities for greater collaboration between the Credit teams in Liquidnet and Global Broking, including leveraging the latter's extensive dealer connectivity. The D2C opportunity is substantial, however it will take us longer, given these client realities, to move within our 3% to 6% target market share range.

Final dividend
pence

7.9p

Total full year dividend
pence

12.4p

Dynamic capital management

Our focus on capital management – returning, where possible, and appropriate, surplus capital to shareholders – is an important element of our strategy. We announced at our H1 2022 results, that we aimed to free up £100m of cash by the end of 2023. Progress has been good. We have freed up around £30m of cash in H2 2022. We are on track to free up the targeted £100m.

We also previously said that we are focused on identifying, and returning, any potential surplus capital to shareholders, subject to the ongoing assessment of our balance sheet and investment requirements.

Our emphasis on capital management is accompanied by a clear distribution policy: a 50% pay-out ratio of adjusted post-tax earnings for the year as whole.

Well advantaged with a clear strategic roadmap

We are well positioned as central banks withdraw liquidity and clients look to us even more than before. Our deep liquidity pools, scale businesses, and geographical reach and expertise are significant advantages in a world of elevated interest rates.

Our strategy of transforming, diversifying and dynamic capital management is about delivering sustainable shareholder returns, now and in the future.

We delivered a strong performance in 2022 and advanced our strategic agenda.

Our transformation continues at pace. The Fusion rollout is on track. Our focus is increasingly turning to client adoption of the platform. A dedicated team, overseen by our senior management in Global Broking, will drive adoption.

The enduring strength of our core franchise is coupled with the significant diversification opportunities we are pursuing. The strategic rationale for Liquidnet remains in place: client and asset diversification. The prize is substantial. We see real opportunities in Environmentals and Digital Assets. These opportunities play to our strengths: deep expertise, true connectivity and a track record of innovation.

As we move forward in 2023, I want to thank all my colleagues for their contribution during a year when we delivered a great deal for stakeholders. We look to the future with confidence.

Our strategy of transforming, diversifying and dynamic capital management is about delivering sustainable shareholder returns, now and in the future.

Outlook

Our market-leading businesses, and our focus on transformation, diversification and dynamic capital management, mean the Group is well positioned to benefit from the continued withdrawal of central bank liquidity. We expect the impact of inflation on our business in 2023 to be broadly mitigated by our ongoing focus on cost efficiencies.

Global interest rates are expected to remain elevated in 2023; we expect that volumes will continue to be solid, but moderated from the peaks at the beginning of the war in Ukraine. The recent decline in the European gas price has supported a more liquid, and stable, market so far this year. A sustained recovery continues to depend on geopolitical developments.

Nicolas Breteau

Executive Director and Chief Executive Officer
14 March 2023

All percentage movements quoted in the analysis of financial results that follows are in reported currency, unless otherwise stated. Reported currency refers to prior year comparatives being at prior year foreign exchange rates.

Introduction

The Group delivered a strong financial performance in 2022. Group revenue increased 13% to £2,115m on a reported basis (7% ahead in constant currency). Markets were heavily impacted by geopolitical events, and substantial monetary tightening by central banks all around the world. Against this backdrop, market volatility increased during the year, driving higher revenue.

Global Broking benefitted from this increased volatility delivering high single digit revenue growth across all asset classes and an uplift in overall contribution. Energy & Commodities ('E&C') also initially benefitted from market volatility; the war in Ukraine however drove the price of European gas in Q2 and Q3 to levels not seen in some time and this sharply increased margin requirements for our clients and led to a major reduction in trading activity. While gas prices have since receded from the mid-year highs, they remain well above historic averages.

During the year, we took a P&L charge, net of recoveries, of £21m on Russian exposures, primarily in Global Broking. These unsettled trades resulted from the imposition of sanctions in February 2022 against Russian clients and counterparties.

In the new combined Liquidnet division (comprising of the acquired Liquidnet platform, COEX Partners, ICAP Relative Value and MidCap Partners), market conditions for the Liquidnet platform (predominantly Equities) were very challenging. Equity indices declined significantly across the US and Europe, accompanied by high volatility levels. This reduced trading activity of larger blocks in these markets where Liquidnet has a leading position. Our planned investment in the Dealer-to-Client ('D2C') Credit proposition also impacted profitability. The remaining Liquidnet division performed well, driven by the growth in the Relative Value business as well as in Rates, Futures and FX.

Parameta Solutions, our market-leading provider of neutral OTC data, delivered strong revenue growth. The division continues to leverage the increased demand for high quality financial markets data.

Key financial and performance metrics

	2022 £m	2021 Reported £m	2021 Constant Currency £m	Reported change	Constant Currency Change
Revenue	2,115	1,865	1,976	13%	7%
Reported					
- EBIT	163	97	112	68%	46%
- EBIT margin	7.7%	5.2%	5.7%		
Adjusted					
- Contribution	763	702	744	9%	3%
- Contribution margin	36.1%	37.6%	37.7%		
- EBITDA	357	315	342	13%	4%
- EBIT	275	233	255	18%	8%
- EBIT margin	13.0%	12.5%	12.9%		
Average					
- Broker headcount	2,637	2,770	n/a	(5%)	n/a
- Revenue per broker ¹ (£'000)	659	562	592	17%	11%
- Contribution per broker ¹ (£'000)	236	202	212	17%	11%
Period end					
- Broker headcount	2,561	2,707	2,707	(5%)	n/a
- Total headcount	5,161	5,304	5,304	(3%)	n/a

¹ Revenue per broker and contribution per broker are calculated as external revenue and contribution of Global Broking, Energy & Commodities and Liquidnet excluding the Acquired Liquidnet platform divided by the average brokers for the year. The Group revenue and contribution per broker excludes revenue and contribution from Parameta Solutions and Liquidnet Division.

Average revenue per broker (productivity) increased by 17% in 2022 compared with 2021 (+11% in constant currency). The average contribution per broker increased by 17% (+11% in constant currency).

We ended the year with a contribution margin of 36.1% compared with 37.6% in 2021 (37.7% in constant currency).

Including the full year cost of the Liquidnet platform and our investment in the D2C business, the management and support costs were 4% higher on a reported currency basis (flat in constant currency). Alongside continued investment in the business, we maintained a strong focus on cost efficiency and delivered our targeted Group savings of £25m in 2022 which helped offset inflationary pressures.

Our adjusted EBIT margin increased from 12.5% to 13.0% in reported currency, or 14.0% excluding charges relating to Russian exposures (2021: 12.9% in constant currency). The Group's revenue and EBIT margin benefitted from a foreign exchange (FX) tailwind as GBP weakened by, on average 10%, against the USD.

The Group reported EBIT of £163m increased by 68% from £97m in 2021, benefitting from diversification and strength of our core franchise.

The Group incurred significant items of £113m pre-tax (2021: £153m), of which around 80% are non-cash, in reported earnings. This is broadly in line with our previous guidance of £110m. Further details on significant items are on page 24.

We are managing our capital dynamically. The Group is on track to generate or free up approximately £100m of cash by the end of 2023, to reduce debt. We continue to assess our balance sheet and investment requirements and are committed to identifying, and returning, any potential surplus capital to shareholders.

Robin Stewart

Executive Director and Chief Financial Officer

14 March 2023



“We delivered a strong financial performance, higher revenues from diversified sources and continued cost discipline in a tough environment.”

Income Statement

The Group presents its reported results in accordance with International Financial Reporting Standards ('IFRS'). The Group also presents adjusted (non-IFRS) measures to report performance. Adjusted results and other alternative performance measures ('APMs') may be considered in addition to, but not as a substitute for, the reported IFRS results. The Group believes that adjusted results and other APMs, and should be considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance and compare performance from year to year. These adjusted measures and other APMs are also used by management for planning and to measure the Group's performance.

Reported results are adjusted for significant items to derive adjusted results. Adjusted measures exclude significant items to aid comparability of financial performance from year to year and to provide additional information to better understand the Group's financial performance, and should be considered together with reported IFRS results. Significant items can be either cash or non-cash costs. A reconciliation from reported to adjusted metrics is provided in the Group income statement below. Analysis of performance by Business Division follows the Group income statement analysis.

	Adjusted £m	Significant items £m	Reported £m
2022			
Revenue	2,115	–	2,115
Employment, compensation and benefits	(1,296)	(24)	(1,320)
General and administrative expenses	(474)	(32)	(506)
Depreciation and impairment of PPE and ROUA	(49)	(9)	(58)
Amortisation and impairment of intangible assets	(33)	(65)	(98)
Operating expenses	(1,852)	(130)	(1,982)
Other operating income	12	18	30
EBIT	275	(112)	163
Net finance expense	(49)	(1)	(50)
Profit before tax	226	(113)	113
Tax	(58)	22	(36)
Share of net profit of associates and joint ventures	29	–	29
Non-controlling interests	(3)	–	(3)
Earnings	194	(91)	103
Basic average number of shares (millions)	779.1	779.1	779.1
Basic EPS (pence per share)	24.9p	(11.7p)	13.2p
Diluted average number of shares	790.6	790.6	790.6
Diluted EPS	24.5p	(11.5p)	13.0p
2021			
Revenue	1,865	–	1,865
Employment, compensation and benefits	(1,140)	(12)	(1,152)
General and administrative expenses	(420)	(56)	(476)
Depreciation and impairment of PPE and ROUA	(52)	(16)	(68)
Amortisation and impairment of intangible assets	(30)	(52)	(82)
Operating expenses	(1,642)	(136)	(1,778)
Other operating income	10	–	10
EBIT	233	(136)	97
Net finance expense	(56)	(17)	(73)
Profit before tax	177	(153)	24
Tax	(44)	21	(23)
Share of net profit of associates and joint ventures	18	(11)	7
Non-controlling interests	(3)	–	(3)
Earnings	148	(143)	5
Basic average number of shares	759.3	759.3	759.3
Basic EPS	19.5p	(18.8p)	0.7p
Diluted average number of shares	768.2	768.2	768.2
Diluted EPS	19.3p	(18.6p)	0.7p

All percentage movements quoted in the analysis of financial results that follows are in constant currency, unless otherwise stated. Constant currency refers to prior year comparatives being retranslated at current year foreign exchange rates to support comparison on an underlying basis.

Revenue by division

Total Group revenue in 2022 of £2,115m was 7% higher than the prior year (+13% in reported currency). Revenue grew across all divisions with the exception of Energy & Commodities. Global Broking benefitted from increased market volatility and revenue was up 7%, growing across all asset classes. Market volatility from the war in Ukraine resulted in a higher volume of trading activity, particularly in the first half. This generated higher revenue and contribution, which more than offset the impact of Russian P&L charges, which totalled £21m in 2022. Energy & Commodities revenue fell by 2% as markets continued to be very subdued, driven primarily by the war in Ukraine and the resulting sharp price rises in European gas and power. Oil markets demonstrated greater resilience particularly in the US and Asian markets. Revenue in the Liquidnet division was challenged by volatile equity markets but grew 18% due to a full year contribution from the Liquidnet Platform, and growth in the Relative Value business and as well as in Rates, Futures and FX. Parameta Solutions was up 8% benefitting from growing demand for high quality financial markets data.

By Business Division	2022 £m	2021 (restated ² reported currency) £m	2021 (restated ² constant currency) £m	Reported currency change	Constant currency change
Rates	566	509	531	11%	7%
Credit	118	102	109	16%	8%
FX & money markets	302	263	277	15%	9%
Equities	243	214	227	14%	7%
Inter-division revenues ³	22	19	20	16%	10%
Total Global Broking¹	1,251	1,107	1,164	13%	7%
Energy & Commodities	384	367	393	5%	(2)%
Inter-division revenues ³	3	3	3	n/m	n/m
Total Energy & Commodities	387	370	396	5%	(2)%
Total Liquidnet⁴	325	261	275	25%	18%
Total Parameta Solutions⁵	177	149	164	19%	8%
Inter-division eliminations ³	(25)	(22)	(23)	(14)%	(9)%
Total revenue	2,115	1,865	1,976	13%	7%

- 1 In prior year reporting, the revenue breakdown of Global Broking included Emerging Markets revenue as a separate line item. This revenue has now been reclassified to the relevant asset classes within Global Broking. Emerging Markets revenue reported in 2021 of £179m has been reclassified as follows: Rates: £65m; Credit £20m, FX & Money Markets £93m, Equities £1m.
- 2 Post Trade Solutions revenue has been reclassified from Parameta Solutions to Global Broking and Liquidnet. Post Trade Solutions revenue reported in 2021 of £17m has been reclassified as follows: Rates (Global Broking): £15m & Liquidnet Platform: £2m. MidCap Partners revenue reported in 2021 of £13m has been reclassified out of Global Broking and into Liquidnet.
- 3 Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Parameta Solutions division. The Global Broking inter-division revenue and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.
- 4 As previously announced in our Q3 Trading Update on 1 November 2022, the Liquidnet division includes the Liquidnet platform (the acquired business), COEX Partners, ICAP Relative Value, and from 1 October 2022 onwards, MidCap Partners following the transfer from Global Broking).
- 5 In previous reporting, Parameta Solutions included D&A and Post Trade Solutions ('PTS'). The Matchbook and ClearCompress brands within PTS are now reported under Global Broking, while e-Repo is now reported in the Liquidnet division.

Operating expenses

The table below sets out operating expenses, divided principally between front office costs and management and support costs. Front office costs tend to have a large variable component and are directly linked to the output of our brokers. The largest element of this is broker compensation as well as other front office costs, which include travel and entertainment, telecommunications and information services, clearing and settlement fees as well as other direct costs. The remaining cost base represents the management and support costs of the Group.

	2022 £m	2021 (restated ¹) reported currency £m	2021 (restated ¹) constant currency £m	Reported Change	Constant Currency Change
Front office costs					
- Global Broking ²	780	694	729	12%	7%
- Energy & Commodities ²	263	248	266	6%	(1%)
- Liquidnet ²	246	170	182	45%	35%
- Parameta Solutions ²	63	51	55	24%	15%
Total front office costs	1,352	1,163	1,232	16%	10%
Management and support costs					
- Employment costs	268	226	238	19%	13%
- Technology and related costs	87	79	83	10%	5%
- Premises and related costs	29	28	29	4%	-
- Depreciation and amortisation	82	82	86	(2%)	(5%)
- FX (gains)/losses	(14)	11	11	(227%)	(227%)
- Other administrative costs	48	53	52	(9%)	(8%)
Total management and support costs	500	479	499	4%	-
Total adjusted operating costs	1,852	1,642	1,731	13%	7%
Significant items	130	136	n/a	(4%)	n/a
Total operating expenses	1,982	1,778	n/a	11%	n/a

¹ Post Trade Solutions front office costs have been reclassified from Parameta Solutions to Global Broking and Liquidnet. Post Trade Solutions front office costs reported in 2021 of £10m has been reclassified as follows: Rates (Global Broking): £9m & Liquidnet Platform: £1m.

² Includes all front office costs, including broker compensation, sales commission, travel and entertainment, telecommunications, information services, clearing and settlement fees as well as other direct costs.

Total front office costs of £1,352m, which are predominantly variable with revenue, increased by 10% compared with 2021, (an increase of 16% in reported currency) include an additional quarter of Liquidnet and the £21m P&L charge relating to Russian exposures.

Total management and support costs of £500m were flat year-on-year in constant currency. Excluding FX gains/(losses) on retranslation of net financial assets the costs increased by 5%.

As a result, the total adjusted operating costs were £1,852m, which was 7% higher than 2021 in constant currency (13% in reported currency). We achieved in-year cost savings of £25m as per our target, including cost savings initiatives on Liquidnet cost synergies.

During 2022, we incurred total strategic IT investment spend amounting to £22m (£8m of operating expenses, £14m of capital expenditure).

Capital and liquidity management

Capital management

TP ICAP successfully redomiciled from the UK to Jersey, Channel Islands in February 2021. This, together with the progress we are making on consolidating legal entities, has enabled the Group to undertake a review to identify opportunities to unlock cash. In aggregate, we expect to generate or free up approximately £100m of cash by the end of 2023. The exact timing of release for certain initiatives will be impacted by external (e.g. regulatory) dependencies. Example initiatives include, but are not limited to:

- > Consolidation of broker-dealer entities in the US;
- > Distribution of the surplus following the wind-up of the UK Defined Benefit Pension Scheme (dependent on approval from Trustees);
- > Proceeds from the Liquidnet purchase price adjustment (see significant items section below);
- > Sale of office space in Paris;
- > Closure of dormant UK regulated entities; and
- > Efficiencies from reorganisation of settlement and clearing arrangements.

We made good progress during the second half of the year and have already freed up c.£30m of cash.

The cash generated or freed up from the above short-term initiatives will be used for the repayment of debt – to increase our investment grade credit rating headroom – and to reduce future finance costs. We are also exercising prudence in the current environment of rising interest rates.

The Board is committed to identifying and returning any potential surplus capital to shareholders, subject to the ongoing assessment of our balance sheet and investment requirements.

Liquidity management

Following our successful debt refinancing in November 2021, we renewed our Revolving Credit Facility ('RCF') for a further three years on 31 May 2022. The RCF increased from £270m to £350m, providing additional liquidity flexibility, and adding new providers. The terms of the new facility were also improved, including a reduction in margin from 2.00% to 1.75% over the reference rate.

Significant items

The significant items are categorised as below.

Restructuring and related costs

Restructuring and related costs arise from initiatives to reduce the ongoing cost base and improve efficiency to enable the delivery of our strategic priorities. These initiatives are significant in size and nature to warrant exclusion from adjusted measures. Costs for other smaller scale restructuring are retained within both reported and adjusted results.

Disposals, acquisitions and investments in new businesses

Costs, and any related income, related to disposals, acquisitions and investments in new business are transaction dependent and can vary significantly year-on-year, depending on the size and complexity of each transaction. Amortisation of purchased and developed software is retained in both the reported and adjusted results as these are considered to be core to supporting the operations of the business.

Legal and regulatory matters

Costs, and recoveries, related to certain legal and regulatory cases are treated as significant items due to their size and nature. Management considers these cases separately due to the judgements and estimation involved, the costs and recoveries of which could vary significantly year-on-year.

The table below shows the significant items in 2022 vs 2021, of which around 80% of the total 2022 costs are non-cash.

	2022 Total £m	2021 Total £m
Restructuring & related costs		
- Property rationalisation	16	25
- Liquidnet integration	9	7
- Group cost saving programme	21	5
- Business restructuring/re-domiciliation ¹	2	3
- Remeasurement of employee long-term benefits ²	(7)	1
- Other	-	1
Subtotal	41	42
Disposals, acquisitions and investment in new business		
- Amortisation of intangible assets arising on consolidation	45	46
- Liquidnet acquisition related ³	5	14
- Foreign exchange losses	5	4
- Reversal of US Tax indemnity provision	-	13
- Adjustment to deferred consideration	8	2
- Strategic project costs	3	-
Subtotal	66	79
Legal & regulatory matters – subtotal⁴	5	15
Total pre-financing and tax	112	136
- Financing: Debt refinancing	-	16
- Financing: Liquidnet interest expense on Vendor Loan Notes	1	1
Total post-financing cost	113	153
Tax relief	(22)	(21)
Associate write down	-	11
Total	91	143

1 £2m of Business restructuring/re-domiciliation costs include legal entity separation work to operationally separate Parameta Solutions to enable it to benefit from commercial partnerships and other venture arrangements.

2 (£7m) Remeasurement of employee long-term benefits Group credit relates to the reduction to the present value of the Group's income protection liability.

3 £5m Liquidnet acquisition related costs mainly includes £20m impairment of customer relationship related intangible assets as a result of challenging equity market conditions, partly offset by £16m reimbursements following the ruling of an independent arbitration on the purchase consideration which is recognised in the income statement.

4 £5m Legal & regulatory matters mainly includes costs related to the cum-ex investigation by the Frankfurt and Cologne Public Prosecutors in Germany.

Net finance expense

The adjusted net finance expense of £49m (reported net finance expense £50m), is comprised of £40m interest expense and £15m of net lease financing costs, offset by £6m interest income. The £7m reduction compared with £56m in 2021 is mainly from:

- > £3m interest cost saved from liability management exercise in 2021 redeeming 2024 Sterling Notes;
- > £2m non-recurring hedging costs incurred in 2021 for Liquidnet acquisition consideration;
- > £4m interest income from higher interest on cash balances; and
- > Offset by £2m increase in net lease financing costs.

Tax

The effective rate of tax on adjusted profit before tax is 25.7% (2021: 24.9%). The effective rate of tax on reported profit before tax is 31.9% (2021: 95.8%). The higher rate on reported profit before tax in the prior year arose primarily due to a £16m increase in the deferred tax liability recognised in respect of intangible assets arising on consolidation following the announcement of a future increase in the UK corporation tax rate, which was included within significant items.

Basic EPS

The average number of shares used for the 2022 Basic EPS calculation is 779.1m (2021: 759.3m) which reflects 788.7m shares in issue less 9.1m shares held by the TP ICAP plc Employee Benefit Trust ('EBT') at 31 December 2021 and 0.5m of the time apportioned movements in 2022 in shares held by the EBT used to acquire and settle deferred share awards.

The TP ICAP plc EBT has waived its rights to dividends.

The reported Basic EPS for 2022 was 13.2p (2021: 0.7p) and adjusted Basic EPS for 2022 was 24.9p (2021: 19.5p).

Dividend

The Board is recommending a final dividend for 2022 of 7.9p, which, when added to the interim dividend of 4.5p, results in a total dividend for the year of 12.4p, an increase of 31% from prior year. This aligns to the Group's dividend policy which targets a dividend cover of approximately two times on adjusted post-tax earnings. The dividend distribution during the year is typically based on a pay-out range of 30-40% of H1 adjusted post-tax earnings with the balance paid in the final dividend. The final dividend will be paid on 23 May 2023 to shareholders on the register at close of business on 14 April 2023. The ex-dividend date will be 13 April 2023.

The Company offers a Dividend Reinvestment Plan ('DRIP'), where dividends can be reinvested in further TP ICAP Group plc shares. The DRIP election cut-off date will be 28 April 2023.

Group Guidance

2020 Capital Markets Day ('CMD') targets (for 2023)

At our CMD in December 2020 we set out financial targets for the end of 2023. As we often highlight, it is difficult to predict future levels of market activity, given the highly uncertain macro and geopolitical outlook.

We are making good progress with more to do. Subject to current market conditions continuing until the end of 2023, we expect Parameta Solutions to exceed its contribution margin target (50%) by the end of 2023. We anticipate Global Broking (40%) to be close to its target, while Energy & Commodities (35%) is expected to be relatively close to its target. At the adjusted EBIT margin level, we expect Parameta Solutions to exceed its target (45%). Global Broking (19%) and Energy & Commodities (15%) are expected to be relatively close to their targets. Guidance that refers to being 'close' to target is defined as within one percentage point of target; 'Relatively close' is defined as being within one to two percentage points of target.

A contribution margin target for the new combined Liquidnet division has been set at 30% for 2023, and, as a result, the Group adjusted EBIT margin target has been updated from 18% (the original CMD target) to 14%. This reflects the impact of the pandemic on the Group and the challenging equity market conditions for the Liquidnet platform due to market volatility, alongside the D2C Credit proposition moving within its targeted 3 to 6% market share range later than planned.

Our additional guidance for 2023 is as follows:

- > Liquidnet synergies for end of 2023 to realise annualised cost savings of at least £30m, an increase on the previous target of £25m;
- > Significant items in 2023 are expected to be c.£85m (pre-tax), excluding potential income and costs associated with legal and regulatory matters;
- > The UK corporate tax rate will increase from 19% to 25% in April 2023;
- > Group net finance expense expected to be broadly in line with 2022 despite significant increase in the interest rate environment; and
- > Dividend cover of c.2 times adjusted post-tax earnings.

Performance by Primary Operating Segment (Divisional basis)

The Group presents below the results of its business by Primary Operating Segment with a focus on revenues and alternative performance measures ('APMs') used to measure and assess performance.

2022	GB £m	E&C £m	LN £m	PS £m	Corp/ Elim £m	Total £m
Revenue						
- External	1,229	384	325	177	-	2,115
- Inter-division ¹	22	3	-	-	(25)	-
	1,251	387	325	177	(25)	2,115
Total front office costs						
- External	(780)	(263)	(246)	(63)	-	(1,352)
- Inter-division ¹	-	-	-	(25)	25	-
	(780)	(263)	(246)	(88)	25	(1,352)
Contribution	471	124	79	89	-	763
Contribution margin	37.6%	32.0%	24.3%	50.3%	-	36.1%
Net management and support costs						
- Management and support costs	(224)	(65)	(78)	(8)	(43)	(418)
- Other operating income	2	-	-	-	10	12
Adjusted EBITDA⁵	249	59	1	81	(33)	357
Adjusted EBITDA margin	19.9%	15.2%	0.3%	45.8%	n/m	16.9%
- Depreciation and amortisation	(36)	(10)	(25)	(2)	(9)	(82)
Adjusted EBIT⁵	213	49	(24)	79	(42)	275
Adjusted EBIT margin	17.0%	12.7%	(7.4)%	44.6%	n/m	13.0%
Average broker headcount	1,856	632	149	n/a	n/a	2,637
Average sales headcount	-	-	318	n/a	n/a	318
Revenue per broker (£'000) ²	662	608	879	n/a	n/a	659
Contribution per broker (£'000) ²	254	196	151	n/a	n/a	236
2021 (reported currency)	GB ² £m	E&C £m	LN ^{2,4} £m	PS ² £m	Corp/ Elim £m	Total £m
Revenue						
- External	1,088	367	261	149	-	1,865
- Inter-division ¹	19	3	-	-	(22)	-
	1,107	370	261	149	(22)	1,865
Total front office costs						
- External	(694)	(248)	(170)	(51)	-	(1,163)
- Inter-division ¹	-	-	-	(22)	22	-
	(694)	(248)	(170)	(73)	22	(1,163)
Contribution	413	122	91	76	-	702
Contribution margin	37.3%	33.0%	34.9%	51.0%	-	37.6%
Net management and support costs						
- Management and support costs	(200)	(63)	(63)	(8)	(63)	(397)
- Other operating income	2	-	-	-	8	10
Adjusted EBITDA⁵	215	59	28	68	(55)	315
Adjusted EBITDA margin	19.4%	15.9%	10.7%	45.6%	n/m	16.9%
- Depreciation and amortisation	(29)	(9)	(25)	(2)	(17)	(82)
Adjusted EBIT⁵	186	50	3	66	(72)	233
Adjusted EBIT margin	16.8%	13.5%	1.1%	44.3%	n/m	12.5%
Average broker headcount	1,971	652	147	n/a	n/a	2,770
Average sales headcount	-	-	234	n/a	n/a	234
Revenue per broker (£'000) ³	552	563	695	n/a	n/a	562
Contribution per broker (£'000) ³	210	187	158	n/a	n/a	202

2021 (constant currency)	GB ² £m	E&C £m	LN ^{2,4} £m	PS ² £m	Corp/ Elim £m	Total £m
Revenue						
- External	1,144	393	275	164	-	1,976
- Inter-division ¹	20	3	-	-	(23)	-
	1,164	396	275	164	(23)	1,976
Total front office costs						
- External	(729)	(266)	(182)	(55)	-	(1,232)
- Inter-division ¹	-	-	-	(23)	23	-
	(729)	(266)	(182)	(78)	23	(1,232)
Contribution	435	130	93	86	-	744
Contribution margin	37.4%	32.8%	33.8%	52.4%	-	37.7%
Net management and support costs						
- Management and support costs	(207)	(65)	(72)	(12)	(56)	(412)
- Other operating income	2	-	-	-	8	10
Adjusted EBITDA⁵	230	65	21	74	(48)	342
Adjusted EBITDA margin	19.8%	16.4%	7.7%	45.1%	n/m	17.3%
- Depreciation and amortisation	(36)	(11)	(28)	-	(12)	(87)
Adjusted EBIT⁵	194	54	(7)	74	(60)	255
Adjusted EBIT margin	16.7%	13.6%	(2.5)%	45.1%	n/m	12.9%
Average broker headcount	1,971	652	147	n/a	n/a	2,770
Average sales headcount	-	-	234	n/a	n/a	234
Revenue per broker (£'000) ³	580	603	722	n/a	n/a	592
Contribution per broker (£'000) ³	221	199	166	n/a	n/a	213

GB = Global Broking; E&C = Energy & Commodities; LN = Liquidnet; PS = Parameta Solutions, Corp/Elim = Corporate Centre, eliminations and other unallocated costs.

- Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Parameta Solutions division. The Global Broking inter-division revenue and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.
- Post Trade Solutions revenue and front office costs have been reclassified from Parameta Solutions to Global Broking and Liquidnet. Post Trade Solutions revenue reported in 2021 of £17m has been reclassified as follows: Rates (Global Broking): £15m & Liquidnet Platform: £2m. Post Trade Solutions front office costs reported in 2021 of £10m has been reclassified as follows: Rates (Global Broking): £(9)m & Liquidnet Platform: £(1)m. MidCap Partners revenue reported in 2021 of £13m (with front office costs of £9m) has been reclassified out of Global Broking and into Liquidnet.
- Revenue and contribution per broker are calculated as external revenue and contribution of Global Broking, Energy & Commodities and Liquidnet division, excluding the Liquidnet Platform, divided by the average brokers for the year. The Group revenue and contribution per broker excludes revenue and contribution from Parameta Solutions and Liquidnet.
- 2021 includes Liquidnet Platform post acquisition results from 23 March 2021, the date the transaction completed
- Adjusted EBITDA and Adjusted EBIT for each division has been restated to remove the IFRS 16 interest charge, previously charged to divisional Adjusted EBIT. The restatement aligns with IFRS statutory reporting where the IFRS 16 interest cost is disclosed within Group finance costs.

Global Broking

Global Broking revenue of £1,251m (which represents 59% of total Group revenue) was 7% higher (13% higher in reported currency) than 2021, reflecting increased market volatility across all asset classes and all regions.

Revenue from Rates increased by 7% to £566m. Rates is our most profitable asset class and represents 45% of Global Broking revenue, and 27% of Group revenue. After more than a decade of low interest rates, 2022 saw a return to interest rate movements across most economies. Revenue in FX & Money Markets increased by 9% to £302m in 2022. Revenue from Credit increased by 8% to £118m, whilst Equities increased by 7% to £243m.

Front office costs, which are largely variable with revenue, of £780m were 7% higher than 2021. Lower average broker headcount, cost savings during the year, and a shift towards higher margin business resulted in higher profitability. The resulting contribution margin was 37.6% compared with 37.4% in 2021 (37.3% on a reported basis), including the £20m P&L charge relating to Russian exposures. Excluding this charge, the contribution margin was 39.2%.

Management and support costs of £224m were 8% higher than 2021 due to increased investment in the roll-out of Fusion, our electronic platform. Depreciation and amortisation expense of £36m was flat to prior year.

The adjusted EBIT of £213m resulted in an adjusted EBIT margin of 17.0% (2021: £194m, 16.7% in constant currency, £186m and 16.8% in reported currency).

Energy & Commodities

Energy & Commodities revenue of £387m in 2022 was 2% lower than in 2021 (5% higher on a reported basis), due to challenges in the European Gas and Power market. The number of oil, gas and other energy products traded on the Intercontinental Exchange ('ICE') reduced by 4% in 2022.

The major reduction in the supply of gas from Russia led to sharp price rises for gas and power. This resulted in increased margin requirements for clients and a severe contraction in OTC bilateral credit lines leading to reduced trading activity. Gas prices have trended down from the extreme highs in the summer but are still many times higher than the historical average. Oil revenue has been more resilient in the US and Asia where the impact of the war has been less pronounced than in Europe.

Revenue growth from our environmental business slowed in the second half; clients were focused on managing the volatility from the war in Ukraine, rather than the energy transition. Revenue growth outperformed exchange volumes.

Front office costs of £263m were 1% lower. This resulted in a contribution margin of 32.0% (2021: 32.8% in constant currency and 33.0% in reported currency).

Management and support costs of £65m were flat from 2021, while depreciation and amortisation decreased by £1m.

The adjusted EBIT was £49m in 2022, with an adjusted EBIT margin of 12.7% (2021: £54m and 13.6% in constant currency, £50m and 13.5% in reported currency) with the lower revenue more than offsetting the decline in total costs.

Liquidnet Division¹

At £325m, Liquidnet's revenue (15% of total Group revenue) was up 18%. This includes a full-year contribution from the acquired Liquidnet platform compared to nine months in 2021 (the acquisition completed March 2021).

The Liquidnet equities platform experienced challenging market conditions during the year, including high levels of volatility, leading to subdued volumes in larger block trading. In the US, block market volumes by the top 5 Agency Alternative Trading System ('ATS') venues were flat, while in Europe, Large in Scale ('LIS') transaction volumes decreased by 15%. These are the two market segments in which Liquidnet is most active. Liquidnet's block market share within the top 5 Agency ATS venues moved from 24.8% in 2021 to 23.2% in 2022. Our European market share of LIS transactions went from 29.1% to 27.7%.

The rest of the division delivered a strong performance, driven by the Relative Value business as well as from growth in Rates, Futures and FX.

Front office costs of £246m increased 35%, reflecting a full year of Liquidnet platform costs and investment to drive future organic growth in the business. The resulting contribution was £79m (2021: £93m in constant currency and £91m in reported currency) with a contribution margin of 24.3% (2021: 33.8% in constant currency and 34.9% in reported currency).

Management and support costs were £78m in 2022 compared with £72m for nine months of ownership in 2021.

The adjusted EBIT was £(24)m and the adjusted EBIT margin was (7.4)% (2021: £(7)m and (2.5)% in constant currency and £3m and 1.1% in reported currency).

¹ As previously announced in our Q3 Trading Update on 1 November 2022, the Liquidnet division includes the Liquidnet platform (the acquired business), COEX Partners, ICAP Relative Value, and from 1 October 2022 onwards, MidCap Partners (following the transfer from Global Broking).

Parameta Solutions²

Revenue of £177m was 8% higher than the prior year. 95% of total Parameta Solutions revenue is subscription-based, and therefore recurring.

Parameta Solutions is benefitting from the successful delivery of its sales strategy, including the establishment of a Global Strategic Accounts function, client segmentation and revenue diversification. 53 new clients were onboarded in 2022, 90% of which were non-sell-side clients including buy-side, corporates, professionals services and energy and commodities firms. This has been supported by the direct to client distribution strategy where an online product inventory enables clients to explore content. Clients are licensing historical, intraday and streaming multi-brand data, set up to be delivered directly into their cloud environment or data warehouse.

ClearConsensus, our independent price verification tool that allows clients to manage risk and optimise capital allocation, has made good progress with additional dealers participating in the proposition. Client data onboarding has taken longer than initially anticipated which has delayed revenue generation to 2023. Following benchmark administrator authorisation, Parameta Solutions now has licensed clients paying for use of its benchmarks for issuance activity.

Parameta Solutions onboarded its first client, a prominent bank in Asia, on its Transaction Cost Analysis ('TCA') platform. The rates evaluated pricing service was launched for non-linear rates with further expansion of the service scheduled for 2023.

Parameta Solutions has announced two further commercial partnerships in key high growth areas. The first is with Numerix, a global leading OTC analytics and derivatives pricing company where the business will work with them to develop an OTC Derivatives Valuation service. The second partnership is with General Index, a challenger benchmark provider in commodity markets, focused on launching indices covering EU LNG markets.

Front office costs of £88m increased by 13%. The resulting contribution was £89m, at a contribution margin of 50.3% (2021: 52.4% in constant currency and 51.0% in reported currency).

Management and support costs were £8m in 2022 compared with £12m in 2021.

The adjusted EBIT, also taking into account FX gains and losses, was £79m, which is a margin of 44.6% (2021: £74m and 45.1% in constant currency, £66m and 44.3% in reported currency).

Cash flow

The table below shows the changes in cash and debt for the year ending 31 December 2022 and 31 December 2021.

£m	2022 £m	2021 £m
EBIT reported	163	97
Depreciation, amortisation and other non-cash items	178	165
Change in Net Matched Principal balances	27	(36)
Movements in working capital	62	(17)
Taxes and Interest paid	(106)	(98)
Operating cash flow	324	111
Capital expenditure	(53)	(58)
Disposal of property, plant and equipment	12	-
Acquisition consideration paid	-	(451)
Cash acquired with acquisition	-	202
Deferred consideration paid on prior acquisitions	(10)	(14)
(Purchase)/sale of financial assets	(50)	11
Other investing activities	23	21
Investing activities	(78)	(289)
Net proceeds from rights issue	-	309
Dividends paid to shareholders	(78)	(47)
Net funds received from issuance of 2028 Sterling Notes	-	247
Repayment of 2024 Sterling Notes including premium	-	(200)
Repayment of loan from related party	(47)	-
Other financing activities	(38)	(13)
Financing activities	(163)	296
Change in cash	83	118
Foreign exchange movements	38	-
Cash at the beginning of the period	767	649
Cash at the end of the period	888	767

2 In previous reporting, Parameta Solutions included data and analytics ('D&A') and Post Trade Solutions ('PTS'). The Matchbook and ClearCompress brands within PTS are now reported under Global Broking, while e-Repo is now reported in the Liquidnet division.

The Group's net cash inflow from operating activities increased to £324m from £111m in 2021 driven primarily by the following:

- > Reported EBIT increased by £66m to £163m compared with 2021;
- > £27m cash inflow (2021: outflow of £36m) from changes in matched principal financial assets and liabilities;
- > £62m cash inflow (2021: outflow of £17m) from movements in working capital including an additional £47m bonus accruals and £15m of trade and other payables as well as £12m decrease in stock lending balances; this was partly offset by a £24m increase in trade and other receivables; and
- > £106m cash outflow (2021: outflow of £98m) from taxes and interest paid comprises of £51m taxes and £55m interest payments. Tax payments increased by £12m in line with increased profit and interest payments reduced by £4m as a result of refinancing activity in 2021 at lower interest rates.

The key investing activities in the year were:

- > £53m capital expenditure mainly represents technology and strategic project spend. This compared with £58m in 2021 which included office development expenditure;
- > £12m cash inflow from the disposal of a freehold property in Paris;
- > £50m financial assets outflow driven by the purchase of additional financial assets held as collateral; and
- > £23m other investing activities mainly includes dividends from associates and joint ventures.

The primary financing activities in the year were:

- > £78m dividend paid to shareholders comprised of the 2021 final dividend of 5.5p and 2022 interim dividend of 4.5p paid in 2022;
- > £47m repayment of the loan drawn down from the Totan credit facility; and
- > £38m other financing activities mainly include finance lease capital repayments.

Foreign exchange gain:

- > The weakening of GBP, particularly against the USD in 2022, has resulted in a retranslation gain of £38m.

As a result of the above, the Group's cash balance increased by £121m.

Debt finance

The composition of the Group's outstanding debt is summarised below.

	At 31 December 2022 £m	At 31 December 2021 £m
5.25% £247m Sterling Notes January 2024 ¹	253	252
5.25% £250m Sterling Notes May 2026 ¹	250	250
2.625% £250m Sterling Notes November 2028 ¹	248	248
Loan from related party (RCF with Totan)	–	51
Revolving credit facility drawn – banks	–	–
3.2% Liquidnet Vendor Loan Notes	43	38
Overdrafts	–	17
Debt (used as part of net (funds)/debt)	794	856
Lease liabilities	279	286
Total debt	1,073	1,142

¹ Sterling Notes are reported at their par value net of discount and unamortised issue costs and including interest accrued at the reporting date.

The Group's gross debt, excluding lease liabilities, has decreased to £794m as a result of the repayment of the related party loan of £51m, and a £17m decrease in settlement overdrafts at 31 December 2022 compared with 31 December 2021.

The Group refinanced its main bank revolving credit facility in May 2022 increasing its capacity to £350m and with a new initial maturity of May 2025. As at 31 December 2022, this facility was undrawn. The Group also has access to a Yen 10bn Totan facility that, as at 31 December 2022, was undrawn and has a maturity of February 2025.

Exchange rates

The income statements and balance sheets of the Group's businesses whose functional currencies are not GBP are translated into GBP at average and period end exchange rates respectively. The most significant exchange rates for the Group are the USD and the Euro. The Group's current policy is not to enter into formal hedges of income statement or balance sheet translation exposures. Average and period end exchange rates used in the preparation of the financial statements are shown below.

Foreign exchange translation has been a tailwind for the Group in 2022, caused largely by GBP depreciation against the USD, with approximately 60% of Group revenue and approximately 40% of costs in USD, resulting in a currency mismatch. The average and the period end GBP:USD rate weakened 10% year-on-year.

Average	2022	2021
US Dollar	\$1.24	\$1.38
Euro	€1.18	€1.16
Period End	2022	2021
US Dollar	\$1.19	\$1.32
Euro	€1.16	€1.18

Pensions

The Group has one defined benefit pension scheme in the UK that is currently in the process of being wound up. The wind-up of the Scheme commenced in 2019. During the year the Trustee completed the buy-out of the Scheme's principal pension liabilities, a process that transferred each pension obligation from the Scheme to Rothesay Life. The remaining Scheme's obligations are expected to be settled in Q2 2023 allowing the wind-up to be completed.

Under UK legislation, once a Scheme commences wind-up, the assets of the Scheme pass unconditionally to the Trustee to enable it to settle the Scheme's liabilities. As a result, the Group applies the requirement of IFRIC 14, fully restricting the Group's recognition of the £45m (31 December 2021: £46m) net surplus by applying an asset recognition ceiling. Changes as a result of the application of the asset ceiling are recorded in Other Comprehensive Income.

During the wind-up period, the Group continues to restrict the recognition of the net surplus. Any benefits augmented during this time represent a past service cost and are recorded as a significant item in the Income Statement as and when such benefits are agreed. Costs associated with the settlement of the Scheme's liabilities will also be recorded as a significant item in the Income Statement as and when incurred. There were £1m past service and settlement costs in 2022 (2021: £1m).

Following the final settlement of the Scheme's liabilities and costs, the Scheme will be wound up, and the Group expects to receive the remaining asset, subject to applicable taxes at that time, currently 35%.

Regulatory capital

Since February 2021, Group level regulation falls under the Jersey Financial Services Commission. The FCA is the lead regulator of the Group's EMEA businesses, which are sub-consolidated under a UK holding Company, for which the consolidated capital adequacy requirements under the Investment Firms Prudential Regime ('IFPR') apply. This sub-group maintains an appropriate excess of financial resources.

Many of the Group's broking entities are regulated on a 'solo' basis, and are obliged to meet the regulatory capital requirements imposed by the local regulator of the jurisdiction in which they operate. The Group maintains an appropriate excess of financial resources in such entities.

Climate change considerations

We are in the process of considering how material climate-related issues affect our business strategy. In 2022, this has been carried forward by engagement with senior management across the business. A high-level climate change impact assessment has highlighted areas of exposure across our key sites and business operations. We have also strengthened our understanding of the exposure of our largest suppliers to climate change and the level of their own emissions.

Our understanding of the impact of climate change grew as a result of our engagement in 2022. By the end of 2023, following the completion of a detailed qualitative, and quantitative scenario analysis, we expect to have mapped out how climate-related issues could affect financial performance (eg revenue, costs) and financial position (eg assets, liabilities) and to have that understanding inform our business plans.

CONNECTING TRENDS, INSIGHTS AND ACTIONS

Understanding the key industry trends that affect our business means we are well positioned to seize market opportunities.

TREND 1: ELECTRONIFICATION OF FIXED INCOME MARKETS CONTINUES, BUT DEMAND REMAINS FOR VOICE BROKING

The trend of electronification of the Fixed Income market continues. This is being driven by the increased acceptance of automating trade execution, wider use of algorithmic trades, and greater prevalence of programme trading. Multiple new technologies and trading platforms have been launched and are being more widely utilised (eg LedgerEdge, an electronic corporate bond trading platform, launched in May 2022).

However, the role of the broker continues to be vital in ensuring effective market infrastructure. As *The Trade (2022)*¹ states, “human-to-human interaction remains a crucial part of fixed income trading – a facet that cannot be fully automated”.

In 2022, there were several major macroeconomic events that caused significant market volatility. These included the conflict in Ukraine, the energy crisis, the high inflationary environment that triggered central banks to raise interest rates sharply, and the greater than anticipated slowdown in China.

In a publication from the IMF², Dodd (2017) suggested inter-dealer brokers, “help market participants get a deeper view of the market”. This can significantly benefit clients looking to trade in and out of certain holdings, particularly if their position is illiquid and/or complex and in periods of heightened volatility with substantial price fluctuations. It is in these markets that a strong broking franchise, with access to multiple deep liquidity pools, is able to generate strong value for its clients.

What does it mean for TP ICAP?

Recognising the advance of electronification, we are transforming to future proof our core broking proposition. Developing and deploying Fusion provides clients and brokers with an electronic platform that aggregates multiple liquidity pools across asset classes. We believe the role of brokers will continue to be critical for market participants. The Fixed Income market is unlikely to evolve into a fully-automated, electronified system, particularly with products that are more tailored and less liquid (eg an interest rate swap with an unusual maturity). We will therefore continue to serve clients by providing an electronic offering, complemented by the value that voice broking provides.

TREND 2: EVOLVING REGULATORY LANDSCAPE

With heightened market volatility, regulator expectations have continued to evolve with most regulatory bodies combining a conservative view with a more proactive approach.

In April 2022, the UK’s Financial Conduct Authority (‘FCA’) set out its three-year results focused strategy. This included a statement from its CEO that the FCA will use, “our enforcement and intervention powers more actively, pushing the boundaries where we need to.”³

In May 2022, the European Central Bank (‘ECB’) published initial findings of its desk-mapping study that reviewed risk management practices of trading desks. It found 21% required “targeted supervisory action.” Later in October, the European Commission proposed fundamental regulatory reform on bank branches operating in a third country (third country branches or TCBs)⁴.

In the USA, *The Trade* reports that the SEC will continue to propose new regulations on fixed income trading to address pre- and post-trade transparency and electronic platform rules.

What does it mean for TP ICAP?

TP ICAP has a global presence with offices in 28 countries, each supervised by a different regulator under a different jurisdiction. With regulatory oversight evolving as outlined above, TP ICAP continues to maintain strong relations with its regulators. Dedicated teams monitor and maintain the firm’s regulatory compliance. We have also continued to invest in this area by adding new hires dedicated to regulatory compliance, and by engaging with consultants to ensure standards are being met from an independent perspective.

TREND 3: DEMAND FOR MARKET DATA CONTINUES TO GROW

Demand for data and analytics has continued to grow. Burton Taylor estimates global spend in market data and analysis could grow up to 14% in 2022, after already increasing 7.4% in 2021⁵. This growth has been accelerated by greater adoption of Artificial Intelligence to process and analyse data more efficiently and effectively. In addition, increased acceptance of new technology to manage and store data 'in the cloud' has facilitated more agile working, is a cheaper, more flexible solution to data access, and mitigates some of the previous challenges with physical 'on-premises' technology. In addition, the rise of ESG (Burton Taylor estimates ESG indices grew c.80% in 2021⁵) has driven a spike in the demand for ESG-related data.

All these trends illustrate an expanded use case of market data and ultimately, the value of having access to the underlying data. A study by PwC suggested "organisations have rightly started to fear big data players"⁶ given the high concentration in valuable data ownership. As a result, owners and producers of proprietary data are in a prime position as they control how their data is distributed and utilised thereafter.

What does it mean for TP ICAP?

TP ICAP's data and analytics division Parameta Solutions is the world's leading provider of scarce, neutral, over-the-counter pricing data. The division has continued to deliver strong, consistent financial performance by offering a comprehensive suite of data products and services, derived predominantly from TP ICAP's broking divisions, and by adapting to client needs as they change. For example, Parameta Solutions developed an inflation benchmark product in response to the high inflationary environment around the globe.

As our electronic platform, Fusion, is rolled out to more broking desks with greater adoption of electronic trading, Parameta Solutions will have access to additional, more enriched data points. As the owner of the underlying proprietary data via TP ICAP's broking divisions, Parameta Solutions has been able to successfully leverage its position and differentiate itself from competitors, evident by its continued strong financial performance.

TREND 4: GREATER FOCUS ON CLIMATE CHANGE

From 1 January 2022, UK-listed companies, banks and insurers are required to report on climate change-related matters, including statements and policies consistent with the Task Force on Climate-related Financial Disclosures ('TCFD'). Further to this, the Financial Reporting Council ('FRC'), on behalf of the FCA, provided guidance in July 2022 on how companies should approach assessing and reporting climate-related risks and opportunities from a governance, strategy, risk management, and metrics and targets perspective.

Similar measures are being implemented in Europe with the European Commission requiring similar 'Level 2' Sustainable Finance Disclosures Regulation ('SFDR') reporting from January 2023 for banks, asset managers, insurers and investment firms, with the standard to apply to a broader group of companies in the following years. ESG-related disclosure obligations for the US and the rest of the world (including Asia) are likely to follow in due course, although nothing to date has been formally announced by regulators in these regions.

What does it mean for TP ICAP?

As a UK-listed company, TP ICAP must comply with climate-related reporting requirements set by the FCA. We have duly set out our TCFD report in the Sustainability chapter on page 50.

In 2023, we will continue to improve our approach to embedding the TCFD framework. We have a detailed work plan in place that will be executed throughout the year.

Outside of our reporting obligations, we also recognise the emergence of new opportunities that climate change brings. Specifically, we can play a key role in providing the market infrastructure, liquidity and data solutions necessary to help clients advance their transition journeys.

Our renewable energies broking desks in Energy & Commodities, and the dedicated environmental offering from Parameta Solutions, are just two examples of solutions we have developed in this space. As markets continue to evolve and new products emerge, we will ensure we remain well positioned to meet our clients' needs.

TREND 5: CENTRAL BANKS TIGHTENED MONETARY POLICIES GIVEN THE HIGH INFLATIONARY ENVIRONMENT

Financial markets have experienced a prolonged period of abundant liquidity. This was a consequence of central banks around the world implementing stimulus measures since the Global Financial Crisis, and more recently to mitigate shocks caused by the COVID-19 pandemic.

However, as the world emerges from the pandemic, things have changed. Many economies are facing high inflation induced by disruptions in global supply chains and geopolitical tensions. To restrict inflation within a reasonable threshold and preserve price stability, central banks have been prompt to tighten monetary policies. Amongst others, the Federal Reserve, European Central Bank and Bank of England have all markedly increased interest rates.

The era of quantitative easing and 'easy money' seems to have ended.

What does it mean for TP ICAP?

A market with higher interest rates, a healthy degree of volatility and market participants holding differing views helps to create a more shapely yield curve than previously observed. This positions TP ICAP well for greater trading volume across our interest rate derivative desks. In addition, as the world's largest inter-dealer broker, with one of the largest aggregated high-quality liquidity pools, TP ICAP is well placed to facilitate more activity as central banks seek to withdraw liquidity from the financial markets.

The current inflationary environment causes upward cost pressure for any business. At TP ICAP, our cost base benefits from the multi-year nature of certain non-staff costs. We will also continue our efforts to manage our cost and capital closely and efficiently, including, but not limited to, an ongoing optimisation of our real estate footprint.

- 1 The Trade.
- 2 International Monetary Fund.
- 3 Financial Conduct Authority.
- 4 ECB Banking Supervision.
- 5 Burton Taylor's Market Data Boon Nov 2022 Report.
- 6 PwC.

OUR STRATEGY

Our vision is to be the world's most trusted, and innovative, liquidity and data solutions specialist. To achieve this, we are focused on the delivery of three strategic priorities: transforming our business, diversification, and dynamic capital management.

Case study

Transforming our business

Fusion is TP ICAP's award-winning electronic platform. It is a key initiative through which we are transforming our business and future proofing our core broking proposition.

Fusion

Fusion gives clients access to the aggregated liquidity of TP ICAP's global brands. This deep, high quality, liquidity pool enables clients to discover prices effectively and be confident in their capability to transact. Greater liquidity also drives trade volumes and can minimise pricing and spread risk, which in turn generates better value for clients.

A key feature of the platform is the seamless user experience of a single sign on that connects the client to multiple products, across multiple asset classes. The platform offers a consistent look and feel, that still allows for a customisable front-end screen.

Our brokers sit at the heart of Fusion, drawing on its range of capabilities to construct the most relevant liquidity solutions to best service clients' needs.

By developing a proprietary electronic platform that enhances and complements our traditional voice broking franchise, we are diversifying our revenue profile by offering clients alternative hybrid and low-touch service offerings. Revenues generated through Fusion are also more sustainable as client adoption grows and clients and brokers become more familiar with the Fusion technology and its value.

Trades executed on Fusion also generate a richer data source for our data and analytics division, Parameta Solutions, enabling them to develop new, innovative data solutions.

Focus on Fusion FX

Fusion FX is the platform that gives clients access, via a single sign on, to the aggregated global liquidity of the entire range of TP ICAP's FX products.

Fusion FX provides clients the optionality to automate their workflow by connecting directly via API, or use the Fusion FX screen with its 'drag and drop' functionality. With the Fusion FX screen, clients can view and execute trades in multiple venues operated by TP ICAP across Americas, Asia Pacific and EMEA regions.

FX Options were launched on Fusion FX in 2020. In 2022, c.40% of TP ICAP's revenue in FX Options was generated through Fusion FX. With encouraging initial client engagement, TP ICAP is ready to launch two venues for Asian one-month Non-Deliverable Forwards ('NDF'). Looking ahead, we plan to also launch Crypto NDF and other FX products onto Fusion as we continue to execute our strategic roadmap to transform our business.



OTC trading platform
of the year
TP ICAP

CONNECTED CONTENT

Strategic execution

A progress update on the delivery of our three strategic priorities can be found in the CEO review.

[Page 12](#)

KEY PERFORMANCE INDICATORS

Our KPIs are Alternative Performance Measures as defined by European Securities and Markets Authority ('ESMA'). We provide these to offer additional insights into the Group's financial results.

Revenue growth

Reported (%)

2022	13%
2021	4%
2020	-2%
2019	4%

KPI definition

Revenue growth is defined as the annual growth of total reported revenues. Group revenues are shown on page 18.

Comment

Our core revenue growth is driven by transactional volumes that reflect wider market conditions. The Group delivered a strong financial performance through an uneven macroeconomic environment, and against a backdrop of increased market volatility and secondary trading volumes. Group revenues increased +13% year-on-year on a reported basis (+7% on a constant currency basis), reflecting the first full year performance of acquired Liquidnet platform.

Adjusted operating profit (EBIT) margin

Reported (%)

2022	13.0%
2021	12.5%
2020	15.2%
2019	15.2%

KPI definition

Adjusted operating profit margin is calculated by dividing adjusted operating profit by revenue for the period. A reconciliation of adjusted operating profit to statutory operating profit is shown on page 167.

Comment

Adjusted operating profit margin is a measure of business profitability and is principally driven by revenue, broker and support staff compensation and other administrative expenses. The adjusted operating profit margin for 2022 increased by 0.5% relative to 2021.

Contribution

Reported (£m)

2022	763
2021	702
2020	680
2019	694

KPI definition

Contribution is calculated as revenue less broker compensation and other front office costs. It also includes the revenue of Parameta Solutions less direct costs. See contribution section on page 26.

Comment

Contribution is another measure of business profitability, captured at the divisional level. It provides an indication of business division financials before management support costs. Including Liquidnet, Group contribution improved by 8% increasing from £703m in 2021 to £763m in 2022.

Adjusted earnings per share (EPS)

Reported (p)

2022	24.9
2021	19.5
2020	29.3
2019	30.2

KPI definition

Adjusted earnings per share is calculated by dividing the adjusted profit after tax by the basic weighted average number of shares in issue. See adjusted EPS section on page 219.

Comment

Over the long term, growth in shareholder value and returns are linked to growth in adjusted EPS, which measures the adjusted profitability of the Group after tax and interest costs.

Our Purpose

To provide clients with access to global financial and commodities markets, improving price discovery, liquidity and distribution of data, through responsible and innovative solutions.

What we do

Through our people and technology, we connect clients to superior liquidity and data solutions.

Our strengths – how we drive value creation:

- Deep liquidity pools
- Provider of scarce market data
- Global network
- Full range of broking protocols
- Broker-led market insight
- Award-winning technology
- Trusted client relationships
- Strong conduct and client-first culture
- Premium brands

Buyers of financial products

OUR BUSINESS MODEL GENERATES VALUE IN TWO WAYS:

01

We generate commission revenue by providing broking and agency execution services

£1,938m

(92% of Group revenue)

We carry out our broking activities according to three main models:

Name Passing/ Name Give-Up

£1,302m

(approximately 67% of broking and agency execution revenue)

Where the Group identifies and introduces buyers and sellers who then complete the transaction between themselves at mutually acceptable terms.

02

We generate subscription-based revenue by constructing and selling data-led solutions

£177m

(8% of Group revenue)

Matched Principal

£400m

(approximately 21% of broking and agency execution revenue)

Where the Group is the counterparty to both the buyer and seller of a matching trade (we hedge every client trade with an equal transaction), and maintain client anonymity.

Executing Broker

£236m

(approximately 12% of broking and agency execution revenue)

Where the Group executes transactions on certain regulated exchanges in respect of client buy or sell orders, and then 'gives-up' the trade to the relevant client.

Sellers of financial products

We create value for...

Clients

Superior liquidity and data solutions.

Shareholders

Sustainable returns and value creation.

Employees

Nurturing and retaining talent.

Regulators

Strong governance and oversight.

Suppliers

Sustained partnerships.

Community

Making a positive impact through colleague fundraising and volunteering.

Environment

Reducing our carbon emissions and supporting our clients on their transition journeys to a low-carbon economy.

Stakeholder engagement

The Board is committed to actively engaging with its stakeholders to ensure their interests are considered in Board discussions and decisions, promoting the success of the Company for the benefit of its members as a whole.

Details of how the Board has engaged with its key stakeholders and considered their interests in Board discussions and decision-making, can be found on this page.

Our stakeholders

The Nominations & Governance Committee reviewed and considered TP ICAP's stakeholders during the year and determined that the Company's key stakeholder groups remain: employees, shareholders, clients, regulators and suppliers. The Board tailors its engagement approach for each key stakeholder group to foster effective and mutually beneficial relationships and maintain a reputation for high standards of business conduct. Further details on these and the main methods we use to engage with them are set out on pages 42 to 49.

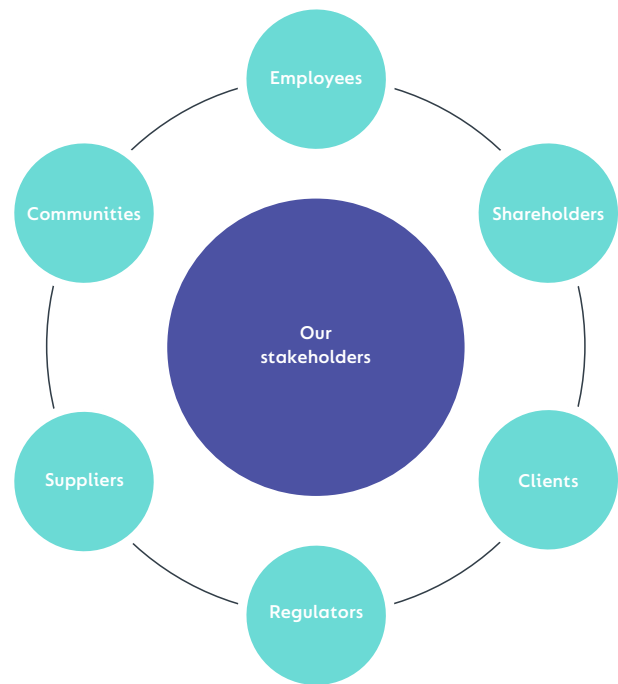
In addition, community and climate-related matters are considered key areas of importance by the Board. Tracy Clarke, the ESG Engagement Non-executive Director, helps ensure that the Board is having the right conversations and considers the environmental and societal impact of its decisions alongside other key stakeholders. You can read more on this and our wider approach to sustainability in the Sustainability chapter on page 50.

Consequences of decisions in the long term

The Board recognises the importance of considering the likely consequences of its decisions in the long term, and has demonstrated this as part of its deliberation of the Group's strategy and business model as set out on pages 38 to 39. The Board held regular strategic sessions during 2022, including a full day session in May, to consider the long-term strategic direction of the Group. As a part of these strategic discussions, the Board considered the market and industry trends and the potential impacts on stakeholders. The Board's key strategic priorities and areas are summarised on pages 89 and 96 and detailed throughout this stakeholder engagement section.

Impact on our communities

The Board recognises the Group's responsibility to be a good corporate citizen, which contributes positively to the communities in which we operate and the wider environment. We have multiple initiatives in place to support these aims. You can read more on our communities in the Sustainability chapter on page 50.



Section 172(1) statement (including principal decisions and engagement with stakeholders)

TP ICAP Group plc is a Jersey registered company and therefore its Directors are not subject to UK Companies Act 2006 requirements. This includes section 172(1) and sections 414CA and 414CB of the UK Companies Act 2006. On this basis we have not included a Non-Financial Information Statement in this Annual Report and Accounts.

Nevertheless, the Board of Directors confirms that during the year ended 31 December 2022 it has acted in a way that it believes promotes the long-term success of the Company for the benefit of its members as a whole, recognising that a broad range of stakeholders are material to the long-term success of the business, whilst having due regard to the matters set out in section 172(1) of the UK Companies Act 2006.

Details of how this has been achieved and the ways in which the Board has engaged with our identified stakeholders, the outcomes of this engagement and the consideration of stakeholder interests in strategic decisions promoting the long-term sustainable success of the Company are set out on pages 42 to 49 and integrated throughout the Governance report. A similar statement will be reported in the statutory accounts for each of our active UK subsidiaries subject to UK Companies Act 2006 requirements for the year ended 31 December 2022.

Fostering business relationships

Clients are fundamental to our business and represent our most significant business relationships. The Executive Directors and management undertake frequent client engagement. This feedback is considered as part of the Group's strategy setting and long-term decision-making. The Board also works to foster strong business relationships with the businesses and our suppliers, who provide business critical infrastructure services and certain outsourced operations across a wide spectrum of sectors including IT, telecommunications, market data and clearing and settlements. The Group's impact on its supply chain is considered by the Board as part of its annual approval of the Modern Slavery and Human Trafficking Statement.

The interests of employees

The Board recognises that our people are critical to the success of the business. Engagement with employees is vital to nurturing the Group's culture and in helping us understand employees' needs, which in turn ensures that we retain and develop the best talent across the organisation. We rely on our employees at all levels to ensure the Company's culture, based on its core values of Accountability, Adaptability and Authenticity, is well embedded in the business and aligned to the Company's purpose and strategy.

High standards of business conduct

Given our purpose is to provide clients with access to global financial and commodities markets, improving price discovery, liquidity, and distribution of data, through responsible and innovative solutions, it is vital that our workforce acts with a high degree of integrity. The Board is responsible for determining the Company's values and leading by example to instil a positive culture throughout the Group, which reflects a reputation of adhering to high standards of conduct. The Board receives updates regarding corporate culture at each Board meeting as part of the CEO Report. In addition, focused updates on conduct are regularly presented to the Risk Committee. In connection with the work undertaken to redefine the Group's corporate values, cultural acceleration initiatives were an area of high focus during 2022 for the Board and its Committees. During the year the Board and Nominations & Governance Committee received updates on employee engagement, the output of the 2021 Global Employee Engagement survey and 2022 Pulse Global Employee Engagement survey, and feedback following engagement with the designated Workforce Engagement Directors.

Need to act fairly between shareholders

The support of our shareholders underpins the Group achieving long-term success and attaining our goals and objectives. We are therefore committed to proactive engagement with our shareholders. The Board is mindful that it is important to act fairly between shareholders and consider a variety of needs, and that shareholders are increasingly interested in the mechanics of decision-making not just the decision itself. TP ICAP is therefore committed to providing shareholders with reliable, timely and transparent information.

How the Board fulfils its section 172(1) duties

Our culture, values and strategy

The Board ensures that our employees live the values and creates a culture that reflects these, through a shared mindset to focus all employees' efforts to achieve our purpose and be open and inclusive to the fullest diversity of opinion and experience.

Diverse set of skills, knowledge and experience

The Directors collectively have a diverse set of skills, knowledge, and experience, as shown on page 89, which assists the Board in making decisions. This contributes to their ability to make well informed decisions which promote the long-term sustainable success of the Company. As part of a Director's induction, they receive a detailed briefing on their duties as a Director.

Board information

The Board receives detailed papers and updates from management. To support the Board's endeavours to better engage with and consider the interests of our stakeholders, Board paper templates invite appropriate focus on the likely long-term impact of a decision and how stakeholders have been considered in the development of the proposal, including any relevant engagement.

