Annual Report and Accounts 2021

WE CONNECT

WORLDWIDE

27
countries

5,300
employees, including 2,700 brokers

6
core premium brands

THROUGH A FULL RANGE OF BROKING PROTOCOLS

High Touch | Low Touch

WE CO

ACROSS ALL MAJOR ASSET CLASSES

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

OUR CLIENTS

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

DATA AND ANALYTICS

A world-leading provider of scarce OTC pricing data and information

NNECT

THE VALUE OF CONNECTION

+ Liquidity is increased
+ Prices are discovered
+ Execution is best
+ Decisions are informed
+ Risk is managed
+ Investment strategies are realised
+ Innovation is sparked
+ Sustainable economic growth is advanced
+ Positive societal impact is achieved
+ Rewarding careers are built
+ Global capital markets function efficiently and effectively

Our purpose

We provide access to global financial and commodities markets, improving price discovery, flow of liquidity and distribution of data, working with and supporting the communities in which we operate and facilitating economic growth.

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Overview

TP ICAP is a leading market infrastructure and information provider

We connect clients seamlessly and responsibly across the world's financial, energy and commodities markets. In so doing, we enhance market access, increase efficiencies and create opportunities.

Connections are at the heart of what we do. We combine our people's know-how with the latest technology to improve price discovery, trade execution, liquidity and data flow.

Connections create strength. Through them, we help our clients manage risk, to realise their investment strategies and expand the scope for growth.

And connections act as a catalyst, sparking richer solutions for our clients to break new ground, modernising markets for future performance and creating dynamic careers for our people.

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

TP ICAP. We connect.

TP ICAP at a glance

INVESTMENT CASE

Global connectivity and highly respected brands
We have long-established relationships with both top tier global investment banks and investment institutions, supported by deep electronic connectivity. Our brands are recognised globally for their high quality of products, solutions and client service.

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

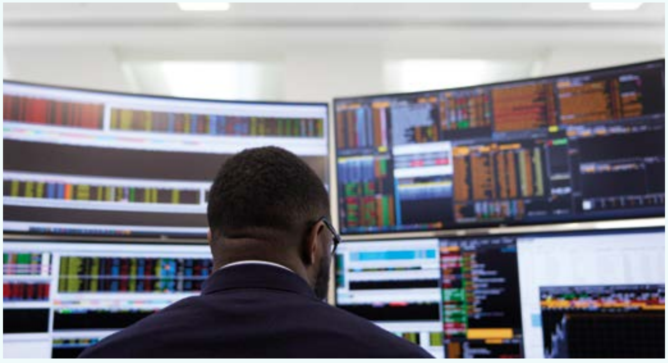
Leading-edge technology
We continuously invest in technology to improve our clients' experience and our profitability.

Innovative electronic trading
We use next-generation fintech to power our electronic trading and liquidity network, connecting the world's market participants through our platforms and venues.

Unique data solutions
We are the world's leading provider of scarce, neutral OTC pricing data and analytics solutions. From this position of strength, we are well placed to develop new data and information products that provide clients with greater insight. We distribute our offering to a growing client base through a range of channels, from innovative cloud-based technology, to channel partners, or directly via our webstore.

Trusted expertise
The outstanding market expertise of our employees, across a wide range of asset classes and complex financial instruments, is widely relied upon and highly valued by market participants globally.

GLOBAL LEADER



Our People lie at the heart of our Group. Diverse in their skills, experience and backgrounds, our colleagues are united in their collective drive to deliver the best outcomes for clients.

Our Purpose is to provide access to global financial and commodities markets, improving price discovery, flow of liquidity and distribution of data, working with and supporting the communities in which we operate and facilitating economic growth.

Our Vision is to establish TP ICAP as a leading electronic market infrastructure and information provider.

Our Mission is to meet more needs, of more clients, more effectively by combining the skills and know-how of our employees with the latest technology to improve price discovery, trade execution, liquidity and data flow.

Our Values connect our colleagues and form the foundation on which we build our culture. They are: honesty, integrity, respect and excellence.

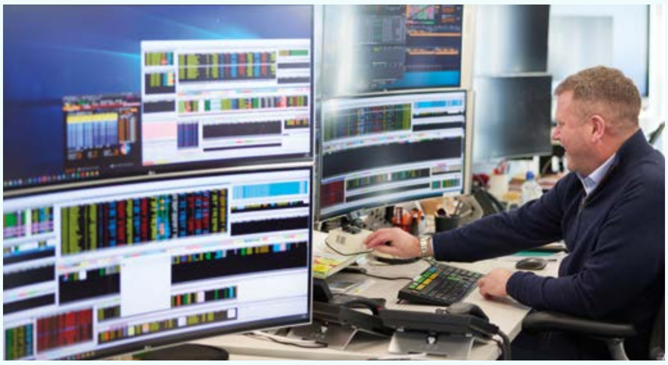
Three regions
Americas
EMEA
Asia Pacific

60+ offices globally

London HQ

FTSE 250

ONE GROUP, FOUR DIVISIONS, SIX CORE BRANDS



Global Broking
Services markets in Rates, FX & Money Markets, Emerging Markets, Equities and Credit products. In 2021, Global Broking generated 58% of total Group revenues.

tullett prebon ICAP

Energy & Commodities
Services markets in oil, gas, power, renewables, other energy-related products, precious and non-precious metals and soft commodities. In 2021, Energy & Commodities generated 20% of total Group revenues.

tullett prebon ICAP PVM

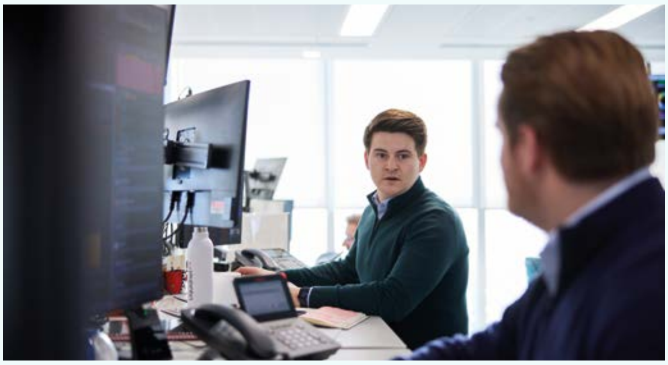
Agency Execution
Provides broking, execution and electronic trading services to a range of global investment institutions, covering a broad range of asset classes. In 2021, Agency Execution generated 13% of total Group revenues.

COEX PARTNERS Liquidnet

Parameta Solutions
Provides independent OTC real-time pricing data to enable clients to analyse, record, trade and manage their portfolios, complemented by a broad range of fintech post-trade solutions. In 2021, Parameta Solutions generated 9% of total Group revenues.

PARAMETA SOLUTIONS

AWARDS



GlobalCapital Global Derivatives Awards
TP ICAP – Interdealer Broker of the Year
Tullett Prebon – Equity Derivatives Interdealer Broker of the Year
Tullett Prebon – FX Derivatives Interdealer Broker of the Year
ICAP – Interest Rate Derivatives Interdealer Broker of the Year
ICAP – Credit Derivatives Interdealer Broker of the Year

THE TRADE
Parameta Solutions – Outstanding Market Data Provider
Liquidnet – Best Dark Pool Capabilities

THE TRADE Algorithmic Trading Survey, Hedge Funds
Liquidnet – #1 Algo provider in the area of reduced market impact and outperformed the category average in 12 of the 15 areas surveyed

European Markets Choice Awards
Parameta Solutions – Best Post Trade Services

Environmental Finance Annual Market Rankings
ICAP – Weather Risk Management Broker for Europe and North Americas

Waters Rankings
Liquidnet – Best Algorithmic Trading Provider

The Desk Trading Intentions Survey
Liquidnet – #1 Platform in all-to-all trading

2021 highlights

FINANCIAL

Revenue – reported[1]

2021	1,865
2020	1,794
2019	1,833
2018	1,763

£1,865m

Contribution – adjusted[2]

2021	702
2020	680
2019	694
2018	679

£702m

Operating profit (EBIT) – reported

2021	97
2020	178
2019	142
2018	93

£97m

Operating profit (EBIT) – adjusted[2]

2021	233
2020	272
2019	279
2018	276

£233m

Operating profit (EBIT) margin – reported

2021	5.2
2020	9.9
2019	7.7
2018	5.3

5.2%

Operating profit (EBIT) margin – adjusted[2]

2021	12.5
2020	15.2
2019	15.2
2018	15.7

12.5%

Profit before tax – reported

2021	24
2020	129
2019	93
2018	62

£24m

Profit before tax – adjusted[2]

2021	177
2020	223
2019	230
2018	245

£177m

Basic EPS – reported

2021	0.7
2020	15.4
2019	10.7
2018	5.1

0.7p

Basic EPS – adjusted[2]

2021	19.5
2020	29.3
2019	30.2
2018	30.5

19.5p

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

2 Adjusted figures are Alternative Performance Measures ('APM') that are defined and explained on pages 20 to 35.

STRATEGIC

- We are transforming our business through technology. By pivoting our broking businesses from high touch to low touch activity, we improve profitability. We also enhance the client experience by giving them easier access to our aggregated global liquidity.
- In addition, to deliver higher and better-quality earnings we are expanding and diversifying our activities and client base.
- In 2021, our transformation programme continued at pace:
  - Global Broking: 20% of in-scope revenue is now live on our electronic execution platform, Fusion (55% of revenue in scope)
    - FX: c.35% of in-scope revenue on Fusion (c.90% of revenue in scope)
    - Rates: c.15% of in-scope revenue on Fusion (c.80% of revenue in scope).
  - Energy & Commodities: c.60% of total revenue in scope. Launched pilot Fusion Energy screen with clients.
  - The Group completed the acquisition of Liquidnet, a global buy-side focussed electronic Equities and Credit trading network. We have broadened Liquidnet's distribution footprint, enhanced the Equities offering, launched Liquidnet Primary Markets, and will launch a broad-based dealer-to-client offering by mid-2022.
  - Parameta Solutions: continued to launch higher margin products, new distribution channels and diversify its client base.

OPERATIONAL

- The Group successfully concluded its redomiciliation from the UK to Jersey, delivering tangible capital benefits.
- Programme to save £35m of annualised costs by the end of 2021 (announced in 2020) achieved, delivering £19m of incremental savings in 2021.
- Liquidnet cost synergies: £12m achieved in 2021, exceeding target of £5m, and raising 2023 total synergy target from £20m to at least £25m of annualised savings.
- Property rationalisation programme to deliver £14m of annualised cost savings by the end of 2024.
- Completed a successful debt refinancing to realise finance cost savings of £4m per annum from 2022 onwards.

DIVIDEND

5.5p

Final dividend of 5.5 pence per share recommended for 2021, and payable to shareholders on 17 May 2022

9.5p +58%

Total dividend for the year of 9.5 pence per share (2020: 6p (rebased to take into account the bonus element of the rights issue completed in February 2021), an increase of 58%

2x

Dividend policy targets dividend cover of c.2 times on adjusted post-tax earnings (50% pay-out ratio)

The value of connection

Connection forges links and enhances mutual benefits. It also implies strength – a linked network carries more weight than a single entity. Connection and collaboration act as a catalyst for innovation. And to connect is to time it right, to be accurate. Through TP ICAP's capacity to connect, we seek to harness these four qualities – enhancement, strength, innovation and accuracy – for the benefit of our clients, partners and stakeholders.

ENHANCEMENT
LANDMARK SOLAR DEAL REALISES MUTUAL BENEFITS

Case study
As the world rapidly moves to a low carbon economy, we recognise we have a vital role to play in accelerating this shift by supporting our clients in their transition journeys.

We have long been at the forefront of helping clients trade renewable energy. In 2021, we extended this track record when ICAP completed a landmark solar power deal in Australia that brought together a renewable energy provider and a reinsurance company participant with a fixed agreement for the first time.

The value of connection
By connecting the solar power company with the reinsurance company, we enabled both sides of the transaction to benefit. The power company has the certainty of a fixed price in a highly volatile market, which means they can manage future investment in the solar plant with confidence. 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.

How we will continue to connect
The renewable energy market is dynamic. Our connectivity means we can help clients navigate the changes and take advantage of this burgeoning new industry. This is reflected in our revenue mix: in 2021, revenues from environmental products in our Energy & Commodities business increased by 40% compared to 2020.

STRENGTH
PARTNERSHIPS POWER DIGITAL ASSETS OFFERING

Case study
In 2019, we launched a new offering enabling clients to trade crypto currency derivatives. We developed this by being close to our clients and recognising their growing demand to trade digital assets. These relationships enabled us to work with our clients to understand their needs and concerns before establishing this new desk. Building on this success, in 2022 we will launch a new electronic platform that will enable our clients to trade spot digital assets.

The value of connection
Following extensive discussions with clients, we discovered that many had been prevented from accessing the digital assets markets due to limitations in market infrastructure. We responded by replicating the market infrastructure with which clients were already familiar for the new digital asset class.

How we will continue to connect
We have partnered with other blue-chip financial services institutions to provide an offering that gives our clients the confidence and means to trade, invest and access this growing segment of the market. To build our offering, we continue to connect more blue-chip partners to our digital assets ecosystem. The collective outcome is impactful: an emerging market that is moving mainstream.

INNOVATION
AUTOMATING THE LIFECYCLE OF A BOND

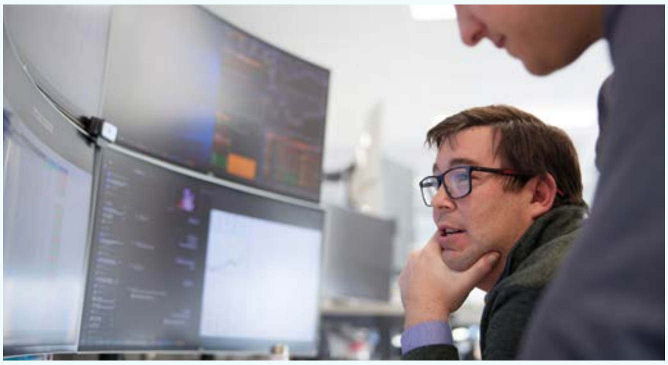
Case study
In September 2021, we launched Liquidnet Primary Markets – an original solution to a long-standing problem.

Bond issuance is one of the last parts of the capital markets to electronify, so the process was largely manual, error prone and time consuming for all market participants. Liquidnet Primary Markets solves this problem by automating this process. Now syndicate banks can automatically send new issue information to investors' order management systems (OMS). Investors can also send orders directly to the syndicate banks. In addition, clients can trade new issues electronically from their OMS, so improving price formation and liquidity in the market. This represents a new protocol for grey-market trading of new bonds ahead of first settlement date.

The value of connection
Collaboration for this project was critical – we were looking to address a specific issue that affected our clients, so we needed their input to ensure we created a bespoke, relevant solution. To realise our plans, we combined the buy-side expertise of Liquidnet and its clients and the sell-side expertise of TP ICAP and its clients. The result is an original, truly market-driven solution.

How we will continue to connect
Ultimately, our goal is to electronify the full lifecycle of a bond. This is a multi-stage goal that we will achieve by connecting and working with market participants from both the buy-side and sell-side. For example, in January 2022 we introduced a new feature to Liquidnet Primary Markets that allows investors to communicate directly with the syndicate banks via their order management and execution management systems as part of the book building process. This was achieved through collaboration with the order management and execution management systems providers.

ACCURACY
DATA-DRIVEN RISK MANAGEMENT



Case study
Parameta Solutions' clients made clear to us their concerns about the quality and lack of coverage of OTC derivatives transactions pricing they received from existing third parties, given that current regulation requires them to prove fair value of their assets in their risk management processes.

Responding to this need, we launched Bond Evaluated Price, an original solution that augments transparency and helps clients to meet their priorities, whether that be quality, consistency or independence.

The value of connection
Working with our clients was central to identifying and responding to their need for accuracy. Following the success of Bond Evaluated Price, we launched FX Evaluated Price, built using the same principles of data quality, consistency and transparency. This enables clients to access observable pricing in the FX markets, which is critical for price discovery and valuation of portfolios. The input granularity is helpful for traders and portfolio managers, allowing them to make more confident trading and risk-related decisions, while the transparency fields help clients meet reporting obligations.

How we will continue to connect
Our teams are in regular contact with our clients to ensure that we continue to meet their needs. The existing evaluated price products have landed well, and we have plans to launch similar products for Rates, Credit, Equity Derivatives and for Energy & Commodities asset classes. The renewal rate of more than 98% for Parameta Solutions' subscription services reflects the value clients assign to connection.

STRATEG
REPORT

Our transformation
We are transforming our business through technology, and by expanding and diversifying our activities and client base.
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Broker for the transition
We believe the best way to support the transition to an inclusive and low-carbon economy is to apply our core strengths as a business.
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Chair's statement

Dear fellow shareholder

Despite 2021 being another remarkably challenging year, TP ICAP achieved significant corporate milestones. With the ongoing COVID-19 pandemic, financial markets remained somewhat subdued for large parts of the year. However, in the first quarter we successfully concluded two significant transactions – the corporate restructure and the redomicile of TP ICAP Group plc to Jersey and the rights issue and acquisition of Liquidnet. In November, we also concluded a successful refinancing exercise of the Group's debt.

Although markets were quieter in the first half of the year, we did see an increase in activity in the second half as the trading community started returning to their offices and secondary trading volumes picked up, before home working guidance was widely re-introduced once again in response to the Omicron wave. COVID-19 and restrictions in travel have also impacted the implementation of our Brexit transition plans. Despite these challenges we have been able to service our EU clients effectively throughout the year.

Trading and dividend

Reported revenues for the Group were £1,865m in 2021 (2020: £1,794m), up 4% against 2020 (8% higher on a constant currency basis). On a statutory basis, reported EBIT was £97m (2020: £178m), while adjusted EBIT was £233m (2020: £272m).

In line with our previously announced dividend policy, the Board is pleased to recommend a final dividend of 5.5 pence per share to be paid on 17 May 2022 and with a record date of 8 April 2022. This brings the total dividend for the year to 9.5 pence per share, 58% ahead of 2020.

Purpose and culture

We continue to reinforce our compelling business proposition in line with our three strategic pillars – electronification, aggregation and diversification. We encourage a collaborative and entrepreneurial culture, recognising that this is fundamental to our long-term success. At the same time, we have important responsibilities to our stakeholders and to society as a whole: TP ICAP will succeed only if we have the highest standards of governance and behaviours and a responsible approach to how we do business. As an organisation, we continually emphasise and reinforce our core values of honesty, integrity, respect and excellence.

Our strategy

The Board and I remain convinced that we have the right strategy to transform the Group and in time to drive higher and more sustainable shareholder returns. We continue to evolve and enhance our services and operations in line with our clients' needs, the ever-evolving markets in which we operate and the changing regulatory landscape.

This was demonstrated by the acquisition of Liquidnet, which is highly complementary to the Group and will provide compelling new growth opportunities as we accelerate our strategy. Integration of Liquidnet is progressing at pace, with material cost synergies achieved and key senior appointments made.

Importantly, we are executing our growth plans for both the Equity and Credit businesses. We launched the Liquidnet Primary Markets platform during the second half of 2021 and in 2022 we expect to generate revenue in Credit following the launch of a dealer-to-client platform.

After adopting a more prudent approach in 2020, given the uncertainties presented by the pandemic, we have increased the pace of investment in our wider strategic programme over the last year. Of the new offerings and tools under development, we are particularly excited by our Fusion strategy, and the opportunity that it presents to drive electronification and liquidity aggregation in the Global Broking and Energy & Commodities businesses.

The Board is focused on execution of the Group's strategy with precision, and oversight of the programme is particularly important. We regularly monitor progress against strategic milestones. The teams have worked hard to ensure that strategic delivery stays on track: I am pleased by the progress to date, with several new products due to launch in 2022.

Sustainability

TP ICAP continues to place great importance on our Environmental, Social and Governance ('ESG') credentials. We saw a step-change for the Group in 2021, with the appointment at the beginning of the year of Tracy Clarke as Non-executive ESG Engagement Director, followed by the appointment of our first Group Head of Sustainability. As you will be able to see in our new Sustainability report on pages 56 to 74, we have put a renewed focus on corporate sustainability and our sustainability strategy. Of particular note is our net zero commitment, as are our ESG KPIs. The Board will continue to be highly engaged in monitoring these KPIs and our other ESG disclosures, while overseeing the execution and delivery of our new sustainability strategy and commitments.

By incorporating relevant climate-level risks into the Group's overall Enterprise Risk Management Framework we have further re-enforced the linkage between our climate commitments and TP ICAP's future sustainability. Also, for the first time, we have included Task Force on Climate-Related Financial Disclosures ('TCFD') in our environmental disclosures on page 68.

Our firm commitment to the highest levels of corporate governance remains, and this is essential to the Group's long-term success. The Governance Report on pages 86 to 151 provides further detail, including our compliance with the UK Corporate Governance Code.

Stakeholder engagement

Over the last year it has been particularly important to understand the views and concerns of our colleagues. The ongoing Non-executive Director engagement programme was supported by a number of employee surveys, the details of which are set out on pages 49 to 51.

We have also set out on page 53 a case study on the extensive consultation process we undertook with shareholders in relation to the development of the new Directors' Remuneration Policy.

"We continue to evolve and enhance our services and operations in line with our clients' needs, the ever-evolving markets in which we operate, and the changing regulatory landscape"

This will be put forward for approval at the Annual General Meeting in May 2022. I welcome our regular engagement with investors and thank them for their support over the last year.

Board changes

Tracy Clarke and Kath Cates were appointed to the Board as Non-executive Directors early in 2021. Roger Perkin and Angela Knight stepped down from the Board at the conclusion of the 2021 Annual General Meeting, and on that date Angela Crawford-Ingle took on the role of the Audit Committee Chair, Tracy Clarke the Remuneration Committee Chair, Kath Cates the Risk Committee Chair and Michael Heaney became Senior Independent Director. All four have quickly settled into their roles.

I was delighted in December to announce the appointment of Louise Murray as a new Non-executive Director of the Board and member of the Audit and Nominations & Governance Committees. Louise brings considerable buy-side experience to the Board, and I have no doubt she will contribute greatly to the Board's discussions and deliberations, in particular those in relation to Liquidnet and the delivery of our diversification strategy.

Last year I reiterated the Board's commitment to the diversity of its membership. The Company met the Parker Review ethnicity representation target some years ago and it is pleasing that, with Louise's appointment, 36% of our Board is female, which means we have now met the Hampton Alexander female representation target. I believe we have a Board with the right knowledge, skills, diversity and experience to respond to the challenges presented to it and to promote TP ICAP's future success. I appreciate that we have still more work to do with regard to ensuring the Group has a similar level of women in executive leadership positions; diversity and inclusion remain high on the Board's and Executive Directors' agenda.

Conclusion and looking ahead

Our priority remains the well-being and safety of our colleagues, and they in turn have been instrumental in our efforts to ensure continuity of service to our clients. I thank them on behalf of the Board for their hard work, agility and unwavering commitment during 2021, a year in which we have delivered milestone corporate transactions, considerable progress on our strategy, and resilient financial results in spite of the wider challenges.

Given the ongoing global macro uncertainty, we look forward with caution. Challenges still exist, not least as the post-Brexit landscape continues to iterate, the impact of COVID-19 restrictions continue to be felt in certain of our locations, and we continue to work through the wider implications of the terrible conflict in Eastern Europe.

In the longer term, I am confident that we have the right strategy in place and that the business will go from strength to strength as it executes its strategy and delivers increasing shareholder value.

Richard Berliand
Board Chair
15 March 2022

CONNECTED CONTENT
Stakeholder engagement
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Chief Executive Officer's review

Overview – advancing our transformation

Through a mixed operating environment, TP ICAP demonstrated the inherent strengths of its broking franchise, improving overall market share. Our Data & Analytics business once again delivered double-digit revenue growth. Importantly, we made material progress to improve the Group's operational efficiency, as well as advancing our strategic transformation which, once complete, will establish TP ICAP as a leading electronic market infrastructure and information provider.

2021 achievements included:

- Implementing Fusion – our proprietary, award-winning OTC electronic platform – on more FX and Rates desks in Global Broking. Fusion is already live on desks comprising 20% of in-scope Global Broking 2021 revenue;
- Progressing the roll out of Fusion Energy to brokers and clients in Energy & Commodities;
- Completing the acquisition of Liquidnet to materially accelerate the execution of our strategy;
- Enhancing Liquidnet's offering since completion by broadening its distribution footprint, strengthening its Equities offering and launching an industry first in Credit – Liquidnet Primary Markets;
- Successfully executing the Liquidnet integration and realising cost synergies ahead of the original target;
- Delivering double-digit revenue growth in our Data & Analytics business within Parameta Solutions;
- Redomiciling our holding company, providing tangible capital benefits;
- Commencing a programme to rationalise our property footprint to reduce future premises-related costs;
- Refinancing our debt to reduce future finance costs; and
- Achieving our £35m annualised cost savings target, with further savings targeted.

Our progress throughout the year means that TP ICAP is now better connected to the world's capital markets than at any point in our history. We have strong and long-held relationships with the world's leading investment banks. Through Liquidnet, we have a network of more than 1,000 buy-side clients. Right across the Group, we have top-tier talent and technology. We are therefore uniquely positioned to connect buyers and sellers of financial, energy and commodity products across both the sell-side and the buy-side.

> Our progress throughout the year means that TP ICAP is now better connected to the world's capital markets than at any point in our history.

Connectivity matters because it provides the deep liquidity pools clients need to discover prices and transact efficiently. In turn, order and trade information makes us a world-leading source for rare OTC market data, which our clients need to make better decisions. Fundamentally, the better we connect, the more relevant and valuable our offering becomes to wholesale market participants, which positions the Group well to deliver increased returns to shareholders over time.

Financial performance

2021 market activity was muted throughout the first six months, before a pick-up in volumes in the second half, partly driven by rising energy prices and the re-emergence of inflation in the final quarter.

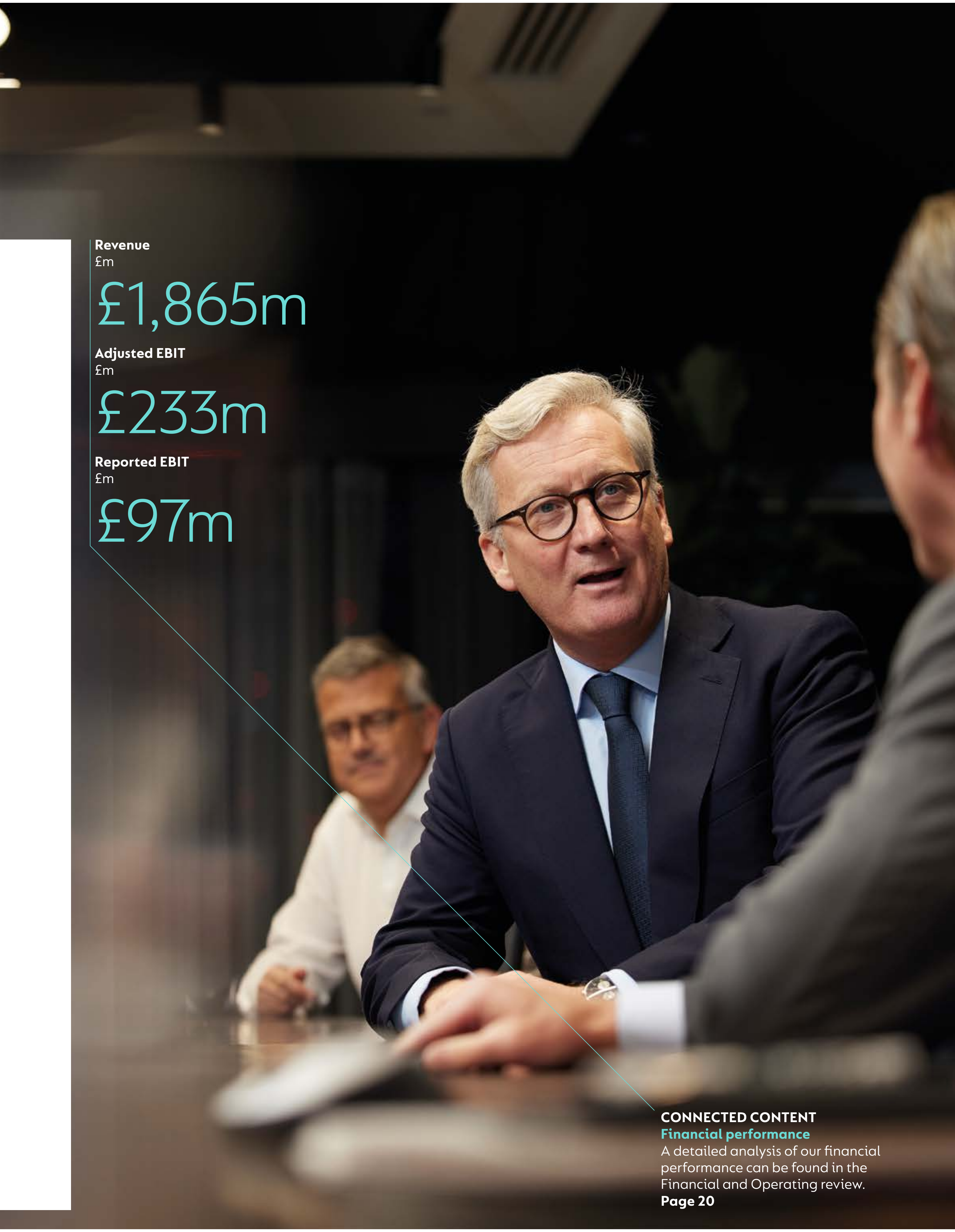
In this context, our overall revenue performance has been resilient, delivering £1,865m in 2021, 8%[1] higher than the prior year. Excluding Liquidnet, which achieved revenues of £159m, revenues were 1% lower than the prior year, in line with our guidance of being broadly in line with 2020.

Whilst revenues held up well, Group adjusted EBIT for the year was £233m, down 9% against the prior year. Excluding Liquidnet's adjusted EBIT loss for the year of £2m, which reflected investment in its growth strategy, Group adjusted EBIT was £235m, down 8% against the prior year. This decrease reflects the revenue mix in our Global Broking division, where we saw lower revenues in our largest and most profitable asset class – Rates – compared to strong revenue performance in our Equities asset class, which has a lower contribution margin. Adjusted EBIT margin was 12.5%, down from 14.8% (in constant currency) in 2020, while adjusted profit before tax was £177m (2020: £223m).

Reported EBIT was £97m, 40% lower than the prior year (46% lower on a reported basis), with a reported EBIT margin of 5.2% (2020: 9.9%). Reported profit before tax was £24m, down from £129m in 2020. Basic reported earnings per share ('EPS') were 0.7p (2020: 15.4p).

A detailed analysis of our financial performance can be found in the Financial and Operating Review on pages 20 to 35.

1 All percentage movements quoted are in constant currency, unless otherwise stated.



Revenue
£m

£1,865m

Adjusted EBIT
£m

£233m

Reported EBIT
£m

£97m

CONNECTED CONTENT
Financial performance
A detailed analysis of our financial performance can be found in the Financial and Operating review.
Page 20

Operational efficiency – building a streamlined platform for growth

We took several steps to improve the operational efficiency of the business, starting in February 2021 when we redomiciled our holding company from the UK to Jersey, Channel Islands. Then in November 2021, we completed a successful debt refinancing that will realise annual finance cost savings of £4m from 2022 onwards.

Turning to Liquidnet, upon completion of the acquisition we identified a cost synergies target of £20m by 2023. We are ahead of schedule, having already delivered £12m of savings in 2021 and we are increasing our overall target for 2023 from £20m to at least £25m. Linked to Liquidnet, we have also launched a programme to rationalise our property footprint, which will lead to annualised savings of approximately £14m by the end of 2024.

We reorganised our front office and support functions and achieved our £35m annualised cost savings target, which helped to partly offset the negative contribution impact of a shift in revenue mix in Global Broking. The programme delivered £19m of savings in 2021 and we are targeting an incremental £11m of savings by the end of 2024. In aggregate, we are targeting total Group savings of £25m in 2022.

Turning to Brexit, whilst COVID-19 restrictions prevented us from executing our transition plans in full, they did not prevent us from continuing to serve our EU clients effectively throughout the year. Looking ahead, we will continue to monitor and adapt our approach to reflect changes in regulation and in our clients' operating models – for example, existing London-based clients relocating certain businesses to Europe.

Strategic execution: electronification, aggregation and diversification

At our Capital Markets Day in December 2020, we outlined the case for the strategic transformation of our Group. Our subsequent transformation programme has three strategic pillars:

- Electronification – Migrating our broking activities from high touch to low touch;
- Aggregation of liquidity – Giving clients easy and efficient access to the Group's global liquidity pools; and
- Diversification – Expanding our business towards the buy-side and users of market information.

Deploying state-of-the-art technology is critical to executing the electronification and aggregation pillars of our strategy in Global Broking and Energy & Commodities. This is a multi-year programme that we commenced in 2021 and plan to complete by 2025. Once complete, our clients will benefit from a single sign-on, fully-customisable electronic platform from which they can access our global liquidity pools across all products, all asset classes, all regions and all our brands. We have developed this platform internally and branded it Fusion. Reflecting its quality, Risk magazine has recognised it as best-in-class, awarding it 'OTC Platform of the Year' for 2022.

TP ICAP's Fusion strategy is critical to the transformation of the earnings profile of our Global Broking and Energy & Commodities businesses. By implementing Fusion, we aim to progressively shift the profile of our broking activity from high touch (i.e. a high level of broker involvement in completing a transaction) to low touch (i.e. fully or mostly electronic execution workflow) channels, thereby improving operating margins.

The majority of Fusion's development and implementation requirements are concentrated in the 2021-2023 period. Importantly, the rollout of Fusion for a given product will typically be followed by some degree of client connectivity (e.g. API, desktop user interface) and user outreach work. We expect liquidity to develop thereafter.

As the Fusion strategy progresses, we anticipate the pace of transition from high touch to low touch workflows to vary by product segment. For example, in products where liquidity tends to be continuous – such as highly commoditised on-the-run government bonds – low touch volume should develop rapidly. As a result, the mix of broking revenue in this product should shift quickly toward low touch (and higher margin) channels.

In other areas, where instruments are less commoditised (e.g. swaptions) and/or liquidity is sporadic (such as interest rate swaps), we expect low touch liquidity to develop more slowly. We also expect a lower share of transaction volume and broking revenue than is achievable in comparatively liquid, commoditised product segments. As such, Fusion's rollout prioritises product areas that represent relatively large revenue pools, and/or have a high potential to shift towards low touch transaction formats.

Agency Execution
The acquisition of Liquidnet accelerates achievement of our strategic aims. Liquidnet is a world-leading electronic trading network, with state-of-the-art workflow and transaction technology, and deep connectivity to more than 1,000 buy-side clients.

Since closing the acquisition in March 2021, we have developed plans to unlock unrealised potential in the Equities franchise. In Fixed Income, we are well advanced in executing a broad-based strategy to develop an attractive electronic Credit trading and information ecosystem – addressing both buy-side and dealer needs – with innovative Primary Market offerings already launched (and enhanced since launch) and with exciting Secondary Markets rollout plans for 2022.

Parameta Solutions
In April 2021, we launched the Parameta Solutions brand.

Parameta Solutions comprises our Data & Analytics and Post Trade Solutions businesses. Giving Parameta Solutions a distinct identity better equips the business to define itself in the marketplace and accelerate the execution of its strategy, which comprises three core elements:

> Go beyond providing raw data by developing new higher value products;
> Expand its client base, focusing particularly on the buy-side; and
> Enhance its distribution capabilities, which includes increasing the number of channel partners such as well-established cloud providers.

Business divisions review

Global Broking – the world's largest inter-dealer broker

Reflecting the impact of mixed market conditions on its wholesale client base, at £1,105m, Global Broking's 2021 revenue was down 1% in constant currency compared to 2020. However, relative to our listed peers, the division's overall market share increased. Global Broking's enduring franchise strength, and critical role in providing its dealer client base with the global liquidity pools necessary for managing market risk, was recognised as the 'Inter-dealer Broker of the Year' in GlobalCapital's 2021 Global Derivative Awards.

The strategic priority for Global Broking is to build on this position of strength by deploying state-of-the-art technology and migrating execution capabilities onto low touch protocols. Electronic workflow and transaction channels improve client experience, increase the stickiness of customer relationships, and improve productivity and operating margins.

The scope of the 2021-2025 programme to electronify and aggregate liquidity – namely Fusion – covers activity in the Rates, FX, Credit and Emerging Markets asset classes. In aggregate, the plans address product segments comprising c.55% of Global Broking revenue[1]. Global Broking's Equities business is weighted toward specific types of activity and in predominantly exchange-listed instruments, and although the asset class will benefit from the Fusion platform, the potential for structural transformation is lower than in the other asset classes.

The initial stages of our Global Broking Fusion roadmap focus on our largest asset classes – Rates and FX – where approximately 80% and 90% of revenue respectively is in scope for electronification. In Credit, approximately 70% of revenue is in scope. In Emerging Markets, where a local desk will broker transactions in several asset classes, approximately 25% of revenue is in scope for receiving a platform.

1 All percentages are based on 2021 revenue.

As at the end of 2021, Fusion has been implemented on desks comprising c.20% of total in-scope Global Broking revenue, including c.15% and 35% of in-scope revenue in Rates and FX, respectively. Over the course of 2022, we expect to introduce Fusion on desks comprising a further 20%-25% of in-scope revenue (c.20% in Rates and c.30% in FX). The Fusion Credit rollout has not been a focus of 2021-2022, as it will leverage the Liquidnet Credit initiative.

2021 Fusion Rates achievements included adding both the ICAP Sterling and Euro inflation segments to the platform, including both periodic and all-day volume matching. In Fusion FX, volume matching in G10 forwards was rolled out on client desktops in EMEA and the US. In addition, the platform build process for the 1-month Asian Non-Deliverable Forward (NDF) offering was completed.

Over the course of 2021, we also continued to develop existing platform offerings. In FX options for example, we recently introduced volume matching functionality, which is already producing attractive early trade flows. And in interest rate options, we added functionality to allow more efficient trading of multi-leg strategies, for both the Tullett Prebon and ICAP brands in EMEA.

Looking ahead, in 2022 we plan to further extend the reach of the Fusion platform. In Fusion Rates, we will complete our cross-product and cross-brand offering of GBP products. By the end of the year, we plan to have all ICAP and Tullett Prebon's inflation and interest rate swaps activity in the GBP market live on Fusion, with both central limit order book ('CLOB') and volume matching protocols. We will also introduce Tullett Prebon EUR inflation to Fusion with volume matching and CLOB protocols, and add CLOB functionality for the ICAP EUR inflation offering, building on the 2021 launch of volume matching.

In Fusion FX, we will focus on the client connectivity and user education elements of commercialising the 1-month Asian NDF platform. The 1-month Asian NDF market is highly electronic. The TP ICAP platform targets market participants looking to achieve large size risk transfer, which we believe will be a distinct and attractive addition to the 1-month market structure. Importantly, the client connectivity established for 1-month NDFs – which will take advantage of TP ICAP's new API strategy – is expected to support faster and easier client adoption for subsequent Fusion launches across all asset classes.

Impact: How Fusion realises the benefits of low touch on profitability

As the range of liquidity pools and trading protocols available on Fusion expands and matures, the share of low touch volume within Global Broking's overall activity mix is expected to grow, progressively and proportionately improving operating margins.

Our confidence in achieving our aims stems from the success we have seen to date with our mature low touch platforms, and the high level of client engagement and progressive volume growth that we have seen with our newer launches. We provide some illustrative examples of both mature and maturing platforms below:

Platform #1:

> Platform maturity level: mature
> Products: interest rate options
> OTC liquidity characteristics: medium liquidity (large segment, but liquidity can be sporadic)
> Execution protocol: volume matching
> 2021 low touch revenue: 42% of total
> 2021 contribution margin c.20%pts higher than average

Platform #2:

> Platform maturity level: mature
> Products: on-the-run government bonds
> OTC liquidity characteristics: high liquidity
> Execution protocol: central limit order book
> 2021 low touch revenue 100% of total
> 2021 contribution margin c.25%pts higher than average

Platform #3:

> Platform maturity level: immature (late 2020)
> Products: interest rate options
> OTC liquidity characteristics: medium liquidity (large segment, but liquidity can be sporadic)
> Execution protocol: volume matching
> 2021 low touch revenue: 11% of total
> 2021 3%pts higher than average

Energy & Commodities – the world's leading E&C broking franchise

Like Global Broking, the first half of the year was characterised by extremely quiet markets. In the second half, we capitalised on the increase in energy market volatility that provided clients with trading opportunities. Against this backdrop, 2021 revenue performance of £370m was slightly lower (down 1% in constant currency) against a strong comparative period.

Our strategic aim for Energy & Commodities is to consolidate our global leadership position, particularly in Energy. To achieve this, we have continued to invest in electronifying our business and offering our clients aggregated liquidity across our three market-leading brands: PVM, Tullett Prebon and ICAP. We have branded this process Fusion Energy.

The scope of the 2021-2025 Fusion Energy programme covers broking activity comprising c.60% of Energy & Commodities revenue and embraces a wide range of products, from Oils – where TP ICAP has a leading market share – to Environmentals.

Brokered Energy markets are far less electronified than the Financial markets, from pre- to post-trade activities. The Oils segment is amongst the least electronified. As such, a critical stage of the Fusion Energy project is the internal rollout of a sophisticated new order management system (OMS), which will capture all orders and trades electronically. Benefits will include:

> Aggregation of our internal liquidity for increased efficiency of price dissemination amongst brokers;
> Provision of a real-time data stream, which Parameta Solutions can commercialise; and
> Linking the OMS with the client Fusion front end to enable a fully low touch client transaction execution experience.

In Oils, E&C's largest product segment, c.70% of 2021 revenue is in scope. We expect to have the OMS fully rolled out for Oils, capturing all order and trade data, over the course of 2022.

In Environmentals, close to 80% of 2021 segment revenue is in scope. Environmentals activity (e.g., emissions credit trading) is growing rapidly and is a segment in which TP ICAP is looking to establish a leading position. To that end, in September 2021 we launched Fusion Energy's first client-facing screen, for the Norwegian green certificates market. Approximately 50 users log in on a weekly basis. At present, the screen is read-only, but we expect to roll out client execution capability in 2022.

We are also leveraging our market-leading connectivity to innovate and unlock emerging revenue opportunities. For example, in June 2021, we announced our plan to launch an industry first: a wholesale spot trading venue for cryptoassets. The platform will feature an electronic marketplace for spot cryptoasset trading, as well as providing connectivity and post-trade infrastructure into a network of blue-chip digital asset custodians. Several well-known market makers will be on the platform from launch, which we expect to be by the end of Q2 2022, subject to regulatory approval. Ahead of this, we are already receiving significant client interest in the offering, commensurate with a growing demand for a quality, trusted institutional provider.

Innovation is also driving the development of environmental products as the world pivots to a low carbon economy. Primarily through our Energy & Commodities and Parameta Solutions divisions, we are well placed to accompany our clients in their transition journeys, helping to provide the necessary market infrastructure, liquidity and data to accelerate their move from brown to green in a sustainable way. For example, in 2021 we orchestrated a landmark deal in Australia, bringing together a solar power and reinsurance company. Additionally, in February 2022 we launched a new Energy broking desk in Brazil, where 80% of energy produced is from renewables.

Our ambition relating to ESG is to be recognised as the broker for the transition. In 2021, we made good progress towards achieving this goal, as demonstrated by a 40% year-on-year increase in revenues derived from environmental products. Furthermore, we won the bid to host the UK National Grid Power interconnector auctions on our platform, while the ICAP Weather desk was named best Weather Risk Management Broker for Europe and North Americas in Environmental Finance's Annual Market Rankings 2021.

The acquisition of Liquidnet accelerates our strategic transformation

Agency Execution – a full-service agency broker for the buy-side
Our Agency Execution division is formed of Liquidnet – an electronic trading and information network with a global Equities and Credit footprint – and COEX, which provides institutional clients with a high touch agency brokerage offering.

Revenues for Agency Execution were £246m for the year, up 180% against the prior year in constant currency. Excluding Liquidnet, revenues were down 1%. Liquidnet achieved £159 million of revenues over the period since acquisition (23 March 2021).

Our focus in Agency Execution in 2021 has been threefold: integrate Liquidnet into the Group; expand our offering to meet the changing needs of our clients; and invest in strategic growth opportunities.

Liquidnet's integration is on track. Cost synergies are ahead of target and we have developed and started to execute plans to grow the business.

The acquisition of Liquidnet accelerates our strategic transformation. Liquidnet has deep electronic connectivity to more than 1,000 buy-side clients, with an established Equities franchise and a growing Fixed Income business. The combination of Liquidnet's buy-side expertise and client base with TP ICAP's established sell-side relationships and deep pools of liquidity, provides us with sizeable growth opportunities in both Equities and via dealer-to-client trading in Credit and Rates.

Turning first to Equities, we believe the full potential of this established franchise has yet to be realised. We are therefore enhancing and broadening our offering. Developments during the year include:

> Growing distribution by leveraging TP ICAP's global footprint and expertise to deploy teams in Paris, Madrid, Frankfurt, Copenhagen, Chicago and San Francisco;
> Advancing Liquidnet's algorithm suite to help clients move more easily between execution protocols to access both dark and lit markets. Liquidnet was awarded 'Best Algorithmic Trading Provider' in Waters Technology's '2021 Waters Rankings';
> Growing Liquidnet's existing programme trading offering globally; and
> Increasing our share of the cross-border trading market.

Turning to Liquidnet Credit, the growth potential for this business is significant. Liquidnet Credit already has a connected client base of c.500 buy-side firms globally. Our plan to build a comprehensive dealer-to-client (D2C) offering was a principal motivation of TP ICAP's acquisition of Liquidnet. As indicated at our Capital Markets Day held in December 2020, our plan envisages achieving a 3%-6% market share of corporate bond trading by the third full year post acquisition.

The core building blocks necessary for a successful D2C Credit offering are well advanced:

1. Onboarding – Allowing dealers to interact with the buy-side:
> Onboarding users is a major blocking factor for new platforms (e.g. legal entities, IT work);
> TP ICAP's dealer clients are not onboarded with Liquidnet entities, and vice versa; and
> To address this, we have created internal workflows that allow Liquidnet buy-side clients to transact with TP ICAP dealer clients with no new legal entity onboarding requirements.