Board discussion and decision

The Board provides thorough evaluation, challenge and risk consideration through its discussion to ensure a decision promotes long-term sustainable success. The Board uses the stakeholder engagement mechanisms summarised on pages 42 to 49 to inform their decision-making process. Key Board decisions during 2022 included matters relating to the Directors' Remuneration Policy, the audit tender process, climate-related matters, and the Group's immediate and longer term strategies and response to the global macro uncertainty.

Monitoring

The Board receives regular updates on key decisions, and the actions taken in respect of them, through regular reports submitted by management to each Board meeting and verbal updates as necessary. The Board monitors the effectiveness of its engagement mechanisms as part of the Board evaluation process.

Our stakeholder groups	How we engage to create value
<p>Employees</p> <p>While the Company is required to put in place a mechanism for engaging with UK employees, given the geographic spread of the business, the Board decided in 2018 to include employees across all our regions in our Workforce Engagement Programme.</p> <p>Input to TP ICAP: Talent, skills, values and output.</p> <p>Value we create: Inclusive, positive, fulfilling and high-performing workplace, where employees feel valued and respected.</p>	<ul style="list-style-type: none"> > The Board started the year with a clearer understanding of the longer-term impacts resulting from the COVID-19 pandemic and continued to reflect on the ways we engage and communicate with our employees, utilising technology to enhance engagement as appropriate. > We engage with our employees and gather feedback through our Workforce Engagement Programme, town halls, employee surveys, appraisals, and exit surveys, Group-wide emails, and the TP ICAP Accord initiative with five employee networks across the Group: the Multicultural, LGBTQ+, Sports & Wellbeing, Veterans and Women's Networks. > During 2022, we enhanced how we engage with employees on the financial performance of the Company, introducing video interviews with the CEO and better utilising all-employee town halls and emails following the release of the Company's full-year and half-year results. > Three members of the Board, Mark Hemsley, Michael Heaney and Edmund Ng, are appointed as Workforce Engagement Directors for the EMEA, Americas and Asia Pacific Regions respectively. They work with management to gain insight into employee's views, including through the Workforce Engagement Programme. Their responsibilities include championing the employee voice in the boardroom, providing insight into region-specific issues for employees, and strengthening the link between the Board and employees. > Direct engagement with employees during the year included meeting colleagues from the business through office visits and as a part of Board presentations. > The Board regularly received people updates as part of the CEO and Group Head of Human Resources updates to the Board and Nominations & Governance Committee. > We are focused on developing our employees and offering everyone access to learning opportunities. Throughout 2022, we continued to run virtual training events globally covering a wide range of business skills, hosted by expert training partners. Moving to virtual delivery has broadened the reach and connected colleagues to initiatives with which they may not normally interact. > By delivering policies based on employee feedback, TP ICAP offers an attractive working environment for its employees. This helps TP ICAP remain competitive in attracting and retaining talent. > We operate share plans offering eligible employees the opportunity to become shareholders, either by taking part in tax efficient saving schemes (country dependent) or as part of our remuneration strategy to increase share ownership and wider interest in the Group and its performance as a part of our broader initiatives. > Further details on how we continually work to attract, develop and retain a talented, engaged group of colleagues and develop an inclusive and positive culture with meaningful opportunities for our employees to flourish can be found in our Sustainability chapter on page 50.

Board and management engagement highlights in 2022, including key Board decisions

- > We continued to work hard in 2022 to boost employee engagement, ensure employees feel heard and that their feedback creates action in the Group.
- > Managers engaged in focus group activities to understand more deeply the feedback given by employees as part of the employee survey. Based on the information collected, the Board and management addressed the key topics and issues raised on a department and divisional basis.
- > Employee feedback and the subsequent actions from the 2022 Global Employee Engagement survey was reviewed by the Nominations & Governance Committee and the action plans noted. The Workforce Engagement Directors then followed up later in the year to check on progress and report back to the committee, as a part of monitoring the implementation and progress of the agreed initiatives.
- > The Board initiated a review of the Group's existing corporate purpose, resulting in a set of new purpose, vision and mission statements being approved and communicated. You can read more about this on the inside front cover and page 54.
- > We launched the Group's new 'Triple A' corporate values of Accountability, Adaptability and Authenticity. These values are integral to the long-term success of the business and the Directors are committed to promoting a culture which embodies the highest possible standards. Cultural acceleration initiatives were a key focus for the Board and Group Management Committee ('GMC') in their considerations and decision-making as the Group redefined its values.
- > We revamped our internal communication strategy, incorporating employee feedback, upgrading our channels including our intranet, strengthening the quality of content and improving employees' user experience of our communications.
- > During the year our senior management held 17 town halls across the Group and regions, of which seven were attended by the CEO and one was an all-colleague town hall via videoconference. In addition, several of our business CEOs hold regular town halls with their divisions.
- > The Workforce Engagement Directors met with colleagues in their respective regions six times. Feedback and insights from the Workforce Engagement Programme and other engagement mechanisms were regularly discussed in Board and Board Committee meetings and considered as a part of broader decision-making.
- > The easing of COVID-19 related restrictions enabled the CEO and Board Chair to recommence site visits, visiting our offices across the world including New York, Singapore, Madrid and Paris.
- > The TP ICAP Accord networks stepped up activities once in person events became viable and cumulatively held over 45 events, with Non-executive Director attendance at a minimum of two events per region, raising awareness of the networks and providing direct engagement and educational opportunities.
- > Additionally, in July Kath Cates and Tracy Clarke led a 'Talk with our NEDs' event open to the Group's Women's Network, including London, Belfast, Paris and the Americas, attended by over 50 employees.
- > We reviewed our benefits offering to employees across the Group, taking into account employee feedback, to provide a consistent offering and introduced our Board approved electric car scheme in March for UK employees.
- > We increased our focus on early careers to attract the next generation into TP ICAP and ran a successful intern programme globally in the summer of 2022. In our Belfast office the Early Careers Programme continued to give a focused programme to support the first five years of an employee's career, creating opportunities for progression, promotion and pay awards.
- > Other matters considered by the Board and its Committees in their decision-making included progress on conduct and culture initiatives, progress against diversity and inclusion targets, and other employee compensation considerations.

Priorities for 2023

- > We will be focusing on the key priorities of making TP ICAP a place where all employees can build careers, belong and succeed, and to make TP ICAP a place where people are engaged and would recommend as a place to work.
 - > Regarding engagement we will be focusing on four main areas: continuing to improve communication; reviewing and improving systems and processes that touch our employees; working on how we collaborate; and working with employees on developing career paths.
 - > This will include introducing a more formalised career framework and expanding our learning opportunities for employees by introducing an in-house leadership and management training programme.
 - > The Board will continue to monitor the effectiveness of the Workforce Engagement Programme, and other informal and structured employee engagement across the Group, to review our progress, improve oversight and ensure employees' views are integrated into the work of the Board and the strategy of the business, while supporting our employees' wellbeing.
-

Our stakeholder groups	How we engage to create value
<p>Shareholders Details of our substantial shareholders can be found on page 138.</p> <p>Input to TP ICAP: Provision of strategic direction and stewardship.</p> <p>Value we create: Sustainable return on investment.</p>	<ul style="list-style-type: none"> > We engage with our shareholders through our regulatory reporting including the Annual Report and Accounts, our full-year results, half-year results, trading updates and our Annual General Meeting ('AGM'). > We also ensure that shareholders are kept updated through results presentations, engagement meetings, road shows, conferences, telephone and video calls, electronic communications (including the website), as well as written correspondence where necessary. > When possible, we also participate in benchmarks and disclosure initiatives. > The Board recognises that the AGM is the primary form of formal interaction with its shareholders. All shareholders are invited to attend the AGM, typically held in May each year. All the Directors normally attend and are available to answer any questions from shareholders. > The Chief Executive Officer, Chief Financial Officer and Board Chair hold frequent meetings with investors. Additionally, all Non-executive Directors are available to meet shareholders, if requested, and the Board is regularly updated on shareholder feedback. > The Board regularly receives feedback on investor meetings and reporting of investor and financial market sentiment, along with copies of analysts' and brokers' briefings, to ensure that matters of importance are communicated to investors. > The Annual Report and interim results, together with information on the Group's activities, trading performance, products and recent developments are available on the Company's website www.tpicap.com.

Board and management engagement highlights in 2022, including key Board decisions

- > The Directors' Remuneration Policy proposal continued to be a main consultation focus with shareholders in H1 2022, following the extensive shareholder engagement process commenced in 2021.
- > All proposals recommended by the Board for approval at the 2022 AGM, including a new Directors' Remuneration Policy, were approved with 80% or more of votes cast for each proposal.
- > During 2022 the Audit Committee Chair led a consultation with shareholders discussing TP ICAP's competitive external audit tender process launched in April 2022, to ensure that shareholders were given the opportunity to provide feedback on our proposals. The proposed new external auditor recommended by the Audit Committee and Board was announced on 28 July 2022 and will be presented to our shareholders for approval at the 2024 AGM. Further details on the process completed and the factors considered by the Audit Committee and Board in their decision-making can be found in the case study on page 95.
- > The Board has also accelerated its focus on ESG matters and TP ICAP's sustainability (including climate change) strategy, taking into account several communications from investors on the topic in determining the Group's action plan.
- > The Board Chair and CEO collectively met with shareholders representing at least 67% of the Company's issued share capital during the year, including four of the Company's substantial shareholders as reported on page 138.
- > We also engaged with institutional investors in several other ways, including presentations of Fusion and Liquidnet (including platform demos) and virtual group conference calls to accommodate overseas investors and discuss matters of concern to investors.
- > During 2022 we provided shareholders with the opportunity to generate attractive returns on their investment, through capital and share price gains. Additionally the Board approved a 2022 interim dividend of 4.5p per share and a final dividend for 2021 of 5.5p per share.

Priorities for 2023

- > We will continue to engage with our shareholders regularly, utilising technology as appropriate to maximise the engagement. The Board considers that engagement with, and participation from, our shareholders is of key importance to the success of the business and in achieving our aim of creating long-term and sustainable shareholder value.
- > Our primary performance focus is to seek to manage our business responsibly to remain well placed to deliver long-term value creation for our shareholders.

Our stakeholder groups	How we engage to create value
<p>Clients Our clients include banks, hedge funds, asset managers, corporates, trading houses and market makers. We serve these clients through our stable of market-leading brands. We cover every major asset class and offer a range of trade protocols, from voice, to hybrid, to pure electronic.</p> <p>Input to TP ICAP: Client priorities and expectations.</p> <p>Value we create: Reliable and inclusive provision of market-leading products and services.</p>	<ul style="list-style-type: none"> > Our relationships and engagement with our clients are fundamental to the success of the business. Regular and effective dialogue with our clients enables the Board to understand their needs and how satisfied they are with us as a supplier and business partner. > The Board is updated regularly on client engagement by the Chief Executive Officer as part of his Board presentation, and through cyclical presentations from the businesses, functions and regions. > During the year, the Chief Executive Officer attended meetings with major clients engaging on the most important drivers of our clients' businesses and provided feedback to the Board on these meetings. Regular discussions with our largest clients ensure we stay aligned with their evolving priorities and needs. > The Client Relationship Management ('CRM') team provide holistic coverage of the Group's most important clients, both at strategic and tactical levels, to broaden and institutionalise relationships and identify opportunities for TP ICAP to serve our clients more comprehensively. Client reports and accounts receivable analyses are periodically included in the Board agenda. > The Group also takes a proactive approach when communicating with our clients on important matters such as our Continental Europe transition plans, key business change and market structure updates. > We keep our website updated with relevant information and support our clients' sustainability aims through our own programme of activities. > Our continuous engagement with clients ensures we keep providing market-leading products and services, evolving the Group's businesses and strategy according to market demands.
<p>Regulators Our products and services are regulated by various global regulators including the AMF, CFTC, CME, DNB, ESMA, FCA, HKMA, JFSC (the Group's lead regulator), MAS and NFA.</p> <p>Input to TP ICAP: Regulatory frameworks.</p> <p>Value we create: Delivery of regulatory aims.</p>	<ul style="list-style-type: none"> > We are committed to compliance with our regulatory obligations and maintaining open and collaborative communication with our regulators to ensure we implement best practices. > The Board is kept apprised of discussions with the JFSC and other regulators in jurisdictions in which we operate through Board presentations and regular legal and compliance updates presented by the Group General Counsel at Board meetings and Global Head of Compliance at Risk Committee meetings. > Throughout the year the Board was briefed on the views being expressed by regulators on how the markets would operate post-Brexit and TP ICAP's plans in this regard. > We also engage with regulators and other key government agencies, including the FCA and AMF, through sector consultation and round table exercises to better understand their priorities and needs and to ensure we embody good governance and oversight across the Group. > The Board and its Committees are kept informed of upcoming relevant regulatory changes through updates presented by the Group General Counsel and Group Company Secretary. > In addition to engagement with regulators, we share our experience and expertise through engagement with various trade bodies to help raise standards and approaches across the sector and respond to relevant government consultations.

Board and management engagement highlights in 2022, including key Board decisions

- > Over 200 senior and strategic client meetings took place during 2022, with as many as possible happening in-person. We are continuing this momentum for 2023 with client's senior key decision makers.
- > The Board's considerations of the output from client engagement and dialogue throughout the year has helped the Board to stay informed about clients' concerns, understand significant changes in their businesses, predict future trends and re-align the Group's longer-term strategy accordingly. This has been valuable insight for the Board's broader decision-making process.
- > The launch of ClearConsensus in August 2022 by Parameta Solutions (in partnership with PeerNova) is an example of such client engagement leading to diversification and the development of a new offering to address some of the pressures faced by clients with regards to transparency and governance.
- > We have supported several of our largest clients in improving their surveillance processes, including providing trader access, controls, governance, and the status of legal documents. We anticipate that these requests will continue through 2023.
- > This year a particular focus was paid to accounts receivable and the development of Fusion Strategy across our Global Broking and Energy & Commodities divisions to drive electronification and aggregation.
- > Having an understanding of the impact of external economic factors on our clients was also a key consideration for the Board in their decision-making, which enabled the Board to readjust its immediate strategy and provide effective oversight of operational performance. This was particularly important as the Group monitored and responded to the continuing effects of COVID-19, the post-Brexit landscape, and the development of the Russia and Ukraine situation and the associated risks through 2022.
- > We introduced an initiative leveraging existing client relationships and a combined approach from our businesses and CRM, pricing and accounts receivable teams to provide improved senior level commercial engagement with our largest clients.
- > During 2022 TP ICAP continued to demonstrate that our offering to clients was market-leading across the Group. As detailed on the front cover fold out, industry recognition during the year included TP ICAP being awarded overall Global Inter-dealer Broker of the Year, along with success in 12 other categories spread across our client-facing brands Tullett Prebon, ICAP and Parameta Solutions.

-
- > The Board and its Committees regularly take the views of our lead regulators into consideration during deliberations on the Group's risk and internal control framework, culture and conduct initiatives, as well as in the future design of pay and compensation structures, including share plans.
 - > Feedback from regulators during the year was a key consideration in Board discussions and decision-making around the continuing response to the COVID-19 pandemic and how TP ICAP continues to provide a comprehensive suite of services and products to European clients post-Brexit.
 - > During the year the Remuneration Committee also considered the engagement with the FCA and revised governance arrangements in relation to the Group's ongoing compliance with the Investment Firms Prudential Regime, as it applies to MiFID investment firms capturing certain TP ICAP subsidiaries.
 - > The Group's regulatory priorities are regularly discussed at Board and Risk Committee meetings and considered as a part of broader decision-making.
 - > We continuously build on engagement within the Group on regulatory matters, for example through compulsory annual training on the Senior Managers and Certification Regime.

Priorities for 2023

-
- > We will strive to continue providing a market-leading offering to our clients, adapting to their evolving priorities.
 - > To be the provider of choice, delivering on our product, service and performance goals.
 - > We will continue to support our clients in achieving their sustainability aims and improving their processes, such as surveillance.

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- > To continue to meet our regulatory obligations across the Group.
 - > To strengthen our relationship and maintain open and active dialogue with our regulators and other key government agencies.

Our stakeholder groups	How we engage to create value
<p>Suppliers The Board acknowledges that our suppliers are critical to our business success.</p> <p>Input to TP ICAP: Quality goods and services.</p> <p>Value we create: Sustainable relationships, value creation, and partnership expertise.</p>	<ul style="list-style-type: none"> > We aim to create sustained partnerships with all our suppliers, in particular those which provide business critical infrastructure services for TP ICAP. > The Board considers that engagement with our key infrastructure suppliers is important for monitoring the Group's performance, managing risk and driving value. > To ensure oversight, the Board receives periodic updates from the Head of Procurement on the status of supplier engagement and, at times, on specific large value contract negotiations or renewals. > This includes a status update on supply chain, sustainability and ESG (including climate-related), expenditure information, issues and risks, and any strategic initiatives in progress. > The Board has considered the risk of modern slavery in our supply chain, annually reviewing and approving the Modern Slavery and Human Trafficking Statement. > The Board also periodically receives updates on UK Payment Practices reporting.
<p>Our communities (and other stakeholder interests) The Board is cognisant of the Group's responsibility to make a positive contribution to local communities and understand how ESG issues, including climate change, are relevant to the business. It is committed to striving to operate in a sustainable and responsible way, while delivering value for stakeholders.</p> <p>Input to TP ICAP: Distinctive social and environmental (including climate-related) perspectives.</p> <p>Value we create: Robust social contract through which value is shared.</p>	<ul style="list-style-type: none"> > We live in a world where not everyone has an equal chance to succeed in life. We want to help change this by harnessing the passion of our people and supporting stakeholders in local communities. > We seek to make a positive impact through colleague fundraising (such as ICAP Charity Day), employee volunteering, and Group-wide social mobility partnerships. > The Board actively encourages, supports and monitors progress on these initiatives that it believes will have a positive impact on local communities. > During 2022, the Board increased its focus on the Group's overarching sustainability strategy. > The Group has made commitments that contribute to moving towards an environmentally-sustainable future. The Board has deliberated on how to meet best practice among the FTSE 350 companies on sustainability issues. The Group sustainability strategy is outlined on page 51. > We believe that a strong ESG performance is a critical factor in helping us achieve sustainable growth. We are committed to operating responsibly and integrating ESG considerations into our day-to-day decision-making to mitigate risks and create shared value for all our partners including our employees, shareholders, clients, suppliers, and communities. > The Board holds oversight responsibility, drives progress and is regularly updated on sustainability and ESG (including climate-related) matters throughout the year. > As a part of the updates, the Board discusses and monitors progress made against the actions and targets set and challenges the Executive team accordingly.

Board and management engagement highlights in 2022, including key Board decisions

- > We have continued to engage with our suppliers, particularly in light of the ongoing global macro uncertainty, to help them identify risks and create a plan to ensure that they can meet our demand.
- > This engagement has assisted us and our suppliers in maintaining business as usual as much as possible during the COVID-19 pandemic and through the development of the Russia and Ukraine situation.
- > During the year the Board and its Committees received metrics on suppliers through presentations from the Head of Procurement and on sustainability and ESG reporting, which were considered as a part of the Board's broader decision-making.
- > In October 2022 the Risk Committee received a deep dive on supply chain risk and considered the impacts resulting from the COVID-19 pandemic and the Russia and Ukraine situation.
- > We adopted and communicated a revised Supplier Code of Conduct, including reference to our carbon neutral commitment for Scope 1 and 2 emissions, to better promote a sustainable business strategy and high standards of business conduct and engage our vendors on key ESG issues and disclosures, including their emissions reporting.
- > We have also continued to focus on consolidating and engaging with our supplier base to better monitor performance, manage risk, influence sustainability and ESG matters and drive value.

- > During the year, the Board received regular updates on initiatives relating to our local communities through the CEO report and broader Sustainability and ESG reporting. In addition, the Board, and its associated sub-committees, reviewed climate change-related issues three times in total and approved the Group's climate change framework.
- > We partnered with the National Numeracy charity for the fifth consecutive year, aiming to empower people from all backgrounds to build their numeracy skills and confidence. The initiative is championed by our Group General Counsel, and aims to increase awareness and engagement from the financial services industry.
- > Management championed and participated in the 30th ICAP Charity Day, which raised £4.4m.
- > Sustainability and ESG matters were discussed at the majority of scheduled Board and Audit Committee meetings during 2022. More detail on our approach can be found in our Sustainability chapter on page 50.
- > The Board and Remuneration Committee agreed that the Executive Directors' 2022 objectives would each include an ESG-related objective as an additional way to demonstrate the Group's commitment to ESG and alignment with our clients' responsible investing priorities. More detail can be found in the Directors' Remuneration report on pages 121 to 135.
- > Our reporting on the Task Force on Climate-related Financial Disclosures and greenhouse gas ('GHG') emissions can be found on pages 62 to 70 respectively.

Priorities for 2023

- > To continue to build and sustain long-lasting mutually beneficial relationships throughout our supply chain.
 - > To expand our engagement to pursue a better quality ESG-related reporting with the entirety of our supply chain.
-
- > Enhance our ESG reporting and performance management.
 - > Continue to support our clients on their transition journeys to a low-carbon economy.
 - > Continue to make a positive social impact on the communities in which we operate around the world.

OUR OVERALL APPROACH TO SUSTAINABILITY INTRODUCTION

TP ICAP's purpose is to provide clients with access to global financial and commodities markets, improving price discovery, liquidity, and distribution of data, through responsible and innovative solutions.

We deliver on our purpose through the products and services that we offer. As a world-leading provider of market infrastructure, liquidity, and over-the-counter ('OTC') market data, we play a central role in enabling the efficient functioning of capital markets, which are essential to economic stability and growth.

We seek to manage our business responsibly so that we remain well placed to deliver long-term value creation for our shareholders. This includes building a strong culture that reflects and promotes employee diversity and inclusion, fosters good conduct, and enhances risk management.

Our purpose, vision and mission statements connect to inform our Group strategy. In 2022, we reviewed and updated these statements to ensure that they remain relevant given that our business, our stakeholders, and the environment in which we operate have changed in recent years.

This chapter will cover: (a) our overall strategic approach to Environmental, Social, and Governance ('ESG') factors and delivery against this strategy, and (b) our detailed Task Force for Climate-related Financial Disclosures ('TCFD') reporting.

Our strategy

In July 2021, the Group Board approved the firm's overarching sustainability strategy. The work to inform this strategy included a high-level analysis of our business and the environment in which we operate to better understand the sustainability challenges and opportunities relevant to the Group. This included reviewing our ESG ratings and performance indicators, our commercial offering, and our communications. The outcome was a sustainability strategy that is formed of three priorities: 'ESG Reporting and Performance Management'; 'Supporting our clients'; and 'Community impact'.

OUR STRATEGIC PRIORITIES



1. ESG Reporting and Performance Management

Effective measurement, and reporting, of TP ICAP's ESG performance enables us to identify, assess, and actively manage the organisation's economic, environmental and social impacts that influence the assessments and decisions of our stakeholders.

Measurement helps to set informed targets for improvement and to track progress. Reporting helps to share progress with stakeholders and increase information availability and accessibility for informed decision-making.

Objectives:

Data and disclosure

Continually review and improve our ESG-related measurement capabilities. This is to ensure that they remain fit for purpose and enable the business to manage and communicate its ESG performance effectively.

Carbon neutrality of operational Scope 1 and 2 emissions

Meet our target to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

2. Supporting our clients

As the world turns from carbon-intensive practices to more sustainable alternatives, we believe the best way we can support this shift is through delivering on our purpose and accompanying our clients on their transition journeys.

Objectives:

Innovative solutions

Leverage TP ICAP's core strengths to develop and deliver the liquidity and data solutions necessary to equip market participants to advance their sustainability goals.

Responsible solutions

Advance sustainable and trusted liquidity and data solutions through implementing a strong governance framework and conduct culture.

3. Community impact

We are committed to making a positive economic and social impact on the communities in which we operate around the world. By communities, we refer to both our employees and people or causes external to our Company that are disadvantaged or in need.

Objectives

Making a positive impact

Continue to make a positive economic contribution through the provision of our services, and social impact through colleague fundraising, volunteering and corporate philanthropy.

Diversity and inclusion

Continually develop an environment that is inclusive and positive, where we create meaningful opportunities for our employees to flourish.

ENVIRONMENT

We recognise our responsibility to help protect the environment and support the transition towards a low-carbon economy. We seek to do so in two main ways:

1. Managing our emissions

Minimise the negative environmental impact of our operations, with a particular focus on reducing greenhouse gas emissions. Our target is to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

2. Accompanying our clients

Apply our unique capabilities and strengths – our capacity to connect clients to liquidity and data solutions – to help them advance their transition journeys and meet their sustainability objectives.

Managing our emissions

The Group's strategy focuses on:

- a) reducing the emissions of our own operations; and
- b) ensuring the resilience of our business against the backdrop of climate change.

Reducing our carbon emissions

In 2022, we reduced our total emissions for the Group globally, covering Scopes 1, 2 and 3, by 4% to 58,177 tonnes CO₂e.

We made progress towards achieving our objective of being carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026. Emissions in these categories decreased by 21% to 7,585 tonnes CO₂e. The primary reason for the reduction was a decrease in the number of office locations and data centres, principally because of our ongoing property rationalisation programme, including the Liquidnet integration. 2022 was a peak year for the property rationalisation programme; we do not anticipate maintaining the same pace of consolidation.

Please refer to the Metrics and Targets section of the TCFD statement on page 62 for the detail of our emissions reporting.

CDP Disclosure

For the first time in 2022, we completed the CDP Climate Change Questionnaire to secure authoritative external benchmarking. A CDP score provides a snapshot of a company's disclosure and environmental performance. In December, CDP assigned TP ICAP a 'C' score (www.cdp.net/en). As per the CDP scoring guidance: "A 'C' score indicates awareness-level engagement. The awareness score measures the comprehensiveness of a company's evaluation of how environmental issues intersect with its business, and how its operations affect people and ecosystems."

Accompanying our clients

TP ICAP – notably through our Energy & Commodities and Parameta Solutions divisions – is well placed to provide the market infrastructure, liquidity and data to help our clients advance their transition journeys.

Sustainable solutions

Emissions credits trading will play a key role during the energy transition. This is an area we are focused on growing. In 2022, our Energy & Commodities division brokered 1.8bn CO₂ metric tonne equivalents of emissions credits, and 77m metric tonnes of voluntary emissions credits, up 271% on 2021.

We are building an environmental hub and developing new products (see CEO Review page 16). In February 2022, Tullett Prebon announced the launch of its energy broking business in Brazil. More than 80% of this energy is renewable: Brazil has the second- largest hydropower capacity in the world. Tullett Prebon is the first international brokerage company to transact an energy deal in the Brazilian market using OTC broking. We also launched a client-facing Fusion screen covering Green Certificates in Norway. Client reaction is positive; trades have been completed through the platform.

Throughout the year, TP ICAP Solutions – our France-based team that designs and executes bespoke investment strategies – hosted several sustainability events at our Paris offices. These events connected investors, brokers, operators, and regulators to discuss the most prominent issues in sustainable finance. In Parameta Solutions, we developed our Green Bond Evaluated Pricing proposition, part of the division's overall Environmental Package.

Incorporating ESG factors in brokerage activities

In our 2021 Annual Report and Accounts, we made a commitment to incorporate mandatory ESG scoring into the evaluation, and approval process, for new business initiatives by the end of 2022. This has been completed and is operational.

To determine a score, we added a mandatory ESG questionnaire to the Change Management Framework ('CMF') process through which all new business initiatives are reviewed. The questions focus on emissions, gender representation, and type of asset class. They seek to identify risks and opportunities associated with any new business initiative. The outcome is an ESG score that forms part of the information for approval that the Change Subcommittee reviews.

Finally, we will also advance our plans to reduce energy consumption through our property rationalisation programme and more efficient energy usage. We will work with our vendors to develop our understanding of Scope 3 emissions.

SOCIAL

Our people

Attracting, developing, and retaining a talented, engaged group of colleagues is central to our success.

Our objective is to continually work to develop an inclusive and positive culture, where we create meaningful opportunities for our employees to flourish.

Employee engagement

It is the role of the Group CEO to lead the work to build a strong culture across the Group. This culture is informed by the Company's values and corporate purpose, both of which were reviewed and advanced in 2022 (see below).

In 2022, one of the Group CEO's objectives was to drive improvement in employee engagement. An employee opinion survey conducted in November 2022 generated a global participation rate of 76%, significantly up from the previous year. Employee engagement increased seven percentage points to 67% in 12 months. Colleagues indicated the biggest areas of improvement were internal communications, our commitment to building a strong conduct culture, and that the Company is listening more effectively. Areas for improvement included career development opportunities, recognition for good work, and more information on how employees can contribute to the execution of our strategy in their individual role.

Reviewing our corporate purpose

Recognising the importance that a compelling corporate purpose has in helping to drive long-term value, the Board initiated a review of the Group's existing corporate purpose, which had been in place for several years.

The review sought to answer the question 'Why does TP ICAP exist?'. The review process involved extensive desk-based research and gathering colleagues' input through a series of workshops held globally. In addition, engagement sessions were held with the Executive Directors, Non-executive Directors, and clients.

On commencing the review, it became clear that a firm's vision and mission are inextricably linked to its purpose. We therefore also reviewed TP ICAP's Vision and Mission statements to ensure consistency. The outcome of the review is a set of new purpose, vision and mission statements for the Group. These are referenced throughout this report (for example, in the Chair's Statement on page 10), reflecting their influence on every part of our Group and their importance to all our stakeholders.

The purpose, vision and mission statements are also particularly relevant to our colleagues (hence their inclusion in this section of the report.) The statements work together, alongside our new corporate values, to help colleagues focus on doing the right things, in the right way. Our purpose, vision and mission help to attract and retain the best talent and the best clients in the market, as they speak to who are and what is important to us.

Reviewing our corporate values

Our organisation, stakeholders, and the environment in which we operate, have evolved a great deal in recent years. Consequently, in 2022 we reviewed our corporate values to better align them with the business we are today and the business we want to build in the future.

The process to review our values included workshop sessions with the Global Management Committee and feedback sessions with colleagues. The outcome was a new set of corporate values. Entitled the 'Triple A Values', they are Accountability, Authenticity and Adaptability. Working together with our updated corporate purpose, vision and mission, the Triple A Values will form the bedrock of a high-performance culture that is aligned to the execution of our strategy.

Employee networks

Work was carried out during the year to expand the Group's employee networks. The Americas, APAC and EMEA have all established networks to best align with local needs. Together, they operate under the name TP ICAP Accord. Run by colleagues for colleagues, the networks connect and support employees on a variety of issues including gender, health and wellbeing, and multiculturalism. A notable achievement in 2022 was the work undertaken by our Veteran's Network in the UK. This led to TP ICAP receiving the Gold Award from the UK's Armed Forces Covenant Employer Recognition programme.

Diversity and inclusion

In our 2021 Annual Report, we set out three diversity and inclusion related targets:

1. By the end of 2025, increase the female representation of our non-broking employee base from 34% to 38%.
2. By the end of 2022, build better baseline data in five focus areas: female representation, race/ethnicity, multi-generational, LGBTQ+, and socio-economic.
3. By the end of 2022, build better data sets to measure the pace of advancement of diverse talent in the organisation.

Regarding diversity metrics, the brokerage industry as a whole faces significant headwinds as its profile is older, and more male-dominated. Compared to other financial institutions, which often have regular recruitment campaigns, there is limited employee turnover in front office brokerage teams. For this reason, we are primarily focused on addressing diversity in our non-broking workforce, where we have scope to make progress. Our initial focus is on improving gender diversity. Over time, we will broaden this scope to include other categories of diversity.

Against this backdrop, in 2022 female representation in non-breaking roles increased from 34% to 35%, reflecting new recruiting and retention efforts. They included working closely with our recruitment vendors to ensure a more diverse set of candidates, and launching a dedicated Women's Development Programme.

As signatories of the Women in Finance charter (www.womeninfinance.org.uk), we made a public commitment to increase the representation of women in senior leadership and management roles. We have already met our target to have women comprise 25% of our senior management roles by the end of 2025.

Turning to baseline data, the HR function has established new dashboard reports that provide insight on gender representation at the point of hire, promotion, and termination. HR is also tracking multi-generational data – see the table below. Work continues to build ethnicity, LGBTQ+, and socio-economic data sets. We are mindful of legal restrictions in certain jurisdictions, and the need to secure colleague permission to share personal data. The United States is the only relevant jurisdiction where we hold additional data solely related to ethnicity. We will continue to review our options about disclosing socio-economic and LGBTQ+ data for other jurisdictions. We will also continue to build trust and a culture where colleagues see the value in sharing their data with us, along with the systems necessary for them to do this efficiently.

Making progress against these targets forms part of the remit of the Head of Inclusion, Diversity and Engagement, a new Group-wide role. Claire Harvey MBE started in post in January 2023. A GB Paralympian, Claire brings a wealth of expertise and experience built at organisations that include Vodafone, KPMG, the FCA, and the Ministry of Justice in the UK.

Employee training hours

The average number of training hours per employee in 2022 was 4.8 compared with 4.59 in 2021.

Human rights and modern slavery

We continue to support the UN Guiding Principles for Human Rights. We are committed to taking steps to combat the risk of any form of modern slavery from occurring in our business or supply chain.



More online

The **Modern Slavery statement** can be found at:
<https://tpicap.com/tpicap/responsibility/our-commitments/modern-slavery-and-human-trafficking-statement>



Employee turnover

	Current reporting year 1 January 2022 – 31 December 2022			Comparison reporting year 1 January 2021 – 31 December 2021		
	Female	Male		Female	Male	
Turnover by gender ¹	318 (29%)	750 (68%)		228 (22%)	601 (59%)	
Turnover by age group ²	<30	30-50	50+	<30	30-50	50+
	286 (26%)	573 (52%)	207 (19%)	197 (19%)	439 (43%)	191 (19%)
Turnover by region	APAC	EMEA	Americas	APAC	EMEA	Americas
	269 (24%)	548 (49%)	293 (26%)	194 (19%)	485 (47%)	344 (34%)

Employee new hires

	Current reporting year 1 January 2022 – 31 December 2022			Comparison reporting year 1 January 2021 – 31 December 2021		
	Female	Male		Female	Male	
New hires by gender ³	329 (33%)	637 (64%)		297 (30%)	630 (64%)	
New hires by age group ⁴	<30	30-50	50+	<30	30-50	50+
	410 (41%)	450 (45%)	98 (10%)	321 (32%)	500 (51%)	98 (10%)
New hires by region	APAC	EMEA	Americas	APAC	EMEA	Americas
	247 (25%)	523 (53%)	225 (23%)	256 (26%)	498 (50%)	236 (24%)

Breakdown of employee contract type

	Current reporting year 1 January 2022 – 31 December 2022			Comparison reporting year 1 January 2021 – 31 December 2021		
	Female	Male		Female	Male	
Employee contract by gender						
Permanent	1,293 (25%)	3,954 (75%)		1,293 (24%)	4,088 (76%)	
Temporary ⁵	45 (7%)	102 (15%)		47 (6%)	87 (12%)	
Employment type by gender	Female	Male		Female	Male	
Full-time	1,242 (24%)	3,921 (76%)		1,245 (23%)	4,060 (76%)	
Part-time ⁶	51 (61%)	33 (39%)		48 (62%)	28 (36%)	
Employee contract by region	APAC	EMEA	Americas	APAC	EMEA	Americas
Permanent	1,122 (21%)	2,533 (48%)	1,607 (31%)	1,163 (22%)	2,563 (47%)	1,677 (31%)
Temporary	52 (8%)	484 (71%)	145 (21%)	29 (4%)	515 (70%)	187 (26%)

Employee diversity and inclusion

Percentage of gender representation by category⁷

Category	Current reporting year 1 January 2022 – 31 December 2022		Comparison reporting year 1 January 2021 – 31 December 2021	
	Female	Male	Female	Male
Executive Management	20%	80%	20%	80%
Non-executive Management	25%	75%	27%	73%
Professionals	21%	78%	21%	79%
All other employees	25%	74%	25%	75%

US-only percentage racial/ethnic group

Current reporting year 1 January 2022 – 31 December 2022

Category	Asian	Black or African American	Hispanic or Latino	White	Other
Executive Management	33%	0%	0%	67%	0%
Non-executive Management	11%	0%	3%	86%	0%
Professionals	11%	4%	4%	78%	3%
All other employees	11%	3%	8%	71%	6%

Comparison reporting year 1 January 2021 – 31 December 2021

Category	Asian	Black or African American	Hispanic or Latino	White	Other
Executive Management	50%	0%	0%	50%	0%
Non-executive Management	7%	0%	7%	86%	0%
Professionals	8%	3%	4%	82%	4%
All other employees	11%	4%	8%	72%	6%

Our external communities

Economic impact

TP ICAP operates in 28 countries from more than 60 offices. The Group generated £2.1bn revenue in 2022 and paid £542m to tax authorities (2021: £523m). This comprised corporation tax, premises taxes, employer's social security payments, income taxes and social security paid on behalf of employees in the UK and the US (the main jurisdictions in which it operates), and VAT/sales taxes borne and collected. The Group also makes tax payments to the tax authorities in other tax jurisdictions in which it operates.

Reflecting that people are our chief resource, we paid £1.3bn in compensation and benefits. General and administrative expenses paid to our supply chain amounted to £491m. Combined, the direct and indirect economic impact generated by TP ICAP is significant. We also play a critical role in helping the global capital markets function effectively. This enables our clients to serve their retail and corporate customers effectively, whether that is to help start or build a business, buy a property, or invest in a pension.

Social impact

Through ICAP Charity Day (see pages 58-59), employee volunteer initiatives and Group-wide social mobility partnerships, we work to make a positive social impact.

Championing social mobility with National Numeracy

Numeracy is one of life's crucial building blocks and an important driver of social mobility. Since 2018, we have had a significant partnership with the UK charity National Numeracy, which focuses on building the nation's number confidence and skills. We have funded the development of tools and resources to help people check and develop their numeracy skills, creating adaptive online learning environments that build confidence as well as skills.

In 2022, we supported the fifth annual National Numeracy Day and second annual Number Confidence Week, of which TP ICAP is a founding partner:

Number Confidence Week

Since it began in 2020, Number Confidence Week has inspired 152,577 actions to improve confidence with numbers. In 2022, the campaign inspired 89,975 actions, more than four times as many as in 2020.

National Numeracy Day

In 2022, National Numeracy Day inspired nearly half a million actions towards improving numeracy – more than five times as many as 2021. The Big Number Natter sparked a nationwide conversation about numbers and the media campaign reached millions. The number of champion organisations promoting the day rose 71% on last year to 4,813. Overall, the campaign helped empower adults and children in the UK to build their confidence with numbers and feel in control at home, work and school.

National Numeracy Leadership Council

TP ICAP is a founding member of the National Numeracy Leadership Council and is represented by Executive Director and Group General Counsel, Philip Price. The Leadership Council works with businesses and organisations across the UK to address numeracy challenges and work in partnership to implement solutions.



More online

Read the **Number Confidence Week** impact report here: <https://www.nationalnumeracy.org.uk/news/number-confidence-week-impact-report>

- 1 In 2022 96% of leavers had a gender recorded in our people data management system. In 2021 81% of leavers had a gender recorded.
- 2 97% of leavers during 2022 had an age recorded in our system.
- 3 In 2022 97% of new hires had gender recorded in our system at year end. In 2021, this applied to 94% of new hires in that period.
- 4 In 2022 96% of new hires have an age recorded in our system at year end.
- 5 In 2022 22% of temporary workers had a gender recorded in our system. In 2021, 18% of temporary workers had a gender recorded.
- 6 In 2021 98% of part-time workers had a gender recorded in our system.
- 7 Totals may not equate to 100% due to rounding.

OUR JOURNEY TO 30

ICAP Charity Day

On Wednesday 7 December 2022, ICAP held its 30th annual global Charity Day.

Since 1993, ICAP Charity Day has raised money for charities across the globe, with 100% of ICAP's company revenues and 100% of its brokers' commissions generated on the day donated to a variety of causes.

In 2022, the day was opened by a video message from The Prince of Wales, in his role as Patron of The Passage, a UK-based homelessness charity we support. Many well-known charity ambassadors joined our brokers to close deals with clients, including Simon Cowell, Ant and Dec, and Floyd Mayweather Jr.

On the day, £4.4m was raised, which will benefit more than 100 different charitable organisations worldwide. This brings the total amount raised to more than £160 million since the first ICAP Charity Day in 1993.

Our Journey to 30

As 2022 was a landmark year for ICAP Charity Day, we commissioned independent research on the positive social impact it has made over the last three decades. The report's findings are:

- > More than 2,800 donations have been made in support of more than 1,700 charities worldwide;
- > Charity Day has directly supported 7.7 million people since 1993;
- > Three in four of our supported charities are small to medium in size, focusing on local or national causes;
- > Donations have been made in 25 countries, with medicine, education, and relief from poverty being the most supported causes; and
- > Children and young people have been the most supported group, followed by people with ill health or social disadvantage.



More online

Read the **ICAP Charity Day social impact report** in full here:

https://tpicap.com/tpicap/sites/g/files/escbpb106/files/2022-12/ICAP%20Charity%20Day_Impact-Report.pdf

10 December 1993,
London. The first ICAP
Charity Day



Our brokers donate
100% of their commissions,
ICAP donates 100% of
its revenues

30
YEARS
OF FAMOUS FACES



3 IN 4
SUPPORTED
CHARITIES
ARE SMALL TO
MEDIUM IN SIZE



GLOBAL PRESENCE,
LOCAL DELIVERY



FOLLOW THE SUN
FUNDRAISING



SUPPORTED
7.7 MILLION
PEOPLE IN NEED

1,700+
CHARITIES
SUPPORTED,
2,800+
DONATIONS
MADE



30 YEARS OF
CLIENTS' SUPPORT

TOTAL RAISED SINCE 1993:
£160M

1 IN 4
CHARITIES PROVIDE
RELIEF FROM POVERTY



**30TH ICAP CHARITY DAY,
7 DECEMBER 2022: £4.4M
RAISED ON THE DAY**
ANT & DEC WERE SUPPORTING THE PRINCE'S TRUST

ESG GOVERNANCE

Board-level oversight and engagement

At TP ICAP Group plc Board level, Tracy Clarke continues in her role as the Non-executive Director responsible for ESG engagement. Tracy works closely with the Group's management team to ensure that the Board continues to have oversight on business strategy from an ESG perspective. For more detail on the Group's overall approach to governance, see the Governance Report on page 82. Our governance arrangements under the TCFD framework are set out on pages 62-64.

Executive management

Oversight and governance of ESG performance sits at the highest level of management. In 2022, each of the three Executive Directors – the Group CEO, Group General Counsel and Group CFO, who together form the Executive Committee – were set an ESG-related objective as part of their 2022 Strategic Objectives, as agreed by the Remuneration Committee. These were assessed as part of their annual performance and remuneration. See the scorecard in the remuneration section of this report on pages 126-128 for details.

The Group General Counsel has responsibility for leading the delivery of the Group's overall ESG programme and updating the Board on ESG matters. The Group CFO has responsibility for delivering the Group's TCFD reporting, supported on a day-to-day basis by the Group Director for Corporate Affairs.

Business ethics

Trusted, long-term relationships are central to TP ICAP's approach to doing business. We are committed to the highest standards of integrity from all colleagues, in all that we do. The standards of behaviour are set out in our **Code of Conduct**. This is complemented by a range of policies and resources, including the TP ICAP Employee Handbook, Regional Compliance manuals, Malus and Clawback Policy, and Whistleblowing Policy.

Our **Whistleblowing Policy** and procedures are in place to ensure that any concerns about activity are handled fairly and effectively. They encourage and expect employees to speak out if they have legitimate concerns about wrongdoings. The policy clearly sets out the standards of expected behaviour, and how to raise a concern. It outlines how reports are investigated and provides assurances relating to confidentiality.

Throughout the year, all colleagues complete a programme of **mandatory training** to enhance professional integrity and safeguard against breaches. Modules include Preventing Market Abuse, Anti-Bribery & Corruption, and Anti-Money Laundering. Training is tailored dependent on role and region. Colleagues are also required to attest that they have read and understood their relevant region's Compliance Manual and the Group Code of Conduct. Completion is tracked and completion contributes to colleagues' annual performance review process.

To help maintain a strong **conduct culture**, leaders throughout the business communicate regularly on the importance of good behaviours. In addition, the firm's new Triple A Values emphasise the importance of Accountability in the workplace. This focuses on building trust by being accountable to ourselves, our colleagues, and our clients.

Systemic risk management

TP ICAP conducts robust assessments of the principal risks facing the Group, including those that could undermine the business model, future performance, solvency or liquidity, and reputation. The Group undertakes stress testing and scenario analyses to enhance its understanding of its risk profile.

We manage our risk profile through our Enterprise Risk Management Framework ('ERMF') and deliver the risk management strategy through a range of actions. They include clear communication of risk-related expectations and responsibilities from senior leadership, and remuneration structures that drive the right behaviours. For more detail please see pages 67-68 of the TCFD section and page 113 of the Risk Committee report.

Promoting transparent and efficient capital markets

TP ICAP sits at the centre of the world's financial, energy and commodity markets. We play a central role in connecting clients to liquidity and data solutions. This enables wholesale markets to function effectively and efficiently, notably in times of market stress. In terms of contributing to the efficient operation of capital markets through the provision of trusted market infrastructure, in 2022 we recorded no halts due to a public release of information and no pauses related to volatility.

Managing business continuity and technology risks

TP ICAP's Business Continuity Management practices focus on ensuring the safety of our staff and systems, minimising business disruption, and managing crises effectively.

Our crisis management teams are organised on a global and regional level. All events are escalated in accordance with the Group's Event Rating and Escalation Scale, as stated in the Group's Enterprise Risk Management Framework. Global and Regional Change Advisory Boards have oversight of all technology updates. IT incidents are tracked and managed based upon severity of incident against an application and IT Services tiering scale.

In 2022, TP ICAP experienced no IT, Business Continuity, data or cyber security breaches that caused significant market disruption or had a material adverse effect on our business.

Tax and other social payments

The Group has published a Group Tax Strategy, available on our website. This strategy explains that we are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities wherever we operate. The Group's tax risk appetite is low.

Political contributions

Nil. It is the Company's policy not to make cash contribution to any political party. However, within the normal activities of the Group, there may be occasions when an activity might fall with the broader definition of 'political expenditure'. Therefore, the Company has sought to obtain shareholder authority to make limited donations at each AGM.



More online

Read our **Group Tax Strategy** published on our website:
<https://tpicap.com/tpicap/responsibility/our-commitments/group-tax-strategy>



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TP ICAP is committed to continued adoption and alignment with the recommendations of the Task Force on Climate-related Financial Disclosures

Statement of Compliance

TP ICAP is committed to continued adoption and alignment with the recommendations of the Task Force on Climate-related Financial Disclosures. In compliance with the FCA Listing Rule LR 9.8.6R(8) on climate-related disclosure, we believe the information contained within this report to be consistent with the TCFD recommendations and recommended disclosures. We recognise that we are on a journey of continual improvement – with more to do – to move iteratively towards the most comprehensive response to TCFD. 2022 saw the Company commission a high-level qualitative climate change scenario assessment and focus on governance and risk. Reflecting our journey of improvement, this report sets out what we did in 2022, and what we will be doing in 2023. Our 2023 work programme includes a detailed quantitative and qualitative scenarios analysis, encompassing risks and opportunities. Completion of this detailed scenario analysis puts the Company on a pathway to full TCFD compliance by the end of 2023. All relevant information is included in this Annual Report on pages 62-70.

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Governance

The Board's oversight of climate-related risks and opportunities

2022

Board responsibilities

The Board has overall responsibility for climate-related risks and opportunities. During 2022, issues it considered relating to climate change were the regulatory backdrop and our associated action plans for 2022 and 2023.

Board oversight

The Group Board, and its Committees (Risk, Audit, and Remuneration), reviewed climate change-related issues three times in total during the year. These specific papers focused on reviewing progress against the Group's mandatory climate-related reporting requirements and the actions to advance our progress further. For example, at its December meeting, the Group Board reviewed and agreed a paper that set out the main elements of the climate change strategic framework for TP ICAP. The Board and Senior Management also attended a presentation by EY on Climate Change and TCFD Reporting. This focused particularly on the changing regulatory frameworks in the UK, and developments in Europe.

The Audit Committee had several engagements throughout 2022 about the firm's TCFD work programme. They received reports on TCFD progress, and reporting requirements, including recent Financial Reporting Council guidance.

The Group strengthened its ESG-related capabilities in 2022 by appointing Shane O'Riordain, Group Director, Corporate Affairs, reporting directly to the Chief Executive Officer. At TP ICAP, as part of his overall executive remit, Shane leads the Group's dedicated Sustainability function. This includes a Director of Sustainability & Community Investment and dedicated Investor Relations resource. Prior to TP ICAP, amongst his other responsibilities, Shane held sustainability leadership roles at Halifax, HBOS, Lloyds Banking Group and Royal Mail.

The Duties and Responsibility Sections of the Terms of Reference for the Remuneration Committee, Nominations & Governance Committee, Audit Committee, Risk Committee, Group Risk, Conduct and Governance Committee and Executive Committee were amended to include responsibilities on climate change. These changes make clear the particular responsibility of each committee in ensuring that the organisation fully responds to the requirement of the listing rule.

The Corporate Transactions Policy was updated to take account of Climate Change. Climate change-related risks and opportunities that any material acquisition or divestiture might generate for the Group in the short and medium term will be considered by proposers and decision-makers.

Climate change considerations were included in the annual budget process. For the 2023 budget period, we do not expect any material climate change-related financial impact on our business.

As noted above, all Board members receive information throughout the year and participate in climate-related workshops. Tracy Clarke is the overall lead on ESG. Tracy's experience includes being responsible for Corporate Affairs and Sustainability at Standard Chartered. She is also a current member of Chapter Zero. In addition, Edmund Ng is a member of Eastfort Asset Management's ESG Committee, which focuses on steering the fund portfolio towards sustainable investments by working closely with stakeholders that include regulators and service providers. Philip Price, Group General Counsel, retains overall responsibility for ESG matters. During the year, Robin Stewart, CFO, took responsibility for leading on TCFD.

2023

Under the climate change strategic planning framework, the Board review two substantive updates on climate change each year, including at the annual Strategy Day. Both the Board, and the Executive Committee, will review and agree a report on the findings of this detailed scenario analysis.

The Audit Committee will also review climate change. It will focus on TP ICAP's adherence to the UK regulations, emerging regulatory requirements in other jurisdictions, and the quality of TP ICAP's climate change data.

The Risk Committee reviewed a paper on Climate Change Risk Framework in January 2023. The Committee is committed to reviewing climate-related risks and TP ICAP's risk management framework on a regular basis. These reviews will focus on the climate-related risks and opportunities that have been identified, including the potential financial and strategic impact to the Group, following our in-depth scenario analysis work.

Management's role in assessing and managing climate-related risks and opportunities

The management team has a significant role in assessing and managing climate-related risks and opportunities. The level of activity increased in 2022 and is expected to increase further in 2023. In 2022, the Terms of Reference of several management committees and working groups were amended to clearly articulate the role of each in delivering TP ICAP's climate response.

The **Executive Committee's** responsibilities are clearly set out in its Terms of Reference. The Committee's primary duty is to oversee, monitor and review the Group's climate change strategy and execution, including the embedding of the TCFD deliverables under the four pillars (Governance, Risk, Strategy and Metrics) across the Company.

The Executive Committee's Terms of Reference include reviewing on a regular basis the Group's progress, including the climate change scenario analysis required under UK regulation and an assessment of the potential impact of climate change on the Company's business model: revenue, costs, etc. Finally, a review of the Company's own carbon emission targets and progress is also a specific part of the Committee's remit. This year, the Executive Committee reviewed the proposed climate change strategic planning framework, and received a detailed update on progress around TCFD and Scopes 1, 2 and 3.

Senior managers, including our Executive Director with responsibility for ESG and members of the Group Management Committee ('GMC'), play an active part in the working groups that oversee climate-related activity and performance. Philip Price (Executive Director) and Martin Ryan (GMC member), David Goodchild (GMC member) and Sue Maple (GMC member) all attend the ESG Forum.

The **Group ESG Forum** reports into the Executive Committee. It has Group-wide responsibility for TP ICAP's environment, social and governance impact. Regarding climate change, this includes overseeing climate-related risks and opportunities to support strategic decision-making; implementing policies, delivery, communications, and disclosures; tracking the emerging climate change physical and transitional risks and monitoring regulatory developments. The Forum is chaired by the Group Director of Corporate Affairs. The other members are the Group General Counsel, Group Head of HR, Group Chief Operating Officer, Group Head of Risk, Group Head of Marketing and Communications and the Chief Procurement Officer. The ESG Forum met three times in the year. Philip Price, the Group General Counsel, updates the Executive Committee on climate change matters arising from the Group ESG Forum.

During the year, a **Climate Change Working Group** was set up. It meets regularly and is chaired by the Group Director, Corporate Affairs. Its purpose is to ensure that all climate change commitments and actions are being quickly and effectively indicated. It draws membership from Finance, Procurement, Facilities, Change Management and Corporate Affairs.

Robin Stewart, Executive Director and Chief Financial Officer, is the chair of a dedicated **TCFD Working Group**, which we have established. Its membership includes Finance, Risk, representation from the four Business Divisions and Corporate Affairs. In 2023, the group will meet regularly and focus on the actions needed to complete the implementation of the TCFD pillars across our business. The Group Director, Corporate Affairs has day-to-day responsibility for embedding TCFD across the business. In addition, the CEOs of our four business divisions all participated in workshops in 2022 to help identify, agree and prioritise the climate-related risks and opportunities facing our business as part of the high-level climate change scenario analysis conducted in 2022.

In summary, these management arrangements feed into the relevant board committees and to the Board itself. Clear terms of reference are in place for each. All parts of the organisation are aligned to the Company's response to Climate Change and complying with the UK regulatory requirements.

ESG Governance Structure



* TCFD Working Group will be operational in 2023.

Strategy

The climate-related risks and opportunities TP ICAP has identified over the short, medium, and long term

Our approach, including materiality

We are at the early stages of an ongoing process to assess the impact of climate change on our business, and its associated materiality. We acknowledge that we have more to do to fully meet the TCFD requirements, notably regarding creating potential impact pathways to link climate-related risks and opportunities to financial performance.

Our approach to materiality is centred around qualitative and quantitative factors. As a first step, in 2022 we undertook a high-level climate change impact analysis of the physical and transition risks and opportunities facing our business.

Process we adopted

From a physical risk perspective, the analysis assessed 40 sites globally according to seven potential hazards: wildfires, inland floods, heatwaves, drought, sea level rise, water stress and cyclones. Risk exposure was assessed on a low, medium and high scale based on SustGlobal thresholds.

The qualitative element of the assessment included desk-based research, staff interviews, and workshops involving senior executives from across the Group and the CEOs of our four business divisions. This qualitative approach sought to identify transition risks and opportunities according to three types: (1) Market and Technology Shifts, (2) Policy and Legal, and (3) Reputation. We then worked to assign the risks and opportunities identified to a specific geography, business or function, and sub-sector within a business or function. We also worked to assign a short or medium-term timeframe to the risks and opportunities, and prioritise them in order of importance.

More broadly, our governance processes are also a material aspect of how we consider the impact of climate change. In 2022, we strengthened our approach in this area. Examples include establishing a climate change framework for the Group's key Board and executive committees. This underpins the regular review of climate change and its potential impacts on our business. In addition, we incorporated the TCFD risk drivers into our overall Enterprise Risk Management Framework. Potential climate-related risk impact on all our risk types is now actively assessed.

Time frame

TP ICAP operates according to a short-term time frame of 0–3 years, the main element being a detailed one-year budget planning cycle. This reflects our role as a broker whose activities are market driven. The Group does not have a defined time frame for the medium term. However, for the purpose of evaluating climate-related risks and opportunities, we have defined medium term as 3–5 years as part of our high-level climate change analysis. We will return to the medium-term time frame as part of our detailed scenario analysis in 2023.

The Group does not adopt a long-term planning process. Over the immediate 2023 budget period, we do not expect any material climate change-related financial impact on our business.

The outcome of the high-level climate change analysis informed our risk assessment process as laid out in our Enterprise Risk Management Framework (see pages 72-74 for detail). Together, the analysis and risk assessment identified the following risks and opportunities.

Risks

From a Group-wide perspective, we identified the short-term policy and legal risk of potentially failing to comply with climate-related regulatory requirements. Additionally, potentially being unable to meet expectations in relation to climate strategy and performance could lead to reputational risk and key stakeholders – for example, investors, clients and suppliers – being unwilling to engage with the Group and its four business divisions.

In the medium term, the high-level analysis identified that of the Group's four business divisions, Energy & Commodities would most likely be affected by climate change. For example, market and technology shifts could lead to the risk of the business not responding effectively to changes in client demand, or to the emergence of new competitors focused on providing sustainable solutions (for example, specialist voluntary carbon trading platforms). This could adversely affect Energy & Commodities revenues over time. More broadly across the Group, the direct, or indirect, impact of physical or transition climate risk on counterparties could result in an increased probability of counterparty defaults.

In both the short and medium term, the potential impact of physical or transition climate risk on the Group, third-party infrastructure providers or other key suppliers could lead to a loss of our critical infrastructure and compromise our ability to do business. Whilst the overall results of the high-level physical risk analysis show that our sites have a low exposure to physical climate hazards under a high emissions future, some exposures do exist that should be monitored moving forward. 21 assets face high exposure, most commonly to cyclones (Southeast Asia), heatwaves (Middle East and Southeast Asia), drought and water stress (across regions). Across larger sites, Singapore and New York face water stress and some cyclone exposure. 14 of the 21 high exposures begin occurring in the short term, most located in the Middle East.

Opportunities

In the short term, market and technology shifts mean our Energy & Commodities division can play a strategic role globally in helping to enable the transition from 'traditional' fuels by developing its offering in renewable broking, so unlocking new, sustainable revenues streams. The by-product of these new broking solutions would be new sources of data that Parameta Solutions, our data and analytics division, could monetise.

Over the medium term, by building a reputation as a progressive intermediary and pivoting growth towards sustainability, TP ICAP can attract and retain talent, new investors, and new clients.

In 2023, we will undertake a more detailed climate scenarios analysis, including climate-related risks and opportunities. From this the Group will calculate the potential future financial impact, where methodologies allow. The 2023 work, as noted above, will be accompanied by intensive engagement with the Board.

The impact of climate-related risks and opportunities on TP ICAP's businesses, strategy, and financial planning

Impact on the Group

During 2022, TP ICAP's strategy and planning have been informed by high-level scenario work using variants of the IPCC's SSP2 and SSP5 scenarios for physical risks and NGFS Scenarios Net Zero 2050, Divergent Net Zero and Delayed Transition scenarios for transition risks and opportunities. We will continue to use these 'scenario sets'. They provide a consistent scenario storyline for assessment whilst recognising that there are a growing number of scenario sources, where several may be applied as part of the climate scenario analysis. The scenario sets used by TP ICAP include an aggressive policy scenario where transition risks are high, a low mitigation scenario where physical risks are high and a middle of the road/disorderly transition scenario to reference the in-between.

Impact on financial performance and strategy

For the 2023 budget period, we do not expect any material climate change-related financial impact on our business. We are in the process of considering how material climate-related issues affect our business strategy. In 2022, this has been carried forward by engagement with senior management across the business. The Climate Change impact assessment has highlighted areas of exposure across our key sites and business operations. We have also strengthened our understanding of the exposure of our largest suppliers to climate change and the level of their own emissions.

Our understanding of the impact of climate change grew as a result of our engagement in 2022. By the end of 2023, owing to the further work noted above, we expect to have mapped out how climate-related issues affect financial performance (eg, revenues, costs) and financial position (eg, assets, liabilities) and to have that understanding inform our business plans.

Prioritisation and transitioning plans

TP ICAP prioritises its climate-related risks and opportunities through the system of working groups described in the Management's role in assessing and managing climate-related risks and opportunities section of this report.

Initial high-level scenario work has been completed. More detailed work is commissioned for 2023 to map out how climate-related issues could impact our financial performance. Following on from that we will develop a Transition Plan that takes into account the UK's 2050 Net Zero Carbon commitment. We have set a 2026 Scope 1 and 2 absolute emissions reduction target, which will make a direct contribution moving towards a low-carbon economy. For more detail, see the Metrics and Targets section on pages 68-70.

The resilience of TP ICAP's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The climate-related scenarios we considered during 2022 included consideration of time horizons up to 2100. The analysis of physical risk considered 40 sites, including data centres. We applied two climate scenarios, which followed the Intergovernmental Panel on Climate Change ('IPCC') guidelines: the worst-case 'Fossil-fuelled development' scenario, and the 'Middle of the Road' scenario. The hazards considered were cyclones, drought, heatwave, inland flooding, sea level rise, water stress and wildfire.

The analysis showed that most TP ICAP sites, including data centres, have low overall exposure to physical climate hazards even under a high emissions future. Facilities faced low long-term exposure, most prevalently to cyclones (Southeast Asia), drought (across regions), water stress, sea-level rise and heatwaves (Middle East and Southeast Asia). 14 of the 21 high exposures identified begin occurring in the short term. Most high exposures were in Middle East, APAC, with one in the US and one in the Nordics. This does not pose an immediate threat to the resilience of our operations but nonetheless is being fully integrated into our planning.

TP ICAP is not immune from physical risks stemming from climate change. TP ICAP generates its income through broking. It is key therefore that the Group correctly recognises which elements of the business will grow or decline as clients, the economy and governments adapt to the transition to a low-carbon economy. We keep this under review and will return to it as part of our detailed climate-change analysis work that will be completed in 2023.

We are developing our resilience to climate change through a continuous journey of improvement to better understand the potential impacts of climate change. As noted, we commissioned an external consultancy to undertake high-level scenario work in 2022. We will build on that during 2023 with much more detailed scenario work. To help complete this detailed work we have commissioned a third-party specialist agency, Corporate Citizenship. This will better equip the organisation to make informed assessments on the potential impact of climate-related issues on the Group's financial performance (eg, revenues, costs) and position (eg, assets, liabilities) implications. This work includes a 2°C or lower scenario, and other scenarios with higher levels of warming and increased physical risk.

The high-level scenario analysis done to date on climate-related physical and transitional risk and opportunities, combined with the feedback from Business and Functional heads as part of the 2023 budget process, does not show any financially material risk that will affect the Group in 2023. We will keep this under review pending the detailed climate change analysis work that we will do in 2023.

Risk Management

TP ICAP's processes for identifying and assessing climate-related risks

Climate-related risks are identified, assessed and managed within the overall scope of our Group-wide Enterprise Risk Management Framework ('ERMF').

In 2022, the Risk function used the output of the high-level climate change impact analysis to inform the risk assessment process as laid out in the ERMF. The high-level scenario analysis process involved desk-based research, interviews with a broad range of stakeholders, and several workshops with senior managers from across the Group. It was facilitated by an external consultant. The analysis focused on the physical and transition risks and opportunities arising from climate change over the short and medium term. We followed the TCFD typology to categorise the risks and opportunities: namely, Physical, Market and Technology Shifts, Reputation, and Policy and Legal.

The ERMF risk assessment process includes:

- > A review of the risks recorded in the Group's Risk Register;
- > A review of the risk appetite framework and risk management requirements, as these relate to climate risks; and
- > An assessment of the Group's current climate risk profile relative to risk appetite.

TP ICAP has identified and assessed the potential size and scope of climate-related risks by building upon the definition of the risk Climate change – transition to net zero set out in the Emerging Risks section of the Annual Report and Accounts 2021. Following the 2022 risk assessment, climate-related risk has been elevated from the Group's Emerging Risk Register to the Risk Taxonomy, which contains the Group's actively managed risks. This ensures the requisite level of visibility for management and governance, as well as external stakeholders.

The Board articulates the overall level of risk the Group is willing to accept for the various risks it faces within its Risk Appetite Statement, including climate-related risks. This includes defining the Group's overall loss tolerance and its targeted level of prudential adequacy. The Risk Appetite Statements are cascaded and operationalised throughout the Group via a framework of risk appetite implementation metrics.

The Group principally assesses its risk profile, through the above processes, over a time frame of the next 12 months. It also seeks to identify any potential changes to its risk profile over the short and medium term. Given that TP ICAP's core business is broking and therefore markets-led, the Group does not undertake long-term planning or risk assessment.

Applying climate-related risk considerations to our existing risks has not materially changed the assessment of their risk profile in the short term. This is because we do not foresee any probable climate change-related risk consideration crystallising in the next 12 months that will materially affect our business. However, the Group has identified several climate-related risks that could lead to a change in risk profile over the medium term. These include potential transition and physical impacts on the Energy & Commodities business, potential physical impacts on the Group's operational resilience in certain locations in Asia Pacific and the Middle East, and the likelihood of increased regulatory focus on climate risks. We will keep these risks under close review.

In 2023, we will continue to identify, assess and manage our climate risk profile through our ERMF. To enhance this process, we will build on the high-level climate change analysis undertaken in 2022 and conduct a significantly more detailed qualitative and quantitative review in 2023, the output of which will inform our approach. This will include existing and emerging regulatory requirements. As detailed in the Governance section (page 82), the Group will also embed the climate change strategic planning framework to integrate climate considerations into BAU management processes and systems.

TP ICAP's process for managing climate-related risks

We manage climate-related risks by incorporating them into our ERMF. This process includes:

- > Logging how the risk has been recorded in the Group's Risk Register – ie, by amending an existing risk type or defining a new risk;
- > Detailing how the risk has been incorporated within the Group's Risk Appetite Framework;
- > Outlining key mitigants or controls adopted to manage the risk; and
- > Making a high-level assessment of the risk profile for each relevant risk.

In 2022, we amended the definitions of the following risks to include climate-related risk considerations:

- > **Business Continuity and Crisis Management Risk** now includes the risk that the Group fails to address appropriately physical or transition climate risk impacts on the Group, or third-party infrastructure and business continuity providers.
- > **Credit Risk** now includes the risk that a counterparty defaults due to the direct or indirect impact of physical or transition climate risk.

- > **Strategy Design and Implementation Risk** now includes the risk that the Group:
 - > Fails to respond effectively to the impact of physical or transition climate risk on client demand;
 - > Fails to address any long-term loss of operability, due to the impact of physical or transition climate risk impacts on the Group, its employees, third-party infrastructure providers or other key suppliers which fundamentally undermines the Group's ability to operate its business models; or
 - > Incurs reputational damage caused by a failure to meet stakeholder expectations in relation to ESG strategy and performance (including climate change), leading to key stakeholders being unwilling to deal with the Group (including investors, clients, suppliers and employees).

In addition, a new risk was introduced entitled **Climate Risk Regulatory Compliance**. This is defined as the risk that the Group fails to comply with climate-related regulatory requirements in any of the jurisdictions in which TP ICAP operates, with potential sanctions for non-compliance including fines, public censure and associated damage to the Group's reputation.

As part of the ERMF, the Group operates a formal issue management process across the three lines of defence to manage any issues which could materially impact the Group's risk profile. The risk identification process involves identifying a designated senior manager as 'risk lead' for all material risks who has overall responsibility for overseeing the management of that risk across the Group. In determining the appropriate response, the Group will prioritise its remediation activity according to the potential impact of each relevant risk.

See pages 76-81 in the Risk section of this report for a review of the Group's principal risks, how climate change relates to these principal risks, and associated key mitigants.

How TP ICAP identifies, assesses and manages climate-related risks are integrated into the organisation's overall risk management

We manage climate-related risks within the scope of our overall existing ERMF. Please see pages 72-74 for more details.

Metrics and Targets

The metrics used by TP ICAP to assess climate-related risks and opportunities in line with our strategy and risk management process

The key metrics used to measure and manage climate-related risks and opportunities are TP ICAP's Scope 1, 2 and 3 emissions.

We follow the Greenhouse Gas Protocol in calculating and, where necessary, extrapolating our emissions. We report our corporate emissions under the operational control method. We therefore account for 100% of the greenhouse gas (GHG) emissions where we have operational control. This includes TP ICAP and its subsidiaries.

Building emissions and business travel data was collected as part of SECR compliance covering 1 January 2022 – 31 December 2022. This data covered building energy use, refrigerant use, business travel and waste.

Purchased Goods & Services emissions and global train travel emissions were calculated using the environmentally extended input-output (EEI/O) table method based on emissions per GBP spend.

TP ICAP measures and reports its emissions for Scope 1, 2 and five of the 15 Scope 3 GHG emission categories. These are outlined in the table below. The target and carbon reduction strategy relates to this scope.

Scope	Subscope	
Scope 1	Fuel Combustion	✔
	Company Vehicles	✔
	Fugitive Emissions	✔
Scope 2	Purchased Electricity, Heat or Steam	✔
Scope 3	Purchased Goods & Services	✔
	Capital Goods	✘
	Fuel & Energy	✔
	Upstream Transportation and Distribution	✘
	Waste Disposal	✔
	Business Travel	✔
	Commuting	✔
	Upstream Leased Assets	✘
	Downstream Transportation and Distribution	✘
	Processing of Sold Products	✘
	Use of Sold Products	✘
	End-of-life treatment of Sold Products	✘
	Downstream Leased Assets	✘
	Franchises	✘
	Investments	✘

- ✔ In parameter.
- ✘ Out of parameter.

We do not disclose 10 out of the 15 Scope 3 GHG categories because we do not have any emissions, or any significant emissions, in these areas.

Specifically, Capital Goods are captured in Purchased Goods & Services. We are not a manufacturer that requires mass delivery of raw materials. We don't lease any assets, aside from our buildings, the emissions of which are covered in Scopes 1 and 2. We sell a service and do not distribute physical products for others to use or process and sell on. The services we sell – for example, trade execution and advisory – do not generate their own emission streams. We have no franchises, and, as a broker, we do not lend money or make investments.

Other metrics

Given the nature of our business, we judge climate-related risks associated with water, land use and waste management to be immaterial.

In addition to TP ICAP's Scope 1, 2 and 3 emissions, performance-related metrics are included in the Company's remuneration approach for Executive Directors for the execution of key deliverables, regulatory or otherwise, in relation to climate change. Their bonus is determined 70% based on financial performance and 30% based on performance against a scorecard of non-financial objectives. Five per cent in total is based on attainment of certain ESG targets, which focus on net zero, gender diversity and the new business approval process.

We have not yet evaluated our sensitivity to carbon pricing being used by governments to regulate emissions as we judge both the likelihood of occurrence and the likelihood of impact upon us to be low. Nonetheless, we will include modelling of this in our work scheduled for 2023.

Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks

2021 baseline and 2022 performance

Recognising that TP ICAP is on a journey of continual improvement, in 2022 we strengthened our emissions data collection and management.

Scope 1 and 2 emissions

Specifically for Scope 1 and 2 emissions, work was done to, a) build a fuller picture of our real estate footprint and, b) broaden the coverage of sites from which we collect data. This increased from c.70% of our total footprint in 2021 to c.85% in 2022 and includes all our major sites and data centres. This improvement in data capture, quality and analysis meant that we have updated our 2021 baseline. We will continue to review our baseline and potentially make further adjustments in future given our focus on continually improving our data management process.

Scope 3

Turning to Scope 3 Purchased Goods & Services, enhanced data collection and analysis has also been carried out. Emissions calculations are now based on actual emissions for top suppliers, where this data is available, as well as extrapolation. The outcome is an indicative Scope 3 2021 baseline. We will continue to review and potentially adjust this Scope 3 baseline as we develop our approach.

The 2022 emissions for Purchased Goods & Services have been calculated using the 2022 total spend for 1/1/22 – 31/10/22. This data was then extrapolated to cover the remaining two months of the year.

Emissions performance

In 2021, TP ICAP's restated total emissions was 60,535.6 tonnes of carbon dioxide equivalent (t/CO₂e). T/CO₂e is the standard unit for emissions reporting accounting for all greenhouses gases, including carbon dioxide.

In 2022, TP ICAP's total emissions equalled 58,177.1 t/CO₂e. This equates to a 3.9% reduction in 2022 compared to 2021. Notably, we reduced our Scope 1 and Scope 2 emissions by 20.8% year on year. 66% of our emissions stem from Scope 3 Purchased Good & Services.

Targets used to manage climate-related risks and opportunities, and performance against these targets

Scope 1 and 2 – Target and roadmap

To help meet the Net Zero ambition set by the UK government, our absolute emissions target is to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

On Scope 1 and 2, we continue to make progress with emissions reducing 21% in the year. As previously noted, it is unlikely that we will be able to replicate the energy savings benefits delivered by our property consolidation programme in 2022.

Turning to the roadmap between now and the end of 2026, the main elements are expected to be, a) continued property rationalisation where possible, b) energy efficiency, including working with our landlords and, c) the purchase and retirement of renewable energy certificates ('RECs') and purchase of carbon offsets. We will again update on our progress next year.

Scope 3

In 2022, we worked to establish an indicative Scope 3 emission 2021 baseline for Purchased Goods & Services. This was based on an assessment of our top c.30 suppliers, which account for c.45% of our total annual spend. The balance of our annual spend is spread across a long tail of smaller suppliers.

We have engaged these core suppliers by issuing questionnaires to gather their relevant data and action plans for addressing Scope 3 emissions. 41% of all suppliers responded. This response rate increased to 70% when focusing on our top 10 suppliers. Our independent advisors, Anthesis, used this to calculate an indicative Scope 3 emissions 2021 baseline.

The Scope 3 emissions 2021 baseline is indicative only. Our core suppliers are at different stages of their reporting journeys, and we have not engaged the entirety of our supply chain. We will continue to engage with them to, a) pursue a better-quality Scope 3 emissions baseline and, b) develop a deeper understanding of their plans to address their emissions. We note, however, that seven of our top ten suppliers (accounting for c.24% of all our estimated Scope 3 emissions) have published commitments to be net zero on their Scope 3 emissions by 2050. Against this backdrop, we have no plans to set a Scope 3 emissions reduction target at this time, and will continue to engage with our key suppliers about their net zero plans.

Carbon emissions

	Total		Global		AMER		APAC		EMEA	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Scope 1 t/CO ₂ e	2,030.6	2,592.4								
Of which from Fuel Consumption	1,538.9	1,308.3			1,306.0	1,194.6	-	-	232.9	113.8
Of which from Fugitive Emissions	491.7	1,284.0			-	-	-	400.4	491.7	883.6
Scope 2 t/CO ₂ e – Purchased Electricity, Heat or Steam	7,585.2	9,544.5			3,873.1	4,685.9	1,921.3	2,514.4	1,790.8	2,344.3
Scope 3 t/CO ₂ e	48,561.3	48,398.7								
Of which Purchased Goods & Services (incl Capital Goods)	38,548.9	37,482.8	38,548.9	37,482.8	-	-	-	-	-	-
Of which Fuel & Energy	2,818.6	4,459.0			1,675.9	1,934.1	471.6	774.2	671.1	1,750.8
Of which Waste Disposal	88.8	111.2			34.1	22.6	15.8	54.8	39.0	33.8
Of which Business Travel	2,146.4	2,326.4			639.3	1,466.4	556.7	240.4	950.4	619.7
Of which Employee Commuting	4,958.5	4,019.3			2,647.7	1,951.3	1,188.0	901.9	1,122.8	1,166.1
Total t/CO ₂ e	58,177.1	60,535.6	38,548.9	37,482.8	10,176.2	11,254.8	4,153.3	4886.0	5,298.6	6,912.0

An independent third party has calculated the above greenhouse gas emissions estimates to cover all material sources of emissions for which the Group is responsible. The methodology used was that of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015)'. Responsibility for emissions sources was determined using the operational approach. All emission sources required under the 'Companies, Partnerships and Groups (Accounts and non-financial reporting) Regulations 2016' are included.

Energy consumption

The below table and supporting narrative on page 52 summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the requirements for a quoted company, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The disclosure also extends beyond the scope of a quoted company and includes emissions and energy consumption from business travel via air and taxi (Scope 3).

	Current reporting year 1 January 2022–31 December 2022		Comparison reporting year 1 January 2021–31 December 2021	
	UK	Global (excluding UK)	UK	Global (excluding UK)
Energy consumption used to calculate Scope 1 emissions (kWh)	1,005,363	7,425,125	523,842	6,619,294
Energy consumption used to calculate Scope 2 emissions (kWh)	7,035,901	16,295,855	8,903,850	17,683,819
Energy consumption used to calculate Scope 3 emissions (kWh)	2,614,954	5,969,685	1,113,048	4,353,142
Total energy consumption based on the above (kWh)	10,656,217	29,690,665	10,540,740	26,656,254
Intensity ratio: tCO ₂ e (gross Scope 1,2,+3) per employee	2.26		2.43	

Viability statement and going concern

Viability statement

The Board of Directors has assessed the prospects for, and viability of, the Group over a three-year period to the end of December 2025.

We believe that a three-year time horizon remains the most appropriate timeframe over which the Directors should assess the long-term viability of the Group. This is on the basis that it has a sufficient degree of certainty in the context of the current position of the Group and the assessment of its principal risks, and it matches the business planning cycle. This time horizon is broadly in-line with the weighted average maturity of our debt facilities comprised of revolving credit facilities and corporate bond portfolios.

The assessment has been made taking into account the following:

- > The Assessment of the Group's Principal Risks, including those that would threaten the Group's business model, future performance, solvency and liquidity. These risks are also discussed in the risk management report on pages 72 to 85;
- > The Group Internal Audit Opinion that contains an assessment of the effectiveness of the Group's risk management and internal control systems;
- > The Going Concern Review that assesses whether the Group has access to sufficient liquidity to meet all of its external obligations and operate its business, for a period of at least 12 months from the date of the Annual Report;
- > The Group Review of Capital and Liquidity Adequacy ('GRCLA') that assesses the capital and liquidity position of the Group on a consolidated basis, in both base and stressed conditions;
- > The Review of Internal Capital Adequacy and Risk Assessment ('ICARA') process undertaken by the EMEA Sub-Consolidation Group and the UK regulated entities; and
- > The assessment of the Group's external credit rating by Fitch Ratings.

The Directors consider that they have undertaken a robust assessment of the prospects of the Group and its principal risks over a three-year period, and, on the basis of that assessment, have a reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over at least the period of assessment.

In arriving at this conclusion, the Directors have made the following assumptions:

- > The Group maintains access to liquidity through the Group's £350m Bank revolving credit facility and ¥10bn (c.£63m) Totan revolving credit facility (see Note 25 on page 183);
- > The Group does not experience any material change in its capital or liquidity requirements, including as a result of the Supervisory Review and Evaluation Process for the EMEA Sub-Consolidation Group currently being undertaken by the FCA for the first time under the IFPR regime which came into effect in 2022;
- > The Group takes appropriate actions to maintain continuity of operations in the EU following the UK's departure from the EU and to mitigate the potential adverse effects arising from Brexit, including the potential fragmentation of liquidity and consequential reduction in trading volumes; and
- > The Group is not materially impacted from litigation and regulatory investigations in a negative way.
- > The 5.25% £247m Sterling Notes maturing in January 2024 will be repaid from a combination of existing cash resources generated from earnings, cash released from the £100m capital release project, announced as part of the Group's half year results in 2022, with the remainder refinanced through the credit facilities and/or through new bond issuance.

Going concern

The Group has sufficient financial resources both in the regions and at the corporate centre to meet the Group's ongoing obligations.

The Directors have assessed the outlook of the Group for at least 12 months from date of approval of the financial statements by considering medium-term projections as well as stress tests and mitigation plans. The stress tests include material revenue reductions, significant one-off losses, losing the Group's investment grade status resulting in increased finance costs and slow-down in collection of trade debtors. The stress case also assumes that the Group does not refinance the £247m 2024 Sterling Notes maturing in January 2024 during the period of the assessment. Under these tests we continue to have sufficient liquidity and are compliant with all covenants after taking mitigating actions such as reducing costs, suspending dividends and delaying investments.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Annual Report and Accounts continue to be prepared on the going concern basis.

Principal risks and uncertainties

Risk Management

Effective risk management is essential to the financial strength and resilience of the Group and for delivering its business strategy. This section provides a summary of how risk is managed by the Group through its Enterprise Risk Management Framework ('ERMF') and describes the Group's principal risks.

Enterprise Risk Management Framework

The purpose of the ERMF is to enable the Group to understand the risks to which it is exposed and to manage these risks in line with its stated risk appetite. The ERMF achieves this objective through a number of mutually reinforcing components, which include the operation of a robust risk management and governance structure based on the three lines-of-defence model, the fostering of an appropriate risk management culture and a range of risk management processes to enable the Group to identify, assess and manage its risks effectively.

Organisational Structure

The ERMF is operated through a three lines of defence ('3LOD') model whereby risk management, risk oversight and risk assurance roles are undertaken by separate and independent functions, with all 3LOD overseen by the Group's governance committee structure (including Risk, Audit and Remuneration Committees).

The Board has overall responsibility for the management of risk within the Group which includes:

- > Defining the nature and extent of the risks it is willing to take in achieving its business objectives through formal risk appetite statements;
- > Ensuring that the Group has an appropriate and effective risk management and internal control framework; and
- > Monitoring the Group's risk profile against the Group's defined risk appetite.

The Group's risk governance structure oversees the implementation and operation of the ERMF across the Group and primarily comprises the following committees:

- > Board Risk Committee;
- > Group Risk, Conduct and Governance Committee; and
- > Regional Risk, Conduct and Governance Committees in EMEA, Americas and Asia Pacific.

First line of defence

Risk management within the business

The first line of defence comprises the management of the business units and support functions.

The first line of defence has primary responsibility for ensuring that the business operates within risk appetite on a day-to-day basis.

Second line of defence

Risk oversight and challenge

The second line of defence comprises the Compliance and Risk functions, which are separate from operational management. The Compliance function is responsible for overseeing the Group's compliance with regulatory requirements in all of the jurisdictions in which the Group operates.

The Risk function is responsible for overseeing and challenging the business, support and control functions in their identification, assessment and management of the risks to which they are exposed, and for assisting the Board (and its various Committees) in discharging its overall risk oversight responsibilities.

Third line of defence

Independent assurance

Internal Audit provides independent assurance on the design and operational effectiveness of the Group's risk management framework.

A. Risk Culture

The Group recognises that in order for the ERMF to be operated effectively, it must be underpinned by an appropriate risk culture.

The Group seeks to foster the desired risk management values and behaviours through a number of components including the setting of an appropriate 'tone-from-the-top', ensuring clear risk management accountabilities for all employees, the provision of risk training, consideration of risk-related behaviours in the performance management process, and by ensuring that staff are able to raise risk management concerns through the Group's Whistleblowing framework.



B. Organisational Structure

The ERMF is operated through a three lines of defence ('3LOD') model whereby risk management, risk oversight and risk assurance roles are undertaken by separate and independent functions, with all 3LOD overseen by the Group's governance committee structure (including Risk, Audit and Remuneration Committees).

C. Risk Strategy

The Board adopts an annual Risk Strategy which identifies the core risk management objectives and focus areas that must be addressed for the Group to deliver its Business Strategy.

The Risk Strategy constitutes the guiding principles by which all of the Group's risk management activity is undertaken.

D. Risk Identification

The Group reviews its risk profile on an ongoing basis to ensure that it identifies all material risks arising from the day-to-day operation of its business and the implementation of its business strategy, as well as any emerging risks facing the Group. These risks are recorded in the Group's Risk Register, with each risk allocated to a designated senior manager Risk Lead who has overall responsibility for ensuring it is managed effectively.

A formal review of the Group's risk profile is undertaken on a quarterly basis as part of the Group's Risk Committee review cycle. In addition, the Group seeks to identify changes to the risk profile on a dynamic basis through the various risk management processes and structures operated under the ERMF. This includes assessing the risk profile of new business initiatives and analysing risk events.

E. Risk Appetite

The Board articulate the overall level of risk the Group is willing to accept for the various risks it faces within its Risk Appetite Statements.

The Risk Appetite Statements set the parameters within which the Group must manage its risk profile, and so provides the context for all of the Group's risk management activity. This includes defining the Group's overall loss tolerance and its targeted level of prudential adequacy.

The Risk Appetite Statements are cascaded and operationalised throughout the Group through a framework of risk appetite implementation metrics which provide the operational parameters the business must operate within on a day-to-day basis.

F. Systems and Controls

Definition of Requirements

The Group maintains Risk Management Standards ('RMS') which articulate the key systems and controls which must be implemented to manage each of its material risks within risk appetite. This includes the minimum requirements in relation to policies, controls and training.

Implementation

The Group assesses adherence to these requirements through an annual control and policy attestation process that provides its management and governance forums with a comprehensive assessment of the status of the Group's risk management environment.

G. Issue Management Process

The Group operates a formal issue management process across the 3LOD to address any issues which could materially impact the Group's risk profile. The issue management process includes a formal risk acceptance process where it is not practical or desirable to address an issue at the point identified.

All actions and deferrals are subject to a formal approval process which is calibrated to reflect the severity of the issue.

H. Risk Event Management Process

The Group has a defined process for the escalation, notification and logging of all risk events to ensure that they can be addressed and analysed appropriately. This includes the conducting of detailed root-cause analysis for significant events.

I. Risk Assessment and Monitoring

The Group assesses and monitors its risk profile on an ongoing basis to ensure that it is operating within risk appetite and to identify any remedial action required to maintain or return the Group to within risk appetite.

This monitoring is undertaken through:

- > An annual Risk Self-Assessment process;
- > The quarterly Risk Committee review process; and
- > Ongoing operational monitoring by the 1LOD and 2LOD.

Any breach of risk appetite parameters or other significant issue identified through the monitoring activity must be escalated to the appropriate level of management and governance.

J. Risk Assurance

Internal Audit, Risk and Compliance undertake independent and targeted reviews of selected areas of the Group's business and operations to provide Management and Governance Committees with additional insights and assurance in relation to specific aspects of the Group's risk profile, and highlight areas requiring remediation.

The scope of the assurance activity is approved by the Group's Risk and Audit Committees.

K. Prudential Assessments

The Group periodically assesses its capital and liquidity adequacy by reference to the targeted confidence level adopted in the Risk Appetite Statements (and applicable regulatory requirements).

The Group assesses its stressed risk profile through a formal stress testing programme which covers all material risk types. This programme includes reverse stress testing which aims to assist the Group to identify and mitigate potential causes of business failure.

Risk Strategy

The Board is responsible for setting the Group's Risk Strategy which identifies the core risk management objectives that must be met for the Group to deliver its Business Strategy and, as such, provides the overarching context for all of the Group's risk management activity. The Group has defined the following risk objectives within its current Risk Strategy:

Category	Risk objective
Financial position	To maintain a robust financial position in both normal and stressed conditions, to be achieved by maintaining profitability, ensuring capital and liquidity resources are sustained at levels that reflect the Group's risk profile, and maintaining access to capital markets.
Operational effectiveness and resilience	To ensure that operational processes and infrastructure operate effectively and with an appropriate degree of resilience.
Regulatory standing	To maintain good standing with all its regulators and to ensure reasonable and proportionate compliance with all applicable laws and regulations to which the Group is subject.
Reputation	To maintain the Group's reputation as an unbiased intermediary in the financial markets, with market integrity being at the heart of its business.
Business strategy	To adopt and execute a well-defined business plan which ensures the continued viability and growth of the Group's business, and to ensure that the Group does not undertake any activity which could undermine its ability to meet its strategic goals.

Principal risks

The Board has conducted a robust assessment of the principal risks facing the Group, defined for the purposes of this Annual Report as those risks that could have a material impact on its business model, future performance, solvency, liquidity or reputation.

The Board has considered a wide range of information as part of this assessment, including reports provided by the Group Risk function and senior management, as well as the key findings from the Group's various risk identification and assessment processes described below.

The Group records all its identified risks within its Risk Register and periodically assesses the risk profile of each risk against the target residual risk profile defined in the Group's risk appetite framework.

The Group formally reviews and assesses its risk profile on a quarterly basis as part of the Group's Risk Committee governance cycle. In addition to the formal reviews noted above, the Group monitors its risk profile against risk appetite on an ongoing basis as part of its day-to-day business management and will update its risk framework outside of the formal review and assessment cycle where required to reflect any material changes to risk profile. This includes any changes to risk profile identified through the Group's change management framework.

The Group also undertakes stress testing and scenario analyses to model its potential risk exposure at the more extreme 'stressed loss' levels of severity. The Group also conducts reverse stress tests to identify those risk scenarios that could threaten the viability of the Group and to evaluate its ability to withstand or recover from such scenarios.

Finally, the Group also reviews its emerging risk profile as part of the risk identification and assessment process. An emerging risk, for these purposes, is defined as any new type of risk that may pose a material threat to the Group in the future, and which the Group should monitor so that it is in a position to actively manage the risk if, and when, it becomes a more immediate threat to the Group. Each emerging risk is recorded in the Group's Emerging Risk Register, along with an assessment of its potential impact and an estimate of the timeframe within which it is likely to materialise.

The Board has considered the findings of all of the above assessment types in identifying its principal risks which are set out in the table overleaf. The table includes an assessment of the impact of each risk by reference to the potential impact that each risk could have on the Group's business model, future performance, solvency, liquidity or reputation. It should be noted that the stated impact for each risk is: (a) the potential impact in stressed conditions, net of any risk mitigation adopted by the Group, as opposed to the 'expected' impact at higher levels of probability; and (b) is assessed over the medium term (defined as a 3-year period).

Rating	Risk Impact
1	A risk that could fundamentally threaten the Group's business model, future performance, solvency, liquidity or reputation
2	A risk that could significantly impact the Group's business model, future performance, solvency, liquidity or reputation
3	A risk that could materially impact the Group's business model, future performance, solvency, liquidity or reputation

Risk	Description	Impact rating	Impact Description	Change in risk exposure since 2021
1 STRATEGIC AND BUSINESS RISK				
Adverse change to regulatory framework	The risk of a fundamental change to the regulatory framework which has a material adverse impact on the Group's business model and/or undermines the Group's ability to deliver its strategy.	1	<ul style="list-style-type: none"> > Reduction in broking activity > Reduced earnings and profitability > Increases in regulatory capital requirements 	No change
Deterioration in the commercial environment	The risk that due to adverse macroeconomic conditions or geopolitical developments, market activity is suppressed leading to reduced trading volumes.	1	<ul style="list-style-type: none"> > Reduction in broking activity > Pressure on brokerage rates > Reduced earnings and profitability > Goodwill write-off 	No change
Failure to respond to client demand or competitor activity	<p>The risk that the Group fails to respond to evolving customer requirements, including the demand for enhanced electronic broking solutions for certain asset classes.</p> <p>This includes the failure to implement the Group's strategy in relation to Fusion, Parameta Solutions and Liquidnet.</p>	2	<ul style="list-style-type: none"> > Loss of market share > Pressure on brokerage rates > Reduced earnings and profitability > Goodwill write-off 	No change
Global health pandemic	The risk that the Group experiences a significant deterioration in business performance due to a global pandemic.	2	<ul style="list-style-type: none"> > Reduction in broking activity > Reduced earnings and profitability 	No change
Failure to address impact of Brexit	The risk that the operating model implemented by the Group to comply with the loss of EU passporting rights results in a fragmentation of liquidity between UK and EU liquidity pools.	3	<ul style="list-style-type: none"> > Loss of market share > Reduction in broking activity > Reduced earnings and profitability 	No change
Failure to address climate risk	<p>The risk that the Group:</p> <ul style="list-style-type: none"> > Fails to respond to structural changes to the market arising from physical or transition risk drivers; > Fails to address any long-term impact on the Group's infrastructure, third-party infrastructure or key vendors arising from physical or transition risk impacts; and > Incurs reputational damage due to a failure to meet stakeholder expectations in relation to climate risk management, leading to key stakeholders (such as investors, clients or suppliers) being unwilling to deal with the Group. 	3	<ul style="list-style-type: none"> > Loss of market share > Damage to reputation > Increased volatility in share price > Reduced ability to access capital markets 	Transferred from Emerging Risks

Mitigation	Key risk indicator	Link to our Strategy
<ul style="list-style-type: none"> > Horizon scanning for regulatory developments. > Involvement in consultation and rule setting processes. 	<ul style="list-style-type: none"> > Status of regulatory change initiatives 	<ul style="list-style-type: none"> > Electronification > Aggregation > Diversification
<ul style="list-style-type: none"> > Defined business strategy that seeks to maintain client, geographical and product diversification. > Stress test process (which includes reverse stress tests) to assess the Group's ability to absorb significant reductions in business performance and any changes to business model or risk mitigations required. 	<ul style="list-style-type: none"> > Trade volumes > Revenues by region > Operating profit > Stress test results 	<ul style="list-style-type: none"> > Electronification > Aggregation > Diversification
<ul style="list-style-type: none"> > Defined business strategy that seeks to maintain client, geographical and product diversification, and that seeks to anticipate and respond to its clients' evolving requirements. > Proactive engagement with clients through customer relationship management process. > Periodic horizon-scanning and competitor analysis to identify any required change to strategic objectives or implementation plan. 	<ul style="list-style-type: none"> > Performance against strategy implementation plans > Market share percentage > Results of client engagement surveys 	<ul style="list-style-type: none"> > Electronification > Aggregation > Diversification
<ul style="list-style-type: none"> > Incident and Crisis Management Framework. > Enhanced remote working capability and protocols developed in response to COVID-19. 	<ul style="list-style-type: none"> > Trade volumes > Revenues by region > Operating profit > Risk events due to remote working 	<ul style="list-style-type: none"> > Diversification
<ul style="list-style-type: none"> > Operation of EU trading subsidiary which acts as the trading hub for EU-based business. > Changes to operating model to maintain UK-EU liquidity > Proactive engagement with European regulators and clients. 	<ul style="list-style-type: none"> > Brexit revenue-at-risk > Performance against Brexit response plans 	<ul style="list-style-type: none"> > Aggregation > Diversification
<ul style="list-style-type: none"> > Consideration of climate risk drivers in financial planning and risk assessments. 	<ul style="list-style-type: none"> > Trade volumes > Revenues > Operating profit > Performance against financial targets 	<ul style="list-style-type: none"> > Electronification > Aggregation > Diversification

Risk	Description	Impact rating	Impact Description	Change in risk exposure since 2021
<p>2</p> <p>OPERATIONAL RISK</p>				
Cyber-security and data protection	<p>The risk that the Group fails to adequately protect itself against cyber-attack or to adequately secure the data it holds, resulting in potential financial loss (including through cyber-enabled fraud), a loss of operability, or the potential loss of critical business or client data.</p>	1	<ul style="list-style-type: none"> > Loss of revenue > Theft of assets > Payment of damages/compensation > Remediation costs > Regulatory sanctions > Damage to reputation 	No change
Infrastructure	<p>The Group is heavily reliant on the effective and resilient operation of a range of infrastructure components, including:</p> <ul style="list-style-type: none"> > A complex IT architecture; > A range of office locations; and > Key third-party suppliers and market infrastructure providers. <p>A failure of the Group's infrastructure could result in a material loss of business.</p> <p>This includes the potential impact of physical and transition climate risk drivers on the Group's key infrastructure.</p>	2	<ul style="list-style-type: none"> > Financial loss > Damage to the Group's reputation as a reliable market intermediary 	Increase
Legal, Compliance and Conduct risk	<p>The Group operates in a highly regulated environment and is subject to the legal and regulatory frameworks of numerous jurisdictions.</p> <p>Failure to comply with applicable legal and regulatory requirements could result in enforcement action being taken against the Group, including the incurring of significant fines.</p>	2	<ul style="list-style-type: none"> > Regulatory and legal enforcement action including censure, fines or loss of operating licence > Severe damage to reputation 	No change
Broking process	<p>The Group is exposed to operational risk at every stage of the broking process, from the execution and arrangement of transactions (with the associated risk of loss arising through closing out error positions or compensating clients) through to the clearing, settlement and invoicing of transactions.</p>	3	<ul style="list-style-type: none"> > Financial loss > Damage to the Group's reputation as a reliable market intermediary 	No change
Human capital	<p>The Group operates in a highly competitive recruitment market and is exposed to the risk of losing key front office, support or control staff who are essential to the effective operation of the business.</p>	3	<ul style="list-style-type: none"> > Increased staff turnover impacting the Group's ability to operate a profitable and resilient business 	No change

Mitigation	Key risk indicator	Link to our Strategy
<ul style="list-style-type: none"> > Ongoing monitoring and assessment of the cyber-threat landscape. > Appropriate framework of systems and controls to prevent, identify and contain cyber threats. > Regular testing of the Group's cyber security utilising specialist third parties. 	<ul style="list-style-type: none"> > Cyber-security events/losses > Results of vulnerability testing > Actual or attempted security breaches > Data loss events 	<ul style="list-style-type: none"> > Electronification
<ul style="list-style-type: none"> > Framework of systems and controls to minimise the risk of operational failure. > Incident and Crisis Management Framework. > Business continuity plans and capability. 	<ul style="list-style-type: none"> > System outages > Stress test results 	<ul style="list-style-type: none"> > Electronification
<ul style="list-style-type: none"> > Independent Compliance function to oversee compliance with regulatory obligations. > Compliance monitoring and surveillance activity. > Compliance training programme to ensure that staff are aware of the regulatory requirements. > Adoption of compliance culture to engender high standards of employee conduct. > Conduct Management and Governance Framework to address employee misconduct. 	<ul style="list-style-type: none"> > Internal Compliance policy breaches > Employee conduct metrics > Regulatory breaches 	<ul style="list-style-type: none"> > People, conduct and compliance
<ul style="list-style-type: none"> > On-desk supervision of broking activity. > Issuing of trade recaps and confirmations. > Order and position limits on electronic order books. > Ongoing monitoring to identify potential error trades, and any clearing or settlement issues. 	<ul style="list-style-type: none"> > Risk events > Settlement issues > Margin calls 	<ul style="list-style-type: none"> > Electronification > People, conduct and compliance
<ul style="list-style-type: none"> > Fixed term front office contracts with staggered renewal dates. > Performance management process linked to remuneration. > Introduction of new flexible working arrangement. 	<ul style="list-style-type: none"> > Staff turnover rates > Loss of key personnel 	<ul style="list-style-type: none"> > People, conduct and compliance

Risk	Description	Impact rating	Impact Description	Change in risk exposure since 2021
3				
FINANCIAL RISK				
Liquidity risk	The Group is exposed to potential margin calls from clearing houses and correspondent clearers. The Group also faces liquidity risk through its requirement to fund matched principal trades which fail to settle on settlement date.	2	> Reduction in the Group's liquidity resources which could, in extreme cases, impact the Group's cash-flow	No change
Counterparty credit risk	The risk that the Group incurs loss as a result of a counterparty default, whether due to insolvency, sanctions or for any other reason. Counterparty exposure principally arises in relation to outstanding brokerage receivables, cash balances or any unsettled matched principal trades (with the associated replacement cost exposure) held against a counterparty.	2	> Financial loss which could, in extreme cases, impact the Group's solvency and liquidity	Increase
FX exposure	The risk that the Group suffers loss as a result of a movement in FX rates, whether through transaction risk or translation risk.	3	> Financial loss which could, in extreme cases, impact the Group's solvency and liquidity	No change

Risk	Description	Impact rating	Impact Description	Change in risk exposure since 2021
4				
EMERGING RISKS				
Technology expertise	The financial markets in which the Group operates will become increasingly based on complex technology and the use of sophisticated data and analytics. The Group's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement a technology strategy which keeps pace with technological enhancements and to attract the required data scientists and technology specialists in an increasingly competitive recruitment market.	2	> Reduction in broking activity > Reduced earnings and profitability	No change
Deglobalisation	The risk that the global economy becomes increasingly fragmented (as per the UK's departure from the EU) resulting in increasing divergence in regulatory regimes, fragmentation of liquidity in the financial markets and potential supply chain disruption.	3	> Reduction in broking activity > Reduced earnings and profitability	No change

Mitigation	Key risk indicator	Link to our Strategy
<ul style="list-style-type: none"> > Margin call and trade funding profile monitored against defined limits. > Group maintains liquidity resources in each operating centre to provide immediate access to funds. > Committed £350m revolving credit facility ('RCF'). > Diversification of funding sources. > Overdraft facilities provided by primary settlement institutions. 	<ul style="list-style-type: none"> > Margin call profile > Settlement fail – funding requirements > Unplanned intra-Group funding calls > RCF draw-down 	> Diversification
<ul style="list-style-type: none"> > Counterparty exposures managed against credit thresholds that are calibrated to reflect counterparty creditworthiness. > Exposure monitoring and reporting by independent credit risk function. 	<ul style="list-style-type: none"> > Portfolio exposure > Client exposure > Aged debt 	> Diversification
<ul style="list-style-type: none"> > Ongoing monitoring of Group's FX positions. 	<ul style="list-style-type: none"> > FX translation exposure > FX transaction exposure 	> Diversification

Mitigation	Time to Materialisation	Link to our Strategy
<ul style="list-style-type: none"> > Ongoing review of the Group's strategy in the context of broader market developments and assessment of the IT expertise and resourcing required to deliver it. 	5-10 years	<ul style="list-style-type: none"> > Electronification > Aggregation > Diversification
<ul style="list-style-type: none"> > Ongoing horizon scanning to identify potential changes to the geopolitical landscape and associated changes to the regulatory frameworks governing financial markets. 	< 5 years	> Aggregation



GOVERNANCE REPORT

CONNECTED CONTENT

Leadership

The Board is collectively responsible for effective oversight of the Group and the long-term sustainable success of its business.

Page 94

CONNECTED CONTENT

[Succession planning](#)

We regularly review the Board's skills, experience and competencies and consider succession plans with reflection on diversity in the broadest sense.

[Page 101](#)

FINANCE

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- 86** Board Chair's governance letter
- 88** Governance at a glance
- 90** Board of Directors
- 94** Corporate governance report
- 100** Report of the Nominations & Governance Committee
- 106** Report of the Audit Committee
- 112** Report of the Risk Committee
- 116** Report of the Remuneration Committee
- 136** Directors' report
- 139** Statement of Directors' responsibilities

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Board reviewed the Principles and Provisions of the UK Corporate Governance Code 2018 (the 'Code') and its compliance with the Code throughout 2022. Following this review, the Board is pleased to confirm that the Company has applied the Code Principles and complied in full with the Provisions for the financial year ended 31 December 2022. The Code can be found on the Financial Reporting Council ('FRC') website, www.frc.org.uk. Further information on our compliance with the Code and how the Code Principles have been applied by reference to each Provision is set out in the index on these pages.

Index of Code Disclosures

Board leadership and Company purpose

The Company should be led by an effective and entrepreneurial Board that establishes the Company's purpose, values and strategy, while ensuring that its responsibilities to its shareholders and stakeholders, including the workforce, are considered and met.

Provision	Further information	Page
1	Strategic report	6
	Risks	72
	Sustainability	50
	Governance	83
2	Culture	87
	Board activities	89
	Workforce remuneration	118 and 123
3	Shareholder engagement	44
4	Significant votes against	117
5	Stakeholder engagement	40
	Workforce engagement	42
6	Whistleblowing	60 and 110
7	Managing conflicts of interest	104
8	Board meetings	95

Division of responsibilities

The Board, led by the Board Chair who is responsible for its effectiveness, should be comprised of Non-executive and Executive Directors who hold a diverse set of skills, experience and backgrounds. They each receive a comprehensive induction, have sufficient time to meet their Board responsibilities, and receive support from the Group Company Secretary, all of which enable them to carry out their duties effectively.

Provision	Further information	Page
9	Division of responsibilities	94
	The Chair biography	90
10	Independence of Directors	104
11	Board composition	101
12	Senior Independent Director	94
13	Non-executive Directors	94
14	Role of the Board	94
	Division of responsibilities	94
15	Director biographies and external appointments	90 to 93
16	Group Company Secretary	94

Composition, succession and evaluation

Companies should have an effective succession plan in place for both the Board and for members of senior management. This should take into consideration the skills, experience and knowledge needed for maximum effectiveness. The Board, and the Directors individually, should be evaluated yearly. Annual evaluation of the Board should consider its composition, diversity and its effectiveness. Individual evaluations should demonstrate whether each Director continues to contribute effectively.

Provision	Further information	Page
17	Nominations & Governance Committee – Membership and report	100
18	Election and re-election of Directors	104
19	Director biographies	90 to 93
20	Board member recruitment	101
21 and 22	Board evaluation	97
23	Report of the Nominations & Governance Committee	100

Audit, risk and internal control

The Board is responsible for determining the nature and extent of the principal risks the Company is willing to take in achieving its strategic objectives, and oversees the risk management and internal control systems in place with the support of the Audit and Risk Committees. The Board is also responsible for the establishment of policies which ensure the independence and effectiveness of both internal and external audit functions.

Provision	Further information	Page
24	Audit Committee – Composition and report	107
25	Key responsibilities of the Audit Committee	108
26	Audit Committee Report	106
27	Fair, balanced and understandable assessment	108
28	Principal risks and uncertainties	72
29	Risk Committee – Risk management and internal control	112 111
30	Going concern	71
31	Viability statement	71

Remuneration

Executive Directors' remuneration has been designed to promote the long-term sustainable success of the Company. No Executive Director is involved in deciding his or her own remuneration.

Provision	Further information	Page
32	Remuneration Committee – Composition and report	116 to 119
33	Remuneration Policy	121
34	Non-executive Director remuneration	133
35	Advice provided to the Remuneration Committee	135
36	Shareholding requirements – Remuneration Policy statement	131
37 and 38	Remuneration Policy	121
39	Executive Directors' service agreements and loss of office entitlements	104
40 and 41	Report of the Remuneration Committee	116

Promoting the success of the Company

TP ICAP Group plc is a Jersey registered company and therefore its Directors are not subject to the UK Companies Act requirements, in particular s172(1) duties. Nevertheless the Board promotes the success of the Company for the benefit of our members as a whole, recognising that a broad range of stakeholders are material to the long-term success of the business. Details of how the Board has engaged with its key stakeholders and considered their interests in Board discussions and in decision making are explained on pages 40 to 49.

Richard Berliand
Board Chair



Dear fellow shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2022.

Our commitment to good corporate governance

The Board continues to focus on maintaining high standards of corporate governance, which we seek to achieve through the Group's robust governance framework. The Board recognises that high standards of governance and effective Board oversight are vital to a successful organisation. This report explains how the Board and its Committees have dealt with ensuring that we have effective corporate governance in place to help support the creation of long-term sustainable value for our shareholders and wider stakeholders.

Compliance with the Code

Each year we review our governance framework with reference to the 2018 UK Corporate Governance Code (the 'Code'), and a statement of compliance with the Code is set out on page 84.

Board meetings and activity

In 2022, the Board considered several key areas covering strategy formulation, implementation and monitoring, technology, workforce development, operational expertise, financial performance, corporate governance, ESG and stakeholder engagement. Further detail on the key items discussed and time spent by the Board on these and other matters is set out later in the Corporate governance report on pages 89 and 139.

Board Composition

The structure, size and composition of the Board and its Committees, is kept under constant review. As part of this review on 7 February 2023, I was pleased to be able to announce that Kath Cates would become TP ICAP's Senior Independent Director with effect from 1 March 2023. Kath replaces Michael Heaney who will remain a valued member of the Board and its Committees.

The Nomination & Governance Committee oversees the refreshment of the Board and its Committees and, in assisting and advising the Board, the Committee seeks to maintain an appropriate balance of skills, knowledge, independence, experience, time commitment and diversity of the Board, whilst taking into account the Group's strategic priorities, its challenges and opportunities, all relevant corporate governance standards, and associated guidance on Board composition.

Board and Committee effectiveness

As Chair, my principal objective is to develop and lead an effective Board for the benefit of our shareholders and wider stakeholders. The Board undertakes a review of its effectiveness each year and appoints an independent external adviser every third year, as recommended by the Code. During 2022, Clare Chalmers Ltd, an independent consultant was commissioned to undertake a review of the effectiveness of TP ICAP's Board and its Committees. I am pleased to report that the Board and its Committees were considered to be effective. Further details of the review and its outputs can be found on pages 97 to 99 of this report.

Stakeholder engagement

In fulfilling its duty to promote the success of the Company for the benefit of its shareholders and wider stakeholders, the Board continues to engage with our stakeholders whilst having regard to their interests and to the impacts and consequences of Board decisions. Further detail on stakeholder engagement can be found on pages 40 to 49 of the Strategic Report where we have provided an equivalent to a s172(1) UK Companies Act 2006 statement, albeit there is currently no such reporting requirement under the Jersey Companies Act.

There has also been continued engagement in 2022 with our employees. During the year the Board received briefings from the Workforce Engagement Non-executive Directors on their findings from the workforce meetings held and the subsequent actions agreed and being implemented by the Regional CEOs. Our Non-executive Directors attended workforce engagement meetings in person and via teleconference in Japan, New York, Belfast and London.

Purpose, culture and values

The Board recognises the importance of its role in setting the tone of the Group's culture aligning it with our purpose, vision, mission and strategy, and embedding it throughout the Group. The Board aims to foster an open and collaborative culture based on our mission and purpose supporting decisions that are best for our shareholders, whilst having regard to the interests of our other stakeholders. Further details of about our purpose, vision and mission can be found in the Sustainability chapter on pages 50 to 70.

In 2022 following feedback from employee engagement forums, workshops and town-halls the core values of the Group were refreshed and our new Triple A values (Accountable, Adaptable and Authentic) were launched. Work will continue into 2023 to further embed the new values into the everyday lives of our employees.

A sustainable business

Beyond corporate governance, the Board acknowledges its other key responsibilities, in particular as they relate to ESG matters. Much progress has been made on these matters over the last year. Of particular note was the appointment of Shane O'Riordain as Group Director, Corporate Affairs who leads the Group's approach to sustainability. Further information on the Group's approach to ESG matters can be found in our Sustainability chapter on pages 50 to 70.

Annual General Meeting

Our 2023 AGM will be held on 17 May 2023 at 2.15pm BST. Full details including the resolutions to be proposed to our shareholders can be found in the Notice of AGM which will be made available on our corporate website.

The outcome of the resolutions put to the AGM will be published on the London Stock Exchange's and the Company's website once the AGM has concluded.

Richard Berliand

Board Chair
14 March 2023

OUR GOVERNANCE FRAMEWORK

The Board

Has principal responsibility for promoting the long-term sustainable success of the Company, generating value for its shareholders and contributing to wider society.

Key responsibilities

Provides strategic leadership.

Determines the Group's purpose, values and strategy and ensures these are aligned with the culture.

Ensures the necessary resources are in place to meet Company objectives and measure performance against them.

Ensures that controls and risk management systems are rigorous and effective throughout the organisation.

Determines the Group's risk appetite and nature and extent of the principal risks and considers other matters escalated from the Board's Risk Committee.

Determines what matters are reserved for the decision of the Board.



Nominations & Governance

Responsible for reviewing the balance of skills, knowledge, experience and diversity of the Board and UK Regulated Entities' ('UKREs') boards, making recommendations for Board, Committee and UKRE Non-executive Director appointments and monitoring succession plans. Also has responsibility for reviewing and making recommendations on matters of corporate governance.

For more see page 100

Remuneration

Responsible for developing, maintaining and recommending to the Board formal and transparent policies on remuneration for the Company's employees, including the Directors' Remuneration Policy. Makes recommendations to the Board on the remuneration packages of the Executive Directors and other members of senior management, in compliance with policy.

For more see page 116

Risk

Reviews and makes recommendations to the Board on the Group's risk appetite, risk principles and policies so the risks are reasonable and appropriate for the Group and can be managed and controlled within the limits of the Group's resources and within appetite. This includes oversight in respect of climate-related risks in accordance with TCFD requirements. Ensures adherence to risk principles and thresholds.

For more see page 112

Audit

Ensures the governance and integrity of financial reporting and disclosures, and reviews the controls in place. Oversees the internal audit function and the relationship with the external auditors, including monitoring independence. Also reviews the effectiveness of internal controls in the Group and maintains oversight of the Group's TCFD deliverables plan.

For more see page 106

Executive

Responsible for defining and refining strategic proposals and reviewing the success of implementation of Group strategy, overseeing performance against the strategy and budget on a business line and regional basis, promoting cultural development, and establishing and monitoring ESG strategy for the Group. Monitors the implementation and progress of risk and culture activities. Also makes recommendations to the Board and Legal Entities in accordance with the authority levels delegated by the Board.



Group Management Committee

Responsible for periodically monitoring and reviewing current business performance against budget and agreed strategy, developing and influencing future strategy and making recommendations for variation of current strategy for consideration by the Executive Committee. Considers the resourcing for the delivery of future strategy.

Group Business Committee

Responsible for exercising oversight of the Group's commercial issues and current business performance with reporting by business line. Also develops ideas on future strategy for consideration by the Executive Committee.

Group Operating Committee

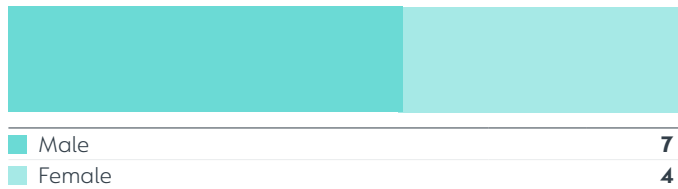
Responsible for exercising oversight of the performance of support functions, overseeing significant Group projects and initiatives, monitoring operational risk within the support functions, reviewing, approving and prioritising potential change initiatives, exercising oversight of budget and cost in support functions and approving and reviewing support function policies.

Group Risk, Conduct and Governance Committee

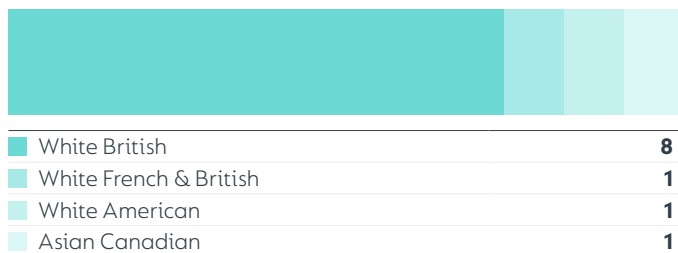
Responsible for providing executive oversight of the Group's enterprise risk management framework, monitoring conduct and reviewing and recommending governance proposals within the Group. Communicates with and makes recommendations to the Executive Committee, Risk Committee and Audit Committee as appropriate.

OUR BOARD IN NUMBERS

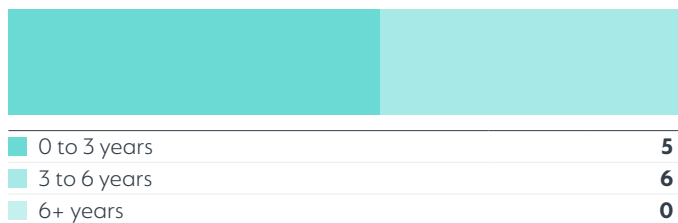
Gender



Ethnicity/Nationality



Tenure at year end



Skills, knowledge, experience

	Score	%
Banking	25	76%
Trading/Broking	29	88%
Accounting	19	58%
Operational	20	61%
Digital & Technology	15	45%
Regulatory	27	82%
Risk Management	27	82%
Audit	20	61%
Strategy	25	76%
Corporate Governance	25	76%
Corporate Transactions	23	70%
Remuneration Policy & Practices	22	67%
Sustainability & ESG (including climate change)	14	42%

Note: The 'Score' of skills, knowledge, experience held by each Director is assessed utilising a 0-3 rating (0: None | 1: Can Navigate | 2: Competent | 3: Expert) on an individual basis, providing a maximum score of 33 per item.

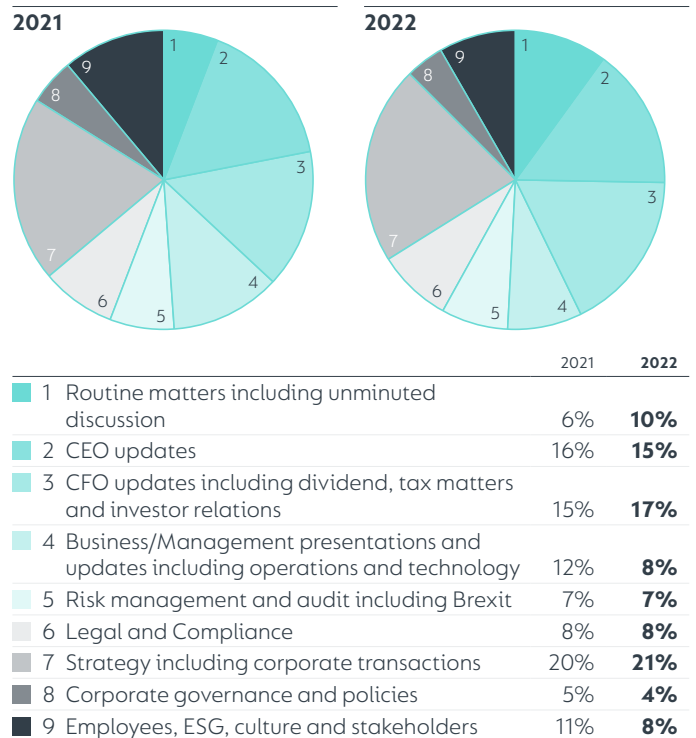
KEY BOARD ACTIVITIES

The Board's activities

In addition to the eight scheduled meetings, numerous off-cycle Board meetings and briefings were held in 2022 at which the Board discussed, among other matters, the Group's results and corporate strategy, ESG (including climate change) and other projects. The Board also held a strategy day in May 2022.

Over the course of the year, the Non-executive Directors conducted unminuted discussions at the end of the scheduled Board meetings and held occasional meetings without the Executive Directors present to facilitate full and frank discussion.

How the Board spent its time during the year in scheduled meetings



2022 Board meeting attendance

Director	Meetings attended ¹
Richard Berliand	8/8
Nicolas Breteau	8/8
Kath Cates	8/8
Tracy Clarke	8/8
Angela Crawford-Ingle	8/8
Michael Heaney	8/8
Mark Hemsley	8/8
Louise Murray	8/8
Edmund Ng	8/8
Philip Price	8/8
Robin Stewart	8/8

¹ Annual scheduled meetings only.

Board of Directors

Our Directors bring diversity of skills, knowledge, experience and outlook which we believe creates greater value, leads to better decision-making and promotes the long-term sustainable success of the Company.

- A** Audit Committee
 - N** Nominations & Governance Committee
 - R** Remuneration Committee
 - Ri** Risk Committee
 - Chair** Chair
 - Member** Member
 - W** Workforce Engagement Director
- External appointments: all listed and regulated external appointments are disclosed.

Richard Berliand
Board Chair



Appointed
19 March 2019 and Chair with effect from 15 May 2019

Committee appointments
N

Board skills and experience

Richard combines a detailed understanding of the financial services industry and its challenges and opportunities with a diverse range of senior board leadership experience, having held roles as Senior Independent Director and Deputy Chairman at other listed financial institutions. Through his broad business experience and previous external roles Richard brings extensive external insight, a deep understanding of relevant issues and the strong corporate governance expertise required to lead an effective Board and develop its strategy. He also brings considerable experience of engagement with key stakeholders of the business.

Career

Richard had a 23-year career at J.P. Morgan where he served most recently as Managing Director leading the global cash equities and prime services businesses. He was previously a member of the board of directors of Rothesay Life plc and a member of Deutsche Börse AG's Supervisory Board.

External appointments

Senior Independent Director and member of the Remuneration, Nomination and Audit & Risk Committees of Man Group plc. Chair of Saranac Partners Limited.

Kath Cates
Senior Independent Director
Risk Committee Chair



Appointed
1 February 2021

Committee appointments
A N Ri

Board skills and experience

Kath brings to the Board a wealth of experience in global financial services with over 25 years in executive roles based in Hong Kong, London, Singapore and Zurich. Her responsibilities spanned risk, legal and compliance, operations, IT, brand, HR and strategy. More recently as a Non-executive Kath has gained broad experience on the main boards of a number of companies, chairing Board committees and acting as Senior Independent Director. Kath is a current member of Chapter Zero and was appointed our Senior Independent Director in March 2023 succeeding Michael Heaney.

Career

Kath was previously Global COO, Wholesale Banking for Standard Chartered Bank plc. Prior to that Kath spent over 20 years at UBS in a variety of senior roles including Global Head of Compliance. Kath was previously a Non-executive Director and Chair of the Risk Committee of Brewin Dolphin Holdings plc, and a Non-executive Director and Remuneration Committee Chair of RSA Insurance Group plc.

External appointments

Non-executive Director, Remuneration Committee chair, and member of the Audit and Nomination Committees of United Utilities Group plc. Non-executive Director of two regulated subsidiaries, and also Audit Committee chair of one, in the Columbia Threadneedle Group. Chair of the Board of Brown Shipley & Co Limited.

Nicolas Breteau

Executive Director and
Chief Executive Officer



Appointed
10 July 2018

Committee appointments

None

Board skills and experience

Nicolas' extensive experience across the global broking industry complements his in-depth knowledge of the Group's operations and markets and enables him to lead the business and be a key contributor to the Board. Nicolas continues to lead the implementation and development of the Board's strategy and identifies new opportunities for the continued future growth of the business. He maintains a productive dialogue with institutional investors and other key stakeholders of the business.

Career

Nicolas has held senior managerial roles at MATIF (later Euronext), FIMAT (part of Société Générale Group) and most recently prior to joining TP ICAP, as Chief Executive of Newedge Group. Before his current appointment, he was CEO of TP ICAP's largest business, Global Broking. Nicolas has also held directorship roles in Europe, Asia and the Americas at the Futures and Options Association (UK), Futures Industry Association (USA), Citic/Newedge (China) and Altura (Spain).

External appointments

None

Robin Stewart

Executive Director and
Chief Financial Officer



Appointed
10 July 2018

Committee appointments

None

Board skills and experience

Robin brings to the Board financial expertise coupled with strong leadership skills developed both within TP ICAP and the wider industry over more than 20 years. His comprehensive knowledge of the financial position of the Group enables him to make a strong contribution to the Board and when engaging with investors and other stakeholders. He helps to drive the operational performance of the business and provides valuable expertise in financial risk management.

Career

Robin started his career at Arthur Andersen and after that he spent 13 years at Dresdner Kleinwort where he was director and deputy head of tax. He joined the Group originally as Head of Tax in 2003 and has since held the roles of Head of Group Finance and Tax, Group Financial Controller and Deputy CFO and Financial Controller.

External appointments

None

Philip Price

Executive Director and
Group General Counsel



Appointed
3 September 2018

Committee appointments

None

Board skills and experience

Philip has over 30 years' experience gained in senior executive roles in the corporate and financial services sector. His knowledge and expertise enables him to bring a valuable perspective to the Board's consideration of risk, governance, legal and compliance issues and he is able to provide the Board with insight as to the dynamic and complex regulatory environment in which TP ICAP operates. Having spent his career variously in London, Europe and Asia, Philip also brings an understanding and insight into a number of the Group's key operating markets.

Career

Prior to joining the Group as Group General Counsel and Global Head of Compliance in 2015, Philip held senior executive roles in UK listed companies, investment banks and the alternative investment sector. Philip is admitted as a Solicitor of the Senior Courts of England & Wales.

External appointments

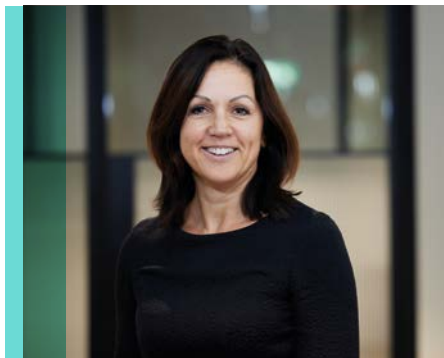
None

Board of Directors

continued

Tracy Clarke

Independent Non-executive Director
Remuneration Committee Chair



Appointed

1 January 2021

Committee appointments

N R

ESG Engagement Director

Board skills and experience

Tracy brings to the Board considerable international banking and financial services experience spanning 35 years, most recently serving as a Director of Standard Chartered Bank UK for seven years. Her non-executive appointments including as Remuneration Committee Chair, previously for eaga plc and Sky plc and currently for Haleon plc and Starling Bank, demonstrate her suitability to chair the Remuneration Committee. Tracy also has relevant ESG experience, having previously been responsible for Corporate Affairs and Sustainability at Standard Chartered and being a current member of Chapter Zero, which is valuable in her role as ESG Engagement Director.

Career

As well as having been Director of Standard Chartered Bank UK from January 2013 until 31 December 2020, Tracy served as Non-executive Director of Standard Chartered First Bank in Korea, Zodia Holdings Limited and Zodia Custody Ltd. She has also chaired the boards of Standard Chartered Bank AG and Standard Chartered Yatirim Bankasi Turk A.S. She was also Non-executive Director of Inmarsat plc, China Britain Business Council and TheCityUK.

External appointments

Senior Independent Director and Remuneration Committee Chair of Starling Bank Limited. Non-executive Director and Remuneration Committee Chair of Haleon plc.

Angela Crawford-Ingle

Independent Non-executive Director
Audit Committee Chair



Appointed

16 March 2020

Committee appointments

A N Ri

Board skills and experience

Angela brings substantial experience to the Board, both from her executive career, as well as from her other Non-executive Director roles in financial services. She is a Fellow of the Institute of Chartered Accountants in England and Wales and delivers scrutiny and oversight to the Board from her extensive experience of audit of multinational and listed companies.

Career

Angela, a chartered accountant, was a Partner specialising in financial services at PricewaterhouseCoopers for 20 years, during which time she led the Insurance and Investment Management Division. She has previously served in Non-executive Director roles at Beazley plc, Swinton Group Limited, Openwork Holdings, and River and Mercantile Group plc.

External appointments

Council Member and Chair of the Audit Committee of Lloyds of London Limited.

Michael Heaney

Independent Non-executive Director



Appointed

15 January 2018

Committee appointments

N R Ri W

Board skills and experience

Michael brings to the Board significant knowledge of financial markets, both in the USA and the UK, as well as expertise in international financial management from his long career in financial services. His prior experience of operations and risk management at senior level was invaluable in his role as interim Chair of the Risk Committee. Michael was also our Senior Independent Director from May 2021 to March 2023. As Workforce Engagement Director his perspective ensures that he understands and brings the views of employees in the Americas region to Board discussions.

Career

During a distinguished career Michael served as Global Co-Head of the Fixed Income Sales and Trading Division for 28 years at Morgan Stanley, both in New York and London. He was also a member of Morgan Stanley's Operating, Management and Risk Management Committees. Until recently Michael served as a Non-executive Director of Legal & General, Investment Management Americas, and Chairman of the US Securities and Exchange Commission Fixed Income Market Structure Advisory Committee.

External appointments

Chairman of Deutsche Bank USA and Deutsche Bank Trust Company Americas.

- A** Audit Committee
- N** Nominations & Governance Committee
- R** Remuneration Committee
- Ri** Risk Committee

- Chair**
- Member**
- W** Workforce Engagement Director

External appointments: all listed and regulated external appointments are disclosed.

Mark Hemsley

Independent Non-executive Director



Appointed

16 March 2020

Committee appointments

N Ri W

Board skills and experience

Mark draws on his extensive experience of capital markets and exchanges from his executive career in the industry. His knowledge of large-scale technology infrastructure, operations and oversight of operational transformation in several international exchanges and trading platforms is invaluable to the Board. As Workforce Engagement Director for EMEA, Mark's engagement with colleagues brings the perspectives of EMEA employees to Board discussions.

Career

Mark was President of Cboe Europe until his retirement in early 2020. Prior to that he was Chief Executive Officer at Bats Global Markets in Europe, Managing Director, Market Solutions at LIFFE and Director Global Technology at Deutsche Bank GCI. Mark was also a board member of EuroCCP NV and was a member of the ESMA Securities and Markets Stakeholder Group and Securities and Markets Consultative Working Group.

External appointments

None

Louise Murray

Independent Non-executive Director



Appointed

31 December 2021

Committee appointments

A N

Board skills and experience

Louise brings to the Board considerable and broad buy-side experience from her career within blue-chip financial institutions, as well as expertise in financial asset classes. Experienced in regulated industries and implementing robust governance across a global framework, Louise makes a strong contribution as a member of the Nominations & Governance Committee.

Career

Louise's most recent executive position was as Director, Global Head of Trading at Aviva Investors Global, having previously spent 21 years at BlackRock Investment Management where she served most recently as Managing Director, Head of Fixed Income Trading EMEA.

External appointments

None

Edmund Ng

Independent Non-executive Director



Appointed

1 November 2017

Committee appointments

A N R W

Board skills and experience

Edmund brings to the Board a deep understanding of and insight into one of our key markets, with over 20 years' experience of the Asian capital markets. In addition, his years of experience at the Hong Kong Monetary Authority enable Edmund to bring an in-depth understanding of complex financial regulatory regimes to the Board. His experience in both buy-side and sell-side have provided valuable insight to the evolution of TP ICAP's strategy, and his fund ESG committee involvement has helped to provide the buy-side perspective relating to the Group's recent TCFD focus. As Workforce Engagement Director, Edmund also represents very effectively the views of employees from the APAC region in Board discussion.

Career

Prior to establishing Eastfort Asset Management in mid-2015 with Brummer & Partners in Sweden, Edmund served as Head of the Direct Investment Division of Hong Kong Monetary Authority and Managing Director of Asia Ex-Japan trading within J.P.Morgan.