2. Transaction technology deployment – Leveraging dealer and buy-side existing connectivity:
> Complementing our onboarding work, we have been able to leverage TP ICAP and Liquidnet's separate existing installed trading technology networks to bring together our buy-side and dealer client bases;
> Liquidnet buy-side clients use the Liquidnet front end to trade with each other and with dealers; and
> Dealers can access Liquidnet offerings and clients via the Fusion platform that their sell-side traders already use.

3. Platform functionality – Enriching client experience:
> Liquidnet's well-known legacy dark negotiation protocol attracted hundreds of major asset management firms but proved practically challenging for buy-side traders to use. We have improved the efficiency of the negotiation protocol and added trade cover to assist clients;
> Primary markets:
  > In September 2021, we launched Liquidnet Primary Markets – a new issue workflow tool and CLOB;
  > In January 2022, we enabled the first cohort of large dealers to transact directly on the new issue CLOB. Traders from 30 sell-side institutions, including Tier 1 dealers, are now able to trade; and
  > Over the course of 2022, we will expand the primary workflow tool's end-to-end capability and third-party integrations, to allow more Liquidnet clients to send orders directly to syndicate banks.

> Secondary markets:
  > We have rolled out a new version of the Liquidnet user interface, which allows for automatic push out of upgrades, which will facilitate the introduction of new features and functionality for clients;
  > We have introduced changes to the dark negotiation protocol to make it easier for clients to use, as well as implemented trade cover to assist clients; and
  > By mid-2022, we expect to launch key additional protocols, including request-for-quote (RFQ).

4. Dealer liquidity:
> Streaming Tier 1 dealer liquidity has been a 'key ingredient' missing from the Liquidnet ecosystem and is needed for RFQ and other protocols to work effectively;
> Through Fusion, we have connected major dealers for new issue trading; and
> For secondary trading, streaming dealer prices are critical. Major dealers have already begun API work, and we expect to have a critical number live in time for new trading protocols being made available to clients.

Parameta Solutions – a world leading provider of scarce OTC pricing data
Parameta Solutions rebranded in April 2021 and is formed of two business segments: Data & Analytics (D&A) and Post Trade Solutions.

The D&A business provides independent and unbiased data products that enable price and liquidity discovery; trading; enhanced transparency; superior risk management; provide balance sheet relief; and improve operational efficiency. It has access to more proprietary OTC data than any other inter-dealer broker globally.

D&A is a high margin business with revenues that are largely subscription-based and sticky (it commands a retention rate in excess of 98%) so it provides excellent earnings diversification and sustainable growth opportunities. Reflecting the value of the business, D&A was awarded 'Outstanding Market Data Provider' for 2021 by The Trade.

Final dividend
pence

5.5p

Total full year dividend
pence

9.5p

During the year, D&A grew revenue by 10% in constant currency as it continued to benefit from its strategic initiatives. We continue to target double digit revenue CAGR over the medium term.

Our strategy for D&A has three elements:

> Expand the product offering by building new higher value products;
> Expand the client base beyond the traditional sell-side into the buy-side, corporates, and energy and commodities clients; and
> Enhance our distribution capabilities, which includes increasing the number of channel partners.

We continued to develop new higher margin products, expanding our evaluated pricing suite by adding FX to complement Bonds. We launched a Global Risk-Free Rate service that is driving significant new subscription revenues, and we have been pleased with the reaction to our new environmental package, supporting our clients' decarbonisation strategies. We launched a Trading Analytics product using analytics driven by Artificial Intelligence to support best execution. These high-margin, high-value products have been developed in response to client needs to meet stricter regulatory disclosure and risk management requirements. In 2022, we plan to augment this offering by additional benchmarks and indices and regulatory products.

Turning to distribution, we expanded our sales coverage in markets where we were underpenetrated. We have also partnered with leading Cloud providers to create off-premise solutions for clients. Through our expanded distribution channels, we offer clients the option to access our data through our channel partners, via direct delivery (SURFIX), or via the public Cloud, with greater speed and agility and in a more cost efficient way.

We are growing our client base by aligning our sales teams to specific client segments: namely, buy-side, sell-side, corporates, and energy and commodities. This is already proving a success with 40 new buy-side clients, and 10 new Energy & Commodities clients added in the year, with around 40% of net new sales to non-sell-side clients.

In Post-Trade Solutions, revenue declined 23% in constant currency primarily due to the Matchbook resetting Rates business, which was adversely impacted by the cessation of LIBOR. Following this structural change, we have developed a new strategy for the business, which we have started to implement and which is already producing positive results. For example, the compression service – branded ClearCompress – grew significantly in the year by adding ten large dealers to its client list. We have now built a working group of 27 dealers, helping us shape new products and opportunities, which resulted in the launch of two new services in response to client demand. Parameta Solutions was awarded the Best Post Trade Company 2021 award in the European Markets Choice Awards.

Dividend

The Board is recommending a final dividend per share of 5.5 pence, bringing the total full year dividend to 9.5 pence per share, in line with our dividend policy of 2x cover on adjusted post-tax earnings (2020: 6.0 pence (rebased to take into account the bonus element of the rights issue completed in February 2021)).

Near term outlook

The market environment to date in 2022 has driven more volume compared to the prior year. Like other market operators, we are typically a beneficiary of volatility, and the past few weeks have been characterised by high levels of uncertainty. However, predicting future market activity is difficult. We would also note that periods of extreme volatility, such as has been witnessed in recent weeks, can have complex second-order effects on market participant behaviour and activity drivers, such as risk-taking appetite, and liquidity capacity.

Concluding comments

Despite tough trading conditions during the first half of 2021, our second half performance demonstrated that when market conditions started to improve, we were well placed to capitalise. This underlines the strong fundamentals of our business. That said, we recognise that we need to improve our performance and earnings. To this end, we have in place the right strategy and actions to manage our costs, both of which we are wholly focused on executing. The outcome will be that we will transform our Group to be a leading electronic market infrastructure and information provider, which is well placed to deliver sustainable earnings growth over time.

Finally, I would like to take this opportunity to thank our clients and partners for their continued trust and support; and my colleagues for their sustained hard work and commitment throughout 2021.

Nicolas Breteau
Chief Executive Officer
15 March 2022

Introduction

Against a backdrop of challenging and uncertain market conditions, Group revenue in 2021 of £1,865m was 4% ahead of the prior year on a reported basis (8% ahead in constant currency), driven by the acquisition of Liquidnet on 23 March 2021. Excluding Liquidnet, revenue was 5% below the prior year on a reported basis (1% lower in constant currency, with the momentum reflected in our third quarter trading update continuing into the fourth quarter, demonstrating the resilience of the core business.

The Group's revenue and EBIT margin was further impacted by FX headwinds with GBP strengthening 7%, on average, against the USD year-on-year.

Adjusted operating costs of £1,642m were 7% higher on a reported basis (11% higher in constant currency). Operating expenses, after significant items, was £1,778m, 9% higher on a reported basis. During the first half of the year the continuing impact of COVID-19, Brexit and low interest rates, coupled with government pandemic support programmes, resulted in subdued levels of both volatility and wholesale trading activity, which impacted our broking businesses in particular and revenue was down 7% (excluding Liquidnet, in constant currency) compared with the first half of 2020. Trading conditions improved in the second half leading to revenue increasing by 6% year-on-year.

Our focus during the year has been on investing in and executing our growth strategy, integrating Liquidnet into the Group, and continuing to make TP ICAP more cost efficient. We have successfully completed our cost saving programme to deliver £35m of annualised savings and are targeting further savings in 2022. In addition, we delivered Liquidnet cost synergies ahead of plan and are increasing our overall target. Our programme to reduce the Group's property footprint is also making good progress, while our successful debt refinancing exercise in November 2021 will reduce net finance costs from 2022 onwards.

Key financial and performance metrics

	FY 2021			FY 2020			
	Group (exc. Liquidnet) £m	Liquidnet[1] £m	Total £m	Reported £m	Constant currency £m	FY 2021 total vs. 2020 reported change	FY 2021 Total vs. 2020 constant currency change
Revenue	**1,706**	**159**	**1,865**	**1,794**	**1,726**	**4%**	**8%**
Adjusted							
– Contribution[5]	**634**	**68**	**702**	**680**	**654**	**3%**	**7%**
– Contribution margin[5]	37.2%	42.8%	37.6%	37.9%	37.9%	(0.3%pts)	(0.3%pts)
– EBITDA[5]	**295**	**20**	**315**	**328**	**311**	**(4%)**	**1%**
– EBIT	**235**	**(2)**	**233**	**272**	**256**	**(14%)**	**(9%)**
– EBIT margin[5]	13.8%	(1.3%)	12.5%	15.2%	14.8%	(2.7%pts)	(2.3%pts)
Reported							
– EBIT	**n/a**	**n/a**	**97**	**178**	**162**	**(46%)**	**(40%)**
– EBIT margin	n/a	n/a	5.2%	9.9%	9.4%	(4.7%pts)	(4.2%pts)
Average							
– Broker headcount[2]	2,745	n/a	2,745	2,765	n/a	(1%)	
– Revenue per broker[3,5] (£'000)	561	n/a	561	589	567	(5%)	(1%)
– Contribution per broker[4,5] (£'000)	200	n/a	200	215	207	(7%)	(3%)
Period end							
– Broker headcount[2]	2,680	n/a	2,680	2,771	n/a	(3%)	
– Total headcount	4,869	434	5,303	4,926	n/a	8%	

1 Liquidnet post-acquisition results included from 23 March 2021 onwards, the date the transaction completed.
2 Broker headcount excludes Liquidnet. Broker headcount for 2020 has been restated to remove 26 average headcount and 23 period end headcount as a result of the transfer of the Post-Trade Solutions business to Parameta Solutions during the first half of 2021.
3 Revenue per broker is defined as total broking revenues (Global Broking, Energy & Commodities and Agency Execution, excluding Liquidnet) excluding inter-division revenues divided by average broker headcount. 2020 has been restated following the transfer of the Post-Trade Solutions business to Parameta Solutions during 2021.
4 Contribution per broker represents broking contribution (as defined in the Contribution section) for Global Broking, Energy & Commodities and Agency Execution, excluding Liquidnet business, divided by average broker headcount with the prior year comparative calculated on the same basis. 2020 has been restated following the transfer of the Post-Trade Solutions business to Parameta Solutions during 2021.
5 Refer to APM appendix on page 232.

Average broker headcount reduced by 1% from 2,765 in 2020 to 2,745 in 2021, despite the acquisition of Louis Capital Markets ('LCM'). Average revenue per broker declined by 5% in 2021 compared with 2020 (1% decline in constant currency), but improved by 8% in constant currency during the fourth quarter of 2021 compared with the fourth quarter of 2020. The average contribution per broker decreased by 7% (3% decline in constant currency), reflecting the less favourable revenue mix in 2021. Total Group headcount increased by 8% to 5,303, driven primarily by the Liquidnet acquisition. Excluding Liquidnet, Group headcount reduced by 1%.

“We retained our leading market position against a backdrop of challenging and uncertain market conditions”

Although we retained our leading market position, the impact of market conditions on the mix of revenue across our diverse portfolio of businesses resulted in a lower overall contribution in 2021. Excluding Liquidnet, front office costs, which vary with revenue, were in line with the prior year (in constant currency), reflecting a revenue shift within Global Broking towards asset classes with lower contribution margins, the additional costs acquired with the acquisition of LCM and increased front office investment in COEX and Parameta Solutions. These were partially offset by the benefits of our cost saving programme and the resulting contribution margin was 37.2% for 2021 compared with 37.9% in 2020, with total contribution that was £20m lower year-on-year.

Excluding Liquidnet, total management and support costs were 1% lower than the prior year (in constant currency) despite increased strategic investment in technology and a foreign exchange loss on the retranslation of cash and financial assets, as they benefited from our cost saving programme as well as a reduction in the discretionary bonus accrual for the year that was made as a result of lower overall Group performance.

Liquidnet revenue of £159m delivered a contribution of £68m (at a contribution margin of 42.8%), which after management and support costs of £70m resulted in an adjusted EBIT loss of £2m. We remain confident in our growth strategy for Liquidnet and are making good progress in both Equities and Fixed Income.

The Group incurred significant items of £143m after tax in its reported earnings (2020: £87m). While the we continue to amortise intangible assets arising on the acquisition of ICAP and now Liquidnet, we have incurred additional costs in 2021 that will enable the Group to reduce its future cost base.

In February 2022 the UK, EU and US imposed sanctions against certain Russian individuals, entities and their subsidiaries. We have ceased trading activity with sanctioned clients. The proportion of 2021 revenue from Russian clients was approximately 0.5% of the total. As at 11 March 2022, the value of realised losses on failed settlements is £4m. TP ICAP has also recognised potential unrealised losses of £7m in relation to failed settlements and has written down trade debtors with sanctioned clients by £1m. In addition, the Group has outstanding unsettled matched principal transactions in Russian financial instruments of a nominal value of around £12m where neither counterparty has been able to settle at this time and where no net loss has been recognised.

The increased volatility and secondary market activity in the second half of 2021 has continued in 2022. Group revenue in the year to date until 11 March 2022, excluding Liquidnet, was approximately 4% higher than the corresponding period in 2021, in constant currency (16% higher including Liquidnet).

Robin Stewart
Chief Financial Officer
15 March 2022

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, when considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance and compare performance from period to period. These adjusted measures and other APMs are also used by management for planning and to measure the Group's performance. Investors and analysts should not rely on any single financial measure but should review the Annual Report, including the financial statements and notes, in their entirety.

Reported results are adjusted for significant items (which can be either cash or non-cash costs) to derive adjusted results. A reconciliation from reported to adjusted measures is provided in the Group income statement below. Analysis of performance by Business Division and by Primary Operating Segment (regional) follows the Group income statement analysis.

FY 2021	**Adjusted £m**	**Significant items £m**	**Reported £m**
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)
Impairment of other assets	–	–	–
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	766.7	766.7
Diluted EPS	19.3p	(18.6p)	0.7p

FY 2020	Adjusted £m	Significant items £m	Reported £m
Revenue	**1,794**	**–**	**1,794**
Employment, compensation and benefits	(1,147)	(6)	(1,153)
General and administrative expenses	(333)	(27)	(360)
Depreciation and impairment of PPE and ROUA	(36)	(1)	(37)
Amortisation and impairment of intangible assets	(20)	(39)	(59)
Impairment of other assets	–	(23)	(23)
Operating expenses	**(1,536)**	**(96)**	**(1,632)**
Other operating income	14	2	16
EBIT	**272**	**(94)**	**178**
Net finance expense	(49)	–	(49)
Profit before tax	**223**	**(94)**	**129**
Tax	(55)	7	(48)
Share of net profit of associates and joint ventures	16	–	16
Non-controlling interests	(1)	–	(1)
Earnings	**183**	**(87)**	**96**
Basic average number of shares (restated)	625.0m	625.0m	625.0m
Basic EPS[1]	29.3p	(13.9p)	15.4p
Diluted average number of shares	632.7m	632.7m	632.7m
Diluted EPS[1]	28.9p	(13.7p)	15.2p

1 The average number of shares, used to calculate Basic EPS, has been restated to integrate the bonus element of the rights issue completed in February 2021.

Revenue

	FY 2021 £m	FY 2020 £m	FY 2020 (constant currency) £m	Reported change	Constant currency change
By business division					
Rates[1]	429	488	474	(12%)	(9%)
Credit	82	90	86	(9%)	(5%)
FX & money markets	170	186	180	(9%)	(6%)
Emerging markets	179	183	176	(2%)	2%
Equities	226	201	192	12%	18%
Inter-division revenues[2]	19	20	20	(5%)	(5%)
Total Global Broking	**1,105**	**1,168**	**1,128**	**(5%)**	**(2%)**
Energy & Commodities	367	388	372	(5%)	(1%)
Inter-division revenues[2]	3	3	3	0%	0%
Total Energy & Commodities	**370**	**391**	**375**	**(5%)**	**(1%)**
Excluding Liquidnet	87	91	88	(4%)	(1%)
Liquidnet	159	–	–	n/a	n/a
Total Agency Execution	**246**	**91**	**88**	**170%**	**180%**
Data & Analytics[1]	149	145	136	3%	10%
Post Trade Solutions	17	22	22	(23%)	(23%)
Total Parameta Solutions[1]	**166**	**167**	**158**	**(1%)**	**5%**
Inter-division eliminations[2]	(22)	(23)	(23)	(4%)	(4%)
Total revenue	**1,865**	**1,794**	**1,726**	**4%**	**8%**

1 Following the formation of the Parameta Solutions business, the Post-trade Solutions business reported in the Rates asset class within Global Broking was transferred to Parameta Solutions. The comparative revenues of Rates within Global Broking and Parameta Solutions have been restated to reflect the restructuring. Third-party revenues in 2020 amounted to £22m. Additionally, inter-division revenue has increased by £2m reflecting the sale of clearing services to Post-trade Solutions, which eliminate on consolidation. Adjusted EBIT within the Global Broking division has been reduced by £9m with the corresponding increase reflected in the results of Parameta Solutions.

2 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 prior year period has been restated in line with the new-presentation format. The Global Broking inter-division revenues and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.

All percentage movements quoted in the analysis of financial results that follows are in constant currency, unless otherwise stated.

Total Group revenue in 2021 of £1,865m was 8% higher than the prior year (4% higher on a reported basis). This was driven by growth in Agency Execution (+180%, including Liquidnet revenue from 23 March 2021 onwards) and Parameta Solutions (+5%), which was partly offset by marginal revenue declines in Global Broking (-2%) and Energy & Commodities (-1%), reflecting the more challenging market conditions, particularly in the first half of 2021, with the prior year also including record volumes in the first quarter. Diversified (non-Global Broking) revenue as a proportion of total Group revenue was 42% in 2021 (2020: 36%).

Liquidnet revenue for the nine-month period of ownership in 2021 was £159m, slightly below the lower end of the guided £160m to £180m range, reflecting weaker than expected equity volumes in December 2021. Pro forma revenue for the full year in 2021 was £221m, compared with £258m in 2020 on a reported basis and £242m in constant currency. The prior year included significant equity market volumes in the first quarter, following the onset of COVID-19, and in the fourth quarter as market sentiment improved as a result of positive vaccine news.

Pro forma Liquidnet revenue by quarter for 2021 and 2020 (in both reported and constant currency) are shown in the table below:

	2021					2020				
£m	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue										
2020 at reported rates	68	50	50	52	221	86	62	51	60	258
2020 in constant currency						80	56	47	58	242

Excluding Liquidnet, Group revenue of £1,706m was 1% lower than 2020, per our guidance of being broadly in line with 2020, and reflected strong growth in the second half of the year.

Strategic report

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.

	FY 2021 £m	FY 2020[1] £m	Change £m	Reported Change	Constant Currency Change
Front office costs					
– Broking[2]	1,012	1,056	(44)	(4%)	(1%)
– Liquidnet[2]	91	–	91		
– Parameta Solutions	60	58	2	3%	9%
Total front office costs	**1,163**	**1,114**	**49**	**4%**	**8%**
Management and support costs					
– Employment costs	226	224	2	1%	4%
– Technology and related costs	79	69	10	14%	16%
– Premises and related costs	28	27	1	4%	4%
– Depreciation and amortisation	82	56	26	46%	46%
– FX losses/(gains)	11	–	11	n/a	n/a
– Other administrative costs	53	46	7	15%	20%
Total management and support costs	**479**	**422**	**57**	**14%**	**16%**
Total adjusted operating costs	**1,642**	**1,536**	**106**	**7%**	**11%**
Significant items[3]	136	96	40	42%	n/a
Total operating expenses	**1,778**	**1,632**	**146**	**9%**	**n/a**

1 Restated in line with our new divisional disclosures.
2 Includes all front-office costs, including broker compensation, travel and entertainment, telecommunications, information services, clearing and settlement fees as well as other direct costs.
3 Constant currency changes shown against adjusted numbers only, to highlight true underlying performance.

Total operating expenses were £1,778m, which was 9% higher than 2020 driven by the acquisition of Liquidnet and an increase in significant items.

Total front office costs of £1,163m increased by 8% compared to 2020 (an increase of 4% on a reported basis), and were flat year-on-year when excluding £91m of Liquidnet front office costs. Broking front office costs of £1,012m declined by 1% (-4% on a reported basis), reflecting the benefit of the cost saving programme which more than offset a revenue shift towards Global Broking asset classes with lower contribution margins, a full year of LCM costs (acquired in July 2020), and increased front office investment in the COEX business. Parameta Solutions front office costs of £60m were 9% higher than the prior year as a result of investment in distribution to support continued revenue growth.

Total management and support costs of £479m, which included £71m of Liquidnet costs and an FX loss of £11m, were 16% higher than the prior year (14% higher on a reported basis). Excluding Liquidnet, management and support costs were down 1% year-on-year.

Management and support costs movements by category were as follows:

> Employment costs of £226m increased by 4% compared to 2020 reflecting the LCM and Liquidnet acquisitions, partially offset by cost savings from redundancies, and a lower discretionary bonus accrual in 2021;
> Technology and related costs of £79m included £16m of Liquidnet costs. Excluding Liquidnet, costs were 9% lower than the prior year, largely as a result of lower IT consultancy fees;
> Premises and related costs of £28m increased by 4%, while depreciation and amortisation of £82m was 46% higher than the prior year. The increase in depreciation and amortisation was driven by the new London headquarters (+£3m) as well as additional Liquidnet costs (+£22m);
> The £11m adverse change in FX gains and losses (2020: £nil) reflects the strengthening of GBP against other currencies, in particular the US Dollar, on the retranslation of net financial assets, including cash; and
> Excluding Liquidnet, other administrative costs were 7% lower than the prior year, reflecting lower travel and entertainment and other consultancy fees.

As noted in the introduction to the Financial Review we have made notable progress in reducing our cost base:

> We have successfully completed our programme to save £35m of annualised costs, which we announced in the third quarter of 2020. The programme delivered an incremental £19m of savings in 2021; and
> We also delivered £12m of Liquidnet cost synergies in 2021, exceeding our initial target of £5m. We expect to complete our actions by the end of 2023, realising annualised savings of at least £25m.

At the interim 2021 results, we signalled that we were reviewing property savings across the Group, and that initiative is well underway. In addition to the reduction in our property footprint already achieved from moving our London headquarters in March 2021, we are targeting a further 25% footprint reduction by the end of 2024, which will deliver approximately £14m of annualised cost savings.

The above initiatives improved the Group's 2021 adjusted EBIT by £31m (with costs to achieve the savings, included within significant items, amounting to £29m). By the end of 2024 we expect a further reduction in our total cost base of at least £38m on an annualised basis (with costs to achieve the savings anticipated to be approximately £43m).

Incremental savings, split by front office and management and support costs, as well as the one-off costs to achieve the savings, are summarised in the table below.

	Incremental P&L savings			
	2020 £m	2021 £m	2022-2024 (estimated) £m	Cumulative (annualised) £m
Front office cost savings				
– £35m cost saving programme	1	12	9	22
– Liquidnet cost synergies	–	4	6	10
Total	**1**	**16**	**15**	**32**
Management & support cost savings				
– £35m cost saving programme	4	7	2	13
– Liquidnet cost synergies	–	8	7	15
– Property rationalisation	–	–	14	14
Total	**4**	**15**	**23**	**42**
Total cost saving initiatives	**5**	**31**	**38**	**74**
One-off costs to achieve (significant items)				
– £35m cost saving programme	(5)	(5)	–	(10)
– Liquidnet cost synergies	–	(7)	(15)	(22)
– Property rationalisation	–	(17)	(28)	(45)
Total	**(5)**	**(29)**	**(43)**	**(77)**

The vast majority of 2022 to 2024 incremental front office savings will be realised in 2022, while for management and support costs, approximately 50% of savings relate to 2022. This equates to approximately £25m of total savings in 2022. The majority of the residual management and support cost savings are expected to be realised in 2023. Around 90% of the costs to achieve the future savings will be incurred in 2022, with the balance expected to be incurred in 2023.

As a result of the EU recently stating that it is unlikely to grant UK-based firms automatic market access equivalence, we expect to incur additional ongoing employment costs in our 2022 adjusted results in relation to our Brexit transition plan, as we relocate existing additional UK-based brokers and hire brokers locally in Paris and Madrid. The increased costs result from higher European employer-related taxes (primarily social security charges plus irrecoverable VAT on cross border service costs).

The targeted incremental Group savings in 2022 will be impacted by the additional Brexit costs, realised and unrealised losses from sanctioned Russian clients of £14m as well as inflationary increases.

During 2021, we incurred total strategic IT investment spend amounting to £27m (£11m of operating expenses, £16m of capital expenditure). During 2022 we expect to incur total strategic IT investment of approximately £45m (£18m of operating expenses, £27m of capital expenditure).

Significant items

Significant items are cash and non-cash items that are excluded from adjusted measures to allow better comparability of financial performance from period to period and to provide additional information to better understand the Group's financial performance, when considered together with reported IFRS results.

The table below shows the significant items in 2021 split between cash and non-cash vs. the 2020 total.

	2021			2020
	Cash £m	Non-cash £m	Total £m	Total £m
Restructuring & related costs	**25**	**17**	**42**	**20**
– Property related	9	16	25	4
– Liquidnet integration	7	–	7	–
– £35m cost saving programme	5	–	5	7
– Business redomiciliation	3	–	3	8
– Pension scheme past service and settlement	–	1	1	1
– Other	1	–	1	–
Disposals, acquisitions and investment in new business	**12**	**67**	**79**	**74**
– Amortisation of intangible assets arising on consolidation	–	46	46	39
– Liquidnet acquisition/capitalised development costs	8	6	14	11
– Losses on derivatives and foreign exchange	4	–	4	–
– Reversal of US tax indemnity provision[1]	–	13	13	–
– Adjustment to deferred consideration	–	2	2	2
– Goodwill impairment		–	–	21
– Other impairment	–	–	–	1
Legal & regulatory matters	**15**	**–**	**15**	**–**
EBIT	**52**	**84**	**136**	**94**
Financing	**17**	**–**	**17**	**–**
– Debt refinancing	16	–	16	–
– Liquidnet interest expense on Vendor Loan Notes	1	–	1	–
Profit before tax	**69**	**84**	**153**	**94**
Tax relief			(21)	(7)
Associate writed down			11	–
Reported earnings			**143**	**87**

1 US tax related indemnity provision arose on the ICAP acquisition, with an equal offsetting credit included within the Group's overall tax expense.

In 2021 total significant items amounted to £153m before tax and £143m post tax and associates. This compares to lower significant items in 2020 of £93m before tax and £87m post tax and associates with the increase in 2021 driven primarily by costs associated with the restructuring of the Group's property portfolio, new Liquidnet integration costs and increased costs in legal and regulatory matters.

Significant items can be categorised into the following five areas below.

Restructuring and related costs (£42m in 2021; £20m in 2020)
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.

As adjusted results include the benefits of material restructuring programmes but some of the related costs have been excluded, they should not be regarded as a complete picture of the Group's financial performance, which is presented in the reported IFRS results.

In 2021, the following restructuring and related costs were considered to be significant items:

> £9m of property-related cash costs from the Group's property footprint reduction programme which includes property costs associated with Tower 42, 2 Broadgate and 155 Bishopsgate of £5m following the transfer and consolidation of the Group's space requirements to 135 Bishopsgate, and £4m of costs related to the exit and sub-let of floorspace in Liquidnet's New York property. In addition there was a £16m non-cash impairment of property, plant & equipment and right-of-use assets related to these now vacant properties (£3m related to the move to 135 Bishopsgate and £13m related to Liquidnet);
> £7m of costs incurred, including £1m of share based-expenses to achieve synergies as part of the Liquidnet integration programme;
> £5m in employee redundancy costs associated with the Group's £35m costs saving programme completed in 2021;
> £3m incurred on the Group's redomiciliation to Jersey, Channel Islands consisting of £2m of legal fees and £1m of accountancy fees; and
> £1m pension scheme and past service cost from a remeasurement of the Group's UK defined benefit scheme.

Disposals, acquisitions and investments in new businesses (£79m 2021; £74m 2020)
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.

> £46m in the amortisation of intangible assets following the acquisitions of ICAP and Liquidnet of which £33m relates to ICAP, £11m relates to Liquidnet and £2m relating to smaller acquisitions;
> £8m in acquisition cash costs, mainly relating to Liquidnet and £6m non-cash impairment of intangible assets acquired with Liquidnet;
> £4m of net losses on derivatives and foreign exchange, comprised of £8m of derivative losses on forward contracts partly offset by foreign exchange gains of £5m from economic hedging activities entered into to reduce the Group's exposure to a strengthening US dollar ahead of the Liquidnet acquisition and £1m exchange loss on the Liquidnet Vendor Loan Notes;
> £13m non-cash expense relating to the remeasurement of an acquired tax indemnification asset recognised during the ICAP acquisition; and
> £2m relates to the non-cash adjustment to deferred considerations, of which £4m is due to the unwind of the discount to present value of the $75m expected pay-out as part of the purchase of Liquidnet. This is partly offset by £2m from the assessment of lower future payments relating to other acquisitions.

As with other related acquisition costs and adjustments, management considers goodwill impairment separately, due to significant variations year-on-year, to aid comparability of results. There was no goodwill impairment in 2021. In 2020, the carrying value of the Asia-Pacific Cash Generating Unit was written down by £21m.

Legal and regulatory matters (£15m cost in 2021; nil in 2020)
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.

Total expense of £15m in 2021 included the following cases:

> £4m costs relating to the fine from the AMF following its investigation. The Group filed an appeal against the ruling in October 2021;
> £5m costs regarding the cum-ex investigation by the Frankfurt and Cologne Public Prosecutors in Germany;
> £2m in legal costs relating to the court cases in Australia. In the fourth quarter of 2021, the Group agreed to an additional £2m settlement; and
> £2m in legal fees in the pursuit of claims for costs relating to the Group Income Protection liabilities as a result of which the Group received a settlement from NEX Group Limited.

Financing (£17m in 2021; nil in 2020):
> £16m of debt refinancing costs, related to the part redemption of an existing bond at an 8.408% premium to par value paid for by the new 2028 bond that will save the Group £4m per annum in net finance costs from 2022 onwards; and
> £1m related to the interest expense on the $50m Liquidnet Vendor Loan Notes, which is part of the Liquidnet acquisition consideration.

Tax and associates (£10m net relief in 2021; £6m net relief in 2020):
> £21m of tax relief that includes £12m of integration costs tax deductions, £11m of intangible asset amortisation deductions and £11m of other tax provision deductions, partially offset by a £16m impact of deferred tax rate increases; and
> £11m impairment of the Group's investment in associate undertakings in 2021 as result of reduced performance of companies in which the Group owns a minority stake.

Significant items – 2022 guidance
Based on our current outlook, we estimate significant items included in reported 2022 EBIT to be approximately £125m (pre-tax) with around three quarters expected to be non-cash items. This estimate excludes income and expenses relating to legal and regulatory cases as these items are difficult to predict accurately and can vary materially year on year.

The main significant items for 2022 are expected to be approximately:

> c.£50m of amortisation of intangible assets from acquisitions with the increase due to a full-year impact of the Liquidnet acquisition;
> c.£40m of costs to achieve the cost savings programs initiated in 2021 (see Incremental P&L savings and costs to achieve table in the previous section);
> c.£20m of costs to achieve new savings initiatives currently being planned;
> c.£10m relating to the unwind of the discount of deferred consideration relating to acquisitions; and
> c.£6m of Brexit related staff relocation costs following the EU stating it is unlikely to grant UK-based firms automatic market access equivalence.

We expect significant items to reduce further in 2023.

Group net finance expense

The adjusted net finance expense of £56m in 2021, which comprised of £59m of interest expense less £3m of interest income is £7m higher than the £49m charged in 2020, reflecting the following additional costs:

> £1m interest on the additional debt drawn to partially finance the Liquidnet acquisition;
> £2m cost of foreign currency options purchased to hedge the acquisition consideration;
> £3m of additional interest on finance lease liabilities on new offices in 135 Bishopsgate and the acquired Liquidnet leases; and
> £1m from higher amortisation of debt issue costs and facility fees.

During November 2021 the Group successfully issued a new £250m bond maturing in 2028 with a coupon rate of 2.625% and used £200m of the new issuance to part redeem the existing 2024 5.25% bond (par value of £184m; £16m premium). As a result of this liability management exercise, we expect an annual saving in Group net finance expenses of approximately £4m from 2022 onwards. The £16m premium was reported within significant items. The remaining £1m finance cost reflects the interest expense on the $50m Vendor Loan Notes of the Liquidnet acquisition.

Group Tax

The effective rate of tax on adjusted profit before tax is 24.9% (2020: 24.7%). The effective rate of tax on reported profit before tax is 95.8% (2020: 37.2%). The higher rate on reported profit before tax is due primarily 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 is included within significant items.

Basic EPS

The average number of shares used for the basic EPS calculation of 759.3m reflects the 563.3m shares in issue at 31 December 2020, increased by 225.4m shares issued under the rights issue, less 9.1m shares held by the TP ICAP plc Employee Benefit Trust ('EBT') at the end of the period, less the time apportionment impact of the rights issue of 20.6m, offset by the time apportioned movements in shares held by the EBT used to settle deferred share awards of 0.3m. The average number of shares in issue for December 2020 has been restated from the published numbers of 557.0m to 625.0m reflecting the impact of the bonus element of the rights issue. The TP ICAP plc EBT has waived its rights to dividends.

The reported Basic EPS for 2021 was 0.7p (2020: 15.4p), and adjusted Basic EPS for 2021 was 19.5p (2020 restated: 29.3p).

Dividend

The Board is recommending a final dividend for 2021 of 5.5p, which, when added to the interim dividend of 4.0p, results in a total dividend for the year of 9.5p (2020: 6.0p – rebased to take into account the bonus element of the rights issue, completed in February 2021). This is in line with the Group's dividend policy which targets a dividend cover of approximately 2x adjusted post-tax earnings. The final dividend will be paid on 17 May 2022 to shareholders on the register at close of business on 8 April 2022. The ex-dividend date will be 7 April 2022.

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 25 April 2022.

Guidance

The recovery in secondary market volumes in the second half of 2021 has continued in 2022. Group revenue in the year to date until 11 March 2022, excluding Liquidnet, was approximately 4% higher than the corresponding period in 2021, in constant currency (16% higher including Liquidnet). However, it remains difficult to accurately predict the level of volatility and transaction volumes across the OTC markets in which we participate for the remainder of the year, and therefore the level of expected revenue. Based on our current market outlook, our guidance for 2022 is as follows:

> Slight improvement in Group adjusted EBIT margin assuming a similar revenue profile as 2021;
> Incremental targeted cost savings of £25m – impacted by the additional Brexit costs, realised and unrealised losses from sanctioned Russian clients of £14m, as well as inflationary increases;
> Significant items, within reported results, are expected to be approximately £125m (pre-tax), excluding potential income and costs associated with legal and regulatory matters;
  > Significant items are expected to reduce further in 2023
> Group net finance expenses of approximately £52m;
> Group strategic IT investments of £45m (cash) including £18m of operating expenses;
> Group capital expenditure expected to be £65m, including £27m of strategic IT Investments;
> Dividend cover of c.2x adjusted post-tax earnings; and
> Impact of Russian sanctions (as at 11 March 2022):
  > Russian clients accounted for c.0.5% of 2021 revenue
  > Realised losses on failed settlements: £4m
  > Potential unrealised losses: £9m
  > Trade debtors written down: £1m

Performance by business division and by primary operating segment

The Group presents below the results of its business both by Business Division and by Primary Operating Segment with a focus on revenues and APMs used to measure and assess performance.

Performance by business division

FY 2021	**GB[1,2] £m**	**E&C[2] £m**	**AE[3] £m**	**PS[1,2] £m**	**Corp/ Elim £m**	**Total £m**
Revenue						
– External	1,086	367	246	166	–	1,865
– Inter-division[2]	19	3	–	–	(22)	–
	1,105	**370**	**246**	**166**	**(22)**	**1,865**
Total front office costs						
– External	(694)	(248)	(161)	(60)	–	(1,163)
– Inter-division[2]				(22)	22	–
	(694)	**(248)**	**(161)**	**(82)**	**22**	**(1,163)**
Contribution	**411**	**122**	**85**	**84**	**–**	**702**
Contribution margin	*37.2%*	*33.0%*	*34.6%*	*50.6%*	–	*37.6%*
Net management and support costs						
– Management and support costs	(211)	(66)	(66)	(13)	(41)	(397)
– Other operating income[2]	2	–	–	–	8	10
Adjusted EBITDA[6]	**202**	**56**	**19**	**71**	**(33)**	**315**
Adjusted EBITDA margin[6]	18.3%	15.1%	7.7%	42.8%	–	16.9%
– Depreciation and amortisation	(29)	(9)	(25)	(2)	(17)	(82)
Adjusted EBIT[5,6]	**173**	**47**	**(6)**	**69**	**(50)**	**233**
Adjusted EBIT margin[6]	15.6%	12.7%	(2.4%)	41.6%		12.5%
Average broker headcount	1,973	652	120	–	–	2,745
Average sales headcount			234	–	–	234
Revenue per broker[4]	550	563	719	–	–	561
Contribution per broker[4]	208	187	142	–	–	200

FY 2020	GB[1,2] £m	E&C £m	AE £m	PS[1,2] £m	Corp/ Elim £m	Total £m
Revenue						
– External	1,148	388	91	167	–	1,794
– Inter-division[2]	20	3			(23)	
	1,168	**391**	**91**	**167**	**23**	**1,794**
Total front office costs						
– External	(726)	(261)	(69)	(58)	–	(1,114)
– Inter-division[2]				(23)	23	
	(726)	**(261)**	**(69)**	**(81)**	**23**	**(1,114)**
Contribution	**442**	**130**	**22**	**86**	**–**	**680**
Contribution margin	*37.8%*	*33.2%*	*24.2%*	*51.5%*	–	*37.9%*
Net management and support costs						
– Management and support costs	(229)	(70)	(13)	(12)	(42)	(366)
– Other operating income	3	1			10	14
Adjusted EBITDA[6]	**216**	**61**	**9**	**74**	**(32)**	**328**
Adjusted EBITDA margin[6]	*18.5%*	*15.6%*	*9.9%*	*44.3%*	–	*18.3%*
– Depreciation and amortisation	(28)	(8)	(2)	(1)	(17)	(56)
Adjusted EBIT[5,6]	**188**	**53**	**7**	**73**	**(49)**	**272**
Adjusted EBIT margin[6]	*16.1%*	*13.6%*	*7.7%*	*43.7%*		*15.2%*
Average broker headcount	2,000	659	106	–	–	2,765
Revenue per broker	574	589	857	–	–	589
Contribution per broker	221	197	208	–	–	215

FY 2020 (constant currency)	GB[1,2] £m	E&C[2] £m	AE £m	PS[1,2] £m	Corp/ Elim £m	Total £m
Revenue						
– External	1,108	372	88	158	–	1,726
– Inter-division[2]	19	3	–	–	(22)	–
	1,127	**375**	**88**	**158**	**(22)**	**1,726**
Total front office costs						
– External	(699)	(251)	(67)	(55)	–	(1,072)
– Inter-division[2]				(22)	22	–
	(699)	**(251)**	**(67)**	**(77)**	**22**	**(1,072)**
Contribution	**428**	**124**	**21**	**81**	**–**	**654**
Contribution margin	*37.9%*	*33.2%*	*23.9%*	*51.2%*		*37.9%*
Net management and support costs						
– Management and support costs	(221)	(67)	(12)	(11)	(46)	(357)
– Other operating income	3	1	–	–	10	14
Adjusted EBITDA[6]	**210**	**58**	**9**	**70**	**(36)**	**311**
Adjusted EBITDA margin[6]	*18.6%*	*15.6%*	*10.2%*	*44.3%*		*18.0%*
– Depreciation and amortisation	(27)	(8)	(2)	(2)	(16)	(55)
Adjusted EBIT[5,6]	**183**	**50**	**7**	**68**	**(52)**	**256**
Adjusted EBIT margin[6]	*16.2%*	*13.5%*	*7.9%*	*43.2%*		*14.8%*
Average broker headcount	2,000	659	106	–	–	2,765
Revenue per broker	554	564	830	–	–	567
Contribution per broker	214	188	202	–	–	207

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

1 Following the formation of the Parameta Solutions division, the Post-Trade Solutions business reported in the Rates asset class within Global Broking was transferred to Parameta Solutions. The comparative revenues of Rates within Global Broking and Parameta Solutions have been restated to reflect the restructuring. Third-party revenues in 2020 amounted to £22m. Additionally, inter-division revenue has increased by £2m reflecting the sale of clearing services to Post-Trade Solutions, which eliminate on consolidation. Adjusted EBIT within the Global Broking division has been reduced by £9m with the corresponding increase reflected in the results of Parameta Solutions.
2 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 prior year period has been restated in line with the new-presentation format. The Global Broking inter-division revenues and Parameta Solutions inter-division costs are eliminated upon the consolidation of the Group's financial results.
3 For 2021, £159m of revenue has been included within Agency Execution relating to the Liquidnet acquisition that completed on 23 March 2021.
4 Revenue and contribution by broker are calculated as external revenues and contribution of GB, E&C and AE, excluding Liquidnet, divided by the average brokers for the Period. The Group revenue and contribution by broker excludes revenue and contribution from PS and Liquidnet, included within AE. Revenue and Contribution attributed to Liquidnet in 2021 was £159m and £68m, respectively.
5 The Group has a matrix management structure and manages each business by division and by region (its current Primary Operating segment). Adjusted EBIT for each division reflects the operational basis by which it is managed on a business level. Management and support costs are therefore allocated on a basis that reflects the true cost of support and other back office charges. The divisional allocation of management and support costs differs to the basis reported within adjusted EBIT by Primary Operating Segment (regional basis), which is more closely aligned to statutory reporting requirements, and excludes certain costs, which under IFRS are required to be reported within Group costs. The divisional basis of reporting includes the full IFRS 16 charge for leases (interest and depreciation) in each division's adjusted EBIT, whereas for reporting by Primary Operating Segment, the interest element of the IFRS 16 charge is excluded from adjusted EBIT and included in finance costs.
6 Refer to reconciliation on page 22.

All percentage movements quoted in the analysis of financial results that follows are in constant currency, unless otherwise stated.

Global Broking

Global Broking revenue of £1,105m (which represents 58% of total Group revenue) was 2% lower than in 2020 (5% lower on a reported basis), reflecting lower wholesale trading volumes across all asset classes. Growth in Equities and Emerging Markets was offset by revenue declines in Rates, Credit and FX & Money Markets.

Rates revenue (our most profitable asset class which comprises 39% of Global Broking revenue and 23% of total Group revenue) declined by 9% to £429m. This was a robust performance against a strong 2020 comparative and the significant decline in wholesale volumes year-on-year – indeed, the London Clearing House notional SwapClear dealer volumes[1] in 2021 declined by c.14% compared with 2020. The fall in wholesale market activity was driven by the low interest rate environment during 2021, a flat yield curve and continued quantitative easing from Central Banks. Our 2022 outlook for the Rates business has improved, as monetary policy begins to tighten in response to the rising inflationary environment across our markets.

Revenue in FX & Money Markets reduced by 6% to £170m in 2021, marginally outperforming the year-on-year decline of c.8% in CME FX Futures volumes. Credit revenue of £82m was 5% lower than in 2020 reflecting lower secondary trading volumes, despite strong new issuance growth. Total US corporate bond trading volumes declined by c.6% in 2021 (Source: SIFMA), while total MarketAxess Post-Trade Eurobonds[2] volumes declined by c.4% (Source: MarketAxess). Equities revenue increased by 18% to £226m, with 2021 benefiting from a full year of trading from LCM, which was acquired on 31 July 2020. Excluding LCM from both periods, Equities revenue increased by 3%. Volumes of equity and index derivatives contracts on Eurex[3] and Euronext[4] declined by c.18% and c.9% year-on-year respectively, while the volume of CME equity index derivatives (excluding micro products) declined by c.11%. Revenue in Emerging Markets grew by 2% to £179m.

Total front office costs of £694m were 1% lower than 2020 reflecting a lower average broker headcount, the 2% decline in revenue, and benefits of the cost saving programme which offset the revenue shift towards asset classes that have lower contribution margins. The resulting contribution margin was 37.2% compared with 37.9% in the prior year in constant currency (37.8% on a reported basis).

Management and support costs of £211m were 5% lower than the prior year, despite increased investment in the roll-out of our electronic platform, Fusion, while depreciation and amortisation increased by £2m to £29m.

The adjusted EBIT was £173m in 2021, with an adjusted EBIT margin of 15.6% (2020: £183m, 16.2% in constant currency and £188m, 16.1% on a reported basis.

Energy & Commodities

E&C revenue of £370m in 2021 (which represents 20% of total Group revenue) was 1% lower than in 2020 (5% lower on a reported basis), with growth in environmental markets, oil and bulk commodities being offset by lower revenues in gas. By comparison the number of oil, gas and other energy products traded on the Intercontinental Exchange ('ICE') increased by c.1% in 2021.

E&C markets had a volatile year, driven by the pandemic's impact on supply and demand as well as the ongoing energy transition. The second half of the year was particularly volatile with the Omicron variant impacting the market's view on the demand for commodities. For instance oil prices for both Brent and WTI were particularly volatile towards the end of the year. Our oil clients have generally had a good year benefiting from a large number of trading opportunities, and our revenue in oil was largely reflective of the market and slightly ahead of exchange volumes.

Notes:
1 Dealer volumes refer to all clearing volumes subtracted by all client clearing volumes.
2 Former Trax Eurobonds, which we consider as a proxy for European credit volumes.
3 Eurex Equity derivatives and Index derivatives traded contracts.
4 Euronext stock products and index products volumes.

Significant price swings led to a severe contraction in many clients' OTC bilateral credit lines, resulting in reduced trading activity in OTC European gas and power. The Group's US power and gas revenues were largely flat with gains in power offsetting weaker gas revenues.

Of particular note in 2021 was the strong growth in our environmental products revenue as clients focus activity in this product area as part of the energy transition to a zero-emission future.

Front office costs of £248m were 1% lower than the prior year, in line with the decline in revenue, while management and support costs of £66m were £1m lower than 2020, with depreciation and amortisation increasing by £1m. This resulted in a contribution margin of 33.0% (2020: 33.2% in both reported and constant currency).

The adjusted EBIT was £47m in 2021, with an adjusted EBIT margin of 12.7% (2020: £50m, 13.5% in constant currency and £53m, 13.6% on a reported basis), with the lower revenue more than offsetting the decline in total costs.

Agency Execution

Agency Execution revenue increased from £88m in 2020 to £246m in 2021 (which represents 13% of total Group revenue), driven by the inclusion of Liquidnet revenue of £159m from 23 March 2021 onwards (the date of the acquisition).

Coex

Excluding Liquidnet, Agency Execution revenue for COEX was £87m in 2021 compared to £88m in 2020 (in constant currency), a decline of 1% (4% decline on a reported basis). Growth in listed futures, rates and equity derivatives was offset by a decline in the Relative Value ('RV') business, which was 13% lower year-on-year against extraordinary volumes in the prior year, particularly in the first half of 2020. Total RV revenue in the first half of 2021 declined by 34% compared to the same period in 2020, with a strong recovery in second half revenue, growing by 30% compared to the second half of 2020, and providing good momentum for growth in 2022. Excluding the RV desks, COEX revenues grew by 14% in 2021.

Total front office costs in COEX increased by 4% from £67m in 2020 to £70m in 2021. The resulting contribution was £17m (2020: £22m as reported and £21m in constant currency) with a contribution margin of 19.5% (2020: 24.2% on a reported and 23.9% on a constant currency basis).

Management and support costs increased by £2m to £14m, while depreciation and amortisation increased by £1m to £3m.

Adjusted EBIT for COEX was £nil (2020: £7m on both reported and constant currency basis). The reduction in adjusted EBIT reflected the revenue decline as well as investment during the year to drive future organic growth in the business. We expect profitable growth from COEX in 2022 as we grow the number of desks, while we also expect continued momentum in the RV revenue growth seen in the second half of 2021.

Liquidnet

Liquidnet proforma revenue for the full year 2021 was £221m, a reduction of 8% compared to full year revenue in 2020 of £242m (in constant currency), while Liquidnet post-acquisition revenue in 2021 of £159m was 6% lower than the same period in 2020 (£170m, in constant currency). This reflected lower wholesale equity market volumes across the US, Europe and Asia in 2021 compared with 2020. Volumes in the US on the S&P 500 declined by 24% year-on-year, while volumes on the FTSE 100 declined by 22%. In Europe, the CAC 40 experienced a decline of 29%. In Asia the decline in equity volumes was not as significant, with Hong Kong's main index and Japan's Nikkei 225 both declining by 5% year-on-year. The first quarter of 2020 saw significant equity volumes globally as a result of the onset of the pandemic, while at the end of 2020 positive market sentiment following news of progress on COVID-19 vaccines also generated significant volumes.

During 2021, Liquidnet's European market share of dark block trading increased marginally to 29.1% on average (2020: 28.8% on average). In the US, market share of Alternative Trading Systems ('ATS') venue electronic block trading fell from 15.1% in 2020 to 13.5% in 2021, recovering in the second half of the year with a market share of 12.7% in the second quarter improving to 13.8% in the fourth quarter. Liquidnet's overall market share of equity trading volumes across the US and EMEA was 0.27% and 2.23% in 2021 respectively, compared to 0.34% and 2.18% in 2020.

Total front office costs, since the completion of the acquisition, were £91m, while management and support costs amounted to £48m. Depreciation and amortisation amounted to £22m.

We are increasing our overall cost synergies target by the end of 2023 from £20m to at least £25m.

The adjusted EBIT loss was £2m when excluding the interest element of the IFRS 16 charge for leases of £4m (the divisional basis of reporting includes the full IFRS 16 charge for leases (interest and depreciation) in each division, whereas for reporting by Primary Operating Segment, the interest element of the IFRS 16 charge is excluded – see footnote 5 to the divisional tables on page 30). Liquidnet's adjusted EBIT margin in 2021 was -1.3%.

Parameta Solutions

In April 2021 we launched our new brand, Parameta Solutions, which now includes Data & Analytics ('D&A') as well as Post-Trade Solutions ('PTS'), which was previously reported under Global Broking.

Total Revenue in 2021 of £166m (which represents 9% of total Group revenue) was 5% higher than the prior year (1% lower on a reported basis), with double-digit revenue growth in D&A (10%) more than offsetting a revenue decline in PTS of 23%.

D&A revenue continued to benefit from the launch of new higher value, higher margin products (over a fifth of new sales are from new products launched since 2019); an increasingly diversified and growing client base (40 new buy-side clients and 10 new Energy & Commodities clients added in the period, with around 40% of net new sales to non-sell-side clients); increased regional sales coverage, and multi-channel distribution methods (including through channel partners and direct-to-client methods such as SURFIX or through the cloud). The D&A business continues to target double-digit revenue CAGR over the medium term.

PTS's MatchBook resetting Rates business was negatively impacted by the cessation of LIBOR (approximately 40% of revenue has historically been derived from LIBOR-based products), which was partly offset by significant growth in ClearCompress (+496%), an electronic service which replaces multiple offsetting derivatives, and eRepo (+119%), which enables the repurchase of government securities.

The cessation of LIBOR also creates future growth opportunities in MatchBook to help clients to mitigate risk associated with new benchmark indices and cross-index swap matching, and a number of products are currently under development to benefit from these opportunities. The risk-free rate ('RFR') landscape is fragmented with many different alternative offerings across currencies and geographies. Managing the transition of whole portfolios into a single RFR or multiple new RFRs provides a growth opportunity for the ClearCompress business. ClearCompress organised a working group of 27 dealers to investigate and deliver optimal LIBOR migration for clients.

Total front office costs in Parameta Solutions increased by 6% from £77m in 2020 to £82m in 2021, marginally ahead of the growth in revenue. The resulting contribution was £84m (2020: £86m as reported and £81m in constant currency) with a contribution margin of 50.6% (2020: 51.5% as reported and 51.2% in constant currency).

Management and support costs increased by £2m to £13m, reflecting increased investment in the above-mentioned growth initiatives. Depreciation and amortisation was held flat at £2m.

The 2021 adjusted EBIT was £69m, 1% ahead of the prior year (2020: £73m on a reported basis and £68m in constant currency), with an adjusted EBIT margin of 41.6% (2020: 43.7% on a reported basis and 43.2% in constant currency).

Performance by primary operating segment

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 the addition of Liquidnet ('Primary Operating Segments').

Each of the Primary Operating Segments has its own independent governance structure including CEOs, board members and Sub-Group Risk Conduct and Governance Committees with separate mind and management, autonomy of decision making and the ability to challenge Group level strategy and initiatives within its region. In the EMEA primary operating segment, in particular, there are also independent non-executive directors on the Regional Board that further strengthens the independence and judgement of the governance framework.

Following the redomiciliation of the Group's parent, the operational responsibility of entities was aligned with their legal ownership and as a result the Group currently considers that the Primary Operating Segments represent the most appropriate view for the purposes of resource allocation and assessment of the nature and financial effects of the business activities in which the Group engages.

FY 2021	**EMEA £m**	**Americas £m**	**APAC £m**	**LQT[2] £m**	**Corp/ Treasury £m**	**Total £m**
Revenue	**872**	**605**	**229**	**159**	**–**	**1,865**
Total front office costs	(520)	(407)	(145)	(91)	–	(1,163)
Contribution	**352**	**198**	**84**	**68**	**–**	**702**
Contribution margin	*40.4%*	*32.7%*	*36.7%*	*42.8%*	–	*37.6%*
Management and support costs	(155)	(106)	(54)	(48)	(34)	(397)
Other operating income	5	4	1	–	–	10
Adjusted EBITDA[3]	**202**	**96**	**31**	**20**	**(34)**	**315**
Adjusted EBITDA margin[3]	*23.2%*	*15.9%*	*13.5%*	*12.6%*	–	*16.9%*
Depreciation and amortisation	(37)	(14)	(9)	(22)	–	(82)
Adjusted EBIT[3]	**165**	**82**	**22**	**(2)**	**(34)**	**233**
Adjusted EBIT margin[3]	*18.9%*	*13.6%*	*9.6%*	*(1.3%)*	–	*12.5%*

FY 2020	EMEA £m	Americas £m	APAC £m	LQT[2] £m	Corp/ Treasury £m	Total £m
Revenue[1]	**890**	**668**	**236**	**–**	**–**	**1,794**
Total front office costs	(515)	(445)	(154)	–	–	(1,114)
Contribution	**375**	**223**	**82**	**–**	**–**	**680**
Contribution margin	42.1%	33.3%	34.7%	–	–	37.9%
Management and support costs	(166)	(115)	(67)	–	(18)	(366)
Other operating income	5	3	6	–	–	14
Adjusted EBITDA[3]	**214**	**111**	**21**	**–**	**(18)**	**328**
Adjusted EBITDA margin[3]	24.0%	16.6%	8.9%	–	–	18.3%
– Depreciation and amortisation	(31)	(16)	(9)	–	–	(56)
Adjusted EBIT[1,3]	**183**	**95**	**12**	**–**	**(18)**	**272**
Adjusted EBIT margin[3]	20.6%	14.2%	5.1%	–	–	15.2%

FY 2020 (constant currency)	EMEA £m	Americas £m	APAC £m	LQT[2] £m	Corp/ Treasury £m	Total £m
Revenue[1]	**874**	**626**	**226**	**–**	**–**	**1,726**
Total front office costs	(508)	(417)	(147)	–	–	(1,072)
Contribution	**366**	**209**	**79**	**–**	**–**	**654**
Contribution margin	*41.9%*	*33.4%*	*35.0%*	–	–	*37.9%*
Management and support costs	(161)	(108)	(64)	–	(24)	(357)
Other operating income	5	3	6	–	–	14
Adjusted EBITDA[3]	**210**	**104**	**21**	**–**	**(24)**	**311**
Adjusted EBITDA margin[3]	*24.0%*	*16.6%*	*9.3%*	–	–	*18.0%*
– Depreciation and amortisation	(32)	(14)	(9)	–	–	(55)
Adjusted EBIT[1,3]	**178**	**90**	**12**	**–**	**(24)**	**256**
Adjusted EBIT margin[3]	*20.4%*	*14.4%*	*5.3%*	–	–	*14.8%*

1 The Group's geographic segments were re-organised following the approval of the redomiciliation by the listed entity shareholders in February 2021. The amounts for 2020 have been restated to reflect the new segmentation. Revenues in EMEA increased by £2m offsetting the decrease in Americas; Adjusted EBIT increased by £23m in EMEA with a decrease of £1m in Americas, £4m in Asia and £18m in Corporate/Treasury.

2 LQT = Liquidnet. Due to the scale and strategic interest in the results of Liquidnet, management have decided to report it as its own primary operating segment.

3 Refer to reconciliation on page 22.

Cash flow

The table below shows the changes in cash and debt for the period ending 31 December 2021 and 31 December 2020.

	2021 £m	2020 £m
EBIT reported	**97**	**178**
Depreciation, amortisation and other non-cash items	165	129
Movements in working capital	(53)	(37)
Taxes and Interest paid	(98)	(126)
Operating cash flow	**111**	**144**
Capital expenditure	(58)	(53)
Acquisition consideration paid	(451)	(18)
Cash acquired with acquisition	202	9
Deferred consideration paid on prior acquisitions	(14)	(22)
Other investing activities	32	31
Investing activities	**(289)**	**(53)**
Net proceeds from rights issue	309	–
Dividends paid to shareholders	(47)	(94)
Net funds received from issuance of 2028 Sterling Notes	247	–
Repayment of 2024 Sterling Notes including premium	(200)	–
Other financing activities	(13)	(11)
Financing activities	**296**	**(105)**
Change in cash	**118**	**(14)**
Foreign exchange movements	–	(13)
Cash at the beginning of the period	649	676
Cash at the end of the period	**767**	**649**

The Group's net cash flow from operating activities reduced by £33m from £144m to £111m driven primarily by the reduction in reported EBIT of £81m to £97m and the following cash flows:

> A working capital outflow of £53m (2020: outflow of £37m) that principally reflects increases in trade receivables of £25m and net matched principle balances of £36m offset by a £10m reduced initial contract payment asset and amounts due from clearing organisations of £12m. Net outflows on other debtors, payables and provisions totalled £14m;
> £59m interest paid, an increase of £6m on 2020, of which £3m was from the payment of interest on the part-repurchase of the 2024 Sterling Notes and the remainder from higher debt drawdown and finance leases; and
> £39m of tax payments. This is lower than the £73m paid in 2020 due to lower profitability and because 2020 was a transitional period in which UK tax was paid in relation to both 2019 and 2020 profits.

The key financing activities in the year were:

> The £451m cash consideration paid for the acquisition of Liquidnet in March 2021 (comprised of £382m (USD$525m) cash consideration and £69m ($95m) of excess cash and working capital). Cash acquired as part of the Liquidnet acquisition amounted to £202m; and
> Capital expenditure of £58m compared with £53m in 2020, including £13m of capital expenditure relating to Liquidnet, incremental spending on our new London Headquarters and ongoing IT strategic investment projects.

The primary financing activities in the year were:

> The £309m net proceeds received from the £315m rights issue (with £6m of transaction costs);
> The issuance of the 2028 Sterling Notes for £247m net of issue costs, £200m of net proceeds was used to repurchase a portion of the 2024 Sterling Notes at a £16m premium. This will result in cash interest savings of £5m from 2022 onwards (£4m net expense saving including amortisation of discount and costs);
> £22m increase in debt drawdown on the Group's credit facilities;
> £28m of finance lease capital repayments compared with £24m in 2021; and
> Dividends paid to shareholders of £47m, reflecting the 2020 final dividend of 2p on the pre-rights issue share base and the 2021 interim dividend of 4p on the enlarged share base following the rights issue.

As a result of the above, the Group's cash increased by £118m.

Debt finance

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

	At 31 December 2021 £m	At 31 December 2020 £m
5.25% £247m Sterling Notes January 2024[1]	252	440
5.25% £250m Sterling Notes May 2026[1]	250	250
2.625% £250m Sterling Notes November 2028[1]	248	–
Loan from related party (RCF with Totan)	51	28
Revolving credit facility drawn – banks	–	–
3.2% Liquidnet Vendor Loan Notes	38	–
Overdrafts	17	7
Debt (used as part of net (funds)/debt)	**856**	**725**
Lease liabilities	286	212
Total debt	**1,142**	**937**

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 core debt, pre-lease liability has increased to £856m. The increase was mainly due to the issuance of a £250m par value Sterling Note maturing in November 2028, the proceeds of which were used in part to repay £184m par value of the January 2024 Sterling Notes. A further Yen4bn was drawn down of the Yen10bn credit facility with Totan, totalling Yen8bn (£51m).

The Group has a £270m Revolving Credit Facility which matures in December 2023 and the Yen10bn Totan facility which matures in February 2024.

Vendor loan notes of $50m par value (£37m), maturing in March 2024, which were issued as part of the purchase consideration of Liquidnet.

Exchange rates

The income statements and balance sheets of the Group's businesses whose functional currencies are not GBP are translated into Sterling at average and period end exchange rates respectively. The most significant exchange rates for the Group are the US Dollar 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 headwind for the Group in 2021, caused largely by GBP appreciation against the USD, with approximately 60% of Group revenues and approximately 40% of costs in USD, resulting in a currency mismatch. The average GBP:USD rate strengthened 7% year on year, while the period end rate weakened by 1%.

	Average			Period end		
	FY 2021	FY 2020	FY 2019	**FY 2021**	FY 2020	FY 2019
US Dollar	**$1.38**	$1.29	$1.28	**$1.35**	$1.37	$1.32
Euro	**€1.16**	€1.13	€1.14	**€1.19**	€1.12	€1.18

As at the end of February 2022, GBP:USD has weakened by 2% compared to the full year 2021 average.

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 and is expected to be completed towards the end of 2022.

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 £46m (2020: £49m) 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 period 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. Past service and settlement costs amounted to £1m in 2021 (2020: £1m).

Following the full 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%.

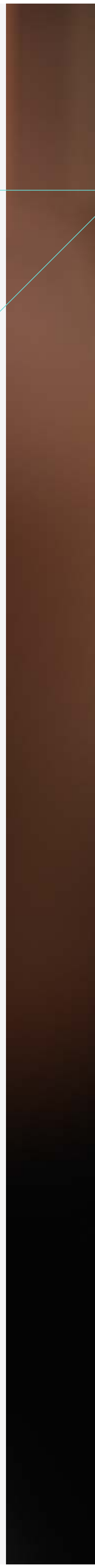
Regulatory capital

Following the Group's redomiciliation to Jersey on 26 February 2021, the Group now falls under the regulation of the Jersey Financial Services Commission. At a Group level, the Group is no longer subject to the consolidated capital adequacy requirements under CRD IV and as a result the 'Financial Holding Company test' and CRD IV waiver requirements of the FCA are no longer applicable. The FCA has become the lead regulator of the Group's EMEA businesses, sub-consolidated under a UK holding Company, for which the consolidated capital adequacy requirements under CRD IV now apply. This sub-group has not applied for a waiver from the FCA as the 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.

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: THE ROLE OF BROKERS WILL CONTINUE TO EVOLVE IN AN INCREASINGLY ELECTRONIFIED MARKET

Market electronification has and will continue to impact the broking business model, with a greater expectation for brokers to deliver operational efficiency and liquidity at minimised trading costs. As technology continues to advance, the needs of our clients are changing, and we will continue to adapt to maintain a consistent level of high-quality service.

Although equity markets are highly electronified and the vast majority of equity trades occur through electronic platforms, the trend in our core markets, including fixed income, is less prevalent. This is due to less liquidity, different trading styles and the complexity of fixed income instruments. However, the notional value and volume of electronic trades in fixed income markets is increasing with adoption even in less liquid and bespoke products such as interest rate swaps. We expect that electronification in fixed income markets will continue to be a consistent trend, although it is unlikely to evolve into a fully automated, electronified marketplace, as is the case for equities. Indeed, we expect the role of brokers to continue being critical for our clients in the foreseeable future.

What does it mean for TP ICAP?

As market electronification continues and the role of our brokers evolves, we recognise the change in our clients' needs for a more efficient, more liquid and lower cost offering. We will continue to execute on our Fusion strategy, developing our proprietary Fusion platform to provide a more electronified, aggregated, low-touch service to serve them better.

TREND 2: REGULATION ACROSS ALL TERRITORIES IS BECOMING MORE COMPLEX

TP ICAP has a global presence with over 60 offices across 27 different countries, governed by different regulators and under different jurisdictions. At the same time, the global trend of increasing regulatory oversight continues and requirements for additional transparency are heightened. This includes the new prudential regime for investment firms in EMEA and continued focus on the implications of Brexit, with much of the regulation still being finalised. To comply with the additional regulatory obligations and disclosures, which are often increasing in complexity, TP ICAP has invested further in specialist hires to effectively resource and maintain regulatory compliance. Greater regulatory oversight also increases the risk of regulatory action being taken against TP ICAP, putting more emphasis on the need to continue developing our risk and compliance frameworks.

Recent studies and surveys have shown that the vast majority of respondents expect to spend more time communicating with regulators and exchanges in the next 12 months, with an expectation that information requests from regulators will increase. Surveys have also indicated that firms are implementing new strategies to address regulatory complexities, including the adoption of cloud technology to improve efficiencies.

What does it mean for TP ICAP?

With increasing complexity and scrutiny in global regulations, technology will be instrumental in helping us aggregate and analyse data to provide the necessary support for regulatory change.

TREND 3:
AS COLLECTING AND ANALYSING DATA GETS EASIER AND CHEAPER, OWNERSHIP OF THE UNDERLYING DATA IS KEY

Advances in technology and more electronic trades have resulted in more efficient data collection and insight. This has come with a growing market demand for data and analytics, given the increase in the availability of raw information. The processing power needed to evaluate substantial volumes of data has improved significantly in recent years, and it is now possible to distil and interpret the raw information much more efficiently. The movement to 'cloud based' technology has also helped to reduce upfront costs and increase the speed of delivery to clients.

With the collection and analysis of data becoming cheaper, ownership of the underlying data is key, allowing different applications of the data to be leveraged to help develop new products. Specifically within our Parameta Solutions division, we have seen increased demand for our proprietary broking data, and interest in partnerships and collaborations to develop new data packages and tools.

What does it mean for TP ICAP?

We will continue to leverage technology for data capture in our Parameta Solutions division. This will enable us to develop higher value products and services more efficiently and effectively from the raw data that we generate through our broking divisions. Greater adoption of cloud-based technology by our clients has also enhanced the way in which they receive our products and services. Clients who access our products via the cloud are provided with additional optionality while also benefiting from reduced upfront costs.

TREND 4:
ESG IS INCREASINGLY IMPORTANT TO ALL STAKEHOLDERS

At a time when the dire effects of climate change have become impossible to ignore, environmental, social, and governance (ESG) considerations have moved from niche to mainstream. Asset owners and allocators are increasingly demanding investment opportunities from their asset managers that incorporate ESG factors. This increased focus on ESG factors has been reflected in global markets with global sustainable funds hitting a record inflow of $500bn+ in the first three quarters of 2021 and estimates that ESG assets may hit $53 trillion by 2025, a third of global AUM.

Governments around the world are taking steps to address climate change, with a particular focus on transitioning to a low carbon economy. As the host of COP26 in 2021, the UK government sought to become the world's first 'net zero financial centre', with new requirements for UK financial institutions and listed companies to publish net zero transition plans that detail how they will adapt and decarbonise as the UK moves towards a net zero economy by 2050.

Concurrently, banks, insurers and asset managers representing more than 40% of the world's financial assets joined the Glasgow Financial Alliance for Net Zero (GFANZ). Signatories must commit to use science-based guidelines to reach net zero carbon emissions by mid-century, and to provide 2030 interim goals. GFANZ represents the private sector taking serious voluntary action in response to climate change.

What does it mean for TP ICAP?

At TP ICAP, we take the challenges resulting from climate change seriously, recognising both the physical and transition risks to the long-term health of our business. We also understand that these challenges present not only risks but also opportunities. As companies across the global capital markets increase their awareness and understanding of ESG issues, we see a clear role for the Group in bringing our considerable strengths to accompany our clients on their sustainability journeys to meet their mandates and objectives.

To read more on our ESG targets, please refer to pages 58 to 61.

TREND 5:
COVID-19 IMPACTED THE WAY WE WORK AND EMPLOYEE NEEDS HAVE EVOLVED

The coronavirus pandemic continues to have a material impact on global socio-economic conditions. Countries around the world continue to adopt individual policies around international travel, restrictions on social interactions and government support. However, there is one clear universal trend as a result of COVID-19, which is a greater demand for flexible working conditions. A recent global survey found 90% of employees want more flexibility in their work, and 80% of companies intend to make moderate to extensive changes to accommodate hybrid working in response to this trend.

What does it mean for TP ICAP?
Electronification of our front and back office services was instrumental in facilitating a smooth transition to agile working that has continued to improve since 2020. We are therefore well positioned to continue supporting more flexible working practices going forward.

Employees globally wanting more flexible working conditions

90%

ANTICIPATING AND RESPONDING TO CHANGE

We are transforming our business along three strategic pillars:
– Electronification
– Aggregation of liquidity
– Diversification

STRATEGIC PILLAR
ELECTRONIFICATION

Increase the proportion of low-touch activity, and improve client connectivity and post-trade processing to enhance operating margins.

We believe electronifying our business will drive volumes and meaningfully increase broker productivity and contribution margins. More trades are being transacted electronically, which typically leads to increased volumes and the ability to improve broker productivity over time.

Progress during the year

> Completed and integrated the acquisition of Liquidnet, an electronic dark pool platform that substantially enhances TP ICAP's electronic footprint;

> Launch of the Liquidnet Primary Markets in September 2021, providing an electronified debt capital markets workflow for new issue announcements and a trading protocol for new issue trading;

> Implemented Fusion, our proprietary, award-winning OTC electronic platform on more Rates and FX desks in Global Broking. Fusion is already live on desks comprising c.20% of in-scope Global Broking 2021 revenue; and

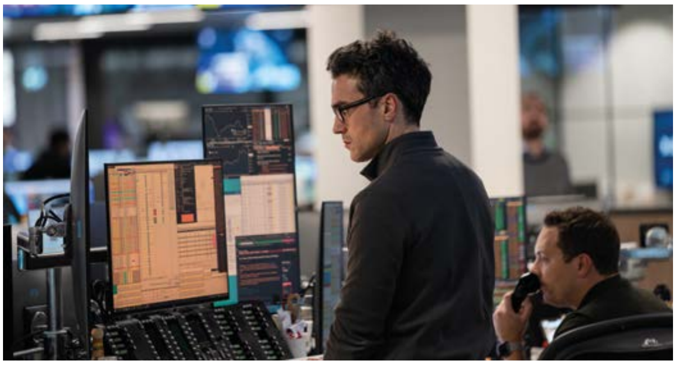
> Progressed the roll out of Fusion Energy to brokers and clients in Energy & Commodities.

Priorities for 2022

> Growing the Liquidnet Primary markets offering and developing the Liquidnet Credit platform (including launching the Dealer to Client RFQ and eCLOB protocols);

> Continue to increase the number of low-touch desks to improve operational efficiencies, with a target of introducing Fusion on Global Broking desks attributed to an additional c.20%–25% of in-scope revenue; and

> Linking the Oils desks with the client Fusion front end to enable a low-touch client transaction execution experience.



Case study
Liquidnet Primary Markets

We believe that better use of technology will improve the efficiency and profitability of our business. That is why we are rolling out new electronic platforms across our broking businesses, and looking across our Group for further opportunities to grow revenues and margins by introducing new technology.

For example, in September of 2021 we launched Liquidnet Primary Markets ('LPM'). This is an innovative product, combining the strengths of TP ICAP and Liquidnet, which has been developed in conjunction with our clients. It is the first step in our plan to offer the full range of electronic agency services across the entire lifecycle of a bond – from issuance, to trading, to redemption.

LPM deals with credit issuance – one of the last parts of the capital markets to electronify. Before we launched LPM, the process of issuing new bonds was largely manual, error prone, inefficient and time consuming. This meant buy-side traders, portfolio managers and banks' sales teams spent large parts of their day performing clerical tasks.

Working with banks, asset managers and other market participants, we developed a truly market-driven solution. With LPM, banks can send new issue information to investors electronically via the Liquidnet app and order management system. Investors can then input new issue orders electronically to the syndicate banks, with minimal manual intervention. They will then receive deal updates, allocations and final pricing electronically via Liquidnet.

Clients will also be able to trade new issues electronically from their order management systems. This addresses another problem caused by the current lack of electronic trading – limited liquidity discovery and price formation in early trading.

STRATEGIC PILLAR
AGGREGATION

Provide clients with access to aggregated liquidity from across our brands to make it easier and more attractive to transact with TP ICAP brands.

We operate a number of liquidity pools across products, asset classes and brands. To give our clients choice, we will continue to operate TP ICAP's different brands, including Tullett Prebon and ICAP, as some clients prefer one over the other. However, once on our platform, instead of limiting clients with just one brand, they will have access to the aggregated liquidity of all our brands to deliver the best price and outcome. We will also continue to enhance our offering by harmonising the appearance of screens between products and brands, simplifying connectivity, and integrating related analytical tools to improve the client experience.

Progress during the year

> Progression of our Fusion strategy with the proprietary Fusion platform now implemented on Global Broking desks representing c.20% of total in-scope Global Broking revenue. Brokers can access aggregated liquidity offered across our brands on one screen, increasing access and choice for our clients.

Priorities for 2022

> Connecting additional desks across multiple product lines in Global Broking and Energy & Commodities to Fusion. Many of these targeted desk migrations are well advanced, reducing the additional work required for connectivity. Over the course of the year, we expect to introduce Fusion on desks comprising a further c.20%-25% of in scope revenue in Global Broking and to our Oil and Environmental desks within Energy & Commodities.

Case study

Fusion

As the largest inter-dealer broker in the world, we have unrivalled access to liquidity across asset classes. To leverage that for our clients, we have built our award-winning Fusion electronic platform and will continue to evolve this alongside market and technology advances. The platform offers clients access to aggregated and consolidated liquidity from our globally established brands including ICAP and Tullett Prebon – providing clients with a seamless user experience and enabling more effective price discovery. For TP ICAP, this aggregation of liquidity drives volume, enhances efficiencies and supports stickier client relationships for our brokers.

Fusion has one, consistent look and feel, and allows a customisable front end for clients, depending on their trading preferences and remit. This capability allows us to reach a wider audience for greater cross-selling opportunities, as well as enabling our voice brokers to focus on transacting more complex trades on potentially less-liquid instruments, and on providing market insight to clients.

Our Rates offering brings this element of our strategy to life. We have made great progress rolling the platform out regionally and it is now live in EMEA, the US and Japan. We have also significantly enhanced the platform in 2021, with the ICAP Inflation desk migrated in July, to sit alongside the market-leading ICAP Interest Rate Option platform. Clients can now use this to trade bespoke IRO butterflies, as we continue to drive functionality for all desks. The Tullett Prebon IRO platform has also been expanded, as have trade data services and API connections.

Feedback so far has been very positive, with clients benefiting from the ability to view ICAP and Tullett Prebon data simultaneously, regardless of which brand they trade with. Over the course of the coming year, we will focus on further enhancements to the platform and aggregating further markets across both brands, as we look to reach more of our client base and offer them that wider market view.

STRATEGIC PILLAR
DIVERSIFICATION

Build out earnings from the buy-side, corporates and data businesses to increase sustainable growth and quality of earnings.

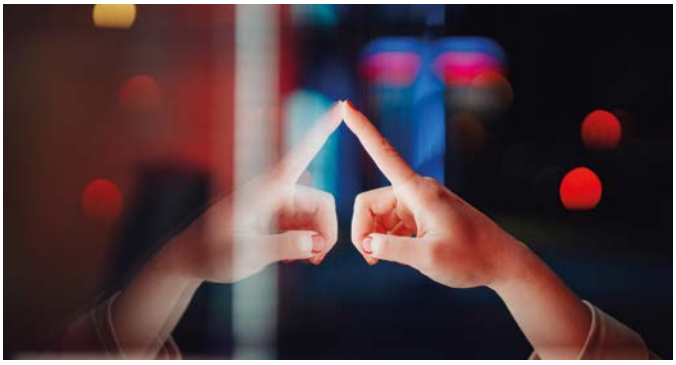
While Global Broking remains our largest revenue generating division, our other divisions – Parameta Solutions, Agency Execution and Energy & Commodities – are our faster growing businesses. Diversification of revenues will enhance the reliability and quality of our earnings as we target more buy-side clients, maximise the value of our data, and grow pre and post trade services.

Progress during the year

> Greater diversification of our revenue profile: non-Global Broking revenues represent 42% of 2021 revenue (up from 36% in 2020);
> On track in developing and executing our plans to grow Liquidnet's Equities and Credit franchises; and
> Launch of the Parameta Solutions webstore that allows users to directly purchase our data and analytics products and services, adding numerous channel partners and partnering with cloud solution providers, to ultimately expand our distribution options to clients.

Priorities for 2022

> Greater diversification from our traditional voice broking by developing the Liquidnet Credit offering including the Dealer-to-Client RFQ and Liquidnet Primary Markets; and
> Growing Parameta Solutions revenues outside of pure pricing data products while continuing to seek additional distribution channels and grow direct sales through the webstore.



Case study

Parameta Solutions

Investing and growing in our high-growth, high-margin data and analytics business, Parameta Solutions, is one of the key elements of our diversification strategy.

Within Parameta Solutions we have always adopted a client focused approach to technology, offering data feeds via our vendor partners and directly via the feed options available. With the adoption of cloud-based technologies, Parameta is well placed to adapt to client needs, due to our significant investments in cloud technology over several years, in terms of both people and deployment within the TP ICAP Group.

In 2021, we announced our strategy to diversify both the product offering and client base of Parameta Solutions. Great progress has already been made with the launch of a first Knowledge product, Transaction Cost Analysis for Bonds, and an innovative new option to retrieve data via the Cloud Datashare. To deliver these products we partnered with cloud and software partners that share our focus on data discovery and innovation.

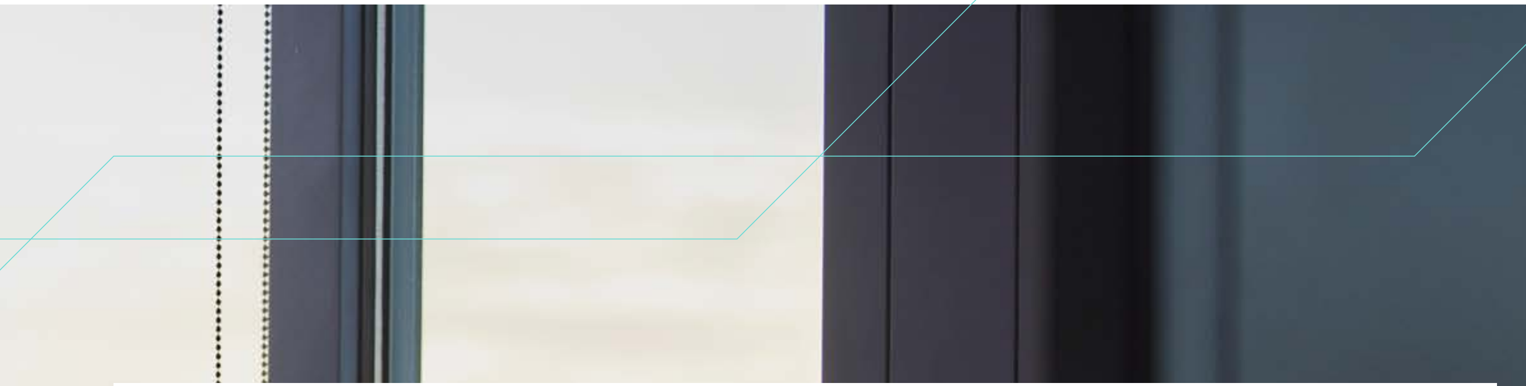
Thoughtspot, a Silicon Valley-based Business Intelligence firm, is one of these partners. They underpin the technology which drives the data discovery functionality within our Transaction Cost Analysis platform through the use of AI assisted analytics. This is fully native in the cloud and complements the technology stack that Parameta has adopted, including Google Big Query and Snowflake.

Partnerships like this one ensure the delivery of data sharing, so clients are able to receive TP ICAP content directly into their cloud environments enabling them to test strategies, understand quality without the need to deploy large amounts of infrastructure, and retain access to the entire historical archive along with current data. Clients benefit from being able to experiment with large content sets more quickly, allowing for a quicker return on their investments.

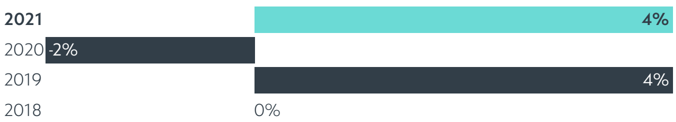
Parameta Solutions will continue to diversify and invest in innovative technology as we respond to industry trends and evolving client needs.

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. Non-financial KPIs including our ESG KPIs are provided on pages 58 to 61.



Revenue growth
Reported (%)



KPI definition
Revenue growth is defined as the annual growth of total reported revenues. Group revenues are shown on page 22.

Comment
Our core revenue growth is driven by transactional volumes that reflect wider market conditions. With unusually quiet trading activity in the secondary markets including the impact of the LIBOR cessation on our Rates desk, Global Broking revenue fell 5% in 2021, relative to 2020. Although adversely impacted by the strengthening of the Great British Pound (GBP) against the US Dollar (USD) in 2021, overall Group revenues increased +4% year-on-year on a reported basis (+8% on a constant currency basis), assisted by the Liquidnet acquisition.

Contribution
(£m)

KPI definition
Contribution is calculated as revenue (at constant exchange rates) less broker compensation and other front office costs. It also includes the revenue of Parameta Solutions less direct costs. See contribution section on page 29.

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 3% increasing from £680m in 2020 to £702m in 2021.

Adjusted operating profit (EBIT) margin
(%)

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 22.

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 2021 was two percentage points lower than 2020.

Adjusted earnings per share (EPS)*
(p)

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. A reconciliation to statutory EPS is shown on page 22.

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. Adjusted EPS in 2021 reflects the increase in the share count following the rights issue equity raising in connection with the acquisition of Liquidnet.

*Historical adjusted EPS figures have been retrospectively adjusted for the rights issue impact.

A CONNECTED APPROACH

Buyers of financial products

What we do

Our business model generates revenue in two ways:

We generate commission revenue by providing broking and agency execution services to counterparties (banks, asset managers, hedge funds and corporates) operating in global wholesale over-the-counter ('OTC') and exchange-traded financial and commodities markets.

We also use the valuable OTC data that arises from broking to generate subscription-based revenue by packaging and selling data and analytics products to our clients, enabling them to manage their portfolios and make investment decisions.

Broking/Agency Execution (AE)

£1,699m (91% of revenue)

Through electronic, voice and hybrid broking protocols, we provide our clients with access to deep liquidity pools and facilitate price discovery in global markets. We act as intermediaries between buyers and sellers, enabling them to trade efficiently and effectively. The transactions we facilitate are often bespoke in nature, complex, and of a high nominal value. We do not market make/trade using our own balance sheet and therefore we have minimal exposure to market and credit risk. We carry out our broking activities according to three main models:

Name Passing/Name Give-Up

£1,190m (approximately 70% of broking/AE revenue)

Where the Group identifies and introduces buyers and sellers who then complete the transaction between themselves at mutually acceptable terms. The Group's risk exposure is limited to the collection of commission from clients.

Matched Principal

£318m (approximately 19% of broking/AE 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. The Group bears the risk of counterparty default during the period between execution and settlement of the trade.

Executing Broker

£191m (approximately 11% of broking/AE 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 (or its clearing member).

Sellers of financial products

Parameta Solutions

£166m (Data & Analytics and Post Trade Solutions) (9% of revenue)

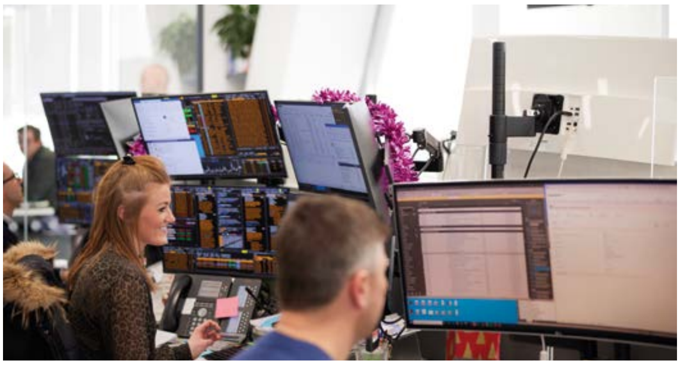
We package and sell data and analytics products focused on OTC instruments and asset classes. Our products allow our clients to price transactions, manage their risk and value portfolios. The vast majority of the underlying data is generated by our Broking/Agency Execution activities.

SIX DRIVERS OF SUSTAINABLE VALUE CREATION

1. We have a global network and strong brands
The Group's brands are highly regarded and resonate with our clients. We are able to service our clients across the world with offices in 27 countries.

2. We provide deep liquidity pools for our clients
We are one of the largest liquidity providers in the world and are experts in the product markets in which we operate. The deep pools of liquidity we can access provide an efficient execution service for our clients and enables the orderly functioning of global markets.

3. We have deep relationships that allow us to innovate
One of our key strengths is the breadth and depth of the relationships that our brokers have with clients. We often collaborate with our clients to adapt our product offering, develop new and innovative products and enter or create new markets where there is high demand. For example, our innovative wholesale trading platform for digital assets is due to launch in the second quarter of 2022.



4. We have a strong culture and highly skilled people
Our entrepreneurial culture and our people are fundamental to our long-term success. Colleagues use their skills to ensure that our client offering evolves and stays relevant and that the level of service we provide is the best that it can be. Our people are driven by our four Group values: honesty, integrity, respect and excellence. These values underpin everything that we do. More detail on our people, values and culture can be found in the sustainability section on pages 57, 60 and 61.

5. We operate responsibly
We are committed to operating responsibly, integrating environmental, social and governance ('ESG') considerations into our day-to-day decision-making across all business functions. We work to avoid harm, mitigate risks and create shared value for all our stakeholders – our clients, colleagues, communities, suppliers and investors. See pages 56 to 74 for more detail on our approach to sustainability.

6. We are focused on using technology to improve efficiency
The traditional voice broking model is becoming more and more electronic and we are at the forefront of that evolution. Electronification increases front office productivity, improves our operating margin and creates a more efficient service for clients. Further detail on our electronification strategy can be found on pages 41.

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 the following pages.

While TP ICAP Group plc is a Jersey registered company and therefore its Directors are not subject to UK Companies Act requirements, in particular to section 172 duties, the Board is nevertheless committed to actively engaging with its stakeholders to ensure their interests are considered amongst other factors in Board discussions and decisions. While physical engagement remained challenging during the year, the Board took a number of steps to maintain active engagement with its stakeholders and ensure their views were taken into account in strategic decisions promoting the long-term sustainable success of the Company. A similar statement will be reported in the statutory accounts for each of our active UK subsidiaries subject to UK Companies Act requirements for the year ended 31 December 2021.

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 unchanged: employees, shareholders, clients, regulators and suppliers. In addition, environmental and community matters are considered key areas of importance and Tracy Clarke, the ESG Engagement Non-executive Director appointed in Q1 2021, 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 in the Chair's statement on page 10 and in the Sustainability report on pages 56 to 74.

How we engage

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. On pages 49 to 55 we set out our key stakeholder groups and the main methods we use to engage with them. The Board monitors the effectiveness of these engagement mechanisms as part of the Board evaluation process.

To support the Board's endeavours to better engage with and consider the interests of our stakeholders, Board paper templates invite appropriate focus on these stakeholder considerations.

EMPLOYEES

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

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 the Workforce Engagement Programme described below.

How we engage

The COVID-19 pandemic continued to affect our Workforce Engagement Programme well into the year, which necessitated us to adapt the way we engaged and communicated with our employees.

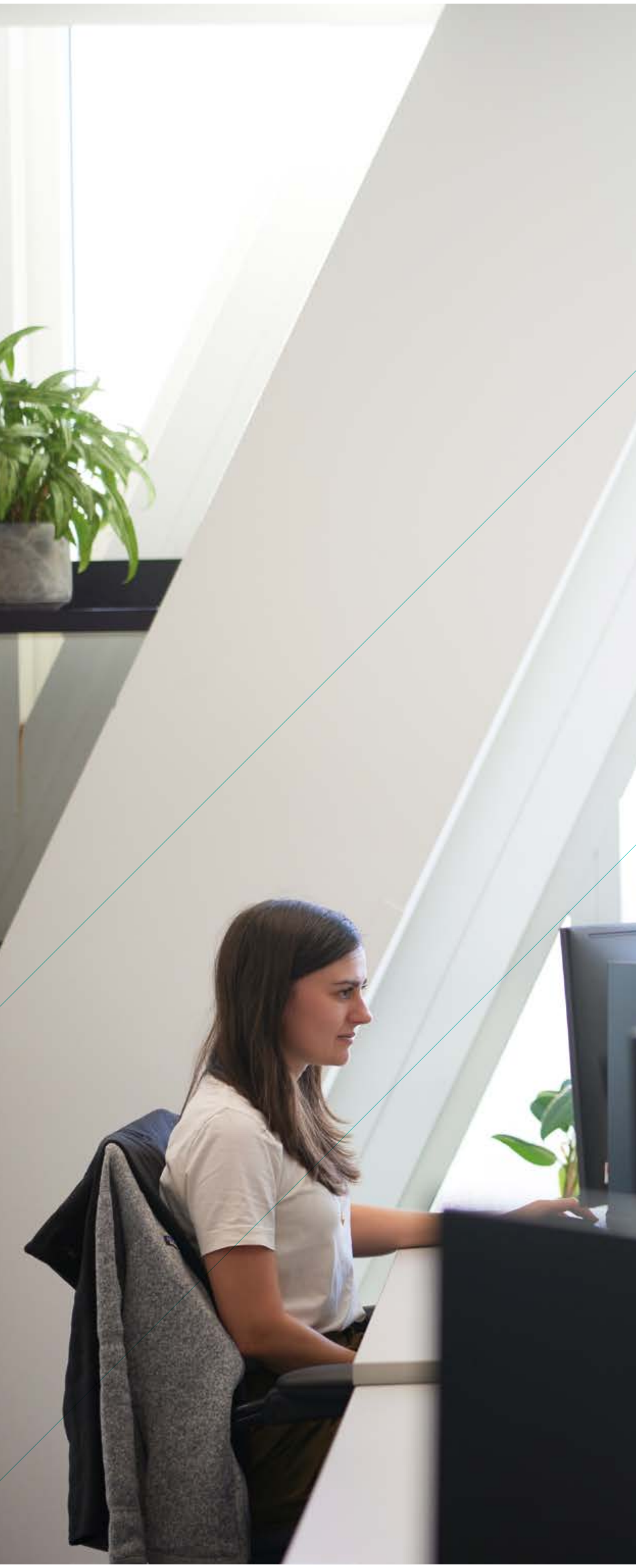
The Board started the year with a clearer understanding of the challenges presented by the COVID-19 pandemic. During 2021 TP ICAP rolled out several new initiatives.

The TP ICAP Accord initiative was introduced which established and re-launched five employee networks across the Group; the Multicultural, LGBTQ+, Sports & Wellbeing, Veterans and Women's Networks. Various events were held to promote the Networks and employees were invited to participate in virtual and face-to-face events, when permitted, to help colleagues connect better and increase understanding across the firm. Some Board members have further engaged with the initiative by joining the Women's Network and participating in events. The Networks have been very well received across the Group with an increase in member participation. Further engagement activities are planned for 2022.

Cultural acceleration initiatives have been a key focus for the Board as the Group looks to redefine its values. Following the acquisition of Liquidnet, TP ICAP conducted a Culture and Values survey to gain a deeper understanding of how the Company's culture and values are supported by the everyday behaviours of our employees. The employee feedback from the survey is helping to shape the Company's values into the future and unify our culture, with values that resonate across all management and employees.