External appointments

Chief Investment Officer and co-founder of Eastfort Asset Management. Director of OTC Clearing Hong Kong Limited.

Corporate governance report

The role of the Board and its Committees

The Board is collectively responsible for the effective oversight of the Company and the long-term success of its business. The formal Schedule of Matters Reserved for the Board describes the role and responsibilities of the Board in full and is subject to annual review.

The Board delegates some of its responsibilities to the Audit, Nominations & Governance, Risk, and Remuneration Committees, through agreed Terms of Reference which are subject to annual review. The responsibilities of each Committee are described in the governance framework on page 88 and in the relevant Committee reports.

Responsibilities are also delegated by the Board to the Disclosure Committee through agreed Terms of Reference which are subject to annual review. The Disclosure Committee is responsible for considering on an ongoing basis, in accordance with legal and regulatory obligations and the Group Disclosure Policy, whether any recent developments in the Group's business are such that a disclosure obligation has, or may, arise and makes recommendations to the Board as appropriate.

The Group has a matrix management structure. The Board also delegates responsibility for the day-to-day operational management of the Company to the Chief Executive Officer, who is supported by the Executive Committee ('ExCo'), Group Management Committee ('GMC'), Group Business Committee ('GBC'), Group Operating Committee ('GOC') and the Group Risk, Conduct and Governance Committee ('GRCGC'). The Group executive level Committees are chaired by the Chief Executive Officer, except the GRCGC which is chaired by the Group General Counsel and the GOC which is chaired by the Group Chief Operating Officer. The Committee responsibilities are described in the governance framework on page 88.

The Group's Chief Operating Decision Maker ('CODM') is the ExCo which operates as a general executive management committee under the direct authority of the Board. The ExCo members regularly review operating activity on a number of bases, including by business division and by legal ownership which is structured geographically based on the region of incorporation for TP ICAP's legacy entities plus Liquidnet. This business division view is now considered to represent the more appropriate view for the purposes of Group resource allocation and assessment of the nature and financial effects of the business activities in which the Group engages, and is consistent with the information reviewed by the CODM. In order to support local regulatory compliance, each regional Sub-group has its own independent governance structure including CEOs, board members and Sub-Group regional Risk, Conduct and Governance Committees with separate autonomy of decision making and the ability to challenge the implementation of Group level strategy and initiatives within its region. In the EMEA Sub-Group, in particular, there are also independent non-executive directors on the regional Board of directors that further strengthens the independence and judgement of the governance framework.

Group Governance Manual and policies

The Group's governance framework, approved by the Board, sets out the decision-making and reporting lines across the Group and authority levels delegated by the Board to certain Committees, individual Directors and senior management. This is documented in the Group Governance Manual, which sets out the governance framework in relation to the Group's central and Sub-Group governance structures, as described above and shown on page 88. Within the framework there is emphasis on the maintenance of regulatory deconsolidation and the separation of mind and management between the Group and each Sub-Group.

The Group Governance Manual documents the operation and governance of the Group's UK regulated entities within the EMEA Sub-Group, taking into consideration governance and regulatory developments, including the Senior Managers and Certification Regime. The Group Governance Manual and appended documentation is subject to annual review and was revised in 2022 to better reflect the Group's responsibilities in relation to the Task Force on Climate-related Financial Disclosures ('TCFD').

The Company has clearly defined policies, processes, procedures and controls which are subject to continuous review in order to meet the requirements of the business, the regulatory environment and the market. Ultimate decision-making on matters affecting a legal entity is reserved for that legal entity board.

Division of responsibilities

The roles of the Board Chair and Chief Executive Officer are separate and a formal statement of division of responsibilities has been adopted by the Company.

Board Chair: Independent on appointment and leads the Board by facilitating the effective contribution of all Directors and ensuring high standards of corporate governance. Chairs the Board meetings, sets the Board agendas and promotes effective relationships between the Executive Directors and Non-executive Directors.

Senior Independent Director: Discusses with shareholders any concerns they have been unable to resolve through the normal channels of Chair, Chief Executive Officer or Chief Financial Officer, or for which such contact is inappropriate. Provides a sounding board for the Chair and is available to act as an intermediary for other Directors when necessary. Responsible for reviewing the effectiveness of the Chair.

Chief Executive Officer: Accountable to, and reports to, the Board. Responsible for developing and implementing the strategy, setting the cultural tone throughout the organisation and providing coherent executive leadership in running the Group's operations and activities.

Executive Directors: Support the Chief Executive Officer in developing and implementing the Group strategy and leading the Company, which is consistent with its purpose, culture and values. Provide specialist knowledge and experience to the Board.

Non-executive Directors: Independent of management, assist in developing and approving the strategy. Provide independent advice and constructive challenge to management, bring relevant experience and knowledge and serve on the Board Committees. Support the Chair by ensuring effective governance across the Group and reviewing the performance of the Executive Directors.

Group Company Secretary: Advises the Board on matters of corporate governance and ensures that the correct Board procedures are followed. All members of the Board and Committees have access to the services and support of the Group Company Secretary.



More online

The Division of Responsibilities can be found at:
<https://tpicap.com/tpicap/investors/corporate-governance>

Board meetings

The Board has a schedule of eight meetings a year to discuss the Group's ordinary course of business in accordance with a detailed annual forward agenda developed by the Chair and the Group Company Secretary, and agreed by the Board. Every effort is made to arrange Board meetings so all Directors can attend. Additional meetings are arranged on an ad-hoc basis as required and while every effort is made to arrange that all Board members are able to attend these additional meetings, that is not always possible as they are often at relatively short notice. All Board and Board Committee meetings are minuted. These summarise the principal points discussed during an item's deliberation and record any unresolved concerns and actions arising from the discussion.

In addition to the eight scheduled meetings (six full agenda meetings and two shorter CEO and CFO Report focused meetings) there were eight further ad-hoc meetings held at short notice during 2022. In most cases all eligible Board members were able to attend these additional meetings. In all cases each Non-executive Director held offline briefings with the Board Chair or Senior Independent Director in relation to the subject matter.

Keeping the Board informed

The Board and its Committees are provided with appropriate and timely information. For scheduled meetings, agendas are drafted based on the previously agreed forward agenda schedule and are then reviewed to replace or include supplemental items to reflect current business priorities as determined by the Chief Executive Officer and the other Executive Directors. Additionally, the Chair of the Board or the Chairs of each of the Committees have sessions, in person, by video-conference or exchange of email, with the Group Company Secretary and relevant function heads to review the agendas for scheduled meetings.

Wherever possible, agenda items for consideration are accompanied by written reports and supporting papers. Oral updates are permitted where matters are progressing at a pace to ensure the Directors have the most current information available. Board and Committee papers are circulated sufficiently in advance of meetings to enable Directors to review them.

The Group has a comprehensive system for financial reporting on the Group's financial position and prospects, which is subject to rigorous review by both internal and external audit. Budgets, regular forecasts and monthly management accounts including KPIs, income statements, balance sheets and cash flows are prepared, and the Board reviews consolidated reports of these.

The Group Company Secretary and Group General Counsel are responsible for ensuring the Board stays up to date with key changes in legislation which may affect the Company. There are also procedures in place for the Board to take independent professional advice at the Company's expense, should the need arise.

The Board continually monitors the quality of the information it receives to ensure it is clear, comprehensive, and helps the Board to carry out its duties.

Case study

Audit tender

Stakeholder consideration: shareholders, regulators

In 2021 the Company committed to completing a competitive tender for the audit contract in respect of the year ending 31 December 2024. Having last completed a tender process in 2013, Deloitte have been the Company's external auditor since its predecessor company listed in 2000. In accordance with the Code and Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'Order'), it was therefore prudent that the Company put the statutory audit services engagement out to tender during 2022, ahead of the year ending 31 December 2023 being the last year Deloitte could be appointed as the Group's auditor. Completing the tender process within this time frame allows a four-year term for the new lead audit partner and a cooling period for the incumbent auditor in accordance with the EU mandatory firm rotation rules.

In April 2022:

- > Angela Crawford-Ingle, Audit Committee Chair, issued a letter to the Company's largest shareholders representing circa 85% of the register outlining the Group's intentions in relation to the external audit tender. Feedback received from shareholders was considered and incorporated into the process as appropriate.
- > The Group approached the three remaining 'Big 4' audit firms and two of the challenger firms, and launched the request for proposal process inviting firms to participate in the process.
- > A data room was set up and made available to participating firms, allowing them equal access to documents in order to structure a written proposal and submit questions.
- > An internal steering group, chaired by the Audit Committee Chair and comprised of a sub-set of the project working group, was set up and met regularly to oversee the preparation and execution of the process on behalf of the Audit Committee.

In June 2022 all participating firms were invited to present to an evaluation panel comprising of members of the Audit Committee, Board members and senior members of the project working groups. The evaluation panel compared, contrasted, and assessed the presentations, proposals received and the participating firms themselves. The evaluation was based on qualitative and quantitative criteria and considered participating firms' suitability in relation to the Group's client base, geographical reach, technical expertise and cultural fit. Subsequent to the formal presentations, all feedback was consolidated and reviewed. PricewaterhouseCoopers ('PwC') was identified by the evaluation panel as the preferred firm and the Group engaged in commercial negotiations and discussions.

Following completion of due process the Audit Committee and Board recommended at their meetings in July 2022 that the proposed new external auditor, PwC, be appointed as the Group's new external auditor in respect of the year ending 31 December 2024. The recommendation was announced by the Company on 28 July 2022 and will be presented to our shareholders for approval at the AGM in early 2024.

Throughout the process the Audit Committee continued to monitor legal requirements and developments in best practice with regards to audit tender arrangements, including the UK Financial Reporting Council's 'Audit Tenders - Notes on Best Practice' February 2017 and the UK adopted Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audits of public-interest entities.

Key agenda items discussed by the Board

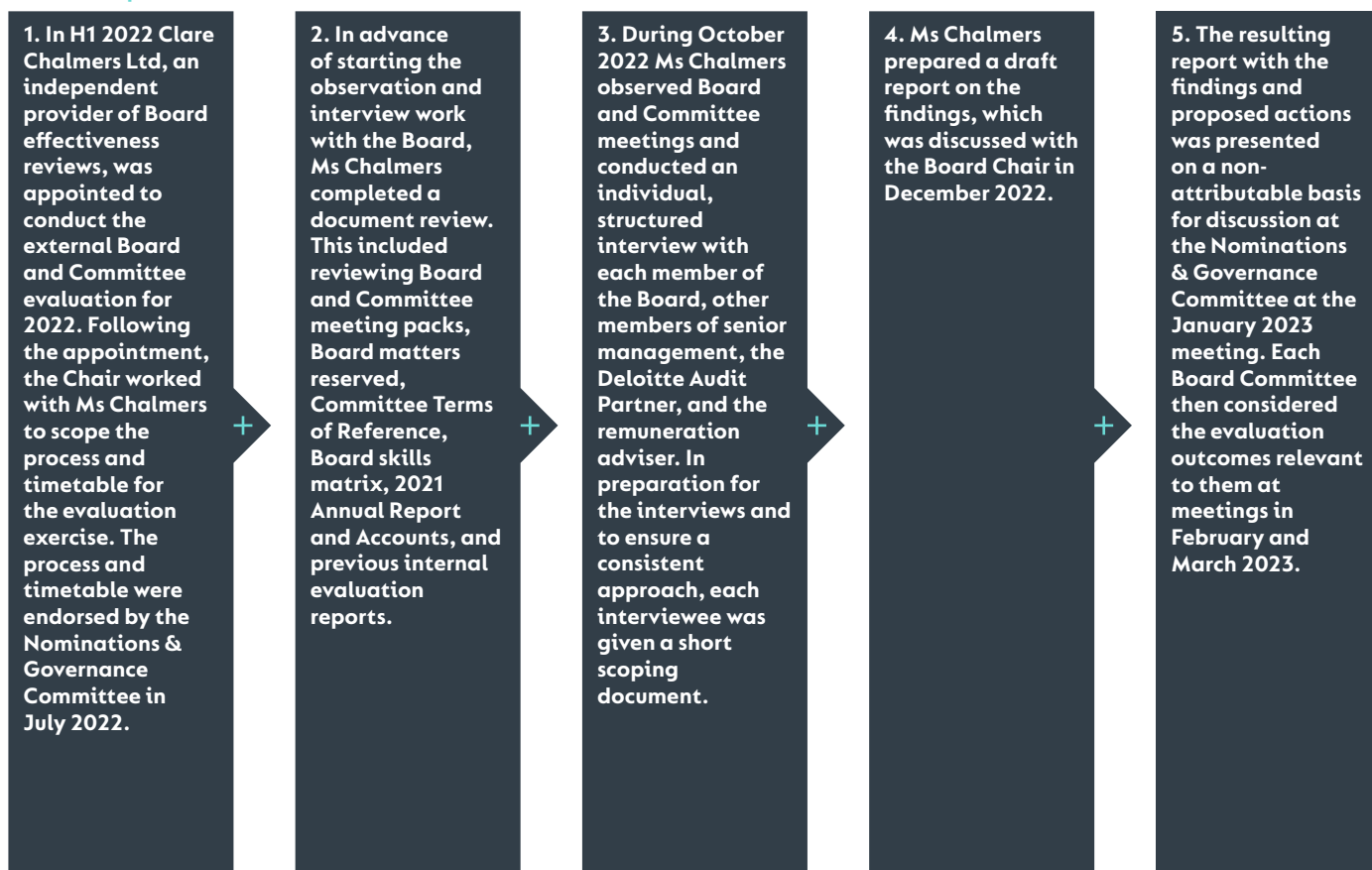
Some of the key strategic priorities and areas discussed and reviewed by the Board in 2022 are shown below:

Strategic and operational priorities	Key activities and discussions
Strategy formulation, implementation and monitoring	<ul style="list-style-type: none"> > Regular Chief Executive Officer's reports and dashboards > Reports from the Americas region > Presentations from the business including Energy & Commodities, Parameta Solutions, and Liquidnet > Post-Brexit planning and implementation > Dedicated strategy sessions > Brand strategy and architecture, including purpose statement review
Build and sustain technology expertise	<ul style="list-style-type: none"> > Presentations on technology projects > Deep dive on hub architecture
Develop our people	<ul style="list-style-type: none"> > Culture and conduct initiatives > Diversity and inclusion > Employee wellbeing and working environment, including new values > Employee share plans > Employee development and engagement > Gender pay gap review > Whistleblowing updates, in conjunction with the Audit Committee
Enhance operational expertise	<ul style="list-style-type: none"> > Presentation on operations, including updates on business continuity planning > Internal and external communications strategy
Financial performance, including results, capital and liquidity	<ul style="list-style-type: none"> > Regular Chief Financial Officer's reports including financial performance > Three-year financial plan updates > Financial strategy > Approval of the 2022 Group Budget and discussion of the 2023 Budget setting process > Approval of the 2021 year-end results, Annual Report and Accounts, AGM circular and dividends > Review of dividend policy > Group review of capital and liquidity adequacy > Approval of interim results and review of trading statements > Viability statement and going concern > Analysis on local capital allocations and usage > EMTN Programme > Group insurance renewal
Corporate governance and risk, including regulatory outcomes	<ul style="list-style-type: none"> > Reports of the activities of the Audit, Remuneration, Risk, and Nominations & Governance Committees > Risk strategy, risk assurance plan and risk appetite statements > Regular legal and compliance reports > Presentations from the Chief Risk Officer, including on reinforcing a good risk culture > Conflicts of interest > Corporate governance matters, including approval of the Group Governance Manual, Matters Reserved for the Board, Division of Responsibilities, Schedule of Delegations and Group Expenditure Control Policy > Corporate governance updates and Code compliance > Board and Committee evaluation > Board and Committee Terms of Reference reviews > Review of Securities Dealing Code > Review of Modern Slavery Statement > External audit tender process
ESG, including stakeholder engagement	<ul style="list-style-type: none"> > The Sustainability strategy, KPIs and reports > Shareholder engagement and feedback > Investor relations reports and shareholder analysis > Review of the charitable giving policy > Climate change and environmental sustainability, including net zero commitment > Engagement with the FCA and other regulators > Supplier engagement

BOARD EVALUATION AND PERFORMANCE

The Board undertakes a review of its effectiveness each year and appoints an external evaluator every third year. During 2022, Clare Chalmers Ltd, an independent consultant, was commissioned to undertake a review of TP ICAP's Board and Committees in line with the guidance set out in the Code. Clare Chalmers Ltd undertook an external evaluation for the Board in 2019, but it was felt that Ms Chalmers remained independent and her expertise would be of value to the Board and its Committees.

Evaluation process



Progress against 2022 actions

The outcome of the 2021 Board evaluation exercise, which was internally facilitated, was reported in detail in last year's Annual Report. The main action points arising from that exercise, and actions taken in respect of each, are set out in the table below.

2021 evaluation recommendations	Progress made during the year
Continue to improve Executive Director and Senior Manager succession and talent development plans	<ul style="list-style-type: none"> > Executive Director and senior management succession plans, talent development initiatives, and the associated risks were a focus of management through 2022, with gap analysis completed. > The succession plans and talent development initiatives were reviewed by the Nominations & Governance Committee in October 2022 and further developments discussed. > Continuing to develop the Executive Director and senior management succession plans and process, and implementation of new talent development initiatives is envisaged for 2023.
Implement a continuing structured engagement programme for the Non-executive Directors	<ul style="list-style-type: none"> > Our new Non-executive Director was integrated successfully and effectively into Board discussions, utilising a mixture of engagement and induction methods to ensure they were brought up to speed quickly on the activities of the business. > Non-executive Directors regularly held meetings with the Executive Directors and other senior managers to aid continuous development of understanding of the businesses and strategic dialogue. > Non-executive Director only meetings were made a standing Board agenda item.
Tighten the Board administrative processes	<ul style="list-style-type: none"> > The development and oversight of Board paper composition was an area of focus, with an improved governance process implemented. > Board and Committee papers were made available for scheduled meetings so that Directors had sufficient time to read and digest them ahead of the meeting.

Board and Committee effectiveness results

The conclusion of the 2022 external evaluation process was that the Board and its Committees operated effectively. The evaluation highlighted that the Board has made some significant positive contributions over the last year, noticeably looking at culture, change, Executive succession planning and oversight of appointments and supporting the continued improvement of papers. Board members were also considered to be well aligned on the Company's purpose, values, strategy and wider responsibilities.

The main recommendations arising from the Board evaluation for 2022, and areas of focus for 2023, are set out in the table below.

2022 evaluation recommendations	Areas of focus for 2023
Continue to improve Executive Director and Senior Manager succession and talent development plans	<ul style="list-style-type: none"> > Succession planning to be considered by the Nominations & Governance Committee at least twice during 2022. > Continue to develop Executive Director and Senior Management succession plans. > Review and refresh talent development initiatives in place.
Enhance and expand the Group's Director induction processes and annual training programme	<ul style="list-style-type: none"> > Extend the Director induction programme to establish a continuing structured engagement programme for the Non-executive Directors and Executive Directors within the Group, with regular meetings with the Executive Directors and other senior managers to aid continuous development of understanding of the businesses and strategic dialogue. > Enhance and extend the bespoke training programme for the Board and its Committee members, including executive directors across the Group.
Continue to refine Board and Committee papers	<ul style="list-style-type: none"> > Standard paper templates to be refreshed and extended to the Group. > Presenters to the Board and its Committees to be provided with presenter training to help provide clarity and to help ensure that key issues are drawn out. > Paper author training to be provided to paper authors.

Individual performance evaluation

As a separate part of the annual evaluation process, there is a review of the effectiveness and commitment of individual Directors and the need for any training or development is assessed. This is carried out as follows:

- > The Chair meets with the Non-executive Directors to evaluate the performance of the Chief Executive Officer;
- > The Chair meets each Non-executive Director individually; and
- > The Senior Independent Director and the other Non-executive Directors meet to evaluate the Chair's performance, having first obtained feedback from the Chief Executive Officer.

As part of the annual evaluation an individual's commitment of time to the Company in light of their other commitments, as noted in their biographies on pages 90 to 93, is reviewed. In addition, the Chair conducts an interview and assessment of Non-executive Directors as they approach the end of each three-year term to determine their continued effective contribution and commitment to the role. This process was completed in Q1 2023 for Angela Crawford-Ingle and Mark Hemsley in relation to their first three-year term, and both were subsequently recommended to be appointed for a second three-year term by the Chair and Nominations & Governance Committee.

All Directors subject to the annual evaluation were deemed to be effective members of the Board and are recommended for re-election at the 2023 AGM.

Richard Berliand
Chair, Nominations & Governance Committee

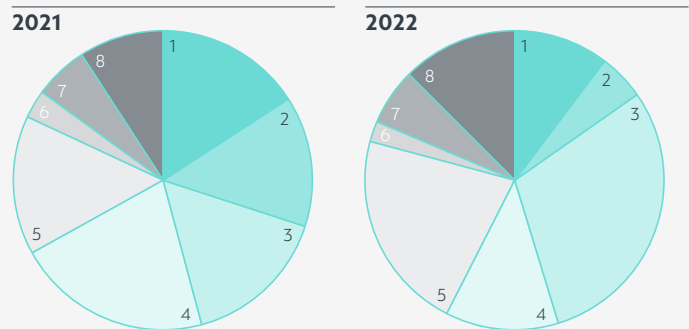


2022 key activities

- > Board composition, recruitment, and succession planning.
- > Board and workforce diversity.
- > Board evaluation process, outputs and actions.
- > Senior management succession planning.
- > ESG and Governance matters, including the Group Governance Manual.
- > Stakeholder engagement activities, including the workforce engagement programme.

How the Committee spent its time during the year in scheduled meetings

%



	2021	2022
1 Routine matters	16%	13%
2 Executive Director and senior management succession planning	14%	5%
3 Stakeholder engagement, ESG and culture	16%	29%
4 Board member recruitment including skills, experience and diversity review	21%	12%
5 Corporate governance	15%	21%
6 Policies and controls	3%	2%
7 Board Evaluation	6%	6%
8 UK Regulated Entities Board composition	9%	12%

Dear fellow shareholder,

I am delighted to present the Nominations & Governance Committee report which summarises how the Committee has discharged its responsibilities during the year. Areas of focus this year included: Board composition and succession planning; Board and workforce diversity; Board evaluation process, outputs and actions; senior management succession planning; and Governance matters, including the embedding of TCFD into our Group Governance Manual and the refresh of the Group's purpose, vision and mission.

In accordance with its Terms of Reference, the Committee also reviewed and made recommendations in relation to the composition and remuneration of the Non-executive Director element of the TP ICAP UK Regulated Entities' Boards and Committees.

Board composition, recruitment and succession planning

A key role of the Committee is to regularly review the structure, size and composition of the Board and its Committees, and where appropriate make recommendations to the Board for the orderly succession of Executive and Non-executive Director appointments. It oversees the refreshment of the Board and its Committees and, in assisting and advising the Board, the Committee seeks to maintain an appropriate balance of skills, knowledge, independence, experience, time commitment and diversity on the Board and its Committees, taking into account the Group's strategic priorities, its challenges and opportunities, all relevant corporate governance standards, and associated guidance on Board composition.

As previously mentioned, I was pleased to be able to announce that Kath Cates, with the support of the Committee and Board, has agreed to become the Group's Senior Independent Director. Kath replaces Michael Heaney who will remain a valued member of the Board and its Committees.

The Directors' biographies and 'Our Board in numbers' on pages 89 to 93 demonstrate the depth and breadth of the Board's skills, knowledge, experience and competencies and reflect the constitution of the Board as at 31 December 2022.

At the year-end the Board comprised eleven Directors: three Executive Directors and seven independent Non-executive Directors including a Non-executive Chair who was independent on appointment. In compliance with the Code, over half the Board comprised independent Non-executive Directors throughout 2022 and this remains the case as at the date of this report with a total of eight Non-executive Directors.

At regular intervals throughout year the Committee reviewed the Board skills, knowledge and experience matrix to assist in assessment of the Board's coverage of those skills and expertise, but also to consider the competencies required in order for the Board to achieve the organisation's strategic priorities.

2022 Committee attendance

Committee members	Meetings attended ¹
Richard Berliand	4/4
Kath Cates	4/4
Tracy Clarke	4/4
Angela Crawford-Ingle	4/4
Michael Heaney	4/4
Mark Hemsley	4/4
Louise Murray	4/4
Edmund Ng	4/4

¹ In addition to the scheduled meetings, one further meeting was held at short notice to consider corporate governance matters and Non-executive Director succession. All members were able to attend the additional meeting.



More online

The Committee's Terms of Reference are available on the Company's website:

<https://tpicap.com/tpicap/investors/corporate-governance>

Key responsibilities of the Committee

The Board has delegated responsibility to the Committee for:

Board and Committee membership, and succession planning

- > Reviewing the balance, skill, knowledge and experience of the Board and Board Committees; making recommendations to the Board as to necessary and appropriate adjustments in structure, size and composition;
- > Overseeing succession planning processes for the Board and senior management; and
- > Making recommendations to the Board on all proposed new appointments, elections and re-elections of Directors at AGMs.

Board performance

- > Supervising the Board performance evaluation process; overseeing any remedial action required as a result of the Board performance evaluation process concerning the composition of the Board.

Director independence

- > Assessing and making recommendations to the Board in relation to the independence of Non-executive Directors.

Conflicts and related person transactions

- > Reviewing conflicts.

Governance

- > Considering various governance matters, including compliance with the UK Corporate Governance Code and/or other relevant regulatory regimes; and
- > Reviewing key non-pay related workforce policies and stakeholder engagement mechanisms.

ESG matters

- > Reviewing and approving the content of any environmental, social and governance related statements or policies.

Conduct

- > Reviewing and approving the Company's Code of Conduct, share dealing code and related policies.

UK regulated entities ('UKREs')

- > Agreeing procedures for the selection of, and making recommendations to, the UKRE boards on new appointments of independent Non-executive Directors and considering the succession planning process for the UKRE boards; and
- > Reviewing the balance, skills, knowledge and experience, time commitment, independence and diversity of the UKRE boards, and making recommendations as required.

Succession planning

During the year the Committee reviewed and considered Executive and senior management succession planning, with focus given to the Group's talent bench-strength, global succession outlook and talent diversity. The Committee is pleased to report that there were several internal promotions, relocations and external hires made in 2022, which will help the Group to achieve its strategic aims.

Diversity

The Committee regularly considers the diversity of the membership of the Board, UKREs and wider workforce to ensure progress against the diversity targets set out in the Parker Review, Hampton-Alexander guidelines (now the FTSE Women Leaders guidelines) and the Women in Finance Charter.

The Board's membership continues to meet the FTSE Women Leaders guidelines. With respect to succession planning, attention is given to the application of the changes made to the UK Listing Rules in relation to gender and ethnic diversity targets. In the Committee's consideration of diversity, we look at it in its broadest sense, not just in respect of gender, but also age, experience, ethnicity and geographical expertise.

We continue to exceed our Women in Finance targets to achieve 25% senior women in the business by the year 2025: as of September 2022 female representation in senior management was 27.8%. Further details of our diversity and inclusion commitments can be found on our website at www.tpicap.com and on pages 54 to 55 of this report.

Induction

All Directors receive a comprehensive induction on joining the Board. The process for all newly appointed Directors includes the appointee receiving a comprehensive induction programme and briefing with external legal advisers on Directors' duties, roles and liabilities, either prior or soon after appointment. Access is provided to the Board and Committee packs (including minutes and papers) from previous Board cycles and one-to-one induction meetings are held with Executive Directors and senior management, including the Group Company Secretary. Company constitutional, compliance and governance documentation, as well as information relating to the Group and governance structure and the expenditure control framework, is also provided. The Committee seeks feedback on the induction process from newly appointed members of the Board with a view to improving the programme.

Governance

During 2022 the governance framework for the Group as set out in the Group Governance Manual ('Manual') was refined to reflect TCFD requirements and the evolving ESG landscape. Further work will be undertaken in 2023 to help ensure a smooth implementation (where appropriate) of the those elements of the BEIS 'Restoring Trust in Audit and Corporate Governance' consultation on audit and corporate governance. The Committee reviewed the revised Manual and recommended its adoption to the Board. Details of the governance framework can be found on page 88.

On top of regular governance review items such as the Conflicts and Relevant Situations Register, Committees' Terms of Reference, and reviews of stakeholder engagement and compliance, the Committee has also considered an internal assessment of the Company's compliance with the UK Corporate Governance Code.

The UK Regulated Entities' governance

During 2022 the Committee reviewed the composition Group's UK Regulated Entities' boards and committees. As part of the consideration, the Committee takes into account the balance of independence, skills, experience and diversity on the boards. In relation to the latter, the Committee is committed to ensuring there is appropriate female representation on the UK Regulated Entities' boards and considers appropriate diversity targets aligning with the Group's diversity and inclusion aspirations.

Independence and capacity are considered by the Committee prior to an individual being recommended as a Non-executive Director to the UK Regulated Entities and is reviewed annually. The Committee also reviews the UK Regulated Entities' Conflicts and Relevant Situations Register.

The Group's UK Regulated Entities' boards were established in 2020 and reviewed in 2021 as part of the TP ICAP's redomiciliation programme. A review of the Governance Structure including the effectiveness of the Board's and their committees is expected to take place in H2 2023. Further details and the outcome of the review will be reported upon in the 2023 Annual Report and Accounts.

Stakeholder engagement

The Committee has considered engagement with a number of key stakeholders during the year, including discussions of key topics raised by shareholders and employees. The Committee continues to monitor progress of the Workforce Engagement Programme including output actions and will have oversight of the implementation process of the Group's redefined Triple A values driven by the employee culture and values survey feedback. Further information on Stakeholder engagement can be found on pages 40 to 49.

Other areas of the Committee's consideration

Social and environmental matters

As part of the Group's commitment to strengthening its approach to Environmental, Social and Governance ('ESG') matters I was pleased to share that a Group Director of Corporate Affairs was appointed in April 2022. They have worked closely with the Executive leadership team and provided advice as to the best approach to be taken to achieve TP ICAP's ESG strategic aims. Further information about the work that has been undertaken in respect of ESG can be found in the Sustainability chapter on pages 50 to 70.

Conduct

During 2022, the Committee reviewed the TP ICAP's Securities Code, the Group's Disclosure Policy and the Code of Conduct which emphasised the Board's expectations of high ethical standards and integrity in all aspects of the Group's operations and business.

Board and Committee effectiveness

An independent external evaluation of the effectiveness of the Board and its Committees was conducted in Q4 2022. Further details on the evaluation process can be found on pages 97 to 99.

Board training and development

The Chair has overall responsibility for reviewing the training needs of each Director, and for ensuring that Directors continually update their skills and knowledge of the Group. All Directors are advised of changes in relevant legislation, regulations, and evolving risks, with the assistance of the Group's advisors where appropriate. The Board and its main Committees receive briefings from relevant function heads on any relevant current developments as part of the normal Board reporting process.

A schedule of formal training provided to the Board and its Committees is maintained and reviewed by the Nominations & Governance Committee annually. During 2022 the Board and Committees had over ten hours of formal training on a wide range of topics. The subjects included deep dives on Russian exposures including cyber risks, ESG and climate change including TCFD requirements, corporate strategy, and European Gas and Power Market volatility and its implications to TP ICAP. In addition to this formal training there were regular business briefing sessions as well as regular updates on the implications for TP ICAP and financial services following the UK's exit from the European Union and the Company's consequential plans.

Other areas of the Committee's consideration continued

The Board is also kept informed of any material shareholder correspondence, broker reports on the Company and sector, institutional voting agency recommendations and documents reflecting current shareholder thinking. In addition, members of the GMC make regular presentations to the Board on a wider range of topics.

The Non-executive Directors are encouraged to take advantage of external conferences, seminars and training events, and sign up to receive briefings issued by professional advisers on legislative, regulatory and best practice guidance and updates. They are also encouraged to meet members of the management teams both in the UK and overseas to enhance both their knowledge and understanding of the Group's core business areas. Such direct engagement with staff also helps embed the Non-executive Directors' role as workforce engagement champions and enables them to observe first-hand the controls, culture and conduct behaviours in operation. A fuller briefing on the Board's workforce engagement is on page 137.

Director independence, conflicts and related person transactions

Independence of Directors

The independence of each of the Non-executive Directors is assessed on appointment and then continually assessed by the Board and Committee. All Non-executive Directors have been determined to be independent in character and judgement. In addition, at the conclusion of their initial and subsequent three-year terms, the independence of each of the Non-executive Directors is formally reviewed and confirmed. The Chair was independent on appointment. None of the Non-executive Directors has received any remuneration additional to their Directors' fees and the reimbursement of reasonable expenses incurred in the course of performing their duties. The Board believes that there are no relationships, conflicts of interest or other circumstances which are likely to affect, or could appear to affect, any Director's judgement.

External appointments

The Directors' other directorships are set out in the biographies on pages 90 to 93. The Board and Committee continually monitor external appointments to ensure that all Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively. Executive Directors are permitted to take up appointments with other companies provided the time involved is not too onerous and would not conflict with their duties at TP ICAP. None of the Executive Directors currently hold any external appointments.

Management of conflicts of interest

At the start of each Board and Committee meeting, the Directors are invited to advise of any conflicts or potential conflicts in respect of any item on that meeting's agenda.

The Committee reviews at each of its meetings the Company's Conflicts and Relevant Situations Register, which sets out information on Directors' conflicts that have been declared and authorised, as well as setting out Directors' other directorships. At any time that the Committee and/or Board consider a Director's appointment, the members are also invited to consider an extract of the Conflicts and Relevant Situations Register for the individual under consideration and is asked to authorise conflicts as necessary. Ahead of making any appointment decision, consideration is given to whether, in the Company's view, the proposed Director would have sufficient time to fulfil his or her Board responsibilities given their other appointments.

Related party transactions

Related party transactions were considered by the Committee as situations arose and most recently were reviewed in July 2022 and January 2023.

Terms of appointment

The terms of the Directors' service agreements and letters of appointment, which are aligned to the provisions of the Code, are summarised in the Report of the Remuneration Committee on page 135. Each of the Directors is subject to election by shareholders at the first AGM after their appointment by the Board and subject to annual re-election by shareholders thereafter. The service agreements and letters of appointment are available for inspection during normal business hours at our registered office, and at the AGM from 15 minutes prior to the meeting until its conclusion.

Election and re-election of Directors

The Committee takes into account the results of the evaluations of individual Directors (see page 99 for further information) to assist in determining whether to recommend to the Board the election or re-election of Directors at every AGM, as required in accordance with the Company's Articles of Association. The Committee has considered the mix of skills, knowledge, experience, competencies and background of the members of the Board. The Board considers that it exhibits gender and cultural diversity, and the range of skills and backgrounds encompasses financial, commercial, operating, control, corporate governance, accounting, regulatory, audit and international attributes.

As part of the formal review and renewal of a Non-executive Director's appointment prior to the end of each three-year term, the Chair conducts an interview and assessment to confirm that the Non-executive Director continues to contribute effectively and to demonstrate commitment to the role. Should the Chair determine that is the case, a recommendation is made to the Committee to extend the appointment for another three-year term. In line with best practice governance, a proposal for a third three-year term will be subject to more rigorous scrutiny before making a recommendation.

In March 2023, Angela Crawford-Ingle and Mark Hemsley's three-year term of appointment was due to come to an end. At the Board's request I am pleased to say that both Angela and Mark agreed to serve as Non-executive Director's for a further three-year term. The Board and Committee is satisfied that they both remain independent in judgement and character and continue to make a significant contribution to the proceedings of the Board and its Committees.

All Non-executive Directors have submitted themselves for election at the 2023 AGM. The Committee is pleased to recommend all Directors putting themselves forward for election. The biographies of the Directors standing for election can be found on pages 90 to 93, in the Notice of the AGM and also on the Company's website: www.tpicap.com.

Additional information

Additionally, as part of its standing agenda the Committee carried out a review of its terms of reference, to ensure that the Committee continues to fulfil its duties and activities and that the terms of reference remain relevant. The results of the external effectiveness review agreed that the Committee remained effective.

The Committee has unrestricted access to the Executive and senior management, and external advisors to help discharge its duties. It is satisfied in 2022 that it received sufficient, reliable and timely information to perform its responsibilities effectively.

Richard Berliand

Chair

Nominations & Governance Committee

14 March 2023

Angela Crawford-Ingle
Chair, Audit Committee



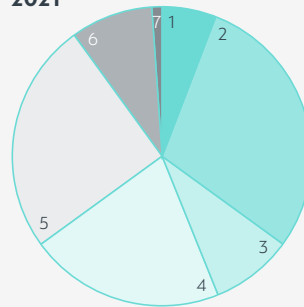
2022 key activities

- > Financial reporting including the Annual Report and Accounts and half-year results, and associated statements and determinations.
- > Group Tax matters.
- > Progress of delivery under the internal audit plan.
- > Internal audit's staffing levels, risk assessment methodology, risk assessment, and internal audit charter.
- > Updates on the external audit process.
- > Effectiveness of the Group's systems of risk management and internal control, including all material controls.
- > Whistleblowing.
- > Oversight of the Group's TCFD deliverables plan.
- > Completion of audit tender.

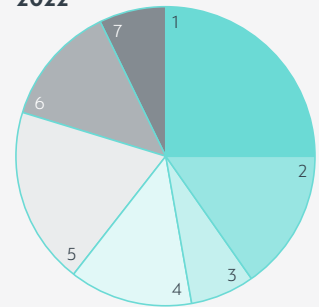
How the Committee spent its time during the year in scheduled meetings

%

2021



2022



	2021	2022
1 Routine matters ¹	6%	25%
2 Annual/interim reporting and trading statement review	29%	15%
3 Tax matters	9%	7%
4 External auditor reporting	21%	14%
5 Internal auditor reporting	25%	19%
6 Risk management and internal controls	9%	13%
7 Corporate governance	1%	7%

1 2022: including unminuted discussion.

Dear fellow shareholder,

I am pleased to present the Committee report for the year ended 31 December 2022. This report sets out how the Committee has discharged its responsibilities during the year and highlights the Committee's assessment of significant financial reporting judgements in connection with the 2022 financial statements, and the conclusions reached. The responsibilities of the Committee are set out in its Terms of Reference, which were last reviewed and approved in December 2022. A summary of these responsibilities in relation to the Group, including the Financial Conduct Authority authorised and other regulated subsidiaries, is set out on page 88 and 108.

Following the Committee's review of the 2022 Annual Report, the Committee made a recommendation to the Board that, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The 'fair, balanced and understandable' recommendation to the Board is explained on page 108.

Throughout 2022 the Committee has continued to play a valuable role in the Group's governance framework, ensuring the integrity of financial information through monitoring and review, and providing challenge and oversight across the Group's financial reporting and internal controls procedures.

We continued to monitor the ongoing UK government led corporate governance reforms in relation to audit and controls matters to assess the likely impact on the future work of the Committee and to enable areas of focus to be planned accordingly. In anticipation of the upcoming new requirements, a working group reporting to the Committee with representation from key functions has been established to further analyse the requirements and develop plans to support implementation.

I provide regular reports to the Board on the activities of the Committee and how we have discharged our duties. To ensure I have a full understanding of the challenges facing the Group I communicate regularly with the risk and finance functions, as well as with external and internal audit, both in the UK and our principal overseas locations. I also communicate with the EMEA Sub-Group and UKRE Board Chair and Risk Chair, and regularly attend EMEA Sub-Group and UKRE Risk Committee meetings

Committee membership and attendance

All Committee members are independent Non-executive Directors with experience in the financial services sector. Along with myself, as a Fellow of the Institute of Chartered Accountants in England and Wales, this fulfils the UK Corporate Governance Code (the 'Code') requirement of having recent and relevant financial experience. The biography of each current member of the Committee is set out in the Board biographies on pages 90 to 93.

The Committee holds a minimum of four meetings annually. The Committee sets an annual work plan, developed from its Terms of Reference, with standing items that the Committee considers at each meeting, in addition to areas of risk identified for detailed review and any matters that arise during the year.

The Committee meetings are routinely attended by the: Board Chair, Executive Directors including the Group CFO, Group Deputy CFO, Group Chief Internal Auditor, Group Chief Risk Officer, partners from the external auditor, and members of Company Secretariat. The Committee also invites other senior finance and business heads to attend certain meetings to gain a deeper level of insight on particular items. During 2022 this included regular focused updates from the Group Director of Corporate Affairs and Group Head of Operations on matters such as ESG (including climate-related) as a part of overseeing the Group's TCFD deliverables plan.

2022 Committee attendance

Committee members	Meetings attended ¹
Angela Crawford-Ingle	4/4
Kath Cates	4/4
Louise Murray	4/4
Edmund Ng	4/4

¹ In addition to the scheduled meetings, one additional Sub-Committee meeting was held to consider the 2021 full year results announcement. All Committee members were able to attend the additional meeting.



More online

The Committee's Terms of Reference are available on the Company's website:

<https://tpicap.com/tpicap/investors/corporate-governance>

Key responsibilities of the Committee

The Board has delegated responsibility to the Committee in relation to:

Financial reporting

- > Considering significant financial reporting judgements;
- > Reviewing the Annual Report and Accounts and half-year results;
- > Considering Group tax matters;
- > Considering whether the Annual Report and Accounts taken as a whole, are fair, balanced and understandable;
- > Monitoring compliance with accounting standards; and
- > Reviewing the going concern and the longer-term viability statement.

External audit

- > Reviewing the effectiveness of external audit;
- > Assessing external auditor independence; and
- > Developing a policy for non-audit services provided by the external auditor.

TCFD deliverables

- > Overseeing the Group's TCFD deliverables plan; and
- > Reviewing the Group's progress delivering its Scopes 1, 2 and 3 commitments.

Risk management and internal control

- > Considering the effectiveness of the Group's systems of risk management and internal control, including all material controls; and
- > Reviewing whistleblowing arrangements.

Internal audit

- > Approving the internal audit function's staffing levels, risk assessment methodology, risk assessment, internal audit charter and annual audit plan;
- > Considering the results and findings of internal audit function's work;
- > Reviewing the performance and effectiveness of internal audit; and
- > Reviewing whistleblowing arrangements.

Fair, balanced and understandable

Before the 2022 Annual Report and Accounts was approved, the Committee was asked to review and consider the processes and controls in place to help ensure it presents a fair, balanced and understandable view of the business. When conducting these reviews, the Committee:

- > Examined the preparation and review process;
- > Considered the level of challenge provided through that process and whether the Committee agreed with the results; and
- > Considered the continuing appropriateness of the accounting policies, important financial reporting judgements and the adequacy and appropriateness of disclosures.

Board and Committee members received drafts of the Annual Report and Accounts for their review and input which provided an opportunity to discuss the drafts with both management and the external auditor, challenging the disclosures where appropriate.

We concluded that the processes and controls were appropriate, and were therefore able to make the following assurance to the Board:

- > In our view, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Going concern and viability statement

The assumptions relating to the going concern review and viability statement were considered, including the medium-term projections, stress tests and mitigation plans, with reflection that the resulting assumptions and statement would support the Directors' solvency statement required to be made in accordance with Jersey law prior to any distribution.

On the basis of the review, we advised the Board that it was appropriate for the Annual Report and Accounts to be prepared on a going concern basis. We also reviewed the long-term viability statement taking into account the Group's current position and principal risks and uncertainties, and advised the Board that the viability statement and the three-year period of the assessment were appropriate.

Financial reporting

The Committee has reviewed the integrity of the Consolidated Financial Statements included in the half-year and year-end announcements of results and the Group's Annual Report and Accounts.

Significant financial reporting judgements in 2022

We considered a number of judgements in connection with the 2022 Consolidated Financial Statements. These judgements, how the Committee addressed them and the conclusions we reached, are set out to the right:

Significant financial reporting judgements in 2022 continued

Judgement	Note	Action the Committee took	Conclusions
Impairment of goodwill and other acquisition related intangibles.	13	<ul style="list-style-type: none"> > Reviewed the basis on which goodwill was allocated to Cash Generating Units ('CGUs') including the reallocation to CGUs based on Business Divisions and discussed management's annual impairment assessment. > Considered the basis for determining the recoverable amount of each CGU. > Challenged the methodology and valuation assumptions used. > Considered whether the information provided to the Group's external valuation specialists was complete and accurate. > Reviewed the carrying amounts of other intangible assets. > Discussed management's annual review of impairment triggers. 	> The Committee is satisfied with the process undertaken and that no impairment charge is required in the year and that the disclosures are appropriate.
The Group's assessment and disclosure of legal cases and regulatory investigations.	27 and 36	<ul style="list-style-type: none"> > Reviewed the cases identified and discussed management's provisioning and disclosure assessment. > Considered the basis for determining provisions in respect of cases. > Considered whether the information disclosed was consistent with the information maintained by the Group Legal Counsel and the Group's external legal advisers. > Reviewed the procedures performed by the external auditor, including their inquiries performed of the Group's external legal advisers. 	> The Committee is satisfied with the process undertaken and that the provisions and contingent liability disclosures are appropriate.
The use, presentation and explanation of Alternative Performance Measures used by management to explain the Group's performance.	Financial Review, Note 4 and APM Appendix	<ul style="list-style-type: none"> > Challenged management on the rationale for each of the Alternative Performance Measures ('APMs') used to describe the Group's performance and the justification for separate presentation of significant items from the Group's adjusted results. > Reviewed the adequacy of the disclosure of APMs used to review Executive performance. > Challenged and reviewed the adequacy of management's disclosure and description of significant items to ensure sufficient clarity and justification provided in the Annual Report and Accounts. > Reviewed the Annual Report and Accounts to ensure that undue prominence was not given to APMs in line with guidance from the European Securities and Markets Authority. > Reviewed the adequacy and completeness of reconciliations of APMs to the nearest equivalent Reported measure. > Sought the view of the external auditor and reviewed its procedures as set out in its report. 	> The Committee is satisfied that the definition and presentation, reconciliation and explanations of APMs were appropriate and that the disclosures relating to adjusted performance and significant items are appropriate.

Other items that were less significant but were discussed included: the valuations of associates and joint ventures, expected credit losses, tax compliance, and dividend affordability.

Whistleblowing

The Committee oversees the operation and effectiveness of the Group's whistleblowing systems and controls. During the year the Committee, in conjunction with the Board, regularly reviewed whistleblowing reports and metrics and considered the effectiveness of the whistleblowing arrangements in place. Employees and individuals outside of TP ICAP are able to raise their concerns anonymously using an independent reporting facility managed by a third party. This mechanism is combined with a number of 'Speak Up' initiatives to raise employees' awareness of the Whistleblowing Policy and procedures. As Whistleblowing Champion, I oversee the integrity, independence and effectiveness of the whistleblowing arrangements.

TCFD

The Committee holds responsibility for overseeing the Group's delivery in relation to TCFD and its Scopes 1, 2 and 3 commitments. During 2022 the Committee received reports on TCFD progress and reporting requirements, including recent FRC guidance, and discussed the progress made against the targets published in the 2021 Annual Report and Accounts. At the Committee's request an additional externally facilitated climate change and TCFD reporting Board session was arranged for December 2022.

We recognise that the Group is on a journey of continual improvement, and in 2023 the Committee will further focus on the Group's adherence to the UK regulations, emerging regulatory requirements in other jurisdictions, and the quality of TP ICAP's climate change data. You can read more about the Company's compliance with the FCA Listing Rule 9.8.6R(8) on climate-related disclosure on pages 62 to 70.

Internal audit

The Committee is responsible for monitoring and reviewing the effectiveness of the internal audit function. We approve the internal audit plan and keep it under review during the year, to reflect the changing business needs and to ensure it considers new and emerging risks.

During 2022, the Committee:

- > Reviewed the work and reports of internal audit;
- > Assessed the performance and effectiveness of internal audit;
- > Monitored progress against the internal audit plan;
- > Reviewed how management action plans to mitigate internal audit findings had been implemented;
- > Reviewed and approved the internal audit charter;
- > Reviewed the internal audit risk assessment approach;
- > Reviewed and discussed the annual internal audit opinion; and
- > Approved the 2023 Annual Audit Plan, Resourcing, and Budget.

During early 2022 the internal audit function, led by Mark Pointer as Group Chief Internal Auditor, continued to build out the in-house team and progress functional development including refinements to functional structure and strengthening the technology audit resourcing. EY, as co-source provider, has continued to provide specialist skills and subject matter expertise during the year where required, to supplement the in-house team. The Committee considered the resourcing, experience, expertise and skills of the internal audit function and is satisfied that it has appropriate resources and remains organisationally independent.

External auditor

The Committee has primary responsibility for managing the relationship with the external auditor, including assessing its performance, effectiveness and independence, recommending to the Board its reappointment or removal, and agreeing terms of engagement.

Deloitte was reappointed as external auditor of the Group at the 2022 AGM. Fiona Walker is in her third year as lead audit partner, having been appointed to the role in the year ended 31 December 2020. Deloitte has been the Company's auditor since its predecessor company listed in 2000. In 2013 the Board put the external audit contract out for tender and concluded that Deloitte should be re-appointed. A similar tender process was completed in 2022 resulting in a proposal for PricewaterhouseCoopers LLP ('PwC') to be appointed as external auditor for the 2024 year-end.

The Committee is very aware of the developments relating to the external audit process driven by various reviews and welcomes moves to ensure the continuing robustness, challenge and independence provided that they genuinely address acknowledged quality issues.

Effectiveness of the external audit process

I meet regularly with the external audit partner throughout the year to ensure that there are no unresolved issues of concern. This helps ensure that the external auditor is able to operate effectively and challenge management sufficiently when required.

During the year as part of the 2022 effectiveness review of both the external auditor and the 2022 audit, the Committee considered:

- > The quality of Deloitte's 2022 external audit;
- > The effectiveness of the external audit process including the expertise, efficiency, global service delivery and cost effectiveness of the auditor;
- > The external auditor's plans and feedback from senior management; and
- > Effectiveness of management in relation to the timely identification and resolution of areas of accounting judgement, analysing those judgements, the quality and timeliness of papers, management's approach to the value of independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the external auditor and the Committee.

The Committee is pleased to report that the effectiveness review of the external auditor did not identify any significant concerns. In addition, the Committee concluded that the 2022 external audit had been effective.

Independence and non-audit services

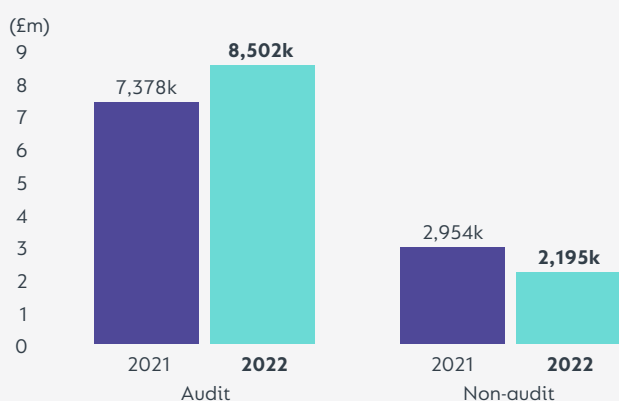
When considering the 2022 Annual Report, in addition to reviewing the objectivity and independence of the external auditor, the Committee also considered the professional and regulatory guidance on auditor independence and Deloitte's policies and procedures for managing independence.

The process for approving certain non-audit services provided by the external auditor is governed by the non-audit services policy which is overseen by the Committee. The non-audit services policy was last updated and approved by the Committee in September 2020 to ensure the requirements of the FRC Revised Ethical Standard (2019) were fully covered by the policy. Deloitte have confirmed that no non-audit services prohibited by the FRC's Ethical Standard were provided to the Group or Parent Company during the year.

To safeguard the external auditor's independence and objectivity, the Group does not engage Deloitte for any non-audit services except where it is work that they must, or are clearly best suited to, perform. All proposed services must be pre-approved in accordance with the non-audit services policy. The Group is also required to cap the level of non-audit fees paid to the external auditor at 70% of the average audit fees paid in the previous three consecutive financial years.

The Committee reviewed the level of fees paid to the external auditor for the various non-audit services provided during 2022. During the period under review the non-audit services performed by the external auditor amounted to £2,195k, 26% compared to the £8,502k of audit fees. Non-audit services primarily relate to regulatory reporting, the interim review of the Group's half year financial statements, audits of subsidiary financial statements not mandated by law and reporting accounting services in respect of Group strategic projects. These services are typically performed by the external auditor. There were no advisory or consulting services provided by the external auditor to the Group.

Audit and non-audit fees



More information can be found on page 168 in Note 5 to the Consolidated Financial Statements.

Audit tender

During 2022 we completed a competitive tender for the audit contract in respect of the year ending 31 December 2024, in accordance with the Code and Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'Order'). Further details on the process completed can be found in the case study on page 95.

The proposed new external auditor, PwC, recommended by the Committee and Board was announced on 28 July 2022 and will be presented to our shareholders for approval at the 2024 AGM. Completing the tender process within this time frame allows a four-year term for the new lead audit partner and a cooling period for the incumbent auditor. Throughout the process the Committee has continued to monitor legal requirements and developments in best practice with regards to audit tender arrangements.

Reappointment of Deloitte as external auditor

The Company confirms its compliance with the requirements of the Order throughout the year ended 31 December 2022.

The Committee concluded that it is satisfied with the objectivity and independence of the external auditor, and that the effectiveness of the external audit process delivered by Deloitte was robust. The Committee proposed to the Board that it seek shareholder approval for the re-appointment of Deloitte for the financial year ending 31 December 2023.

Risk management and internal control

The Board is responsible for:

- > Setting the Group's risk appetite;
- > Ensuring the Group has an appropriate and effective Enterprise Risk Management Framework ('ERMF'); and
- > Monitoring the ongoing process for identifying, evaluating, managing and reporting the significant risks faced by the Group.

The ERMF and principal risks are described in the Risk Management section of the Strategic Report on pages 72 to 81. The Board is also responsible for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

The Committee carried out an annual review of the effectiveness of the internal control and risk management systems and reported back to the Board to enable it to discharge its responsibilities. We conducted a formal review of the effectiveness of the Group's internal control systems for 2022, considering reports from management, external audit and the work of the Group Risk and Internal Audit functions. Further to the complete review and enhancement of the Group's global risk management framework and internal controls as a result of the changes in the business and regulatory feedback during 2022, the Group remains focused on continuing the enhancement of internal control and risk management systems. Further details can be found in the Report of the Risk Committee on pages 112 to 115.

The process for identifying, evaluating and managing the principal risks faced by the Group is reviewed regularly by the Board and has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. It is also in accordance with the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

Committee effectiveness

A review of the Committee's effectiveness was conducted in Q4 2022 as a part of the external Board evaluation process. It was determined that the Committee was operating effectively, and management and key functions were praised for the quality of papers and engagement provided to the Committee. Specific developments and actions to be taken by the Committee during 2023 were considered in March 2023, with reflection on the length of time allocated for Committee meetings and the breadth of relevant financial skills held by Committee members. During the year the Committee also conducted a review of its Terms of Reference and agreed minor amendments, including the incorporation of TCFD responsibilities.

Angela Crawford-Ingle

Chair
Audit Committee
14 March 2023

Kath Cates
Chair, Risk Committee

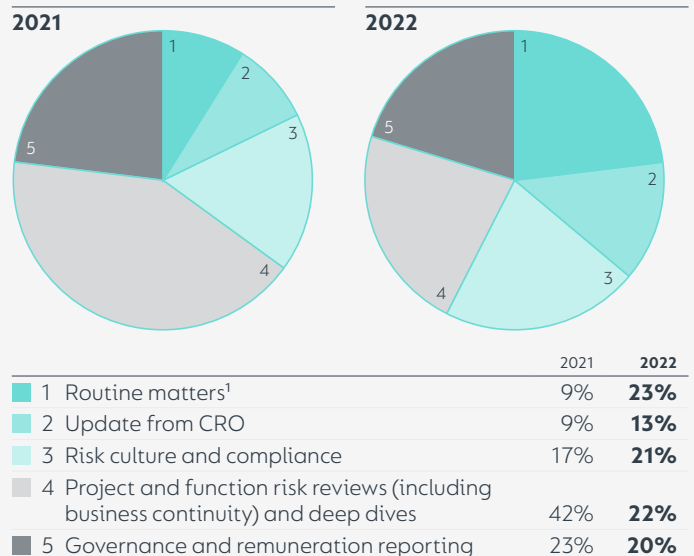


2022 key activities

- > Understanding the changes to regulatory frameworks and their impacts on the Group.
- > Reviewing the acquisition and the progress of the Group's integration of Liquidnet.
- > Overseeing the ongoing response to Brexit.
- > Reviewing the status of the Global Health Pandemic and its impact on the Group's Operational Resilience.
- > Tracking the Group's technology expertise and its ability to retain its position as a leading market infrastructure provider.
- > Holding private meetings with key individuals including the Group Chief Risk Officer, Group Chief Internal Auditor and Group Head of Compliance.
- > Ensuring culture, behaviour and risk factors are considered when setting remuneration.

How the Committee spent its time during the year in scheduled meetings

%



¹ 2022: including unminuted discussion.

Dear fellow shareholder,

On behalf of the Board, I am pleased to present the Report of the Risk Committee explaining how the Committee discharged its risk oversight responsibilities during 2022.

Although the impact of the Covid pandemic had significantly abated by the start of the year, the Group continued to operate in a challenging external environment throughout 2022, with Russia's invasion of Ukraine in February 2022 exacerbating an already challenging macroeconomic environment including Covid-related supply chain issues and increasing inflationary pressures.

Against this backdrop, the Committee focused its efforts on monitoring the operational resilience of the Group (including in relation to continuity of power supply and cyber capability), the management of the heightened financial risk profile resulting from volatile financial markets and the maintenance of a robust financial position.

In addition to these specific focus areas, the Committee continued to monitor the Group's enterprise-wide risk profile across all other material risks relative to risk appetite, and the status of any remedial actions required to address any risk management issues.

Furthermore, the Committee remains cognisant of the high standards of risk management expected of the Group by its investors, clients, regulators and other stakeholders, and, in that context, has continued to oversee the ongoing enhancement of the Group's Enterprise Risk Management Framework ('ERMF') throughout the year. This has included the adoption of a new Conduct Management Framework and various changes to ensure the ERMF appropriately addresses the Group's exposure to climate-related risks.

Key responsibilities of the Committee

The Board has delegated responsibility to the Committee for:

Setting risk appetite, culture, controls and policy

- > Defining the nature and extent of the risks the Group is willing to take; and
- > Defining the expectations for the Group's risk culture.

Monitoring, reporting and advisory activities

- > Reviewing the Group's culture monitoring arrangements and promoting a risk-aware culture;
- > Overseeing the implementation and annual monitoring of the ERMF, including the adoption and implementation of risk appetite tolerances and minimum risk management standards;
- > Ensuring the Group has an appropriate and effective risk management and internal control framework;
- > Reviewing the control environment and tracking any remedial actions;
- > Considering the risks arising from any strategic initiatives and advising the Board accordingly;
- > Identifying and considering future and emerging risks, regulatory developments and relevant mitigants;
- > Providing input to the Remuneration Committee on the alignment of remuneration to risk performance;
- > Reviewing resourcing within the Three Lines of Defence;
- > Overseeing the independence and effectiveness of the Risk and Compliance functions; and
- > Reviewing the appointment or dismissal of the Group Chief Risk Officer ('CRO') and Group General Counsel.

2022 Committee attendance

Committee members	Meetings attended
Kath Cates	4/4
Michael Heaney	4/4
Angela Crawford-Ingle	4/4
Mark Hemsley	4/4



More online

The Committee's Terms of Reference are available on the Company's website:

<https://tpicap.com/tpicap/investors/corporate-governance>

Key matters considered by the Committee in 2022

Risk area	Matters considered and actions taken by the Committee
Broking process	<ul style="list-style-type: none"> > Oversight of the key risks arising from the Group's broking and post-trade activity, including through the review of the Risk Profile Report presented by the CRO. > This included monitoring the risk event profile relating to the broking process, particularly in the context of the heightened market volatility experienced during the year with its potential for exacerbating the potential loss associated with broking errors. > The Committee also undertook a deep-dive review into compliance with the Group's Broking Model Policy which prescribes the broking protocols brokers must adhere to in order to manage the Group's broking-related risks within risk appetite.
Infrastructure	<ul style="list-style-type: none"> > The Committee continued to monitor the status of the ongoing programmes to enhance the Group's operational resilience and ensure that it can meet its targeted recovery time objectives across all areas of the business. > This included a deep-dive review into the Group's operational resilience as it related to certain supply-chain risks arising during 2022 (including potential market-wide risks to power supply and computer hardware availability), and another deep-dive into the Group's insurance arrangements to ensure appropriate coverage in the event of a material business interruption. > The committee also monitored the status of an ongoing programme to enhance the Group's billing process and improve its accounts receivable collection rate.
Cyber security and data protection	<ul style="list-style-type: none"> > The Committee continued to monitor the status of the Group's cyber security capability with the objective of ensuring that it remains fit-for-purpose in the context of the rapidly evolving cyber-threat landscape, including from potential state-sponsored activity.
Human capital	<ul style="list-style-type: none"> > The Committee continued to monitor the Group's resourcing profile to ensure that the Group has the capability and capacity to operate effectively across the 3LOD and to implement its business strategy. This included monitoring the heightened risks associated with a highly competitive recruitment market for front office, support and control staff, which can include aggressive recruitment activity by competitors.
Conduct risk	<ul style="list-style-type: none"> > The Committee is aware that conduct risk represents a key risk for the Group which, if not managed effectively, could result in material damage to its reputation and regulatory standing. > During 2022, the Committee oversaw the adoption of the Group's new Conduct Management and Governance Framework (which prescribes the principles to be applied in managing any employee misconduct) and conducted a deep-dive into the management of conduct within the front office, which was presented by the Global business heads of the Global Broking and Energy & Commodities divisions.
Financial risk	<ul style="list-style-type: none"> > The Committee continued to monitor the Group's financial risk exposure, including its FX profile, credit risk exposure and liquidity demand. > Specific areas focused on included: (i) the Group's aged debt profile; (ii) the Group's management of its exposure to Russia/Ukraine, including the management of a number of unsettled matched principal transactions incurred as a result of the invasion; and (iii) the steps taken to mitigate the potential risks arising from the heightened volatility in the European power and natural gas markets during H2 2022.
Capital and liquidity adequacy	<ul style="list-style-type: none"> > The Committee continued to monitor the Group's prudential position and compliance with key financial measures (namely the key financial ratios required to retain access to its RCF and maintain an investment grade debt rating), taking due consideration of the dynamic macroeconomic environment with its associated FX and interest rate volatility. > As part of this activity, the Committee reviewed the annual Group Review of Capital and Liquidity Adequacy ('GRCLA'), which assesses the Group's prudential position at consolidated Group level. During 2022, the GRCLA was enhanced to incorporate a new reverse stress testing approach which provides a broader assessment of the Group's ability to withstand severe stress scenarios (across various scenarios of increasing revenue and loss event severity) and is better aligned with the Group's going concern/viability analysis. > The Committee also reviewed the Group's Recovery & Resolution Plan to assess the appropriateness of the various recovery actions defined in the plan and the calibration of the recovery indicators adopted to ensure that the Group has sufficient early warning of any potential deterioration in the Group's financial position. > Finally, the Committee also monitored the potential impact of the new UK IFPR regime on the regulatory capital and liquidity requirements for the EMEA sub-consolidation group, which completed its first Internal Capital and Risk Assessment ('ICARA') process under the new regime in 2022.
Legal and compliance	<ul style="list-style-type: none"> > The Committee received updates at each meeting from the Group General Counsel and Group Head of Compliance on key legal and compliance issues. This included overseeing the Group's response to a range of regulatory issues across the business and to material changes to the regulatory framework in which the Group operates. > Particular areas of focus included the ongoing programme to enhance the Group's compliance systems and controls and the mitigating actions being taken to address an increasing prevalence of exchange issued fines relating to block-trade activity. > The Committee also continued to monitor the progress of material litigation and investigations involving the Group, as disclosed in the Group's contingent liabilities.

Risk area	Matters considered and actions taken by the Committee
Brexit	> The Committee continued to monitor the implementation of the Group's Brexit operating model against the backdrop of the evolving regulatory landscape and continued lack of equivalence between the UK and EU, to ensure that any associated regulatory compliance, operational and commercial risks are managed effectively.
Liquidnet	> The Committee continued to monitor the risk profile of Liquidnet which has been integrated into the Group's broader ERMF and various risk identification, assessment and monitoring processes.
Climate risk	> The Group undertook an assessment of the climate risks it currently faces, to ensure that these are being appropriately incorporated within the Group's ERMF, covering both physical risks and the risk associated with the transition to net zero (as defined by the Task Force on Climate-related Financial Disclosures) – noting that this assessment was reviewed by the Committee in January 2023.
Risk framework	> The Committee continued to monitor the operation and ongoing embedding of the new ERMF as the Group continues to enhance the Group's risk management capability across its three-lines-of defence ('3LOD'). > This included reviewing reports from both Risk and Internal Audit on the design and operational effectiveness of the ERMF.