Direct engagement with employees during the year was supplemented with the Global Employee Engagement survey conducted in Q4 2021 to provide insight into employee engagement levels and understand key engagement factors. Initial results from the survey were shared with the Nominations & Governance Committee and subsequently with the Group Management Committee ('GMC') to identify changes needed. The employee feedback from this survey, the Culture and Values survey and other feedback gathered informally by GMC members has informed the GMC workshops held during Q4 2021 and 2022 to date. These workshops have considered and reflected on the insights and action plans will be agreed and executed during 2022 to ensure these changes are adopted successfully across the Group. Throughout this review the Nominations & Governance Committee has been kept informed on employees' views and developments.

The Board continues to gain insight into regional specific issues for employees, with Mark Hemsley, Michael Heaney and Edmund Ng remaining as the appointed Workforce Engagement Directors for EMEA, Americas and Asia Pacific Regions, respectively.



Case study

The Board's response to the pandemic

Stakeholder consideration: employees

The COVID-19 pandemic forced the majority of our employees to work from home for a considerable amount of time during 2020 and 2021, so a priority for the Company was establishing a working environment that maximised employee collaboration and team-building while ensuring the safety of our employees and retaining a work-life balance.

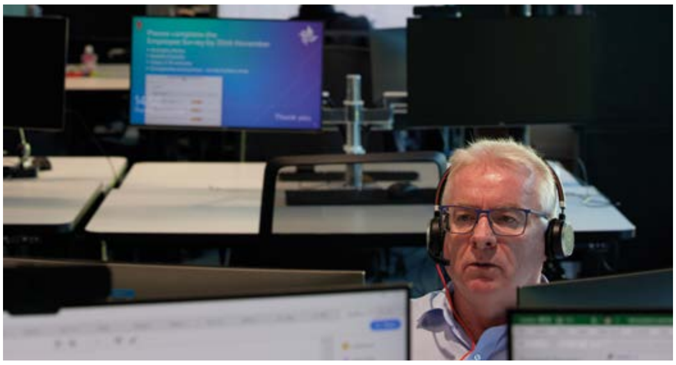
The Board reviewed the feedback from a COVID-19 focused survey conducted in 2020. This survey was not only invaluable in achieving a safe and seamless transition back to office-based working, but also key insights from the survey indicated that employees valued a flexible working environment that promoted work-life balance. On the basis of this feedback, participants in the Workforce Engagement Programme were invited to be involved in the development of our Agile Working Policy.

As a direct result of this, the Company rolled out the Agile Working Policy in the second half of 2021 for our non-broking teams.

We believe that embedding flexible working throughout TP ICAP will increase employee engagement and productivity, and improve employee wellbeing. The policy also broadens the target population of candidates who might be interested in the Group as a potential employer, ensuring we attract and retain top talent.

The Agile Working Policy has been well received by employees so far, demonstrating the value of listening to our colleagues.

EMPLOYEES
continued



Value we create

We want TP ICAP to be a positive place to work where employees feel valued and respected. Throughout the year, there has been significant engagement with employees to ensure employees feel heard and that their feedback creates action in the Group.

Physical and mental wellness has been a key focus for the Sports & Wellbeing Network this year and a number of initiatives have been rolled out to encourage employees to take time to focus on their health, including the launch of the global employee assistance programme in Q2 2021. 'Balance', the global initiative focusing on health and wellbeing, was introduced during the year as a central hub providing all employees with access to tools for them and their families to stay fit and healthy.

The Group has rolled out an Agile Working Policy for its employees as recent employee feedback noted flexibility as an important factor for the work environment. By delivering policies based on employee feedback, TP ICAP offers an attractive working environment for its employees while recognising employees have commitments outside of work. This helps TP ICAP remain competitive in attracting and retaining talent and employees to achieve a work-life balance.

In parts of the EMEA region, an Early Careers Programme has been defined for certain areas of the business to support the first five years of an employee's career, creating opportunities for progression, promotion and pay awards. We are focused on developing our employees and offering everyone access to learning opportunities, so throughout 2021 and into 2022 we have run virtual training events globally covering a wide range of useful business skills, hosted by expert training partners.

Impact on Board decisions

Feedback and insights from the Workforce Engagement Programme and other engagement mechanisms were discussed in Board and Board Committee meetings throughout the year. Among the matters considered were changes to working practices for employees. Further detail on the adoption by TP ICAP of the Agile Working Policy in 2021 can be found in the Case Study opposite. Other matters discussed included progress on conduct and culture initiatives, progress against diversity and inclusion targets, and other employee compensation considerations. The initial feedback from the Global Employee Engagement survey has been reviewed by the Nominations & Governance Committee and GMC, as detailed on page 49. The next steps will be considered and actions determined to boost employee engagement across the Group in 2022.

The Board will continue to monitor the effectiveness of the Workforce Engagement Programme, as well as other informal and structured employee engagement across the Group during the coming year. The objectives will be 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.

SHAREHOLDERS

How we engage

The Chief Executive Officer, Chief Financial Officer and Board Chair hold frequent meetings with investors, which in 2021 included a Parameta Solutions Investor Seminar. One of the main topics discussed with shareholders over the year was the Directors' Remuneration Policy proposal: you can read more about this in the Case Study on the page opposite. Other topics covered in these shareholder discussions were the acquisition of Liquidnet, the Group's business performance, the Group's strategy, as well as other matters of concern to investors such as ESG. The Board regularly receives feedback on these meetings, along with copies of analysts' and brokers' briefings. The Board Chair met with shareholders representing at least 59% of the Company's issued shared capital during the year. We also engaged with institutional investors in several other ways, including virtual group conference calls to accommodate overseas investors.

All shareholders are invited to attend the AGM, typically held in May each year. All the Directors normally attend and are available to answer questions. Given the challenges over the last year presented by the COVID-19 pandemic, the AGM in 2021 was once again held as a hybrid meeting, facilitating electronic attendance by shareholders who, via their computers or electronic devices, were able to ask questions of the Board and vote in real-time at the meeting.

All Non-executive Directors are available to meet shareholders, if requested, and the Board is regularly updated on shareholder feedback.

There is a regular reporting and announcement schedule presented to the Board 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.

Value we create

During the year, the Company has paid dividends to shareholders, having considered the impact of a distribution on the long-term prospects of the business.

Impact on Board decisions

The Board considers shareholders' interests and views as part of their deliberations on an ongoing basis, including in relation to the Company's business strategy, dividend payment and distribution strategy and its capital and liquidity.

Engagement with, and participation from, the Company's shareholders is of key importance to the success of the business and in achieving our aim of creating long-term and sustainable shareholder value. Feedback from investors was a key consideration in Board discussions during the year, particularly in relation to the Directors' Remuneration Policy and in the Remuneration Committee's discussions. The Board has also accelerated its focus on its ESG strategy taking into account numerous communications from investors on the topic.

Case study

Consultation on the Directors' Remuneration Policy

Stakeholder consideration: shareholders

Following the vote at the 2021 Annual General Meeting ('AGM') on the Report of the Remuneration Committee, the Committee was keen to understand the views of our shareholders, noting that a significant minority had voted against the resolution.

The Committee undertook a consultation with a significant number of shareholders, discussing TP ICAP's Directors' Remuneration Policy and strategy. The purpose of the consultation was to ensure that shareholders were given the opportunity to discuss and provide feedback on our proposals for a new Directors' Remuneration Policy (the 'Policy').

The shareholder consultation process followed the below timeline, with shareholder engagement in the format of meetings and letters:

> In July 2021 our largest shareholders were sent a consultation pack which provided an overview of the Committee's initial thinking on the revised Policy approach for 2021 and beyond.
> Shareholders were invited to provide their initial feedback at shareholder meetings run by the Board and Remuneration Committee Chairs.
> The feedback from the shareholder sessions was reviewed by the Committee and shareholders were presented with a summary of the proposed Policy in September 2021 for further feedback.
> In Q3 and Q4 2021 the Committee reviewed the shareholder feedback and continued to develop the Policy, taking into account the shareholder feedback.
> The Board decided, having carefully considered shareholder feedback, that the new Policy would not be presented at an Extraordinary General Meeting in November 2021, as originally intended, but that it would be brought for shareholder approval at the AGM in May 2022 allowing more time to develop the Policy and consult further with shareholders in early 2022.

The shareholder consultation process as a whole was invaluable in informing the Remuneration Committee's discussions and shaping the Company's senior leadership remuneration strategy and policy. Further information on the consultation process and the Policy can be found in the Report of the Remuneration Committee on pages 120 to 147.

CLIENTS

How we engage

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. 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. The Head of CRM presented to the Board during the year and 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 like the Liquidnet acquisition and market structure updates.

Value we create

Our continuous engagement with clients ensures we keep providing market-leading products and services, evolving the Group's businesses according to market demands.

Impact on Board decisions

Throughout the year the Board has been considering the output from client engagement and its potential implications for the Group's strategy. This year a particular focus was paid to accounts receivable and the impact of COVID-19 on TP ICAP's days sales outstanding. The impact of Brexit on our clients was also a key consideration for the Board in developing and implementing our own post-Brexit plans.

Having an understanding of the impact of external economic factors on our clients has enabled the Board to readjust its immediate strategy and provide effective oversight of operational performance. In addition, dialogue with clients has helped the Board to stay informed about clients' concerns, understand significant changes in their businesses, predict future trends and re-align the longer-term strategy accordingly.

REGULATORS

How we engage

The Board is kept apprised of discussions with the JFSC, the lead regulator of the Group, 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. 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 the UK Government, the FCA, the AMF and other regulatory bodies via sector consultation and round table exercises. 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. The Group responds to relevant government consultations, including this year providing a detailed response to the BEIS consultation on audit and corporate governance which was reviewed, considered and supported by the Nominations & Governance Committee.

Value we create

We engage with regulators and other key Government agencies to understand their priorities and needs and to ensure we embody good governance and oversight across the Group.

We are committed to building strong relationships with our regulators to ensure we implement best practices through open and active dialogue.

Impact on Board decisions

The Board and its Committees 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 decisions around the corporate reorganisation and redomiciliation to Jersey, 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 following Brexit. During the year the Remuneration Committee regularly considered the ongoing engagement with the FCA in relation to IFPR and its impacts for the Group.

SUPPLIERS

How we engage

The Board acknowledges that our suppliers are critical to our business success. 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 Corporate Social Responsibility ('CSR'), ESG, expenditure information, issues and risks, and any strategic initiatives in progress. The Board has also considered the risk of modern slavery in our supply chain, reviewing and approving the Modern Slavery Statement, which it does annually. The Board also periodically receives updates on Payment Practices reporting.

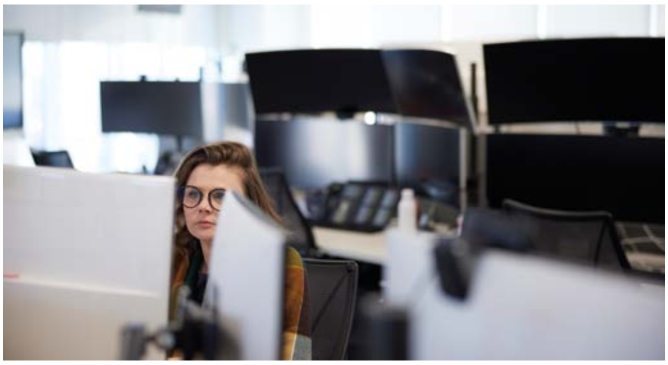
Value we create

We aim to create sustained partnerships with our suppliers. We have continued to engage with our suppliers, particularly in light of the COVID-19 pandemic, 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 pandemic.

Impact on Board decisions

Engagement with our key infrastructure suppliers is important for monitoring performance, managing risk and driving value. These suppliers provide business critical infrastructure services and certain outsourced operations across a wide spectrum of sectors including IT, telecommunications, market data and clearing and settlements. There has also been a focus on consolidating our supplier base to better monitor performance, manage risk, influence CSR and ESG matters and drive value. The Board was keen to ensure that the COVID-19 pandemic did not cause significant additional delays to our accounts payable.

OTHER STAKEHOLDER INTERESTS



Community and environment

The Board is cognisant of society's continuing focus on ESG and sustainability, especially on the environment and climate change, and is committed to striving to operate in a sustainable and responsible way while delivering value for stakeholders.

During 2021 the Board increased its focus on the Group's environmental management approach. The Company has now made commitments to an environmentally sustainable net zero future, the Board has deliberated on how to meet best practice among the FTSE 350 companies on sustainability issues and has developed a new Group Sustainability Strategy. You can read more on the Board's activities in relation to ESG in the Case Study on page 100 and the Sustainability report on pages 56 to 74. The Board will be regularly updated on progress against the actions or targets set and will challenge the Executive team accordingly. Our reporting on greenhouse gas emissions can be found on page 59.

The Board received updates on the work that was carried out to support the communities in which the business operates across its global locations and further information can be found in the Sustainability report.

THE CLIMATE CRISIS AND ERADICATING INEQUALITY ARE THE GREATEST CHALLENGES OF OUR TIME. TACKLING THESE CHALLENGES REQUIRES EVERY GOVERNMENT, BUSINESS AND INDIVIDUAL TO PLAY THEIR PART.

Our ambition is to be the broker for the transition, helping our clients accelerate their transition to an inclusive and low carbon economy.

OUR SUSTAINABILITY STRATEGY: BROKER FOR THE TRANSITION

Increasingly, a broad set of stakeholders – employees, clients, suppliers, regulators, business partners, local officials, and a growing number of investors – have enhanced expectations of companies. They expect us to play a role in driving positive social and environmental impact, alongside optimising the financial value we generate.

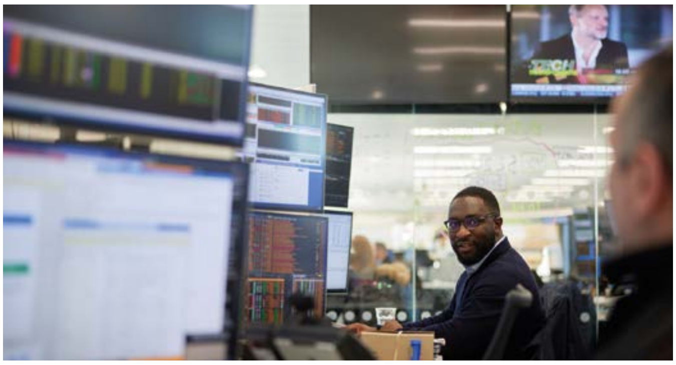
In 2020, we undertook a comprehensive materiality assessment that helped us establish an ESG Reporting Framework comprising the 15 data disclosure areas most relevant to our business. To ensure ownership and accountability, we assigned a relevant senior manager to each disclosure, along with metrics aligned to internationally recognised standards, including the Sustainability Accounting Standards Board ('SASB') and the Global Reporting Initiative ('GRI'). We also strengthened our governance up to and including Board level. We report on these ESG disclosure areas later in this section.

We recognise that robust reporting is just one step forward in our sustainability journey. So, to take us further, in 2021 we created a new Group ESG Forum (reporting to the Executive Committee) to oversee these issues and appointed a Group Head of Sustainability to develop our overarching sustainability strategy, by which we aim to be known as the 'broker for the transition'. We also developed a set of ESG targets for us to strive towards.

Through our sustainability strategy we aim to avoid harm, benefit stakeholders and contribute to solutions. It is formed of three parts.

1. Our ESG performance

We believe that a strong environmental, social and governance (ESG) performance is a critical factor in helping us achieve sustainable growth. We are therefore committed to operating responsibly and integrating ESG considerations into our day-to-day decision making. Our objective is to mitigate risks and create value for all our stakeholders – our clients, colleagues, communities, suppliers and investors.



2. TP ICAP for Good

We are committed to supporting stakeholders in the communities where we operate. In a world where not everyone has an equal chance to succeed in life, we want to help change this.

Harnessing the passion of our people, our TP ICAP for Good programme includes ICAP Charity Day, employee volunteer initiatives, and Group-wide social mobility partnerships. We are working to create a more socially-inclusive world by connecting talent with opportunity. We want to transform the lives of marginalised people by ensuring they get the right support to achieve their full potential, with a particular focus on the numeracy skills that are so critical to people succeeding in their careers and lives.

3. Sustainable Finance

We believe the best way to support the transition to a socially inclusive and environmentally sustainable future is to apply our core strengths as a business. So we are leveraging our unique capabilities in market infrastructure, client connectivity, liquidity, price discovery and data solutions to tackle climate change. As the world turns from carbon-intensive practices to sustainable alternatives, we are determined to do our part to accelerate this transition.

As our aim is to be 'the broker for the transition', we accompany our clients on their own journeys to meeting their sustainability objectives. We do this by offering products and services that accelerate the high-growth sustainable industries of the future. In 2021 we established a new Sustainable Finance Working Group ('SFWG'), reporting into the Group ESG Forum. The SFWG brings together subject matter experts from across the Company to serve as the Group's internal hub for knowledge sharing, training on ESG issues, and collaboration to advance our sustainability-linked commercial offerings. The SFWG works to identify ways the Group can use its platform to develop products and services that will help our clients make the transition to a sustainable future.

ESG targets

In 2021 we identified a set of three targets to drive improvement in the ESG areas most material to our business. These targets are specific, measurable and substantive, yet they are also reasonable for us to achieve as they are largely within our control. We plan to revisit them annually.

1. Environmental target: greenhouse gas emissions

We recognise our responsibility to help protect the environment and support the transition towards a low-carbon economy. We seek to meet this responsibility by minimising the negative environmental impact of our operations, with a particular focus on reducing our greenhouse gas emissions.

We commit to being Net Zero by 2026 across both our Scope 1 (direct emissions from our own operations) and Scope 2 (indirect emissions including purchased/acquired electricity).

We have made good progress in recent years on our Scope 1 and 2 emissions, particularly in the UK, which makes us comfortable aiming for this important target. While our total emissions increased by 9.96% in 2021 compared to 2020, this is largely due to raw data for UK fugitive emissions being provided for the first time. We took important steps forward in 2021, including consolidating four London offices reducing our local office footprint from 22,955m^2 to 19,701m^2.

We have more work to do to better understand our Scope 3 emissions (remaining indirect emissions from our value chain, namely the goods and services purchased from our suppliers). Scope 3 emissions are more challenging to measure, and appear to represent a significant portion (if not the vast majority) of our overall emissions.

Therefore, we are working with independent experts at Anthesis to capture and analyse our operations' emissions data across our entire value chain. Through this work, by the end of 2022 we plan to have:

1. Built the necessary data sets to create a 2021 Scope 3 baseline, from which we will be able to better report our full emissions;
2. Developed Scope 3 reduction targets for 2023 and beyond; and
3. Begun to engage our supply chain to gather the necessary data and action plans for addressing our Scope 3 emissions.

These commitments put us well ahead of the UK Government's target of Net Zero by 2050.

2. Social target: diversity and inclusion

Our people are central to our success, which is why we are committed to building an inclusive place to work, where everyone has an equal opportunity to succeed and is supported in doing so. We are at the early stages of our journey to build a more diverse workforce.

When it comes to diversity metrics, the brokerage industry as a whole faces significant headwinds due to the path dependency of the labour market in which we operate. Compared to investment banks and other financial services firms, which tend to bring in new analyst classes each year, there is very little employee turnover in our brokerage front offices. So, we are focussing on increasing the diversity of our non-broking workforce, where we have more ability to make faster progress. This includes our support functions, Parameta Solutions and Liquidnet brands. Our initial focus will be on gender, but in the future we plan to broaden our focus to include other categories of diversity important to our business and reflective of the communities in which we operate.

By the end of 2025, we commit to increasing the gender representation of our non-broking employee base from 34% to 38%, aided by new efforts around recruiting and retention.

Furthermore, to help any future targets, by the end of 2022 we will have:

1. Better baseline data for the five focus areas of diversity (Gender; Race/Ethnicity; Multi-generational; LGBTQ+; Socio-economic); and
2. Better data to measure the pace of advancement of diverse talent in the organisation.

3. Governance target: mandatory ESG scoring

Aligned to SASB guidance, good governance for TP ICAP includes how well we incorporate ESG factors into our brokerage activities.

As an intermediary, achieving this is not as clear cut as it is for a bank (that underwrites investments), an asset manager (that makes investments), or an exchange (that maintains listing requirements). Rather, as an intermediary we connect sophisticated counterparties who are often already aware of the ESG characteristics of the assets they are trading among each other.

Therefore, we have chosen to focus on what we can control: the process by which we evaluate new business initiatives.

We commit to incorporate mandatory ESG scoring into the evaluation and approval process for any new business initiative.

This includes an analysis of potential acquisitions as well as any new products or services we might offer clients. The scoring will look at how the business initiatives are carried out, as well as how aligned they are to achieving the United Nations Sustainable Development Goals (SDGs).

ESG disclosures

Environmental disclosures

Our carbon emissions and energy consumption

Our carbon reporting is aligned with the Streamlined Energy and Carbon Reporting (SECR) regulations. We also disclose via the Carbon Disclosure Project (CDP) and the GRI sections 302-1, 305-1 and 305-2. The Executive Owner of these areas is Martin Ryan, Group Chief Operating Officer.

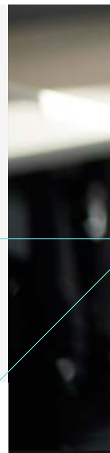
Carbon emissions

	Current reporting year 1 January 2021 – 31 December 2021		Comparison reporting year 1 January 2020 – 31 December 2020	
Emission source	UK	Global (Excluding UK)	UK	Global (Excluding UK)
Emissions from activities for which the Company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO_2e)	700	221	475	297
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (tCO_2e)	1,499	7,813	4,421	4,107
Emissions from business travel via air and taxi (Scope 3) (tCO_2e)	160	687	300	477
Total gross Scope 1, Scope 2 and Scope 3 emissions (tCO_2e)	**2,359**	**8,721**	**5,196**	**4,880**

Energy consumption

	Current reporting year 1 January 2021 – 31 December 2021		Comparison reporting year 1 January 2020 – 31 December 2020	
Energy consumption used to calculate Scope 1 emissions (kWh)	3,823,486	1,205, 892	2,584,497	1,480,384
Energy consumption used to calculate Scope 2 emissions (kWh)	7,059,627	18,925,687	5,439,505	4,855,965
Energy consumption used to calculate Scope 3 emissions (kWh)	620,610	2,862,517	1,157,271	1,866,947
Total energy consumption based on the above (kWh)	11,503,722	22,994,096	9,181,274	8,203,296
Intensity ratio: tCO_2e (gross Scope 1, 2 + 3) per employee	2.05		2.05	

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.



Social disclosures

Our social reporting is aligned with the SASB Investment Banking & Brokerage Sustainable Accounting Standard (SASB FN-IB-330a.1) and the GRI sections 102-8, 201-1, 401-1, and 404-1. The Executive Owner of these areas is Sue Maple, Group Head of Human Resources.

Employee diversity and inclusion

Percentage of gender representation by category

	Current reporting year 1 January 2021 – 31 December 2021		Comparison reporting year 1 January 2020 – 31 December 2020	
Category	Female	Male	Female	Male
Executive Management	20%	80%	24%	76%
Non-executive Management	27%	73%	26%	74%
Professionals	21%	79%	18%	82%
All other employees	25%	75%	24%	76%

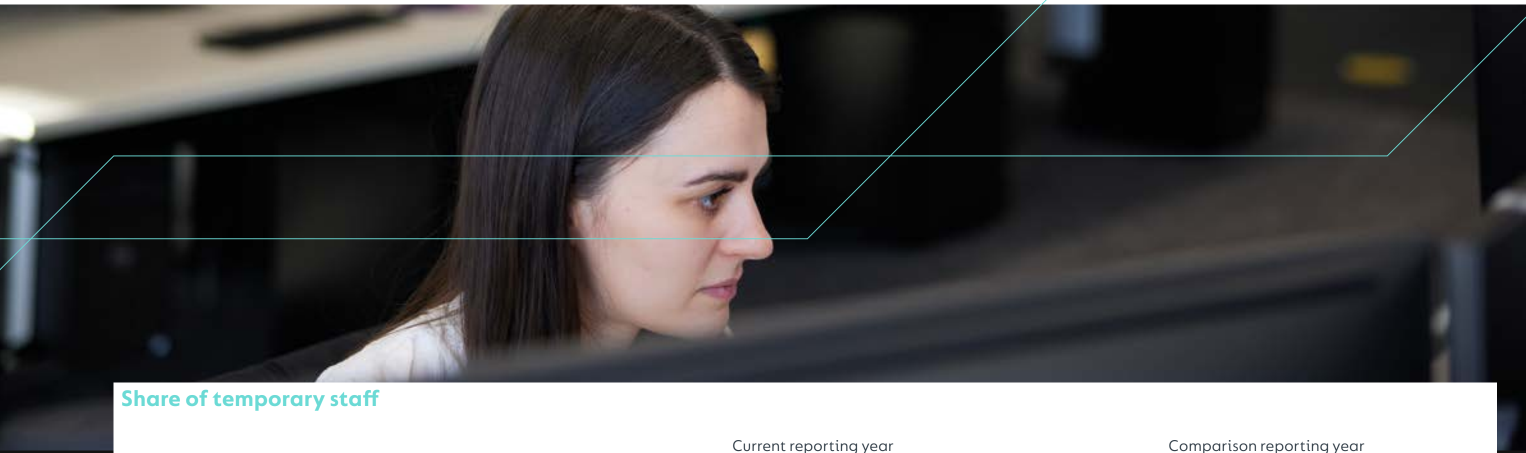
US-only percentage racial/ethnic group

	Current 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%	71%	6%

	Comparison reporting year 1 January 2020 – 31 December 2020				
Category	Asian	Black or African American	Hispanic or Latino	White	Other
Executive Management	50%	0%	0%	50%	0%
Non-executive Management	4%	0%	8%	88%	0%
Professionals	7%	2%	6%	82%	3%
All other employees	9%	4%	7%	69%	11%

Employee turnover and new hires

	Current reporting year 1 January 2021 – 31 December 2021			Comparison reporting year 1 January 2020 – 31 December 2020		
Turnover by gender	Female		Male	Female		Male
	228 (22%)		601 (59%)	197 (30%)		457 (70%)
Turnover by age group	<30	30-50	50+	<30	30-50	50+
	197 (19%)	439 (43%)	191 (19%)	141 (22%)	344 (53%)	165 (25%)
Turnover by region	APAC	EMEA	Americas	APAC	EMEA	Americas
	194 (19%)	485 (47%)	344 (34%)	153 (23%)	359 (55%)	142 (22%)
New hires by age group and gender	Female		Male	Female		Male
	297 (30%)		630 (64%)	195 (27%)		522 (73%)
	<30	30-50	50+	<30	30-50	50+
	321 (32%)	500 (51%)	98 (10%)	218 (30%)	391 (54%)	103 (14%)
New hires by region	APAC	EMEA	Americas	APAC	EMEA	Americas
	256 (26%)	498 (50%)	236 (24%)	149 (21%)	451 (63%)	118 (16%)



Share of temporary staff

	Current reporting year 1 January 2021 – 31 December 2021			Comparison reporting year 1 January 2020 – 31 December 2020		
Employee contract by gender	Female	Male		Female	Male	
Permanent	1,293 (24%)	4,088 (76%)		1,136 (23%)	3,844 (77%)	
Temporary	47 (6%)	87 (12%)		31 (6%)	77 (15%)	
Employment type by gender	Female	Male		Female	Male	
Full-time	1,245 (23%)	4,060 (76%)		1,083 (22%)	3,811 (78%)	
Part-time	48 (62%)	28 (36%)		53 (61%)	33 (38%)	
Employee contract by region	APAC	EMEA	Americas	APAC	EMEA	Americas
Permanent	1,163 (22%)	2,563 (47%)	1,677 (31%)	1,044 (21%)	2,422 (49%)	1,515 (30%)
Temporary	29 (4%)	515 (70%)	187 (26%)	26 (5%)	391 (78%)	85 (17%)

Employee training hours and charitable contributions

	Current reporting year 1 January 2021 – 31 December 2021	Comparison reporting year 1 January 2020 – 31 December 2020
Average training hours per employee	4.59	0.67
Charitable contributions	£3.6 million	£3.6 million

Human rights and modern slavery

We continue to support the UN Guiding Principles for Human Rights and recognise human trafficking and forced labour exists in both developed and developing economies, and across sectors. Therefore, we are committed to taking steps to combat the risk of any form of modern slavery from occurring in our business or supply chain.

Governance disclosures

Our corporate governance practices are well aligned with shareholder interests. In addition to our statutory obligations, we have chosen to disclose the following information as part of our ESG Reporting Framework.

Category	Overview of core metric(s)	2021 disclosure
Political contributions **Standard(s)** GRI section 415.1 **Executive Owner(s)** Robin Stewart, Group CFO	Disclosure of total amount of political contributions made.	£nil 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'. Therefore, the Company has sought to obtain shareholder authority to make limited political donations at each AGM. During 2021, no political donations were made by the Group.
ESG fines **Standard(s)** GRI section 307-1 **Executive Owner(s)** Robin Stewart, Group CFO	Provision for fines and settlements specified for ESG issues in audited accounts.	£nil

Category	Overview of core metric(s)	2021 disclosure
Incorporation of ESG factors into brokerage activities **Standard(s)** SASB FN-IB-410a.3 **Executive Owner(s)** Don McClumpha, EMEA; Shawn Bernardo, Americas; Tom Lovell, APAC; Regional Heads of Global Broking Andrew Polydor, CEO, Energy & Commodities	Description of approach to incorporation of ESG factors in brokerage activities	Incorporation of ESG Factors in brokerage activities is detailed in our Sustainable Finance section below.
Business ethics – professional integrity **Standard(s)** SASB FN-IB-510a.1 **Executive Owner(s)** Philip Price, Group General Counsel	Total amount of monetary losses as a result of legal proceedings with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other financial industry laws or regulations.	TP ICAP recognises its responsibility to fully meet its legal and regulatory requirements to protect the integrity and stability of the financial markets and through its activities makes a commitment to: > not be used by criminals to launder the proceeds of crime, or by sanctioned individuals and entities; > help combat terrorist financing; > comply with economic and trade sanctions issued by relevant governments and organisations in every jurisdiction in which we operate; > ensure that neither the firm, nor any other person providing services 'for and on behalf of' it, facilitates tax evasion; > prohibit the acceptance, or offering of a bribe in any form; > prohibit the solicitation of business by the offering of any form of bribe; > prohibit the offering of employment, with the intention of receiving an improper business advantage; and > prohibit the making of facilitation payments. TP ICAP strives to maintain the highest standards of honesty, openness and accountability, and recognises that all those who work with or within the Group have an important role to play in achieving this goal. Accordingly, the Group has a global whistleblowing policy which encourages employees and third parties to report suspicion of wrongdoing in relation to TP ICAP activities including: criminal activity, failure to comply with legal or regulatory requirements, miscarriages of justice, danger to health and safety, damage to the environment, bribery, financial fraud, negligence, breach of TP ICAP's policies, and unauthorised disclosure of confidential information. EMEA: £36,000; €5,005,400 AMER: $206,500 APAC: $50,000

Category	Overview of core metric(s)	2021 disclosure
Systemic risk management **Standard(s)** SASB FN-IB-550a.2 **Executive Owner(s)** David Goodchild, Group Chief Risk Officer	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	TP ICAP conducts robust assessments of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, and reputation. As part of our risk management process, the Group undertakes stress testing and scenario analyses to enhance its understanding of its risk profile. This includes the conducting of reverse stress tests to identify those risks which could render the Group's business model unviable in an extreme scenario. Effective risk management is essential to the financial strength and resilience of the Group, and for delivering its business strategy. The Group manages its risk profile through its enterprise risk management framework ('ERMF'). The Group recognises that to ensure the effective operation of the ERMF, it must implement an appropriate risk management culture that fosters the desired risk management values and behaviours, and that is aligned to TP ICAP's values. This includes promoting an environment of openness that encourages the reporting and discussion of risk-related matters and incidents. The Group seeks to achieve the implementation of its risk management culture through a range of actions. These include the setting of an appropriate 'tone-from-the-top', clear communication of risk management expectations and responsibilities, and through remuneration structures that effectively support the achievement of the desired risk management behaviours. A robust risk framework will also enable us to play our role in maintaining the integrity and professionalism of the markets where we operate and should also be a competitive differentiator for our clients who are increasingly looking beyond liquidity and pricing to broader ESG considerations when selecting their service providers.
Promoting transparent and efficient capital markets **Standard(s)** SASB FN-EX-410a.1 **Executive Owner(s)** Philip Price, Group General Counsel	Number and average duration of a) halts to public release of information and b) pauses related to volatility.	The Group has numerous trade and transaction reporting requirements that it has to meet, which are both regulatory and exchange driven. The majority of the Group's reporting requirements are completed by integrated, end-to-end reporting systems across a wide range of regulatory regimes, for example MiFID II and TRACE. With these in place, the Group has effective systems and controls to alert us of any breaches to the timings of the publication of this data, which would allow us to remediate issues as soon as possible. The Group recognises that accurate and timely reporting is essential to transparent and efficient markets; to achieve this, the Group has an ongoing programme of work to improve the stability of its reporting systems and infrastructure. Number and average duration of a) halts to public release of information: nil b) pauses related to volatility: nil

Category	Overview of core metric(s)	2021 disclosure
Managing conflicts of interest **Standard(s)** SASB FN-EX-410a.1 SASB FN-EX-510a.2 **Executive Owner(s)** Philip Price, Group General Counsel Amir Zaidi, Group Head of Compliance	Total amount of monetary losses as a result of legal proceedings with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other financial industry laws or regulations	Confidence in TP ICAP's integrity to act on behalf of its customers is central to the relationship of trust we have with our customers. This means that when providing services, TP ICAP will always act in the customer's best interests, putting customers' interests ahead of its own. The Group has put in place the necessary policies and procedures to meet its obligations with regards to the identification, prevention and management of conflicts of interest. TP ICAP has robust internal policies and procedures in place which require all staff to identify and escalate any identified conflicts of interest, whether business or personal, in accordance with a formal escalation process. Such internal obligations enable the Group to continually identify new conflicts of interest which arise in its business and to implement those measures required to adequately monitor, manage and control the potential impact of those conflicts on its customers.
Managing business continuity and technology risks **Standard(s)** SASB FN-EX-550a.1 **Executive Owner(s)** Martin Ryan, Group Chief Operating Officer	Number of significant market disruptions and duration of downtime	Throughout 2021, TP ICAP experienced no IT or Business Continuity incidents that caused significant market disruption or had a material adverse effect on our business.
Managing business continuity and technology risks **Standard(s)** SASB FN-EX-550a.2 **Executive Owner(s)** Martin Ryan, Group Chief Operating Officer	Number of data breaches, percentage involving personally identifiable information, and number of customers affected	No data breaches were experienced during 2021 within the TP ICAP perimeter.

Category	Overview of core metric(s)	2021 disclosure
Managing business continuity and technology risks **Executive Owner(s)** Martin Ryan, Group Chief Operating Officer		TP ICAP's Business Continuity Management ('BCM') practices are governed globally, with the objectives of ensuring the safety of staff, minimising the impact of a business disruption, providing effective crisis management, and allowing for the continuation and recovery of critical systems and services. BCM is embedded in TP ICAP's culture, and the Group is committed to maintaining processes and plans to enable critical functions to continue following a disruptive event. A formal governance structure exists with documented responsibilities, including regional management and executive oversight via Risk Committees. TP ICAP's Crisis Management teams are organised on a global and regional level: Gold (Global, Strategic), Silver (Regional, Tactical), and Bronze (Office, Operational). Crisis Management is the initial response to a major disruption, designed to resolve any incident quickly without the need to relocate or reduce critical TP ICAP business operations. TP ICAP has regional Silver Teams with detailed plans to provide an effective and timely response to disruptive events of varying severity and type. TP ICAP has also invested in an Emergency Notification System to facilitate timely, effective global alerts to TP ICAP employees during a disruptive event. All events must be escalated in accordance with the Group's Event Rating and Escalation Scale, as stated in the Group's Enterprise Risk Management Framework. TP ICAP operates a comprehensive Change Management process for all technology changes, including regional and global Change Advisory Boards, which meet weekly and where all changes are reviewed for approval. Any failed changes are tracked with associated problem tickets as part of a failed change problem management process. IT incidents are tracked and managed based upon severity of incident against an application and IT Services tiering scale. A formal problem management process is operated to track actions arising from incidents, with thematic reviews for repeat incidents or common patterns.

Tax and other social payments

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

The Group made payments to tax authorities for 2021 of £523m (2020: £525m), comprising 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. In addition, the Group makes further tax payments to the tax authorities in other tax jurisdictions in which it operates.

OVERSIGHT OF ESG AND SUSTAINABILITY MATTERS

Our governance of ESG performance sits at the highest level of the business. In 2021 the Executive Committee established the Group Environmental, Social & Governance (ESG) Forum to provide oversight and advice in relation to ESG strategy, policies, implementation, communications, and disclosures throughout the Group.

The ESG Forum membership includes the Chief of Staff (Chair), Group Head of Marketing and Communications; Group Head of Sustainability; Group Head of HR; and the Group Chief Operating Officer; as well as a Legal/Governance representative; a Risk representative; and an Investor Relations/Finance representative.

The ESG Forum reports directly into the Executive Committee. At TP ICAP Group plc Board level, Tracy Clarke is the Non-executive Director responsible for ESG Engagement. She works closely with the Company's senior management to ensure that the Board continues to have the right conversations on business strategy from an ESG perspective.

TP ICAP Group plc Board

Executive Committee

Group ESG Forum

Sustainable Finance Working Group

TP ICAP for Good

Group ESG Forum
- Group Chief of Staff (Chair)
- Group Head of Marketing and Communications
- Group Head of Sustainability
- Group Head of HR
- Group Chief Operating Officer
- Legal/Governance representative
- Risk representative
- Finance representatives

Sustainability Finance Working Group (SFWG)
- Group Head of Sustainability
- Group Head of Strategy
- Global Energy & Commodities COO
- Deputy CEO, Parameta Solutions
- Sustainable Finance Manager

Task Force on Climate-related Financial Disclosures ('TCFD')

The Board and ExCo have recognised the importance of climate-change and in line with Task Force on Climate-Related Financial Disclosures (TCFD's) recommendations and recommended disclosures have made the following disclosures below in regard to Governance, Strategy, Risk Management and Metrics and Targets. We recognise that we are on the first steps to becoming a zero-carbon organisation and we remain committed to disclosing the risks and opportunities climate change poses to our business. We support increased transparency through TCFD as we acknowledge that this would also improve market efficiency and economic resilience in the markets where we operate.

In 2021, as part of our overall risk management and in anticipation of TCFD requirements, we have made progress in the all four key areas. This included establishing oversight at Board level that defined roles and responsibilities; beginning a strategic impact analysis as to how climate change would impact our business; incorporated ESG requirements into the Group's ERMF that includes risk identification and evaluation as well as into future scenario testing; and delivered on our sustainability disclosures that are included in this annual report.

TP ICAP plc has complied with the requirements of Listing Rules 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures except for the following matters:

> Completing our climate change impact analysis on TP ICAP Strategy; and
> Establishing further appropriate zero-carbon metrics and targets in addition to the Environmental disclosure shared in this annual report.

The Group Head of Sustainability was appointed in June 2021 and focused on advancing the appropriate tone from the top and governance as a priority. A meaningful climate change impact analysis and setting the appropriate metrics requires an understanding of the business operations globally and input from across the Group. This requires time to gather as this type of management information has not previously been available. These remaining requirements are expected to have been completed by Q1 2023.

TCFD recommended disclosures	TP ICAP approach in 2021
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	The Board has oversight of the Group's Sustainability Framework and Strategy, including TP ICAP's climate-related risks and opportunities. The Group CEO sponsors the Group Sustainability Strategy at Board level. The Group appointed a new Group Head of Sustainability, who reports to the Board on environmental matters as part of our overall Environmental, Social, and Governance (ESG) reporting.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	The Executive Committee ('ExCo') is responsible for setting the Group's targets in order to manage and to improve our environmental performance. ExCo established the Group ESG Forum to provide oversight and advice. The ESG Forum reports into the ExCo and its membership includes the Chief of Staff (Chair), Group Head of Marketing and Communications; Group Head of Sustainability; Group Head of HR; Group Chief Operating Officer; Legal/Governance, Risk, Investor Relations and Finance representatives. In relation to ESG strategy, the ESG Forum has Group-wide responsibility for: > Overseeing climate-related risks and opportunities to support our strategic decision-making. > Implementing policies, delivery, communications, and disclosures. > Tracking the emerging risks associated with climate change, including the risks arising from climate change itself and from the transition to a zero-carbon economy. > Monitoring regulatory developments to ensure we remain compliant.
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Our business operates in markets located all over the world. This widens the scope of the risks that we face, but does limit the risk of a physical single event. We are in the early stages of evaluating the potential impact of climate-related risk and how physical and transition risk may impact our business. We have already identified that there are several risks that may hinder our transition to a low carbon future. In particular, these are certain types of products that we broker, broader market expectations, and the changing regulatory landscape. We will continue to review and update our analysis of the climate-related risks and opportunities our organisation will face, and report more specific short, medium and long-term risks in next year's Annual Report.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	We aim to be the broker for the transition to an inclusive, low-carbon future. Tackling climate change is perhaps the greatest challenge of our time, so we are leveraging our unique capabilities in market infrastructure, client connectivity, liquidity, price discovery and data solutions to create new markets and products. As the world turns from carbon-intensive practices to sustainable alternatives, we want to do our part to accelerate this transition. As detailed elsewhere in this report, in 2021 we established the Sustainable Finance Working Group ('SFWG'), which includes senior leadership from the Group's business divisions, to identify commercial sustainability-aligned opportunities. Part of the SFWG's mandate is to identify ways the Group can use its platform to develop products and services that help our clients make the transition to a sustainable future.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group actively evaluates its strategy under a number of scenarios, including a transition to a low-carbon economy. We hope to have more clarity as to the resiliency of the Group's strategy in future updates, and once our impact analysis is complete.

TCFD recommended disclosures	TP ICAP approach in 2021
Risk management	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	We consider climate-related risks as part of our Enterprise Risk Management Framework ('ERMF'). This includes existing and emerging regulatory requirements that could impact the Group's business. The ERMF has been updated to include ESG as a separate part of its taxonomy, and we continue to review how best to evolve our ERMF to appropriately reflect this risk. Our current business-as-usual risk management processes include risk identification, evaluation and assessment.
b. Describe the organisation's processes for managing climate-related risks.	The Group Head of Sustainability reports to the Board and ExCo on major climate-related risk areas, including making recommendations on how to mitigate, transfer, accept or control those risks. We also work with a third-party expert to identify the carbon emissions stemming from our operations and explore ways to minimise them. This also feeds into the Group's broader risk management reporting to provide the Board and senior management context for the prioritisation and identification of any trends.
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	In addition to the Board's initial actions, we have incorporated climate-related risks into our ERMF. We have started by incorporating TCFD and climate-related risks with its own unique part of our risk taxonomy and risk management standards. We are looking to evolve this across the risk types as we better understand the impacts of climate change. We have already included climate-related risks as part of our annual risk identification, evaluation and assessment process, as well as incorporating new controls in early 2022. Once the controls have been fully implemented, they will be assessed as part of our standard risk management processes.
Metrics and targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Over the coming year, we plan to assess the specific targets and metrics that we consider to be most relevant for our business in direct response to climate-related risks and opportunities. Our business divisions are developing approaches to gain more exposure to the low-carbon transition economy.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Please see our Environmental Disclosures on page 59 for these disclosures.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Group is evaluating targets tied to reducing its carbon emissions. In 2022, we will continue our efforts to develop methodologies that enable more robust and transparent disclosure of climate metrics connected to climate risk management.

TP ICAP for Good

Harnessing the passion of our people, TP ICAP for Good is our programme that aims to benefit stakeholders in the communities where we operate. Through ICAP Charity Day, employee volunteer initiatives and Group-wide social mobility partnerships, we are working to create a more socially inclusive world.

ICAP Charity Day

The 29th annual ICAP Charity Day took place on Thursday 9 December 2021, with a return to in-person, albeit scaled back, events in London and New York, following 2020's all-digital events. The campaign theme of this year's event was 'WE'RE ALL IN' – reflecting that our colleagues, clients, vendors, charities and celebrity ambassadors are #allin to make a huge positive impact.

Among the notable celebrity ambassadors this year were Academy Award winning actress Olivia Colman, actor Simon Pegg and England football manager Gareth Southgate in London and musician Jon Bon Jovi in New York. The day raised £3.6m globally, with 100% of the proceeds going to a range of charities in our markets around the world. This brings the total funds raised since ICAP Charity began in 1993 to over £155m, through which we have supported more than 2,700 amazing causes globally.

Employee volunteering

TP ICAP provides opportunities for employees to make a meaningful personal impact, both in their local communities and around the world. Employees across TP ICAP's global offices have access to volunteering experiences and in-office mentorship programmes, which encourages Group-wide collaboration while addressing local communities' needs.

Matched giving

Our Matched Giving Scheme gives all TP ICAP employees the opportunity to provide Company support for the charities they support through their own fundraising efforts.

Simon Pegg supporting Alzheimer's Research UK, Olivia Colman supporting Refuge, and Gareth Southgate supporting The Prince's Trust.

National Numeracy
Getting on with numbers

Championing social mobility by building confidence in numbers

At TP ICAP we are 'numbers people', so we know that numeracy is one of life's crucial building blocks. Numeracy skills are crucial for the success of our industry and for success in our industry. According to research we funded, some 78% of young British women, aged 18-21, said they would not consider a career in financial services, with 43% citing a lack of confidence using numbers as a reason. In an effort to transform the talent pipeline, not only for our Group but also our industry as a whole, we have focused on helping more people become more comfortable with numbers. By improving basic numeracy skills, opportunities and life chances are improved for all.

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. With our help, National Numeracy has also been able to develop its Family Maths Toolkit into a wealth of curriculum-linked activities to support children's numeracy outside of the classroom. These resources make a real difference to thousands of families, carers, teachers and children.

We have also worked with National Numeracy to drive awareness and engagement among policymakers and society by providing crucial research and insight. In 2019, we published the 'Building a Numerate Nation' report on how to improve confidence, belief and skills, and in 2020, we published a report focused on how to remove barriers for women: 'The Confidence Gap: Women and Number Confidence'.

TP ICAP is a founding member of the National Numeracy Leadership Council (represented by our Executive Director and Group General Counsel, Philip Price), working with businesses across the UK to address the challenges uncovered in these reports and work in partnership to implement solutions. TP ICAP is also a founding partner of the UK's Number Confidence Week, which takes place annually in November and aims to empower people across the UK to feel more assured around numbers.

Some of the charities we support around the world

Sustainable Finance

We aim to be the broker for the transition, accompanying our clients on their journeys to meet their sustainability objectives. We offer products and services to accelerate the high-growth sustainable industries of the future. Our Sustainable Finance Working Group (SFWG) brings together subject matter experts from across the Company to serve as the Group's internal hub for knowledge sharing, training on ESG issues, and collaboration to advance our sustainability-linked commercial offerings. The SFWG works to identify ways the Group can use its platform to develop products and services that help our clients make the transition to a sustainable future. In 2021, revenues from environmental products in our Energy & Commodities division increased by 40% year-on-year. This drives more data that Parameta Solutions can capture and commercialise.

Our sustainability-linked Energy & Commodities products and services include:

Liquefied Natural Gas (LNG)
At a time when there was no market in LNG, we saw its potential and launched our LNG offering. We brokered some of the first physical cargoes and worked with the market on the development of indices and liquid trading points.

Power
We have seen significant growth trading across our Power desks, and are continuing to expand our Power franchise into several new regions including Latin America and Asia. In 2020, we settled one of the first European Energy Exchange (EEX) Japan Power futures.

Carbon Credits
We are actively involved in growing the global carbon credit market and securing the best outcomes for our clients, in both the compliance and voluntary markets.

Renewable Energy Certificates
We are a leading broker of Renewable Energy Certificates, which act as tracking mechanisms for solar, wind and other green energies as they flow into the power grid.

Other environmental and weather products
We have strong emerging franchises in Biofuels, Ethanol and related alternative products, such as Renewable Identification Numbers (RINs) and Low Carbon Fuel Standards. In 2019, we launched our Weather Derivatives business to identify and mitigate financial exposure in the weather and climate system.

Global Climate Index
We are already active in several global renewable energy indices, including wind and solar. Additionally, we recently announced the launch of the ICAP-Speedwell Real-Time Climate Index. Believed to be the first of its kind, this index uses global weather data to track climate change in real time, thereby allowing financial risk related to the rate of climate change to be traded.

Our sustainability-linked data-led solutions

Environmental Data Package
We provide data-led solutions that cover a wide variety of sustainability-linked asset classes including Biofuels, Renewable Energy Certificates, Guarantees of Origin, and Renewable Identification Numbers.

Bond Evaluated Pricing
Our Bond Evaluated Pricing solution covers hundreds of green bonds, which are a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. Issuance of green bonds has exploded in recent years to new record highs.

Viability statement and going concern

Viability statement

The Board of Directors have assessed the prospects for, and viability of, the Group over a three-year period to the end of December 2024.

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 76 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 Assessment Processes ('ICAAP') undertaken by certain operating entities within the Group, most notably 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 expectation 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 £270m Bank revolving credit facility and c.£64m Totan revolving credit facility (See Note 25 on page 196);
> The Group does not experience any material change in its capital or liquidity requirements, including as a result of any changes introduced by the new prudential regimes for investment firms to be introduced in the UK and EU (IFPR and IFR/IFD respectively) for the appropriate subgroup(s);
> 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 and negatively impacted by litigation and regulatory investigations.

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, a significant one-off loss and losing the Group's investment grade status resulting in increased finance expenses. Under these tests we continue to have sufficient liquidity and are compliant with all covenants after taking mitigating actions. The Group has also considered the recent impact of the Russian sanctions.

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 Financial Statements continue to be prepared on the going concern basis.

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.

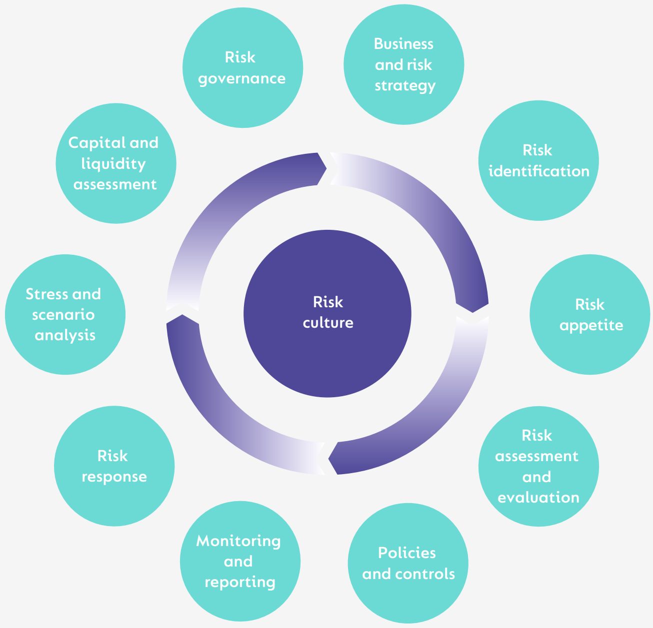
First line of defence
Risk management within the business
The first line of defence comprises the management of the business units and support functions.

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, performance management, 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 that must be met 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 must be 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 a formal 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 resources 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 and 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 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 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 or liquidity, or reputation. It should be noted that the impact stated for each risk is 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.

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.

1

STRATEGIC AND BUSINESS RISK

Risk	Description	Impact rating	Potential impact	Change in risk exposure since 2020
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 and economic model.	1	> 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 macro-economic conditions or geopolitical developments, market activity is suppressed leading to reduced trading volumes. This would include any deterioration in the macro-economic conditions arising from the current situation with Russia and Ukraine.	1	> Reduction in broking activity > Pressure on brokerage rates > Reduced earnings and profitability	Increase
Failure to respond to client requirements	The risk that the Group fails to respond to evolving customer requirements, including the demand for enhanced electronic broking solutions for certain asset classes.	2	> Loss of market share > Reduced earnings and profitability	No change
Impact of Brexit	The risk that Brexit leads to a deterioration in the commercial environment and consequential reduction in trading volumes. 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	> Loss of market share > Reduction in broking activity > Reduced earnings and profitability	Decrease
Global health pandemic	The risk that the Group experiences a significant deterioration in business performance due to a global pandemic (such as COVID-19).	2	> Reduction in broking activity > Loss of market share > Reduced earnings and profitability	No change
Integration of Liquidnet	The Group is exposed to the risk that it fails to successfully integrate the acquired Liquidnet business into the wider TP ICAP Group or that the Group fails to achieve the financial growth targets underpinning the transaction.	2	> Failure to achieve financial targets > Damage to reputation > Increased volatility in share price > Reduced ability to access capital markets	No change

Mitigation	Key risk indicator	Link to our strategic priorities and legal obligations
> Monitoring of regulatory developments > Involvement in consultation and rule setting processes	> Status of regulatory change initiatives	> Electronification > Aggregation > Diversification
> 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	> Trade volumes > Revenues by region > Operating profit > Stress test results	> Electronification > Aggregation > Diversification
> Proactive engagement with clients through customer relationship management process > Clearly defined business development strategy which seeks to anticipate and respond to its clients' evolving requirements	> Performance against strategy implementation plans > New business initiatives > Results of client engagement surveys	> Electronification > Aggregation > Diversification
> Scaling-up of EU trading subsidiary to act as the trading hub for EU-based business > Changes to operating model to maintain UK-EU liquidity > Proactive engagement with European regulators and clients	> Brexit revenue-at-risk > Performance against Brexit response plans	> Aggregation > Diversification
> Incident and Crisis Management Framework > Enhanced remote working capability and protocols developed in response to COVID-19	> Trade volumes > Revenues by region > Operating profit > Risk events due to remote working	> Diversification
> Integration managed through a formal programme management structure > Action taken to secure key personnel	> Performance against Liquidnet integration plans > Performance against financial targets	> Electronification > Aggregation > Diversification

2

OPERATIONAL RISK

Risk	Description	Impact rating	Potential impact	Change in risk exposure since 2020
Cyber-security and data protection	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.	1	> Loss of revenue > Remediation costs > Damage to reputation > Regulatory sanctions > Payment of damages/ compensation	Increase
Legal, Compliance and Conduct Risk	The Group operates in a highly regulated environment and is subject to the legal and regulatory frameworks of numerous jurisdictions. 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.	2	> Regulatory and legal enforcement action including censure, fines or loss of operating licence > Severe damage to reputation	No change
Broking process	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.	3	> Financial loss > Damage to the Group's reputation as a reliable market intermediary	No change
Infrastructure	The Group is heavily reliant on the effective and resilient operation of a range of infrastructure components, including: > A complex IT architecture; > A range of office locations; and > Key third-party suppliers and market infrastructure providers. A failure of the Group's infrastructure could result in a material loss of business.	3	> Financial loss which could, in extreme cases, impact the Group's solvency and liquidity > Damage to the Group's reputation as a reliable market intermediary	No change
Human capital	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.	3	> Increased staff turnover impacting the Group's ability to operate a profitable and resilient business	Increase

Mitigation	Key risk indicator	Link to our strategic priorities and legal obligations
> Ongoing monitoring and assessment of the cyber-threat landscape > Appropriate framework of systems and controls to prevent, identify and contain cyber threats	> Cyber-security events/losses > Vulnerability testing and monitoring > Data loss events	> Electronification > People, conduct and compliance
> 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	> Internal Compliance policy breaches > Employee conduct metrics > Regulatory breaches	> People, conduct and compliance
> 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	> Risk events > Settlement fails > Margin calls	> Electronification > People, conduct and compliance
> Framework of systems and controls to minimise the risk of operational failure > Incident and Crisis Management Framework > Business continuity plans and capability	> System outages > Stress test results	> Electronification > People, conduct and compliance
> Fixed term front office contracts with staggered renewal dates > Performance management process linked to remuneration > Introduction of new flexible working arrangement	> Staff turnover rates > Loss of key personnel	> People, conduct and compliance

Risk	Description	Impact rating	Potential impact	Change in risk exposure since 2020
3 FINANCIAL RISK				
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
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 counterparty credit risk arising from outstanding brokerage receivables, unsettled trades and cash deposits.	3	> Financial loss which could, in extreme cases, impact the Group's solvency and liquidity	No change
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
Climate change – transition to net zero	The risk that the Group fails to address any adverse impact on its business arising from the transition to a net zero global economy.	3	> Reduction in broking activity > Reduced earnings and profitability	Increased
Deglobalisation	The risk that the global economy becomes increasingly fragmented (as per the UK's recent departure from the EU) resulting in increasing divergence in regulatory regimes and the associated fragmentation of liquidity in the financial markets.	3	> Reduction in broking activity > Reduced earnings and profitability	No change

Mitigation	Time to materialisation	Link to our strategic priorities and legal obligations
> Ongoing monitoring of Group's FX positions	> FX translation exposure > FX transaction exposure	> Diversification
> 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 £270m revolving credit facility ('RCF') > Diversification of funding sources > Overdraft facilities provided by primary settlement institutions	> Margin call profile > Settlement fail – funding requirements > Unplanned intra-Group funding calls > RCF draw-down	> Diversification
> Counterparty exposures managed against credit thresholds that are calibrated to reflect counterparty creditworthiness > Exposure monitoring and reporting by independent credit risk function	> Portfolio exposure > Client exposure > Aged debt	> Diversification
> 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 to 10 years	> Electronification > Aggregation > Diversification
> Ongoing monitoring of the impact of net zero policies on client and broader market activity, to ensure that the Group can adjust its business strategy to respond effectively if required	< 5 years	> Diversification
> Ongoing horizon scanning to identify potential changes to the geopolitical landscape and associated changes to the regulatory frameworks governing financial markets	< 5 years	> Aggregation

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

We regularly review the Board's skills, experience and competencies and consider succession plans.

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151 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 2021. 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 2021. The Code can be found on the Financial Reporting Council ('FRC') website, www.frc.org.uk, and further information on compliance with the Code and how the Code Principles have been applied by reference to each Provision is set out in the index on this and the following page.

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.

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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.

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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.

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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.

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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.

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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 duties. 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 48 to 55.

Richard Berlland
Board Chair

Dear fellow shareholder,

Corporate governance and oversight remained key priorities for the Board throughout 2021. On top of the two significant corporate transactions completed in the first quarter – the redomiciliation of TP ICAP Group plc to Jersey and the acquisition of Liquidnet – the continuing challenges of the global pandemic underscored the importance of maintaining strong Board leadership. At the same time the Board maintained a sharp focus on the execution and delivery of the strategic programme and the integration of Liquidnet. 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 100 and 101.

An evolving governance framework

A key foundation for sustainable and successful businesses is sound and resilient corporate governance. Over the last two years we have not just introduced a global governance framework, we have modified and strengthened it. With TP ICAP's redomiciliation, during the year we reinforced the Group's regional governance structures, oversight and reporting lines, including in relation to risk, conduct and governance matters. The revised framework further supports the collection, reporting and monitoring of risk events, issues, losses and near-misses that come to light through the Group's Enterprise Risk Management Framework, which is itself now well embedded across the Group.

A sustainable business

Beyond corporate governance, the Board acknowledges its other key responsibilities, in particular as they relate to environmental, social and societal matters. Much progress has been made over the last year. Of particular note was Tracy Clarke's appointment as Non-executive ESG Engagement Director. She has worked closely with the Executive team and the new Group Head of Sustainability to ensure that the Board continues to have the right conversations on business strategy from an ESG perspective. To this end, the sustainability strategy has become a regular Board agenda item. The Board has also made a commitment to an environmentally sustainable net zero future and environmental, social and governance disclosures and KPIs have been agreed. These will be tracked and monitored regularly by the Board and reported on by the Company. Further information on this and how we have reinforced the governance and oversight of ESG and sustainability matters can be found in our new Sustainability report on pages 56 to 74.

Stakeholder engagement

In fulfilling its duty to promote the success of the Company for the benefit of its shareholders, the Board continues to engage with a range of stakeholders and to have regard to their interests and to the impacts and consequences of Board decisions. We have set out detail on this stakeholder engagement in the Strategic report on pages 48 to 55 and have provided an equivalent to a s172 UK Companies Act 2006 statement, albeit there is currently no such reporting requirement under the Jersey Companies Act.

This stakeholder engagement report includes a case study on the extensive engagement undertaken with shareholders following the significant minority vote against the Remuneration Report resolution at the 2021 Annual General Meeting and the subsequent development of the new Directors' Remuneration Policy. The Board and I are grateful to our shareholders for sharing their thoughts and views with us: these have been invaluable as we have developed the new Policy which will be put forward for shareholder consideration and a vote at the 2022 Annual General Meeting in May.

There has also been considerable engagement in 2021 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. However, given the continuing pandemic, the number of live direct engagement sessions with employees was curtailed. We anticipate that the live engagement programme will be re-invigorated in 2022.

Values and culture

TP ICAP's success and sustainability also depend on maintaining the highest standards of conduct and behaviours, and a responsible approach to how we do business. This must be led from the top and therefore we continually emphasise and reinforce our core values of honesty, integrity, respect and excellence, whether that is by regular internal communication, leadership meetings or town-halls or through the compulsory all-staff training programme. In addition, the risk adjusted performance review process introduced in 2020 has been further strengthened this year and consequently the linkage between employee behaviour and reward has been reinforced.

Following the acquisition of Liquidnet a cultural harmonisation workstream was commenced with a view to reviewing and redefining our set of values. We have involved employees and leadership teams, through focus groups and surveys, in identifying current cultural behaviours and in 2022 we will determine focus areas for improvement and develop a new common set of values across the Group as well as a change plan to embed them across and within the organisation.

An evolving Board and diversity

As I reported last year, Tracy Clarke and Kath Cates were appointed to the Board as Non-executive Directors early in 2021 and Roger Perkin and Angela Knight stepped down from the Board at the conclusion of the 2021 Annual General Meeting. The Board was delighted to welcome Louise Murray as an additional Non-executive member of the Board in December 2021.

I advised in last year's Annual Report that the Board was committed to meeting the Hampton Alexander female Board representation target of at least 33% by the end of 2021. I am delighted that with Louise's appointment at the end of the year, we have exceeded this target. The Board remains committed to cultural, ethnic and gender diversity, recognising that diverse Boards with different perspectives tend to make better decisions. The Company remains focused on recruiting on merit and on the best candidate for a role. It should be noted that the Parker Review ethnicity representation target was met some years ago and I am delighted that four of the last five appointments to the Board have been women.

I acknowledge that some may feel that we have still further to go on our diversity journey as a Board. However I believe we now have a right-sized Board with the knowledge, skills, diversity and experience to respond to the challenges presented to it, and to promote TP ICAP's future success. In terms of tenure, we are a relatively young Board, with the longest, individual Director tenure being four and a half years. I therefore believe that there may be limited scope for Board refreshment and change in the short term as those most recently appointed get greater exposure and a deeper knowledge and understanding of the Group's businesses. Improving diversity and inclusion elsewhere across the Group, and at all levels, remains a key focus for the Executive team and the Board.

Board effectiveness

This year we conducted another internal Board evaluation process, led by the Group Company Secretary. The evaluation confirmed that the Board and its Committees were considered effective, with good progress made in previously identified development areas. However, there were still some areas for improvement: further detail on the evaluation and actions agreed for 2021, as well as steps taken over the last year to address identified development areas from the 2020 evaluation can be found on pages 102 to 103.

In accordance with the UK Corporate Governance Code, the Board evaluation for 2022 will be externally facilitated.

Compliance with the Code

We have reviewed our governance framework with reference to the 2018 UK Corporate Governance Code, and a statement of compliance with the Code is set out on page 88.

Conclusion

The Board remains committed to the highest levels of corporate governance. The Directors and I remain actively engaged and during the year we provided a detailed response to the BEIS 'Restoring Trust in Audit and Corporate Governance' consultation. As an organisation we embrace change that increases the quality of audit, governance and controls, but consider change should be proportionate, calibrated to strengthen governance and control in practice, reduce complexity and lead to clear and understandable reporting. We look forward to learning the outcomes of BEIS's consultation.

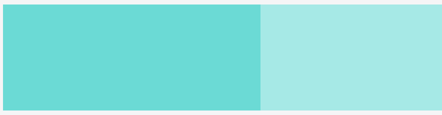
2021 was another challenging and busy year for the Board and the Leadership Team. I would like to thank my Board colleagues, in particular Nicolas and the Executive Directors, for their unwavering commitment and dedication.

Richard Berliand
Board Chair
15 March 2022

Board of Directors

Our Board in numbers

Gender



Male	**7**
Female	**4**

Ethnicity/Nationality

White British	**8**
White French & British	**1**
White American	**1**
Asian Canadian	**1**

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	14	42%

Note: The skills, knowledge, experience held by each Director are assessed utilising a 0-3 rating (0: None | 1: Can Navigate | 2: Competent | 3: Expert) on an individual basis, providing a maximum score of 39 for a Board member.

Tenure at year end

0 to 3 years	**6**
3 to 6 years	**5**
6+ years	**0**

Richard Berland
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 recent 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 also a member of the board of directors of Rothesay Life plc until February 2019 and a member of Deutsche Börse AG's supervisory board until May 2019.

External appointments
Senior Independent Director and member of the Remuneration, Audit and Risk Committees of Man Group plc.

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.

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.

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 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 Hong Kong, Philip also brings an understanding and insight into a number of the Group's key operating markets.

Career
Prior to joining the Group 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.

Michael Heaney
Senior Independent 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. As Workforce Engagement Director his perspective ensures that he understands and brings the views of employees in the Americas region to Board discussions. Michael was appointed Senior Independent Director in May 2021.

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.

External appointments
None.

Kath Cates
Independent Non-executive 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.

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

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, having most recently served as a Director of Standard Chartered Bank UK for seven years. Her previous non-executive appointments include Chair of the remuneration committees of the All England Netball Association, Sky plc and Eaga plc, demonstrating her wide experience and suitability to chair the Remuneration Committee. Her previous experience is also 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
Non-executive Director and Remuneration Committee Chair of Starling Bank Limited.

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 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, and Openwork Holdings.

External appointments
Senior Independent Director and Chair of the Audit Committee at River and Mercantile Group plc. Council Member and Chair of the Audit Committee of Lloyds of London Limited.

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 managers 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 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. 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.

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 decision of the Board.

Board Committees

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 104

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 120

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. Ensures adherence to risk principles and thresholds.

For more see page 116

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.

For more see page 110

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 Operations 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.

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 the page opposite 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 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, Group Management Committee ('GMC'), Group Business Committee ('GBC'), Group Operations 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 the page opposite.

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.

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.

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.

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:
www.tpicap.com/investors

Group Governance Manual and policies

A governance framework is in place, approved by the Board, setting 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. The Group Governance Manual sets out the governance framework in relation to the Group's central and Sub-Group governance structures, and 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. Most recently the Group Governance Manual has been revised to reflect the Group's new organisational structure following the redomiciliation of the ultimate holding company to Jersey and the consequential changes to the governance framework. This has included re-emphasising the maintenance of regulatory deconsolidation and the separation of mind and management between the Group and each Sub-Group.

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 the legal entity board.

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/CFO Report focused meetings) there were four further ad-hoc meetings held at short notice. In most cases all eligible Board members were able to attend these additional meetings.

2021 Board meeting attendance

Director	Meetings attended[1]
Richard Berliand	8/8
Nicolas Breteau	8/8
Kath Cates[2]	7/7
Tracy Clarke	8/8
Angela Crawford-Ingle	8/8
Michael Heaney	8/8
Mark Hemsley	8/8
Angela Knight[3]	4/4
Louise Murray[4]	0/0
Edmund Ng	8/8
Roger Perkin[5]	4/4
Philip Price	8/8
Robin Stewart	8/8

1 Annual scheduled meetings only. See above for details of ad-hoc meetings.
2 Kath Cates was appointed as a Director of the Board with effect from 1 February 2021.
3 Angela Knight stepped down as a Director of the Board with effect from 12 May 2021.
4 Louise Murray was appointed as a Director of the Board with effect from 31 December 2021.
5 Roger Perkin stepped down as a Director of the Board with effect from 12 May 2021.

More online
The Board Matters Reserved and Committee Terms of Reference can be found at:
www.tpicap.com/investors

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 telephone or exchange of email, with the Group Company Secretary or 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.

KEY BOARD ACTIVITIES

The Board's activities

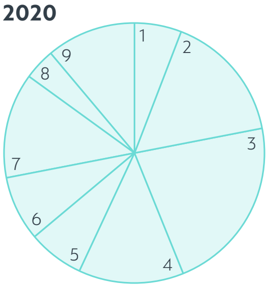
In addition to the eight scheduled meetings, numerous off-cycle Board meetings and briefings were held in 2021 at which the Board discussed, among other matters, the Liquidnet acquisition, the Jersey redomiciliation, changes to Board membership and other projects. The Board also held a strategy day in May 2021.

Over the course of the year, the Non-executive Directors held occasional meetings without the Executive Directors present to facilitate full and frank discussion, where they discussed the performance of the executive management team, among other matters.

The Board activities pie chart below and the table on the page opposite show how the Board spent its time at scheduled Board meetings during the year, including the key areas of focus and discussion.

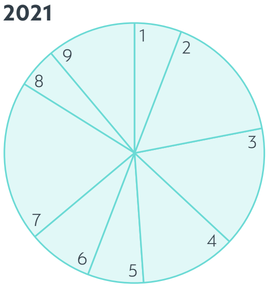
How the Board spent its time during the year in scheduled meetings

2020



1. Routine matters **6%**
2. CEO updates **16%**
3. CFO updates including dividend, tax matters and investor relations **22%**
4. Business/Management presentations and updates including operations and technology **13%**
5. Risk management and audit including Brexit **7%**
6. Legal and Compliance **8%**
7. Strategy including corporate transactions **13%**
8. Corporate governance and policies **4%**
9. Employees, ESG, culture and stakeholders **11%**

2021



1. Routine matters **6%**
2. CEO updates **16%**
3. CFO updates including dividend, tax matters and investor relations **15%**
4. Business/Management presentations and updates including operations and technology **12%**
5. Risk management and audit including Brexit **7%**
6. Legal and Compliance **8%**
7. Strategy including corporate transactions **20%**
8. Corporate governance and policies **5%**
9. Employees, ESG, culture and stakeholders **11%**

Case study

Environmental, Social and Corporate Governance ('ESG') – Strategy development and oversight

Stakeholder consideration: shareholders, clients, regulators, employees

In 2020, the Company committed to developing an enhanced ESG reporting framework and increasing Board focus on ESG matters and oversight. The appointment of Tracy Clarke at the beginning of March 2021 as ESG Engagement Director was followed later in the year with the appointment of a new Group Head of Sustainability to provide in-house expertise on ESG matters and drive TP ICAP's sustainability agenda.

In July 2021, the Board was presented with the Group Sustainability Strategy (the 'Sustainability Strategy') based on key findings from an analysis undertaken across the Group, with execution of the Sustainability Strategy to commence in 2022. To ensure the successful execution of the Sustainability Strategy, the Executive Committee established the Group ESG Forum to provide oversight and advice in relation to ESG strategy, policies and implementation, communications and disclosures throughout the Group. Information from the Group ESG Forum was fed back to the Board and was a key consideration in the Board discussions and decisions around the Sustainability Strategy and its implementation.

One of the main areas of focus for the Group ESG Forum has been working towards the Net-Zero commitment. The Board reviewed data detailing the Group's emissions in Q1 2022 and subsequently made a Net-Zero commitment and created an implementation plan to achieve this. The Board and its Committees will continue to monitor the key performance indicators for the Group's carbon emissions. Further details can be found in the Sustainability report on pages 56 to 74.

Key agenda items discussed by the Board

Some of the key strategic priorities and areas discussed and reviewed by the Board in 2021 are shown below:

Strategic and operational priorities	Key activities and discussions
Strategy formulation, implementation and monitoring	> Regular Chief Executive Officer's reports and dashboards > Acquisition strategy including Liquidnet acquisition, corporate transaction approvals and post investment reviews > Reports from the EMEA and Asia Pacific regions > Presentations from the business including Global Broking, Parameta Solutions, Agency Execution and Liquidnet > Post-Brexit planning and implementation > Dedicated strategy sessions > Brand strategy and architecture
Build and sustain technology expertise	> Presentations on technology > Deep dive on cyber risk and mitigation
Develop our people	> Culture and conduct initiatives > Diversity and inclusion > Employee wellbeing and working environment > Employee share plans > Employee development and engagement > Gender pay gap review > Whistleblowing updates, in conjunction with the Audit Committee
Enhance operational expertise	> Presentation on operations, including updates on supplier contract negotiations and business continuity planning > Internal and external communications strategy
Financial performance, including results, capital and liquidity	> Regular Chief Financial Officer's reports including financial performance > Three-year financial plan updates > Financial strategy > Approval of the 2021 Group Budget and discussion of the 2022 Budget setting process > Approval of the 2020 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 > Considerations for changing reporting currency > EMTN Programme > Group insurance renewal
Corporate governance and risk, including regulatory outcomes	> Reports of the activities of the Audit, Risk, Remuneration and Nominations & Governance Committees > Impact of COVID-19 on operations and financial results > Risk strategy, risk assurance plan and risk appetite statements > Regular legal and compliance reports > Corporate restructure, including Jersey redomicile > Presentations from the CRO, 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 Framework > Board appointments > Board and Committee evaluation > Board and Committee Terms of Reference reviews > Review of Securities Dealing Code > Review of Modern Slavery Statement
ESG, including stakeholder engagement	> The new Sustainability Strategy, KPIs and reports > Shareholder engagement and feedback on corporate transactions > Investor relations reports and shareholder analysis > Review of the charitable giving policy > Climate change and environmental sustainability, including Net-Zero Commitment proposal > Engagement with the FCA and other regulators > Supplier engagement > Presentation from the Head of CRM

BOARD EVALUATION AND PERFORMANCE

The Board undertakes an external evaluation every three years, the most recent having taken place in 2019. During 2021 the Committee oversaw the Board evaluation process, including discussion on the process and timings for the internally facilitated Board evaluation to be completed at the end of 2021.

The 2021 Board and Committees evaluation process was therefore internally facilitated and is illustrated in the following diagram:

1. The Board agreed to carry out an internally facilitated questionnaire based Board and Committee evaluation. The questionnaire was designed by Group Company Secretariat, taking into account the FRC's guidance on Board Effectiveness, with input from the Chairs of the Board and Committees. The questionnaire included both qualitative and quantitative questions and additional focus on the performance of each Committee.

2. In December 2021 the questionnaire was circulated to all Directors for completion and returned to Group Company Secretariat for collation. A report with unattributed scoring and comments was prepared.

3. Once completed, the Report's findings and proposed actions were initially discussed with the Board Chair and presented to the Board also on a non-attributable basis. The Report was discussed at the January 2022 Board meeting and an action plan was agreed.

4. Each Board Committee considered evaluation outcomes relevant to the Committee at meetings in February and March 2022.

Progress against 2021 actions

The outcome of the 2020 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.

2020 evaluation recommendations	Progress made during the year
Strengthen the Group's ESG strategy and appoint an ESG representative to facilitate its implementation	> The Board approved Tracy Clarke's appointment as the nominated ESG Engagement Director in March 2021. > The ESG strategy was developed, oversight of environmental statistics enhanced, and ESG objectives regularly considered through ESG discussion items at Board meetings. > The Group appointed a Group Head of Sustainability, a newly created role, who, in conjunction with the ESG Engagement Director will drive focus on ESG initiatives, implementation, target setting and achievement of ESG goals.
Ensure new Directors are integrated swiftly into Board discussions	> New Directors were integrated successfully and effectively into Board discussions, despite the challenges of virtual meetings for a great part of 2021. > Director induction programmes were adapted through 2021 to ensure Directors were brought up to speed quickly on the activities of the business. > A mixture of engagement and induction methods were used, including face-to-face and virtual one-to-ones, where COVID-19 related restrictions still existed.
Continue to improve the Non-executive Director Employee Engagement Programme	> Despite COVID-19 continuing to present practical challenges, the Board and Nominations & Governance Committee continued to monitor the effectiveness of the Non-executive Director Employee Engagement Programme to maintain continuity and to support the multiple other employee engagement initiatives throughout the year.

Actions agreed for 2022

The 2021 evaluation process highlighted that Board members felt that they worked well together as a unit and the Chair effectively led and guided members on the pace, focus and discussions of important topics at meetings, despite the continuing challenges of remote meeting participation during 2021 due to COVID-19. Board members were also considered to be well aligned on the Company's purpose, values, strategy and wider responsibilities. The Chairs of the Risk, Remuneration and Audit Committees, who assumed those roles in May 2021, were deemed to have settled in well and were chairing the Committees effectively. The main recommendations arising from the Board evaluation for 2021, and actions planned during 2022, are set out in the table below.

2021 evaluation recommendations	Actions to be taken during 2022
Continue to improve Executive Director and Senior Manager succession and talent development plans	> 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 talent development initiatives in place.
Implement a continuing structured engagement programme for the Non-executive Directors	> Extend the Director induction programme to establish a continuing structured engagement programme for the Non-executive Directors, with regular meetings with the Executive Directors and other senior managers to aid continuous development of understanding of the businesses and strategic dialogue. > Arrange regular Non-executive Director only meetings.
Tighten the Board administrative processes	> Continue to develop Board paper writing and composition. > Ensure Board and Committee papers are made available so that Directors have sufficient time to read and digest them ahead of the meeting and minutes are turned around promptly.

Specific developments and actions to be taken during 2022 by each of the Board Committees were considered at meetings of the Committees in February and March 2022. Further details can be found in each of the Committee reports on pages 104 to 147.

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 92 to 95, is reviewed. In addition, the Chair will conduct an interview and assessment of Non-executive Directors as he or she approaches the end of each three-year term to determine their contribution and commitment to the role.

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

Richard Berliand
Chair, Nominations & Governance Committee

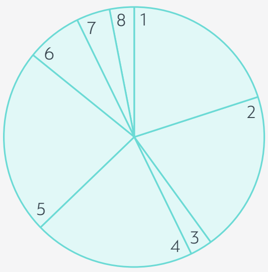
2021 key activities

> 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.
> BEIS consultation on audit and corporate governance.

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

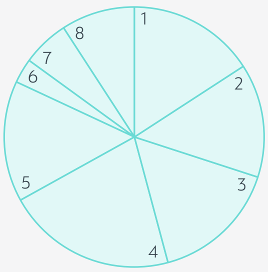
%

2020



1 Routine matters **20%**
2 Executive Director and senior management succession planning **20%**
3 Stakeholder engagement, ESG and culture **3%**
4 Board member recruitment including skills, experience and diversity review **20%**
5 Corporate governance **23%**
6 Policies and controls **7%**
7 Board evaluation **4%**
8 UK Regulated Entities Board composition **3%**

2021



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

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, recruitment, and succession planning; Board and workforce diversity; Board evaluation process, outputs and actions; senior management succession planning; and Governance matters, including the Group Governance Manual (revised following the redomiciliation to Jersey). The Committee also considered the Board's various stakeholder engagement activities, including the workforce engagement programme, and discussed and reviewed the Company's views and response to the BEIS consultation on audit and corporate governance.

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

Board composition, recruitment and succession planning
The Board recognises that a balanced and diverse Board, with a broad range of skills, experience and knowledge is more likely to be an effective Board. I set out in last year's report the Board's Commitment to meeting the Hampton Alexander Review gender diversity target by the end of 2021 and beyond, and this was a particular consideration as the Committee reviewed the Board's skills, knowledge and experience matrix and successfully completed a search which resulted in the appointment of Louise Murray as an additional independent Non-executive Director at the end of the year. Given Louise's considerable buy-side experience, I am sure that she will enrich and add considerably to our Board discussions and deliberations in this important strategic business area.

As reported last year, Tracy Clarke and Kath Cates were appointed as independent Non-executive Directors in January and February 2021, respectively, and already their experience and expertise have benefited Board discussions through 2021 and been invaluable to their respective roles as Chair of the Remuneration Committee and Chair of the Risk Committee. Angela Knight and Roger Perkin stepped down from the Board at the conclusion of the Annual General Meeting in May 2021.

The Directors' biographies and 'Our Board in numbers' on pages 92 to 95 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 2021.

At the year-end the Board comprised eleven Directors: three Executive Directors, seven independent Non-executive Directors and a Non-executive Chair who was independent on appointment. In compliance with the Code, over half the Board comprised independent Non-executive Directors throughout 2021 and this remains the case as at the date of this report with a total of eight Non-executive Directors.

Louise Murray's recruitment process was carried out with the support of an independent search consultancy firm, Ridgeway Advisors, with no connection to the Company or to individual Directors. They were asked to compile a diverse long and short list of candidates with specific skills and expertise to fill gaps identified by the Committee. During the recruitment process, candidate specifications (including expected time commitment, skills and expertise) were agreed and used to identify potential external candidates in the market based on objective criteria and with due regard to the Board's diversity goals. The potential candidates' profiles were mapped with the Board's skills, knowledge and experience matrix and consideration given to which candidates would best contribute to the Board's deliberations and decisions as they relate to the organisation's strategic priorities. Members of the Committee met individually with the shortlisted candidates and all the Board members met with the preferred candidate.

At the beginning of 2022 the Committee agreed to improve and evolve 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.

2021 Committee attendance

Committee members	Meetings attended[1]
Richard Berliand	4/4
Kath Cates[2]	3/3
Tracy Clarke[3]	3/4
Angela Crawford-Ingle	4/4
Michael Heaney	4/4
Mark Hemsley	4/4
Angela Knight[4]	2/2
Louise Murray[5]	0/0
Edmund Ng[6]	3/4
Roger Perkin[7]	2/2

1 In addition to the scheduled meetings, two further meetings were held at short notice to consider the Group's governance framework and Non-executive Director recruitment. All members were able to attend the additional meetings with the exception of Mark Hemsley and Kath Cates for the additional meetings held in June and December, respectively, due to previous commitments which could not be rearranged.
2 Kath Cates attended all meetings upon joining the Committee with effect from 1 February 2021.
3 Tracy Clarke was unable to attend the December meeting due to an urgent conflicting work commitment.
4 Angela Knight stepped down as a member of the Committee with effect from 12 May 2021.
5 No meetings were held in 2021 following Louise Murray joining the Committee with effect from 31 December 2021.
6 Edmund Ng was unable to attend the meeting held in March.
7 Roger Perkin stepped down as a member of the Committee with effect from 12 May 2021.

More online
The Committee's terms of reference are available on the Company's website:
www.tpicap.com/investors

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;
> 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;
> reviewing key non-pay related workforce policies and stakeholder engagement mechanisms;

Social and environmental matters

> reviewing and approving the content of any social and environmental 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.

Twice 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. As part of a more detailed review of the Group's Executive Directors and most senior managers, the Committee considered the level of emergency cover bench-strength, the succession plans in place (and whether 'ready now', 'ready in one to two years' or 'ready in three years') and those high performers from the talent pool who might be the Group's future leaders. Following the last Board Evaluation, it was determined that there would be even greater focus on the Executive Director and senior management succession plans during 2022.

Diversity

The Committee regularly considers the diversity of the membership of the Board, UK Regulated Entities 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. 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.

TP ICAP met the Parker Review targets several years ago, but I am now pleased to report that we have met the Board gender diversity target set out in the Hampton-Alexander guidelines. Four out of five of our most recent Board appointments were women and now female colleagues make up 36% of TP ICAP's Board. The Board remains committed to complying with Hampton-Alexander, FTSE Women Leaders and Parker guidelines as they apply to the Board and will monitor these guideline as they evolve and change. However, as I point out in my introduction to the Governance report, we are a relatively young Board in terms of tenure, and therefore our capacity to refresh and change the Board in the short term may be limited.

We are proud to have exceeded our Women in Finance targets to achieve 25% senior women in the business by the year 2025: as of September 2021 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 60 to 61 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.

Having appointed three Directors to the Board during the year, the Group Company Secretary and Chair have been working with those individuals to ensure they are brought up to speed on the activities of the business as quickly as possible, despite the challenges presented over the last year because of restrictions of movement during the COVID-19 pandemic. As these restrictions fall away, further face to face induction and business exposure, including at our overseas offices, will be arranged.

Governance

During 2021 the governance framework for the Group as set out in the Group Governance Manual ('Manual') was further developed to reflect the organisation's evolving governance framework, particularly in light of the Jersey redomiciliation. Subject matter experts and external counsel were consulted in support of this review and ensured the governance framework post-redomiciliation was comprehensive, fit for purpose and in line with regulatory requirements, including the UK Corporate Governance Code. The Committee reviewed the revised Group Governance Manual and recommended its adoption to the Board. Details of the governance framework can be found on page 96.

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 and undertook a review of the UK Regulated Entity governance framework. During the year the Committee also considered the Company's detailed response to the BEIS 'Restoring Trust in Audit and Corporate Governance' consultation.

The UK Regulated Entities' governance

During 2021 the Committee made recommendations on the appointment of an independent Non-executive Director to the Group's UK Regulated Entities' boards and committees. As part of its 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.

Stonehaven, an independent search consultancy with no other connection to the Company, has assisted the Committee and the UK Regulated Entities' Chairman in the formal search for the aforementioned independent Non-executive Director. As a part of the recruitment process members of the Committee met with shortlisted candidates.

Independence and capacity are considered by the Committee prior to an individual being recommended as an 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.

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 values driven by the employee culture and values survey feedback. The effectiveness of the Board's stakeholder engagement was also considered as part of the Board's most recent evaluation. Further information on Stakeholder engagement can be found on pages 48 to 55.

Other areas of the Committee's consideration

Social and environmental matters

Earlier in the year the Committee discussed how best to ensure appropriate focus on Environmental, Social and Governance ('ESG') matters. It was determined that an ESG Engagement Director be appointed to advocate for, and work with the Executive leadership team on, such matters. These include the Board's oversight of TP ICAP's position on ESG related topics and the Board's understanding of the risks and opportunities in relation thereto, the setting of ESG targets and the consideration and positioning of the Group's strategy from an ESG perspective. It was determined that Tracy Clarke be recommended to the Board as ESG Engagement Director.

Given the importance placed on developing the ESG agenda in 2021, this became a regular item for discussion at the full Board rather than at the Nominations & Governance Committee.

Conduct

The Group's Code of Conduct underlines expectations of high ethical standards and integrity in all aspects of the Group's operations and business. It is scheduled to be reviewed by the Committee in the first half of 2022. During 2021 the Committee reviewed TP ICAP's Securities Code and the Group's Disclosure Policy.

Board performance

During the year the Committee oversaw the Board evaluation process, including discussion on the process and timings for the internally facilitated Board evaluation to be completed at the end of 2021. Further details on the Board evaluation process can be found on pages 102 to 103.

Board training and development

The Chair has overall responsibility for ensuring Directors continually update their skills and knowledge, and familiarity with the Company, so as to fulfil their role. Each of the Directors is, however, also personally responsible for ensuring that any specialist skills and competencies they have remain current. 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 2021 the Board and Committees had almost eight hours of formal training on a wide range of topics. The subjects included deep dives on cyber security, Market Abuse Regulations and corporate defence strategy, directors and officers liability, indemnity and insurance, VAT and the Investment Firms Directive and its implications to TP ICAP. The Board also undertook all-employee compulsory compliance training. 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.

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 Group Management Committee 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 pages 49 to 51.

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 92 to 95. 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 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 2021 and January 2022.

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 139. 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 103 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 (a process introduced in 2020), 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. During the year, there were no proposals for the Committee to consider.

All Non-executive Directors have submitted themselves for election at the 2022 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 92 to 95 with further detail accompanying the Notice of the AGM and also on the Company's website: www.tpicap.com.

Committee effectiveness

The most recent internal review of the Committee's effectiveness was conducted in December 2021 which determined that the Committee was operating well in most areas. Specific developments and actions to be taken by the Committee during 2022 were considered in March 2022. The emerging action to continue to improve Executive Director and senior management succession planning has been reflected in the Actions agreed for 2022 outlined on page 103. During the year the Committee also conducted a review of its Terms of Reference and agreed amendments to reflect the revised governance and new sub-group structure, including modified Non-executive Director related responsibilities and removal of SMCR oversight requirements, and repointing to Jersey law following the Group's redomiciliation to Jersey.

Richard Berliand
Chair
Nominations & Governance Committee
15 March 2022

Angela Crawford-Ingle
Chair, Audit Committee

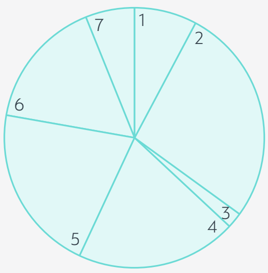
2021 key activities

- Financial reporting including the Annual Report and Financial Statements 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.
- Commencement of audit tender.

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

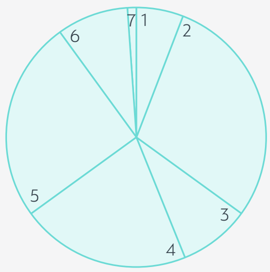
%

2020



1 Routine matters **8%**
2 Annual/interim reporting and trading statement review **27%**
3 Tax matters **2%**
4 External auditor reporting **20%**
5 Internal auditor reporting **21%**
6 Risk management and internal controls **16%**
7 Corporate governance **6%**

2021



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

Dear fellow shareholder,
I am pleased to present the Committee report for the year ended 31 December 2021. During the year 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. The Committee also considered the new European Format ('ESEF') filing requirement, the new standard for digital reporting. 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 2021 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 September 2021. 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 112.

Following the Committee's review of the 2021 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 112.

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.

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. I was appointed Chair of the Committee upon Roger Perkin's retirement from the Board and Committee at the conclusion of the 2021 AGM. I would like to take the opportunity to thank Roger Perkin for his valuable contribution to the Committee and wider Group. Angela Knight also stepped down from the Committee at the conclusion of the 2021 AGM and we welcomed Kath Cates and Louise Murray as members of the Committee effective from their respective appointments to the Board on 1 February 2021 and 31 December 2021. The biography of each current member of the Committee is set out in the Board biographies on pages 92 to 95.

The Committee holds a minimum of four meetings annually, and this year held five meetings. 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, 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.

2021 Committee attendance

Committee members	Meetings attended[1]
Angela Crawford-Ingle[2]	4/4
Roger Perkin[3]	1/1
Kath Cates[4]	4/4
Angela Knight[5]	1/1
Louise Murray[6]	0/0
Edmund Ng[7]	3/3

1 In addition to the scheduled meetings, one further meeting was held at short notice to consider the interim results announcement. All members were able to attend the additional meeting.
2 Angela Crawford-Ingle became Chair of the Committee with effect from 12 May 2021.
3 Roger Perkin relinquished his role as Chair and stepped down as a member of the Committee with effect from 12 May 2021.
4 Kath Cates attended all meetings upon joining the Committee with effect from 1 February 2021.
5 Angela Knight stepped down as a member of the Committee with effect from 12 May 2021.
6 No meetings were held in 2021 following Louise Murray joining the Committee with effect from 31 December 2021.
7 Edmund Ng attended all meetings upon joining the Committee with effect from 12 May 2021.

More online
The Committee's terms of reference are available on the Company's website:
www.tpicap.com/investors

Key responsibilities of the Committee

The Board has delegated responsibility to the Committee:

Financial reporting

> considering significant financial reporting judgements;
> reviewing the Annual Report and Financial statements and half-year results;
> considering Group tax matters;
> considering whether the Financial statements taken as a whole, are fair, balanced and understandable;
> monitoring compliance with accounting standards;
> reviewing the going concern and the longer-term viability statement;

External audit

> reviewing the effectiveness of external audit;
> assessing external auditor independence;
> developing a policy for non-audit services provided by the external auditor;

Risk management and internal control

> considering the effectiveness of the Group's systems of risk management and internal control, including all material controls;
> 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 effectiveness of internal audit; and
> reviewing whistleblowing arrangements.