Review of Committee effectiveness

An external review of the Committee's effectiveness was conducted in Q4 2022 and a report presented to the Board in January 2023. This review determined that the Committee was operating effectively and focusing on the risk areas which have most impact on the Group's ability to deliver its strategy and maintain a robust financial position.

During the year the Committee also conducted a review of its Terms of Reference and confirmed that these remained appropriate.

Key priorities for 2023

The Committee will continue to focus its attention on the key risks facing the Group to ensure these are being managed effectively and in accordance with the Group's risk appetite, whilst maintaining oversight of the Group's enterprise-wide risk profile as a whole to identify any new or emerging areas of concern that require governance focus.

It is likely that the Group will continue to experience challenging macroeconomic conditions, market volatility and geopolitical issues during the coming year, and the Committee will continue to monitor the heightened business, financial and operational risks associated with such conditions closely, including country risk exposure.

This oversight will be informed by deep-dive reviews into specific areas of the business, with a number of such reviews already identified in the Group's Annual Risk Strategy and Plan for 2023 as part of the Group's ongoing risk assurance programme. These include, amongst other areas, a review of the risks associated with the Group's Exchange Give-up activity, electronic broking platforms and joint venture arrangements, noting that the Committee has already undertaken two deep-dives in 2023 covering its digital assets business and management of broker contracts.

The Committee will also oversee the ongoing embedding of its new Conduct Management and Governance Framework, as well as further ERMF enhancements relating to the management of physical and transition climate risks which will include the incorporation of climate-related stress tests within the Group's annual stress testing programme.

Finally, I would like to thank the Committee members and Executive team for all their hard work during the last year.

Kath Cates

Chair
Risk Committee
14 March 2023

Tracy Clarke
Chair, Remuneration Committee

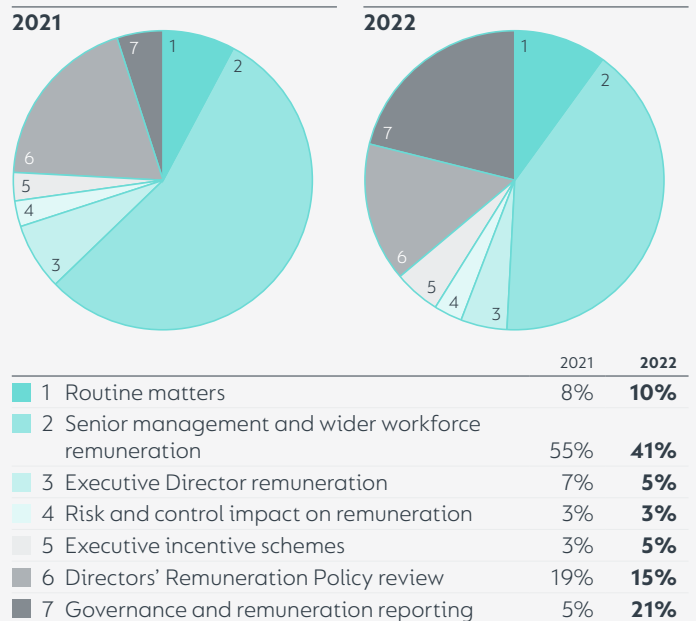


2022 key activities

- > Embedding the shareholder approved Directors' Remuneration Policy and ensuring that it operates as intended.
- > Determining the measures and targets for the annual bonus and the underpin for the new RSP award.
- > Updating policies and processes to ensure that our Group remuneration policy for all employees remains compliant with all regulatory and governance requirements.
- > Reviewing our all-employee remuneration arrangements to ensure that we are able to continue to attract and retain key talent and to support employees in the context of a 'cost of living' crisis.
- > Reviewing our pension and benefits offerings across the Group to ensure that they remain competitive.

How the Committee spent its time during the year in scheduled meetings

%



Dear fellow shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report ('DRR') for the year to 31 December 2022.

In the last year we have implemented our new Remuneration Policy, which was approved by the significant majority of investors (more than 85%) at the 2022 AGM. This report sets out the key decisions taken by the Committee over the course of the last 12 months in relation to remuneration for the Executive Directors, including the rationale for why these were most appropriate for TP ICAP.

Introduction

In spite of the unprecedented challenges faced during the year, against a backdrop of geopolitical and market disruption, the Group delivered a strong financial performance in 2022, demonstrating the power of our diversified business model.

The tightening of monetary policy by Central Banks created market volatility which particularly benefitted the higher margin Rates business in Global Broking, where revenues increased 7% over the year. Conversely, the war in Ukraine led to a sharp rise in gas prices which increased margin requirements and reduced trading activity in the second half of the year. This contributed to a fall in Energy & Commodities' revenues of 2% in the year. Liquidnet faced similar challenges as a result of corrections in equity markets and subdued volumes in dark pool and larger block trading markets, where the business has a strong presence. Lastly, Parameta Solutions had another excellent year, growing revenues, 95% of which are subscription based, by 8%. Overall Group revenues increased by 13% on a reported basis (7% in constant currency). The strong growth in our two highest margin businesses enabled us to deliver adjusted EBIT of £275m for 2022, an 8% increase on the £255m achieved in 2021, on a constant currency basis. The EBIT outcome would have been higher if not for a charge of £21m to the P&L as a result of Russian exposures.

In spite of this additional cost, the dividend remains well covered and the Board will be recommending a final dividend for 2022 of 7.9p per share, payable on 23 May 2023, to bring the total for the year to 12.4p.

In terms of our strategic priorities, the Executive Directors have continued to focus on transforming the business through initiatives such as electrification, with significant advances in the rollout of the Fusion platform this year. Solid progress has also been made towards achieving our Capital Markets Day targets for 2023 contribution margin. Work also continues apace to deliver on our target of freeing up £100m of cash by the end of 2023 which will improve our capital management and enhance shareholder value. When considering the bonus outcomes for the Executive Directors, and the Group as a whole, the Committee has taken into account the financial performance of the Group and the broader shareholder and stakeholder experience during the year.

Executive Director remuneration outcomes in 2022 2022 annual bonus

The annual bonus for 2022 was assessed against two measures: adjusted operating profit (70%) and Executive Director performance against individual strategic objectives (30%).

In line with the approach taken last year, the profit targets were set on the basis of a percentage change in profit on a constant currency basis. This was primarily to reflect that foreign exchange movements can have a significant impact on reported numbers and to ensure that Executives are measured against performance within their control. As such, the reported adjusted profit for 2021 of £233m, has been restated on a constant currency basis to £255m, and it is against this benchmark that the Committee has assessed 2022 performance.

2022 Committee attendance

Committee members	Meetings attended ¹
Tracy Clarke	4/4
Michael Heaney	4/4
Edmund Ng	4/4

¹ In addition to the scheduled meetings, two further meetings were held to consider Executive Director and wider workforce remuneration. All members were able to attend the additional meetings.



More online

The Committee's terms of reference are available on the Company's website:

<https://tpicap.com/tpicap/investors/corporate-governance>

Adjusted operating profit (EBIT) for 2022 increased by 8%, on a constant currency basis, resulting in a bonus outcome of 52.3% of maximum payout under this measure (36.6% of the bonus maximum). When assessing performance against the targets set, the Committee reviewed the formulaic outcome in relation to the profit measure. Two particular factors discussed by the Committee were, (i) the fact that although Liquidnet integration has delivered cost savings above target expectations, the contribution of this division in 2022 was below expectation, in the face of challenging market conditions and, (ii) the impact of the £21m P&L charge in relation to Russia.

The Committee determined that given both issues had materially impacted the EBIT performance, it was comfortable that these had appropriately been factored into the financial outcomes for the Executive Directors and therefore no further negative discretionary adjustments were required. The Committee also noted that the actual growth achieved in adjusted operating profit for 2022 was 18% up on the reported outcome and substantially higher than the 8% figure used for incentive purposes. Whilst accepting this material difference, the Committee determined that no positive discretionary adjustments were appropriate on the basis that the constant currency approach to measuring profit growth should neutralise the impact of foreign exchange movements on bonus outcomes over time.

The Committee also carefully reviewed each Executive Director's performance against their strategic priorities, and determined that a degree of differentiation in the performance appraisal was appropriate. The bonus outcomes for the strategic measures are between 24% and 25.5%, further detail is provided on pages 126 to 128. Within the strategic measures the Committee assessed a wide variety of objectives for each Executive including the development of the Group's strategy, cost, margin and cash goals as well as our ESG ambitions including, in particular, our climate related and gender diversity targets. Taking the financial and strategic results together resulted in overall bonus outcomes for the Executive Directors of 62.1% of maximum for the CEO, 60.6% for the CFO and 61.6% for the Group General Counsel ('GGC').

In absolute terms the ED bonuses increased by a range of 17% to 28% year-on-year. This result was considered to be appropriate based on a strong recovery in both Group profitability and share price performance during 2022, as well as continued Executive Director focus on delivering the strategic plan and additional value to shareholders. In line with the requirements of the IFPR regulation, deferred bonus awards for Executive Directors will be subject to a six-month post-vesting retention period from 2022 onwards.

The recovery in the Group's overall performance also had a positive impact on the senior management and support staff bonus pools. For 2022, the support staff bonus pool was significantly up on the prior year. On a like-for-like basis the overall bonus pool spend increased by 38%. When the additional variable pay awards which were granted to support staff during 2022 for retention purposes are taken into account, the increase in overall spend for the non-broking population was 15%.

2022 annual bonus targets

When setting the bonus targets for 2022, the Remuneration Committee took time to ensure they were both appropriate in light of the Group's historical financial performance and were sufficiently stretching for the Executive Directors, in a year which required continued focus on the strategic transformation of the business.

The profit target continued to be set on the basis of a percentage change in like-for-like profit and included a constant currency adjustment. The range set for 2022 was 0% growth at threshold, 8% growth at target and 15% growth at maximum. This range was established taking into account both the internal budget and external analysts' forecasts at the start of the year.

2020 LTIP

The 2020 LTIP was based on performance against three performance measures, Relative TSR (50%) EPS CAGR (30%) and New Business Growth CAGR (20%) based on performance over 2020-2022. As the threshold performance conditions were not met, the award has lapsed in full.

Wider workforce considerations

The Committee also has oversight of remuneration for the wider employee population. During the year we continued to upgrade our policies and processes to ensure that we are able to offer a compelling employee value proposition as well as to ensure that we remain compliant with the spirit and the letter of the regulatory remuneration requirements which impact the Group; notably the Investment Firms Prudential Regime ('IFPR') and its EU equivalent, the Investment Firm Directive ('IFD') for our European entities.

A key activity during 2022 has been to support and maintain a healthy employee culture with a strong focus on conduct. The Group's new Triple A values emphasise the importance of Accountability in the workplace and the need to treat colleagues with respect. Aligned to this, our refreshed performance management process is designed to ensure that managers are fully reviewing the 'how' as well as the 'what' when assessing individual performance and consider culture, behaviour and risk factors when setting remuneration. We have also introduced a new Malus and Clawback Policy during the year, which goes beyond the minimum requirements of the IFPR/IFD regulation in its application to all group employees, subject to compliance with local laws. In line with the regulations, individuals who are identified as Material Risk Takers under these regimes are also subject to higher rates of deferral on bonus awards, as appropriate.

Mindful of the challenging economic environment, the Committee acted swiftly to address the various headwinds faced by our employees during the year. To retain our key talent and to address the higher than normal turnover rates we experienced earlier in 2022, we awarded additional variable pay awards in June and December. We also undertook a mid-year salary adjustment for business critical staff, which was effective from 1 September 2022. In addition, in order to support our colleagues in those regions most impacted by significant increases in inflation during 2022, we also awarded a one-off 'Cost of Living' payment for lower earning employees in October 2022 of £1,500 or local equivalent. As a result, having originally committed to a salary budget increase of 2.85% for support staff across the Group in last year's report, our 2022 salary spend in fact increased by 5.5% over the prior year. Recognising that inflationary and talent market pressures are likely to continue in 2023, and to ensure that our compensation levels remain competitive, we are committed to a similar salary budget increase for support staff of 5% for this year.

Executive Director salaries

The Committee has reviewed the base salaries of the Executive Directors, in light of their individual responsibilities, relevant market comparators and the salary increases we are awarding throughout the Group. TP ICAP operates in a very specific market which presents challenges when benchmarking appropriate remuneration levels for the executive team and many of its employees. As a Group TP ICAP is the largest of the three global broking firms by revenues and there are no directly comparable UK competitors of any size. The remuneration paid to senior executives among our global peers is substantially greater than that which is paid to our executive team.

At this critical juncture in the Company's evolution it is important to retain our seasoned executive team to deliver on our transformation strategy in order to enhance shareholder value. However, the Committee is mindful of the heightened sensitivity in relation to Executive Director salary increases in the context of a 'Cost of Living' crisis. As a result, the Committee has decided to award salary increases to the Executive Directors just below the increase in the salary budget for the support staff population of 5%. The CEO's salary for 2023 will therefore be £785,000, an increase of 4.7%, the CFO's salary will be £465,000, an increase of 4.7%, and the GGC's salary will be £475,000, an increase of 4.9%. In line with the support staff population, these salary increases will be effective from 1 January 2023.

Implementation of the Policy for 2023

Following strong support at our 2022 AGM, no changes are being proposed to either the incentive multiples or measures for 2023. Whilst we received very strong support (85%+) on our Remuneration Policy, the Committee are cognisant that a minority of shareholders were unable to vote for this Policy. We consulted significantly with shareholders on the Policy prior to the AGM and continue to maintain a strong two-way conversation with shareholders across a range of issues. We understood when introducing the RSP as part of our Policy that this remains a relatively novel structure in the UK and would not obtain universal support. However, we strongly believe this is the right structure for our business and strategy and will continue to implement our Policy as presented in 2022.

The 2023 Annual Bonus will continue to be assessed against Adjusted Operating Profit (70%) and Strategic Objectives (30%). The underpin for the 2023 RSP will be in line with our Policy and the grant made in 2022. Further information can be found on page 135.

On behalf of the Board

Tracy Clarke

Remuneration Committee Chair
14 March 2023

Definitions used in this report

'Executive Director' means any executive member of the Board.

'Senior Management' means those members of the Company's Group Management Committee (other than the Executive Directors) and the first level of management below that level including the direct reports to the Chief Information Officer and the Group Head of Operations.

'Broker' means front office revenue generators; 'Control Functions' means those employees engaged in functions such as Compliance, Risk, Internal Audit, Legal, HR, Finance and Operations; 'Remuneration Code' means the MIFIDPRU Remuneration Code of the FCA; and '2013 Regulations' means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, as amended by the 2018 and 2019 Regulations.

REMUNERATION AT A GLANCE

Summary of pay outcomes for 2022

A summary of the single total figure of remuneration and incentive outcomes is included below. For further information see pages 124 to 129.

2022 Single Figure outcome

Executive Directors (£000s)	Salaries ¹	Taxable benefits ²	Pension ³	Total fixed remuneration	Short-term incentives			Long-term incentives vested ⁴	Total variable remuneration	Single total figure of remuneration
					Cash	Deferred	Total			
Nicolas Breteau	750	3	2	755	582	582	1,164	–	1,164	1,919
Robin Stewart	444	3	6	453	269	269	538	–	538	991
Philip Price	453	3	–	456	279	279	558	–	558	1,014

1 Base salary was effective from 1 January 2022.

2 Taxable benefits represent private medical insurance.

3 Maximum pension is 6% of salary, up to a cap of £105,600. No Directors have a prospective entitlement to a DB pension. Due to lifetime allowance limits, P Price did not receive any company pension contributions during 2022. N Breteau received £1,520 company pension contribution due to the annual allowance limit.

4 No long-term incentives vested during 2022 as the LTIP granted in 2020 did not meet its performance conditions.

Incentive outcomes

Bonus							LTIP		
Performance measure	Weighting	Threshold performance target (25% of maximum)	Target performance target (50% of maximum)	Maximum performance target (100% of maximum)	Actual performance achieved	Weighted payout (% of maximum total bonus)	Performance measure	Weighting	Outcome
Adjusted Operating Profit	70%	£255m	£274m	£293m	£275m	36.6%	TSR	50%	0%
Strategic Performance	30%	See pages 126 to 128			24%– 25.5%	24%–25.5%	EPS	30%	0%
							New Business Growth	20%	0%
Total bonus outcomes						60.6%–62.1%	Total LTIP outcome		0%

Summary of implementation of Policy in 2023

The table below sets out a summary of how we intend to implement the Policy in 2023. For further information on the policy see pages 122 to 123.

Element	Summary of implementation of Policy for 2023
Base salary	N Breteau £785,000 – 4.7% increase R Stewart £465,000 – 4.7% increase P Price £475,000 – 4.9% increase
Annual bonus	Maximum opportunity unchanged (CEO: 250%, other EDs 200%). For 2023, the measures will continue to be: > Adjusted Operating Profit 70% > Strategic Objectives 30%
Restricted Share Plan	RSP grant of 125% of salary to be granted to each ED. Awards granted with underpin in line with Policy wording.

DIRECTORS' REMUNERATION POLICY (UNAUDITED)

The Directors' Remuneration Policy was last approved by shareholders at the AGM on 11 May 2022. The full Policy can be found on pages 127 to 134 of the 2021 Annual Report, which is available to view on the website and is due for renewal at the 2025 AGM. A summary of the key features of the Policy can be found below.

Background

The Company's Remuneration Policy is designed to attract, motivate and retain employees with the necessary skills and experience to deliver the strategy, in order to achieve the Group's objectives.

The key drivers of our Remuneration Policy are:

Alignment to culture

- > Align the interests of the Executive Directors, with the long-term interests of shareholders and strategic objectives of the Company;
- > Include incentives that are aligned with and support the Group's business strategy and align executives to the creation of long-term shareholder value;
- > To reinforce a strong performance culture, across a range of performance metrics, including behaviours, risk management, customer outcomes and the development of the Company's culture in line with its values over the short and long term; and
- > To align management and shareholder interests through building material share ownership over time.

Clarity

- > To clearly communicate our Remuneration Policy and reward outcomes to stakeholders.

Simplicity

- > To ensure that our Remuneration Policy is clear and easily understood.

Risk

- > To provide a balanced package between fixed and variable pay, and long and short-term elements, to align with the Company's strategic goals and time horizons while encouraging prudent risk management; and
- > To ensure reward processes and policies are compliant with applicable regulations, legislation and market practice, and are operated within the bounds of the Board's risk appetite.

Predictability

- > To set robust and stretching performance targets that reward exceptional performance; and
- > To set remuneration within the limits established under the Directors' Remuneration Policy.

Proportionality

- > To attract, retain and motivate the Executive Directors and senior employees by providing total reward opportunities which, subject to individual and Group performance, are competitive within our defined markets both in terms of quantum and structure for the responsibilities of the role;
- > To ensure that remuneration practices are consistent with and encourage the principles of equality, inclusion and diversity;
- > To consider wider employee pay when determining that of our Executive Directors; and
- > To align management and shareholder interests.

Further information on risk management

The Remuneration Committee considered the relationship between incentives and risk when approving the Remuneration Policy that will apply throughout the Group.

Details of the Group's key risks and risk management are set out in the Strategic report of the 2022 Annual Report and Accounts on pages 75 to 81. The majority of transactions are brokered on a Name Passing basis where the business is not a counterparty to a trade.

Commissions earned on broking activities are received monthly in cash. The Name Passing business does not take any trading risk and does not hold principal trading positions. This business only holds financial instruments for identified buyers and sellers in matching trades which are generally settled within one to three days. The Matched Principal business is exposed to counterparty credit risk as the business is the counterparty to both the buyer and seller and therefore bears the risk of counterparty default during the period between execution and settlement of the trade. The business does not have valuation issues in measuring its profits.

The Company's Remuneration Policy reflects the risk profile of the Group, is consistent with and promotes sound and effective risk management and does not encourage excessive risk taking.

The Company's Remuneration Policy is consistent with the measures set out in the Group's compliance manuals relating to conflicts of interest. The Company's policy is to ensure that variable remuneration is not paid through vehicles or methods that facilitate avoidance of the Remuneration Code.

Summary Policy Table and Implementation for 2023.

The summary policy set out in this table was approved by shareholders at the AGM in 2022.

Elements	Summary of Policy	Summary of Implementation for 2023
Base salary	Reviewed periodically to ensure not significantly out of line with the market.	N Breteau £785,000 – 4.7% increase. R Stewart £465,000 – 4.7% increase. P Price £475,000 – 4.9% increase. Salary increases just below the increase in the salary budget for the support staff population of 5%.
Pension and benefits	In line with the pension allowance available to all UK non-broking employee population, which is currently 6% of fixed remuneration up to a cap set at £105,600 unless otherwise made available to all non-broking UK employees. Medical cover and participation in any schemes available to all UK non-broking employees.	Pension allowance and benefits remain unchanged.
Annual discretionary bonus	Annual assessment of performance against strategic and financial objectives. Maximum performance delivers: > CEO: 250% salary; and > Other EDs: 200% salary. Mandatory 50% deferral into shares with a three-year deferral period. Malus and clawback apply.	Maximum opportunity unchanged (CEO: 250%, other EDs: 200%). Performance measures will remain unchanged for 2023: > Adjusted Operating Profit 70%; and > Strategic Objectives 30%. Deferred share awards, which vest pro-rata over three years, will also be subject to a six-month retention period in line with regulatory requirements.
Restricted Share Plan	Annual awards of conditional shares or nil cost share options, vesting after a three-year period. The awards will only vest subject to the satisfactory achievement of the underpin. Vested shares must be retained for a further two years (on a net of tax basis where shares are sold to settle tax). The normal maximum award is 125% of salary. Prior to the grant of the RSP award, the Committee will consider individual, business unit and firm performance over the previous year as part of a pre-grant test.	Maximum grant opportunity unchanged (125% for each ED). When assessing the underpin the Committee shall have regard to the Group's financial and non-financial performance over the course of the vesting period, and may take into account the following factors (amongst others) when determining whether to reduce the number of shares vesting: > Whether threshold performance levels have been achieved for the Bonus Plan for each of the three years in the vesting period; > The underlying financial performance progression over the vesting period, considering (but not limited to) such factors as revenue, profitability, absolute/relative TSR performance, cash generation and adherence to the dividend policy (to maintain 2x adjusted earnings dividend cover); and > Performance against strategic priorities designed to promote the long-term success of the Company.
Minimum shareholding	Executive Directors must hold a minimum number of the Company's ordinary shares equivalent to 300% of base salary in respect of the Chief Executive Officer and 200% of base salary for all other Executive Directors built over a five-year period.	Minimum shareholding requirement remains unchanged.

Policy on Directors' Remuneration compared with employees generally (unaudited)

The Committee has oversight of pay policies below Board level and these policies are taken into account when setting the Directors' Remuneration Policy. As a general rule, the same principles are applied to Directors' fixed remuneration, pension contributions and benefits as are applied to employees throughout the Group. A competitive level of fixed remuneration is paid to all employees taking into account their responsibilities and experience. Pension and benefits are provided to all employees.

There are a number of different bonus schemes in operation throughout the Group for Brokers and other employees. Brokers' bonus schemes are described below; all other bonuses are generally discretionary. For brokers earning above a certain threshold, they are required to defer a portion of their bonus into notional shares under the TP ICAP Group Global Equity Linked Plan.

In addition, other employees who earn bonuses above a specific threshold are also required to defer a portion of their bonus under the TP ICAP Deferred Share Bonus Plan. For individuals identified as Material Risk Takers ('MRT'), deferral, payment in instruments requirements and malus and clawback is applied, where applicable, in line with the regulations. Deferred bonus awards are subject to malus and clawback in line with the Executive Directors.

Throughout the annual discretionary bonus review cycle, the Control Function Heads (Compliance, Risk and Internal Audit) are consulted and review year-end outcomes to ensure these are appropriate taking into account any risk events or breaches that have occurred during the year. Subject to the discretion of the Executive Directors and the Remuneration Committee for regulated staff, variable pay awards may be risk-adjusted in certain circumstances.

Remuneration policies for Brokers (unaudited)

The Company's Remuneration Policy for Brokers is based on the principle that remuneration is directly linked to financial performance, generally at a desk/team level, and is calculated in accordance with formulae set out in the contracts of employment. These formulae take into account the fixed costs of the Brokers; variable remuneration payments are therefore based on the profits that the Brokers generate for the business together with an assessment of individual performance including conduct and behaviours. Typically, Brokers receive a fixed salary paid regularly throughout the year, with a significant portion of variable remuneration dependent on their revenue, conduct and performance. Deferral into instruments linked to TP ICAP Group plc shares is applied via the Global Equity Linked Plan, where the individual's variable pay is above a certain threshold.

Remuneration policies for Control Functions (unaudited)

The Company's Remuneration Policy for Control Function staff is that remuneration should be adequate to attract qualified and experienced employees, and is set in accordance with the achievement of their objectives linked to the functions they control, and is independent of the performance of the business areas they support. Employees in such functions report through an organisation structure that is separate to and independent from the business units they oversee. Heads of Control Functions are designated as MRTs and accordingly their remuneration is reviewed by the relevant Remuneration Committee as part of the annual review of MRT pay.

ANNUAL REPORT ON REMUNERATION

This part of the Directors' Remuneration Report explains how we have implemented our Remuneration Policy during the year. The Annual Statement made by the Remuneration Committee Chair on pages 116 to 119 and this Annual Report on Remuneration are subject to a shareholders' advisory vote at the forthcoming AGM. Information in this report is audited, where stated.

The single total figure of remuneration for the Executive Directors who held office during the year ended 31 December 2022 was as follows:

Executive Directors (£000s)	Salaries ¹	Taxable benefits ²	Pension ³	Total fixed remuneration	Short-term incentives			Long-term incentives Vested ⁴	Total variable remuneration	Single total figure of remuneration
					Cash	Deferred	Total			
Nicolas Breteau										
2022	750	3	2	755	582	582	1,164	-	1,164	1,919
2021	719	3	1	723	496	496	992	-	992	1,715
Robin Stewart										
2022	444	3	6	453	269	269	538	-	538	991
2021	438	3	6	447	210	210	420	-	420	868
Philip Price										
2022	453	3	-	456	279	279	558	-	558	1,014
2021	445	3	-	448	231	231	463	-	463	911

1 Base salary was effective from 1 January 2022.

2 Taxable benefits represent private medical insurance.

3 Maximum pension is 6% of salary, up to a cap of £105,600. No Directors have a prospective entitlement to a DB pension. Due to lifetime allowance limits, P Price did not receive any company pension contributions during 2022. N Breteau received £1,520 company pension contribution due to the annual allowance limit.

4 No long-term incentives vested during 2022 as the LTIP granted in 2020 did not meet its performance conditions.

Base Salary (audited)

For 2023, the Executive Directors' base salaries have been reviewed and as set out in the Chair's letter on pages 116 to 119, the following increases will apply:

Executive	Date of appointment	Current Base salary ¹	Base salary effective from 1 January 2023
Nicolas Breteau	10 July 2018	£750,000	£785,000
Robin Stewart	10 July 2018	£444,000	£465,000
Philip Price	3 September 2018	£453,000	£475,000

1 Base salary was effective from 1 January 2022.

2022 annual bonus (audited)

For 2022, the annual bonus was based 70% on financial performance and 30% on strategic performance, with a maximum opportunity of 250% of base salary for the CEO and 200% of base salary for the CFO/GGC. Details of the 2022 financial measures and weightings, the targets set and performance against these targets are provided in the table below:

Financial performance measure	Weighting	Threshold performance target (25% of maximum)	Target performance target (50% of maximum)	Maximum performance target (100% of maximum)	Actual performance achieved	Weighted payout (% of maximum total bonus)
Adjusted operating profit (Like-for-like adjusted EBIT growth)	70%	£255m	£274m	£293m	£275m	36.6%
Strategic performance	30%	Strategic objectives, along with the corresponding performance assessment, are set out in the tables below.			24%–25.5%	24%–25.5%
Total bonus outcomes						60.6%–62.1%

When setting targets for the annual bonus, the Remuneration Committee considered a range of factors to ensure that they were both appropriate, in light of the Group's historical performance, and sufficiently stretching, in the context of global economic and market conditions, whilst at the same time being motivational for participants. In line with the approach taken last year, the profit targets were set on the basis of a percentage change in profit on a constant currency basis. This was primarily to reflect that foreign exchange movements can have a significant impact on reported numbers. As such, the reported adjusted profit for 2021 of £233m, has been restated on a constant currency basis to £255m, and it is against this benchmark that the Committee has assessed 2022 performance.

In contrast to the experience last year the Group benefitted from a foreign currency tailwind, with an average depreciation of Sterling against the US Dollar of 10% during 2022. This contributed to the 18% increase in adjusted operating profit over last year's reported outcome (£275m versus £233m). Stripping out these currency impacts, the Committee was satisfied that the profit target of £274m, which represented a 7.5% increase over the restated prior year number was appropriate.

When determining the overall bonus awards for each Executive Director, the Committee considered the broader performance of the Executive Directors and the business in the face of unprecedented challenges over the course of the last year. In the context of our core markets, Central Bank monetary tightening created a beneficial environment for the Rates business in Global Broking. However, this was offset by challenging conditions in the European energy sector and pronounced falls in major stock markets, which adversely impacted trading in the Energy & Commodities and Liquidnet divisions. The Committee also took into account the £21m impact on the P&L as a result of Russian exposures, which could not have been foreseen at the beginning of the year. In spite of these headwinds, the Executive Directors have continued to focus on the delivery of the corporate strategy, to transform and diversify the business.

Details of the 2022 strategic objectives for each Executive Director, along with the corresponding performance assessment, are set out in the following tables:

Nicolas Breteau

CEO strategic objectives	Weighting¹	Score	Assessment of performance
Execute on our strategic road map across Global Broking, Energy & Commodities and Parameta Solutions.	5%	4%	<ul style="list-style-type: none"> > Good progress made towards the delivery of the Capital Markets Day targets for improved contribution margin by end of 2023. > Strong momentum achieved with the roll out of Fusion, with an increase in coverage from 20% to 40% of targeted in-scope revenues during 2022.
Execute on integration and business development of Liquidnet.	5%	3.5%	<ul style="list-style-type: none"> > Integration is progressing well with the majority of deliverables completed. > On track to complete the integration by the end of 2023 and deliver at least £30m of integration cost synergies, ahead of our £25m target.
Develop and strengthen the leadership team with a focus on succession and building the bench.	5%	5%	<ul style="list-style-type: none"> > Significantly strengthened the Leadership Team including critical hires for the CEO roles within Global Broking and Liquidnet. > CEO's personal efforts noted as a key differentiator in developing capabilities below Board.
Implement ESG Strategy: specifically, make progress towards delivery of the three ESG targets on Net Zero, gender diversity and new business approval.	4%	3%	<ul style="list-style-type: none"> > External benchmarking of emissions and engagement with our top 30 suppliers to reduce Scope 3 emissions undertaken for the first time in 2022. > Progression on gender targets among non-broking employees, with female representation increasing from 34% to 35% in 2022, with an objective to reach 38% by end of 2025.
Continue to improve the firm's profile and standing with regulators and policy makers to deliver positive operational and reputational outcomes. Continue to embed the right Risk, Control and Culture framework.	3%	3%	<ul style="list-style-type: none"> > The CEO delivered the Group's key strategic messages through leading a number of events with colleagues across the globe in 2022. > Significant improvements made to the control environment and the effectiveness of risk management within the organisation. > The CEO has continued to take a proactive approach to engagement with policy makers and regulators across Europe.
Improve our employee engagement with a focus on internal communication.	3%	3%	<ul style="list-style-type: none"> > Strong growth in all employee communication channels during the year. > The participation rate in November's global employee survey increased by over 20% versus the prior year, with an increase of seven percentage points in the engagement score to 67%.
Remuneration Committee discretion.	5%	4%	<ul style="list-style-type: none"> > The Committee took account of the CEO's effective leadership of the business over a year in which trading improved across the core divisions, and a strong recovery in both profitability and share price performance was achieved.
Total for strategic metrics	30%	25.5%	

¹ Expressed in percentage points summing to 30% in total, 30% being the proportion of the total bonus determined by reference to non-financial metrics.

Robin Stewart

CFO strategic objectives	Weighting ¹	Score	Assessment of performance
Create consistent global management information and financial challenge to the Business divisions and lead communications with the external market.	4%	2%	<ul style="list-style-type: none"> > The CFO has led the improvement in investor relations during the year. > Good progress made in embedding the Finance operating model within the Business divisions. Work to continue in 2023 to strengthen MI reporting.
Strategically review and assess the Group's utilisation of resources to target opportunities and release cash and capital from the business.	5%	4%	<ul style="list-style-type: none"> > Continued progress with business rationalisation including through the consolidation of legal entities and other capital efficiency initiatives. > On track to free up £100m of cash by the end of 2023.
Facilitate the delivery of cost improvement targets outlined in preliminary statement.	5%	5%	<ul style="list-style-type: none"> > Achieved target to deliver £25m of Group P&L cost savings by end 2022, alongside continued investment in the business. > On track to deliver at least £30m in Liquidnet integration cost synergies by end 2023; original target £25m.
Continue to embed the right Risk, Control and Culture framework for TP ICAP with a particular focus on Conduct.	4%	4%	<ul style="list-style-type: none"> > Management of, and accountability for, conduct and risk within the first line of defence continues to improve. > All outstanding audit points have been remediated, including 100% that relate to Finance, or have a delivery plan to resolve.
Review the global finance structure with an aim to better align with Business divisions and transversal functions.	3%	2%	<ul style="list-style-type: none"> > Continued progress embedding Finance structure within the core business divisions. > Dedicated finance team supporting Global Broking has contributed to driving improved margins across the division.
Implement ESG Strategy: specifically, make progress towards delivery of the three ESG targets on Net Zero, gender diversity and new business approval – take ownership for the shareholder communications.	4%	3%	<ul style="list-style-type: none"> > Commencement of engagement with TP ICAP's Top 30 suppliers to reduce Scope 3 emissions. > Acceleration of the Group TCFD action plan. CFO will lead on ensuring obligations are within FRC scope. > Progress made towards gender targets among non-broking employees, with female representation increasing from 34% to 35% in 2022, with the objective of reaching 38% by the end of 2025.
Remuneration Committee discretion.	5%	4%	<ul style="list-style-type: none"> > The Committee took account of the successful delivery of cost savings and capital efficiencies in the face of a challenging inflationary environment during the year.
Total for strategic metrics	30%	24%	

1 Expressed in percentage points summing to 30% in total, 30% being the proportion of the total bonus determined by reference to non-financial metrics.

Philip Price

GGC strategic objectives	Weighting ¹	Score	Assessment of performance
Continue to develop the Legal team and where practicable (i) insource more legal advice and reduce external legal expenses and (ii) pro-actively seek to settle/compromise the Group's regulatory investigations.	4%	4%	<ul style="list-style-type: none"> > Lead capability upgrade of legal function. > Significant cost savings achieved with a reduction in external legal spend of 30% year-on-year. > Proactive management of litigation with a number of favourable settlements of disputes achieved in 2022.
Ensure Compliance delivers its 2022 strategy and executes its steps on the Path-to-Green ('PTG') project plan. Continue to ensure adherence to the Group's Compliance and control frameworks across TP ICAP with a particular emphasis on conduct & culture.	4%	3%	<ul style="list-style-type: none"> > Compliance achieved a number of PTG deliverables for 2023 with material progress in relation to Conduct of Business and Financial Crime initiatives, > Key role in the development of the Group's new Conduct Management Framework.
In conjunction with the Business and Regional CEOs manage the Group's legal and regulatory risks to ensure that the Group remains within risk appetite. Work with Business Division CEOs to minimise the Group's exposure to legal claims and regulatory fines.	4%	3%	<ul style="list-style-type: none"> > Group Risk Conduct and Governance Committee ('GRCGC') dashboard is showing all risks are within appetite for 2022. > Worked closely with the first line of defence management to ensure the risk of regulatory fines and claims is mitigated.
Drive the Group's commitment to ESG principles and continue to engage with stakeholders to enhance internal communication. Implement ESG Strategy: specifically, make progress towards delivery of the three ESG targets on Net Zero, gender diversity and new business approval.	4%	3%	<ul style="list-style-type: none"> > Lead the Group's ESG agenda, particularly in relation to social engagement. > Progress made towards gender targets among non-broking employees, with female representation increasing from 34% to 35% in 2022, with the objective of reaching 38% by the end of 2025.
Continue to ensure adherence to the Group's Risk frameworks across TP ICAP with a focus on risk management and accountability.	5%	4%	<ul style="list-style-type: none"> > Active engagement with Business Division heads and their direct reports to ensure conduct issues are addressed promptly. > Group is within the target risk appetite level for 2022.
Continue to improve the firms profile and standing with regulators and policy makers to deliver positive operational and reputational outcomes, especially with respect to Brexit.	4%	4%	<ul style="list-style-type: none"> > The GGC has continued to promote the Group's good standing with global regulators and external stakeholders. > In particular, the GGC's relationship with UK regulatory bodies has helped to navigate a challenging post-Brexit landscape, to preserve revenues and broker retention.
Remuneration Committee discretion.	5%	4%	<ul style="list-style-type: none"> > The Committee acknowledged the continued efforts of the GGC in driving cultural change throughout the Group, as well as his contribution towards embedding a robust control environment.
Total for strategic metrics	30%	25%	

¹ Expressed in percentage points summing to 30% in total, 30% being the proportion of the total bonus determined by reference to non-financial metrics.

Total annual bonus outcome for 2022 performance (audited)

The total bonus for each Executive Director for the year to 31 December 2022 is therefore as follows:

Measure	Weighting	CEO bonus (% Max bonus)	CFO bonus (% Max bonus)	GGC bonus (% Max bonus)
Adjusted operating profit	70%	36.6%	36.6%	36.6%
Strategic performance	30%	25.5%	24.0%	25.0%
Total bonus (as a percentage of maximum)	100%	62.1%	60.6%	61.6%
Total bonus (£000s)		1,164	538	558

50% of the total bonus for each Executive Director will be awarded in Company shares and deferred for three years vesting in equal tranches, in accordance with the rules of the Executive Director Bonus Plan. Deferred share awards will also be subject to a six-month retention period following vesting, which is considered to be in line with regulatory requirements.

The Committee determined that the bonus outcome for the Executive Directors appropriately reflected the financial performance and strategic progress that has been made during 2022.

Long-term incentives (audited)

LTIP awarded in 2020

On 30 March 2020, conditional share awards under the LTIP were granted to the Executive Directors. The performance measures, weightings and vesting outcomes are set out in the table below. As the threshold conditions were not met, these awards lapsed in full.

Performance measure	Threshold (20% vesting)	Maximum ³ (100% vesting)	Actual achieved	Overall vesting
Relative TSR (50% weighting)	Median	Upper Quartile or above	Below median	0%
EPS Growth ¹ (30% weighting)	3% p.a.	10% p.a.	-6%	0%
New Business Growth ² (20% weighting)	10%+ p.a.	16%+ p.a.	0.9%	0%
Overall vesting outcome				0%

1 CAGR over three years 2020 to 2022. EPS was adjusted post-2021 rights issue.

2 CAGR over three years 2020 to 2022. Defined as growth in underlying operating profit of the sum of Energy & Commodities, Institutional Services and Data & Analytics.

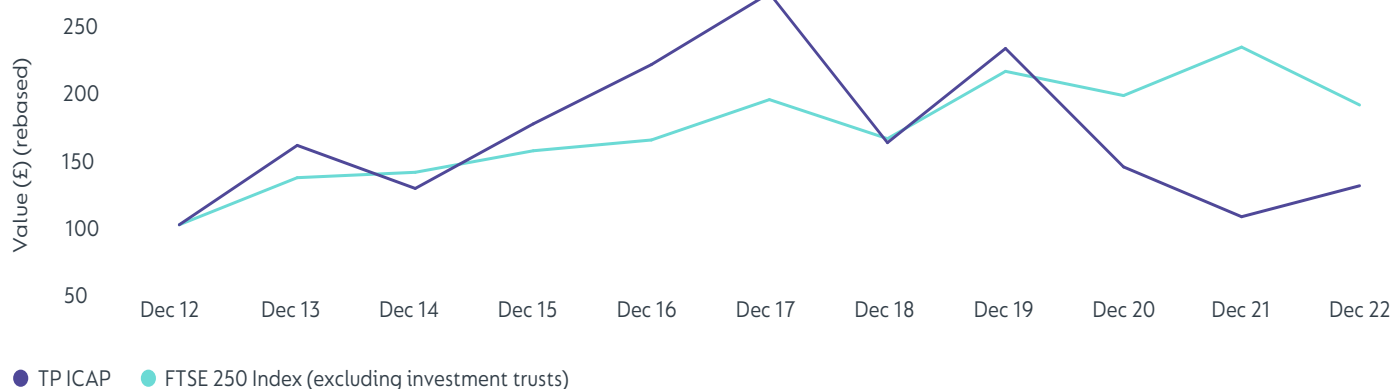
3 Payout between threshold and maximum rises on a straight line basis to 100% of payout for attainment of maximum performance condition.

Performance graph

A graph depicting the Company's TSR in comparison to other companies in the FTSE 250 Index (excluding investment trusts) in the ten years to 31 December 2022 is shown below.

The Board believes that this index is most relevant as it comprises listed companies of a similar size.

Total shareholder return



Source: Eikon from Refinitiv.

This graph shows the value, by 31 December 2022, of £100 invested in TP ICAP on 31 December 2012, compared with the value of £100 invested in the FTSE 250 Index (excluding investment trusts) on the same date.

Chief Executive remuneration history

Year ended	Name	Total remuneration £000	Annual bonus % of max pay-out	LTI % of max vesting
31 December 2022	Nicolas Breteau	1,919	62%	0%
31 December 2021	Nicolas Breteau	1,715	54%	0%
31 December 2020	Nicolas Breteau	1,937	75.0%	0%
31 December 2019	Nicolas Breteau	2,184	94.0%	0%
31 December 2018	Nicolas Breteau ¹	757	56.6%	0%
	John Phizackerley ²	325	0%	0%
31 December 2017	John Phizackerley ⁵	1,666	88%	62%
31 December 2016	John Phizackerley	3,381	94%	74%
31 December 2015	John Phizackerley	2,250	80%	n/a
31 December 2014	John Phizackerley ³	720	n/a	n/a
	Terry Smith ⁴	433	n/a	-
31 December 2013	Terry Smith	2,856	51%	-

1 For the six-month period from 10 July 2018. Percentage represents the overall percentage score achieved on individual performance targets.

2 Total Remuneration includes base salary received through to termination date of 9 July 2018.

3 For the four-month period from 1 September 2014.

4 For the eight-month period from 1 January 2014 to 31 August 2014.

5 2017 reflects the final LTIs paid out in 2018 relating to 2017 reduced by the forfeiture of deferred bonus relating to 2017.

Relative importance of spend on remuneration

The table below shows the expenditure and percentage change in overall spend on employee remuneration and dividend payments:

£m	2022	2021	% change
Employee remuneration ¹	1,320	1,152	15%
Shareholder dividends paid ²	78	47	66%

1 Employee remuneration includes employer's social security costs and pension contributions.

2 Shareholder dividends comprises the dividends paid.

Directors' shareholdings and share interests (audited)

The interests (all beneficial) as at 31 December 2022 in the ordinary share capital of the Company were as follows:

Director	RSP share ⁴	LTIP shares ³	Unvested shares ²	Shares ¹
Richard Berliand	-	-	-	105,000
Nicolas Breteau	768,883	1,299,145	840,459	235,908
Robin Stewart	455,179	801,090	394,631	100,587
Philip Price	464,405	812,344	419,870	138,854
Tracy Clarke	-	-	-	14,000
Edmund Ng	-	-	-	28,000
Michael Heaney	-	-	-	66,000
Angela Crawford-Ingle	-	-	-	27,934
Mark Hemsley	-	-	-	22,000
Kath Cates	-	-	-	19,274
Louise Murray	-	-	-	-

1 Shares owned outright.

2 Unvested shares awarded under the Deferred Bonus Plan, not subject to performance conditions. Share vesting is governed by the rules of the Plan.

3 LTIP shares are subject to performance conditions, details of which are set out in the 2021 Annual Report on page 142.

4 RSP shares are subject to performance underpins, details of which are set out on the next page under the table 'Conditional Share Awards under the RSP'.

The Company operates a SAYE share option scheme on the same terms for all employees. Nicolas Breteau remains a participant in the 2021 SAYE cycle with options over shares of 9,329. Robin Stewart and Philip Price withdrew from the 2021 scheme and participated in the 2022 cycle, with options over shares of 15,003, respectively. There has been no change in Director's shareholdings between 31 December 2022 and 14 March 2023.

Shareholding requirements (audited)

Executive Directors must build a holding in minimum value of the Company's ordinary shares equivalent to 300% of base salary in respect of the Chief Executive Officer and 200% of base salary for all other Executive Directors. The normal expectation is that this is built up over a maximum five-year period from appointment to the Board. Whilst the shareholding thresholds have not yet been met, all Executive Directors who served during the year complied with the Company's requirements in respect of their interests in the shares of the Company.

Executive Director	Number of eligible shares as at 31 December 2022 ¹	Value of shares held as at 31 December 2022 ²	Shareholding as % of base salary as at 31 December 2022	Shareholding requirement (% salary)
Nicolas Breteau	681,351	£1,188,957	159%	300%
Robin Stewart	309,741	£540,498	122%	200%
Philip Price	361,385	£630,617	139%	200%

1 Includes all shares owned outright and all unvested deferred bonus shares not subject to performance conditions on a notional net of tax basis.

2 Based on share price of £1.745 as at 30 December 2022.

Scheme interests awarded in the year (audited)

The table below sets out scheme interests awarded to Executive Directors in the year, alongside details of the performance conditions, vesting schedule and retention period.

Executive Director	Date of grant	Granted during the year	Face value £000	Face value % of salary	Performance conditions/Underpin	Vesting date	End of retention period
Conditional Share Awards under the RSP¹							
Nicolas Breteau	25/05/22	768,883	£938	125%	see information below on the RSP underpin	25 May 2025	25 May 2027
Robin Stewart	25/05/22	455,179	£555	125%		25 May 2025	25 May 2027
Philip Price	25/05/22	464,405	£566	125%		25 May 2025	25 May 2027
Deferred shares awarded under the Annual Bonus²							
Nicolas Breteau	31/03/22	333,305	£496	66%	n/a	31 March 2025	31 Sept 2025
Robin Stewart	31/03/22	141,242	£210	47%		31 March 2025	31 Sept 2025
Philip Price	31/03/22	155,458	£231	51%		31 March 2025	31 Sept 2025

1 The face value of the RSP awards was converted into a number of shares using a share price of £1.2193, being the five-day volume weighted average price up to and including the date of grant on the 25 May 2022.

2 The face value of the deferred share awards was converted into a number of shares using a share price of £1.4885, being the five-day volume weighted average price up to and including the date of grant on the 31 March 2022. Note that the vesting date of 31 March 2025 represents the date on which the final tranche of the deferred share award will vest and the end of the retention period on the 31 September 2025 also relates to the final tranche of the deferred share award.

RSP underpin assessment

The performance underpins applicable to the above RSP are as follows:

The Committee shall have regard to the Group's financial and non-financial performance over the course of the vesting period and may take into account the following factors (among others) when determining whether to reduce the number of shares vesting:

- > Whether threshold performance levels have been achieved for the Bonus Plan for each of the three years in the vesting period;
- > The underlying financial performance progression over the vesting period, considering (but not limited to) such factors as revenue, profitability, absolute/relative TSR performance, cash generation and adherence to the dividend policy (to maintain 2x adjusted earnings dividend cover); and
- > Performance against strategic priorities designed to promote the long-term success of the Company including (but not limited to) operating model improvements, building on the Group's competitive advantage, digital and technology improvements, focus on ESG (including sustainability), employee satisfaction and the management of day-to-day risks.

Payments for loss of office and payments to past Directors (audited)

There were no payments made for loss of office or remuneration payments made to former Executive Directors during the year.

Chief Executive pay ratio

The table below compares the 2022 single total figure of remuneration for the CEO with that of the Group's UK employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile). The Remuneration Committee considers the relative stability in the median pay ratio over the last three years to reflect the alignment of CEO and all employee pay outcomes, albeit that the quantum of 'at risk' variable pay is higher for the CEO than for the wider workforce. The Committee is also satisfied that the median pay ratio is consistent with the pay, reward and progression policies for our employee population.

Year	Method	25 th percentile pay ratio	50 th percentile pay ratio	75 th percentile pay ratio
2022	A	31:1	17:1	9:1
2021	A	29:1	16:1	8:1
2020	A	34:1	18:1	8:1

The Committee chose to use Option A to calculate the ratio as the data was available and the approach is considered to be the most accurate. The employee data was taken as at 31 December 2022; employee means anyone employed under a contract of service. A full-time equivalent total was created for part-time employees and the remuneration of employees hired during the year was annualised. The resulting list was then ranked to identify the individuals at the 25th, 50th and 75th percentiles. The CEO pay ratios were then calculated based on these percentiles.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees. The compensation numbers for all employees exclude the additional variable pay awards that were awarded to employees in 2022. No such awards were made to the Executive Directors.

As shown below, total pay has increased this year across all three percentiles due to an increase in the bonus spend for support staff. The movement in salary levels is reflective of the range of compensation arrangements within the Group.

	25 th percentile	50 th percentile	75 th percentile
2022			
Salary	£44,470	£88,833	£90,000
Total pay and benefits	£61,938	£111,537	£210,167
2021			
Salary	£50,000	£85,000	£130,000
Total pay and benefits	£58,448	£106,055	£209,029

Percentage change in Directors' remuneration

The Committee monitors the changes year-on-year between our Directors' pay and average employee pay. In accordance with the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the table below shows the percentage change in Executive Director and Non-executive Director total remuneration compared to the change for the average of employees within the Company, over the last two years.

	% change in remuneration between 2022 and 2021			% change in remuneration between 2021 and 2020			% change in remuneration between 2020 and 2019		
	Salary/Fee	Taxable benefits ^a	Short-term variable pay	Salary/Fee	Taxable benefits	Short-term variable pay	Salary/Fee	Taxable benefits	Short-term variable pay
Chief Executive Officer	4%	2%	17%	7%	5%	-21%	3%	3%	-17%
Chief Financial Officer	1%	2%	28%	1%	5%	-33%	2%	3%	-19%
Group General Counsel	2%	2%	21%	2%	5%	-30%	3%	3%	-17%
Richard Berliand	0%	n/a	n/a	0%	n/a	n/a	5%	n/a	n/a
Tracy Clarke ¹	6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Michael Heaney	21%	n/a	n/a	-12%	n/a	n/a	2%	n/a	n/a
Edmund Ng	0%	n/a	n/a	-21%	n/a	n/a	-6%	n/a	n/a
Angela Crawford-Ingle ²	5%	n/a	n/a	39%	n/a	n/a	n/a	n/a	n/a
Mark Hemsley ³	0%	n/a	n/a	29%	n/a	n/a	n/a	n/a	n/a
Kath Cates ⁴	13%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Louise Murray ⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Employees	14%	2%	41%	4%	7%	-28%	2%	10%	-15%

1 Appointed as Remuneration Committee Chair on 12 May 2021.

2 Appointed to the Board on 16 March 2020.

3 Appointed to the Board on 16 March 2020.

4 Appointed to the Board on 1 February 2021.

5 Appointed to the Board on 31 December 2021. As pro-rated fee for 2021 was negligible at £219, the percentage change is disclosed as n/a.

6 Although NED expenses tax settled through a PAYE Settlement Agreement ('PSA') is available for the 2021/2022 income tax year, information for prior years is not readily available. Year-on-year percentage change is therefore shown as n/a. Disclosure of the percentage change in taxable benefits for NEDs will be available going forwards.

Short-term variable pay includes annual bonus (both cash and deferred bonus) and Special Equity Awards made to employees.

As the Parent Company does not have employees, the data above represents a voluntary disclosure against a suitable comparator group. A large portion of the Group's remuneration is payable to Brokers who earn a significant portion of their income as contractual bonus based on a formula linked to revenue. It is therefore considered that a comparison of the Executive Director's remuneration with that of UK non-broker staff is more meaningful than a comparison with all employees.

Employee calculations are based on an average percentage change in salary and short-term variable pay on a same-store comparison ie when comparing employees who have been employed by the firm for both performance years 2021 and 2022. The average increase in employees' short-term variable pay between 2021 and 2022 is 41%, which includes the additional variable pay awards for support staff paid during 2022.

Fees paid to Non-executive Directors (audited)

The single total figure of remuneration for each of the Non-executive Directors who held office during the year ended 31 December 2022 was as follows:

	Fees		Benefits ⁴		Total	
	2022 £000	2021 £000	2022 £	2021 £	2022 £000	2021 £000
Richard Berliand	300	300	739	–	301	300
Tracy Clarke ¹	95	90	739	–	96	90
Michael Heaney	150	124	332	–	150	124
Edmund Ng	100	100	0	–	100	100
Angela Crawford-Ingle	105	100	727	–	106	100
Mark Hemsley	90	90	739	–	91	90
Kath Cates ²	105	92	739	–	106	92
Louise Murray ³	80	–	12	–	80	–

1 Appointed as Remuneration Committee Chair on 12 May 2021.

2 Appointed to the Board on 1 February 2021. Her 2021 remuneration has been pro-rated accordingly.

3 Appointed to the Board on 31 December 2021.

4 Note that 2022 disclosure is in £ not £000. 2022 figures show expenses tax settled through a PAYE Settlement Agreement ('PSA') in respect of the 2021/2022 tax year. Expenses principally reflect the cost of Board dinners. Due to use of a different expense system and PSA arrangement in 2020/21, equivalent information is not readily available for 2021.

Non-executive Director fees (audited)

The fees for the Non-executive Directors for 2023 are as follows:

£m	Fees from 1 January 2023	Fees from 1 January 2022
Chair	£300,000	£300,000
Base fee	£70,000	£70,000
Senior Independent Director	£15,000	£15,000
Chair of the Audit, Risk and Remuneration Committees	£25,000	£25,000
Membership of the Audit, Risk and Remuneration Committees	£10,000	£10,000
Overseas-based NED supplement	£35,000	£35,000
Regional Engagement NED	£10,000	£10,000

Non-executive Directors received no other benefits or other remuneration other than reimbursement of all reasonable and properly documented travel, hotel and other incidental expenses incurred in the performance of their duties and any tax and social costs arising thereon. Non-executive Directors based overseas will be reimbursed for reasonable costs of travel and accommodation for trips to London to attend Board meetings. Any UK tax liability thereon will be met by the Company. There has been a temporary suspension of Overseas Attendance Allowance for some Non-executive Directors in certain jurisdictions.

Voting at the 2022 AGM

At the AGM held on 11 May 2022 the following votes were cast in respect of the Report on Directors' Remuneration. The votes shown below in relation to the Directors' Remuneration Policy were cast on 11 May 2022:

	For ^{1,2}		Against ¹		Votes withheld ¹
	Number	%	Number	%	Number
Approval of the Directors' Remuneration Report	592,716,543	83.83	114,352,627	16.17	8,753
Approval of the Directors' Remuneration Policy	602,189,092	85.17	104,878,431	14.83	10,400

1 Votes 'For' and 'Against' are expressed as a percentage of votes cast. A 'Vote withheld' is not a vote in law.

2 Votes 'For' includes those giving the Chairman discretion.

Governance

The Directors' Remuneration Report has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 (as amended by the 2013 Regulations) the UKLA Listing Rules and the UK Corporate Governance Code. The Companies Act 2006 requires the auditor to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the regulations.

The Remuneration Committee Chair's statement, the Remuneration at a Glance section and certain parts of the Annual Report on Remuneration (indicated in that report) are unaudited.

Remuneration Committee

Members of the Remuneration Committee during the year were: Tracy Clarke (Chair), Edmund Ng and Michael Heaney.

Key responsibilities of the Remuneration Committee

The role of the Committee is to set the overarching principles of the Remuneration Policy and provide oversight on remuneration across the firm. The Board has delegated responsibility to the Committee for:

- > Working with management to develop, formalise and approve transparent policies on remuneration for the Company's workforce, that support the Company's long-term strategic goals and are aligned to its culture;
- > Reviewing the Company's remuneration policies with regard to the Company's risk appetite, alignment to the long-term strategic goals, ongoing appropriateness, and compliance with corporate governance and regulatory requirements; reviewing the ongoing appropriateness and relevance of the remuneration policies; and consulting with significant shareholders as appropriate;
- > Ensuring implementation of the Company's remuneration policies is subject to review;
- > Considering relationships between incentives and risk to ensure that risk management and appetite are properly considered in setting and implementing the Remuneration Policy;
- > Reviewing wider workforce pay and, whilst the Committee does not directly consult employees on the remuneration policy for Executive Directors, considering mechanisms for explaining to the workforce how executive pay and any related policies are aligned with remuneration for the wider workforce;
- > Keeping under review the Company's gender and ethnic pay gaps and overseeing the implementation of actions identified as being required;
- > Ensuring Executive Director remuneration is in line with the most recent Directors' Remuneration Policy and that wider workforce pay has been considered when setting Executive pay;
- > Setting appropriately challenging incentive targets for the Executive Directors;
- > Ensuring risk management and conduct events are reflected in remuneration outcomes;
- > Determining and approving the rules of any new employee share scheme or other equity-based long-term incentive programme or any new performance related pay schemes and total annual payments under such schemes;
- > Reviewing and approving the total incentive pools for the non-executive workforce, save with respect to the senior management population;

- > Reviewing and approving, after consultation with the Chief Executive, the level and structure of remuneration for senior management;
- > Reviewing and approving the level and structure of remuneration for the Heads of Control Functions; and
- > Keeping under review a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.

Key Remuneration Committee activities in 2022

The Committee's focus areas this year were:

- > Assessing the performance of the Executive Directors against the financial and strategic non-financial metrics;
- > Determining the financial metrics used to assess 70% of the Executive Directors' 2022 Bonus and the RSP underpin;
- > Setting specific 2022 strategic performance objectives for each of the Executive Directors to assess 30% of their 2022 Annual Bonus;
- > Benchmarking the remuneration of the Executive Directors;
- > Reviewing risk-adjusted reward policies and processes to ensure conduct and culture are considered in all reward decisions;
- > Reviewing the Company's compliance with the FCA's MIFIDPRU Remuneration Code, reviewing the Group's Material Risk Takers and related remuneration disclosure requirements;
- > Reviewing all employee remuneration arrangements to ensure that the Company is able to continue to attract and retain key talent and to support employees in the context of a 'cost of living' crisis; and
- > Reviewing our pension and benefits offerings across the Group to ensure that they remain competitive.

Outside directorships

Nicolas Breteau, Robin Stewart and Philip Price did not have any outside directorships from which they received any remuneration during 2022.

The alignment of Executive remuneration with wider Company pay policy

The employees of TP ICAP are critical to its long-term success and the Remuneration Committee is responsible for developing and maintaining formal and transparent policies on remuneration for the Company's employees.

Our philosophy on remuneration, that applies to all employees:

- > We seek to attract and retain high-performing and motivated employees and remunerate them with a competitive base salary;
- > We align reward with the delivery of the Group's business strategy, values, key priorities and long-term goals;
- > We reward behaviours that both create sustainable results in line with our core values of honesty, integrity, respect and excellence and do not encourage excessive risk taking and are in line with our current risk conduct framework;
- > We align remuneration with the principle of protection of customers and the prevention of conflicts of interest;
- > We deliver some elements of compensation as shares in the Company to align senior employee, Executive and shareholder interests; and
- > We provide standard benefits that apply across all employee groups.

2023 AGM

Copies of the Executive Directors' employment contracts and the Non-executive Directors' letters of appointment are available for inspection at the registered office of the Company during normal business hours and will be available for shareholders to view at the 2023 AGM. Executive Directors have rolling contracts which may be terminated by either the Company or the Director giving 12 months' notice. Details of the contractual arrangements for the Non-executive Directors are set out in the Directors' Remuneration Policy.

Implementation of Remuneration Policy in 2023

Base salaries

It was agreed that the following increases would apply for the Executive Directors:

- > Chief Executive: £785,000 (4.7% increase)
- > Chief Financial Officer: £465,000 (4.7% increase)
- > Group General Counsel: £475,000 (4.9% increase)

Annual bonus

The annual bonus will continue to be based on the existing scorecard of financial and strategic performance targets aligned to the business strategy, conduct and risk KPIs, with no change to the maximum bonus opportunities of 250% of base salary and 200% of base salary for the Chief Executive Officer and CFO/GGC respectively. The performance measures will be:

- > Adjusted Operating Profit – 70%
- > Strategic Objectives – 30%

Details of targets are deemed to be commercially sensitive and will be disclosed retrospectively in the next Directors' Remuneration Report. In addition, 50% of the total bonus awarded will be deferred into shares, pro-rate vesting over three years. The deferred share awards will also be subject to a six-month retention period following vesting.

RSP

For the RSP awards of 125% of salary to be granted to each Executive Director in March 2023, the following conditions will apply. The RSP will vest after three years, subject to the assessment of an underpin at the end of 2025. When assessing the underpin the Committee shall have regard to the Group's financial and non-financial performance over the course of the vesting period, and may take into account the following factors (amongst others) when determining whether to reduce the number of shares vesting:

- > Whether threshold performance levels have been achieved for the performance conditions for the Bonus Plan for each of the three years in the vesting period;
- > The underlying financial performance progression over the vesting period, considering (but not limited to) such factors as revenue, profitability, absolute/relative TSR performance, cash generation and adherence to the dividend policy (to maintain 2x adjusted earnings dividend cover); and
- > Performance against strategic priorities designed to promote the long-term success of the Company including (but not limited to) operating model improvements, building on the Group's competitive advantage, digital and technology improvements, focus on ESG (including sustainability), employee satisfaction and the management of day-to-day risks.

Advice provided to the Remuneration Committee

During 2022, PricewaterhouseCoopers ('PwC') provided external remuneration advice to the Remuneration Committee. They advised on aspects of our Remuneration Policy and practice, including in relation to the Directors' Remuneration Policy which was approved at the May 2022 AGM, trends in market practice and regulatory disclosures. PwC was appointed by the Remuneration Committee, initially in November 2018 to provide advice to the Remuneration Committee on the development of the new Directors' Remuneration Policy and was subsequently appointed as the sole adviser to the Committee. In addition, PwC provided tax advice to the Company. PwC is a signatory to the Remuneration Consultants Group Code of Conduct which requires it to provide objective and impartial advice.

The Remuneration Committee is satisfied that the PwC engagement partner and team, which provide remuneration advice to the Committee, do not have connections with TP ICAP that might impair their independence or objectivity. The fees payable for advice provided by PwC in 2022 were £80,900 (excluding VAT). Fees are charged on a time and materials basis, other than when a scope of fees is provided for services upfront. The Committee is satisfied that these fees are appropriate for the work undertaken.

Allen & Overy LLP provided advice on law and regulation in relation to employee incentive matters. This firm also provided general legal advice to the Company. Advice was also provided on occasion by the CEO, CFO, Group General Counsel, Group Head of HR and CRO.

Approved by the Board and signed on its behalf by

Tracy Clarke

Chair
Remuneration Committee
14 March 2023

Directors' report

The Directors present their report together with the audited Consolidated Financial Statements for the year ended 31 December 2022.

TP ICAP Group plc is incorporated as a public limited company and is registered in Jersey with the registered number 130617. The Company's registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX. Although the Company is subject to Jersey law, the following report also includes certain disclosures required for a UK incorporated company under the UK Companies Act 2006 in the interests of good governance.