Fair, balanced and understandable

Before the 2021 Annual Report 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 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, 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 Financial Statements 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 2021

We considered a number of judgements in connection with the 2021 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 2021 continued

Judgement	Note	Action the Committee took	Conclusions
Impairment of goodwill and other intangibles	13	> Reviewed the basis on which goodwill was allocated to Cash Generating Units ('CGUs') 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.
Accounting for the acquisition of Liquidnet	33	> Reviewed the judgements and estimates in relation to the fair value of the consideration paid. > Reviewed the judgements and estimates in relation to the fair value of assets and liabilities acquired. > Reviewed the valuation techniques and the valuation assumptions used to measure the fair value of identified intangible assets. > Considered the useful life estimate of identifiable intangible assets.	> The Committee is satisfied that the accounting for the Liquidnet acquisition is appropriately and adequately disclosed.
The Group's assessment and disclosure of legal cases and regulatory investigations	27 and 36	> 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	> Challenged management on the rationale for each of the Alternative Performance Measure ('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. > Reviewed the Annual Report 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.
The change from Trade Date to Settlement Date accounting in the Group's matched principal business	Consolidated Balance Sheet, 2(f), 3(m), 24 and 40	> Reviewed and assessed whether the change provided reliable and more relevant information. > Assessed whether the change to this policy was unusual among banks and interdealer brokers. > Reviewed the quantitative impact of the changes on the previous financial statements. > Reviewed the disclosure of the change in the notes to the financial statements.	> The Committee is satisfied that the change in accounting is appropriate and that the change and related disclosures are adequate.

Other items that were less significant but were discussed included: Liquidnet's cash management programme, the valuations of associates and joint ventures, UK value added tax approach and the Group's tax compliance.

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 2021, the Committee:

> reviewed the work and reports of internal audit;
> assessed the effectiveness of internal audit;
> reviewed how management action plans to mitigate internal audit findings had been implemented;
> monitored progress against the internal audit plan during 2021;
> reviewed and discussed the annual internal audit opinion; and
> approved the 2022 Annual Audit Plan, Resourcing, and Budget.

During early 2021 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 non-audit delivery activities and strategic development. EY, as co-source provider, has continued to provide specialist skills and subject matter expertise during the year to supplement the in-house team. At the Committee's request and in compliance with the Institute of Internal Auditors' International Standards, an External Quality Assessment ('EQA') of the internal audit function was completed by PwC during 2021 and the results were presented to the Committee in July 2021. Recommendations from the EQA were built into the internal audit 2021-22 strategic plan and actions taken were monitored by the Committee through the performance updates reviewed in October and December 2021. The Committee considered the resourcing and skills of internal audit 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.

Effectiveness

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 2021 effectiveness review of both the external auditor and the 2021 audit, the Committee considered:

> the quality of Deloitte's 2021 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 2021 external audit had been effective.

Independence and non-audit services

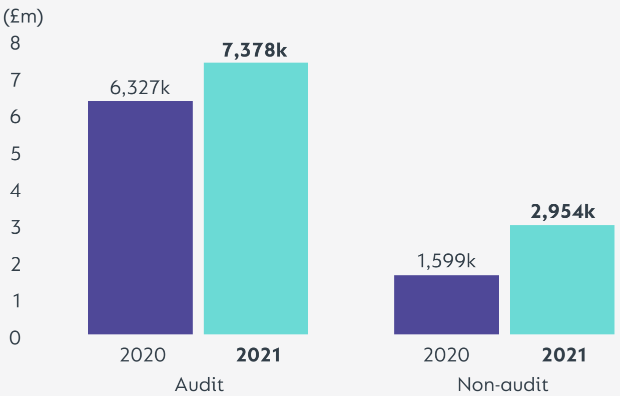
When considering the 2021 Annual Report, the Committee reviewed the objectivity and independence of the external auditor. We also considered the professional and regulatory guidance on auditor independence and Deloitte's policies and procedures for managing independence.

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 Audit Committee in September 2020 to ensure the requirements of the Financial Reporting Council ('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 2021. During the period under review the non-audit services performed by the external auditor amounted to £2,954k, 40% compared to the £7,378k 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 the acquisition of Liquidnet and incorporation of the Company as the new Jersey-domiciled Group holding company. 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 183 in Note 5 to the Consolidated Financial Statements

External audit
Deloitte was reappointed as external auditor of the Group at the 2021 AGM. The current lead audit partner, Fiona Walker, has held the role since 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.

In accordance with prevailing corporate governance requirements, we are in the process of conducting a tender for the audit contract in respect of the year ending 31 December 2024. This would allow a four-year term for the new lead audit partner and a cooling period for the incumbent auditor. The Committee will continue to monitor legal requirements and developments in best practice with regards to audit tender arrangements.

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. We have alerted other major audit firms to the audit tender process referred to above with a view to ensuring that we will be able to choose from the widest possible selection of appropriately skilled and independent firms, with the geographical reach to audit TP ICAP globally.

The Company confirms its compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year ended 31 December 2021.

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 2022.

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 76 to 85.

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 2021, 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 2021, 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 116 to 119.

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. It is also in accordance with the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

Whistleblowing
The Committee oversees the operation and effectiveness of the Group's whistleblowing systems and controls. During the year the Committee 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.

During the coming year the Committee will continue to review the Whistleblowing arrangements in conjunction with the Board, receiving regular updates on the Group whistleblowing process and cases.

Committee effectiveness
An internal review of the Committee's effectiveness was conducted in December 2021 which determined that the Committee was operating effectively. Specific developments and actions to be taken by the Committee during 2022 were considered in March 2022, with reflection on the engagement and relationships with each of the internal audit function, external auditor and finance function. During the year the Committee also conducted a review of its Terms of Reference and agreed minor amendments to reflect the revised governance and new sub-group structure and repointing to Jersey law following the Group's redomiciliation to Jersey.

Angela Crawford-Ingle
Chair
Audit Committee
15 March 2022

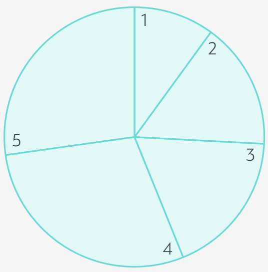
Kath Cates
Chair, Risk Committee

2021 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 CRO, Group Chief Internal Auditor and Group Head of Compliance.
- Ensuring culture, behaviour and risk factors are considered when setting remuneration.

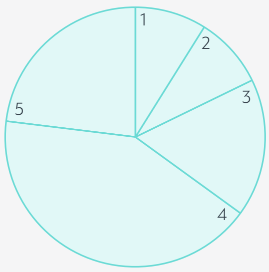
How the Committee spent its time during the year in scheduled meetings
%

2020



1 Routine matters **10%**
2 Update from CRO **16%**
3 Risk culture and compliance **18%**
4 Project and function risk reviews including business continuity and deep dives **29%**
5 Risk framework and corporate governance **27%**

2021



1 Routine matters **9%**
2 Update from CRO **9%**
3 Risk culture and compliance **17%**
4 Project and function risk reviews including business continuity and deep dives **42%**
5 Risk framework and corporate governance **23%**

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 2021.

I was appointed as Committee Chair in May 2021 and would firstly like to thank my predecessor, Michael Heaney, for his significant contribution in chairing the Committee since October 2019. Under his Chairmanship, the Committee oversaw a significant change in the Group's risk management capability, through the completed implementation of the Group's new Enterprise Risk Management Framework ('ERMF'), and I am very glad that we will continue to benefit from his experience as an ongoing member of the Committee.

During 2021 the Committee continued to focus on the most pressing risks facing the Group – including the commercial and operational risks arising from the ongoing COVID-19 pandemic, Brexit and the acquisition of Liquidnet. We also maintained oversight of the Group's overall enterprise-wide risk profile relative to risk appetite, and the status of any remedial actions required to address any risk management issues.

The Committee also continued to monitor the operation and ongoing embedding of the new ERMF as the Group continues to enhance its risk management capability across its three lines of defence ('3LOD').

In discharging its risk oversight responsibilities, the Committee remains aware of the high standards of risk management expected of the Group by its regulators, clients and investors, in its capacity as the largest inter-dealer broker in the world based on revenue.

Key responsibilities of the Committee

The Board has delegated responsibility to the Committee for:

> defining the expectations for the Group's risk culture;
> 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 the risk appetite, risk 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;
> 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.

Governance report

2021 Committee attendance

Committee members	Meetings attended[1]
Kath Cates[2]	3/3
Michael Heaney[3]	4/4
Angela Crawford-Ingle	4/4
Mark Hemsley	4/4
Angela Knight[4]	1/1
Edmund Ng[5]	1/1
Roger Perkin[6]	1/1

1 In addition to the scheduled meetings, three further meetings were held at short notice to consider out-of-cycle issues. All members were able to attend the additional meetings, with the exception of Mark Hemsley for the additional meeting held in September due to illness.
2 Kath Cates attended all meetings upon joining the Committee with effect from 1 February 2021 and became Chair of the Committee with effect from 12 May 2021.
3 Michael Heaney relinquished his role as interim Chair of the Committee with effect from 12 May 2021, but remained a Committee member.
4 Angela Knight stepped down as a member of the Committee with effect from 12 May 2021
5 Edmund Ng stepped down as a member of the Committee with effect from 12 May 2021.
6 Roger Perkin stepped down as a member of the Committee with effect from 12 May 2021.

More online

The Committee's terms of reference are available on the Company's website:
www.tpicap.com/investors

Key matters considered by the Committee in 2021

Risk area	Matters considered and actions taken by the Committee
Broking process	> 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 a large proportion of brokers and operations personnel continuing to work remotely during much of the year and the heightened operational risk associated with such arrangements. > The Committee also undertook a number of deep-dive reviews into different aspects of the broking process, including a review of the Group's Brazil operations and a review of the Group's utilisation of trading algorithms.
Infrastructure	> 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. > The Committee also undertook a deep-dive review into the Group's contingency arrangements relating to third party clearers (presented by the Group Head of Operations) which are critical to the Group's ability to broker exchange listed derivatives.
Cyber security and data protection	> The Committee continued to monitor the status of the Group's cyber security capability, including the ongoing programme of work to enhance resilience against the ever-evolving cyber threat landscape and to minimise the rising cost of cyber-related costs (including insurance).
Human capital	> The Committee continued to monitor the Group's resourcing profile to ensure that the Group has the capability and capacity required to operate effectively across the 3LOD and to implement its business strategy. This risk assumed heightened importance during 2021 in the context of increased and aggressive recruitment activity by competitors in relation to front office personnel, and a highly competitive recruitment market for support and control staff. > This Committee also monitored the impact on the Group's remuneration structures of the new UK IFPR and EU IFR/IFD regimes for investment firms (that came into force in June 2021 and January 2022 respectively).
Financial risk	> The Committee continued to monitor the Group's financial risk exposure, including its FX profile, credit risk exposure and liquidity demand. > Particular areas of focus included: (i) the Group's aged debt profile, which has significantly increased during the pandemic; (ii) its margin call and FX exposure in the context of potentially heightened pandemic-driven market volatility; and (iii) the impact on the Group's credit risk profile of the turmoil in the European gas market experienced during Q3 2021.
Capital and liquidity adequacy	> Ongoing monitoring of the Group's capital and liquidity position. 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. This included undertaking a formal review of the confidence level and diversification assumptions adopted for the purposes of the GRCLA assessment. > In addition, the Committee reviewed the Group's Recovery & Resolution Plan to assess the appropriateness of both 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. > The Committee also discussed the potential impact of the new IFPR regime on the regulatory capital and liquidity requirements for the EMEA sub-consolidation group.
Legal and compliance	> 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.
Brexit	> The Committee continued to exercise close oversight of the implementation of the Group's Brexit operating model, against the backdrop of the evolving regulatory landscape (and ongoing lack of equivalence) and a range of commercial and operational challenges.
Liquidnet	> The Committee monitored the status of the Liquidnet acquisition and integration. This included undertaking a deep-dive review into the risks associated with the integration programme itself, the impact of the acquisition on the substantive risk profile of the Group and the status of the roll-out of the ERMF across the Liquidnet business.
Risk framework	> The Committee continued to monitor the operation and ongoing embedding of the new ERMF as the Group continues to enhance its risk management capability across its 3LOD. > Specific ERMF related activity undertaken during the year included the adoption a new risk appetite implementation framework and the adoption of a new Risk Committee reporting structure, both of which materially enhanced the Committee's ability to monitor the Group's consolidated risk profile against its overall risk appetite.

Review of Committee effectiveness

An external review of the Committee's effectiveness was conducted over December 2021 and a report presented to the Board in January 2022. This review determined that the Committee was broadly operating effectively with the new Chair settling in quickly.

Particular findings made by the review included an observation that the Committee reporting (and supporting MI pack) had improved significantly, and the assessment that the Committee was focusing on the key risks which are critical to the Group's future success.

The review also identified a number of potential areas for further development which will be adopted by the Committee where appropriate.

During the year, the Committee also conducted a review of its Terms of Reference and confirmed that these remained appropriate.

Key priorities for 2022

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.

This will include monitoring the Group's ongoing response to the Russia and Ukraine situation as well as Brexit to ensure that appropriate action is taken to protect the Group's business in the context of the still evolving political and regulatory situation, the status (and associated risks) of the Liquidnet integration and the key operational risks facing the Group, including conduct risk and operational resilience.

The Committee is also planning to increase its focus on the broader strategic and commercial risks facing the Group in the context of a challenging macro-economic environment which is likely to have widespread implications for the markets in which TP ICAP operates.

This oversight will be informed by deep-dive reviews into specific areas of the business, with a number of such reviews planned for 2022 covering a range of business areas and risk types.

The Committee will also continue to monitor the key emerging risks to which the Group is exposed, including the potential impact that the transition to a zero-carbon economy could have on the Group's business model.

In addition, the Committee will continue to oversee the ongoing evolution of the ERMF, with planned enhancements for 2022 including the introduction of a formal controls testing programme, increased use of risk analytics and enhancing risk management capability within the first line-of-defence.

Finally, I would like to thank the Committee members and the Group CRO for their hard work in 2021 and I am looking forward to an equally productive year in 2022.

Kath Cates
Chair
Risk Committee
15 March 2022

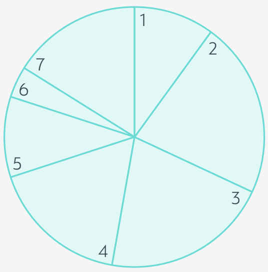
2021 key activities

- Consulting with shareholders on the new Directors' Remuneration Policy.
- Determining the measures for the annual bonus/LTIP and undertaking remuneration benchmarking for the Executive Directors.
- Establishing new employee share schemes for the 2021 share awards as part of the Company's redomiciliation project.
- Undertaking a full review of remuneration below Board and senior management level.
- Reviewing the Material Risk Taker population and relevant regulatory disclosures.

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

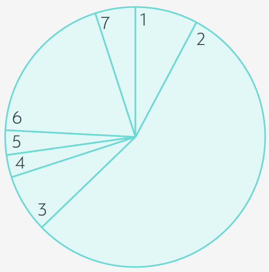
%

2020



1 Routine matters **10%**
2 Senior management and wider workforce remuneration **22%**
3 Executive Director remuneration **21%**
4 Risk and control impact on remuneration **17%**
5 Executive incentive schemes **10%**
6 Directors' Remuneration Policy review **4%**
7 Governance and remuneration reporting **16%**

2021



1 Routine matters **8%**
2 Senior management and wider workforce remuneration **55%**
3 Executive Director remuneration **7%**
4 Risk and control impact on remuneration **3%**
5 Executive incentive schemes **3%**
6 Directors' Remuneration Policy review **19%**
7 Governance and remuneration reporting **5%**

Dear fellow shareholder,

This is my first report as Chair of the Remuneration Committee and I am pleased to present the Report of the Remuneration Committee and the new Directors' Remuneration Policy for approval by shareholders at the AGM in May. Having become Chair of the Committee in May 2021, I would like to thank my predecessor Angela Knight for her contribution as interim Chair of the Committee in 2020 and up to her retirement from the Board in May 2021.

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

The Group delivered resilient financial performance in 2021, against a backdrop of challenging and uncertain market conditions. The Board was able to announce an interim dividend of 4p per share in September 2021 and will be recommending a final dividend of 5.5p per share to be paid in May 2022. During the first half of the year, the continuing impact of COVID-19, Brexit and adverse currency movement, coupled with government pandemic support programmes, resulted in subdued levels of both volatility and wholesale trading activity, which impacted our broking businesses in particular. Secondary trading volumes started improving in the second half of the year as supply chain disruptions caused energy prices to rise, driving up inflation to multi-decade highs, with the resulting expectation of monetary policy tightening – all of which created trading opportunities for our clients.

Our focus in 2021 has been on executing our strategic transformation programme, integrating Liquidnet and making TP ICAP more cost efficient. We have delivered our targeted £35m of annualised cost savings and are targeting further savings in 2022.

We delivered total Group revenue of £1,865m which was 8% higher than the prior year on a constant currency basis (4% higher using reported revenue in 2020 of £1,794m). This was driven by constant currency growth in Agency Execution (+180%, including Liquidnet revenue from 23 March 2021 onwards) and Parameta Solutions (+5%), which was partly offset by marginal revenue declines in Global Broking (-2%) and Energy & Commodities (-1%), reflecting the more challenging market conditions, particularly in the first half of 2021. On an adjusted basis, Group EBIT was £233m in 2021 versus £256m in 2020 (in constant currency), a decrease of 9%.

The bonus outcomes for the Group and the Executive Directors take account of the financial performance of the Group and shareholder experience during the year.

During 2021, the Remuneration Committee reviewed in detail our remuneration approach for the Executive Directors. As you know, a key milestone for TP ICAP in 2021 was the transformative acquisition of Liquidnet which was completed in March 2021. The acquisition reinforces the strategy set out at our Capital Markets Day at the end of 2020 to grow via electronification, aggregation and diversification. This strategic ambition has been a key driver in determining our new Remuneration Policy. We have been actively consulting with shareholders throughout the last year to share our initial thinking on the new policy and to better understand their views and concerns. Our current policy proposals reflect the feedback we have received.

We sought initial input from shareholders in the summer of 2021, with the intention that a revised policy be put to an EGM in November 2021. After the first round of feedback, the Committee and I decided that, in order to ensure that we had sufficiently integrated the comments and feedback from our shareholders into our proposals, we should conduct a second round of consultation in late 2021 and early 2022, and therefore revert back to the original timeline of a binding remuneration policy vote at the AGM in May 2022. Following a Remuneration Report vote of 57% at the AGM in 2021, we were keen to ensure that shareholders were given ample opportunity to discuss and provide feedback on our proposals for a new Directors' Remuneration Policy.

2021 Committee attendance

Committee members	Meetings attended[1]
Angela Knight[2]	2/2
Tracy Clarke[3]	4/4
Michael Heaney	4/4
Edmund Ng	4/4

1 In addition to the scheduled meetings, eight further meetings were held to consider the Directors' Remuneration Policy. All members were able to attend the additional meetings with the exception of Michael Heaney for one meeting in November 2021.
2 Angela Knight stepped down as a member of the Committee on 12 May 2021.
3 Tracy Clarke attended all meetings upon joining the Committee with effect from 1 January 2021 and became Chair of the Committee with effect from 12 May 2021.

More online

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www.tpicap.com/investors

The key changes in our revised remuneration policy are the introduction of a new Restricted Share Plan ('RSP'), which replaces the current Long-Term Incentive Plan ('LTIP') for the Executive Directors, and an extension of the post-employment shareholding requirement to align with UK best practice. In our view, the new policy is better aligned to TP ICAP's current strategy, as I outline later in this letter.

Executive Director remuneration outcomes in 2021

2021 annual bonus

The annual bonus for 2021 was assessed against three measures: adjusted operating profit on a constant currency basis, ROE and strategic objectives. When assessing performance against the targets set, the Committee reviewed the formulaic outcomes in relation to the financial measures and no discretionary adjustments were deemed appropriate. The Committee also carefully reviewed each Executive Director's performance against their strategic priorities and determined that a level of differentiation in the performance appraisal was appropriate. The bonus outcome for the Executive Directors was therefore 54% of maximum for the CEO, 48% for the CFO and 52% for the Group General Counsel ('GGC'). This outcome is significantly lower compared to the 2020 bonus outcome which was 72% to 75% of maximum for the Executive Directors.

In absolute terms, the Executive Director bonuses reduced by a range of 21% to 33% year-on-year. In addition, the value of deferred bonus awards from prior years has fallen by 55% on average, due to share price depreciation. The Committee determined this outcome to appropriately reflect both financial performance and strategic progress made during 2021. EBIT is down 9% on a constant currency basis and shareholders saw a fall in TSR of 26% over the last 12 months. However, good strategic progress was made in diversifying the business, through strong growth in Parameta Solutions and the launch of Liquidnet Primary Markets, in progressing our Fusion strategy and in navigating the business post-Brexit and through the COVID-19 pandemic.

The Group's performance also had an impact on the wider management and support staff bonus pools. For 2021, the support staff bonus pool was down 29% when compared to 2020, broadly in line with the reduction in bonus for the Executive Directors. However, given the recent external market recruitment activity across all support areas and geographies, the Executive Directors were concerned about the impact of the bonus outcomes on our staff retention in 2022. To attempt to mitigate some of the risk, the Committee agreed to provide key staff with an additional variable pay award, to be made in 2022, provided they remain with TP ICAP at the time of award. Awards will be made in June and December 2022. No awards will be made to the Executive Directors.

2021 annual bonus targets

When setting the bonus targets for 2021, the Remuneration Committee took time to ensure they were appropriate in light of the Group's historical financial performance and were sufficiently stretching while also motivational for the Executive Directors, both in a challenging year, and one that required continued focus on the strategic transformation of the business.

The profit target was set on the basis of a percentage change in like-for-like profit and included a constant currency adjustment. The 2020 profit, restated for constant currency, was £256m. While the profit target represented a 5% decrease in like-for-like EBIT, the Committee determined that this was an appropriate stretching target for 2021 given the context of the ongoing subdued market activity and lower trading volumes. Some of the key factors that the Committee took into account when setting the bonus targets for 2021 were as follows:

> The Group's largest clients had universally indicated a slowdown in their planned 2021 levels of activity and revenues and, as the Group receives brokerage fees based on financial transactions, the Group expected this to have an impact on full year 2021 revenue.
> Market activity and sentiment continued to be negative following the UK's withdrawal from the EU and the corresponding lack of clarity in relation to cross border regulation for UK firms trading with EU clients as a result of Brexit. This continues to present challenges for the Group into 2022.
> While a number of the developed economies had begun, or indicated their intention to withdraw quantitative easing support, the Group has not seen this step positively impact the trading of certain financial instruments, which meant that the Group's revenues continued to be challenged.
> Global economies continued to address the macro-economic impact of COVID-19 which had a disproportionately negative effect on global market volumes in OTC markets.

The Group's ability to maintain market share while addressing the above challenges led the Committee to conclude that the proposed bonus targets for 2021 were appropriate and sufficiently stretching for the Executive Directors. The outcome for the full year has proven these assumptions to be correct.

2019 LTIP

The 2019 LTIP was based on performance against two equally weighted performance measures, Relative TSR and EPS CAGR assessed over 2019 to 2021. As the threshold performance conditions were not met, the award has lapsed.

2021 LTIP

As set out in the 2020 Annual Report, given the original proposal of a revised Directors' Remuneration Policy to be put to shareholders at an EGM in late 2021, the Committee postponed the granting of the 2021 LTIP under the existing policy, with the intention of making an award under the revised policy following the shareholder vote. However, given the decision to delay the Directors' Remuneration Policy vote to the AGM in May 2022, a grant of an LTIP award was made to the Executive Directors under the existing remuneration policy in November 2021.

As we stated in our Capital Markets Day in 2020, and reinforced to shareholders throughout 2021 when consulting on remuneration, the transformative acquisition of Liquidnet is not expected to be accretive to the Company's earnings until at least 2024. As such the EPS performance condition was removed from the 2021 LTIP grant, and the weighting of the remaining two measures increased equally. As a result the performance measures are Relative TSR (65%) and New Business Growth (35%).

In order to ensure that there was continuity in performance assessment periods, while the award was granted in November 2021, the performance period will cover 2021 to 2023 inclusive. In addition, to ensure there were no windfall gains as a result of the fall in share price between March and November 2021, the number of shares granted was calculated based on the share price on the original intended date of award (and in line with the share price used to award the deferred bonuses in March 2021). Due to the delay in granting the awards, they will not vest until November 2024 and will be subject to a holding period until November 2026. Further information is set out on page 142.

Changes to the Directors' Remuneration Policy

As previously mentioned, the key change in the new Directors' Remuneration Policy is the introduction of a Restricted Share Plan to replace the current Long-Term Incentive Plan for Executive Directors. The proposed RSP:

> Will have a maximum opportunity of 125% of salary (50% reduction vs. our current LTIP opportunity). This means target pay is maintained compared to the current Policy;
> Will vest after three years and will be subject to an additional holding period of two years;
> Will only vest subject to the achievement of a robust underpin, assessed over a three-year period;
> Is subject to a pre-grant test, where the Committee will consider individual, business unit and firm performance over the previous year; and
> Is subject to malus/clawback, in line with our previous LTIP and regulatory requirements.

We also intend to award restricted shares to the wider senior leadership team, thereby ensuring that the Executive Directors' arrangements are consistent with and directly aligned with the broader management team.

The Committee will grant share awards on an annual basis, which will vest subject to continued employment and the satisfaction of the underpin set at the time of award. The Committee will retain full discretion to adjust vesting outcomes on the basis of an assessment of the underpin over the three-year period. If the Company does not meet one or more of the underpin conditions over the vesting period, the Committee will determine whether, and to what extent, they believe it is appropriate to reduce the level of pay-out under the award. The Committee is able to also use its discretion to reduce awards at vesting, should the Committee consider that outcomes are not reflective of the underlying performance of the Company. These safeguards are to ensure that the Executive Directors will not be rewarded for failure.

There are no changes to our annual bonus policy, meaning the overall target value of incentives is unchanged under this proposal.

A further key additional change in our Policy is extending our post-employment shareholding requirement. This is now set in line with the in-role requirement (300% of salary for CEO, 200% of salary for other EDs) for two years following departure, ensuring that the Policy is in line with best market practice.

Underpin

Following our consultations with shareholders, we know that the operation of the underpin is a key area of importance for shareholders. We have designed a broad and robust underpin that is determined prior to granting the RSP award and assessed at vesting to allow the Committee to lower vesting (potentially to nil) in the instance of poor performance.

The Committee will consider all financial and non-financial performance in the round over 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);
> 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.

If the Committee determines a reduction is warranted due to performance against the above underpin, the Committee will determine the extent of any reduction, which could potentially be down to zero.

At vesting and at the point of granting an award, the Committee will also consider whether there have been any windfall gains. If the Committee considers that the Executive Directors have inappropriately benefited from a windfall gain then they will have the ability to reduce the award accordingly.

Why the RSP is the most effective structure for TP ICAP

As a reminder, in our Capital Markets Day presentation in late 2020, TP ICAP reconfirmed its intention to grow via three core strategic themes: electronification, aggregation and diversification. A core element of this transformation is to invest c.£100m in all businesses across the next five years, with the majority of investment taking place in the first two years, with the objective of driving higher margins and faster growing businesses.

In late March 2021, we completed the acquisition of Liquidnet, which provides a strategic accelerator that will over time materially enhance the growth prospects for our Group. As we publicly stated at the time of the acquisition, it is not expected to be accretive to the Company's earnings until at least 2024. In these circumstances, the Committee believes that the best way to incentivise the Executive Directors to deliver the transformation is to replace the existing LTIP with an RSP.

In reaching this conclusion, the Committee took into account the external environment on pay, particularly the intensely competitive pressures for talent facing the Company, shareholder views (raised both publicly and privately with us), as well as the remuneration arrangements applicable to the Group's wider employee population. In considering these factors, a summary of the Committee's rationale for proposing this structure is as follows:

> TP ICAP is undergoing strategic transformation. We have set out clear medium to long-term ambitions which we believe will create foundations for the successful future of the Group. Beyond the Liquidnet acquisition, we continue to invest in the business and, as part of our long-term strategy of investing and transforming the Group, we want the Executive Directors to be focused on delivering the Group's strategy of electronification, aggregation and diversification. It is important that the Executives are focused on strategy delivery and their awards are aligned to this in the medium-term rather than having incentives aligned to measures that may encourage a more short-term delivery focus.
> The strategy and Liquidnet integration required means that we expect our earnings per share in the three years following the acquisition to be lower. As we invest in the Company to deliver long-term growth, this makes the setting of conventional earnings targets very difficult in the near and medium-term.
> Taking all these factors into account, and when reviewing all possible LTIP measures, at this stage of TP ICAP's strategic transformation we do not believe that an LTIP based on traditional financial metrics is an appropriate model to reward and incentivise our Executive Directors in the near term.
> Success for the Group over this timeframe will be measured by the integration of Liquidnet and the delivery of TP ICAP's investment programme in all businesses which will ensure the transformation of the Group's business, enabling us to deliver our organic and inorganic strategy and ultimately deliver enhanced shareholder value.
> An award of restricted shares, vesting after three years provides a more focused and direct alignment between the Executive Directors and shareholders. The Committee firmly believes that this simple approach is the most appropriate at the current time.

Response to shareholder feedback

The Committee made several refinements to our proposed Policy during the course of consulting with shareholders. Shareholders understood our rationale for seeking to introduce an RSP and provided useful feedback on specific design points. The Committee is grateful for all the feedback received on the Directors' Remuneration Policy. Following shareholder feedback, the key changes we made to the Directors' Remuneration Policy are as follows:

> To remove previous proposals around reweighting the short-term and long-term incentive;
> To enhance the underpin for the RSP;
> To increase the post-employment shareholding requirement; and
> To address broader concerns around windfall gains.

Wider workforce considerations

The Committee also has oversight of remuneration for the wider employee population. The new Investment Firm Directive ('IFD') and UK equivalent Investment Firms Prudential Regime ('IFPR') will have an impact on the way we pay individuals who are identified as Material Risk Takers for 2022. The Committee reviewed the remuneration structures of the broader employee population including brokers during the year.

As the pandemic entered a second year, we have continued to support our colleagues through this difficult period. We have introduced agile working, which is implemented globally and in operation in countries where government restrictions have been relaxed to allow a return to work. Our staff continue to meet these challenges showing exceptional resilience over the period. We have sought to engage with employees through various return to work activities and to increase in person interaction and to re-start a number of activities paused throughout the pandemic in relation to employee networks and other events. In December 2021, we ran the ICAP Charity Day globally which raised a grand total of £3.6m across our global businesses. This is a tremendous achievement and we are very proud of all of our staff who participated and contributed to this successful charity event. Activities with employee network groups and the ability to hold team meetings in person have helped to re-engage employees into the workplace as pandemic restrictions have been lifted. We hope that this downward trend in cases continues as, while remote working has been successful, many employees prefer the benefits of working together in an office environment.

I want to thank our staff who have continued to show extreme resilience in ever changing circumstances. They have demonstrated flexibility and moved to agile working, predominantly working from different locations, while juggling their own challenges and continuing to deliver quality service for our clients.

We have also faced a number of headwinds: in the past year we have seen a resurgence in recruitment activity with a global increase that has meant that throughout the year we have worked to retain key employees and have reviewed our compensation levels in order to maintain our competitive position. We will continue to address the compensation pressures through our year-end process, providing employees with a competitive salary and bonus, including an additional variable remuneration award to retain key talent that are crucial for our firm. We also increased salaries for key talent and specifically for individuals who were behind the external market or internal peers. The salary increase budget for the support staff across the Group was 2.85%.

Executive Director salaries

The Committee also reviewed the base salaries of the Executive Directors, to ensure that they reflect the scope of individual responsibilities and are sufficiently competitive for TP ICAP to be able to attract and retain high-calibre employees. TP ICAP operates in a very specific market, which in turn presents challenges when benchmarking the appropriate levels of remuneration for the executive team and many of its employees. TP ICAP is the largest – as measured by revenue – of the three global broking firms, with no other directly comparable UK competitors of any size. The remuneration paid to the senior executives by our global competitors is substantially greater than the remuneration paid by TP ICAP and this differential was flagged in the 2019 and 2020 Remuneration Reports.

With the Company moving through an extensive and essential strategic transformation, led by the CEO, the need to ensure stability of leadership at this time is paramount. However, the Committee took account of shareholder feedback in relation to Executive Director salaries provided after last year's Remuneration Report, and throughout our consultation with shareholders on the Directors' Remuneration Policy. As a result, the Committee has determined that only a small sub-inflationary adjustment will be made to the Executive Directors' salaries. The CEO's salary will be £750,000, a 2.0% increase, the CFO's salary will be £444,000, a 1.4% increase and the GGC's salary will be £453,000, which is a 1.8% increase. The new salaries for the Executive Directors will be effective from 1 January 2022. The Committee determined that any salary increase for the Executive Directors would not exceed the salary increase budget for the entire support staff population but should recognise the inflationary pressures due to the current macro-economic environment.

Implementation for 2022

Subject to shareholder approval, the RSP award will be granted shortly after the AGM. The bonus measures for 2022 will be Adjusted Operating Profit 70% and Strategic Objectives 30%. Given the Group's strategy to grow the business by investing, the Committee felt that ROE was not an appropriate measure for the annual bonus in the medium term.

On behalf of the Board

Tracy Clarke
Remuneration Committee Chair
15 March 2022

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 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 2021

A summary of the single total figure of remuneration and incentive outcomes is included below. For further information, see pages 135 to 140.

2021 Single Figure outcome

Executive Directors (£000s)	Salaries[1]	Taxable benefits[2]	Pension[3]	Total fixed remuneration	Short-term incentives: Cash	Short-term incentives: Deferred	Short-term incentives: Total	Long-term incentives vested[4]	Total variable remuneration	Single total figure of remuneration
Nicolas Breteau	719	3	1	723	496	496	992	–	992	1,715
Robin Stewart	438	3	6	447	210	210	420	–	420	868
Philip Price	445	3	–	448	231	231	463	–	463	911

1 Base salary was effective from 1 April 2021 for Nicolas Breteau and 1 January 2021 for Robin Stewart and Philip Price. Between 1 January 2021 and 31 March 2021, Nicholas Breteau's salary was £670,000 and effective from 1 April 2021 his salary was £735,000.
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, Philip Price did not receive any company pension contributions during 2021. Nicolas Breteau received £1,470 company pension contribution due to the annual allowance limit. Robin Stewart received the maximum pension contribution which is 6% of salary up to a cap of £105,600.
4 No Long-Term Incentive awards vested during 2021 as the LTIP granted in 2019 did not meet its performance conditions.

Incentive outcomes

Bonus

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	50%	£225m	£243m	£269m	£238m	21%
Return on Equity	20%	8%	9%	10%	8%	7%
Strategic Performance	30%	See pages 137 to 139			20%–26%	20%–26%
Total bonus outcomes						**48%–54%**

LTIP

Performance measure	Weighting	Outcome
EPS	50%	0%
TSR	50%	0%
Total LTIP outcome		0%

Summary of key changes to the proposed Directors' Remuneration Policy

The full proposed Directors' Remuneration Policy is presented on pages 128 to 134 which is subject to shareholder approval. A summary of the key changes are as follows:

Element	Summary of proposed changes to Policy
Base salary, benefits, pension	No changes to Policy proposed.
Annual bonus	No changes to quantum or deferral percentage. Malus and Clawback triggers extended and deferred shares vest pro-rata in line with applicable regulation (Investment Firms Prudential Regime).
Long-term incentives	Restricted Share Plan replaces the previous performance-based Long-Term Incentive Plan. Maximum award reduced from 250% of salary to 125% of salary. No change in target pay. RSP will vest subject to the achievement of an underpin, assessed after three years. Any award that vests will be subject to an additional two-year holding period. Malus and Clawback triggers in line with the Annual Bonus Plan.
Shareholding requirements (in-role and post-employment)	No change to in-role requirement (300% of salary for CEO, 200% of salary for other EDs). Post-employment shareholding requirement extended, now in line with in-role requirement for two years post-employment (under the old Policy, the requirement was set at 200% of salary for first year post-employment and 100% of salary for second year post-employment).

Summary of implementation of Policy in 2022

The below sets out a summary of how we intend to implement the Policy in 2022, subject to shareholder approval. For further information on the policy see pages 127 to 134.

Element	Summary of proposed changes to Policy
Base salary	N Breteau £750,000 – 2.0% increase R Stewart £444,000 – 1.4% increase P Price £453,000 – 1.8% increase
Annual bonus	Maximum opportunity unchanged (CEO: 250%, other EDs: 200%). For 2022, the bonus measures will be: > Adjusted Operating Profit 70% > Strategic Objectives 30%
Restricted Share Plan	RSP grant of 125% of salary to be granted to each ED, shortly following the AGM (subject to shareholder approval). Award granted with underpin in line with Policy wording.

DIRECTORS' REMUNERATION POLICY (UNAUDITED)

The Directors' Remuneration Policy (the 'Policy') was last approved by shareholders at the 2019 AGM and is due for renewal at the 2022 AGM. The principal amendment to the Policy is to replace the previous Long-Term Incentive Plan with a Restricted Share Plan. Subject to the AGM approval, the proposed changes under the policy will apply for 2022. The first RSP award will be granted shortly after the AGM.

Background

The letter from the Remuneration Committee Chair on pages 121 to 125 explains the background to this Remuneration Policy review and the Committee's rationale for the proposed Policy. The Committee has engaged extensively with shareholders when formulating this Policy and is grateful for the input received. While the Committee did not directly engage with the workforce on executive pay, employees are able to raise any comments or questions as part of the regular employee engagement surveys or through the employee networks. In addition this Policy outlines how the Directors' Remuneration Policy differs to the wider company pay policy, see page 132 for further information.

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 the strategic objectives of the Group;
- 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 Group's culture in line with our 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 Directors' Remuneration Policy and reward outcomes to stakeholders.

Simplicity

- To ensure that our Directors' 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 Group 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 considering 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 2021 Annual Report and Accounts on pages 78 to 85. 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 Group 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 Group Remuneration Policy is consistent with the measures set out in the Group's compliance manuals relating to conflicts of interest. The Remuneration Policy is to ensure that variable remuneration is not paid through vehicles or methods that facilitate avoidance of the Remuneration Code.

Proposed Policy Table

The Policy set out in the following pages is proposed for approval by shareholders at the AGM in 2022. This sets out the key features of the amended Policy and indicates where there are material changes to the previous Policy approved by shareholders in 2019.

How remuneration supports the Company's short and long-term strategic objectives	Operation	Maximum payable
Base salary To help recruit, reward and retain talent of the calibre and experience required to develop and deliver the Group's strategy which reflects a market competitive rate of pay taking account of the employee's role and responsibilities, skills and experience, and ongoing contribution. Key changes from previous Policy: None	Paid monthly in arrears. Reviewed periodically to ensure it is not significantly out of line with the market.	N/A
Benefits To provide basic benefits, in line with the rest of the non-broking employees in the UK. Key changes from previous Policy: None	Medical cover and participation in any schemes available to all UK non-broking employees such as the Group's life assurance and income protection schemes. Relocation or the temporary provision of accommodation may be offered where the Company requires an Executive Director to relocate. The Remuneration Committee may determine that the Executive Directors should receive other reasonable benefits if appropriate, taking into account typical market practice. Directors will be reimbursed for reasonable business expenses incurred in the performance of their duties, including any tax that may arise thereon.	No new benefits will be introduced during the term of this Remuneration Policy, unless such benefits are made available to all UK non-broking employees.
Pension allowance To make basic pension provision, in line with the UK non-broking employees. Key changes from previous Policy: None	Membership of a defined contribution pension scheme or cash equivalent.	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.
Annual discretionary bonus Aim is to motivate and retain Executive Directors, consistent with the risk appetite determined by the Board, and thereby achieving superior returns for our shareholders. It provides a direct link between the achievement of annual business performance targets and reward. The shareholding requirements align the Executive Directors' interests with shareholders. Key changes from previous Policy: None	Annual assessment of performance against strategic and financial objectives. The strategic and financial objectives will be set on an annual basis and disclosed retrospectively. Executive Directors will have a mandatory 50% Bonus Deferral each year – such deferral to be awarded in Company shares with a three-year deferral period with shares vesting pro-rata over this period. These shares can be used to meet the shareholding requirement. Deferred shares may need to be held for an additional period after vesting, if required by the regulations at that point in time. Dividend equivalents may be paid on deferred share awards, these will be delivered (as shares or cash at the discretion of the Remuneration Committee) at the point of vesting. The terms of awards may be amended in accordance with the relevant plan rules, for example, to take account of legal, tax and regulatory changes.	The maximum CEO annual bonus will be 250% of base salary. For other Executive Directors the maximum is 200% of base salary.

Performance framework	Recovery/withholding
None	None
None	None
None	None
Annual strategic and financial targets will be set. The targets will include key financial metrics and applicable behavioural metrics. Achievement of on-target performance will result in 50% pay-out.	Malus and clawback provisions apply to the whole annual bonus award which enables the Committee to recoup pay-outs under the Plan either by reducing or cancelling any unvested deferred awards or reclaiming amounts paid. Malus or clawback may be applied where there is a material adverse misstatement of performance for the period to which the bonus related to, or a material misstatement of results for the period to which the bonus related, or an error in determining the bonus outcome, or in the event of material failure of risk management or reputational damage, or an Executive Director's conduct is found to amount to gross misconduct and/or fraud, wilful dishonesty or accounting malfeasance.

How remuneration supports the Company's short and long-term strategic objectives	Operation	Maximum payable
Restricted Share Plan Aligns the Executive Directors' interests with shareholders by focusing on mid to longer-term shareholder returns. Key changes from previous Policy: New element for the Policy, replaces the previous LTIP.	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. The Executive Directors may sell a sufficient number of the vested shares to settle the tax on vesting, but must retain the balance for a further two-year sale restriction period. Dividend equivalents accrue on RSP awards to the extent that they vest. Dividend equivalents will be delivered (as shares or cash at the discretion of the Remuneration Committee) at the point of vesting. The terms of awards may be amended in accordance with the relevant plan rules, for example to take account of legal, tax and regulatory changes.	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. Subject to satisfactory performance, a typical RSP grant of 125% of base salary will be made to each of the Executive Directors.
Minimum shareholding Aligns the Executive Directors' interests with shareholders by focusing on longer-term shareholder returns. Key changes from previous Policy: None	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. Vested awards (including those subject to a holding period under the LTIP/RSP) and unvested shares under the Deferred Bonus Plan that are not subject to performance conditions may be used to satisfy this requirement. Unvested awards are included on a notional net of tax basis, where required.	None
Post-employment holding period Aligns the Executive Directors' interests with shareholders for the two years following cessation of employment. Key changes from previous Policy: Requirement extended from 200% of salary in year one and 100% of salary in year two post-departure.	An Executive Director will be expected to retain shares equal to their in-role requirement (300% of salary for CEO and 200% of salary for other Executive Directors) or the actual shareholding on departure if lower until year two following cessation of employment.	None

Non-executive Directors	
Fees To attract high-calibre, experienced Non-executive Directors. Key changes from previous Policy: None	Paid monthly in arrears. Periodically benchmarked against other UK listed companies of comparable size and activities. Additional fees for additional responsibilities of the Independent Non-executive Directors, for chairing each of the Audit, Risk and Remuneration Committees or other services performed such as acting as Workforce Engagement Director or a trustee of a Company pension scheme. Directors will be reimbursed for reasonable business and travel expenses incurred in the performance of their duties, including any tax that may arise thereon.

Notes to the Policy table: performance measures and underpin criteria

The performance measures attached to the annual bonus may vary to align to the Company strategy at that time but will retain an element related to Company profitability.

The underpin criteria for the RSP have been selected to provide a broad assessment of performance over the three-year vesting period, allowing the Committee to ensure there is no payment for failure.

Performance framework		Recovery/withholding
The RSP is subject to the Committee's assessment of an underpin at the point of vesting. In 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 exercise its discretion to adjust 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) factors such as revenue, profitability, absolute/relative TSR performance, cash generation and adherence to the dividend policy (to maintain 2x adjusted earnings dividend cover); > 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. At the point of award and at vesting, the Committee will also review whether there have been any windfall gains. If the Committee considers that the Executive Directors have inappropriately benefited from a windfall gain, then they will have the ability to reduce the award accordingly.		Malus and clawback provisions apply to the RSP which enables the Committee to recoup pay-outs under the plan either by reducing or cancelling any unvested deferred awards or reclaiming amounts paid. Malus or clawback may be applied in the same instances as stated for the Annual Bonus. In addition, the Committee may make downward adjustments to the RSP outcomes if they believe that the outcomes are not a fair reflection of the overall business performance or where there has been a detrimental impact on the reputation of the business.
None		None
None		None
Aggregate annual fees as listed in the Articles of Association	None	None

Governance report

Elements of previous Directors' Remuneration Policy that will continue

LTIP awards granted under a previous Directors' Remuneration Policy will continue to operate under the terms of that policy and the relevant plan rules. This applies to the LTIP awards granted in 2020 and 2021. Further details of the terms of the awards made are included in the Directors' Remuneration Report for the respective year.

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 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 ('MRTs'), deferral, payment in instruments requirements and malus and clawback are 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 Group'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 and conduct against the core Group values – Honesty, Integrity, Respect and Excellence ('HIRE'). 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 TP ICAP Group Equity Linked Plan, where the individual's variable pay is above a certain threshold.

Remuneration policies for Control Functions (unaudited)

The Group'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 determined 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.

Illustration of the application of the Remuneration Policy (unaudited)

Total remuneration for each Executive Director for a minimum, target and maximum performance is presented in the chart below:

Illustration of the application of the Director Remuneration Policy
CEO

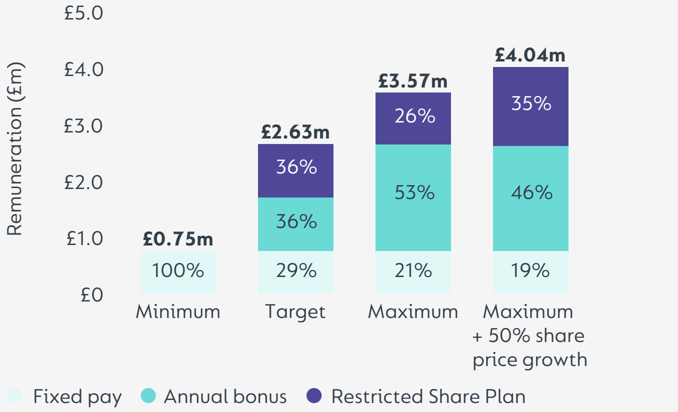


Illustration of the application of the Director Remuneration Policy
CFO

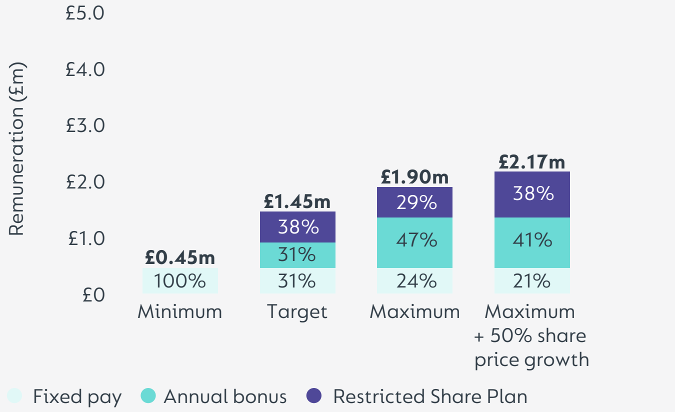
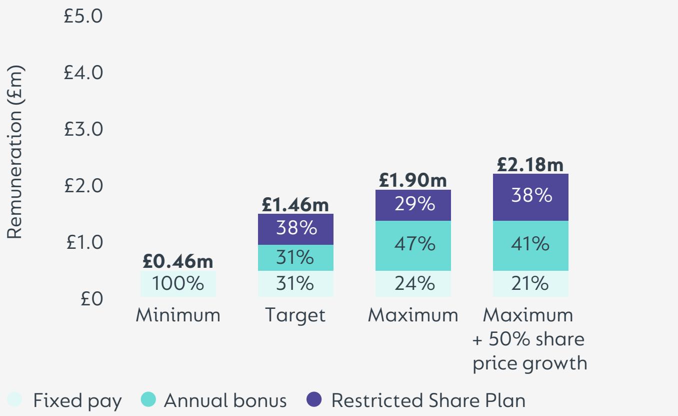


Illustration of the application of the Director Remuneration Policy
GGC



> 'Minimum' includes salary, pension and current benefits only. Pension and benefits are included at the same value as in the 2021 Single Total Figure of Remuneration.
> 'Target' is based on annual bonus paying out at 50% of maximum. Restricted Share Plan is based on the RSP paying out at 125% of salary.
> 'Maximum' is based on annual bonus paying out in full and the RSP paying out in full.
> 'Maximum + 50% Share Price Growth' is based on annual bonus paying out in full and RSP paying out in full with a 50% increase in share price between grant and vest.

Executive Directors' service agreements and loss of office entitlements (unaudited)

The Executive Directors' service agreements may be terminated by either party on the expiry of 12 months' written notice by either party (save in circumstances justifying summary termination) or by making a payment in lieu of notice at the Company's election. The Company will consider the scope for requiring the Executive Director to mitigate his loss when taking account of all the circumstances surrounding the termination of employment. The Executive Director would also be entitled to a payment for accrued but untaken holiday.

Where the Executive Director is deemed to be a 'good leaver', the Remuneration Committee may, at its sole discretion, award a part-year bonus for the period worked. The bonus will be assessed on demonstrated performance over the part-year. Post-termination restrictive covenants also apply to each Executive Director. The determination of 'good leaver' status will be determined at the sole discretion of the Remuneration Committee.

In addition to the contractual rights to a payment on loss of office, any employee including the Executive Directors may have additional statutory and/or common law rights to certain additional payments, for example in a redundancy situation.

When determining payments for loss of office, the Company will take account of all relevant circumstances on a case by case basis including (but not limited to): the contractual notice provisions and outstanding holiday; the best interests of the Company; whether the Executive Director has presided over an orderly handover; the contribution of the Executive Director to the success of the Company during their tenure; and the need to compromise any claims that the Executive Director may have or to pay the Executive Director's legal costs on a settlement agreement.

For a good leaver, all unvested deferred shares will be delivered in line with the existing vesting schedule. The Committee has the ability to accelerate vesting to the date of departure in certain exceptional circumstances (e.g. death or disability). For other leavers, the default approach is that unvested deferred bonus awards granted under this policy lapse on departure.

Under the LTIP and RSP, the full terms and conditions of the awards are contained in the Plan documents. In the event that an Executive Director leaves employment, the default position is that they will forfeit participation in the LTIP and RSP. The Remuneration Committee can choose to exercise its discretion and consider the employee to be a 'good leaver'. Good leavers will (other than in exceptional circumstances) be eligible to retain a time pro-rated portion of their LTIP and RSP at the discretion of the Remuneration Committee. The time-reduced participation level will reflect the period of employment from the start of the performance period (for the LTIP) and underpin assessment period (for the RSP) to the termination date. Any vesting will be subject to the Committee's assessment of the performance conditions and the underpin for the LTIP/RSP respectively and shares will vest at the Normal Vesting Date/Restricted Period subject to the Plan Rules of the LTIP and RSP.

Non-executive Directors' appointment letters (unaudited)

The Non-executive Directors serve under letters of appointment which are terminable on the earliest of the Director not being re-elected at an AGM, removed as a Director or required to vacate office under the Articles of Association, on resignation, at the request of the Board or subject to six months' notice for the Chairman or three months' notice for the other Non-executive Directors.

Recruitment of Directors (unaudited)

The Remuneration Committee's approach to setting remuneration for new Executive Directors is to ensure that the Company pays market rates, with reference to internal pay levels, the external market, location of the Executive and remuneration received from the previous employer.

Salary will be provided in line with market rates, and the Remuneration Committee reserves discretion to offer appropriate pension and benefit arrangements, which may include the continuation of benefits received in a previous role in exceptional circumstances only. Ongoing variable pay awards for a newly appointed Executive Director will be as described in the Policy table, subject to the same maximum opportunities. In exceptional circumstances (only in relation to the recruitment of a new Executive Director), the Committee may grant an RSP award up to 200% of salary, subject to the terms set out in the Restricted Share Plan Rules. The Remuneration Committee will have the ability to grant an RSP in the year of appointment, where an individual joins after the typical grant date if this is deemed appropriate to align a new joiner to the TP ICAP share price and performance immediately. It is not currently intended that future service contracts for Executive Directors would contain terms differing materially from those summarised in this report, including with respect to notice provisions.

The Remuneration Committee may consider offering additional cash or share-based payments to buy-out existing awards forfeited by a new Executive Director when it considers these to be in the best interests of the Company and its shareholders. Any such buy-out payments would mirror so far as possible the remuneration lost when leaving the former employer. The Remuneration Committee may avail itself of the current Listing Rule exemption to make such buy-out awards where doing so is necessary to facilitate, in exceptional circumstances, the recruitment of the relevant individual.

Relocation payments may also be set, within limits to be determined by the Remuneration Committee, where considered appropriate and in the Company's best interests to do so.

In cases of appointing a new Executive Director by way of internal promotion, the Group will honour any contractual commitments made prior to their promotion to Executive Director.

The fee payable to a new Non-executive Director will be in line with the fee structure for Non-executive Directors in place at the date of appointment.

ANNUAL REPORT ON REMUNERATION (AUDITED)

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 121 to 125 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 2021 was as follows:

					Short-term incentives					
Executive Directors (£000s)	Salaries[1]	Taxable benefits[2]	Pension[3]	Total fixed remuneration	Cash	Deferred	Total	Long-term incentives Vested[4]	Total variable remuneration	Single total figure of remuneration
Nicolas Breteau										
2021	**719**	**3**	**1**	**723**	**496**	**496**	**992**	**–**	**992**	**1,715**
2020	670	3	3	676	631	631	1,261	–	1,261	1,937
Robin Stewart										
2021	**438**	**3**	**6**	**447**	**210**	**210**	**420**	**–**	**420**	**868**
2020	433	3	6	442	313	313	626	–	626	1,068
Philip Price										
2021	**445**	**3**	**–**	**448**	**231**	**231**	**463**	**–**	**463**	**911**
2020	438	3	–	441	329	329	659	–	659	1,100

1 Base salary was effective from 1 April 2021 for Nicolas Breteau and 1 January 2021 for Robin Stewart and Philip Price. Between 1 January 2021 and 31 March 2021, Nicholas Breteau's salary was £670,000.
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, Philip Price did not receive any Company pension contributions during 2021. Nicolas Breteau received £1,470 Company pension contribution due to the annual allowance limit. Robin Stewart received the maximum pension contribution which is 6% of salary up to a cap of £105,600.
4 No Long-term Incentive awards vested during 2021 as the LTIP granted in 2019 did not meet its performance conditions.

Base Salary (audited)

For 2022, the Executive Directors' base salaries have been reviewed and as set out in the Chair's letter on pages 121 to 125, the following increases will apply:

Executive	Date of appointment	Current Base salary[1]	**Base salary effective from 1 January 2022**
Nicolas Breteau	10 July 2018	£735,000	**£750,000**
Robin Stewart	10 July 2018	£438,000	**£444,000**
Philip Price	3 September 2018	£445,000	**£453,000**

1 Base salary was effective from 1 April 2021 for Nicolas Breteau and 1 January 2021 for Robin Stewart and Philip Price. Between 1 January 2021 and 31 March 2021 Nicholas Breteau's salary was £670k.

2021 Annual bonus (audited)

For 2021, the annual bonus was based 70% on financial performance and 30% on strategic performance, with a maximum opportunity of 250% of base salary as at year-end for the CEO and 200% of base salary for the CFO/GGC. Details of the 2021 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)	50%	£225m	£243m	£269m	£238m	21%
Return on equity	20%	8%	9%	10%	8%	7%
Strategic performance	30%	Strategic objectives, along with the corresponding performance assessment, are set out pages 137 to 139.			20%–26%	20%–26%
Total bonus outcomes						**48%–54%**

When setting targets, the Remuneration Committee carefully considered the bonus targets, to ensure they were appropriate in light of the Group's historical performance and were sufficiently stretching while also motivational for participants. The profit target was set on the basis of a percentage change in like-for-like profit. This includes a constant currency adjustment, with the Board determining it is for investors to hedge against FX risk. The 2020 profit, restated for constant currency, was £256m.

In particular, while the profit target is a 5% decrease in like-for-like EBIT, the Committee were comfortable that this was an appropriate target. Some of the key factors for the Committee when reaching this decision were as follows:

(i) **Material reductions in client trading volumes:** The Group's largest clients had universally indicated a slowdown in their planned 2021 levels of activity and revenues and as the Group receives brokerage fees based on financial transactions, the Group expected this to impact revenues in 2021;
(ii) **Brexit:** Market activity and sentiment continued to be negative following the UK's withdrawal from the EU 27 and the corresponding lack of clarity in relation to cross-border regulation for UK firms trading with EU clients continues to present challenges;
(iii) **Tapering of Quantitative Easing ('QE'):** While a number of developed economies had begun or indicated their intention to withdraw QE support, the Group had not seen this step positively impact the trading of certain financial instruments which means that the Group's revenues continued to be challenged; and
(iv) **COVID-19:** Global economies continued to address the macro-economic impact of COVID-19 which had a disproportionately negative effect on global markets.

The Group's ability to maintain market share while addressing the foregoing factors had led the Committee to conclude that, in the circumstances, the proposed bonus targets are appropriate.

Details of the 2021 strategic objectives for each Executive Director, along with the corresponding performance assessment, are set out in the following tables:

Nicolas Breteau

CEO strategic objectives	Weighting[1]	Score	Assessment of performance
Demonstrate efficient stewardship of the COVID-19 crisis.	3%	3.0%	> Demonstrated strong stewardship of the COVID-19 crisis, replanning offices, relocating staff, investing in new technology and providing continuous service to clients. > Introduced an agile working policy that enabled 50% of staff to be in the office at any one time. This will allow us to reduce our real estate footprint and generate c.£30m of incremental savings in the coming three years. > The CEO has also ensured that we have tighter cost controls during this period, appointing a new Group Head of Cost Optimisation and delivering on the planned £35m cost savings.
Deliver our organic strategic road map as set out during the Capital Markets Day ('CMD') across Global Broking, Parameta Solutions and Energy & Commodities.	6%	5.5%	> The Liquidnet acquisition, which completed in March 2021, is a major step forward in our Electronification, Diversification and Aggregation strategy. > Post Capital Markets Day, the CEO ensured that the strategy was defined for all TP ICAP divisions and this was re-affirmed by the Board during the strategy day in May 2021. > Appropriate governance and KPIs were put in place in the timelines set. Deliveries in relation to the strategic roadmap are all on plan and within budget with the exception of one workstream which was replanned before year-end and another that has been accelerated.
Deliver on the Liquidnet Integration across the business and corporate streams.	6%	6.0%	> The Liquidnet integration has been delivered at pace. Functions have been integrated, cost synergies identified and executed and initial projections on cost savings will be exceeded. Business plans have been prepared and executed for Equity and Credit in an expedient manner. > The strategy for the development of Credit has been defined and is well underway. To accelerate the strategy, key staff have been moved from Global Broking into Liquidnet.
Provide challenge and oversight of strategies for both global regulatory compliance and regulatory engagement with policy makers, designed to enhance relations with key regulators and mitigate longer-term impact on the Group's operations.	3%	3.0%	> In the context of Brexit and IFPR, the CEO invested significant time this year on constructive engagement with regulators and policy makers. > The CEO built important relationships with the Economic and Finance Ministers in France which should facilitate the broker transfers to Paris to enable us to deliver on our strategy. > The CEO has also had increased levels of engagement with senior leaders at the FCA to ensure the post-Brexit business model has regulatory support in the UK.
Drive and continue to embed the right Risk, Control and Culture framework for TP ICAP. Develop and start to implement a multi-year strategy around the most material ESG issues.	4%	3.0%	> The Enterprise Risk Management Framework ('ERMF') is now embedded in the businesses which has led to an increased level of risk ownership in the first line-of-defence. Further embedding and simplification of processes will be required in 2022. > The CEO also led the development of the Group's ESG strategy. Three key ESG targets for the next three years have now been set as announced in this Annual Report.
Continue to develop and strengthen leadership team with a focus on both succession management and organisational structure.	3%	2.5%	> The CEO continued to strengthen the senior management team with successful appointments made in Liquidnet, EMEA and Americas regional management. However, the Committee determined that Executive Director succession should be further strengthened.
Remuneration Committee discretion	5%	3.0%	> The Committee took account of the CEO's strong leadership of the firm in a challenging market and his ability to course correct using cost levers as the year progressed. However, the Committee also recognised that the share price had been impacted by investor reaction to disappointing guidance provided during the year.
Total for strategic metrics	**30%**	**26%**	

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
Support the implementation of the Group's strategy and complete the acquisition of Liquidnet ensuring the successful integration of support functions, including Finance.	5%	5.0%	> The CFO led the deal structuring and presentation to the market for Liquidnet. > The acquisition of Liquidnet was completed smoothly and well within the timelines set. > The CFO successfully delivered on the integration of Liquidnet within Finance, Control and Reporting streams leading to incremental synergies being identified.
Fully embed RORAC reporting to desk level – and help drive strategic decisions on allocation of capital.	4%	3.0%	> The CFO oversaw the design and build of RORAC modelling to enable in-depth review of business performance on a post-cost of capital basis. > Opportunities for potential capital release have been identified and the CFO is leading a project to drive capital reduction. > However, this project did take longer than anticipated due to conflicting priorities throughout the year.
Embed the Global MID function, create consistent global management information and financial challenge for the Global Broking business – aligned with other broking businesses.	4%	3.0%	> The CFO made significant progress to fully operationalise the Global MID function. > The Global MID function is now operational and the management information is being developed and enhanced. The MID team will be critical in the evolution of the contribution margin improvement programme. > However, it was recognised that the integration of the MID function within Finance could be improved further.
Create tighter cost control together with streamlined governance with new Head of Costs Optimisation role.	4%	3.0%	> The CFO successfully introduced tighter cost controls across the Group. > Rigorous execution of cost savings plans were led by the CFO and this work will continue to drive higher contribution performance in 2022. > Nevertheless, it was recognised that more work is needed to deliver on the plan outcomes.
Lead on the drive to improve DSO/Brokerage and billing initiative in partnership with the Group COO.	4%	2.0%	> The CFO led on the drive to improve DSO/Brokerage and billing in partnership with Group COO and Group Head of Operations. > Progress has been made on this initiative but further substantiative progress will be required in 2022. > Substantive reductions in DSO were achieved but remain higher than target.
Drive and continue to embed the right culture for TP ICAP looking to improve diversity and inclusion as well as employee engagement scores.	4%	3.0%	> The CFO has been a role model for championing good conduct and culture across the firm. > He has been a champion at looking for a wide range of diverse candidates when hiring into the Finance function. > The CFO has focused on improving employee engagement within the Finance function in a challenging year both in terms of performance of the firm and consequent bonus outcomes.
Remuneration Committee discretion	5%	1.0%	> Over and above performance against the strategic objectives, the Committee considered the challenges that arose during the year in relation to budgeting and market guidance and determined that these should have been stronger.
Total for strategic metrics	**30%**	**20%**	

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
Support the implementation of the Group's strategy and complete the integration of Liquidnet ensuring that TP ICAP Risk and Compliance frameworks and controls are adopted and implemented and support functions successfully integrated.	5%	4.0%	> The GGC made strong progress in the integration of Liquidnet across the Control Functions, despite the delays caused as a result of COVID-19. > The Liquidnet business now adheres to and operates under the TP ICAP Risk & Compliance Frameworks. The implementation of the Group's strategy has progressed on schedule for completion in the timeframes set out. > Good leadership was also shown in inducting Liquidnet teams to TP ICAP's approach to conduct and the compliance culture.
Complete implementation of corporate redomicile and continue to enhance and refine corporate governance structures across the firm globally and complete UK legal entity review.	4%	4.0%	> The GGC displayed exceptional performance in completing the implementation of the corporate redomiciliation. > The Corporate Governance Manual was revised and rolled out in 2021 to address the Group's governance framework and its evolution in a post-redomicile Group. > Significant progress was made on completing the legal entity review with a large number of entity liquidations and consolidations taking place throughout 2021. > Late emerging regulatory requirements in relation to IFPR have delayed the transition to the target organisational structure but issues were anticipated well and clear reprioritisation was implemented.
Continue to embed the TP ICAP Risk Management Framework across the firm globally in 2021 incorporating relevant focus on ESG risks.	4%	4.0%	> The GGC contributed to the efforts to fully embed the new risk management framework. ERMF continues to be developed and enhanced by the Group. > In particular, he personally led the implementation of the risk adjusted performance review process ensuring that appropriate account of risk and compliance issues were considered in remuneration decisions. > The Group continued to make progress on its remediation of the controls identified through the implementation of the new ERMF.
Continue to develop and strengthen leadership teams with a focus on organisational structure, succession, individual development and evaluation of performance.	4%	2.0%	> The GGC led the successful integration and subsequent re-structuring of Liquidnet Legal & Compliance leading to appropriate focused skills and a reduction in headcount and a reduced cost base. > Key senior new appointments were made in the Compliance function throughout 2021 but areas of further improvement in succession planning and talent management in the Legal department were identified.
Develop and implement strategies for both global regulatory compliance and regulatory engagement with policy makers designed to (i) enhance relations with key stakeholders and (ii) mitigate longer-term impact on the Group's operations.	4%	4.0%	> The GGC established strong relationships with the HM Treasury around Brexit and market regulation. Similar relationships were built with the AMF and the French government. > In addition, intense engagement with the FCA has been maintained to ensure the post-Brexit operating model in the UK is compliant and sustainable. > Externally, the Group has continued to engage with peer firms and clients as the leading global Inter-Dealer Broker through trade associations and bilateral relationships.
Drive and continue to embed the right culture for TP ICAP looking to improve diversity and inclusion as well as employee engagement scores.	4%	3.0%	> The GGC is a strong ambassador for the strong conduct and culture with extensive engagement throughout the firm. > Significant progress has been made across a wide variety of culture initiatives (including D&I Brand and Values). Nevertheless, it has been recognised that in relation to the Group culture, management accountability and ownership could be improved. > ESG initiatives have increased momentum in 2021 with a focus on governance and reporting across the Group. > In 2022, the GGC will need to focus on further strengthening first line ownership and accountability for risk issues.
Remuneration Committee discretion	5%	3.0%	> The Committee felt that the GGC had demonstrated very strong performance on an individual level, while also contributing strongly as part of the wider management team to deliver on the strategy and objectives set out at the beginning of 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.

Total annual bonus outcome for 2021 performance

The total bonus for each Executive Director for the year ended 31 December 2021 is as follows (audited):

Measure	Weighting	CEO bonus (% Max bonus)	CFO bonus (% Max bonus)	GGC bonus (% Max bonus)
Adjusted operating profit	50%	21%	21%	21%
Return on equity	20%	7%	7%	7%
Strategic performance	30%	26%	20%	24%
Total bonus (as a percentage of maximum)	100%	54%	48%	52%
Total bonus (£000s)		**992**	**420**	**463**

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.

The Committee determined that the bonus outcome for the Executive Directors appropriately reflected the financial performance and strategic progress that has been made during 2021.

Long-term incentives

LTIP awarded in 2019 (audited)

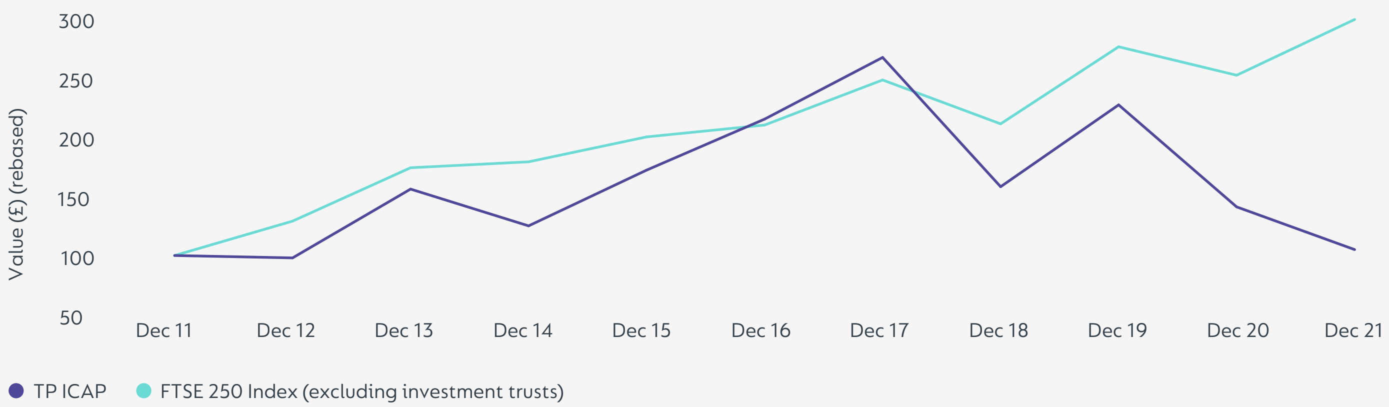
On 26 June 2019, conditional share awards under the LTIP were granted to the Executive Directors. The performance measures were EPS growth and Relative TSR. The targets were disclosed in full on page 93 of the 2019 Annual Report.

The Relative TSR and underlying EPS threshold conditions of median and 3% p.a. respectively, were measured and deemed not have been achieved and the Committee therefore agreed that these awards will lapse in full.

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 2021 is shown below. The Board believes that this index is most relevant as it comprises listed companies of similar size.

Total shareholder return



Source: Eikon from Refinitiv

This graph shows the value, by 31 December 2021, of £100 invested in TP ICAP on 31 December 2011, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts) Index 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 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[6]	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%	–
31 December 2012	Terry Smith[5]	3,153	n/a	–

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 Variable remuneration was uncapped in the years 2009 to 2012.
6 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	**2021**	2020	% change
Employee remuneration[1]	**1,152**	1,153	0%
Shareholder dividends paid[2]	**47**	94	-50%

1 Employee remuneration includes employer's social security costs and pension contributions.
2 Shareholder dividends comprises the dividends paid.

Directors' interests (audited)

The interests (all beneficial) as at 31 December 2021 in the ordinary share capital of the Company were as follows:

Director	LTIP shares[3]	Unvested shares[2]	Shares[1]
Richard Berliand	–	–	105,000
Nicolas Breteau	1,914,048	659,736	155,220
Robin Stewart	1,203,142	323,267	63,635
Philip Price	1,214,396	332,493	102,852
Tracy Clarke[4]	–	–	14,000
Roger Perkin[5]	–	–	7,000
Angela Knight[6]	–	–	3,010
Edmund Ng	–	–	28,000
Michael Heaney	–	–	66,000
Angela Crawford-Ingle	–	–	27,934
Mark Hemsley	–	–	22,000
Kath Cates[7]	–	–	19,274
Louise Murray[8]	–	–	–

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 table entitled 'Conditional Share Awards under the LTIP'
4 Appointed to the Board on 1 January 2021.
5 Resigned from the Board on 12 May 2021.
6 Resigned from the Board on 12 May 2021.
7 Appointed to the Board on 1 February 2021.
8 Appointed to the Board on 31 December 2021.

There has been no change to shareholding between 31 December 2021 and the 5 April 2022.

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. 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 2021[1]	Value of shares held as at 31 December 2021[2]	Shareholding as % of base salary as at 31 December 2021	Shareholding requirement (% salary)
Nicolas Breteau	504,881	£773,431	105%	300%
Robin Stewart	234,966	£359,946	82%	200%
Philip Price	279,073	£427,514	96%	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 £1.532 as at 31 December 2021.

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[1]	Face value % of salary	Performance conditions	Vesting date	End of retention period
Conditional Share Awards under the LTIP[2]							
Nicolas Breteau	12/11/21	756,733	£1,838	250%	Relative TSR (65%) New Business Growth (35%) (see further information below)	November 2024	November 2026
Robin Stewart	12/11/21	450,951	£1,095	250%		November 2024	November 2026
Philip Price	12/11/21	458,158	£1,113	250%		November 2024	November 2026
Deferred shares awarded under the Annual Bonus							
Nicolas Breteau	31/03/21	259,757	£631	86%	n/a	March 2024	n/a
Robin Stewart	31/03/21	128,799	£315	72%		March 2024	n/a
Philip Price	31/03/21	135,693	£329	74%		March 2024	n/a

1 The face value of the awards was converted into a number of shares using a share price of £2.4282, being the five-day volume weighted average price up to 31 March 2021.
2 The LTIP award was granted in November 2021, but will have a performance period from January 2021 – December 2023. Further detail is set out below.

LTIP Performance Conditions

The performance conditions applicable to the above LTIP are as follows:

Performance measure	Weighting	Threshold performance target (20% vesting)[1]	Stretch performance target (100% vesting)[1]
Relative TSR[2]	65%	Median	Upper Quartile
New Business Growth[3]	35%	10% p.a.	16% p.a.

1 Straight-line vesting between threshold and stretch.
2 TSR assessed against FTSE 250 as at 1 January 2021 (excluding Investment and Real Estate Companies). Performance period runs from 1 January 2021 to 31 December 2023. Performance is based on the change in the three-month average TSR immediately prior to the start and end of the performance period.
3 New Business Growth is defined as the growth in underlying operating profit of the sum of Energy and Commodities, Agency Execution and Parameta Solutions (all 'non-Global Broking' businesses). Performance period runs from 1 January 2021 to 31 December 2023. Performance is calculated based on the change from the FY20 outcome to the FY23 outcome.

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 2021 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).

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
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 it considered that approach to be the most accurate. The employee data was taken as at 31 December 2021; 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 compared to whom the ratios were calculated.

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 excludes the additional variable pay awards that will be made to employees in 2022. Support staff employees will receive the additional bonus awards in June and December 2022. No awards will be made for the Executive Directors.

As shown below, total pay has reduced in 2021 at the 50th and 75th percentile, due to a decrease in annual bonuses across the majority of the support staff in comparison to 2020. The movement in salary levels is reflective of the range of compensation arrangements within the Group.

	25th percentile	50th percentile	75th percentile
2021			
Salary	£50,000	£85,000	£130,000
Total pay and benefits	£58,448	£106,055	£209,029
2020			
Salary	£46,000	£100,000	£131,250
Total pay and benefits	£57,128	£107,115	£233,703

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.

	Salary/fees		Taxable benefits		Short-term variable pay	
	FY 2021	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020
Chief Executive Officer	7%	3%	5%	3%	-21%	-17%
Chief Financial Officer	1%	2%	5%	3%	-33%	-19%
Group General Counsel	2%	3%	5%	3%	-30%	-17%
Richard Berliand	0%	5%	n/a	n/a	n/a	n/a
Angela Knight[1]	-40%	22%	n/a	n/a	n/a	n/a
Tracy Clarke[2]	n/a	n/a	n/a	n/a	n/a	n/a
Roger Perkin[3]	-43%	13%	n/a	n/a	n/a	n/a
Michael Heaney[4]	-12%	2%	n/a	n/a	n/a	n/a
Edmund Ng	-21%	-6%	n/a	n/a	n/a	n/a
Angela Crawford-Ingle[5]	39%	n/a	n/a	n/a	n/a	n/a
Mark Hemsley[6]	29%	n/a	n/a	n/a	n/a	n/a
Kath Cates[7]	n/a	n/a	n/a	n/a	n/a	n/a
Louise Murray[8]	n/a	n/a	n/a	n/a	n/a	n/a
Employees	4%	2%	7%	10%	-28%	-15%

1 Appointed as Remuneration Committee Chair on 13 May 2020 and retired from the Board on 12 May 2021.
2 Appointed as Remuneration Committee Chair on 12 May 2021.
3 Retired from the Board on 12 May 2021.
4 Stepped down as interim Chair of Risk Committee and became Senior Independent Director on 12 May 2021.
5 Appointed to the Board on 16 March 2020.
6 Appointed to the Board on 16 March 2020.
7 Appointed to the Board on 1 February 2021.
8 Appointed to the Board on 31 December 2021.

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, other than the Executive Directors, 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 a contractual bonus based on a formula linked to revenue. It was therefore considered that comparison of the Executive Director's remuneration with that of UK non-broking staff would accordingly be more meaningful than comparison with all employees.

Employee calculations have been carried out using the mean figures, on a same-store comparison, which we believe best reflects the compensation paid within the Group. The change in employees short-term variable pay on average is a reduction of 28% (when comparing employees who have been employed by the firm for both performance years, 2020 and 2021). The reduction in the overall bonus pool for 2021 (excluding the additional variable pay awards) for support staff employees was 29% when compared to 2020.

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 2021 was as follows:

	Fees		Benefits		Total	
	2021 £000	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Richard Berliand	**300**	300	**–**	–	**300**	300
Angela Knight[1]	**47**	124	**–**	–	**47**	124
Tracy Clarke[2]	**90**	–	**–**	–	**90**	–
Roger Perkin[3]	**38**	105	**–**	–	**38**	105
Michael Heaney[4]	**124**	141	**–**	–	**124**	141
Edmund Ng	**100**	126	**–**	–	**100**	126
Angela Crawford-Ingle[5]	**100**	72	**–**	–	**100**	72
Mark Hemsley[6]	**90**	70	**–**	–	**90**	70
Kath Cates[7]	**92**	–	**–**	–	**92**	–
Louise Murray[8]	**–**	–	**–**	–	**–**	–

1 Appointed as Remuneration Committee Chair on 13 May 2020. Her 2020 remuneration has been pro-rated accordingly. Retired from the Board on 12 May 2021.
2 Appointed as Remuneration Committee Chair on 12 May 2021.
3 Retired from the Board on 12 May 2021.
4 Stepped down as interim Chair of Risk Committee and became Senior Independent Director on 12 May 2021.
5 Appointed to the Board on 16 March 2020. Her 2020 remuneration has been pro-rated accordingly. Appointed as Audit Committee Chair on 12 May 2021.
6 Appointed to the Board on 16 March 2020. His 2020 remuneration has been pro-rated accordingly.
7 Appointed to the Board on 1 February 2021. Her 2021 remuneration has been pro-rated accordingly. Appointed as Risk Committee Chair on 12 May 2021.
8 Appointed to the Board on 31 December 2021.

Non-executive Director fees (audited)

The fees for the Non-executive Directors for 2022 are as follows:

£m	**Fees from 1 January 2022**	Fees from 1 January 2021
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 2021 AGM

At the AGM held on 12 May 2021 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 15 May 2019:

	For[1,2]		Against[1]		Votes withheld[1]
	Number	%	Number	%	Number
Approval of the Directors' Remuneration Report	387,914,751	56.60	297,426,216	43.40	7,115,877
Approval of the Directors' Remuneration Policy	483,902,686	96.33	18,425,092	3.67	431,643

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.

Following the significant minority of shareholders that voted against the Remuneration Report at the 2021 AGM, the Committee consulted significantly with shareholders during the course of the year. The purpose of this consultation was to understand the views of shareholders, and to ensure this was taken into account when designing the new Directors' Remuneration Policy. See further information on page 121 to 125 for a fuller description on how shareholders' views were taken into account.

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 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: Angela Knight (Chair until 12 May 2021), Tracy Clarke (Chair from 12 May 2021), Edmund Ng and Michael Heaney.

Key responsibilities of the Remuneration Committee
The role of the Committee is to set to set the overarching principles of the remuneration policy and to 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 to ensure 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 an annual 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 considering the 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 ethnicity 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-broking 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 2021
The Committee's focus areas this year were:

> assessing the performance of the Executive Directors against the financial and personal non-financial metrics;
> consulting with shareholders on the Directors' Remuneration Policy to ensure shareholder approval of the policy at the AGM in May 2022;
> determining the financial metrics used to assess 70% of the Executive Directors' annual bonus for 2021 and the performance ranges for the LTIP award made in 2021;
> setting specific 2021 strategic performance objectives for each of the Executive Director's in order to assess 30% of their 2021 annual bonus;
> establishing new employee share schemes for the share awards as part of the Company's redomiciliation project;
> benchmarking the remuneration of the Executive Directors;
> reviewing risk-adjusted reward procedures to ensure conduct and culture are considered in all reward decisions;
> reviewing the Company's Remuneration Policy Statement and other disclosure requirements and undertaking a review of its Material Risk Takers; and
> undertaking a full review of remuneration below Board and senior management level.

Outside directorships
Nicolas Breteau, Robin Stewart and Philip Price did not have any outside directorships from which they received any remuneration during 2021.

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 is as follows:

> 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 and 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 employees, Executives and shareholder interests.
> We provide standard benefits that apply across all employee groups.

2022 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 2022 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 2022

Base salaries

It was agreed that the following increases would apply for the Executive Directors:

> Chief Executive Officer: £750,000 (2% increase)
> Chief Financial Officer: £444,000 (1.4% increase)
> Group General Counsel: £453,000 (1.8% increase)

Annual bonus

The annual bonus will continue to be based on a 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.

For 2022, the annual bonus 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 vesting over three years; the deferred share awards will also be subject to a six-month retention period.

RSP

Subject to shareholder approval at the AGM, RSP awards of 125% of salary will be granted to the Executive Directors following the AGM. The RSP will vest after three years, subject to the assessment of an underpin at the end of the performance period. 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) factors such as revenue, profitability, absolute/relative TSR performance, cash generation and adherence to the dividend policy (to maintain 2x adjusted earnings dividend cover);
> 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 2021, 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 new Directors' Remuneration Policy, 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 advisor 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 2021 were £115,750 (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
15 March 2022

The Directors present their report together with the audited consolidated Financial Statements for the year ended 31 December 2021.

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 92 to 95)
Results for the year	Consolidated Income Statement (page 160)
Dividends	Strategic report (page 8)
DTR 7 Corporate Governance Statement (excluding DTR 7.2.6, which is covered by this Directors' report	Corporate governance report (page 86 to 151)
How the Directors have engaged with and had regard to employees	Strategic report, Stakeholder engagement (pages 49 to 51)
How the Directors have had regard to the need to foster business relationships with stakeholders	Strategic report, Stakeholder engagement (pages 52 to 55)
Directors' share interests	Report of the Remuneration Committee (page 141)
Financial instruments	Note 29 to the Consolidated Financial Statements (pages 199 to 206)
Viability statement	Strategic report (page 75)
Going concern statement	Strategic report (page 75)
Principal risks and uncertainties	Strategic report (pages 76 to 85)
Human rights and equal opportunities	Strategic report (pages 60 to 61)
Related party transactions	Note 39 to the Consolidated Financial Statements (page 222)
Business activities and performance	Strategic report (pages 4 to 47)
Financial position	Strategic report (pages 20 to 35)
Key risk analysis	Strategic report (pages 76 to 85)
Loans and other provisions	Notes 3, 25 and 27 to the Consolidated Financial Statements (pages 168, 196 and 198)
Issued share capital	Note 30 to the Consolidated Financial Statements (page 207)
Future developments	Strategic report (pages 10 to 45)
Statement of Directors' responsibilities	Page 151

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 120 to 147) 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.

Post balance sheet events

In February 2022 the UK and EU imposed sanctions against certain Russian individuals, entities and their subsidiaries. We have ceased trading activity with sanctioned clients. The proportion of 2021 revenue from Russian clients was approximately 0.5% of the total. As at 11 March 2022, the value of realised losses on failed settlements is £4m. TP ICAP has also recognised potential unrealised losses of £9m in relation to failed settlements and has written down trade debtors with sanctioned clients by £1m. In addition, the Group has outstanding unsettled matched principal transactions in Russian financial instruments of a nominal value of around £12m where neither counterparty has been able to settle at this time and where no net loss has been recognised.

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 92 to 95. Each of the Executive Directors served on the Board of TP ICAP Group plc throughout the year. Each of the Non-executive Directors were appointed to the Board of the Company from 26 February 2021, being the date the Scheme of Arrangement became effective, except for Louise Murray, who was appointed to the Board of Directors on 31 December 2021. Roger Perkin and Angela Knight were also Directors of the Company from 26 February 2021 and resigned from the Board on 12 May 2021.

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.

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 2021 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 2021 no shares were purchased in the market under the authority granted at the 2021 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 recent 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 represented 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 2021, see Stakeholder engagement on pages 48 to 55.

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 2021, no political donations were made by the Group (2020: £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 2021, 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 2021 %	14 March 2022 %
Schroders plc	15 February 2021	**11.53**	**11.53**
Liontrust Asset Management plc	10 January 2022	**n/a**	**10.16**
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 59.

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 Audit Committee Report on page 115, a tender process for the audit contract in respect of the year ending 31 December 2024 is underway.

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 he/she ought to have taken as a Director in order to make himself/herself 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 on 11 May 2022. 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 9 May 2022 (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.

Richard Cordeschi
Group Company Secretary
15 March 2022

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 92 to 95 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 Financial Statements, 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
15 March 2022

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 2021 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) as issued by the International Accounting Standards Board (IASB);
> 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 42.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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 matters that we identified in the current year were: > Accounting for the acquisition of Liquidnet Holdings Inc and its subsidiaries (together 'Liquidnet'); and > Impairment of goodwill.
Materiality	The materiality that we used for the Group financial statements in the current year was £8.4m (2020: £9.2m) which was determined with reference to the three-year average normalised adjusted profit before tax.
Scoping	Our Group audit scope focused primarily on 5 locations (2020: 5 locations) with 26 subsidiaries (2020: 18 subsidiaries) subject to a full scope audit and 4 subsidiaries (2020: 6 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 96% (2020: 96%) of the Group's total assets, 96% (2020: 98%) of the Group's total liabilities, 87% (2020: 81%) of the Group's revenue and 90% (2020: 78%) of the Group's expenses.
Significant changes in our approach	Having considered the volatility of profits in recent years, we determined that a three-year average of normalised adjusted profit before tax was a more appropriate and stable metric than adjusted profit for the year to determine materiality for the 2021 year-end audit. Additionally, the Group's acquisition of Liquidnet in the current year has had a considerable impact on our audit. Three Liquidnet entities were scoped in as full scope audits and we identified a new key audit matter relating to the accounting for the acquisition of Liquidnet. Finally, we no longer consider the risk of material misstatement relating to Name Passing revenue due to either fraud or error to be significant. In reaching this conclusion, we considered a number of factors, including no recent history of misstatements and the level of collusion and volume of fraudulent trades required to result in a material misstatement. As such, we also no longer consider Name Passing revenue to be a key audit matter.

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 liquidity requirements and ongoing impact of COVID-19;
> Considering the Group's forecasts in the context of the Group's ongoing response to Brexit;
> Performing stress tests in relation to key assumptions, including the potential impact of sanctions and the global economic impact in relation to Russia's invasion of Ukraine;
> Evaluating the directors' plans for future actions, including evaluating the feasibility of the mitigating actions that they control, in relation to their going concern assessment; 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. Accounting for the acquisition of Liquidnet

Refer to the Audit Committee's report on page 110, the summary of significant accounting policies on page 168, accounting estimates and judgements on page 177 and the acquisitions note on page 212.

Key audit matter description	During the year, the Group acquired 100% of Liquidnet Holdings Inc. and its subsidiaries (together 'Liquidnet'). The acquisition was accounted for as a business combination in accordance with IFRS 3. The difference between the fair value of the consideration paid of £526m and the fair value of net assets acquired of £339m, including customer relationship and brand intangible assets of £154m, was recognised as goodwill of £187m. The determination of the fair value of net assets acquired, including the valuation of the customer relationships intangibles, requires judgement and the use of assumptions. As a result, the determination of the fair value is inherently subjective with an increased risk of material misstatement due to fraud or error.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to accounting for the acquisition of Liquidnet. We performed an independent assessment of the acquisition accounting to assess compliance with IFRS 3, which included the following: > We independently determined the acquisition date, resulting measurement period and the consideration paid, including deferred and contingent consideration; > We tested the balance sheet acquired, including any fair value adjustments; > Supported by our Valuation Specialists, we evaluated management's approach to measure separately identifiable intangible assets, including customer relationships; and > We tested the mathematical accuracy of the cash flow forecasts used to estimate the fair value of customer relationship and brand intangibles and assessed the key assumptions. We reviewed the disclosure of the Liquidnet acquisition in the financial statements.
Key observations	We concur with management's accounting for the Liquidnet acquisition, including the valuation of the customer relationship intangibles, arising from the acquisition.

5.2. Impairment of goodwill

Refer to the Audit Committee's report on page 110, the summary of significant accounting policies on page 168, accounting estimates and judgements on page 177 and the intangible assets arising on consolidation note on page 186.

Key audit matter description	As required by IAS 36, goodwill is reviewed for impairment at least annually. The Group performs its annual impairment assessment at 30 September. Determining whether goodwill of £1,180m (2020: £989m) is impaired requires an estimation of the recoverable amount of the Group's cash generating units ('CGUs'), or groups of CGUs, using the higher of the value in use or fair value less costs to sell. The value in use ('VIU') approach was used to estimate the recoverable amount of the EMEA, Americas, and Asia Pacific groups of CGUs while the fair value less cost of disposal ('FVLCD') approach was used to assess the recoverable amount of the Liquidnet CGU. Both of these approaches require management judgement in the estimation of future cash flows, including revenue growth, 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.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to the impairment of goodwill. We performed detailed analysis of the Group's assumptions used in the annual impairment review, in particular the cashflow projections, forecast future growth rates, and discount rates used by the Group in its impairment tests of the regional groups of CGUs and the Liquidnet CGU. We challenged cash flow projections and growth rates by evaluating recent performance, trend analysis and comparing growth rates to those achieved historically and to external market data where available. We worked with our internal valuations specialists to independently derive discount rates which we compared to the rates used by the Group and we benchmarked discount rates to available external peer group data. We performed scenario analyses; stressed key assumptions with reference to historical performance; and assessed for impairment triggers between 30 September 2021 and 31 December 2021. 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.
Key observations	We concluded that the cash flow forecasts used in the annual impairment review were consistent with the most recent financial budgets approved by the Board and were reasonable in the context of recent business performance. The growth rates used by management were also considered to be reasonable. The discount rates used were within a reasonable range. We concur with the directors' conclusion that no impairment was required for any of the regional groups of CGUs or the Liquidnet CGU in the current year and concluded that the disclosures are reasonable.

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 materiality	£8.4m (2020: £9.2m)
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. The materiality in 2020 was determined based on 5% of normalised adjusted profit before tax. Materiality equates to less than 1% (2020: 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 2021 audit (2020: 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;
- The continued operational risk in relation to the COVID-19 pandemic, including the impact of remote working;
- 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 (2020: £0.5m), 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

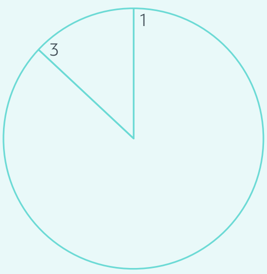
7.1. Identification and scoping of components

Our Group audit scope focused primarily on 5 locations (2020: 5 locations) with 26 subsidiaries (2020: 18 subsidiaries) subject to a full scope audit and 4 subsidiaries (2020: 6 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 96% (2020: 96%) of the Group's total assets, 96% (2020: 98%) of the Group's total liabilities, 87% (2020: 81%) of the Group's revenue and 90% (2020: 78%) of the Group's expenses. The acquisition of Liquidnet during the current year resulted in three additional Liquidnet entities being scoped in as full scope audits. As a result of this, our subsidiaries subject to full scope audit have changed in the current year. There have been no other significant changes to our audit approach compared to prior year.

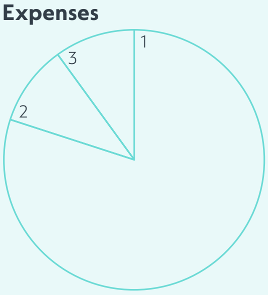
The subsidiaries were selected based on their quantitative contribution to the Group and qualitative risk factors. Our audits of each of the subsidiaries were performed using lower levels of materiality based on their size relative to the Group. The materiality for each subsidiary audit ranged from £2.7m to £3.3m (2020: £2.9m to £3.6m). 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.