As permitted by legislation, the following statements made pursuant to company law, the UK Listing Authority's Listing Rules, Disclosure Guidance and Transparency Rules are set out elsewhere in this Annual Report and are incorporated into this report by reference:

Disclosure	Location
Board of Directors	Board of Directors (pages 90 to 93)
Results for the year	Consolidated Income Statement (page 147)
Dividends	Strategic report (page 1, 9 and 25)
DTR 7 Corporate Governance Statement (excluding DTR 7.2.6, which is covered by this Directors' report)	Governance report (page 82 to 139)
How the Directors have engaged with and had regard to employees	Strategic report, Stakeholder engagement (pages 41 to 43)
How the Directors have had regard to the need to foster business relationships with stakeholders	Strategic report, Stakeholder engagement (pages 40 to 49)
Directors' share interests	Report of the Remuneration Committee (page 130)
Financial instruments	Note 29 to the Consolidated Financial Statements (pages 186 to 193)
Viability statement	Strategic report (page 71)
Going concern statement	Strategic report (page 71)
Principal risks and uncertainties	Strategic report (pages 72 to 81)
Human rights and equal opportunities	Strategic report (pages 54 to 56)
Related party transactions	Note 38 to the Consolidated Financial Statements (page 208)
Business activities and performance	Strategic report (pages 6 to 39)
Financial position	Strategic report (pages 18 to 31)
Key risk analysis	Strategic report (pages 72 to 81)
Loans and other provisions	Notes 3, 25 and 27 to the Consolidated Financial Statements (pages 154 to 164, 183 to 184, and 185 to 186)
Issued share capital	Note 30 to the Consolidated Financial Statements (page 194)
Future developments	Strategic report (pages 6 to 37)
Statement of Directors' responsibilities	Page 139

Listing Rule 9.8.4 disclosure

The trustee of the Employee Benefit Trust waived its rights to receive dividends on shares held by them. Information regarding long-term incentive schemes is contained within the Report of the Remuneration Committee (pages 116 to 135) and incorporated into this report by reference. Otherwise than as indicated, there are no further disclosures to be made under Listing Rule 9.8.4.

Listing Rule 9.8.6(9) and 14.3.33 disclosure

The Company is supportive of the FCA's drive to increase gender and ethnicity diversity amongst the boards and executive management of premium and standard listed companies. As at 1 March 2023 the Board comprises 36% women, our Senior Independent Director is a woman, and one member of the Board is from a minority ethnic background. The Nominations & Governance Committee and Board will continue to focus on the new disclosure requirements for the year ending 31 December 2023 as a part of the Board's succession planning. Otherwise than as indicated, there are no further disclosures to be made under Listing Rules 9.8.6(9) and 14.3.33.

Post balance sheet events

There are no post balance sheet events.

Scheme of Arrangement

On 24 February 2021, the High Court of England and Wales approved a scheme of arrangement (the 'Scheme of Arrangement') pursuant to which TP ICAP Group plc became the new holding company of the TP ICAP Group. On 26 February 2021, following delivery of the Court order sanctioning the Scheme of Arrangement, the Scheme of Arrangement became effective and TP ICAP Group plc's Ordinary Shares were listed on the premium listing segment of the Official List and to trading on the London Stock Exchange plc's main market for listed securities. TP ICAP Group plc therefore replaced TP ICAP Finance plc (previously TP ICAP plc) as the ultimate parent entity of the TP ICAP Group.

Directors

The biography for each of the current Directors is set out on pages 90 to 93. Each of the Directors served on the Board of TP ICAP Group plc throughout the year.

With regards to the appointment and replacement of Directors, the Company is governed by its Articles of Association (the 'Articles'), the Companies (Jersey) Law 1991, the Companies Act 2006, related legislation, and the UK Corporate Governance Code. The Articles may be amended by special resolution of the shareholders and were last amended in February 2021. The Articles provide that, at each AGM, all the Directors who held office on the date seven days before the Notice of that AGM must retire from office and each Director wishing to continue to serve must submit themselves for election or re-election by shareholders.

Directors' conflicts

The Directors are required to notify the Company of any potential conflicts of interest that may affect them in their roles as Directors of TP ICAP Group plc. All new potential conflicts of interest are recorded and reviewed by the Board as they arise, and the Register of Conflicts and Relevant Situations is reviewed at each scheduled meeting of the Nominations & Governance Committee.

Directors' indemnity arrangements

The Company maintains liability insurance for its Directors and officers and, to the extent allowed by Jersey law and the Company's Articles of Association, the Company provides a standard indemnity against certain liabilities that Directors may incur in their capacity as a Director of the Company. The liability insurance provided to a Director does not provide cover in the event a ruling of actual dishonest or fraudulent activity is found. The principal employer of the Tullett Prebon Pension Scheme has given indemnities to the Directors who are trustees of that Scheme.

Share capital and control

The Company has one class of ordinary shares, which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. No shareholder has any special rights of control over the Company's share capital and all issued shares are fully paid. The voting rights of the ordinary shares held by the Tullett Prebon plc Employee Benefit Trust 2007 are exercisable by the trustees in accordance with their fiduciary duties. The right to receive dividends on these shares has been waived. Details of employee share schemes are set out in Note 32 to the Consolidated Financial Statements on pages 197 to 199.

Restriction on transfer of securities

There are no specific restrictions on the size of a holding nor on the transfer of shares, both of which are governed by the provisions in the Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights, nor are there any arrangements by which, with the Company's cooperation, financial rights carried by securities are held by a person other than the holder of those securities.

Powers of the Directors

The Directors were granted at the 2022 AGM the authority to allot shares and to buy the Company's shares in the market up to a maximum of approximately 10% of its issued share capital. At the last AGM, resolutions were passed to authorise the Directors to allot up to a nominal amount of £65,722,577.50 (subject to restrictions specified in the relevant resolutions) and to purchase up to 78,867,093 ordinary shares.

During 2022 no shares were purchased in the market under the authority granted at the 2022 AGM.

Significant agreements and change of control

The Company's banking facilities give the lenders the right not to renew loans and to cancel commitments in the event of a change of control. TP ICAP's lenders were therefore engaged in the lead up to the Scheme of Arrangement. TP ICAP's share schemes contain provisions relating to change of control, subject to the satisfaction of relevant performance conditions and pro-rata for time, if appropriate. As a consequence of the 2021 reorganisation and the Scheme of Arrangement the Company assumed the awards under the share schemes. The Company is not aware of any other significant agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid, nor any agreements with the Company and its employees or Directors for compensation for loss of office or employment that occurs because of a takeover bid.

Research and development

The Group uses various bespoke information technology in the course of its business and undertakes research and development to enhance that technology.

Employees

The Group is an inclusive employer and considers diversity to be of utmost importance. We give full and fair consideration to applications we receive from disabled persons and support those who incur a disability while employed at the Group. All opportunities of career progression and development, including promotions and training, are equally applied to all employees.

All employees receive information of relevance to them and factors affecting the Group's performance through emails and our regular Group-wide newsletter, The Wire. The Group consults employees, taking into account their views in the Board's decision-making processes, using surveys to encourage employee involvement in the Company's performance. This has been supplemented by the Workforce Engagement Programme, where Mark Hemsley, Edmund Ng and Michael Heaney represent the Board in engaging with the workforce in EMEA, Asia Pacific and the Americas respectively. For more information on the progress made over the course of 2022, see Stakeholder engagement on pages 40 to 49.

Political donations

It is the Company's policy not to make cash contributions to any political party. However, within the normal activities of the Group, there may be occasions when an activity might fall within the broader definition of 'political expenditure' contained within the UK Companies Act 2006. Therefore, the Company has sought to obtain shareholder authority to make limited political donations at each AGM. During 2022, no political donations were made by the Group (2021: £nil).

Statement of Directors' responsibilities

The Directors' Statement regarding their responsibility for preparing the Annual Report is set out on the following page.

Substantial shareholders

The following table shows the holdings of the Company's total voting rights attached to the Company's issued ordinary share capital, that were notified to the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules as at 31 December 2022, together with information on further notifications received by the Company as at the date of this Annual Report. It should be noted that the percentages are shown as notified and that these holdings are likely to have changed since the Company was notified, however notification of any change is not required until the next notifiable threshold is crossed.

	Date of Notification	31 December 2022 %	14 March 2023 %
Liontrust Asset Management plc	12 December 2022	11.09	11.09
Schroders plc	27 October 2022	9.87	9.87
Jupiter Asset Management Limited	3 July 2020	8.85	8.85
Ameriprise Financial Inc.	18 February 2021	5.13	5.13
Silchester International Investors LLP	17 July 2017	5.04	5.04

Greenhouse gas emissions

TP ICAP, as an office-based business, is not engaged in activities that are generally regarded as having a high environmental impact. However, the Board has agreed that it will seek to adopt policies to safeguard the environment to meet statutory requirements or where such policies are commercially sensible.

The emission of greenhouse gases resulting from office-based business activities and business travel, is the Company's main environmental impact and statistics relating to these emissions are set out in the Strategic report on page 70.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming AGM.

As outlined in the case study on page 95 and Audit Committee Report on page 111, during 2022 the Company completed a competitive tender process for the audit contract in respect of the year ending 31 December 2024. The proposal for PricewaterhouseCoopers LLP ('PwC') to be appointed as the Company's new external auditor was announced on 28 July 2022 and will be presented to shareholders for approval at the 2024 Annual General Meeting.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- > So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- > The Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The Annual General Meeting ('AGM') of the Company will be held at 2.15pm BST on 17 May 2023. Details of the resolutions to be proposed at the AGM are set out in a separate Notice of Meeting together with explanatory notes set out in a separate circular. The Notice of Meeting will be sent to all shareholders entitled to receive such notice. Only members on the register of members of the Company as at close of business on 15 May 2023 (or two days before any adjourned meeting, excluding non-business days) will be entitled to attend and vote at the AGM. Any proxy must be lodged with the Company's registrars or submitted to CREST at least 48 hours, excluding non-business days, before the AGM or any adjourned meeting thereof.

Approved by the Directors and signed on behalf of the Board.

Vicky Hart

Group Company Secretary
14 March 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Report of the Remuneration Committee and the Financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies (Jersey) Law 1991 and International Financial Reporting Standards ('IFRS').

Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In the case of Group Financial Statements, IAS 1 requires that Directors:

- > Select and apply accounting policies properly;
- > Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- > Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- > Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

Each of the Directors, whose names and functions are set out on pages 90 to 93 and who are Directors as at the date of this Statement of Directors' responsibilities, confirm to the best of their knowledge that:

- > The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- > The Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces; and
- > The Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

On behalf of the Board.

Nicolas Breteau

Chief Executive Officer
14 March 2023

Independent Auditor's Report to the members of TP ICAP Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of TP ICAP Group plc and its subsidiaries (the 'Group'):

- > Give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- > Have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs); and
- > Have been properly prepared in accordance with Companies (Jersey) Law, 1991.

We have audited the financial statements which comprise:

- > The consolidated income statement;
- > The consolidated statement of comprehensive income;
- > The consolidated balance sheet;
- > The consolidated statement of changes in equity;
- > The consolidated cash flow statement; and
- > The related notes to the consolidated financial statements 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRSs.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: <ul style="list-style-type: none">> Impairment of goodwill and acquisition-related intangible assets.
Materiality	The materiality that we used for the Group financial statements was £8.1m (2021: £8.4m) which was determined with reference to the three-year average normalised adjusted profit before tax.
Scoping	Our Group audit scope focused primarily on 7 locations (2021: 5 locations) with 22 subsidiaries (2021: 26 subsidiaries) subject to a full scope audit and 10 subsidiaries (2021: 4 subsidiaries) subject to specified audit procedures. <p>In aggregate, these subsidiaries represent the principal business units within each of the Group's operating segments. These subsidiaries account for 88% (2021: 96%) of the Group's total assets, 91% (2021: 96%) of the Group's total liabilities, 81% (2021: 87%) of the Group's revenue and 84% (2021: 90%) of the Group's expenses.</p>
Significant changes in our approach	The acquisition of Liquidnet was finalised in the 2021 year-end audit and as such is no longer considered to be a key audit matter in the current year. <p>Consistent to the prior year, the impairment of goodwill is still considered to be a key audit matter. This key audit matter is however broadened in the current year to include the impairment of acquisition-related intangible assets. This change specifically accommodates for the impairment assessment over material intangible assets derived from prior year acquisitions and is closely linked to the impairment assessment performed over goodwill. As such we deem this change to be appropriate.</p>

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- > Assessing the underlying data and key assumptions used to make the Directors' assessment, including cash flow forecasts, capital and liquidity requirements;
- > Considering the Group's forecasts and stressed scenarios;
- > Performing our own stress tests in relation to key assumptions;
- > Evaluating the Directors' plans for future actions, including evaluating the feasibility of the mitigating actions that they control, including the scenario where the Group does not refinance the £247m 2024 Sterling Notes maturing in January 2024; and
- > Assessing the related going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment of goodwill and acquisition-related intangible assets

Key audit matter description	<p>The Group holds goodwill of £1,232m (2021: £1,180m) and acquisition-related intangible assets of £548m (2021: £582m), of which £122m relate to a Liquidnet client-relationship intangible asset. As a result of reduced revenue due to lower market volumes in equity block trading, an impairment of £20m was recognised on the Liquidnet client-relationship intangible asset, decreasing the balance from £144m to £122m.</p> <p>As detailed in the accounting policy on page 156, acquisition-related intangible assets are reviewed for indicators of impairment at each balance sheet date and, if an indicator of impairment exists, an impairment assessment is performed. Goodwill is assessed for impairment at least annually, irrespective of whether or not indicators of impairment exist.</p> <p>Impairment assessments are performed by comparing the carrying amount of each cash generating unit ('CGU'), or Groups of CGUs, to its recoverable amount, using the higher of the value in use ('VIU') or fair value less costs to dispose ('FVLCD').</p> <p>The VIU approach was used to estimate the recoverable amount of the Global Broking, Energy and Commodities, Parameta Solutions and Agency Execution Groups of CGUs while the FVLCD approach was used to assess the recoverable amount of the Liquidnet CGU and the related customer relationships.</p> <p>The impairment assessment requires management judgement in the estimation of future cash flows, including revenue growth, contribution margin, and the selection of a suitable discount rate. As a result, these assessments are inherently subjective with an increased risk of material misstatement due to fraud or error.</p> <p>Goodwill and acquisition-related intangible assets' disclosures are included in the Significant Items section of the Financial and Operating Review Report on page 24, the Report of the Audit Committee on page 109 and Notes 3, 4 and 13 to the Consolidated Financial Statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls in relation to the impairment review process for goodwill and acquisition-related intangible assets.</p> <p>We challenged the assumptions used in the impairment reviews, in particular the forecast revenue and contribution growth rates for Liquidnet and Agency Execution, and discount rates used by the Group in its impairment tests of the divisional Groups of CGUs.</p> <p>For budgeted revenue and contribution growth rate assumptions, we challenged management's assumptions with reference to recent performance, including comparing growth rates to those achieved historically and to external market data, where available. Working with our valuations specialists, we independently derived discount rates and compared these to the rates used by the Group. Additionally, we benchmarked the discount rates used by the Group to external peer data.</p> <p>We performed scenario analysis; stressed key assumptions with reference to historical performance; and assessed for impairment triggers between 30 September 2022 and 31 December 2022.</p> <p>Additionally, given the sensitivity of the VIU and FVLCD models to reasonably possible changes in the revenue and discount rate assumptions, we reviewed management's sensitivity disclosures in Note 13. We evaluated the impact of climate-related risks on the forecasts prepared by management.</p> <p>For acquisition related intangible assets, we specifically tested the assumptions used by management as part of the impairment review exercise to assess whether they meet the requirements of IAS 36 'Impairment of Assets'. We challenged the key assumptions around the impairment triggers identified for the Liquidnet client-relationship, which we have assessed for reasonableness, and we evaluated the accuracy of the inputs used by management.</p>
Key observations	<p>We concur with management's conclusion to recognise a £20m impairment with respect to the Liquidnet customer relationships.</p> <p>We concur with the Directors' conclusion that no goodwill impairment was required for any of the divisional Groups of CGUs or the Liquidnet CGU in the current year and concluded that the disclosures are reasonable.</p>

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group financial statements

Materiality	£8.1m (2021: £8.4m)
Basis for determining materiality	We have used 5% of the three-year average normalised adjusted profit before tax as a basis for determining materiality. We have determined normalised adjusted profit before tax as profit before tax less significant items excluding amortisation of intangible assets arising on consolidation. Amortisation of intangible assets arising on consolidation is a recurring cost and, therefore, reflects ongoing business performance. Materiality equates to less than 1% (2021: less than 1%) of total equity.
Rationale for the benchmark applied	In determining the Group materiality, we considered a number of factors, including the needs and interests of the users of the Group financial statements. Normalised adjusted profit before tax is considered to be the key metric for the users of the financial statements and, as detailed above, we have used a three-year average in the current year as it is a more stable metric considering the volatility of profits in recent years.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 65% of Group materiality for the 2022 audit (2021: 65%). In determining performance materiality, we considered the following factors:

- > The control environment remains decentralised and reliant on manual processes, and improvements are required to the information technology environment;
- > Our past experience of the audit, which has indicated a low number of uncorrected misstatements identified in prior periods; and
- > Our risk assessment, which has indicated no changes in the business that could affect our ability to forecast potential misstatements.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.4m (2021: £0.4m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

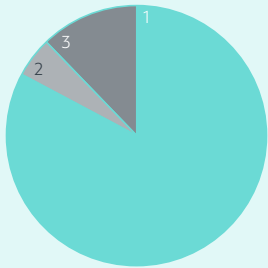
7.1. Identification and scoping of components

Our Group audit scope focused primarily on 7 locations (2021: 5 locations) with 22 subsidiaries (2021: 26 subsidiaries) subject to a full scope audit and 10 subsidiaries (2021: 4 subsidiaries) subject to specified audit procedures. In aggregate, these subsidiaries represent the principal business units within each of the Group's operating segments.

These subsidiaries account for 88% (2021: 96%) of the Group's total assets, 91% (2021: 96%) of the Group's total liabilities, 81% (2021: 87%) of the Group's revenue and 84% (2021: 90%) of the Group's expenses. There has not been any significant changes to our audit approach compared to prior year.

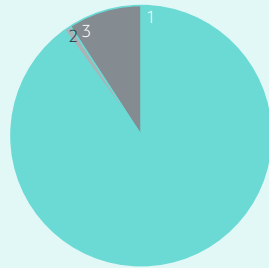
The subsidiaries were selected based on their quantitative contribution to the Group and qualitative risk factors. Our audits of each of the subsidiaries were performed using lower levels of materiality based on their size relative to the Group. The materiality for each subsidiary audit ranged from £2.6m to £3.1m (2021: £2.7m to £3.3m). We tested the Group's consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement in the aggregated financial information of the remaining subsidiaries not subject to a full scope audit or specified audit procedures.

Assets



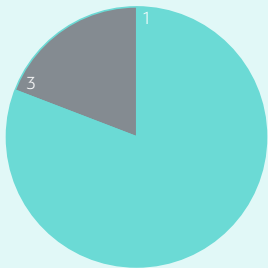
- 1 Full audit scope **83%**
- 2 Specified audit procedures **5%**
- 3 Analytical review at Group level **12%**

Liabilities



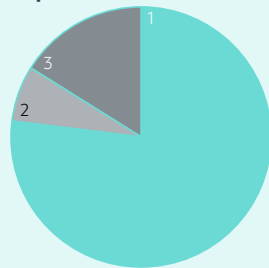
- 1 Full audit scope **90%**
- 2 Specified audit procedures **1%**
- 3 Analytical review at Group level **9%**

Revenue



- 1 Full audit scope **81%**
- 2 Specified audit procedures **0%**
- 3 Analytical review at Group level **19%**

Expenses



- 1 Full audit scope **77%**
- 2 Specified audit procedures **7%**
- 3 Analytical review at Group level **16%**

7.2. Our consideration of the control environment

The Group uses a number of different IT systems across components, and we worked with our IT specialists to test the General IT controls for relevant systems. Although we rely on controls for certain revenue streams, the control environment remains decentralised, reliant on manual processes to mitigate IT control deficiencies and further improvements are required in order for us to adopt a wider controls-reliant approach across the Group.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group continues to develop its assessment of and response to the potential impacts of environmental, social and governance ('ESG') related risks, including climate change, as outlined in the Sustainability Report and the Task Force on Climate-related Financial Disclosures ('TCFD').

We held discussions with management to understand the process for identifying climate-related risks, the consideration of mitigating actions and the impact on the Group's financial statements which can be found in the Task Force on Climate-related Financial Disclosures ('TCFD') section of the Sustainability report and Note 13 to the financial statements. Management do not expect any material climate change-related financial impact on their business. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions based on our understanding of the nature of the Group's underlying operations.

We read the climate-related disclosures included in the annual report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The Group audit team maintained dialogue with all component auditors throughout all phases of the audit and received written reports from component auditors setting out the results of their audit procedures. The Senior Statutory Auditor met with key members of overseas management in person and remotely. The Group audit team performed a file review of the work performed by all component auditors.

8. Other information

The other information comprises the information included in the annual report including the Strategic report and the Governance Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- > The nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- > The Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board on 8 March 2023;
- > Results of our enquiries of management, internal audit, the Directors and the audit committee about their own identification and assessment of the risks of irregularities including those that are specific to the group's sector;
- > Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - > identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, including their assessment of open litigation and regulatory matters as disclosed in note 27 and note 36;
 - > detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- > the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- > The matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, IT specialist regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the impairment of goodwill and acquisition-related intangible assets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Jersey) Law, 1991, UK Companies Act, Listing Rules, FCA regulations, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified impairment of goodwill and acquisition-related intangible assets a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- > Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- > Enquiring of management, the audit committee and in-house/ external legal counsel concerning actual and potential litigation and claims;
- > Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- > Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and regulators, including the FCA; and
- > In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinion on other matter prescribed by our engagement letter

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the UK Companies Act 2006 as if that Act had applied to the Group.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- > The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 71;
- > The Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 71;
- > The Directors' statement on fair, balanced and understandable set out on page 139;
- > The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 71;
- > The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 72; and
- > The section describing the work of the audit committee set out on page 109.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records
Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- > We have not received all the information and explanations we require for our audit; or
- > Proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- > The financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by a predecessor company of the Group in 2001 to audit the financial statements for the year ending 31 December 2001 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 22 years, covering the years ending 31 December 2001 to 31 December 2022.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and/or those matters we have expressly agreed to report to them on in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority ('FCA') Disclosure Guidance and Transparency Rule ('DTR') 4.1.14R, these financial statements form part of the European Single Electronic Format ('ESEF') prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Fiona Walker, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Recognised Auditor
London, United Kingdom

14 March 2023

Consolidated Income Statement

for the year ended 31 December 2022

	Notes	2022 £m	2021 £m
Revenue	4	2,115	1,865
Employment, compensation and benefits		(1,320)	(1,152)
General and administrative expenses		(506)	(476)
Depreciation and impairment of property, plant and equipment and right-of-use assets		(58)	(68)
Amortisation and impairment of Intangible assets		(98)	(82)
Impairment of other assets		-	-
Total operating costs	5	(1,982)	(1,778)
Other operating income	6	30	10
EBIT/operating profit		163	97
Finance income	8	8	3
Finance costs	9	(58)	(76)
Profit before tax		113	24
Taxation	10	(36)	(23)
Profit after tax		77	1
Share of results of associates and joint ventures	17,18	29	7
Profit for the year		106	8
Attributable to:			
Equity holders of the parent		103	5
Non-controlling interests		3	3
		106	8
Earnings per share			
- Basic	11	13.2p	0.7p
- Diluted	11	13.0p	0.7p

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

	Notes	2022 £m	2021 £m
Profit for the year		106	8
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	37(a)	-	3
Equity instruments at FVTOCI - net change in fair value	19	-	1
		-	4
Items that may be reclassified subsequently to profit or loss:			
Fair value movements on net investment hedge		-	3
Effect of changes in exchange rates on translation of foreign operations		153	1
Taxation	10	(5)	(1)
		148	3
Other comprehensive income for the year		148	7
Total comprehensive income for the year		254	15
Attributable to:			
Equity holders of the parent		250	12
Non-controlling interests		4	3
		254	15

Consolidated Balance Sheet

as at 31 December 2022

	Notes	31 December 2022 £m	31 December 2021 £m
Non-current assets			
Intangible assets arising on consolidation	13	1,780	1,762
Other intangible assets	14	97	91
Property, plant and equipment	15	110	123
Right-of-use assets	16	165	187
Investment in associates	17	63	51
Investment in joint ventures	18	34	28
Other investments	19	23	21
Deferred tax assets	21	15	17
Retirement benefit assets	37	1	1
Other long-term receivables	22	51	44
		2,339	2,325
Current assets			
Trade and other receivables	22	2,198	2,068
Financial assets at fair value through profit or loss	24	264	158
Financial investments	20	174	115
Cash and cash equivalents	35	888	784
		3,524	3,125
Total assets		5,863	5,450
Current liabilities			
Trade and other payables	23	(2,149)	(1,977)
Financial liabilities at fair value through profit or loss	24	(255)	(120)
Loans and borrowings	25	(9)	(77)
Lease liabilities	26	(29)	(34)
Derivative financial instruments	29(a)	-	(1)
Current tax liabilities		(37)	(28)
Short-term provisions	27	(9)	(5)
		(2,488)	(2,242)
Net current assets		1,036	883
Non-current liabilities			
Loans and borrowings	25	(785)	(779)
Lease liabilities	26	(250)	(252)
Deferred tax liabilities	21	(85)	(107)
Long-term provisions	27	(31)	(38)
Other long-term payables	28	(60)	(53)
Retirement benefit obligations	37	(3)	(1)
		(1,214)	(1,230)
Total liabilities		(3,702)	(3,472)
Net assets		2,161	1,978
Equity			
Share capital	30,31(a)	197	197
Other reserves	31(b)	(854)	(1,005)
Retained earnings	31(c)	2,800	2,769
Equity attributable to equity holders of the parent	31(c)	2,143	1,961
Non-controlling interests	31(c)	18	17
Total equity		2,161	1,978

The Consolidated Financial Statements of TP ICAP Group plc (registered number 130617) were approved by the Board of Directors and authorised for issue on 14 March 2023 and are signed on its behalf by

Nicolas Breteau
Chief Executive Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

	Equity attributable to equity holders of the parent (Note 31)									Note 31(c)		
	Share capital £m	Share premium account £m	Merger reserve £m	Reverse acquisition reserve £m	Re-organisation reserve £m	Re-valuation reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
2022												
Balance at 1 January 2022	197	-	-	-	(946)	5	(38)	(26)	2,769	1,961	17	1,978
Profit for the year	-	-	-	-	-	-	-	-	103	103	3	106
Other comprehensive income for the year	-	-	-	-	-	-	147	-	-	147	1	148
Total comprehensive income for the year	-	-	-	-	-	-	147	-	103	250	4	254
Dividends paid	-	-	-	-	-	-	-	-	(78)	(78)	(3)	(81)
Share settlement of share-based awards	-	-	-	-	-	-	-	7	(7)	-	-	-
Own shares acquired for employee trusts	-	-	-	-	-	-	-	(3)	-	(3)	-	(3)
Credit arising on share-based awards	-	-	-	-	-	-	-	-	13	13	-	13
Balance at 31 December 2022	197	-	-	-	(946)	5	109	(22)	2,800	2,143	18	2,161

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

continued

	Equity attributable to equity holders of the parent (Note 31)										Note 31(c)	Total equity £m
	Share capital £m	Share premium account £m	Merger reserve £m	Reverse acquisition reserve £m	Re-organisation reserve £m	Re-valuation reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Non-controlling interests £m	
2021												
Balance at 1 January 2021	141	17	1,384	(1,182)	-	4	(41)	(27)	1,383	1,679	19	1,698
Profit for the year	-	-	-	-	-	-	-	-	5	5	3	8
Other comprehensive income for the year	-	-	-	-	-	1	3	-	3	7	-	7
Total comprehensive income for the year	-	-	-	-	-	1	3	-	8	12	3	15
Rights issue	56	259	-	-	-	-	-	-	-	315	-	315
Rights issue costs	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
Scheme of Arrangement: Cancellation of existing shares and reserves	(197)	(270)	(1,384)	1,182	669	-	-	-	-	-	-	-
Scheme of Arrangement: Issue of ordinary shares	197	1,418	-	-	(1,615)	-	-	-	-	-	-	-
Capital reduction	-	(1,418)	-	-	-	-	-	-	1,418	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(47)	(47)	(2)	(49)
Share settlement of share-based awards	-	-	-	-	-	-	-	3	(3)	-	-	-
Own shares acquired for employee trusts	-	-	-	-	-	-	-	(2)	-	(2)	-	(2)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Credit arising on share-based awards	-	-	-	-	-	-	-	-	10	10	-	10
Balance at 31 December 2021	197	-	-	-	(946)	5	(38)	(26)	2,769	1,961	17	1,978

Consolidated Cash Flow Statement

for the year ended 31 December 2022

	Notes	2022 £m	2021 £m
Net cash flow from operating activities	34	324	111
Investing activities			
(Purchase)/sale of financial investments	35	(50)	11
Settlement of derivative financial instruments ¹		-	5
Interest received		7	2
Dividends from associates and joint ventures	17,18	15	15
Expenditure on intangible fixed assets	14	(35)	(35)
Purchase of property, plant and equipment	15	(18)	(23)
Sale of property, plant and equipment		12	-
Deferred consideration paid	33	(10)	(14)
Disposal/(investment) in associates and joint ventures	17,18	1	(1)
Acquisition consideration paid		-	(451)
Cash acquired with acquisitions		-	202
Net cash flow from investment activities		(78)	(289)
Financing activities			
Dividends paid	12	(78)	(47)
Dividends paid to non-controlling interests	31(c)	(3)	(2)
Proceeds of rights issue		-	315
Issue costs of rights issue		-	(6)
Purchase of non-controlling interest		-	(3)
Own shares acquired for employee trusts	31(b)	(3)	(2)
Net repayment of bank loans ²	35	-	(5)
Net (repayment)/borrowing of loans from related parties ²	35	(47)	27
Funds received from issue of Sterling Notes		-	249
Repurchase of Sterling Notes ³		-	(200)
Bank facility arrangement fees and debt issue costs		(3)	(2)
Payment of lease liabilities	35	(29)	(28)
Net cash flow from financing activities		(163)	296
Increase in cash and overdrafts	35	83	118
Cash and overdrafts at the beginning of the year		767	649
Effect of foreign exchange rate changes	35	38	-
Cash and overdrafts at the end of the year	35	888	767
Cash and cash equivalents	35	888	784
Overdrafts	35	-	(17)
		888	767

1 Relates to foreign exchange derivatives undertaken in 2021 in respect of acquisition cash flows.

2 The Group utilises credit facilities throughout the year, entering into numerous short-term bank and other loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net. Further details are set out in Note 25.

3 Relates to the repurchase of £184m of Sterling Notes 2024 (Note 25) plus £16m of premium paid in 2021. The premium paid is reported as part financing activities, rather than operating activities. Interest paid is reported as a cash outflow from operating activities.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2022

1. General information

As at 31 December 2022 TP ICAP Group plc (the 'Company') was a public company limited by shares incorporated in Jersey under the Companies (Jersey) Law 1991. During 2021 following a Scheme of Arrangement, described in Note 2(c), TP ICAP Group plc acquired the entire share capital of TP ICAP plc, resulting in TP ICAP Group plc becoming the Group's ultimate parent undertaking.

The address of the registered offices of the Company is given on page 221. The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 136 to 138 and in the Strategic Report on pages 6 to 81.

The Company has taken advantage of the exemption provided in Article 105 (11) of the Companies (Jersey) Law 1991 and therefore does not present its individual financial statements and related notes.

2. Basis of preparation

(a) Basis of accounting

The Group's Consolidated Financial Statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies (Jersey) Law 1991.

The Financial Statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates and are rounded to the nearest million pounds (expressed as £m), except where otherwise indicated. The significant accounting policies are set out in Note 3.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments held at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- > Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- > Level 2 inputs are 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); and
- > Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The Group's Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company made up to 31 December each year. Under IFRS 10 'Consolidated Financial Statements', control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Other non-controlling interests are initially measured at fair value. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, including goodwill, less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control was lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. Basis of preparation continued

(c) Corporate reorganisation

In February 2021 the Group adjusted its corporate structure. TP ICAP Group plc was incorporated in Jersey on 23 December 2019 and became the new listed holding company of the Group on 26 February 2021 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company, TP ICAP plc subsequently being renamed TP ICAP Limited, and now renamed TP ICAP Finance plc. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 25 pence in the new holding company for each ordinary share of 25 pence they held in the former holding company. On 26 February 2021, TP ICAP Group plc effected a reduction of its share capital by cancelling its share premium and recognising an equivalent increase in the profit and loss account in reserves.

The share for share exchange between TP ICAP plc and TP ICAP Group plc was a common control transaction and has been accounted for using merger accounting principles. Under these principles the results and cash flows of all the combining entities are brought into the consolidated financial statements from the beginning of the financial year in which the combination occurs and comparative figures also reflect the combination of the entities. The Group's equity is adjusted to reflect that of the new holding company, but in all other aspects the Group results and financial position are unaffected by the change and reflect the continuation of the Group.

(d) Going concern

The Directors of the Company have, at the time of approving the Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Group's Consolidated Financial Statements. Further detail is contained in the going concern section and viability statement included in the Strategic Report on page 71.

(e) Adoption of new and revised Standards

The following new and revised Standards and Interpretations have been endorsed by the UK Endorsement Board and are effective from 1 January 2022 but they do not have a material effect on the Group's Consolidated Financial Statements:

- > Amendment to IFRS 3 'Business Combinations';
- > Amendments to IAS 16 'Property, Plant and Equipment';
- > Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and
- > Annual Improvements 2018-2020.

At the date of authorisation of these Consolidated Financial Statements, the following new and revised Standards and Interpretations were in issue but not yet effective. The Group has not applied these Standards or Interpretations in the preparation of these Consolidated Financial Statements:

- > IFRS 17 'Insurance Contracts' including Amendments to IFRS 17;
- > Amendments to IAS 12 'Income Taxes', Liabilities arising from a Single Transaction;
- > Amendments to IAS 8 'Accounting policies', Changes in Accounting Estimates and Errors – Definition of Accounting Estimates; and
- > Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 – 'Disclosure of Accounting policies'.

The following Standards and Interpretations have not been endorsed by the UK and have not been applied in the preparation of these Consolidated Financial Statements:

- > Classification of Liabilities as Current or Non-current (including the amendment deferring the effective date) and non-current Liabilities with Covenants; and
- > Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

The Directors do not expect the adoption of the above Standards and Interpretations will have a material impact on the Consolidated Financial Statements of the Group in future periods.

3. Summary of significant accounting policies

(a) Income recognition

Revenue, which excludes sales taxes, includes brokerage including commissions, fees earned and subscriptions for information sales. Fee income is recognised when the related services are completed and the income is considered receivable.

Each segment comprises the following types of revenue:

- (i) Name Passing brokerage, where counterparties to a transaction settle directly with each other. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);
- (ii) Matched Principal brokerage revenue, being the net proceeds from a commitment to simultaneously buy and sell financial instruments with counterparties, is recognised on settlement date;
- (iii) Executing Broker brokerage, where the Group executes transactions on certain regulated exchanges and then 'gives-up' the trade to the relevant client, or its clearing member. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);
- (iv) Introducing Broker brokerage, where the Group arranges matched transactions where the counterparties transact through a third-party clearing entity acting as principal. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);
- (v) Fees earned from the sales of price information from financial and commodity markets to third parties are recognised on an accruals basis to match the provision of the service (recognised over time). In relation to these contracts the Group has a right to consideration in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. In respect of contracts for the sale of price information from financial and commodity markets, the Group has applied the practical expedient in IFRS 15, allowing for the non-disclosure of both the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount; and
- (vi) Fees from the sales of price information from financial and commodity markets that are provided over time, but which are contingent on the validation of price information usage, are recognised once usage has been verified (point in time).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the Group's right to receive the payment is established.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs are recognised in profit or loss as incurred.

Where applicable, deferred consideration for the acquisition includes any asset or liability resulting from a non-contingent or contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values of contingent consideration are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about the facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year. All subsequent changes in the fair value of contingent consideration classified as an asset or a liability are accounted for in accordance with relevant IFRSs. The cash settlement of deferred consideration is reported as part of investing activities in the cash flow. Deferred consideration classified as equity is not remeasured (outside of the measurement period) with subsequent settlement accounted for within equity.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- > Deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 'Income Taxes';
- > Liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 19 'Employee Benefits';
- > Acquiree share-based payment awards replaced by Group awards are measured in accordance with IFRS 2 'Share-based Payments';
- > Assets or disposal groups that are classified for sale are measured in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'; and
- > Lease liabilities are valued based on the present value of the remaining lease payments. Right-of-use-assets are measured at the same amount of the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, provisional amounts are reported. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities recognised, to reflect the facts and circumstances that existed as at the acquisition date.

Non-controlling interests in the acquired entity are initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Investment in associates

An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in these Financial Statements based on financial information made up to 31 December each year using the equity method of accounting, except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any discount in the cost of acquisition below the Group's share of the fair value of the identifiable net assets of the associate at the date of acquisition (discount on acquisition) is credited to profit and loss in the year of acquisition.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of impairment of the asset transferred in which case appropriate provision is made for impairment.

(d) Interests in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

Joint ventures are joint arrangements which involve the establishment of a separate entity in which each party has rights to the net assets of the arrangement. The Group reports its interests in joint ventures using the equity method of accounting, based on financial information made up to 31 December each year. Investments in joint ventures are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of the joint venture in excess of the Group's interest in those joint ventures are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments under the terms of the joint venture.

(e) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or associate at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts at that date.

3. Summary of significant accounting policies continued

(e) Goodwill continued

Goodwill recognised as an asset is reviewed for impairment at least annually. Any impairment loss is recognised as an expense immediately and is not subsequently reversed. For the purpose of impairment testing goodwill is allocated to groups of individual cash-generating units ('CGUs') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of any goodwill allocated to the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill arising on the acquisition of an associate or joint venture is included within the carrying value of the associate or the joint venture. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Intangible assets

Software and software development costs

An internally generated intangible asset arising from the Group's software development is recognised at cost only if all of the following conditions are met:

- > An asset is created that can be identified;
- > It is probable that the asset created will generate future economic benefits; and
- > The development costs of the asset can be measured reliably.

Where the above conditions are not met, costs are expensed as incurred.

Acquired separately or from a business combination

Intangible assets acquired separately are capitalised at cost and intangible assets acquired in a business acquisition are capitalised at fair value at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on assets with a finite useful life is taken to the income statement through administrative expenses.

Other than software development costs, intangible assets created within the business are not capitalised and expenditure is charged to the income statement in the year in which the expenditure is incurred.

Intangible assets are amortised over their finite useful lives generally on a straight-line basis, as follows:

Software:

Purchased or developed	– up to 5 years
Software licences	– over the period of the licence

Acquisition intangibles:

Brand/Trademarks	– up to 5 years
Customer relationships	– 2 to 20 years
Other intangibles	– over the period of the contract

Intangible assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(g) Property, plant and equipment

Freehold land is stated at cost. Buildings, furniture, fixtures, equipment and motor vehicles are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over its expected useful life as follows:

Furniture, fixtures, equipment and motor vehicles	– 3 to 10 years
Short and long leasehold land and buildings	– period of the lease
Freehold land	– infinite
Freehold buildings	– 50 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

(h) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less any cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Broker contract payments

Payments made to brokers under employment contracts which are in advance of the expected economic benefit due to the Group are accounted for as prepayments and included within trade and other receivables. Payments made in advance are subject to repayment conditions during the contract period and the prepayment is amortised over the shorter of the contract term and the period the payment remains recoverable. Amounts that are irrecoverable, or become irrecoverable, are written off immediately.

Payments made in arrears are accrued and are included within trade and other payables.

(j) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities subsequently measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities that are subsequently measured at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

The classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- > The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- > The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ('FVTOCI'):

- > The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- > The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ('FVTPL').

The Group may make the following irrevocable elections or designations at initial recognition of a financial asset:

- > To irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- > To irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments at FVTOCI

Debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated in the revaluation reserve. When such assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election, on an instrument-by-instrument basis, to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- > It has been acquired principally for the purpose of selling it in the near term; or
- > On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- > It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included as finance income in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

3. Summary of significant accounting policies continued

(j) Financial instruments continued

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- > Financial assets held for trading, having been acquired for the purpose of fulfilling a sell commitment either immediately meeting or in the very near term. Regular way purchases are recognised at fair value on settlement date, however fair value movements between trade date and settlement date are recognised in profit or loss with the associated asset or liability recorded in financial assets or financial liabilities at fair value through profit or loss until the asset is recognised;
- > Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- > Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. Debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in finance income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- > An actual or expected significant deterioration in the financial instrument's external or internal credit rating;
- > Significant deterioration in external market indicators of credit risk for a particular financial instrument;
- > Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- > An actual or expected significant deterioration in the operating results of the debtor; and
- > Significant increases in credit risk on other financial instruments of the same debtor; an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- > The financial instrument has a low risk of default;
- > The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- > Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per both Standard & Poor's and Fitch.

The Group monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Definition of default

The Group considers a financial asset to be in default when:

- > The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- > The financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade and other receivables, including settlement balances and deposits paid for securities borrowed, are presented in general and administrative expenses due to materiality consideration. Impairment losses on other financial assets are presented under 'finance costs', and not presented separately in the statement of profit or loss and OCI owing to materiality considerations.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- > It has been acquired principally for the purpose of repurchasing it in the near term; or
- > On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- > It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- > Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- > The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- > It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in 'other gains and losses' in profit or loss.

In respect of financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

3. Summary of significant accounting policies continued

(j) Financial instruments continued

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

(k) Derivative financial instruments

Derivative financial instruments, such as foreign currency contracts and interest rate swaps, are entered into by the Group in order to manage its exposure to interest rate and foreign currency fluctuations or as simultaneous back-to-back transactions with counterparties. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

(l) Hedge accounting

Derivatives designated as hedges are either 'fair value hedges' or 'hedges of net investments in foreign operations'.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

Hedge accounting is discontinued when the hedging relationship no longer meets the risk management objective or where the hedging relationship no longer complies with the qualifying criteria or if the hedging instrument has been sold or terminated.

Net investment hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in other comprehensive income and accumulated in the hedging and translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in financial income or financial expense respectively.

Where the Group designates the intrinsic value of purchased options as the hedging instrument in a net investment hedge, changes in the time value of the option are required to be recorded initially in other comprehensive income. Under the 'cost of hedging' approach, the initial option premium cost is recycled from other comprehensive income and recognised in the income statement on a straight-line basis over the period of the hedge.

Gains and losses deferred in the hedging and translation reserve are recognised in profit or loss on disposal of the foreign operation.

(m) Matched Principal and stock lending transactions

Certain Group companies engage in Matched Principal transactions whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs. payment basis ('DVP') and typically takes place within a few business days of the trade date according to the relevant market rules and conventions.

Matched Principal transactions in regular way financial assets are recognised on settlement date, classified as FVTPL, and are derecognised on settlement of the related sale. Fair value movements on unsettled Matched Principal regular way transactions between trade date and settlement are recognised in profit or loss with the associated asset or liability recorded in financial assets or liabilities held at fair value through profit or loss.

Matched Principal broking involving simultaneous back-to-back derivative transactions with counterparties are classified as financial instruments at fair value through profit or loss ('FVTPL') and are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously.

The Group acts as an intermediary between its customers for collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The gross amounts of collateral due to and receivable are disclosed in the balance sheet as deposits paid for securities borrowed and deposits received for securities loaned.

(n) Restricted Funds, Cash and cash equivalents

Cash comprises cash in hand and demand deposits which may be accessed without penalty. Cash equivalents comprise short-term highly liquid investments with a maturity of less than three months from the date of acquisition. For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management.

The Group holds money, and occasionally financial instruments, on behalf of customers (client monies) in accordance with local regulatory rules. Since the Group is not beneficially entitled to these amounts, they are excluded from the Consolidated Balance Sheet along with the corresponding liabilities to customers.

Restricted funds comprise amounts held with a central counterparty clearing house ('CCP'), or a financial institution providing the Group with access to a CCP, and funds set aside for regulatory purposes, but excluding client money. The funds represent amounts for which the Group does not have immediate and direct access or for which regulatory requirements restrict its use.

(o) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value, being the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discounts or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

(p) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event where it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring, which has been notified to affected parties.

(q) Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates, its functional currency. For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Gains and losses arising from the settlement of these transactions, and from the retranslation of monetary assets and liabilities denominated in currencies other than the functional currency at rates prevailing at the balance sheet date, are recognised in the income statement. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at historical cost or fair value are translated at the exchange rate at the date of the transaction or at the date the fair value was determined.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are classified as other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the year in which the operation is disposed of. Income and expense items are translated at average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used.

(r) Taxation

The tax expense represents the sum of current tax payable arising in the year, movements in deferred tax and movements in tax provisions. The tax expense includes any interest and penalties payable.

The current tax payable arising in the year is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of prior years.

3. Summary of significant accounting policies continued

(r) Taxation continued

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Temporary differences are not recognised if they arise from goodwill or from initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled or when the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(s) Leases

Definition of a lease

On transition to IFRS 16 the Group elected to apply the practical expedient not to reassess whether a contract was or contained a lease. The Group therefore applied IFRS 16 only to contracts that had been previously identified as leases, in accordance with IAS 17 and IFRIC 4, before 1 January 2019. Thereafter the Group has applied the definition of a lease and related guidance to all lease contracts entered into or modified on or after 1 January 2019.

The Group assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of the relative stand-alone prices. However, for leases of properties the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (up to 12 months) and leases of low value assets (less than £3,500). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, the date at which power to control the asset is obtained. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate reflecting the lease term and the country in which it resides. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. Where a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Lease cash flows are split into payments of principal and interest and are presented as financing and operating cash flows respectively.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes termination and/or renewal options and for leases which the Group has enforceable rights that extend the lease agreement. The assessment of whether the Group is reasonably certain to exercise such options or whether the Group is able to enforce its additional rights impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognised.

As a lessor

The Group sub-leases some of its leased properties. Where the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts and classifies the sub-lease as either a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Where sub-lease agreements are assessed as finance leases, the Group derecognises the right-of-use asset and records its interest in finance lease receivables. Lease receipts are apportioned between finance income and a reduction in the finance lease receivable. As required by IFRS 9, an allowance for expected credit losses is recognised on the finance lease receivables.

Where sub-leases are classified as operating leases, operating lease receipts are recognised in the income statement on a straight-line basis over the lease term.

(t) Retirement benefit costs

Defined contributions made to employees' personal pension plans are charged to the income statement as and when incurred.

For defined benefit retirement plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur. They are recognised outside the income statement and are presented in other comprehensive income.

Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

The amount recognised in the balance sheet represents the net of the present value of the defined benefit obligation as adjusted for actuarial gains and losses and past service cost, and the fair value of plan assets. The Trust Deed provides the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities. In the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any net surplus in the plan would be recognised in full. Where such rights do not exist, or are no longer enforceable, the Group applies the requirements of IFRIC 14 and restricts recognition of the net surplus by applying an asset recognition ceiling. Changes in the asset ceiling are recorded in other comprehensive income.

(u) Share-based awards

Equity-settled share-based awards issued employees are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based awards is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The estimated grant date fair value of awards is based on the share price at grant date, reduced where shares do not qualify for dividends during the vesting period. Market-based performance conditions for equity-settled awards are reflected in the initial fair value of the award.

The fair value of share options issued is determined using appropriate valuation models. The expected life used in the models has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

Cash-settled share-based awards are initially measured at fair value at the date of grant. Subsequently the awards are fair valued at each reporting date and a proportionate expense for the duration of the vesting period elapsed is recognised in the Income Statement together with a liability on the Group's balance sheet.

(v) Treasury and own shares

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Shares repurchased from the open market are recorded in 'own shares' within reserves. Own shares issued to beneficiaries under share award plans are recorded as a transfer to retained earnings.

(w) Contingent liabilities

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, and contingent liabilities related to legal proceedings or regulatory matters where a possible outflow of economic benefit might occur, or where that outflow cannot be reliably estimated, are not recognised in the financial statements but are disclosed.

(x) Accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period an estimate is revised.

The following are the critical judgements and estimates that the Directors have made in the process of preparing the Financial Statements.

Provisions and contingent liabilities

Provisions are established by the Group based on management's assessment of relevant information and advice available at the time of preparing the Financial Statements.

Judgements

Judgement is required when determining whether a present obligation exists. Professional advice is taken on the assessment of litigation and similar obligations.

Provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions. When matters are at an early stage, accounting judgements can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists, and estimating the probability and amount of any outflows that may arise. As matters progress, management and legal advisers evaluate on an ongoing basis whether provisions should be recognised, revising previous estimates as appropriate. At more advanced stages, it is typically easier to make estimates around a better defined set of possible outcomes.

3. Summary of significant accounting policies continued

(x) Accounting estimates and judgements continued

Estimates

Provisions for legal proceedings and regulatory matters remain very sensitive to the assumptions used in the estimate. There could be a wider range of possible outcomes for any pending legal proceedings, investigations or inquiries. As a result it is often not practicable to quantify a range of possible outcomes for individual matters. It is also not practicable to meaningfully quantify ranges of potential outcomes in aggregate for these types of provisions because of the diverse nature and circumstances of such matters and the wide range of uncertainties involved.

Notes 27 and 36 provide details of the Group's provisions and contingent liabilities and the key sources of estimation uncertainty.

Impairment of goodwill and intangible assets

Judgements

Forecast cash flows are subject to a high degree of uncertainty in volatile market conditions. Under such circumstances, management tests goodwill for impairment more frequently than once a year when indicators of impairment exist. This ensures that the assumptions on which the cash flow forecasts are based continue to reflect current market conditions and management's best estimate of future performance.

Estimates

The future cash flows of the CGUs are sensitive to the cash flows projected for the periods for which detailed forecasts are available and to assumptions regarding the long-term pattern of sustainable cash flows thereafter.

The rates used to discount future expected cash flows can have a significant effect on a CGU's valuation. The discount rate incorporates inputs reflecting a number of financial and economic variables, including the risk-free interest rate in the region concerned and a premium for the risk of the business being evaluated. These variables are subject to fluctuations in external market rates and economic conditions beyond management's control.

Note 13 sets out the key sources of estimation uncertainty, the key assumptions made and the resultant sensitivity to reasonable possible changes in those assumptions.

4. Segmental analysis

Products and services from which reportable segments derive their revenues

The Group has a matrix management structure. The Group's Chief Operating Decision Maker ('CODM') is the Executive Committee ('ExCo') which operates as a general executive management committee under the direct authority of the Board. The ExCo members regularly review operating activity on a number of bases, including by business division and by legal ownership which is structured geographically based on the region of incorporation for TP ICAP legacy entities plus Liquidnet.

Following the redomiciliation of the Group's parent in February 2021, the operational responsibility of entities was aligned with their legal ownership and as a result the Group at that time considered that the Primary Operating Segments continued to be the geographical regions of incorporation being Americas, EMEA, APAC and Corporate/Treasury. Liquidnet, acquired in March 2021 with its own separate international legal structure, was managed separately by the CODM, representing its own separate primary operating segment, even though it itself had operations across Americas, EMEA and APAC and represented a significant component of the Agency Execution business division, subsequently renamed to Liquidnet Division.

In 2022, as a consequence of the inclusion of Liquidnet into Agency Execution, the balance of the CODM review of operating activity and allocation of the Group's resources had become more focused on business division. This structure is now considered to represent the more appropriate view for the purposes of Group resource allocation and assessment of the nature and financial effects of the business activities in which the Group engages.

Whilst the Group's Primary Operating Segments are now by business division, individual entities and the legal ownership of such entities continue to operate with discrete management teams and decision making and governance structures. Each regional sub-group has its own independent governance structure including CEOs, board members and Sub-Group regional Conduct and Governance Committees with separate autonomy of decision making and the ability to challenge the implementation of Group level strategy and initiatives within its region. In the EMEA regional sub-group, in particular, there are also independent non-executive directors on the regional Board of directors, which further strengthens the independence and judgement of the governance framework.

Information regarding the Group's revised primary operating segments is reported below:

Analysis by primary operating segment

2022	Global Broking £m	Energy & Commodities £m	Liquidnet (formerly Agency Execution) £m	Parameta Solutions £m	Corporate £m	Total £m
Revenue						
> External	1,229	384	325	177	-	2,115
> Inter-division	22	3	-	-	(25)	-
	1,251	387	325	177	(25)	2,115
Total front office costs:						
> External	(780)	(263)	(246)	(63)	-	(1,352)
> Inter-division	-	-	-	(25)	25	-
	(780)	(263)	(246)	(88)	25	(1,352)
Contribution	471	124	79	89	-	763
Net management and support costs	(224)	(65)	(78)	(8)	(43)	(418)
Other operating income	2	-	-	-	10	12
Adjusted EBITDA	249	59	1	81	(33)	357
Depreciation and impairment of property, plant and equipment and right-of-use assets	(20)	(6)	(12)	(2)	(9)	(49)
Amortisation and impairment of intangibles	(16)	(4)	(13)	-	-	(33)
Adjusted EBIT	213	49	(24)	79	(42)	275

Corporate represents the cost of Group and central functions that are not allocated to the Group's divisions.

2021	Global Broking (restated) £m	Energy & Commodities (restated) £m	Liquidnet (formerly Agency Execution) (restated) £m	Parameta Solutions (restated) £m	Corporate (restated) £m	Total £m
Revenue						
> External ¹	1,088	367	261	149	-	1,865
> Inter-division	19	3	-	-	(22)	-
	1,107	370	261	149	(22)	1,865
Total front-office costs						
> External ²	(694)	(248)	(170)	(51)	-	(1,163)
> Inter-division	-	-	-	(22)	22	-
	(694)	(248)	(170)	(73)	22	(1,163)
Contribution³	413	122	91	76	-	702
Net management and support costs ⁴	(200)	(63)	(63)	(8)	(63)	(397)
Other operating income	2	-	-	-	8	10
Adjusted EBITDA⁵	215	59	28	68	(55)	315
Depreciation and impairment of property, plant and equipment and right-of-use assets	(16)	(5)	(14)	(2)	(15)	(52)
Amortisation and impairment of intangibles	(13)	(4)	(11)	-	(2)	(30)
Adjusted EBIT⁵	186	50	3	66	(72)	233

1 Divisional Revenue for 2021 has been restated to be comparable with 2022's divisional groupings. Revenue for Global Broking increased by £2m, Liquidnet (formerly Agency Execution) increased by £15m and Parameta Solutions reduced by £17m. There is no restatement of Group revenues.

2 Divisional Total front end costs for 2021 have been restated to be comparable with 2022's divisional groupings. Total front end costs for Liquidnet (formerly Agency Execution) have reduced by £9m and Parameta Solutions increased by £9m. There is no restatement of Group Total front end costs.

3 As a result of the restatements in footnotes 1 and 2 above, Divisional contribution for Global Broking increased by £2m, Liquidnet (formerly Agency Execution) increased by £6m and Parameta Solutions reduced by £8m. There is no restatement of Group contribution.

4 As a result of the restatements in footnotes 1 and 2 above, Divisional net management and support costs for Global Broking decreased by £3m, Parameta Solutions decreased by £4m and Corporate increased by £7m. Additionally, Divisional Net management and support costs have been restated to remove the IFRS 16 interest charge. This restatement aligns with IFRS statutory reporting where the IFRS 16 interest cost is disclosed within Group finance costs. As a result Net management and support costs for Global Broking reduced by £8m, Energy & Commodities reduced by £3m, Liquidnet (formerly Agency Execution) reduced by £3m, Parameta Solutions reduced by £1m and Corporate increased by £15m. There is no restatement of Group Net management and support costs.

5 As a result of the above restatements Adjusted EBITDA and EBIT for Global broking increased by £13m, Energy & Commodities increased by £3m, Liquidnet (formerly Agency Execution) increased by £9m, Parameta Solutions reduced by £3m and Corporate reduced by £22m. There is no restatement to the consolidated Group Adjusted EBITDA or EBIT.

4. Segmental analysis continued

Significant items are centrally managed and controlled by the Group and are not allocated to regional or divisional segments.

Analysis of significant items

	Restructuring and other related costs £m	Disposals, acquisitions and investment in new businesses £m	Legal and regulatory matters £m	Total £m
2022				
Employment, compensation and benefits costs	24	-	-	24
Premises and related costs	1	-	-	1
Deferred consideration	-	8	-	8
Charge relating to significant legal and regulatory settlements	-	-	6	6
Pension scheme past service and settlement costs	-	-	1	1
Remeasurement of employee long-term benefits	(7)	-	-	(7)
Gain on disposal of property, plant and equipment	(3)	-	-	(3)
Gain on derecognition of right-of-use assets/lease liabilities	(3)	-	-	(3)
Net foreign exchange losses	-	4	-	4
Other general and administration costs	20	5	-	25
Total included within general and administration costs	8	17	7	32
Depreciation and impairment of property, plant and equipment and right-of-use assets	9	-	-	9
Amortisation and impairment of intangible assets	-	65	-	65
Total included within operating costs	41	82	7	130
Other operating income	-	(16)	(2)	(18)
Included in finance income	-	1	-	1
Total significant items before tax	41	67	5	113
Taxation of significant items	-	-	-	(22)
Total significant items after tax				91
	Restructuring and other related costs £m	Disposals, acquisitions and investment in new businesses £m	Legal and regulatory matters £m	Total £m
2021				
Employment, compensation and benefits costs	12	-	-	12
Premises and related costs	9	-	-	9
Deferred consideration	-	2	-	2
Charge relating to significant legal and regulatory settlements	-	-	6	6
Pension scheme past service and settlement costs	1	-	-	1
Acquisition costs	-	8	-	8
Net loss on derivative instruments	-	8	-	8
Net foreign exchange gains	-	(4)	-	(4)
Other general and administration costs	4	13	9	26
Total included within general and administration costs	14	27	15	56
Depreciation and impairment of property, plant and equipment and right-of-use assets	16	-	-	16
Amortisation and impairment of intangible assets	-	52	-	52
Impairment of other assets	-	-	-	-
Total included within operating costs	42	79	15	136
Included in other operating income	16	1	-	17
Total significant items before tax	58	80	15	153
Taxation on significant items	-	-	-	(21)
Total significant items after tax				132
Impairment of investment in associates – reflected together with Share of results of associates and joint venture	-	-	-	11
Total significant items				143

The Group's reported performance includes significant items. A reconciliation from adjusted operating profit, as considered by CODM, to Group reported performance is included:

Adjusted profit reconciliation

	Adjusted £m	Significant items £m	Reported £m
2022			
EBIT/operating profit	275	(112)	163
Net finance costs	(49)	(1)	(50)
Profit before tax	226	(113)	113
Taxation	(58)	22	(36)
Profit after tax	168	(91)	77
Share of profit from associates and joint ventures	29	-	29
Profit for the year	197	(91)	106
	Adjusted £m	Significant items £m	Reported £m
2021			
EBIT/operating profit	233	(136)	97
Net finance costs	(56)	(17)	(73)
Profit before tax	177	(153)	24
Taxation	(44)	21	(23)
Profit after tax	133	(132)	1
Share of profit from associated and joint ventures	18	(11)	7
Profit for the year	151	(143)	8

Revenue by type

	Global Broking £m	Energy & Commodities £m	Liquidnet £m	Parameta Solutions £m	Eliminations £m	Total £m
2022						
Revenue						
Name Passing brokerage	949	337	16	-	-	1,302
Executing Broker brokerage	40	42	64	-	-	146
Matched Principal brokerage	240	5	155	-	-	400
Introducing Broker brokerage	-	-	90	-	-	90
Data & Analytics price information fees	22	3	-	177	(25)	177
	1,251	387	325	177	(25)	2,115
	Global Broking £m	Energy & Commodities £m	Liquidnet £m	Parameta Solutions £m	Eliminations £m	Total £m
2021						
Revenue						
Name Passing brokerage	864	326	19	-	(2)	1,207
Executing Broker brokerage	25	37	43	-	-	105
Matched Principal brokerage	201	5	112	-	-	318
Introducing Broker brokerage	-	-	86	-	-	86
Data & Analytics price information fees	17	2	1	149	(20)	149
	1,107	370	261	149	(22)	1,865

Revenue by country

	2022 £m	2021 £m
United Kingdom	743	750
United States of America	779	654
Rest of the world	593	461
	2,115	1,865

5. Operating costs

	Notes	2022 £m	2021 (restated) £m
Broker compensation costs ¹		1,032	917
Other staff costs ¹		268	223
Share-based payment charge	32	20	12
Employee compensation and benefits	7	1,320	1,152
Technology and related costs		216	191
Premises and related costs		28	37
Gains on disposal of property, plant and equipment		(3)	-
Gain on derecognition of right-of-use assets/lease liabilities		(3)	-
Adjustments to deferred consideration	33	8	2
Charge relating to significant legal and regulatory settlements	27	7	6
Pension scheme past service and settlement costs	37	1	1
Remeasurement of long-term employee benefits		(7)	-
Acquisition costs		6	20
Impairment losses on trade receivables		5	-
Net foreign exchange (gains)/losses		(21)	3
Net loss on FX derivative instruments		11	12
Other administrative costs		258	204
General and administrative expenses		506	476
Depreciation of property, plant and equipment	15	23	23
Impairment of property, plant and equipment	15	5	10
Depreciation of right-of-use assets	16	26	29
Impairment of right-of-use assets	16	4	6
Depreciation and impairment of property, plant and equipment and right-of-use assets		58	68
Amortisation of other intangible assets	14	33	30
Impairment of other intangible assets	14	-	6
Amortisation of intangible assets arising on consolidation	13	45	46
Impairment of intangible assets arising on consolidation	13	20	-
Amortisation and impairment of intangibles assets		98	82
		1,982	1,778

1 Broker compensation cost and Other staff costs for 2021 have been increased and decreased by £35m respectively, reflecting a reclassification of certain staff as broking.

The analysis of auditor's remuneration is as follows:

	2022 £000	2021 £000
Audit of the Group's annual accounts	1,517	1,291
Audit of the Company's subsidiaries and associates pursuant to legislation	6,985	6,087
Total audit fees	8,502	7,378
Audit related assurance services ¹	1,390	1,225
Other assurance services ²	45	45
Corporate finance services ³	760	1,684
Total non-audit fees	2,195	2,954
Audit fees payable to the Company's auditor and its associates in respect of associated pension schemes	34	31

1 Audit related assurance services relate to services required by law or regulation, assurance on regulatory returns and review of interim financial information.

2 Other assurance services relate to non-statutory audits and other permitted assurance services.

3 In 2022 Corporate finance fees relate to work undertaken in connection with strategic projects and in 2021 related to the Group's redomiciliation to Jersey and the acquisition of Liquidnet.

6. Other operating income

Other operating income includes:

	2022 £m	2021 £m
Acquisition related income	16	-
Business relocation grants	2	3
Employee related insurance receipts	4	2
Management fees from associates	1	2
Legal settlement receipts	4	1
Other receipts	3	2
	30	10

Other receipts include royalties, rebates, non-employee related insurance proceeds, tax credits and refunds. Costs associated with such items are included in administrative expenses. Acquisition related income relates to funds received following arbitration in connection with the purchase of Liquidnet. The arbitration was completed after the one year measurement period applicable to the acquisition.

7. Staff costs

The aggregate employment costs of staff and Directors of the Group were:

	2022 £m	2021 £m
Wages, salaries, bonuses and incentive payments	1,182	1,034
Social security costs	102	90
Defined contribution pension costs (Note 37(c))	16	16
Share-based compensation expense (Note 32)	20	12
	1,320	1,152

The average monthly number of full-time equivalent employees and Directors directly attributable to Business Divisions and to Management & Support were:

	2022 No.	2021 No.
Global Broking	1,856	1,971
Energy & Commodities	632	652
Liquidnet	467	484
Parameta Solutions	189	187
Management & Support	2,053	2,071
	5,197	5,365

The average monthly number of full-time equivalent employees and Directors by geographical region were:

	2022 No.	2021 (restated) ¹ No.
EMEA	2,394	2,434
Americas	1,614	1,700
Asia Pacific	1,106	1,151
Corporate	83	80
	5,197	5,365

1 The average number of full-time equivalent employees and Directors for 2021 have been restated to reallocate 456 Liquidnet employees into their relevant geographical location. The 456 employees have been reallocated to EMEA 47, Americas 240 and Asia Pacific 170.

8. Finance income

	2022 £m	2021 £m
Interest and similar income	6	2
Interest on finance leases (Note 22)	2	1
	8	3

9. Finance costs

	2022 £m	2021 £m
Fees payable on bank and other loan facilities	2	2
Interest on bank and other loans	2	2
Interest on Sterling Notes January 2024	13	22
Interest on Sterling Notes May 2026	13	13
Interest on Sterling Notes November 2028	7	1
Interest on Liquidnet Vendor Loan Notes	1	1
Other interest	1	1
Amortisation of debt issue and bank facility costs	2	2
Borrowing costs	41	44
Interest on lease liabilities (Note 16)	17	14
Amortisation of options premium	-	2
Premium on repurchase of Sterling Notes January 2024	-	16
	58	76

10. Taxation

	2022 £m	2021 £m
Current tax		
UK corporation tax	22	18
Overseas tax	41	13
Prior year UK corporation tax	(4)	–
Prior year overseas tax	–	2
	59	33
Deferred tax (Note 21)		
Current year	(26)	(9)
Prior year	3	(1)
	(23)	(10)
Tax charge for the year	36	23

The charge for the year can be reconciled to the profit in the income statement as follows:

	2022 £m	2021 £m
Profit before tax	113	24
Tax based on the UK corporation tax rate of 19% (2021: 19%)	21	5
Tax effect of items that are not deductible:		
> expenses	7	(1)
Prior year adjustments	(1)	1
Impact of tax rate change	–	12
Impact of overseas tax rates	6	5
Net movement in unrecognised deferred tax	3	1
Tax charge for the year	36	23

In 2021 the tax effect of items that are not deductible includes a £12m credit due to the remeasurement of a tax provision recognised during the ICAP acquisition. This offsets a corresponding debit to Other general and administration costs due to the release of the related indemnification asset that was also recognised during the ICAP acquisition. Therefore no net impact on profit after tax arose in respect of this remeasurement.

In addition to the income statement charge, the following current and deferred tax items have been included in other comprehensive income and equity:

	Recognised in other comprehensive income £m	Recognised in equity £m	Total £m
2022			
Current tax	5	–	5
Deferred tax charge relating to:			
> Other temporary differences	–	–	–
Tax charge on items taken directly to other comprehensive income and equity	5	–	5
	Recognised in other comprehensive income £m	Recognised in equity £m	Total £m
2021			
Deferred tax charge relating to:			
> Other temporary differences	1	–	1
Tax charge on items taken directly to other comprehensive income and equity	1	–	1

11. Earnings per share

	2022	2021
Basic	13.2p	0.7p
Diluted	13.0p	0.7p

The calculation of basic and diluted earnings per share is based on the following number of shares:

	2022 No.(m)	2021 No.(m)
Basic weighted average shares	779.1	759.3
Contingently issuable shares	11.5	8.9
Diluted weighted average shares	790.6	768.2

The earnings used in the calculation of basic and diluted earnings per share are set out below:

	2022 £m	2021 £m
Earnings for the year	106	8
Non-controlling interests	(3)	(3)
Earnings attributable to equity holders of the parent	103	5

12. Dividends

	2022 £m	2021 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2021 of 5.5p per share	43	–
Interim dividend for the year ended 31 December 2022 of 4.5p per share	35	–
Final dividend for the year ended 31 December 2020 of 2.0p per share	–	16
Interim dividend for the year ended 31 December 2021 of 4.0p per share	–	31
	78	47

A final dividend of 7.9 pence per share will be paid on 23 May 2023 to all shareholders on the Register of Members on 14 April 2023.

During the year, the Trustees of the TP ICAP plc EBT waived their rights to dividends.

13. Intangible assets arising on consolidation

	Goodwill £m	Other £m	Total £m
At 1 January 2022	1,180	582	1,762
Amortisation of acquisition related intangibles	–	(45)	(45)
Impairment	–	(20)	(20)
Effect of movements in exchange rates	52	31	83
At 31 December 2022	1,232	548	1,780
	Goodwill £m	Other £m	Total £m
At 1 January 2021	989	474	1,463
Recognised on acquisitions	187	154	341
Amortisation of acquisition related intangibles	–	(46)	(46)
Effect of movements in exchange rates	4	–	4
At 31 December 2021	1,180	582	1,762

As at 31 December 2022 the gross cost of goodwill and other intangible assets arising on consolidation amounted to £1,482m and £833m respectively (2021: £1,428m and £797m). Cumulative amortisation and impairment charges amounted to £250m for goodwill and £285m for other intangible assets arising on consolidation (2021: £248m and £215m).

13. Intangible assets arising on consolidation continued

Goodwill

Goodwill arising through business combinations is allocated to groups of individual cash-generating units ('CGUs'), reflecting the lowest level at which the Group monitors and tests goodwill for impairment purposes. The Group's CGUs are as follows:

	2022 £m	2021 (reallocated) £m
CGU		
Global Broking	489	466
Energy & Commodities	156	150
Parameta Solutions	342	336
Liquidnet – Agency Execution	40	39
Liquidnet – acquired business	205	189
Goodwill allocated to CGUs	1,232	1,180

As a result of the change in the Primary Operating Segments as at 1 January 2022, from the geographic grouping of CGUs to a Business Division grouping of CGUs the goodwill allocated to the regional CGU groupings has been reallocated to each Business Division based on the relative value of those Business Divisions. The goodwill arising on the Liquidnet acquisition has not been reallocated and is reviewed and tested as its own group of CGUs. Immediately prior to the reallocation, the Regional CGUs were tested for impairment. No impairments were identified.

The Group's annual impairment testing of its CGUs is undertaken each September. Between annual tests the Group reviews each CGU for impairment triggers that could adversely impact the valuation of the CGU and, if necessary, undertakes additional impairment testing. As at 30 June 2022 impairment triggers were identified for the Global Broking and Liquidnet CGUs which were subject to full impairment review as at that date.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of each CGU. The recoverable amount is the higher of its value in use ('VIU') or its fair value less cost of disposal ('FVLCD'). VIU is a pre-tax valuation, using pre-tax cash flows and pre-tax discount rates which is compared with the pre-tax carrying value of the CGU, whereas FVLCD is a post-tax valuation, using post-tax cash flows, post-tax discount rates and other post-tax observable valuation inputs, which is compared with a post-tax carrying value of the CGU. The CGU's recoverable amount is compared with its carrying value to determine if an impairment is required.

The key assumptions for the VIU calculations are those regarding expected divisional cash flows arising in future years, divisional growth rates and divisional discount rates as considered by management. Future projections are based on the most recent financial projections considered by the Board which are used to project pre-tax cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU.

Impairment assessment and testing as at 30 June 2022

– Global Broking

In June 2022 the Group's Global Broking CGU was subject to impairment testing, triggered as a result of the impact of inflation on expected cash flows, coupled with a change in the discount rate. For the 30 June 2022 impairment test the recoverable amount of the Global Broking CGU was based on its VIU. Future projections were based on the most recent financial forecasts considered by the Board which were used to project cash flows for the next five years. After this period a steady state cash flow was used to derive a terminal value for the CGU. Annual growth rates of 0.5% to 2027 and nil thereafter were used with pre-tax discount rate of 12.5%. The calculations were subject to stress tests reflecting reasonably possible changes in key assumptions. No impairment was identified as at 30 June 2022 although the CGU remained sensitive to reasonable possible changes in the assumptions.

As at June 2022, changes in discount rates and/or revenue assumptions, reflecting inherent uncertainties in any long-term forecasting, including potential effects of Brexit in EMEA and other structural changes, would impact the respective carrying value of the CGU. The CGU's value would equate to its carrying value should the discount rate, revenue growth over the forecast period, or revenues used in the terminal value fall by the following:

	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rate %	Breakeven revenue growth rate %	Changes in terminal value revenues %
CGU					
Global Broking	12.5%	17.8%	0.5%	(1.8%)	(15.0%)

– Liquidnet acquired business

As the Liquidnet acquired business was measured on a FVLCD basis at 31 December 2021, a decline in equity market conditions triggered an impairment review as at 30 June 2022. The full impairment test did not identify an impairment although the outcome is highly sensitive to changes in valuation assumptions. As at 30 June 2022 the recoverable amount for the Liquidnet acquired business was based on its FVLCD. The Income Approach was used for the FVLCD valuation under which the CGU had a FVLCD in excess of its carrying value.

The key assumptions for the Income Approach are those regarding expected cash flows, CGU growth rates and the discount rate. Future projections are based on the most recent financial forecasts considered by the Board which are used to project cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU. Annual growth rates on the existing equities business of 2.8% to 2027 and 1% thereafter have been used with post-tax discount rate of 11.1%. Projected cash flows for new credit business lines have been projected to 2027 at an annual growth rate of 62%, based on the development and roll-out of the Credit platform, with growth thereafter at 2%, and have been discounted at a post-tax discount rate of 15%, reflecting the greater uncertainty associated with these projections. The calculations have been subject to stress tests reflecting reasonably possible changes in key assumptions.

Under this approach the recoverable amount for Liquidnet exceeded its carrying value, but was sensitive to changes in the cash flow projections for new business lines to 2027. An annualised reduction in the projected revenues for new business lines of c.50% per annum over the period to 2027, would eliminate the headroom. The impact on future cash flows resulting from lower new business inflows or falling growth rates does not reflect any management actions that would be taken under such circumstances.

Impairment testing as at 30 September 2022

– Business divisions (excluding Liquidnet – acquired business)

For the 30 September 2022 annual impairment testing, the recoverable amounts for Global Broking, Energy & Commodities, Parameta Solutions and Liquidnet – Agency Execution were based on their VIU. Growth rates on five year projected revenues, growth rates on terminal value cash flows and discount rates used in the VIU calculations together with their respective breakeven rates were as follows:

	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rates %	Breakeven revenue growth rates %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
September 2022						
CGU						
Global Broking	13.4%	17.4%	1.0%	(1.4%)	1.0%	(7.0%)
Energy & Commodities	13.2%	16.4%	2.1%	0.2%	2.1%	(3.6%)
Parameta Solutions	13.8%	31.1%	6.0%	(18.1%)	3.0%	(85.0%)
Liquidnet – Agency Execution	13.6%	14.5%	3.0%	2.6%	2.0%	0.7%
	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rates %	Breakeven revenue growth rates %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
December 2021 (at date of reallocation of goodwill)						
CGU						
Global Broking	11.5%	11.7%	0.5%	0.4%	0.0%	(0.3%)
Energy & Commodities	11.0%	14.7%	2.0%	0.2%	0.0%	(6.4%)
Parameta Solutions	11.3%	20.9%	4.8%	(6.0%)	0.0%	(24.6%)
Liquidnet – Agency Execution	13.0%	15.0%	5.0%	4.1%	0.0%	(2.0%)

No impairments were identified as a result of the 2022 annual testing.

As shown in the table above, the VIU of the Liquidnet – Agency Execution CGU is sensitive to reasonably possible changes in the growth and discount rates. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances.

The Group does not expect climate change to have a material impact on the financial statements. However, the assessment of the financial risks and opportunities related to climate change is ongoing and the Group recognises the increased uncertainty in forecasting medium and long-term revenues, particular in the Energy & Commodities ('E&C') division. A 5% decline in E&C terminal growth rates from 2027 in Oil, Power and Gas, would eliminate any headroom in the CGU.

13. Intangible assets arising on consolidation continued

Impairment testing as at 30 September 2022 continued

– Liquidnet acquired business

For the 30 September 2022 annual impairment testing the recoverable amounts for the Liquidnet acquired business was based on its FVLCD. The Income Approach was used for the FVLCD valuation under which the CGU had a FVLCD in excess of its carrying value.

The key assumptions for the Income Approach are those regarding expected cash flows, growth rates and the discount rate. Future projections are based on the most recent financial budgets considered by the Board which are used to project cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU. Growth rates on the five year projected revenues, growth rates on terminal value cash flows and discount rates used in the FVLCD calculations together with their respective breakeven rates were as follows:

	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rates %	Breakeven revenue growth rates %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
Liquidnet acquired business						
September 2022	10.9%	12.3%	14.7%	13.1%	2.4%	0.5%
December 2021	10.8%	11.4%	3.0%	1.7%	1.0%	0.3%

The valuation revenue growth rate percentage have increased from 3% in December 2021 to 14.7% as at September 2022. This reflects management's expectation that the Equities business will return to a similar revenue projection in 2027, but from a lower starting position in the September 2022 valuation, resulting in an annual growth rate of 6.7%. The September 2022 valuation now includes revenue growth on the roll-out of the Credit platform, resulting in an annual growth rate of 61% to 2027. As at December 2021, the valuation did not reflect the projected development of the new Credit business. The calculations have been subject to stress tests reflecting reasonably possible changes in key assumptions.

Under this approach the recoverable amount for the Liquidnet acquired business exceeded its carrying value, but is sensitive to reasonably possible changes in the growth rates and the discount rate as indicated in the table above. The most sensitive valuation assumption relates to the growth in cash flows arising on new Credit business lines. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances. The Income Approach valuation is based on management forecasts which are unobservable and is therefore a Level 3 fair value.

Impairment assessment as at 31 December 2022

As at 31 December 2022, the review of the indicators of impairment did not require any further testing.

Other intangible assets

Other intangible assets at 31 December 2022 represent customer relationships, £546m (2021: £580m) and business brands and trademarks, £2m (2021: £2m) that arise through business combinations. Customer relationships are being amortised between 10 and 20 years.

Other intangible assets, along with other finite life assets, are subject to impairment trigger assessment at least annually. As at 30 September 2022, as a result of difficult equity market conditions and subdued larger block trading, the Liquidnet customer relationships were subject to a full impairment review. As a result of this testing, the value of customer relationships has been reduced by £20m. The valuation of customer lists is based on the 'Multi-period Excess Earnings Methodology' or 'MEEM'. MEEM is a version of the Income Approach which seeks to estimate the value by determining the net present value of the forecast, post-tax profits generated by the asset as of the valuation date, and reflects assumptions regarding customer churn, operating profits and margins, contributory asset charges, tax rates and discount rates. As these inputs are unobservable, this is a Level 3 valuation. Following the adjustment to the customer relationship's carrying value, the asset will continue to be amortised over its remaining useful life, but remains sensitive to reasonable possible changes in the assumptions. A reduction in annual operating profits of £3m from 2023 would impair the asset by £19m, and a 1% increase in the discount rate would impair the asset by £8m.

14. Other intangible assets

	Purchased software £m	Developed software £m	Total £m
Cost			
At 1 January 2022	52	190	242
Additions	8	27	35
Amounts derecognised	(1)	(5)	(6)
Effect of movements in exchange rates	4	5	9
At 31 December 2022	63	217	280
Accumulated amortisation			
At 1 January 2022	(41)	(110)	(151)
Charge for the year	(12)	(21)	(33)
Amounts derecognised	1	5	6
Effect of movements in exchange rates	(2)	(3)	(5)
At 31 December 2022	(54)	(129)	(183)
Carrying amount			
At 31 December 2022	9	88	97
	Purchased software £m	Developed software £m	Total £m
Cost			
At 1 January 2021	23	149	172
Additions ¹	17	20	37
Recognised with acquisitions	11	22	33
Amounts derecognised	(1)	(2)	(3)
Effect of movements in exchange rates	2	1	3
At 31 December 2021	52	190	242
Accumulated amortisation			
At 1 January 2021	(20)	(94)	(114)
Charge for the year	(13)	(17)	(30)
Impairment	(6)	-	(6)
Amounts derecognised	1	2	3
Effect of movements in exchange rates	(3)	(1)	(4)
At 31 December 2020	(41)	(110)	(151)
Carrying amount			
At 31 December 2021	11	80	91

1 includes £2m non-cash additions.

15. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles ¹ £m	Total £m
Cost			
At 1 January 2022	127	100	227
Reclassification of work-in-progress brought into use	1	(1)	-
Additions	2	16	18
Disposals	(3)	(15)	(18)
Effect of movements in exchange rates	3	17	20
At 31 December 2022	130	117	247
Accumulated depreciation			
At 1 January 2022	(41)	(63)	(104)
Charge for the year	(20)	(3)	(23)
Impairment	-	(5)	(5)
Disposals	1	8	9
Effect of movements in exchange rates	-	(14)	(14)
At 31 December 2022	(60)	(77)	(137)
Carrying amount			
At 31 December 2022	70	40	110
	Land, buildings and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles ¹ £m	Total £m
Cost			
At 1 January 2021	74	101	175
Reclassification of work-in-progress brought into use	27	(27)	-
Additions	2	21	23
Interest capitalised as leasehold improvements ²	1	-	1
Depreciation capitalised as leasehold improvements ²	2	-	2
Recognised with acquisitions	22	6	28
Disposals	(2)	(2)	(4)
Effect of movements in exchange rates	1	1	2
At 31 December 2021	127	100	227
Accumulated depreciation			
At 1 January 2021	(22)	(52)	(74)
Charge for the year	(13)	(10)	(23)
Impairment	(8)	(2)	(10)
Disposals	1	2	3
Effect of movements in exchange rates	1	(1)	-
At 31 December 2021	(41)	(63)	(104)
Carrying amount			
At 31 December 2021	86	37	123

1 Includes work-in-progress until brought into use.

2 In 2021 the development of the leased space for the Group's London-based headquarters and broking operations was completed. During the development phase depreciation and lease interest expense was capitalised as a direct cost of the leasehold improvements being undertaken. During the period to 31 December 2021 £3m has been capitalised, of which £2m relates to depreciation and £1m to interest in lease liabilities.

16. Right-of-use assets

	Land, buildings and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles £m	Total £m
At 1 January 2022	187	-	187
Additions	22	-	22
Amounts derecognised	(9)	-	(9)
Depreciation	(26)	-	(26)
Impairment	(4)	-	(4)
Transfer to finance lease receivables	(15)	-	(15)
Effect of movements in exchange rates	10	-	10
At 31 December 2022	165	-	165

	Land, buildings and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles £m	Total £m
At 1 January 2021	162	1	163
Additions	11	-	11
Acquired with acquisitions ¹	70	-	70
Modifications	4	-	4
Depreciation	(29)	-	(29)
Depreciation capitalised as leasehold improvements (Note 15)	(2)	-	(2)
Impairment	(6)	-	(6)
Transfer to finance lease receivables	(23)	-	(23)
Effect of movements in exchange rates	-	(1)	(1)
At 31 December 2021	187	-	187

1 The acquired right-of-use asset was measured at the value of the lease liability, reduced by £21m to reflect market values as at the date of acquisition.

The Group leases several buildings which have an average lease term of 10 years (2021: 11 years).

Where the Group sub-lets a property, and that sub-let qualifies as a finance lease, the right-of-use asset is written down to the net investment value of the sub-lease, and that value transferred to finance lease receivables.

The maturity analysis of lease liabilities is presented in Note 26.

Amounts recognised in profit and loss

	2022 £m	2021 £m
Depreciation expense on right-of-use assets	26	29
Impairment of right-of-use assets	4	6
Interest on lease liabilities	17	14
Expense relating to short-term leases	1	1
Interest income from sub-leasing right-of-use assets	(2)	(1)

The total cash outflow for leases amounts to £46m (2021: £43m) (representing principal repayment of £29m (2021: £28m) and interest of £17m (2021: £14m). In 2021 £1m of interest was capitalised.

17. Investment in associates

	2022 £m	2021 £m
At 1 January	51	61
Additions	-	1
Disposals	-	(2)
Impairments	-	(11)
Share of profit for the year	23	14
Dividends received	(13)	(10)
Effect of movements in exchange rates	2	(2)
At 31 December	63	51
Summary financial information for associates		
Aggregated amounts (for associates at the year end):		
Total assets	404	431
Total liabilities	(182)	(243)
Net assets	222	188
Proportion of Group's ownership interest	63	51
Goodwill	-	-
Carrying amount of Group's ownership interest	63	51
Aggregated amounts (for associates during the year):		
Revenue	268	220
Profit for the year	67	42
Group's share of profit for the year	23	14
Impairment	-	(11)
Dividends received from associates during the year	(13)	(10)

Interests in associates are measured using the equity method. All associates are involved in broking activities and have either a 31 December or 31 March year end. The results and assets and liabilities of associates are incorporated in these Financial Statements based on financial information made up to 31 December each year.

Country of incorporation and operation	Associated undertakings	Percentage held
Bahrain	ICAP (Middle East) W.L.L.	49%
China	Tullett Prebon SITICO (China) Limited Enmore Commodity Brokers (Shanghai) Limited	33%
India	ICAP IL India Private Limited ¹	49%
Japan	Totan ICAP Co., Ltd ¹ Central Totan Securities Co. Ltd ¹	40%
Spain	Corretaje e Informacion Monetaria y de Divisas SA	20%
United States	First Brokers Securities LLC ¹	21.5%
		40%

¹ 31 March year end.

18. Investment in joint ventures

	2022 £m	2021 £m
At 1 January	28	29
Disposals	(1)	–
Share of result for the year	6	4
Dividends received	(2)	(5)
Effect of movements in exchange rates	3	–
At 31 December	34	28
Summary financial information for joint ventures		
Aggregated amounts (for joint ventures at the year end):		
Total assets	30	22
Total liabilities	(4)	(3)
Net assets	26	19
Proportion of Group's ownership interest	13	9
Goodwill	21	19
Carrying amount of Group's ownership interest	34	28
Aggregated amounts (for joint ventures during the year):		
Revenue	16	14
Result for the year	12	8
Group's share of result for the year	6	4
Dividends received from joint ventures during the year	(2)	(5)

Interests in joint ventures are measured using the equity method. All joint ventures are involved in broking activities and have a 31 December year end. No individual joint venture is material to the Group.

Country of incorporation and operation	Joint ventures	Percentage held
Colombia	SET-ICAP FX SA	47.9%
	SET-ICAP Securities S.A.	47.4%
Indonesia	PT Electronic IDR Exchange	49%
Mexico	SIF ICAP, S.A. de C.V.	50%

19. Other investments

	2022 £m	2021 £m
At 1 January	21	18
Acquired with acquisitions	–	3
Revaluation of equity instruments at FVTOCI	–	1
Effect of movements in exchange rates	2	(1)
At 31 December	23	21
Categorisation of other investments:		
Debt instruments at FVTOCI – corporate debt securities	2	2
Equity instruments at FVTOCI	21	19
	23	21

The fair values are based on valuations as disclosed in Note 29(h). Equity instruments comprise of securities that do not qualify as associates or joint ventures.

20. Financial investments

	2022 £m	2021 £m
Debt instruments at FVTOCI – Government debt securities	81	81
Investments at amortised cost – Term deposits and restricted funds	93	34
	174	115

Debt instruments, term deposits and restricted funds are liquid instruments held with financial institutions and central counterparty clearing houses providing the Group with access to clearing services.

21. Deferred tax

	2022 £m	2021 £m
Deferred tax assets	15	17
Deferred tax liabilities	(85)	(107)
	(70)	(90)

The movement for the year in the Group's net deferred tax position was as follows:

	2022 £m	2021 £m
At 1 January	(90)	(75)
Credit to income for the year	23	10
Charge to other comprehensive income for the year	-	(1)
Recognised with acquisitions	-	(27)
Effect of movements in exchange rates	(3)	3
At 31 December	(70)	(90)

Deferred tax balances and movements thereon are analysed as:

	At 1 January £m	Recognised in equity £m	Recognised in profit or loss £m	Recognised in other comprehensive income £m	Recognised with acquisitions £m	Effect of movements in exchange rates £m	At 31 December £m
2022							
Share-based payment awards	4	-	-	-	-	-	4
Tax losses	12	-	10	-	-	1	23
Bonuses	9	-	-	-	-	2	11
Intangible assets arising on consolidation	(145)	-	15	-	-	(8)	(138)
Other timing differences	30	-	(2)	-	-	2	30
	(90)	-	23	-	-	(3)	(70)
2021							
Share-based payment awards	3	-	-	-	-	1	4
Tax losses	5	-	(3)	-	9	1	12
Bonuses	9	-	(1)	-	-	1	9
Intangible assets arising on consolidation	(101)	-	(5)	-	(38)	(1)	(145)
Other timing differences	9	-	19	(1)	2	1	30
	(75)	-	10	(1)	(27)	3	(90)

At the balance sheet date, the Group has gross unrecognised temporary differences of £153m with the unrecognised net tax amount being £33m (2021: gross £146m and net tax £30m respectively). This includes gross tax losses of £141m with the net tax amount being £30m (2021: gross £140m and net tax £29m respectively), which are potentially available for offset against future profits. Of the unrecognised gross losses £38m (2021: £33m) are expected to expire within 20 years and £103m (2021: £107m) have no expiry date. Deferred tax assets have not been recognised in respect of these items since it is not probable that future taxable profits will arise against which the temporary differences may be utilised.

A deferred tax asset of £23m (2021: £9m) in respect of losses has been recognised at 31 December 2022 as it was considered probable that future taxable profits will arise.

No deferred tax has been recognised on temporary differences associated with unremitted earnings of subsidiaries as the Group is able to control the timing of distributions and overseas dividends are largely exempt from UK tax. As at the balance sheet date, the Group had unrecognised deferred tax liabilities of £3m (2021: £4m) in respect of unremitted earnings of subsidiaries of £22m (2021: £29m).

22. Trade and other receivables

	2022 £m	2021 (restated) £m
Non-current receivables		
Finance lease receivables	38	30
Other receivables	13	14
	51	44
Current receivables		
Trade receivables ¹	382	336
Amounts due from clearing organisations	77	73
Deposits paid for securities borrowed	1,575	1,516
Finance lease receivables	2	1
Other debtors ¹	30	34
Accrued income	15	14
Owed by associates and joint ventures	4	5
Prepayments	109	86
Corporation tax	4	3
	2,198	2,068

1 Trade receivables have been reduced by £15m and other debtors increased by £15m from that reported in 2021 as a result of a reclassification of certain non-trading balances due from brokers.

The Directors consider the carrying amount of trade and other receivables which are not held at fair value through profit or loss approximate to their fair values as they are short term in nature. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix by region. As the Group's historical credit loss experience does not show significantly different loss patterns for different regional customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Total £m	Not past due £m	Less than 30 days past due £m	31-60 days past due £m	61-90 days past due £m	Greater than 91 days past due £m
Trade receivables						
2022						
EMEA	221	56	36	25	15	89
Americas	125	48	26	15	8	28
Asia Pacific	42	16	11	4	3	8
Gross balances outstanding	388	120	73	44	26	125
Effective expected credit loss rate		%	%	%	%	%
Lifetime ECL	(6)	0.15%	0.25%	0.42%	0.65%	4.56%
	382					
Trade receivables						
2021 (restated)						
EMEA	207	62	48	28	18	51
Americas	99	42	21	10	9	17
Asia Pacific	35	20	7	4	1	3
Gross balances outstanding ¹	341	124	76	42	28	71
Effective expected credit loss rate¹		%	%	%	%	%
Lifetime ECL	(5)	0.14%	0.22%	0.38%	0.65%	4.06%
	336					

1 Gross balance outstanding have been reduced by £15m from that reported in 2021 as a result of certain balances due from brokers being reclassified to other debtors. Effective expected credit loss rates have been recalculated following this adjustment.

22. Trade and other receivables continued

Amounts due from clearing organisations represents balances owed to the Group as a result of client transactions undertaken through the clearer. The Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default. As at 31 December 2022, the provision for expected credit losses amounted to less than £1m (2021: less than £1m).

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The above analysis reflects the receivable side of such transactions. Corresponding deposits received for securities loaned are shown in Note 23 'Trade and other payables'. The Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default. As at 31 December 2022, the provision for expected credit losses amounted to less than £1m (2021: less than £1m).

Amounts (payable)/receivable under finance leases:

	2022 £m	2021 £m
Year 1	4	(1)
Year 2	3	3
Year 3	5	4
Year 4	6	5
Year 5	4	4
Onwards	29	23
Undiscounted lease payments	51	38
Less: unearned finance income	(11)	(9)
Present value of lease payments receivable	40	29
Net investment in the lease	40	29

Undiscounted lease payments analysed as:

	2022 £m	2021 £m
Recoverable after 12 months	47	39
Recoverable/(payable) within 12 months	4	(1)

Net investment in the lease analysed as:

	2022 £m	2021 £m
Recoverable after 12 months	38	30
Recoverable/(payable) within 12 months	2	(1)

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of the recording entities.

The following table presents the amounts included in profit or loss.

	2022 £m	2021 £m
Impairment of finance lease receivables	–	–
Interest on the net investment in finance leases	2	1

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates to 6.44% (2021: 7.78%) per annum.

The Directors estimated the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting year is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the Directors consider that no finance lease receivable is impaired.

23. Trade and other payables

	2022 £m	2021 (restated) £m
Trade payables ¹	24	17
Amounts due to clearing organisations	46	47
Finance lease payable	–	2
Deposits received for securities loaned	1,573	1,504
Deferred consideration (Note 33)	1	7
Other creditors ¹	108	91
Accruals	369	283
Owed to associates and joint ventures	3	2
Tax and social security	22	22
Deferred income	3	2
	2,149	1,977

1 Trade payables have been reduced by £72m and other creditors increased by £72m from that reported in 2021 as a result of certain non-trading balances due to customers being reclassified.

The Directors consider that the carrying amount of trade and other payables which are not held at fair value through profit or loss approximate to their fair values.

24. Financial assets and financial liabilities at fair value through profit or loss

	2022 £m	2021 £m
Financial assets at fair value through profit or loss		
Matched Principal financial assets	9	37
Fair value gains on unsettled Matched Principal transactions	255	121
	264	158
Financial liabilities at fair value through profit or loss		
Matched Principal financial liabilities	–	(1)
Fair value losses on unsettled Matched Principal transactions	(255)	(119)
	(255)	(120)
Notional contract amounts of unsettled Matched Principal transactions		
Unsettled Matched Principal transactions	209,762	65,968

Fair value gains and losses on unsettled Matched Principal transactions represent the price movement between trade date and the reporting date on regular way transactions prior to settlement. Matched Principal transactions arise where securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs. payment basis and typically take place within a few business days of the transaction date according to the relevant market rules and conventions.

The notional contract amounts of unsettled Matched Principal transactions indicate the aggregate value of buy and sell transactions outstanding at the balance sheet date. They do not represent amounts at risk.

25. Loans and borrowings

	Less than one year £m	Greater than one year £m	Total £m
2022			
Sterling Notes January 2024	6	247	253
Sterling Notes May 2026	1	249	250
Sterling Notes November 2028	1	247	248
Liquidnet Vendor Loan Notes March 2024	1	42	43
	9	785	794
2021			
Overdrafts	17	–	17
Loans from related party	51	–	51
Sterling Notes January 2024	6	246	252
Sterling Notes May 2026	1	249	250
Sterling Notes November 2028	1	247	248
Liquidnet Vendor Loan Notes March 2024	1	37	38
	77	779	856

All amounts are stated after unamortised transaction costs. An analysis of borrowings by maturity has been disclosed in Note 29(e).

25. Loans and borrowings continued

Settlement facilities and overdrafts

Where the Group purchases securities under Matched Principal trades but is unable to complete the sale immediately, the Group's settlement agent finances the purchase through the provision of an overdraft secured against the securities and any collateral placed at the settlement agent. As at 31 December 2022, overdrafts for the provision of settlement finance amounted to £nil (December 2021: £17m).

Bank credit facilities and bank loans

The Group has a £350m committed revolving facility that matures in May 2025. Facility commitment fees of 0.7% on the undrawn balance are payable on the facility. Arrangement fees of £3m were paid in 2022 and are being amortised over the maturity of the facility.

As at 31 December 2022, the revolving credit facility was undrawn. Amounts drawn down are reported as bank loans in the above table. Bank loans are denominated in Sterling. During the year, the maximum amount drawn was £140m (2021: £130m), and the average amount drawn was £30m (2021: £60m). The Group utilises the credit facility throughout the year, entering into numerous short-term bank loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net in the Group's cash flow statement in accordance with IAS 7 'Cash Flow'.

Interest and facility fees of £3m were incurred in 2022 (2021: £3m).

Loans from related parties

In August 2020, the Group entered into a Yen 10bn committed facility with The Tokyo Tanshi Co., Ltd, a related party, that matures in February 2025. As at 31 December, the Yen 10bn committed facility equated to £63m. Facility commitment fees of 0.64% on the undrawn balance are payable on the facility. Arrangement fees of less than £1m are being amortised over the maturity of the facility.

As at 31 December 2022, the facility was undrawn (2021: Yen 8bn (£51m)). The Directors consider that the carrying amount of the loan which is not held at fair value through profit or loss approximates to its fair value. During the year, the maximum amount drawn was Yen 10bn, £63m at year end rates (2021: Yen 10bn, £64m at 2021 year end rates), and the average amount drawn was Yen 9bn, £57m at year end rates (2021: Yen 8bn, £51m at 2021 year end rates). The Group utilises the credit facility throughout the year, entering into numerous short-term bank loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net in the Group's cash flow statement in accordance with IAS 7 'Cash Flow'.

Interest and facility fees of £1m were incurred in 2022 (2021: £1m).

Amounts drawn down are reported as loans from related parties in the above table.

Sterling Notes: Due January 2024

In January 2017 the Group issued £500m unsecured Sterling Notes due January 2024. The Notes have a fixed coupon of 5.25% payable semi-annually, subject to compliance with the terms of the Notes. In May 2019, the Group repurchased £69m of the Notes and a further £184m were repurchased in November 2021. Repurchases have been accounted for as extinguishment of the Notes. The repurchase in 2021 was at a £16m premium to the Note's carrying value, which has been reported as part of finance costs in the Income Statement. At 31 December 2022, the fair value of the Notes (Level 1) was £241m (2021: £264m). Accrued interest at 31 December 2022 amounted to £6m (2021: £6m). Unamortised issue costs were less than £1m as at 31 December 2022 (2021: £1m).

Interest of £13m was incurred in 2022 (2021: £22m). The amortisation expense of issue costs in 2022 and 2021 was less than £1m.

Sterling Notes: Due May 2026

In May 2019 the Group issued £250m unsecured Sterling Notes due May 2026. The Notes have a fixed coupon of 5.25% paid semi-annually, subject to compliance with the terms of the Notes. At 31 December 2022 the fair value of the Notes (Level 1) was £232m (2021: £278m). Accrued interest at 31 December 2022 amounted to £1m (2021: £1m). Unamortised issue costs were £1m as at 31 December 2022 (2021: £1m).

Interest of £13m was incurred in 2022 (2021: £13m). The amortisation expense of issue costs in 2022 and 2021 was less than £1m.

Sterling Notes: Due November 2028

In November 2021 the Group issued £250m unsecured Sterling Notes due November 2028. The Notes were issued at a discount of £1m, raising £249m before issue costs. The Notes have a fixed coupon of 2.625% paid semi-annually, subject to compliance with the terms of the Notes. At 31 December 2022 the fair value of the Notes (Level 1) was £184m (2021: £249m). Accrued interest at 31 December 2022 amounted to £1m (2021: £1m). Unamortised discount and issue costs were £3m (2021: £3m).

Interest of £7m was incurred in 2022 (2021: £1m). The amortisation expense of discount and issue costs in 2022 and 2021 was less than £1m.

Liquidnet Vendor Loan Notes Due March 2024

In March 2021, as part of the purchase consideration of Liquidnet, the Group issued \$50m (£42m at year end exchange rates (2021: £37m)) unsecured Loan Notes due March 2024. The Notes have a fixed coupon of 3.2% paid annually. At 31 December 2022 the fair value of the Notes (Level 2) was \$44m (£37m) (2021: \$49m (£36m)). Accrued interest at 31 December 2022 was £1m (2021: £1m).

26. Lease liabilities

Maturity analysis

	2022 £m	2021 £m
Year 1	46	41
Year 2	40	40
Year 3	37	34
Year 4	35	39
Year 5	30	31
Onwards	172	189
	360	374
Less: future interest expense	(81)	(88)
	279	286

Analysed as:

	2022 £m	2021 £m
Included in current liabilities	29	34
Included in non-current liabilities	250	252
	279	286

At 31 December 2022, the Group is committed to £1m (2021: £1m) for short-term leases.

27. Provisions

	Property £m	Restructuring £m	Legal and other £m	Total £m
2022				
At 1 January 2022	16	5	22	43
Charge to income statement	-	3	2	5
Utilisation of provision	(3)	(1)	(5)	(9)
Effect of movements in exchange rates	-	-	1	1
At 31 December 2022	13	7	20	40
	Property £m	Restructuring £m	Legal and other £m	Total £m
2021				
At 1 January 2021	7	9	24	40
Charge to income statement	6	6	6	18
Acquired with acquisitions	4	-	-	4
Utilisation of provision	(1)	(10)	(6)	(17)
Effect of movements in exchange rates	-	-	(2)	(2)
At 31 December 2021	16	5	22	43
			2022 £m	2021 £m
Included in current liabilities			9	5
Included in non-current liabilities			31	38
			40	43

Property provisions outstanding as at 31 December 2022 relate to provisions in respect of building dilapidations, representing the estimated cost of making good dilapidations and disrepair on various leasehold buildings.

Restructuring provisions outstanding as at 31 December 2022 relate to termination and other employee related costs. The movement during the year reflects the actions taken under the Group's cost improvement and restructuring initiatives. It is expected that the remaining obligations will be discharged during 2023.

Legal and other provisions include provisions for legal claims brought against subsidiaries of the Group together with provisions against obligations for certain long-term employee benefits and non-property related onerous contracts. At present the timing and amount of any payments are uncertain and provisions are subject to regular review. It is expected that the obligations will be discharged over the next 24 years.

27. Provisions continued

Yen LIBOR Class Actions

The Group has entered into settlement agreements with the plaintiffs in Laydon v. Mizuho Bank, Ltd. et al. and Sonterra Capital Master Fund, Ltd. et al. in order to settle these class actions relating to the alleged manipulation of Yen LIBOR and Euroyen TIBOR benchmark interest rates. The United States District Court for the Southern District of New York granted preliminary approval of the settlements on 4 October 2022. Pending final approval from the class, which the Group believes to be probable, the Group has paid US\$2.4 million (c.£2.0 million) into escrow having provided for this amount. Separately, pursuant to these settlements and consistent with its indemnity obligations, NEX International Limited (formerly known as ICAP plc) has paid US\$2.4 million (c.£2.0 million) into escrow pending final class approval in order to resolve claims against ICAP plc and ICAP Europe Limited. This has been recorded as a provision and settlement, together with the receipt of an indemnification asset from NEX.

28. Other long-term payables

	2022 £m	2021 £m
Accruals and deferred income	5	2
Deferred consideration (Note 33)	55	51
	60	53

29. Financial instruments

(a) Financial and liquidity risk

The Group does not take trading risk and does not seek to hold proprietary trading positions. Consequently, the Group is exposed to trading book market risk only in relation to incidental positions in financial instruments arising as a result of the Group's failure to match clients' orders precisely. The Group has limited exposure to non-trading book market risk, specifically to interest rate risk and currency risk. Thus the overall approach to the planning and management of the Group's capital and liquidity is to ensure the Group's solvency, i.e. its continued ability to conduct business, deliver returns to shareholders, and support growth and strategic initiatives. The Group is not subject to consolidated capital adequacy requirements following its redomiciliation to Jersey in 2021.

The Group seeks to ensure that it has access to an appropriate level of cash, other forms of marketable securities and liquidity facilities to enable it to finance its ongoing operations on cost effective terms. Cash and cash equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns. Funding requirements are monitored by the Group's Finance and Treasury functions.

As a normal part of its operations, the Group faces liquidity risk through the risk of being required to fund transactions that do not settle on the due date. From a risk perspective, the most problematic scenario concerns 'fail to deliver' transactions, where the business has received, and recognised, a security from the selling counterparty (and has paid cash in settlement of the same) but is unable to effect onward delivery of the security to the buying counterparty. Such settlement delays give rise to a funding requirement, reflecting the value of the security which the Group has been unable to deliver until such time as the delivery leg is finally settled, or the security sold, and the business has received the associated cash. The Group has addressed this funding risk by arranging overdraft facilities to cover 'failed to deliver' trades, either with the relevant settlement agent/depository or with a clearing bank. Under such arrangements, the facility provider will fund the value of any 'failed to deliver' trades until delivery of the security is effected. Certain facility providers require collateral (such as a cash deposit or parent company guarantee) to protect them from any adverse mark-to-market movement and some also charge a funding fee for providing the facility.

The Group is also exposed to potential margin calls. Margin calls can be made by central counterparties under the Matched Principal broking model when not all legs of a matched principal trade are settled at the central counterparty or when there is a residual balance or confirmation error. Margin calls can be made by the Group's clearers or correspondent clearers under the Executing Broker broking model or the Introducing Broker broking model when there is a trade error or a counterparty is slow to confirm their trade. These margin calls occur mainly in the United States and the United Kingdom.

In the event of a short-term liquidity requirement, the firm has recourse to existing global cash resources, after which it could draw down on its £350m committed revolving credit facility and Yen 10bn (£63m at year end rates) committed facility with The Tokyo Tanshi Co., Ltd as additional contingency funding, less any amounts earmarked to fund acquisitions.

Derivative financial instruments, such as foreign currency contracts and interest rate swaps, are entered into by the Group in order to manage its exposure to interest rate and foreign currency fluctuations or as simultaneous back-to-back transactions with counterparties. The Group does not use derivative financial instruments for speculative purposes. As at 31 December 2022, the fair value of outstanding derivatives was less than £1m (2021: liability of £1m).

(b) Capital management

The Group's policy is to maintain a capital base and funding structure that maintains creditor, regulator and market confidence and provides flexibility for business development while also optimising returns to shareholders. The capital structure of the Group consists of debt, as set out in Note 25, cash and cash equivalents, other current financial assets and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 30 and 31. Dividends paid during the year are disclosed in Note 12 and the dividend policy is discussed in the Strategic Report.

A number of the Company's subsidiaries and sub-groups are individually or collectively regulated and are required to maintain capital that is appropriate to the risks entailed in their businesses according to definitions that vary according to each jurisdiction. In addition to subsidiaries and sub-groups fulfilling their regulatory obligations, the Group undertakes periodic reviews of the current and projected regulatory requirements of each of these entities and sub-groups.

(c) Categorisation of financial assets and liabilities

	FVTPL trading instruments £m	FVTOCI debt instruments £m	FVTOCI equity instruments £m	Amortised cost £m	Total carrying amount £m
Financial assets					
2022					
Non-current financial assets measured at fair value					
Equity securities	-	-	21	-	21
Corporate debt securities	-	2	-	-	2
Non-current financial assets not measured at fair value					
Other receivables	-	-	-	13	13
Finance lease receivables	-	-	-	38	38
	-	2	21	51	74
Current financial assets measured at fair value					
Matched Principal financial assets	9	-	-	-	9
Fair value gains on unsettled Matched Principal transactions	255	-	-	-	255
Government debt securities	-	81	-	-	81
Current financial assets not measured at fair value¹					
Term deposits	-	-	-	93	93
Other debtors	-	-	-	30	30
Accrued income	-	-	-	15	15
Owed by associates and joint ventures	-	-	-	4	4
Trade receivables	-	-	-	382	382
Amounts due from clearing organisations	-	-	-	77	77
Deposits paid for securities borrowed	-	-	-	1,575	1,575
Finance lease receivables	-	-	-	2	2
Cash and cash equivalents	-	-	-	888	888
	264	81	-	3,066	3,411
Total financial assets	264	83	21	3,117	3,485

29. Financial instruments continued

(c) Categorisation of financial assets and liabilities continued

Financial assets	FVTPL trading instruments £m	FVTOCI debt instruments £m	FVTOCI equity instruments £m	Amortised cost £m	Total carrying amount £m
2021					
Non-current financial assets measured at fair value					
Equity securities	-	-	19	-	19
Corporate debt securities	-	2	-	-	2
Non-current financial assets not measured at fair value					
Other receivables	-	-	-	14	14
Finance lease receivables	-	-	-	30	30
	-	2	19	44	65
Current financial assets measured at fair value					
Matched Principal financial assets	37	-	-	-	37
Fair value gains on unsettled Matched Principal transactions	121	-	-	-	121
Government debt securities	-	81	-	-	81
Current financial assets not measured at fair value¹					
Term deposits	-	-	-	34	34
Other debtors ²	-	-	-	34	34
Accrued income	-	-	-	14	14
Owed by associates and joint ventures	-	-	-	5	5
Trade receivables ²	-	-	-	336	336
Amounts due from clearing organisations	-	-	-	73	73
Deposits paid for securities borrowed	-	-	-	1,516	1,516
Finance lease receivables	-	-	-	1	1
Cash and cash equivalents	-	-	-	784	784
	158	81	-	2,797	3,036
Total financial assets	158	83	19	2,841	3,101

1 Financial assets are initially measured at fair value.

2 Trade receivables have been reduced by £15m and other debtors increased by £15m from that reported in 2021 as a result of a reclassification of certain non-trading balances due from brokers.

Financial liabilities	Mandatorily at FVTPL		Other financial liabilities		Total carrying amount £m
	Non-current £m	Current £m	Non-current £m	Current £m	
2022					
Financial liabilities measured at fair value					
Fair value losses on unsettled Matched Principal transactions	-	255	-	-	255
Deferred consideration	55	1	-	-	56
	55	256	-	-	311
Financial liabilities not measured at fair value¹					
Sterling Notes January 2024	-	-	247	6	253
Sterling Notes May 2026	-	-	249	1	250
Sterling Notes November 2028	-	-	247	1	248
Liquidnet Vendor Loan Notes March 2024	-	-	42	1	43
Other creditors	-	-	-	108	108
Accruals ²	-	-	-	113	113
Owed to associates and joint ventures	-	-	-	3	3
Trade payables	-	-	-	24	24
Amounts due to clearing organisations	-	-	-	46	46
Deposits received for securities loaned	-	-	-	1,573	1,573
Lease liabilities	-	-	250	29	279
	-	-	1,035	1,905	2,940
Total financial liabilities	55	256	1,035	1,905	3,251

Financial liabilities	Mandatorily at FVTPL		Other financial liabilities		Total carrying amount £m
	Non-current £m	Current £m	Non-current £m	Current £m	
2021					
Financial liabilities measured at fair value					
Matched Principal financial liabilities	-	1	-	-	1
Fair value losses on unsettled Matched Principal transactions	-	119	-	-	119
Derivatives	-	1	-	-	1
Deferred consideration	51	7	-	-	58
	51	128	-	-	179
Financial liabilities not measured at fair value¹					
Overdraft	-	-	-	17	17
Loans with related parties	-	-	-	51	51
Sterling Notes January 2024	-	-	246	6	252
Sterling Notes May 2026	-	-	249	1	250
Sterling Notes November 2028	-	-	247	1	248
Liquidnet Vendor Loan Notes March 2024	-	-	37	1	38
Other creditors ³	-	-	-	91	91
Accruals ²	-	-	-	83	83
Owed to associates and joint ventures	-	-	-	2	2
Finance lease payable	-	-	-	2	2
Trade payables ³	-	-	-	17	17
Amounts due to clearing organisations	-	-	-	47	47
Deposits received for securities loaned	-	-	-	1,504	1,504
Lease liabilities	-	-	252	34	286
	-	-	1,031	1,857	2,888
Total financial liabilities	51	128	1,031	1,857	3,067

1 Financial liabilities are measured at fair value on initial recognition.

2 Accruals of £256m (2021: £200m) are not recorded as financial liabilities.

3 Trade payables have been reduced by £72m and other creditors increased by £72m from that reported in 2021 as a result of certain non-trading balances due to customers being reclassified.

29. Financial instruments continued

(d) Credit and market risk

The Group is exposed to credit risk in the event of default by counterparties in respect of its Name Passing, Executing Broker, Introducing Broker and corporate treasury operations. The Group does not bear any significant concentration risk to either counterparties or markets. The credit risk in respect of the Name Passing business, Introducing Broker and the information sales and risk management services is limited to the collection of outstanding commission and transaction fees and this is managed proactively by the Group's accounts receivable function. As at the year end, 56% of the Group's trade receivables is to investment grade counterparts (rated BBB-/Baa3 or above).

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. As at the year end, 84% of the Group's counterparty exposure is to investment grade counterparts.

The credit risk on cash, cash equivalents, and financial assets at amortised cost, FVTOCI or FVTPL, is subject to frequent monitoring. All financial institutions that are transacted with are approved and internal limits are assigned to each one based on a combination of factors including external credit ratings. As at the year end, 97% of cash and cash equivalents is deposited with investment grade rated financial institutions.

The 'maximum exposure to credit risk' is the maximum exposure before taking account of any securities or collateral held, or other credit enhancements, unless such enhancements meet accounting offsetting requirements. For financial assets recognised on the balance sheet, excluding equity instruments as they are not subject to credit risk, the maximum exposure to credit risk equals their carrying amount.

The Matched Principal business involves the Group acting as a counterparty on trades which are undertaken on a delivery versus payment basis. The Group manages its market risk in these transactions through appropriate policies and procedures in order to mitigate this risk including stringent on-boarding requirements, and setting appropriate limits for all counterparties which are closely monitored by the regional risk teams to restrict any potential loss through counterparty default. Settlement of these transactions takes place according to the relevant market rules and conventions and the credit risk is considered to be minimal.

(e) Maturity profile of financial liabilities, lease liabilities and off-balance sheet items

The table below reflects the contractual maturities, including future interest obligations, of the Group's financial and lease liabilities as at 31 December. Matched Principal financial liabilities are included in the 'Due within 3 months' time bucket, and not by contractual maturity because such balances are typically held for short periods of time. The settlement amount of open Matched Principal purchases as at the reporting date are included in the 'Due within 3 months' time bucket reflecting their expected settlement amount and date.

	Due within 3 months £m	Due between 3 months and 12 months £m	Due between 1 year and 5 years £m	Due after 5 years £m	Total £m
2022					
Settlement of open Matched Principal purchases ¹	104,876	-	-	-	104,876
Deposits received for securities loaned	1,573	-	-	-	1,573
Trade payables	24	-	-	-	24
Amounts due to clearing organisations	46	-	-	-	46
Other creditors	108	-	-	-	108
Accruals	113	-	-	-	113
Owed to associate and joint ventures	3	-	-	-	3
Lease liabilities	11	35	142	172	360
Sterling Notes January 2024	6	6	253	-	265
Sterling Notes May 2026	-	13	283	-	296
Sterling Notes November 2028	-	7	26	257	290
Liquidnet Vendor Loan Notes March 2024	1	-	43	-	44
Deferred consideration	1	-	55	-	56
	106,762	61	802	429	108,054

	Due within 3 months £m	Due between 3 months and 12 months £m	Due between 1 year and 5 years £m	Due after 5 years £m	Total £m
2021					
Matched Principal financial liabilities	1	-	-	-	1
Settlement of open Matched Principal purchases ¹	32,984	-	-	-	32,984
Deposits received for securities loaned	1,504	-	-	-	1,504
Trade payables ²	17	-	-	-	17
Amounts due to clearing organisations	47	-	-	-	47
Other creditors ²	91	-	-	-	91
Finance lease payable	2	-	-	-	2
Accruals	83	-	-	-	83
Owed to associate and joint ventures	2	-	-	-	2
Lease liabilities	10	31	144	189	374
Derivatives	1	-	-	-	1
Overdraft	17	-	-	-	17
Related party loan	51	-	-	-	51
Sterling Notes January 2024	6	6	267	-	279
Sterling Notes May 2026	-	13	296	-	309
Sterling Notes November 2028	-	7	26	263	296
Liquidnet Vendor Loan Notes March 2024	1	-	39	-	40
Deferred consideration	5	3	50	-	58
	34,822	60	822	452	36,156

- 1 Settlement of open Matched Principal purchases represents the payment in exchange for Matched Principal financial assets pending their onward sale. The onward sale results in inflows from the settlement of related open Matched principal sales.
- 2 Trade payables have been reduced by £72m and other creditors increased by £72m from that reported in 2021 as a result of certain non-trading balances due to customers being reclassified.

29. Financial instruments continued

(f) Foreign currency sensitivity analysis

The table below illustrates the sensitivity of the profit for the year with regard to currency movements on financial assets and liabilities denominated in foreign currencies as at the year end. The sensitivity of the Group's equity with regard to its net foreign currency investments at the year end is also shown below.

Based on a 10% weakening in the following exchange rates against Sterling, the effects would be as follows:

	Change in foreign currency financial assets and liabilities – profit or loss		Change in translation of foreign operations – equity	
	2022 £m	2021 £m	2022 £m	2021 £m
Currency:				
> USD	(7)	(3)	(112)	(95)
> EUR	(7)	(5)	(10)	(10)
> SGD	-	-	(10)	(9)
> HKD	-	-	(10)	(8)
> JPY	-	-	(8)	(8)
> AUD	-	-	(4)	(5)

Unless specifically hedged, the Group would experience equal and opposite foreign exchange movements should the currencies strengthen against Sterling.

As at 31 December 2022 and 2021 the Group had no outstanding net investment hedges.

(g) Interest rate sensitivity analysis

Interest on floating rate financial instruments is reset at intervals of less than one year. The Group's exposure to interest rates arises on cash and cash equivalents and money market instruments, including drawdowns on the revolving credit and Tokyo Tanshi committed facilities. The Sterling Notes are fixed rate financial instruments.

A 100 basis point change in interest rates, applied to average floating rate financial instrument assets and liabilities during the year, would result in the following impact on profit or loss:

	2022		2021 (restated) ¹	
	+100bps £m	-100bps £m	+100bps £m	-100bps £m
Income/(expense) arising on:				
> floating rate assets	4	(4)	1	(1)
> floating rate liabilities	(1)	-	(1)	-
Net income/(expense) for the year	3	(4)	-	(1)

¹ 2021 comparative has been restated to reflect the calculation methodology used in 2022.

(h) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- > Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- > Level 2 fair value measurements are those derived from 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); and
- > Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2022				
Financial assets measured at fair value				
Matched Principal financial assets	9	-	-	9
Fair value gain on unsettled Matched Principal transactions	255	-	-	255
Equity instruments	-	11	10	21
Corporate debt securities	-	-	2	2
Government debt securities	81	-	-	81
Financial liabilities measured at fair value				
Fair value losses on unsettled Matched Principal transactions	(255)	-	-	(255)
Deferred consideration	-	-	(56)	(56)
	90	11	(44)	57
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2021				
Financial assets measured at fair value				
Matched Principal financial assets	37	-	-	37
Fair value gain on unsettled Matched Principal transactions	121	-	-	121
Equity instruments	-	10	9	19
Corporate debt securities	-	-	2	2
Government debt securities	81	-	-	81
Financial liabilities measured at fair value				
Matched Principal financial liabilities	(1)	-	-	(1)
Fair value losses on unsettled Matched Principal transactions	(119)	-	-	(119)
Derivatives	(1)	-	-	(1)
Deferred consideration	-	(5)	(53)	(58)
	118	5	(42)	81

In deriving the fair value of equity and derivative instruments valuation models were used which incorporated observable market data. There were no significant inputs used in these models that were unobservable. There is no material sensitivity to unobservable inputs used in these models.

The fair value of deferred consideration is based on valuation models incorporating unobservable inputs reflecting the estimated performance conditions specific to each acquisition. Inputs are based on management's financial forecasts for the relevant performance condition and relevant duration. As inputs are acquisition specific outcomes can vary from that used to estimate fair values at a reporting date. Where deferred consideration is non-contingent, or where conditions have been met but unsettled at the year end, such amounts are included as Level 2.

There were no transfers between Level 1 and 2 during the year.

Reconciliation of Level 3 fair value measurements of financial assets:

	Equity instruments (at FVTOCI) £m	Debt securities (at FVTOCI) £m	Deferred consideration (at FVTPL) £m	2022 Total £m	2021 Total £m
Balance as at 1 January	9	2	(53)	(42)	(15)
Net change in fair value – included in 'administrative expenses'	-	-	(8)	(8)	(2)
Acquisitions during the year	-	-	-	-	(39)
Amounts settled during the year	-	-	5	5	11
Transfer of liabilities to Level 2	-	-	-	-	3
Effect of movements in exchange rates	1	-	-	1	-
Balance as at 31 December	10	2	(56)	(44)	(42)

30. Share capital

	2022 No.	2021 No.
Allotted, issued and fully paid		
Ordinary shares of 25p		
As at 1 January (2021: TP ICAP plc)	788,670,932	563,336,380
Issue of ordinary shares – Rights Issue	–	225,334,552
Scheme of Arrangement: Cancellation of TP ICAP plc shares	–	(788,670,932)
Scheme of Arrangement: Issue of TP ICAP Group plc ordinary shares	–	788,670,932
As at 31 December (2022 and 2021: TP ICAP Group plc)	788,670,932	788,670,932

31. Reconciliation of shareholders' funds

(a) Share capital, Share premium account, Merger reserve

	Share capital £m	Share premium account £m	Merger reserve £m	Total £m
2022				
As at 1 January 2022 and 31 December 2022	197	–	–	197
2021				
As at 1 January 2021	141	17	1,384	1,542
Rights issue ¹	56	259	–	315
Rights issue costs ¹	–	(6)	–	(6)
Scheme of Arrangement: Cancellation of existing shares and reserves ²	(197)	(270)	(1,384)	(1,851)
Scheme of Arrangement: Issue of ordinary shares ²	197	1,418	–	1,615
Capital reduction ³	–	(1,418)	–	(1,418)
As at 31 December 2021	197	–	–	197

1 On 16 February 2021, TP ICAP plc raised £315m in cash, with issue costs of £6m, from a two for five share rights issue. The funds raised were to part fund the acquisition of Liquidnet.

2 See Note 31 (b) Other reserves: Reorganisation reserve.

3 On 26 February 2021, TP ICAP Group plc effected a reduction of its share capital by cancelling its share premium and recognising an equivalent increase in the profit and loss account in reserves.

Merger reserve

The merger reserve related to prior share-based acquisitions and represented the difference between the value of those acquisitions and the amount required to be recorded in share capital. As part of the Scheme of Arrangement in 2021, the merger reserve was transferred to the reorganisation reserve.

(b) Other reserves

	Reverse acquisition reserve £m	Reorganisation reserve £m	Revaluation reserve £m	Hedging and translation £m	Own shares £m	Other reserves £m
2022						
As at 1 January 2022	-	(946)	5	(38)	(26)	(1,005)
Exchange differences on translation of foreign operations	-	-	-	152	-	152
Taxation on components of other comprehensive income	-	-	-	(5)	-	(5)
Total comprehensive income	-	-	-	147	-	147
Share settlement of share-based payment awards	-	-	-	-	7	7
Own shares acquired for employee trusts	-	-	-	-	(3)	(3)
As at 31 December 2022	-	(946)	5	109	(22)	(854)
2021						
As at 1 January 2021	(1,182)	-	4	(41)	(27)	(1,246)
Fair value movement on net investment hedge	-	-	-	3	-	3
Exchange differences on translation of foreign operations	-	-	1	1	-	2
Taxation on components of other comprehensive income	-	-	-	(1)	-	(1)
Total comprehensive income	-	-	1	3	-	4
Scheme of Arrangement: Cancellation of existing shares and reserves ¹	1,182	669	-	-	-	1,851
Scheme of Arrangement: Issue of ordinary shares ¹	-	(1,615)	-	-	-	(1,615)
Share settlement of share-based payment awards	-	-	-	-	3	3
Own shares acquired for employee trusts	-	-	-	-	(2)	(2)
As at 31 December 2021	-	(946)	5	(38)	(26)	(1,005)

1 See Note 31 (b) Other reserves: Reorganisation reserve.

Reverse acquisition reserve

The acquisition of Collins Stewart Tullett plc by Tullett Prebon plc in 2006 was accounted for as a reverse acquisition. Under IFRS, the consolidated accounts of Tullett Prebon plc are prepared as if they were a continuation of the consolidated accounts of Collins Stewart Tullett plc. The reverse acquisition reserve represents the difference between the initial equity share capital of Tullett Prebon plc and the share capital and share premium of Collins Stewart Tullett plc at the time of the acquisition. This resulted in the consolidated net assets before and after the acquisition remaining unchanged. As part of the Scheme of Arrangement in 2021 the reverse acquisition reserve was transferred to the reorganisation reserve.

Reorganisation reserve

On 26 February 2021 the Group adjusted its corporate structure. TP ICAP Group plc was incorporated in Jersey on 23 December 2019 and became the new listed holding company of the Group on 26 February 2021 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company, TP ICAP plc subsequently being renamed TP ICAP Limited. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 25 pence in the new holding company for each ordinary share of 25 pence they held in the former holding company. The share for share exchange between TP ICAP plc and TP ICAP Group plc was a common control transaction has been accounted for using merger accounting principles. Under these principles the results and cash flows of all the combining entities are brought into the consolidated financial statements from the beginning of the financial year in which the combination occurs and comparative figures also reflect the combination of the entities. The Group's equity is adjusted to reflect that of the new holding company, but in all other aspects the Group results and financial position are unaffected by the change and reflect the continuation of the Group. In adjusting the Group's equity to reflect that of the new holding company, the sum of share capital, share premium, merger reserve and reverse acquisition reserves under the former holding company are replaced by the share capital and share premium of the new holding company together with a reorganisation reserve.

Revaluation reserve

The revaluation reserve represents the remeasurement of assets in accordance with IFRS that have been recorded in other comprehensive income.

Hedging and translation

The hedging and translation reserve records revaluation gains and losses arising on net investment hedges and the effect of changes in exchange rates on translation of foreign operations recorded in other comprehensive income. As at 31 December 2022, £11m relates to amounts arising on previous net investment hedges (2021: £11m).

Own shares

As at 31 December 2022, the TP ICAP plc EBT held 8,803,320 ordinary shares (2021: 9,100,625 ordinary shares) with a fair value of £15m (2021: £14m). During the year the Trust delivered 2,454,633 shares in satisfaction of vesting share-based awards and purchased 2,157,328 ordinary shares under the rights issue and in the open market at a cost of £3m. In 2021 the Trust delivered 1,525,505 shares in satisfaction of vesting share-based awards and purchased 1,995,379 ordinary shares in the open market at a cost of £2m.

31. Reconciliation of shareholders' funds continued

(c) Total equity

	Equity attributable to equity holders of the parent				Non-controlling interests £m	Total equity £m
	Total from Note 31(a) £m	Total from Note 31(b) £m	Retained earnings £m	Total £m		
2022						
As at 1 January 2022	197	(1,005)	2,769	1,961	17	1,978
Profit for the year	-	-	103	103	3	106
Exchange differences on translation of foreign operations	-	152	-	152	1	153
Taxation on components of other comprehensive income	-	(5)	-	(5)	-	(5)
Total comprehensive income	-	147	103	250	4	254
Dividends paid	-	-	(78)	(78)	(3)	(81)
Share settlement of share-based payment awards	-	7	(7)	-	-	-
Own shares acquired for employee trusts	-	(3)	-	(3)	-	(3)
Credit arising on share-based payment awards (Note 32)	-	-	13	13	-	13
As at 31 December 2022	197	(854)	2,800	2,143	18	2,161

	Equity attributable to equity holders of the parent				Non-controlling interests £m	Total equity £m
	Total from Note 31(a) £m	Total from Note 31(b) £m	Retained earnings £m	Total £m		
2021						
As at 1 January 2021	1,542	(1,246)	1,383	1,679	19	1,698
Profit for the year	-	-	5	5	3	8
Fair value movement on net investment hedge	-	3	-	3	-	3
Exchange differences on translation of foreign operations	-	2	-	2	-	2
Remeasurement of defined benefit pension schemes	-	-	3	3	-	3
Taxation on components of other comprehensive income	-	(1)	-	(1)	-	(1)
Total comprehensive income	-	4	8	12	3	15
Rights issue	315	-	-	315	-	315
Rights issue costs	(6)	-	-	(6)	-	(6)
Scheme of Arrangement: Cancellation of existing shares and reserves	(1,851)	1,851	-	-	-	-
Scheme of Arrangement: Issue of ordinary shares	1,615	(1,615)	-	-	-	-
Capital reduction	(1,418)	-	1,418	-	-	-
Dividends paid	-	-	(47)	(47)	(2)	(49)
Share settlement of share-based payment awards	-	3	(3)	-	-	-
Own shares acquired for employee trusts	-	(2)	-	(2)	-	(2)
Decrease in non-controlling interests	-	-	-	-	(3)	(3)
Credit arising on share-based payment awards (Note 32)	-	-	10	10	-	10
As at 31 December 2021	197	(1,005)	2,769	1,961	17	1,978

32. Share-based awards

Deferred Bonus Plan

Annual awards are made to Executive Directors and the Group's Senior Managers under the Group's Deferred Bonus Plan.

Under this Plan, the Group's Executive Directors have 50% of their annual discretionary bonus awarded in deferred shares, and employees identified as senior managers have up to 50% (2021: 35%) of their annual discretionary bonus awarded in deferred shares. These awards will be settled with TP ICAP Group plc shares and are subject to the completion of service conditions and the fulfilment of other conduct requirements. The number of shares in respect of a bonus year is determined after the close period for that year at the then market price, and the awards vest over three years from the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

Awards will be settled by the TP ICAP plc EBT from shares purchased by it in the open market.

	Executive Directors No.	Senior Managers No.	Total No.
2022			
Outstanding at the beginning of the year	1,180,363	5,056,460	6,236,823
Granted during the year	630,005	1,913,555	2,543,560
Forfeited during the year	-	(408,051)	(408,051)
Settled during the year	(155,408)	(1,879,522)	(2,034,930)
Outstanding at the end of the year	1,654,960	4,682,442	6,337,402
2021			
Outstanding at the beginning of the year	666,772	4,419,705	5,086,477
Impact of bonus element of the 2021 Rights Issue	81,346	539,142	620,488
Granted during the year	524,249	1,580,764	2,105,013
Forfeited during the year	-	(46,494)	(46,494)
Settled during the year	(92,004)	(1,436,657)	(1,528,661)
Outstanding at the end of the year	1,180,363	5,056,460	6,236,823

At the year end closing share price of 174.50p the estimated total number of deferred shares for the 2022 bonus year was 5,430,847.

Long Term Incentive Plan

The Long Term Incentive Plan ('LTIP') is for Executive Directors and other senior employees. Awards made to Executive Directors are up to a maximum of 2.5x base salary. Awards made to senior employees, based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee, are up to a maximum of 2x base salary. All awards are subject to agreed performance conditions applicable to each grant.

	2022 No.	2021 No.
Outstanding at the beginning of the year	7,929,908	4,031,329
Impact of bonus element of the 2021 Rights Issue	-	491,823
Granted during the year	-	3,612,668
Forfeited during the year	(1,804,936)	(205,912)
Outstanding at the end of the year	6,124,972	7,929,908

In 2021, shares to a maximum of 1,665,842 were awarded to the Executive Directors. This award is subject to performance conditions measured over the three-year period 2021 to 2023 with 65% subject to relative total shareholder return targets and 35% subject to new business growth targets. A separate award of 1,946,826 shares was made to senior employees which is subject to the completion of service conditions and the fulfilment of other conduct requirements, vesting three years from the date of grant. Of this award, 205,912 shares were forfeited during the year.

At the end of each performance period, the number of shares vesting will be determined based on the application of the relevant performance conditions and will be subject to a two-year holding period. During the holding period, the shares cannot be sold (other than to cover the cost of any applicable taxes) and will be eligible for dividend equivalence.

Under the Scheme Rules awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

32. Share-based awards continued

Restricted Share Plan

The Restricted Share Plan ('RSP'), introduced in 2022, is for Executive Directors and other senior employees. Awards made to Executive Directors are up to a maximum of 1.25x base salary. Awards made to senior employees are based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee. All awards are subject to agreed performance conditions applicable to each grant.

	2022 No.	2021 No.
Granted during the year	3,400,957	–
Forfeited during the year	–	–
Outstanding at the end of the year	3,400,957	–

In 2022, shares to a maximum of 1,688,467 were awarded to the Executive Directors. This award is subject to performance conditions measured over the three-year period 2021 to 2023. Details of the financial targets applicable to this award are set out in the Report of the Remuneration Committee on page 135. Separate awards amounting to 1,712,490 shares were made to senior employees which are subject to the completion of performance conditions and the fulfilment of other conduct requirements, vesting three years from the date of grant.

Under the Scheme Rules awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

Special Equity Award Plan

The Special Equity Award Plan ('SEAP') is for eligible employees. The Executive Directors are not eligible for awards under this plan. Awards are made to eligible employees based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee. Awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and vest three years from the date of grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

	2022 No.	2021 No.
Outstanding at the beginning of the year	2,251,932	665,671
Impact of bonus element of the 2021 Rights Issue	–	81,212
Granted during the year	6,268,163	1,573,193
Forfeited during the year	(649,134)	(68,144)
Settled during the year	(424,758)	–
Outstanding at the end of the year	7,446,203	2,251,932

Awards will be settled by the TP ICAP plc EBT from shares purchased by it in the open market.

Save As You Earn share option plan

The Group has two Save As You Earn ('SAYE') share option plans in operation as at 31 December 2022. Eligible employees can save up to £500 per month with the option to use the savings to acquire shares. Options are exercisable within six months following the third anniversary of the commencement of a three-year savings contract, or in the case of redundancy, injury, disability or retirement, a reduced number of options are exercisable within six months of ceasing employment.

The exercise price of the award granted in 2022 was 119.97p and was set at a 20% discount to the market value immediately preceding the date of invitation. The exercise price of the award granted in 2021 was 192.94p and was set at a 20% discount to the market value immediately preceding the date of invitation.

The fair values of share options are calculated using a Black-Scholes model. The 2022 grant has a 28.1p fair value, based on the share price at the date of the grant of 131.8p, estimated volatility of 36%, estimated dividend yield of 4.65% and a risk free rate of 1.62%. The 2021 grant has a 68.5p fair value, based on the share price at the date of the grant of 241.1p, estimated volatility of 39%, estimated dividend yield of 3.20% and a risk free rate of 0.11%.

2022	No. of options	WAEP ¹ £
Outstanding at the beginning of the year	5,425,567	1.9294
Granted during the year	7,673,726	1.1997
Lapsed during the year	(5,295,643)	1.8360
Outstanding at the end of the year	7,803,650	1.2752
2021	No. of options	WAEP ¹ £
Granted during the year	7,059,105	1.9294
Lapsed during the year	(1,633,538)	1.9294
Outstanding at the end of the year	5,425,567	1.9294

¹ Weighted average exercise price.

Under the Scheme Rules awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

Global Equity Linked Plan

The Global Equity Linked Plan is for eligible brokers. Under this Plan, eligible brokers with performance bonuses and initial contract payments over agreed financial values receive a proportion of their payment in deferred shares. The deferred shares will be settled in cash by reference to the TP ICAP Group plc share price at vesting and are subject to the completion of service conditions of between three to five years, and the fulfilment of other conduct requirements. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of dividends that will accrue to the beneficiaries.

	2022 No.	2021 No.
Outstanding at the beginning of the year	2,595,853	419,004
Impact of bonus element of the 2021 Rights Issue	-	51,119
Granted during the year	6,905,424	2,168,730
Forfeited during the year	(2,617)	-
Settled during the year	(931,019)	(43,000)
Outstanding at the end of the year	8,567,641	2,595,853

Under the Scheme Rules awards are cash settled on vesting.

	2022 £m	2021 £m
Charge arising from the Deferred Bonus Plan	5	6
Charge arising from the Long Term Incentive Plan	1	1
Charge arising from the Special Equity Award Plan	3	1
Charge arising from the SAYE Plan	3	2
Charge arising from the Restricted Share Plan	1	-
Charge arising from the Global Equity Linked Plan	7	2
	20	12

33. Acquisitions

Analysis of deferred consideration in respect of acquisitions

Certain acquisitions made by the Group are satisfied in part by deferred consideration, comprising contingent and non-contingent amounts, depending on the terms of each acquisition. The amount of contingent consideration payable is dependent upon the performance of each acquisition relative to the performance conditions applicable to that acquisition. The Group has re-estimated the amounts due where necessary, with any corresponding adjustments being made to profit or loss. The actual outcome may differ from these estimates.

	2022 £m	2021 £m
At 1 January	58	31
Acquisitions during the year	-	39
Adjustments to deferred consideration charged to the Income Statement	8	2
Cash-settled	(10)	(14)
Effect of movements in exchange rates	-	-
At 31 December	56	58
Amounts falling due within one year	1	7
Amounts falling due after one year	55	51
At 31 December	56	58

34. Reconciliation of operating result to net cash flow from operating activities

	2022 £m	2021 £m
Operating profit	163	97
Adjustments for:		
> Share-based payment charge	13	10
> Pension scheme administration costs ¹	1	1
> Pension scheme past service and settlement costs	1	1
> Depreciation of property, plant and equipment	23	23
> (Gain)/loss on disposal of property, plant and equipment	(3)	1
> Impairment of property, plant and equipment	5	10
> Gain on derecognition of right-of-use asset/lease liability	(3)	-
> Depreciation of right-of-use assets	26	29
> Impairment of right-of-use assets	4	6
> Amortisation of intangible assets	33	30
> Impairment of intangible assets	-	6
> Amortisation of intangible assets arising on consolidation	45	46
> Impairment of intangible assets arising on consolidation	20	-
> Remeasurement of deferred consideration	8	2
> Unrealised foreign exchange loss on Vendor Loan Notes	5	-
Net operating cash flow before movement in working capital	341	262
Increase in trade and other receivables	(24)	(16)
Decrease/(increase) in net Matched Principal related balances ¹	27	(36)
(Increase)/decrease in net balances with Clearing Organisations	(1)	12
Decrease in net stock lending balances	12	6
Increase/(decrease) in trade and other payables	76	(14)
Decrease in provisions	(4)	(2)
Increase/(decrease) in non-current liabilities	3	(3)
Net cash generated from operations	430	209
Income taxes paid	(51)	(39)
Fees paid on bank and other loan facilities	(2)	(2)
Interest paid	(36)	(42)
Interest paid – finance leases	(17)	(15)
Net cash flow from operating activities	324	111

¹ Included within Other administrative costs (Note 5).

35. Analysis of net debt including lease liabilities

	At 1 January £m	Cash flow £m	Non-cash items £m	Acquired with acquisitions £m	Exchange rate movements £m	At 31 December £m
2022						
Cash and cash equivalents	784	66	-	-	38	888
Overdrafts	(17)	17	-	-	-	-
	767	83	-	-	38	888
Financial investments	115	50	-	-	9	174
Bank loan due within one year	-	-	-	-	-	-
Loans from related parties	(51)	47 ¹	-	-	4	-
Sterling Notes January 2024	(252)	13 ²	(14)	-	-	(253)
Sterling Notes May 2026	(250)	13 ²	(13)	-	-	(250)
Sterling Notes November 2028	(248)	7 ²	(7)	-	-	(248)
Liquidnet Vendor Loan Notes	(38)	1 ²	(1)	-	(5)	(43)
Total debt excluding lease liabilities	(839)	81	(35)	-	(1)	(794)
Lease liabilities	(286)	46 ⁵	(18)	-	(21)	(279)
Total financing liabilities	(1,125)	127	(53)	-	(22)	(1,073)
Net debt	(243)	260	(53)	-	25	(11)
	At 1 January £m	Cash flow £m	Non-cash items £m	Acquired with acquisitions £m	Exchange rate movements £m	At 31 December £m
2021						
Cash and cash equivalents	656	129	-	-	(1)	784
Overdrafts	(7)	(11)	-	-	1	(17)
	649	118	-	-	-	767
Financial investments	127	(11)	-	-	(1)	115
Bank loan due within one year	-	5 ⁶	-	-	(5)	-
Loans from related parties	(28)	(27)	-	-	4	(51)
Sterling Notes January 2024	(440)	210 ³	(22)	-	-	(252)
Sterling Notes May 2026	(250)	13 ²	(13)	-	-	(250)
Sterling Notes November 2028	-	(247) ⁴	(1)	-	-	(248)
Liquidnet Vendor Loan Notes	-	-	(37)	-	(1)	(38)
Total debt excluding lease liabilities	(718)	(46)	(73)	-	(2)	(839)
Lease liabilities	(212)	43 ⁵	(26)	(91)	-	(286)
Total financing liabilities	(930)	(3)	(99)	(91)	(2)	(1,125)
Net debt	(154)	104	(99)	(91)	(3)	(243)

1 Relates to Total loan repayment.

2 Relates to interest paid reported as a cash outflow from operating activities.

3 Relates to principal repurchased of £184m reported as a cash outflow from financing activities plus £26m of interest paid reported as a cash outflow from operating activities.

4 Relates to principal received of £250m less £3m of discount and debt issue costs reported as a cash outflow from financing activities.

5 Relates to interest paid of £17m (2021: £15m) reported as a cash outflow from operating activities and principal paid of £29m (2021: £28m) reported as a cash outflow from financing activities.

6 Relates to currency differences arising on foreign currency drawdowns and repayments.

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. As at 31 December 2022 cash and cash equivalents, net of overdrafts, amounted to £888m (2021: £767m) of which £104m (2021: £77m) represent amounts subject to regulatory restrictions and are not readily available to be used for other purposes within the Group. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Financial investments comprise short-term government securities, term deposits and restricted funds held with banks and clearing organisations.

Non-cash items represent interest expense, the amortisation of debt issue costs and recognition/derecognition of lease liabilities.

36. Contingent liabilities

Bank Bill Swap Reference Rate case

On 16 August 2016, a complaint was filed in the United States District Court for the Southern District of New York naming Tullett Prebon plc, ICAP plc, ICAP Australia Pty Ltd and Tullett Prebon (Australia) Pty. Limited as defendants together with various Bank Bill Swap Reference Rate ('BBSW') setting banks. The complaint alleges collusion by the defendants to fix BBSW-based derivatives prices through manipulative trading during the fixing window and false BBSW rate submissions. On 26 November 2018, the Court dismissed all of the claims against the TP ICAP defendants and certain other defendants. On 28 January 2019, the Court ordered that a stipulation signed by the plaintiffs and the TP ICAP defendants meant that the TP ICAP defendants were not required to respond to any Proposed Second Amended Class Action Complaint ('PSAC') that the plaintiffs were seeking to file. On 3 April 2019 the plaintiffs filed a PSAC, however the TP ICAP defendants have no obligation to respond. The plaintiffs have reserved the right to appeal the dismissal of the TP ICAP defendants but have not as yet done so. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

Labour claims – ICAP Brazil

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda ('ICAP Brazil') is a defendant in 7 (31 December 2021: 8) pending lawsuits filed in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together the 'Labour Claims'). The Group estimates the maximum potential aggregate exposure in relation to the Labour Claims, including any potential social security tax liability, to be BRL 32m (£5m) (31 December 2021: BRL 47m (£6m)). The Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of four of the 7 Labour Claims insofar as they relate to periods prior to completion of the Group's acquisition of ICAP. This includes a claim that is indemnified by a predecessor to ICAP Brazil by way of escrowed funds in the amount of BRL 28m (£4m). Apart from an estimated loss of £0.1m which has been provided for, the Labour Claims are at various stages of their respective proceedings and are pending an initial witness hearing, the court's decision on appeal or a ruling on a motion for clarification. The Group intends to contest liability in each of these matters and to vigorously defend itself. Unless otherwise noted, it is not possible to predict the ultimate outcome of these actions.

Flow case – Tullett Prebon Brazil

In December 2012, Flow Participações Ltda and Brasil Plural Corretora de Câmbio, Títulos e Valores ('Flow') initiated a lawsuit against Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio and Tullett Prebon Holdings do Brasil Ltda alleging that the defendants have committed a series of unfair competition misconducts, such as the recruitment of Flow's former employees, the illegal obtaining and use of systems and software developed by the plaintiffs, as well as the transfer of technology and confidential information from Flow and the collusion to do so in order to increase profits from economic activities. The amount currently claimed is BRL 354m (£55m) (31 December 2021: BRL 295m (£39m)). The Group intends to vigorously defend itself but there is no certainty as to the outcome of these claims. Currently, the case is in an early evidentiary phase and awaiting the commencement of expert testimony.

LIBOR Class actions

The Group is currently defending the following LIBOR related actions:

(i) Stichting LIBOR Class Action

On 15 December 2017, the Stichting Elco Foundation, a Netherlands-based claim foundation, filed a writ initiating litigation in the Dutch court in Amsterdam on behalf of institutional investors against ICAP Europe Limited ('IEL'), ICAP plc, Cooperative Rabobank U.A., UBS AG, UBS Securities Japan Co. Ltd, Lloyds Banking Group plc, and Lloyds Bank plc. The litigation alleges manipulation by the defendants of the JPY LIBOR, GBP LIBOR, CHF LIBOR, USD LIBOR, EURIBOR, TIBOR, SOR, BBSW and HIBOR benchmark rates, and seeks a declaratory judgment that the defendants acted unlawfully and conspired to engage in improper manipulation of benchmarks. If the plaintiffs succeed in the action, the defendants would be responsible for paying costs of the litigation, but each allegedly impacted investor would need to prove its own actual damages. It is not possible at this time to determine the final outcome of this litigation, but IEL has factual and legal defences to the claims and intends to defend the lawsuit vigorously. A hearing took place on 18 June 2019 on the Defendants' motions to dismiss the proceedings. On 14 August 2019 the Dutch Court issued a ruling dismissing ICAP plc from the case entirely but keeping certain claims against IEL relating solely to JPY LIBOR. On 9 December 2020, the Dutch Court issued a final judgement dismissing the Foundation's claims in their entirety. In March 2021, the Foundation filed a writ to appeal this final judgement which remains pending. The Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters.

(ii) Swiss LIBOR Class Action

On 4 December 2017, a class of plaintiffs filed a Second Amended Class Action Complaint in the matter of Sonterra Capital Master Fund Ltd. et al. v. Credit Suisse Group AG et al. naming as defendants, among others, TP ICAP plc, Tullett Prebon Americas Corp., Tullett Prebon (USA) Inc., Tullett Prebon Financial Services LLC, Tullett Prebon (Europe) Limited, Cosmorex AG, ICAP Europe Limited, and ICAP Securities USA LLC (together, the 'Companies'). The Second Amended Complaint generally alleges that the Companies conspired with certain bank customers to manipulate Swiss Franc LIBOR and prices of Swiss Franc LIBOR based derivatives by disseminating false pricing information in false run-throughs and false prices published on screens viewed by customers in violation of the Sherman Act (anti-trust) and RICO.

On 16 September 2019, the Court granted the Companies' motions to dismiss in their entirety. The plaintiffs appealed the dismissal to the United States Court of Appeals for the Second Circuit. Based upon a Second Circuit ruling in an unrelated case, the parties have jointly moved to remand the case to the United States District Court for the Southern District of New York for further proceedings. The case is now remanded to the S.D.N.Y. where the plaintiffs on 23 November 2022, filed a third amended complaint. In October 2022, the four 'ICAP' broker defendants (ICAP Europe Limited, ICAP Securities USA LLC, NEX Group plc and Intercapital Capital Markets LLC) reached a settlement in principle with the plaintiffs which has been approved on a preliminary basis by the Court. On 27 January 2023, the remaining 'Tullett' defendants (TP ICAP plc, Tullett Prebon Americas Corp, Tullett Prebon (USA) Inc., Tullett Prebon Financial Services LLC, Tullett Prebon (Europe) Limited and Cosmorex AG) filed a motion to dismiss the third amended complaint on various grounds including statute of limitations and failure to state a claim upon which relief can be granted. The Companies intend to contest liability in the matter and to vigorously defend themselves. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

(iii) Euribor Class Action

On 13 August 2015, the ICAP Europe Limited, along with ICAP plc, was named as a defendant in a Fourth Amended Class Action Complaint filed in the United States District Court by lead plaintiff Stephen Sullivan asserting claims of Euribor manipulation. Defendants briefed motions to dismiss for failure to state a claim and lack of jurisdiction, which were fully submitted as of 23 December 2015. On 21 February 2017, the Court issued a decision dismissing a number of foreign defendants, including ICAP Europe Limited and ICAP plc, out of the lawsuit on the grounds of lack of personal jurisdiction. Because the action continued as to other defendants, the dismissal decision for lack of personal jurisdiction has not yet been appealed. However, the plaintiffs announced on 21 November 2017 that they had reached a settlement with the two remaining defendants in the case. As a part of their settlement, the two bank defendants have agreed to turn over materials to the plaintiffs that may be probative of personal jurisdiction over the previously dismissed foreign defendants. The remaining claims in the litigation were resolved by a settlement which the Court gave final approval to on 17 May 2019. Plaintiffs filed a notice of appeal on 14 June 2019, appealing the prior decisions on the motion to dismiss and the denial of leave to amend. Defendants filed a cross-notice of appeal on 28 June 2019 appealing aspects of the Court's prior rulings on the motion to dismiss that were decided in the Plaintiffs' favour. These appeals have been stayed since August 2019 pending a ruling in an unrelated appellate matter involving similar issues. In December 2021, the unrelated appeal was decided and the stay of the appeal and cross appeal was lifted and commencing in May 2022 a briefing schedule was implemented. The motions have been fully briefed but the appeal and cross appeal are not anticipated to be ruled upon until some time in 2023. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact. The Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters.

ICAP Securities Limited, Frankfurt branch – Frankfurt Attorney General administrative proceedings

On 19 December 2018, ICAP Securities Limited, Frankfurt branch ('ISL') (now TP ICAP Markets Limited) was notified by the Attorney General's office in Frankfurt that it had commenced administrative proceedings against ISL and criminal proceedings against former employees and a former director of ISL, in respect of aiding and abetting tax evasion by Rafael Roth Financial Enterprises GmbH ('RRFE'). It is possible that a corporate administrative fine may be imposed on ISL and earnings derived from the criminal offence confiscated. ISL has appointed external counsel and is in the process of investigating the activities of the relevant desk from 2006-2009. This investigation is complicated as the majority of relevant records are held by NEX and NEX failed to disclose its engagement with the relevant authorities prior to the sale of ICAP to Tullett Prebon in 2016. The Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGGB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

ICAP Securities Limited and The Link Asset and Securities Company Limited – Proceedings by the Cologne Public Prosecutor

On 11 May 2020, TP ICAP learned that proceedings have been commenced by the Cologne Public prosecutor against ICAP Securities Limited ('ISL') (now TP ICAP Markets Limited) and The Link Asset and Securities Company Ltd ('Link') in connection with criminal investigations into individuals suspected of aiding and abetting tax evasion between 2004 and 2012. It is possible that the Cologne Public Prosecutor may seek to impose an administrative fine against ISL or Link and confiscate the earnings that ISL or Link allegedly derived from the underlying alleged criminal conduct by the relevant individuals. ISL and Link have appointed external lawyers to advise them. The Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGGB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL and Link are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

36. Contingent liabilities continued

Portigon AG and others v. TP ICAP Markets Limited and others

TP ICAP plc (now TP iCAP Finance plc) is a defendant in an action filed by Portigon AG in July 2021 in the Supreme Court of the State of New York County of Nassau alleging losses relating to certain so called 'cum ex' transactions allegedly arranged by the Group between 2005 and 2007. In June 2022, the Court dismissed the action for lack of personal jurisdiction. In July 2022, the plaintiffs filed a motion with the Court for reconsideration as well as a notice of appeal. Argument on the motion for reconsideration was held in January 2023 and the motion remains pending with the Court. The Group intends to contest liability in the matter and to vigorously defend itself. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

MM Warburg & CO (AG & Co.) KGaA and others v. TP ICAP Markets Limited, The Link Asset and Securities Company Limited and others

TP ICAP Markets Limited ('TPIM') and Link are defendants in a claim filed in Hamburg by Warburg on 31 December 2020, but which only reached TPIM and Link on 26 October 2021. The claim relates to certain German 'cum-ex' transactions that took place between 2007 and 2011. In relation to those transactions Warburg has refunded EUR 185 million to the German tax authorities and is subject to a criminal confiscation order of EUR 176.5 million. It has also been ordered to repay a further EUR 60.8 million to the German tax authorities and is subject to a related civil claim for EUR 48.8 million. Warburg's claims are based primarily on joint and several liability and are for compensation for the amount it has been ordered to pay to the tax authorities, the amount of the criminal confiscation order, the amount claimed against it in the civil claim and further indemnification and interest. TPIM and Link are contesting liability in the matter and the Group considers it is able to vigorously defend itself. Whilst it is not possible to predict the ultimate outcome of this action, the Group does not expect a material adverse financial impact on the Group's results or net assets as a result of this case.

Commodities and Futures Trading Commission-Bond issuances investigation

ICAP Global Derivatives Limited ('IGDL'), ICAP Energy LLC ('Energy'), ICAP Europe Limited ('IEL'), Tullett Prebon Americas Corp. ('TPAC'), tpSEF Inc. ('tpSEF'), Tullett Prebon Europe Limited ('TPEL') Tullett Prebon (Japan) Limited ('TPJL') and Tullett Prebon (Australia) Limited ('TPAL') are currently responding to an investigation by the CFTC in relation to the pricing of issuances utilising certain of TP ICAP's indicative broker pricing screens and certain recordkeeping matters including in relation to employee use of personal devices for business communications and other books and records matters. The investigation is still in the fact-finding phase and the Group is co-operating with the CFTC in its enquiries. It is not possible to predict the ultimate outcome of the investigation or to provide an estimate of any potential financial impact at this time. As the relevant matters that occurred prior to the Group's acquisition of the ICAP Global Broking Business ('IGBB') from ICAP were not disclosed to the Group prior to completion of the acquisition, the Group has initiated a court action against ICAP's successor company, NEX, for breach of warranty in respect of the ICAP entities.

Securities Exchange Commission Information Request

In October 2022, Liquidnet Inc. ('Liquidnet') received an inquiry from the Securities and Exchange Commission relating to, among other things, compliance with SEC Rule 15c3-5 and audit trail and access permissions to its ATS platforms. Liquidnet is still in the fact-finding phase and the Group is co-operating with the SEC in its enquiries. It is not possible to predict the ultimate outcome of the enquiry or to provide an estimate of any potential financial impact at this time.

General note

The Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of the complex regulatory, corporate and tax laws and practices of those territories. Accordingly, and as part of its normal course of business, the Group is required to provide information to various authorities as part of informal and formal enquiries, investigations or market reviews. From time to time the Group's subsidiaries are engaged in litigation in relation to a variety of matters. The Group's reputation may also be damaged by any involvement or the involvement of any of its employees or former employees in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, currently there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Group's results or net assets.

The Group establishes provisions for taxes other than current and deferred income taxes, based upon various factors which are continually evaluated, if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In the normal course of business, certain of the Group's subsidiaries enter into guarantees and indemnities to cover trading arrangements and/or the use of third-party services or software.

Supplier contractual disputes

The Group is party to numerous contractual arrangements with its suppliers some of which, in the normal course of business, may become subject to dispute over a party's compliance with the terms of the arrangement. Such disputes tend to be resolved through commercial negotiations but may ultimately result in legal action by either or both parties. The Group is currently in commercially sensitive discussions with a major supplier and until these discussions have been concluded it is not possible to provide an estimate of any potential financial impact.

37. Retirement benefits

(a) Defined benefit schemes

The Group has a defined benefit pension scheme in the UK and a small number of schemes operated in other countries. The overseas schemes are not significant in the context of the Group.

Balance sheet	2022 £m	2021 £m
UK Scheme	-	-
Overseas schemes – retirement benefit assets	1	1
Overseas schemes – retirement benefit obligations	(3)	(1)

Other comprehensive income	2022 £m	2021 £m
UK Scheme	1	2
Overseas schemes	(1)	1

(b) UK defined benefit scheme

The Group's UK defined benefit pension scheme is the defined benefit section of the Tullett Prebon Pension Scheme (the 'Scheme').

The Scheme is a final salary, funded pension scheme that is closed to new members and future accrual. For members still in service there was a continuing link between benefits and pensionable pay, up to the date the Scheme commenced wind-up. The Principal Employer is TP ICAP Group Services Limited.

During the year the Trustee completed the 'buy-out' of the Scheme's liabilities. During 2017, the Trustees of the Scheme purchased a bulk annuity policy with Rothesay Life, an insurance company, that covered all of the Scheme's liabilities ('buy-in'). The policy was in the name of the Scheme and was a Scheme asset. Under IAS 19 'Employee Benefits' the accounting value of the purchased policy is set to be equal to the value of the liabilities covered, calculated using the IAS 19 actuarial assumptions for the defined benefit obligation. During 2022, the Trustee completed the arrangements to transfer the Scheme's liabilities to Rothesay Life, with the insurer taking on direct responsibility for the provision of benefits. The contract-based policies of insurance held by the Scheme were cancelled and individual insurance policies issued to each beneficiary by Rothesay Life. The remaining assets of the Scheme are held separately from those of the Group in separate Trustee administered funds.

As the Scheme is in the process of being wound up, the latest funding actuarial valuation of the Scheme was carried out as at 30 April 2016 by independent qualified actuaries. The actuarial funding surplus of the Scheme at that date was £61m and under the agreed schedule of contributions the Group will continue not to make any payments into the Scheme.

The amounts included in the balance sheet arising from the Group's obligations in respect of the Scheme are as follows:

	2022 £m	2021 £m
Fair value of Scheme assets	45	257
Present value of Scheme liabilities	-	(211)
Defined benefit scheme surplus – UK	45	46
Impact of asset ceiling on UK scheme surplus:		
At 1 January	(46)	(49)
Offset against deemed interest income in the Income Statement	(1)	(1)
Credit to Other Comprehensive Income (application of asset ceiling – see below)	2	4
At 31 December	(45)	(46)
Recognised in the Consolidated Balance Sheet after application of the asset ceiling	-	-
Application of asset ceiling of defined benefit pension schemes	1	4
Remeasurement of the defined benefit pension scheme	-	(2)
Recognised in Other Comprehensive Income	1	2
Deferred tax liability (Note 21)	-	-

37. Retirement benefits continued

(b) UK defined benefit scheme continued

Under UK legislation, once a Scheme commences wind-up, the assets of the Scheme pass unconditionally to the Trustee to enable it to settle the Scheme's liabilities. As a result, the Group has applied the requirements of IFRIC 14, restricting the Group's recognition of the net surplus by applying an asset recognition ceiling. The asset ceiling is recorded in other comprehensive income.

During the wind-up period, the Group will continue to restrict the recognition of the net surplus. Costs associated with the settlement of the Scheme's liabilities are recorded as significant items in the Income Statement. Settlement costs amounted to £1m in 2022 (2021: £1m).

Following the full settlement of the Scheme's liabilities the Scheme will be wound up and the Sponsor expects to receive the remaining assets. Any repayment received will also be subject to applicable taxes at that time, currently 35%.

As at 31 December 2022, as a result of the buy-out, the Scheme did not have any pension obligations to value. In 2021, the main financial assumptions used by the independent qualified actuaries of the Scheme to calculate the liabilities under IAS 19 were:

	2021 %
Key assumptions	
Discount rate	1.8%
Expected rate of salary increases	n/a
Rate of increase in LPI pensions in payment ¹	3.3%
Inflation assumption	2.7%

¹ This applies to pensions accrued from 6 April 1997. The majority of current and future pensions receive fixed increases in payment of either 0% or 2.5%.

The mortality assumptions used in 2021 were based on standard mortality tables and allow for future mortality improvements and are the same as those adopted for the 2016 funding valuation. Assumptions for the Scheme are that a member who retires in 15 years' time at age 60 will live on average for a further 31.8 years after retirement if they are male and for a further 33.1 years after retirement if they are female. Current pensioners are assumed to have a generally shorter life expectancy based on their current age.

The amounts recognised in the income statement in respect of the Scheme were as follows:

	2022 £m	2021 £m
Deemed interest arising on the defined benefit pension scheme surplus	1	1
Impact of asset ceiling on UK scheme surplus	(1)	(1)
Recognised in the Consolidated Income Statement	-	-
Past service and settlement costs	(1)	(1)
Scheme's administrative costs	(1)	(1)
	(2)	(2)

The amounts recognised in other comprehensive income in respect of the Scheme were as follows:

	2022 £m	2021 £m
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	1	(1)
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	(1)	(11)
Actuarial gains arising from changes in financial assumptions	–	11
Actuarial losses arising from experience adjustments	–	(1)
Remeasurement of the defined benefit pension scheme	–	(2)

Movements in the present value of the Scheme liabilities were as follows:

	2022 £m	2021 £m
At 1 January	(211)	(226)
Deemed interest cost	(3)	(4)
Liabilities derecognised on buy-out	209	–
Actuarial gains arising from changes in financial assumptions	–	11
Actuarial losses arising from experience adjustments	–	(1)
Benefits paid/transfers	5	9
At 31 December	–	(211)

Movements in the fair value of the Scheme assets were as follows:

	2022 £m	2021 £m
At 1 January	257	275
Deemed interest income	4	5
Assets derecognised on buy-out	(209)	–
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	1	(1)
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	(1)	(11)
Benefits paid/transfers	(5)	(9)
Past service and settlements costs	(1)	(1)
Scheme's administrative costs	(1)	(1)
At 31 December	45	257

The major categories and fair values of the Scheme assets as at 31 December were as follows:

	2022 £m	2021 £m
Cash and cash equivalents	45	7
Government bonds	–	44
Insurance policies	–	206
Other receivables	–	–
At 31 December	45	257

The Scheme does not hedge against foreign currency exposures or interest rate risk.

The estimated amounts of contributions expected to be paid into the Scheme during 2022 is £nil (2021: £nil).

(c) Defined contribution pensions

The Group operates a number of defined contribution schemes for qualifying employees. The assets of these schemes are held separately from those of the Group.

The defined contribution pension cost for the Group charged to administrative expenses was £16m (2021: £16m), of which £9m (2021: £10m) related to overseas schemes.

As at 31 December 2022, there was £1m outstanding in respect of the current reporting year that had not been paid over to the schemes (2021: £1m).

38. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

The total amounts owed to and from associates and joint ventures at 31 December 2022 also represent the value of transactions during the year. The total amounts owed to and from related parties at 31 December 2022 are set out below:

	Amounts owed by related parties		Amounts owed to related parties	
	2022 £m	2021 £m	2022 £m	2021 £m
Associates	4	5	–	–
Joint ventures	1	–	(3)	(2)
Loans from related parties	–	–	–	(51)

In August 2020, the Group entered into a Yen 10bn committed facility with the Tokyo Tanshi Co., Ltd, a related party, that matures in February 2025. The loan for related parties is conducted on an arm's length basis. At 31 December 2022, the facility was undrawn.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

During the year, £1m (2021: £1m) of interest and fees was paid on loans from related parties.

Directors

Costs in respect of the Directors who were the key management personnel of the Group during the year are set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the individual Directors is provided in the audited part of the Report on Directors' Remuneration on pages 116 to 135.

	2022 £m	2021 £m
Short-term benefits	5	4
Social security costs	1	1
	6	5

39. Principal subsidiaries

At 31 December 2022, the following companies were the Group's principal subsidiary undertakings. A full list of the Group's undertakings, the country of incorporation and the Group's effective percentage of equity owned is set out in the listing on pages 212 to 217. All subsidiaries are involved in broking or information sales activities and have a 31 December year end.

Country of incorporation and operation	Principal subsidiary undertakings	Issued ordinary shares, all voting
Australia	Tullett Prebon (Australia) Pty Ltd	100%
Bermuda (operating in England)	PVM Oil Associates Limited	100%
Brazil	ICAP do Brasil Corretora de Títulos e Valores Mobiliários Ltda	100%
	Tullett Prebon Brasil Corretora de Valores e Cambio Ltda	100%
England	ICAP Energy Limited	100%
	ICAP Global Derivatives Limited	100%
	ICAP Information Services Limited	100%
	TP ICAP Markets Limited	100%
	Tullett Prebon (Europe) Limited	100%
	TP ICAP Group Services Limited	100%
	Liquidnet Europe Limited	100%
France	TP ICAP (Europe) S.A.	100%
Guernsey (operating in England)	Tullett Prebon Information Limited	100%
Hong Kong	Tullett Prebon (Hong Kong) Limited	100%
	Liquidnet Asia Limited	100%
Ireland	Liquidnet EU Limited	100%
Japan	Tullett Prebon (Japan) Limited	80%
Singapore	ICAP (Singapore) Pte Limited	100%
	TP ICAP Management Services (Singapore) Pte. Ltd.	100%
	Tullett Prebon (Singapore) Limited	100%
	PVM (Singapore) Pte. Ltd. (formerly PVM Oil Associates Pte. Ltd.)	100%
United States	TP ICAP Global Markets Americas LLC (formerly ICAP Corporates LLC)	100%
	ICAP Energy LLC	100%
	ICAP Information Services Inc.	100%
	ICAP Securities USA LLC	100%
	Tullett Prebon Americas Corp.	100%
	Tullett Prebon Financial Services LLC	100%
	Tullett Prebon Information Inc	100%
	Liquidnet Holdings Inc.	100%
	Liquidnet Inc.	100%

As at 31 December 2022, £18m (2021: £17m) is due to non-controlling interests relating to those subsidiaries that are not wholly owned. Movements in non-controlling interests are set out in Note 31(c). No individual non-controlling interest is material to the Group. There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities relating to these subsidiaries.

TP ICAP Group plc Shareholder Information

Financial calendar

TP ICAP Group plc Preliminary Results – 14 March 2023
Ex-dividend date for final dividend – 13 April 2023
Record date for final dividend – 14 April 2023
Final date for Dividend Reinvestment Plan election – 28 April 2023
Annual General Meeting – Wednesday 17 May 2023 at 2.15pm BST
Final dividend payment date (if dividend approved at AGM) – 23 May 2023

Dividends

A final dividend of 7.9p per ordinary share will be recommended to shareholders at the 2023 AGM.

Dividend mandate

Shareholders who wish their dividends to be paid directly into a bank or building society account should register their mandate via the shareholder portal at www.signalshares.com. You will need your investor code which can be found on your share certificate or dividend confirmation. Alternatively, contact Link Group (see below) for a dividend mandate form. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that shareholders' accounts are credited on the dividend payment date. For future dividends, the Company has in place a facility for payments to be made via CREST.

Dividend Reinvestment Plan ('DRIP')

The Company offers a DRIP, where your dividend can be reinvested in further TP ICAP Group plc shares through a specially arranged share dealing service. For further information contact Link Group whose contact details are set out below.

Shareholder information on the internet

The Company maintains an investor relations page on its website, www.tpicap.com, which allows access to both current and historic share price information, Directors' biographies, copies of Company reports, selected press releases and other useful investor information.

Registrar

Link Group act as the Company's registrars. As such administrative queries regarding your shareholding (including notifying a change of name or address, queries regarding dividend payments and the DRIP scheme, etc) are best directed to Link Group who can be contacted at:

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Email: shareholderenquiries@linkgroup.co.uk
Telephone: 0371 664 0300¹

¹ Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable International rate. Lines are open 9.00am – 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Many of our shareholders find that the easiest way to manage their shareholdings is online, using the free, simple and secure service provided by the Company's registrar, Link Group. To access and maintain your shareholding online, please register at www.signalshares.com

Shareholder security

TP ICAP encourages all shareholders to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company annual reports. If you receive any unsolicited investment advice, whether over the telephone, through the post or by email, you should;

- > Make sure you note the name of the organisation and, if possible, the name of the individual contacting you.
- > Check they are properly authorised by the FCA by visiting <https://register.fca.org.uk/> and www.fca.org.uk/consumers/report-scam-unauthorised-firm.

Any details of share dealing facilities that TP ICAP endorses will be included in the Company's mailings.

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 New Street Square
London EC4A 3HQ
United Kingdom
www.deloitte.com

Registered office

TP ICAP Group plc
22 Grenville Street
St Helier
Jersey
JE4 8PX

Telephone: +44 (0)1534 676720

Website: www.tpicap.com

TP ICAP Group plc is a company registered in Jersey with registered number 130617.

Group undertakings

Details of the Group's subsidiaries, which have been consolidated into the Group's results, and details of investments in associates are provided below. Unless otherwise stated, the undertakings below are wholly owned and the Group interest represents both the percentage held and voting rights, which are indirectly held by the Company.

Company name	Country of incorporation	Interest	Registered office address
ICAP Brokers Pty Limited	Australia		Level 27, 9 Castlereagh Street, Sydney, New South Wales, 2000, Australia
ICAP Futures (Australia) Pty Ltd	Australia		Level 27, 9 Castlereagh Street, Sydney, New South Wales, 2000, Australia
Liquidnet Australia Pty Ltd	Australia		Suite 2, Level 29, 9 Castlereagh Street, Sydney, New South Wales, 2000, Australia
TP ICAP Management Services (Australia) Pty Limited	Australia		Level 27, 9 Castlereagh Street, Sydney, New South Wales, 2000, Australia
Tullett Prebon (Australia) Pty Limited	Australia		Level 29, 9 Castlereagh Street, Sydney, New South Wales, 2000, Australia
PVM Data Services GmbH	Austria		Euro Plaza - Building G, Am Euro Platz 2, 1120 Vienna, Austria
ICAP (Middle East) W.L.L.	Bahrain	49%	PO Box 5488, 43rd Floor, 4301, West Tower, Bahrain Financial Harbour, Bahrain
Tullett Liberty (Bahrain) Co. W.L.L.	Bahrain	82.70%	PO Box 20526, Flat No.11, Building 104, 383 Road 2831, Manama 316, Bahrain
Liquidnet Bermuda Limited	Bermuda		Park Place, 55 Par-la-Ville Road, Hamilton HM11, Bermuda
PVM Oil Associates Ltd	Bermuda		Coson Corporate Services Limited, Cedar House, 3rd Floor, 41 Cedar Avenue, Hamilton HM12, Bermuda
ICAP do Brasil Corretora de Títulos e Valores Mobiliários Ltda	Brazil		Avenida das Américas, 3.500, Ed. Londres, 2º andar, Barra da Tijuca, Rio de Janeiro-RJ, CEP 22640-102, Brazil
Tullett Prebon Brasil Corretora de Valores e Câmbio Ltda.	Brazil		Rua São Tomé, 86, 21º andar, Vila Olímpia, São Paulo-SP, CEP 04551-030, Brazil
Tullett Prebon Holdings Do Brasil Ltda.	Brazil		Rua São Tomé, 86, 21º andar, Vila Olímpia, São Paulo-SP, CEP 04551-030, Brazil
Catrex Limited	British Virgin Islands		Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
LCM D Limited	British Virgin Islands		Citco B.V.I Limited, Fleming House, Wickhams Cay, PO Box 662, Road Town, Tortola, British Virgin Islands
Liquidnet Canada Inc.	Canada		79 Wellington Street West, TD South Tower, 24th Floor, Toronto, ON M5K 1K7
Tullett Prebon Americas Corp., Toronto Branch	Operating in Canada		1 Toronto Street, Suite 301, PO Box 20, Toronto, Ontario, M5C 2V6, Canada
Tullett Prebon Canada Limited	Canada		1 Toronto Street, Suite 308, PO Box 20, Toronto, Ontario, M5C 2V6, Canada
SIF ICAP Chile Holdings Ltda	Chile	50%	Magdalena 181 Piso 14 Las Condes, Santiago, Chile 7550055
SIF ICAP Chile SpA	Chile	40%	Magdalena 181 Piso 14 Las Condes, Santiago, Chile 7550055
Enmore Commodity Brokers (Shanghai) Co. Ltd.	China	49%	Room 720, Building 3, No. 999 Jinzhong Road, Changning District, Shanghai, China
ICAP Shipping (Shanghai) Co., Ltd.	China		Room 4169, 4th Floor, No. 4 Building, No.173 Handan Road, Hongkou District, Shanghai, China
Prebon Yamane International Limited, Shanghai Representative Office	Operating in China		Room 302, DBS Tower, No.1318, Lujiazui Ring Road, Shanghai, 200120, China
Tullett Prebon SITICO (China) Limited	China	33%	Room 1001, DBS Tower, No.1318, Lujiazui Ring Road, Shanghai, 200120, China
ICAP Colombia Holdings S.A.S.	Colombia	94.24%	Km 33 Via Sopo Aposentos C-64 Municipio Sopó, Cundinamarca, Colombia
SET-ICAP FX S.A.	Colombia	47.94%	Carrera 11 No. 93-46 - Oficina 403, Bogotá, Colombia
SET-ICAP Securities S.A.	Colombia	47.41%	Carrera 11 No. 93-46 - Oficina 403, Bogotá, Colombia
Vega-Chi Financial Technologies Limited	Cyprus		35, Le Corbusier, North side, 1st Floor, 3075 Limassol, Cyprus
ICAP Scandinavia, filial af TP ICAP (Europe) SA, Frankrig	Operating in Denmark		Rentemestervej 14, Copenhagen NV, DK-2400, Denmark
ICAP del Ecuador S.A.	Ecuador		Eloy Alfaro 2515 y Catalina Aldáz, N34-189, Quito, Ecuador

Company name	Country of incorporation	Interest	Registered office address
TP ICAP (Europe) SA	France		42, rue Washington, 75008 Paris, France
Astley & Pearce Deutschland GmbH	Germany		Stephanstrasse 14-16, 60313 Frankfurt am Main, Germany
ICAP Ltd. & Co. OHG	Germany		Stephanstrasse 14-16, 60313 Frankfurt am Main, Germany
Intermoney AP & Co. Geld-und Eurodepotmakler OHG	Germany	74.67%	Stephanstrasse 3, 60313 Frankfurt am Main, Germany
TP ICAP (Europe) S.A., Frankfurt Branch	Operating in Germany		Mainzer Landstrasse 1, Frankfurt, 60329, Germany
ICAP US Holdings No 1 Limited	Gibraltar		Suite 1, Burns House, 19 Town Range, Gibraltar
ICAP US Holdings No 2 Limited	Gibraltar		Suite 1, Burns House, 19 Town Range, Gibraltar
Tullett Prebon Information Limited	Guernsey, Operating in UK		Third floor, Cambridge House, Le Truchot, St Peter Port, GY1 1WD, Guernsey
ICAP (Hong Kong) Limited	Hong Kong		20/F, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong
ICAP Securities Hong Kong Limited	Hong Kong		20/F, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong
Liquidnet Asia Limited	Hong Kong		24th Floor, 28 Hennessy Road, Wanchai, Hong Kong
TP ICAP Management Services (Hong Kong) Limited	Hong Kong		21/F, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong
Tullett Prebon (Hong Kong) Limited	Hong Kong		21/F, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong
ICAP IL India Private Limited	India	40%	Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai, 400051, Maharashtra, India
P.T. Inti Tullett Prebon Indonesia	Indonesia	57.52%	Menara Dea, Tower 2, 12th floor - Suite 1202, Mega Kuningan area, Jalan Mega Kuningan Barat Kav. E4.3 No. 1-2, Jakarta 12950, Indonesia
PT Electronic IDR Exchange (In liquidation)	Indonesia	49%	Menara Dea, Tower 2, 12th floor - Suite 1202, Mega Kuningan area, Jalan Mega Kuningan Barat Kav. E4.3 No. 1-2, Jakarta 12950, Indonesia
Liquidnet EU Limited	Ireland		Digital Office Centre, 12 Camden Row, Dublin 8, D08 R9CN Ireland
Louis Capital Markets Israel Limited	Israel		45 Rothschild Boulevard, 6578403 Tel-Aviv, Israel
Central Totan Securities Co. Ltd	Japan	20%	4-4-10, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022 Japan
ICAP Energy (Japan) Limited	Japan		Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Liquidnet Japan, Inc.	Japan		Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Totan ICAP Co., Ltd.	Japan	40%	7th Floor, Totan Muromachi Building, 4-4-10 Nihonbashi Muromachi, Chuo-ku, Tokyo, 103-0022, Japan
TP ICAP (Japan) Co., Ltd. (in liquidation)	Japan		Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
tpSEF Inc., Tokyo Branch	Operating in Japan		Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Tullett Prebon (Japan) Limited	Japan	80%	Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Tullett Prebon Energy (Japan) Limited	Japan		Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Tullett Prebon ETP (Japan) Ltd	Japan	80%	Akasaka Tameike Tower 4th Floor, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
TP ICAP Holdings Ltd *	Jersey		22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands
Tullett Prebon Money Brokerage (Korea) Limited	Korea, Republic of		6th Floor, Douzone Eulji Tower, 29 Eulji-ro, Jung-gu, Seoul, Korea
ICAP (Malaysia) Sdn. Bhd	Malaysia	58.30%	802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
ICAP Bio Organic S. de RL de CV	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico
Plataforma Mexicana de Carbono S. de R.L. de C.V.	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico
SIF Agro S.A. De C.V.	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico

Group undertakings
continued

Company name	Country of incorporation	Interest	Registered office address
SIF ICAP Derivados, S.A. DE C.V.	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico
SIF ICAP Servicios, S.A. de C.V.	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico
SIF ICAP, S.A. de C.V.	Mexico	50%	Paseo de la Reforma No 255, Piso 7, Colonia Cuauhtemoc, 06500 D F Mexico, Mexico
ICAP Energy AS, Netherlands Branch	Operating in the Netherlands		Vijzelstraat 68, office 109, 1017HL Amsterdam, the Netherlands
ICAP Holdings (Nederland) B.V.	Netherlands		Coengebouw - Suite 8.02, Kabelweg 37, Amsterdam, 1014 BA, Netherlands
ICAP Latin American Holdings B.V.	Netherlands		Coengebouw - Suite 8.02, Kabelweg 37, Amsterdam, 1014 BA, Netherlands
iSwap Euro B.V.	Netherlands	50.10%	Vijzelstraat 68, office 109, 1017HL Amsterdam, the Netherlands
Prebon Holdings B.V.	Netherlands		Coengebouw - Suite 8.02, Kabelweg 37, Amsterdam, 1014 BA, Netherlands
TP ICAP (Europe) S.A., Netherlands Branch	Operating in the Netherlands		Vijzelstraat 68, office 109, 1017HL Amsterdam, the Netherlands
ICAP New Zealand Limited	New Zealand		Level 12, 36 Customhouse Quay, Wellington, 6000, New Zealand
ICAP African Brokers Limited	Nigeria	66.30%	Plot 1679, 4th Floor, African Re-Insurance Building, Karimu Kotun Street, Victoria Island, Lagos State, Nigeria
ICAP Energy AS	Norway		Fantoftvegen 2, 5072 Bergen, Norway
TP ICAP (Europe) S.A., Norway Branch	Operating in Norway		Fantoftvegen 2, 5072 Bergen, Norway
Datos Técnicos, S.A.	Peru	50%	Pasaje Acuña 106 - Lima, Peru
ICAP Management Services Limited, Philippine Branch	Operating in Philippines		14th Floor, A.T. Yuchengco Centre, 26th and 25th Sts., Bonifacio South, Bonifacio Global City, Fort Bonifacio, Taguig City, 1634, Philippines
ICAP Philippines Inc. (In liquidation)	Philippines	99.90%	14th Floor, A.T. Yuchengco Centre, 26th and 25th Sts., Bonifacio South, Bonifacio Global City, Fort Bonifacio, Taguig City, 1634, Philippines
Tullett Prebon (Philippines) Inc.	Philippines	51%	14th Floor, A.T. Yuchengco Centre, 26th and 25th Sts., Bonifacio South, Bonifacio Global City, Fort Bonifacio, Taguig City, 1634, Philippines
Tullett Prebon (Polska) S.A.	Poland		00-684 Warszawa, ul. Wspólna 47/49, Poland
ICAP (Singapore) Pte. Ltd.	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
ICAP Energy (Singapore) Pte Ltd	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
Liquidnet Singapore Pte. Ltd.	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
Noranda Investments Pte Ltd	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
PVM (Singapore) Pte. Ltd.	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
TP ICAP Holdings (Singapore) Pte. Ltd	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
TP ICAP Management Services (Singapore) Pte. Ltd	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
Tullett Prebon (Singapore) Limited	Singapore		50 Raffles Place, #39-00, Singapore Land Tower, 048623, Singapore
Tullett Prebon Energy (Singapore) Pte. Ltd.	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
Garban South Africa (Pty) Limited	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurst, Sandton, 2196, South Africa
ICAP Broking Services South Africa (Pty) Ltd	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurst, Sandton, 2196, South Africa
ICAP Holdings South Africa (Pty) Limited	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurst, Sandton, 2196, South Africa
ICAP Securities South Africa (Proprietary) Limited	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurst, Sandton, 2196, South Africa
Tullett Prebon South Africa (Pty) Limited	South Africa		19 Impala Road, Block A GF, Chislehurst, Sandton, 2196, South Africa
Corretaje e Informacion Monetaria y de Divisas SA	Spain	21.47%	Principe de Vergara nº 131, 3rd floor, 28002 Madrid, Spain.

Company name	Country of incorporation	Interest	Registered office address
ICAP Energy AS, Spain Branch	Operating in Spain		Avenida de la vega 1 Edificio Veganova 2 Planta 5 Oficina Este 28108 Madrid
TP ICAP (Europe) S.A., Madrid Branch	Operating in Spain		Paseo de la Castellana, 95 Torre Europa Pl 10B, 28046 Madrid, Spain
Tullett Prebon (Europe) Limited, Spanish Branch	Operating in Spain		Paseo de la Castellana, 95 Torre Europa Pl 10B, 28046 Madrid, Spain
Cosmorex AG, in Liquidation	Switzerland		C/o Afrag AG, Dufourstrasse 58, Zweigniederlassung in Zollikon, 8702 Zollikon, Switzerland
TP ICAP Broking Limited, Geneva Branch	Operating in Switzerland		Quai de l'Île 13, Level 3, Geneva, CH-1204, Switzerland
ICAP Securities Co., Ltd.	Thailand		No. 55 Wave Place Building, 13th Floor, Wireless Road, Khwaeng Lumpini, Khet Patumwan, Bangkok, 10330, Thailand
ICAP-AP (Thailand) Co., Ltd.	Thailand		No. 55 Wave Place Building, 13th Floor, Wireless Road, Khwaeng Lumpini, Khet Patumwan, Bangkok, 10330, Thailand
Nextgen Holding Co., Ltd.	Thailand	99.96%	No. 55 Wave Place Building, 13th Floor, Wireless Road, Khwaeng Lumpini, Khet Patumwan, Bangkok, 10330, Thailand
Altex-ATS Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ClearCompress Limited	UK		10 Fleet Place, London, EC4M 7QS, England
Cleverpride Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Coex Partners Limited	UK		10 Fleet Place, London, EC4M 7QS, England
Emsurge Limited	UK	20%	1 Garrick Close, Hersham, Walton-On-Thames, KT12 5NY, England
Exco Bierbaum AP Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Exco International Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Exco Nominees Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Exco Overseas Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Garban Group Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Garban International	UK		135 Bishopsgate, London, EC2M 3TP, England
Garban-Intercapital (2001) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Garban-Intercapital US Investments (Holdings) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Garban-Intercapital US Investments (No 1) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Harlow (London) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP America Investments Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Energy Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Europe Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Global Broking Finance Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Global Broking Investments	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Global Derivatives Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Holdings (Asia Pacific) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Holdings (EMEA) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Holdings (UK) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Information Services Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Management Services Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP UK Investments No. 1	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP UK Investments No. 2	UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP Securities USA LLC, UK Branch	Operating in UK		135 Bishopsgate, London, EC2M 3TP, England
ICAP WCLK Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
iSwap Euro Limited	UK	50.10%	135 Bishopsgate, London, EC2M 3TP, England
iSwap Euro B.V., UK Branch	Operating in UK	50.10%	135 Bishopsgate, London, EC2M 3TP, England
iSwap Limited	UK	50.10%	135 Bishopsgate, London, EC2M 3TP, England

Group undertakings
continued

Company name	Country of incorporation	Interest	Registered office address
LCM Europe Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
LiquidityChain Limited	UK	85%	10 Fleet Place, London, EC4M 7QS, England
Liquidnet Europe Ltd	UK		135 Bishopsgate, London, EC2M 3TP, England
Liquidnet Technologies Europe Ltd	UK		135 Bishopsgate, London, EC2M 3TP, England
Louis Capital Markets UK LLP	UK		135 Bishopsgate, London, EC2M 3TP, England
Midcap Partners Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
OTAS Technologies Holdings Ltd	UK		135 Bishopsgate, London, EC2M 3TP, England
Patshare Limited	UK	50%	135 Bishopsgate, London, EC2M 3TP, England
Prebon Group Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Prebon Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Prebon Yamane International Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
PVM Oil Associates Ltd, UK Branch	Operating in UK		135 Bishopsgate, London, EC2M 3TP, England
PVM Oil Futures Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
PVM Smart Learning Limited	UK	50%	1 The Lockers, Bury Hill, Hemel Hempstead, HP1 1SR, England
Research Exchange Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Research Supply Co. Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
The Link Asset and Securities Company Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP (Europe) S.A., UK Branch	Operating in UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Asia Pacific Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Broking Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Dormant Co Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP EMEA Investments Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Finance plc *	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Global Markets Americas LLC, UK Branch	Operating in UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Group Services Limited			135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Latin America Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Markets Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon (Equities) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon (Europe) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon (No. 3) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon (UK) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon Administration Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon Group Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon Latin America Holdings Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon Pension Trustee Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Zodiac Seven Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP (Dubai) Limited	United Arab Emirates		Unit 107 & 108, Level 1, Gate Village Building 1, DIFC, PO Box 506787, Dubai, UAE
Atlas Physical Grains, LLC	US		211 E. 7th Street, Suite 620, Austin, Texas, 78701-3218, United States
Coex Partners Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Exco Noonan Pension LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
First Brokers Securities LLC	US	40%	1209 Orange Street, Wilmington, Delaware, 19801, United States
ICAP Energy LLC	US		421 West Main Street, Frankfort, Kentucky, 40601
ICAP Global Broking Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ICAP Information Services Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ICAP Media LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States

Company name	Country of incorporation	Interest	Registered office address
ICAP Merger Company LLC	US		80 State Street, Albany, New York, 12207, United States
ICAP North America Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ICAP Securities USA LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ICAP SEF (US) LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ICAP Services North America LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
iSwap US Inc.	US	50.10%	251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Liquidnet Holdings, Inc.	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Liquidnet, Inc.	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Liquidnet, LLC	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Louis Capital Markets LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
M.W. Marshall Inc.	US		80 State Street, Albany, New York, 12207, United States
OTAS Technologies USA, LLC	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Portend, LLC	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Prattle Analytics, LLC	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
PVM Futures Inc.	US		Princeton South Corporate Center, Suite 160, 100 Charles Ewing Blvd, Ewing, New Jersey, 08628, United States
PVM Oil Associates Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
PVM Petroleum Markets LLC	US		211 E. 7th Street, Suite 620, Austin, Texas, 78701-3218, United States
Quiet Signal, Inc	US		1209 Orange Street, Wilmington, Delaware, 19801, Kent County
Revelation Holdings, Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
SCS Energy Corp.	US		80 State Street, Albany, New York, 12207, United States
TP ICAP Americas Holdings Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
TP ICAP Global Markets Americas LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
tpSEF Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Tullett Prebon Americas Corp.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Tullett Prebon Financial Services LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Tullett Prebon Information Inc.	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Wrightson ICAP LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, United States

* Directly held.

Appendix – Alternative Performance Measures

Alternative performance measures ('APMs') are complementary to measures defined within International Financial Reporting Standards ('IFRS') and are used by management to explain the Group's business performance and financial position. They include common industry metrics, as well as measures which management and the Board consider are useful to enhance the understanding of its performance and allow meaningful comparisons between periods and Business Segments. The APMs reported are monitored consistently by the Group to manage performance on a monthly basis.

APMs are defined below. Commentary and outlook based on these APMs considered important in measuring the delivery of the Group's strategic priorities that can be found on pages 20 to 35 of the Annual Report. Detailed reconciliations of APMs to their nearest IFRS Income Statement equivalents and adjusted APMs can be found in this section, if not readily identifiable from the Annual Report.

The APMs the Group uses are:

Term	Definition
Adjusted EBIT	Earnings before net interest, tax significant items and share of equity accounted investments' profit after tax. Used interchangeably with adjusted operating profit.
Adjusted EBIT margin	Adjusted EBIT margin is adjusted EBIT expressed as a percentage of reported revenue and is calculated by dividing adjusted EBIT by reported revenue for the year.
Adjusted EBITDA	Earnings before net interest, tax, depreciation, amortisation of intangible assets, significant items and share of equity accounted investments' profit after tax.
Adjusted performance	Measure of performance excluding the impact of significant items.
Constant Currency	Comparison of current year results with the prior year will be impacted by movements in foreign exchange rates versus GBP, the Group's presentation currency. In order to present a better comparison of underlying performance in the period, the Group retranslates foreign denominated prior year results at current year exchange rates.
Contribution	Contribution represents revenue less the direct costs of generating that revenue. Contribution is calculated as the sum of Broking contribution and Parameta Solutions contribution.
Contribution margin	Contribution margin is contribution expressed as a percentage of reported revenue and is calculated by dividing contribution by reported revenue.
Divisional contribution	Represents Divisional revenues less Divisional front office costs, inclusive of the revenue and front office costs internally generated between Global Broking, Energy & Commodities and Parameta Solutions.
Divisional contribution margin	Divisional contribution margin is Divisional contribution expressed as a percentage of Divisional revenue and is calculated by dividing Divisional contribution by Divisional revenue.
Earnings	Used interchangeably with Profit for the year.
EBIT	Earnings before net interest and tax.
EBITDA	Earnings before net interest, tax, depreciation, amortisation of intangible assets and share of equity accounted investments' profit after tax.
Significant Items	Items that distort year-on-year comparisons, which are excluded in order to improve predictability and understanding of the underlying trends of the business, to arrive at adjusted operating and profit measures.

A1. Operating costs by type

	IFRS Reported £m	Significant Items £m	Adjusted £m	Allocated as Front Office £m	Allocated as Support £m
2022					
Employment costs	1,320	(24)	1,296	1,028	268
General and administrative expenses	506	(32)	474	324	150
	1,826	(56)	1,770	1,352	418
Depreciation and impairment of PPE and ROUA	58	(9)	49	-	49
Amortisation and impairment of intangible assets	98	(65)	33	-	33
Impairment of other assets	-	-	-	-	-
	1,982	(130)	1,852	1,352	500
2021					
Employment costs	1,152	(12)	1,140	914	226
General and administrative expenses	476	(56)	420	249	171
	1,628	(68)	1,560	1,163	397
Depreciation and impairment of PPE and ROUA	68	(16)	52	-	52
Amortisation and impairment of intangible assets	82	(52)	30	-	30
Impairment of other assets	-	-	-	-	-
	1,778	(136)	1,642	1,163	479

A2. Adjusted earnings per share

The earnings used in the calculation of adjusted earnings per share are set out below:

	2022 £m	2021 £m
Adjusted profit for the year (Note 4)	197	151
Non-controlling interest	(3)	(3)
Adjusted earnings	194	148
Weighted average number of shares for Basic EPS (Note 11)	779.1	759.3
Adjusted Basic EPS	24.9p	19.5p
Weighted average number of shares for Diluted EPS (Note 11)	790.6	768.2
Adjusted Diluted EPS	24.5p	19.3p

A3. Adjusted EBITDA and Contribution

	2022 £m	2021 £m
Adjusted EBIT (Note 4)	275	233
Add: Depreciation of PPE and ROUA (Note 5 and A1 above)	49	52
Add: Amortisation of intangibles (Note 5 and A1 above)	33	30
Adjusted EBITDA	357	315
Less: Operating income (Note 6)	(30)	(10)
Add: Operating income reported as significant items (Note 4)	18	-
Add: Management and support costs (A1)	418	397
Contribution	763	702

Glossary

AGM Annual General Meeting	Deloitte Deloitte LLP	ICAP ICAP Global Broking and Information Business, acquired by TP ICAP plc on 30 December 2016	Pillar 1 Minimum capital requirements under CRD IV
AMF Autorité des marchés financiers	DRIP Dividend Reinvestment Plan	IFR/IFD Investment Firm Regulation and Investment Firm Directive	Pillar 2 Supervisory review requirements under CRD IV
APAC Asia Pacific	EBITDA Earnings before interest, tax, depreciation and amortisation	IFPR Investment Firms Prudential Regime	Pillar 3 Disclosure requirements under CRD IV
API Application Programme Interface	EMEA Europe, Middle East and Africa	IFRS International Financial Reporting Standard	PVM PVM Oil Associates Ltd and its subsidiaries
BEIS UK government Department for Business, Energy & Industrial Strategy	EPS Earnings per Share	IRS Internal Revenue Service	RCF Revolving Credit Facility
Board The Board of Directors of TP ICAP Group plc	ERMF Enterprise Risk Management Framework	ISDA International Swaps and Derivatives Association	RFQ Request for Quotes
BRC TP ICAP Group plc Board Risk Committee	ESG Environmental, Social, and Governance	Jersey Jersey, Channel Islands	RoE Return on Equity
CAGR Compound Annual Growth Rate	EU European Union	JFSC Jersey Financial Services Commission	SEF Swap Execution Facility
CAPEX Capital expenditure	FCA Financial Conduct Authority	KPI Key Performance Indicator	TCFD Task Force on Climate-related Financial Disclosures
CCP Central counterparty clearing house	FRC Financial Reporting Council	Liquidnet Liquidnet Holdings, Inc. and subsidiaries	TRACE Trade Reporting And Compliance Engine
CGU Cash-Generating Unit	FX Foreign Exchange	LCM Louis Capital Markets UK LLP	TSR Total Shareholder Return
CLOB Central Limit Order Books	Governance Manual TP ICAP's Group Governance Manual	LIBOR London Inter-Bank Offered Rate	UK United Kingdom
Code The UK Corporate Governance Code 2018	GRCGC Group Risk, Conduct, and Governance Committee	LTIP Long-Term Incentive Plan	US/USA United States of America
COEX Coex Partners Limited and its subsidiaries	Group From 26 February 2021 TP ICAP Group plc and its subsidiaries	LTIS Long-Term Incentive Scheme	USD/US\$ US Dollars
Company TP ICAP Group plc	HMRC His Majesty's Revenue & Customs	MiFID II Markets in Financial Instruments Directive	US GAAP US Generally Accepted Accounting Principles
COO Chief Operating Officer	HR Human Resources	OPEX Operating expenditure	VAT Value Added Tax
CRD IV Capital Requirements Directive	IAS International Accounting Standards	OTC Over the Counter	VIU Value in use
CREST Certificateless Registry for Electronic Share Transfer			



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