Revenue



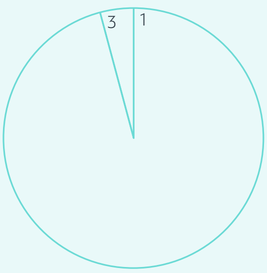
1 Full audit scope **87%**
2 Specified audit procedures **0%**
3 Review at group level **13%**

Expenses



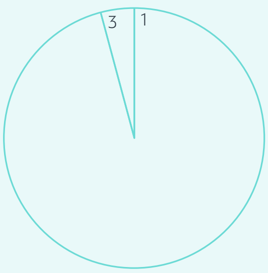
1 Full audit scope **80%**
2 Specified audit procedures **10%**
3 Review at group level **10%**

Assets



1 Full audit scope **96%**
2 Specified audit procedures **0%**
3 Review at group level **4%**

Liabilities



1 Full audit scope **96%**
2 Specified audit procedures **0%**
3 Review at group level **4%**

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 assess General IT controls for relevant systems. The control environment remains decentralised, reliant on manual processes with improvements required to the IT environment in order for us to adopt a controls reliance approach. Management continues to implement improvements to the existing environment.

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 on page 56 and the Task Force on Climate-related Financial Disclosures ('TCFD') on page 68.

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. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions.

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 remotely. The Group audit team performed a remote 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;
- Results of our enquiries of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- 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, and IT specialists 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 accounting for the acquisition of Liquidnet. 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 accounting for the acquisition of Liquidnet as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains these matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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 and 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 75;
> 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 75;
> The directors' statement on fair, balanced and understandable set out on page 151;
> The board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 75;
> The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 76; and
> The section describing the work of the audit committee set out on page 113.

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

We were first appointed as auditors by a predecessor company of the Group upon its listing in 2001. We were appointed to audit its financial statements for the year ending 31 December 2001 and subsequent periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 21 years, covering the years ending 31 December 2001 to 31 December 2021.

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

15 March 2022

Consolidated Income Statement
for the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Revenue	4	**1,865**	1,794
Employment, compensation and benefits		**(1,152)**	(1,153)
General and administrative expenses		**(476)**	(360)
Depreciation and impairment of property, plant and equipment and right-of-use assets		**(68)**	(37)
Amortisation and impairment of Intangible assets		**(82)**	(59)
Impairment of other assets		**–**	(23)
Total operating costs	5	**(1,778)**	(1,632)
Other operating income	6	**10**	16
EBIT/operating profit		**97**	178
Finance income	8	**3**	3
Finance costs	9	**(76)**	(52)
Profit before tax		**24**	129
Taxation	10	**(23)**	(48)
Profit after tax		**1**	81
Share of results of associates and joint ventures	17,18	**7**	16
Profit for the year		**8**	97
Attributable to:			
Equity holders of the parent		**5**	96
Non-controlling interests		**3**	1
		8	97
Earnings per share (restated)[1]			
– Basic	11	**0.7p**	15.4p
– Diluted	11	**0.7p**	15.2p

1 Earnings per share for December 2020 have been restated reflecting the bonus element of the 2021 rights issue (Note 11).

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Profit for the year		**8**	97
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	38	**3**	2
Equity instruments at FVTOCI – net change in fair value	19	**1**	–
Taxation	10	**–**	–
		4	2
Items that may be reclassified subsequently to profit or loss:			
Fair value movements on net investment hedge		**3**	2
Effect of changes in exchange rates on translation of foreign operations		**1**	(30)
Taxation		**(1)**	(1)
		3	(29)
Other comprehensive income/(loss) for the year		**7**	(27)
Total comprehensive income for the year		**15**	70
Attributable to:			
Equity holders of the parent		**12**	69
Non-controlling interests		**3**	1
		15	70

Financial statements

Consolidated Balance Sheet
as at 31 December 2021

	Notes	**31 December 2021 £m**	31 December 2020 (restated) £m	1 January 2020 (restated) £m
Non-current assets				
Intangible assets arising on consolidation	13	**1,762**	1,463	1,511
Other intangible assets	14	**91**	58	61
Property, plant and equipment	15	**123**	101	72
Right-of-use assets	16	**187**	163	91
Investment in associates	17	**51**	61	58
Investment in joint ventures	18	**28**	29	28
Other investments	19	**21**	18	20
Deferred tax assets	21	**17**	4	3
Retirement benefit assets	37	**1**	–	–
Other long-term receivables	22	**44**	24	26
		2,325	1,921	1,870
Current assets				
Trade and other receivables	22	**2,068**	1,549	1,089
Financial assets at fair value through profit or loss	24	**158**	383	171
Financial investments	20	**115**	127	148
Derivative financial instruments	29(c)	**–**	3	–
Cash and cash equivalents	35	**784**	656	676
		3,125	2,718	2,084
Total assets		**5,450**	4,639	3,954
Current liabilities				
Trade and other payables	23	**(1,977)**	(1,451)	(1,030)
Financial liabilities at fair value through profit or loss	24	**(120)**	(381)	(164)
Loans and borrowings	25	**(77)**	(46)	(11)
Lease liabilities	26	**(34)**	(26)	(23)
Derivative financial instruments	29(c)	**(1)**	–	–
Current tax liabilities		**(28)**	(28)	(48)
Short-term provisions	27	**(5)**	(17)	(21)
		(2,242)	(1,949)	(1,297)
Net current assets		**883**	769	787
Non-current liabilities				
Loans and borrowings	25	**(779)**	(679)	(678)
Lease liabilities	26	**(252)**	(186)	(117)
Deferred tax liabilities	21	**(107)**	(79)	(83)
Long-term provisions	27	**(38)**	(23)	(26)
Other long-term payables	28	**(53)**	(23)	(21)
Retirement benefit obligations	38	**(1)**	(2)	(2)
		(1,230)	(992)	(927)
Total liabilities		**(3,472)**	(2,941)	(2,224)
Net assets		**1,978**	1,698	1,730
Equity				
Share capital	30,31(a)	**197**	141	141
Share premium	31(a)	**–**	17	17
Merger reserve	31(a)	**–**	1,384	1,384
Other reserves	31(b)	**(1,005)**	(1,246)	(1,205)
Retained earnings	31(c)	**2,769**	1,383	1,375
Equity attributable to equity holders of the parent	31(c)	**1,961**	1,679	1,712
Non-controlling interests	31(c)	**17**	19	18
Total equity		**1,978**	1,698	1,730

The Consolidated Financial Statements of TP ICAP Group plc (registered number 130617) were approved by the Board of Directors and authorised for issue on 15 March 2022 and are signed on its behalf by

Nicolas Breteau
Chief Executive Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Equity attributable to equity holders of the parent (Note 31)											
	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
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**

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

continued

	Equity attributable to equity holders of the parent (Note 31)										
	Share capital £m	Share premium account £m	Merger reserve £m	Reverse acquisition 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
2020											
Balance at 1 January 2020	141	17	1,384	(1,182)	5	(12)	(16)	1,375	1,712	18	1,730
Profit for the year	–	–	–	–	–	–	–	96	96	1	97
Other comprehensive (loss)/income for the year	–	–	–	–	–	(29)	–	2	(27)	–	(27)
Total comprehensive income/(loss) for the year	–	–	–	–	–	(29)	–	98	69	1	70
Dividends paid	–	–	–	–	–	–	–	(94)	(94)	(1)	(95)
Gain on disposal of equity instruments at FVTOCI	–	–	–	–	(1)	–	–	1	–	–	–
Share settlement of share-based awards	–	–	–	–	–	–	3	(3)	–	–	–
Own shares acquired for employee trusts	–	–	–	–	–	–	(14)	–	(14)	–	(14)
Increase in non-controlling interests	–	–	–	–	–	–	–	–	–	1	1
Credit arising on share-based awards	–	–	–	–	–	–	–	6	6	–	6
Balance at 31 December 2020	141	17	1,384	(1,182)	4	(41)	(27)	1,383	1,679	19	1,698

Consolidated Cash Flow Statement
for the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Net cash flow from operating activities	34	**111**	144
Investing activities			
Sale of financial investments		**11**	18
Sale of equity instruments at FVTOCI		**–**	2
Settlement/purchase of derivative financial instruments		**5**	(2)
Interest received		**2**	3
Dividends from associates and joint ventures		**15**	13
Expenditure on intangible fixed assets		**(35)**	(16)
Purchase of property, plant and equipment		**(23)**	(35)
Direct costs on acquiring right-of-use assets		**–**	(2)
Deferred consideration paid		**(14)**	(22)
Investment in associates and joint ventures		**(1)**	(3)
Acquisition consideration paid		**(451)**	(18)
Cash acquired with acquisitions		**202**	9
Net cash flow from investment activities		**(289)**	(53)
Financing activities			
Dividends paid	12	**(47)**	(94)
Dividends paid to non-controlling interests		**(2)**	(1)
Proceeds of rights issue		**315**	–
Issue costs of rights issue		**(6)**	–
Purchase of non-controlling interest		**(3)**	–
Own shares acquired for employee trusts		**(2)**	(14)
Net repayment of bank loans[1]	25	**(5)**	–
Net borrowing of loans from related parties[1]	25	**27**	28
Funds received from issue of Sterling Notes		**249**	–
Repayment/repurchase of Sterling Notes[2]		**(200)**	–
Bank facility arrangement fees and debt issue costs		**(2)**	–
Payment of lease liabilities		**(28)**	(24)
Net cash flow from financing activities		**296**	(105)
Increase/(decrease) in cash and overdrafts		**118**	(14)
Cash and overdrafts at the beginning of the year		**649**	676
Effect of foreign exchange rate changes		**–**	(13)
Cash and overdrafts at the end of the year	35	**767**	649
Cash and cash equivalents	35	**784**	656
Overdrafts	35	**(17)**	(7)
		767	649

1 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.
2 Relates to the repurchase of £184m of Sterling Notes 2024 (Note 25) plus £16m of premium paid. The premium paid is reported as part financing activities, rather than operating activities. Interest paid is reported as a cash outflow from operating activities.

1. General information

As at 31 December 2021 TP ICAP Group plc (the 'Company') was a public company limited by shares incorporated in Jersey under the Companies (Jersey) Law 1991. On 26 February 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 225. The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 148 to 150 and in the Strategic Report on pages 8 to 85.

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. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

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 net realisable value in IAS 2 or 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 are 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.

(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 cashflows 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 75.

(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 2021 but they do not have a material effect on the Group's Consolidated Financial Statements:

> Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;
> Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions; and
> Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2.

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:

> 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;
> Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of Accounting policies;
> Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (including the amendment deferring the effective date);
> 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.

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.

(f) Change in accounting policy
On 31 December 2021, Group changed its accounting policy for regular way purchases and sales of non-derivative financial instruments from trade date to settlement date accounting. In prior years, the Group recorded regular way purchases and sales of non-derivative financial instruments on a trade date basis.

The Group believes that the accounting policy change results in a more relevant and reliable presentation of its Financial Position. In particular, the change:

> Removes a significant amount of volatility from the balance sheet, facilitating uniform trend analysis and permitting a simpler assessment of relevant Balance Sheet key performance indicators;
> Provides a more accurate presentation of the settlements risk for unsettled receivables and payable balances, with consideration given to market practice of 'delivery versus payment settlement basis'; and
> Provides consistency with managements internal view of reporting these pending transactions.

This accounting policy change has no material impact on the profitability of the Group and does not result in the restatement of the Group's profit or loss reported in the Income Statement.

Unrealised gains and losses related to the change in fair value of these non-derivative financial instruments between trade date and settlement date are recognised within revenues at the applicable reporting date.

As the change in accounting policy is applied retrospectively and has a material effect on the information reported in the balance sheet at the beginning of the preceding period, the Group has presented a third balance sheet as at that date (1 January 2020). Additional comparative information is not included in the affected Notes as the quantitative impacts of the change in accounting policy, and impact on prior year comparatives are set out in Note 40.

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 geographic 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

(v) 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'; and
> 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'.

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. 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 (i.e. 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.

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 ('CGU') 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.

Financial statements

3. Summary of significant accounting policies continued

(f) Intangible assets continued

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.

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.

3. Summary of significant accounting policies continued

(j) Financial instruments continued

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 due 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.

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 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.

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 the 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 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.

3. Summary of significant accounting policies continued

(k) Derivative financial instruments continued

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 are primarily on a delivery vs. payment basis ('DVP') and typically take 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.

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.

3. Summary of significant accounting policies continued

(s) Leases continued

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.

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 is 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.

Identification and measurement of intangible assets arising on consolidation
Estimates
Accounting for business combinations requires the excess of the purchase price of acquisitions to be allocated to the identifiable assets and liabilities of the acquired entity. The Group makes estimates to determine the acquisition date fair values of the intangible assets that arise on consolidation and to estimate the useful lives of these assets. Note 33 provides details of acquisitions and related adjustments made during the year. A 5% increase in the value of separately identifiable intangibles arising on the acquisition of Liquidnet would have decreased goodwill by £8m.

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 management committee under the direct authority of the Board. The Exco regularly reviews operating activity on a number of bases, including by business division and legal ownership which structured geographically based on the region of incorporation for TP ICAP legacy entities, plus the addition of Liquidnet ('Primary Operating Segments').

Each of the Primary Operating Segments has its own independent governance structure including CEOs, board members and Sub-Group Risk Conduct and Governance Committees with separate mind and management, autonomy of decision making and the ability to challenge Group level strategy and initiatives within its region. In the EMEA primary operating segment, in particular, there are also independent non-executive directors on the Regional Board that further strengthens the independence and judgement of the governance framework.

Following the redomiciliation of the Group's parent, the operational responsibility of entities were aligned with their legal ownership and as a result the comparatives for the Primary Operating Segments have been restated. The Group currently considers that the Primary Operating Segments represent the most appropriate view for the purposes of resource allocation and assessment of the nature and financial effects of the business activities in which the Group engages. These are the Group's primary reportable segments under IFRS 8 'Operating Segments'.

The Group's performance is assessed by the CODM on the basis of adjusted performance that removes the effects of significant items from reported results. Significant items are items that management identify and consider separately in order to improve the understanding of the underlying trends and performance of the business, that would otherwise distort year-or-year comparison. These segmental results are therefore presented on an adjusted basis.

In addition, the Group has presented its adjusted results by business division: Global Broking, Energy & Commodities, Agency Execution and Parameta Solutions. Segmental income and expenses include transfers between segments and these transfers are conducted at arm's length. During the first half of 2021, the Group relaunched the Data & Analytics division as Parameta Solutions and transferred its Risk Management Services ('RMS') business, previously reflected within the Global Broking division, therein. Comparatives have been restated to reflect the new business segments.

Information regarding the Group's primary operating segments is reported below:

Analysis by primary operating segment

2021	EMEA £m	Americas £m	Asia Pacific £m	Liquidnet £m	Corporate/ Treasury £m	Total £m
Revenue	**872**	**605**	**229**	**159**	**–**	**1,865**
Total front-office costs	**(520)**	**(407)**	**(145)**	**(91)**	**–**	**(1,163)**
Contribution	**352**	**198**	**84**	**68**	**–**	**702**
Employment and general and administrative expenses	**(155)**	**(106)**	**(54)**	**(48)**	**(34)**	**(397)**
Other operating income	**5**	**4**	**1**	**–**	**–**	**10**
Adjusted EBITDA	**202**	**96**	**31**	**20**	**(34)**	**315**
Depreciation and impairment of property, plant and equipment and right-of-use assets	**(20)**	**(11)**	**(9)**	**(12)**	**–**	**(52)**
Amortisation and impairment of intangibles	**(17)**	**(3)**	**–**	**(10)**	**–**	**(30)**
Adjusted EBIT	**165**	**82**	**22**	**(2)**	**(34)**	**233**

2020	EMEA £m	Americas £m	Asia Pacific £m	Corporate/ Treasury £m	Total £m
Revenue[1]	890	668	236	–	1,794
Total front-office costs	(515)	(445)	(154)	–	(1,114)
Contribution	375	223	82	–	680
Employment and general and administrative expenses	(166)	(115)	(67)	(18)	(366)
Other operating income	5	3	6	–	14
Adjusted EBITDA	214	111	21	(18)	328
Depreciation and impairment of property, plant and equipment and right-of-use assets	(15)	(12)	(9)	–	(36)
Amortisation and impairment of intangibles	(16)	(4)	–	–	(20)
Adjusted EBIT[2]	183	95	12	(18)	272

1 The Group's geographic segments were re-organised following the approval of the redomiciliation of the listed entity by shareholders in February 2021, resulting in the creation of a Corporate/Treasury segment for our Jersey operations and financing activities. For the year ended 31 December 2020, revenues in EMEA increased by £2m offsetting the decrease in Americas.

2 For the year ended 31 December 2020, Adjusted EBIT/operating profit increased by £23m in EMEA with a decrease of £1m in Americas, £4m in Asia and £18m in Corporate/ Treasury segments following the re-organisation of the segments as referred to above.

There are no inter-segment sales included in the geographic segment revenue.

The Company is domiciled in Jersey. Revenue attributable services provided in the UK amounted to £750m (2020: £762m), the USA £654m (2020: £636m) and other countries £461m (2020: £396m).

Analysis by division

2021	Global Broking £m	Energy & Commodities £m	Agency Execution[1] £m	Parameta Solutions[2] £m	Corporate Centre £m	Total £m
Revenue						
> External	1,086	367	246	166	–	1.865
> Inter-division	19	3	–	–	(22)	–
	1,105	**370**	**246**	**166**	**(22)**	**1,865**
Total front-office costs						
> External	(694)	(248)	(161)	(60)	–	(1,163)
> Inter-division	–	–	–	(22)	22	–
	(694)	**(248)**	**(161)**	**(82)**	**22**	**(1,163)**
Contribution	**411**	**122**	**85**	**84**		**702**
Employment and general and administrative expenses	**(211)**	**(66)**	**(66)**	**(13)**	**(41)**	**(397)**
Other operating income	**2**	–	–	–	**8**	**10**
Adjusted EBITDA	**202**	**56**	**19**	**71**	**(33)**	**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 EBIT	**173**	**47**	**(6)**	**69**	**(50)**	**233**

1 Includes Liquidnet from its acquisition in March 2021.
2 Contracts for the provision of Data & Analytics services gives the Group a right to revenue which corresponds directly with the value of the performance completed. The Group has applied the practical expedient in IFRS 15 and has not disclosed either the remaining amount due under the contract nor when the Group expects to recognise that amount.

Analysis by division

2020	Global Broking[1] £m	Energy & Commodities £m	Agency Execution £m	Parameta Solutions[1,2,3] £m	Corporate Centre £m	Total £m
Revenue						
> External	1,148	388	91	167	–	1,794
> Inter-division	20	3	–	–	(23)	–
	1,168	391	91	167	(23)	1,794
Total front-office costs						
> External	(726)	(261)	(69)	(58)	–	(1,114)
> Inter-division	–	–	–	(23)	23	–
	(726)	(261)	(69)	(81)	23	(1,114)
Contribution	442	130	22	86	–	680
Employment and general and administrative expenses	(229)	(70)	(13)	(12)	(42)	(366)
Other operating income	3	1	–	–	10	14
Adjusted EBITDA	216	61	9	74	(32)	328
Depreciation and impairment of property, plant and equipment and right-of-use assets	(15)	(5)	(1)	(1)	(14)	(36)
Amortisation and impairment of intangibles	(13)	(3)	(1)	–	(3)	(20)
Adjusted EBIT	188	53	7	73	(49)	272

1 Following a restructuring of the asset classes within the Group, Post-Trade Solutions, previously reflected in the Rates asset class within Global Broking was transferred to Parameta Solutions, the Group's newly established division which also includes the Data & Analytics business, which was previously a separate business division and segment. The comparative revenues of Rates within Global Broking and Parameta Solutions have been restated to reflect the restructuring. Post-Trade Solution third party revenues for the year ended 31 December 2020 amounted to £22m. Additionally, inter-division revenues increased by £2m for the year ended 31 December 2020 reflecting sale of services to RMS, which eliminate on consolidation.
2 Following the transfer of Post-Trade Solutions from Global Broking to Parameta Solutions, Adjusted EBIT for the Global Broking division reduced by £9m for the year ended 31 December 2020 with a corresponding increase for Parameta Solutions.
3 Contracts for the provision of Data & Analytics services gives the Group a right to revenue which corresponds directly with the value of the performance completed. The Group has applied the practical expedient in IFRS 15 and has not disclosed either the remaining amount due under the contract nor when the Group expects to recognise that amount.

4. Segmental analysis continued

Corporate centre represents the cost of Group and central functions that are not allocated to the Group's divisions.
Significant items are centrally managed and controlled by the Group and are not allocated to regional or divisional segments.

Analysis of Significant items

2021	Restructuring and other related costs £m	Disposals. acquisitions and investment in new businesses £m	Goodwill impairment £m	Legal and regulatory matters £m	Total £m
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**
Total included within operating costs	**42**	**79**	**–**	**15**	**136**
Included in finance income	**16**	**1**	**–**	**–**	**17**
Total significant items before tax	**58**	**80**	**–**	**15**	**153**
Taxation of significant items					**(21)**
Total significant items after tax					**132**
Impairment of investment in associates – reflected together with Share of results of associates and joint ventures					**11**
Total significant items					**143**

2020	Restructuring and other related costs £m	Disposals. acquisitions and investment in new businesses £m	Goodwill impairment £m	Legal and regulatory matters £m	Total £m
Employment, compensation and benefits costs	6	–	–	–	6
Premises and related costs	2	–	–	–	2
Deferred consideration	–	2	–	–	2
Credit relating to significant legal and regulatory settlements	–	–	–	(3)	(3)
Pension scheme past service and settlement costs	1	–	–	–	1
Acquisition costs	–	11	–	–	11
Other general and administration costs	9	–	–	5	14
Total included within general and administration costs	12	13	–	2	27
Depreciation and impairment of property, plant and equipment and right-of-use assets	1	–	–	–	1
Amortisation and impairment of intangible assets	–	39	–	–	39
Impairment of other assets	1	1	21	–	23
Total included within operating costs	20	53	21	2	96
Included in other operating income	–	–	–	(2)	(2)
Total significant items before tax	20	53	21	–	94
Taxation on significant items					(7)
Total significant items after tax					87

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
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 associates and joint ventures	**18**	**(11)**	**7**
Profit for the year	**151**	**(143)**	**8**
2020			
EBIT/operating profit	272	(94)	178
Net finance costs	(49)	–	(49)
Profit before tax	223	(94)	129
Taxation	(55)	7	(48)
Profit after tax	168	(87)	81
Share of profit from associated and joint ventures	16	–	16
Profit for the year	184	(87)	97

Other segmental information

	2021 £m	2020 £m
Capital additions		
EMEA	**45**	53
Americas	**4**	2
Asia Pacific	**2**	1
Liquidnet	**12**	–
	63	56

	2021 £m	2020 (restated) £m
Share-based compensation		
EMEA	**9**	5
Americas	**1**	1
Asia Pacific	**1**	–
Liquidnet	**1**	–
	12	6

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4. Segmental analysis continued

	Non-current £m	Current £m	2021 £m	2020 (restated) £m
Segment assets				
EMEA	**1,234**	**727**	**1,961**	1,953
Americas	**504**	**1,926**	**2,430**	2,340
Asia Pacific	**135**	**153**	**288**	304
Liquidnet	**452**	**306**	**758**	–
Corporate	**–**	**13**	**13**	42
	2,325	**3,125**	**5,450**	4,639

	Non-current £m	Current £m	2021 £m	2020 (restated) £m
Segment liabilities				
EMEA	**199**	**323**	**522**	489
Americas	**82**	**1,678**	**1,760**	1,667
Asia Pacific	**23**	**45**	**68**	54
Liquidnet	**104**	**163**	**267**	–
Corporate	**822**	**33**	**855**	731
	1,230	**2,242**	**3,472**	2,941

Segmental assets and liabilities exclude all inter-segment balances.

2021	**EMEA £m**	**Americas £m**	**Asia Pacific £m**	**Liquidnet £m**	**Total £m**
Revenue by type					
Name Passing brokerage	**647**	**349**	**211**	**–**	**1,207**
Executing Broker brokerage	**31**	**73**	**1**	**–**	**105**
Matched Principal brokerage	**90**	**151**	**4**	**73**	**318**
Introducing Broker brokerage	**–**	**–**	**–**	**86**	**86**
Data & Analytics price information fees	**104**	**32**	**13**	**–**	**149**
	872	**605**	**229**	**159**	**1,865**

2020 (restated)	EMEA £m	Americas £m	Asia Pacific £m	Liquidnet £m	Total £m
Revenue by type					
Name Passing brokerage	682	392	218	–	1,292
Executing Broker brokerage	17	76	3	–	96
Matched Principal brokerage	90	168	3	–	261
Data & Analytics price information fees	101	32	12	–	145
	890	668	236	–	1,794

5. Operating costs

	Notes	2021 £m	2020 (restated) £m
Broker compensation costs		**882**	896
Other staff costs		**258**	250
Share-based payment charge	32	**12**	6
Charge relating to employee long-term benefits		**–**	1
Employee compensation and benefits		**1,152**	1,153
Technology and related costs		**191**	167
Premises and related costs		**37**	29
Adjustments to deferred consideration	33	**2**	2
Adjustments to provisions and contingent liabilities acquired		**–**	–
(Credit)/charge relating to significant legal and regulatory settlements	27	**6**	(3)
Pension scheme past service and settlement costs	38	**1**	1
Acquisition costs		**20**	11
Expected credit loss adjustment		**–**	(6)
Net foreign exchange gains		**3**	(1)
Net loss on derivative instruments		**12**	–
Other administrative costs		**204**	160
General and administrative expenses		**476**	360
Depreciation of property, plant and equipment	15	**23**	13
Impairment of property, plant and equipment	15	**10**	–
Depreciation of right-of-use assets	16	**29**	23
Impairment of right-of-use assets	16	**6**	1
Depreciation and impairment of property, plant and equipment and right-of-use assets		**68**	37
Amortisation of other intangible assets	14	**30**	20
Impairment of other intangible assets	14	**6**	–
Amortisation of intangible assets arising on consolidation	13	**46**	39
Amortisation and impairment of intangibles assets		**82**	59
Goodwill impairment	13	**–**	21
Impairment of finance lease receivables	22	**–**	1
Impairment of associates	17	**–**	1
Impairment of other assets		**–**	23
		1,778	1,632

The analysis of auditor's remuneration is as follows:

	2021 £000	2020 £000
Audit of the Group's annual accounts	**1,291**	881
Audit of the Company's subsidiaries and associates pursuant to legislation	**6,087**	5,446
Total audit fees	**7,378**	6,327
Audit related assurance services[1]	**1,225**	1,066
Other assurance services[2]	**45**	69
Corporate finance services[3]	**1,684**	464
Total non-audit fees	**2,954**	1,599
Audit fees payable to the Company's auditor and its associates in respect of associated pension schemes	**31**	22

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 Corporate finance fees relate to work undertaken in connection with the Group's redomiciliation to Jersey and the acquisition of Liquidnet.

6. Other operating income

Other operating income include:

	2021 £m	2020 £m
Business relocation grants	**3**	3
Employee related insurance receipts	**2**	2
Management fees from associates	**2**	3
Legal settlement receipts	**1**	2
Other receipts	**2**	6
	10	16

Other receipts include royalties, rebates, non-employee related insurance proceeds, tax credits and refunds. Costs associated with such items are included in administrative expenses.

7. Staff costs

The average monthly number of full-time equivalent employees and Directors of the Group was:

	2021 No.	2020 (restated)[1] No.
EMEA	**2,387**	2,368
Americas	**1,461**	1,526
Asia Pacific	**981**	970
Liquidnet	**456**	–
Corporate	**80**	83
	5,365	4,947

1 The Group's geographic segments were re-organised following the approval of the redomiciliation of the listed entity shareholders in February 2021. The average number of full-time equivalent employees and Directors for 2020 have been restated to reflect the new segmentation.

The aggregate employment costs of staff and Directors of the Group were:

	2021 £m	2020 £m
Wages, salaries, bonuses and incentive payments	**1,034**	1,041
Social security costs	**90**	87
Defined contribution pension costs (Note 38(c))	**16**	19
Share-based compensation expense	**12**	6
	1,152	1,153

8. Finance income

	2021 £m	2020 £m
Interest receivable and similar income	**2**	2
Interest receivable on finance leases (Note 22)	**1**	1
	3	3

9. Finance costs

	2021 £m	2020 £m
Fees payable on bank and other loan facilities	**2**	2
Interest payable on bank and other loans	**2**	1
Interest payable on Sterling Notes January 2024	**22**	23
Interest payable on Sterling Notes May 2026	**13**	13
Interest payable on Sterling Notes November 2028	**1**	–
Interest payable on Liquidnet Vendor Loan Notes	**1**	–
Other interest payable	**1**	1
Amortisation of debt issue and bank facility costs	**2**	1
Borrowing costs	**44**	41
Interest payable on lease liabilities (Note 16)	**14**	11
Amortisation of options premium	**2**	–
Premium on repurchase of Sterling Notes January 2024	**16**	–
	76	52

10. Taxation

	2021 £m	2020 £m
Current tax		
UK corporation tax	**18**	27
Overseas tax	**13**	27
Prior year UK corporation tax	**–**	(3)
Prior year overseas tax	**2**	–
	33	51
Deferred tax (Note 21)		
Current year	**(9)**	(4)
Prior year	**(1)**	1
	(10)	(3)
Tax charge for the year	**23**	48

The charge for the year can be reconciled to the profit in the income statement as follows:

	2021 £m	2020 £m
Profit before tax	**24**	129
Tax based on the UK corporation tax rate of 19% (2020: 19%)	**5**	25
Tax effect of items that are not deductible:		
> expenses	**(1)**	8
> impairment of intangible assets arising on consolidation	**–**	4
Prior year adjustments	**1**	(2)
Impact of tax rate change	**12**	4
Impact of overseas tax rates	**5**	9
Net movement in unrecognised deferred tax	**1**	–
Tax charge for the year	**23**	48

The tax of each 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 arises 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
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**
2020			
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

	2021	2020 (restated)
Basic	**0.7p**	15.4p
Diluted	**0.7p**	15.2p

The calculation of basic and diluted earnings per share is based on the following number of shares:

	2021 No.(m)	2020 No.(m)
Basic weighted average shares – as previously reported		557.0
Impact of bonus element of the 2021 Rights Issue		68.0
Basic weighted average shares	**759.3**	625.0
Contingently issuable shares – as previously reported		6.9
Impact of bonus element of the 2021 Rights Issue		0.8
	8.9	7.7
Diluted weighted average shares	**768.2**	632.7

The earnings used in the calculation of basic and diluted earnings per share are set out below:

	2021 £m	2020 £m
Earnings for the year	**8**	97
Non-controlling interests	**(3)**	(1)
Earnings attributable to equity holders of the parent	**5**	96

12. Dividends

	2021 £m	2020 £m
Amounts recognised as distributions to equity holders in the year:		
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**	–
Final dividend for the year ended 31 December 2019 of 11.25p per share	**–**	63
Interim dividend for the year ended 31 December 2020 of 5.6p per share	**–**	31
	47	94

A final dividend of 5.5 pence per share will be paid on 17 May 2022 to all shareholders on the Register of Members on 8 April 2022.

During the year, the Trustees of the TP ICAP plc Employee Benefit Trust waived their rights to dividends.

13. Intangible assets arising on consolidation

	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**
At 1 January 2020	993	518	1,511
Recognised on acquisitions	25	–	25
Amortisation of acquisition related intangibles	–	(39)	(39)
Impairment of acquisition related intangibles	(21)	–	(21)
Effect of movements in exchange rates	(8)	(5)	(13)
At 31 December 2020	989	474	1,463

Other intangible assets at 31 December 2021 represent customer relationships, £580m (2020: £469m) and business brands and trademarks, £2m (2020: £5m) that arise through business combinations. Customer relationships are being amortised between 10 and 20 years.

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:

	2021 £m	2020 £m
CGU		
EMEA	**686**	686
Americas	**255**	253
Asia Pacific	**50**	50
Liquidnet	**189**	–
Goodwill allocated to CGUs	**1,180**	989

The Group's annual impairment testing of its CGUs is undertaken each September, except for Liquidnet which was undertaken as at December. 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. During the year the Group undertook an additional impairment tests as at 30 June triggered as a result of sensitivity of the Asia Pacific CGU to reasonable possible changes in cash flow and discount rate assumptions.

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 regional cash flows arising in future years, regional growth rates and regional discount rates as considered by management. Regional specific assumptions reflect the divisional mix in each region and the size and risk profile of that region. 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.

In June 2021 the Group's Asia Pacific CGU was subject to impairment testing, triggered as a result of changes in revenues and expected CGU cash flows. For the 30 June 2021 impairment test the recoverable amount of the Asia Pacific CGU was based on its VIU. The key assumptions for the VIU calculations are those regarding expected cash flows arising in future periods, CGU growth rates and the discount rates. Future projections were based on the most recent financial projections considered by the Board which were 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. The growth rate on underlying revenues for Asia Pacific was 1.1% (September 2020: 1.5%) over the five year projected period, with pre-tax discount rates of 11.6% (September 2020: 11.8%). The June 2021 testing did not result in an impairment of the Asia Pacific. In June 2020, the recoverable amount for the Asia Pacific CGU was estimated to be lower than its carrying value by £21m and was impaired by that amount.

For the 30 September 2021 annual impairment testing, the recoverable amounts for EMEA, Americas and Asia Pacific CGUs were based on their VIU. Growth rates on underlying revenues were 1.4% for EMEA (September 2020: 1.8%), 1.1% for Americas (September 2020: 0.8%) and 1.2% for Asia Pacific (September 2020: 1.5%) over the five year projected period, with pre-tax discount rates of 11.1% for EMEA (September 2020: 11.0%), 12.5% for Americas (September 2020: 13.4%) and 10.7% for Asia Pacific (September 2020: 11.8%). No further impairments were identified as a result of the annual testing. As at 31 December 2021, the review of the indicators of impairment did require any further testing.

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 a CGU, with Americas being the most sensitive. Each 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 growth rates %	Breakeven growth rates %	Change in terminal value revenues %
CGU					
EMEA	**11.1%**	**13.5%**	**1.4%**	**-1.5%**	**-11.0%**
Americas	**12.5%**	**14.2%**	**1.1%**	**0.1%**	**-5.6%**
Asia Pacific	**10.7%**	**17.0%**	**1.2%**	**-1.1%**	**-11.3%**

The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances.

13. Intangible assets arising on consolidation continued

The Group's 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. Were E&C revenues to fall in 2027 from our base assumptions by greater than 57% in EMEA, 34% in Americas and 54% in Asia Pacific, and assuming no further growth opportunities, this would give rise to an impairment in each CGU.

Liquidnet, acquired in March 2021 (Note 33) is a new CGU for the Group. Goodwill arising on this acquisition has been tested for impairment as at 31 December 2021. In future periods the CGU will be subject to annual impairment testing in September, in line with the other CGUs. As at 31 December 2021 the recoverable amount for Liquidnet 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 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. Annual growth rates on existing business of 3% to 2026 and 1% thereafter have been used with post tax discount rates of 10.8%. 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 is sensitive to changes in the growth rate and the discount rate. A reduction in the growth rate to 1.7% or an increase in the discount rate to 11.4% would eliminate the headroom. A permanent 5% reduction in 2022 revenues would result in impairment of £4m. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances, nor does the valuation reflect expected future cash flows from new business development and opportunities.

14. Other intangible assets

	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 2021	**(41)**	**(110)**	**(151)**
Carrying amount			
At 31 December 2021	**11**	**80**	**91**
Cost			
At 1 January 2020	23	140	163
Additions	–	16	16
Amounts derecognised	(1)	(6)	(7)
Effect of movements in exchange rates	1	(1)	–
At 31 December 2020	23	149	172
Accumulated amortisation			
At 1 January 2020	(17)	(85)	(102)
Charge for the year	(3)	(17)	(20)
Amounts derecognised	1	6	7
Effect of movements in exchange rates	(1)	2	1
At 31 December 2020	(20)	(94)	(114)
Carrying amount			
At 31 December 2020	3	55	58

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 2021	**74**	**101**	**175**
Reclassification of work-in-progress brought into use	**27**	**(27)**	**–**
Additions	**2**	**21**	**23**
Interest capitalised as leasehold improvements (Note 16)	**1**	**–**	**1**
Depreciation capitalised as leasehold improvements (Note 16)	**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**
Cost			
At 1 January 2020	60	74	134
Additions	6	29	35
Interest capitalised as leasehold improvements (Note 16)	3	–	3
Depreciation capitalised as leasehold improvements (Note 16)	5	–	5
Disposals	(1)	(1)	(2)
Effect of movements in exchange rates	1	(1)	–
At 31 December 2020	74	101	175
Accumulated depreciation			
At 1 January 2020	(14)	(48)	(62)
Charge for the year	(7)	(6)	(13)
Disposals	1	1	2
Effect of movements in exchange rates	(2)	1	(1)
At 31 December 2020	(22)	(52)	(74)
Carrying amount			
At 31 December 2020	52	49	101

1 Includes work-in-progress until brought into use.

16. Right-of-use assets

	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	**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**

	Land, buildings and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles £m	Total £m
At 1 January 2020	90	1	91
Additions	82	–	82
Acquired with acquisitions	5	–	5
Modifications	15	–	15
Depreciation	(23)	–	(23)
Depreciation capitalised as leasehold improvements (Note 15)	(5)	–	(5)
Impairment	(1)	–	(1)
Effect of movements in exchange rates	(1)	–	(1)
At 31 December 2020	162	1	163

The Group leases several buildings which have an average lease term of 11 years (2020: 11 years).

In January and June 2020 the Group entered new leases for the Group's London-based headquarters and broking operations. The leased space was subject to further development which was completed during the first half of 2021. 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.

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

	2021 £m	2020 £m
Depreciation expense on right-of-use assets	**29**	23
Interest expense on lease liabilities	**14**	11
Expense relating to short-term leases	**1**	1
Interest income from sub-leasing right-of-use assets	**(1)**	(1)

At 31 December 2021, the Group is committed to £1m (2020: £1m) for short-term leases (Note 37). The total cash outflow for leases amounts to £43m (2020: £38m) (representing principal repayment of £28m (2020: £24m) and interest of £14m (2020: £14m), of which £1m has been capitalised (2020: £3m)).

17. Investment in associates

	2021 £m	2020 £m
At 1 January	**61**	58
Additions	**1**	2
Disposals	**(2)**	–
Transfer to subsidiaries	**–**	(1)
Impairments	**(11)**	(1)
Share of profit for the year	**14**	12
Dividends received	**(10)**	(11)
Effect of movements in exchange rates	**(2)**	2
At 31 December	**51**	61
Summary financial information for associates		
Aggregated amounts (for associates at the year end):		
Total assets	**431**	319
Total liabilities	**(243)**	(131)
Net assets	**188**	188
Proportion of Group's ownership interest	**51**	59
Goodwill	**–**	2
Carrying amount of Group's ownership interest	**51**	61
Aggregated amounts (for associates during the year):		
Revenue	**220**	228
Profit for the year	**42**	37
Group's share of profit for the year	**14**	12
Dividends received from associates during the year	**10**	11

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. No individual associate is material to the Group.

Country of incorporation and operation	Associated undertakings	Percentage held
Bahrain	ICAP (Middle East) W.L.L.	49%
China	Tullett Prebon SITICO (China) Limited	33%
	Enmore Commodity Brokers (Shanghai) Limited	49%
India	ICAP IL India Private Limited[1]	40%
Japan	Totan ICAP Co., Ltd[1]	40%
	Central Totan Securities Co. Ltd[1]	20%
Spain	Corretaje e Informacion Monetaria y de Divisas SA	21.5%
United States	First Brokers Securities LLC[1]	40%

1 31 March year end.

18. Investment in joint ventures

	2021 £m	2020 £m
At 1 January	**29**	28
Additions	**–**	1
Share of result for the year	**4**	4
Dividends received	**(5)**	(2)
Effect of movements in exchange rates	**–**	(2)
At 31 December	**28**	29
Summary financial information for joint ventures		
Aggregated amounts (for joint ventures at the year end):		
Total assets	**22**	25
Total liabilities	**(3)**	(4)
Net assets	**19**	21
Proportion of Group's ownership interest	**9**	10
Goodwill	**19**	19
Carrying amount of Group's ownership interest	**28**	29
Aggregated amounts (for joint ventures during the year):		
Revenue	**14**	14
Result for the year	**8**	7
Group's share of result for the year	**4**	4
Dividends received from joint ventures during the year	**5**	2

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

	2021 £m	2020 £m
At 1 January	**18**	20
Additions	**–**	–
Acquired with acquisitions	**3**	–
Disposals	**–**	(2)
Revaluation of equity instruments at FVTOCI	**1**	–
Effect of movements in exchange rates	**(1)**	–
At 31 December	**21**	18
Categorisation of other investments:		
Debt instruments at FVTOCI – corporate debt securities	**2**	2
Equity instruments at FVTOCI	**19**	16
	21	18

The fair values are based on valuations as disclosed in Note 29(h). Equity instruments comprise securities that do not qualify as associates or joint ventures.

20. Financial investments

	2021 £m	2020 £m
Debt instruments at FVTOCI – Government debt securities	**81**	87
Investments at amortised cost – Term deposits and restricted funds	**34**	40
	115	127

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

	2021 £m	2020 £m
Deferred tax assets	**17**	4
Deferred tax liabilities	**(107)**	(79)
	(90)	(75)

The movement for the year in the Group's net deferred tax position was as follows:

	2021 £m	2020 £m
At 1 January	**(75)**	(80)
Credit to income for the year	**10**	3
Charge to other comprehensive income for the year	**(1)**	(1)
Recognised with acquisitions	**(27)**	–
Effect of movements in exchange rates	**3**	3
At 31 December	**(90)**	(75)

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
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)**
2020							
Share-based payment awards	4	–	(1)	–	–	–	3
Tax losses	3	–	2	–	–	–	5
Bonuses	9	–	–	–	–	–	9
Intangible assets arising on consolidation	(105)	–	2	–	–	2	(101)
Other timing differences	9	–	–	(1)	–	1	9
	(80)	–	3	(1)	–	3	(75)

At the balance sheet date, the Group has gross unrecognised temporary differences of £146m with the unrecognised net tax amount being £30m (2020: gross £107m and net tax £23m respectively). This includes gross tax losses of £140m with the net tax amount being £29m (2020: gross £103m and net tax £22m respectively), which are potentially available for offset against future profits. Of the unrecognised gross losses £33m (2020: £24m) are expected to expire within 20 years and £107m (2020: £79m) 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.

The net deferred tax position at 31 December 2021 includes a deferred tax asset of £9m (2020: £5m) in respect of losses which has been recognised as at 31 December 2021 as it was considered probable that future tax profits should 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 £4m (2020: £2m) in respect of unremitted earnings of subsidiaries of £29m (2020: £27m).

22. Trade and other receivables

	2021 £m	2020 (restated Note 40) £m
Non-current receivables		
Finance lease receivables	**30**	5
Other receivables	**14**	19
	44	24
Current receivables		
Trade receivables	**351**	298
Amounts due from clearing organisations	**73**	3
Deposits paid for securities borrowed	**1,516**	1,124
Finance lease receivables	**1**	1
Other debtors	**19**	15
Accrued income	**14**	11
Owed by associates and joint ventures	**5**	5
Prepayments	**86**	90
Corporation tax	**3**	2
	2,068	1,549

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.

Trade receivables	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
2021						
EMEA	**206**	**61**	**48**	**28**	**18**	**51**
Americas	**98**	**41**	**21**	**10**	**9**	**17**
Asia Pacific	**35**	**20**	**7**	**4**	**1**	**3**
Liquidnet	**17**	**17**	**–**	**–**	**–**	**–**
Gross balances outstanding	**356**	**139**	**76**	**42**	**28**	**71**
Expected credit loss rate		**%**	**%**	**%**	**%**	**%**
EMEA		**0.13**	**0.15**	**0.23**	**0.33**	**2.45**
Americas		**0.15**	**0.28**	**0.63**	**0.68**	**8.73**
Asia Pacific		**0.14**	**0.47**	**0.83**	**2.01**	**28.28**
Liquidnet		**–**	**–**	**–**	**–**	**–**
Lifetime ECL	**(5)**					
	351					
2020						
EMEA	170	87	20	13	7	43
Americas	96	42	18	9	6	21
Asia Pacific	37	21	4	3	2	7
Gross balances outstanding	303	150	42	25	15	71
Expected credit loss rate		%	%	%	%	%
EMEA		0.09	0.69	0.81	1.56	3.79
Americas		0.19	0.38	0.51	0.92	6.75
Asia Pacific		0.35	1.23	1.33	3.25	14.73
Lifetime ECL	(5)					
	298					

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 2021, the provision for expected credit losses amounted to less than £1m (2020: 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 2021, the provision for expected credit losses amounted to less than £1m (2020: less than £1m).

Amounts (payable)/receivable under finance leases:

	2021 £m	2020 £m
Year 1	**(1)**	1
Year 2	**3**	2
Year 3	**4**	1
Year 4	**5**	1
Year 5	**4**	1
Onwards	**23**	1
Undiscounted lease payments	**38**	7
Less: unearned finance income	**(10)**	(1)
Present value of lease payments receivable	**28**	6
Net investment in the lease	**28**	6

Undiscounted lease payments analysed as:

	2021 £m	2020 £m
Recoverable after 12 months	**39**	6
(Payable)/recoverable within 12 months	**(1)**	1

Net investment in the lease analysed as:

	2021 £m	2020 £m
Recoverable after 12 months	**29**	5
(Payable)/recoverable within 12 months	**(1)**	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.

	2021 £m	2020 £m
Impairment of finance lease receivables	**–**	(1)
Finance income on the net investment in finance leases	**1**	1

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates 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

	2021 £m	2020 £m
Trade payables	**89**	22
Amounts due to clearing organisations	**47**	1
Finance lease payable	**2**	–
Deposits received for securities loaned	**1,504**	1,106
Deferred consideration (Note 33(b))	**7**	12
Other creditors	**19**	13
Accruals	**283**	270
Owed to associates and joint ventures	**2**	3
Tax and social security	**22**	23
Deferred income	**2**	1
	1,977	1,451

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

	2021 £m	2020 £m
Financial assets at fair value through profit or loss		
Matched Principal financial assets	**37**	5
Fair value gains on unsettled Matched Principal transactions	**121**	378
	158	383
Financial liabilities at fair value through profit or loss		
Matched Principal financial liabilities	**(1)**	(3)
Fair value losses on unsettled Matched Principal transactions	**(119)**	(378)
	(120)	(381)
Notional contract amounts of unsettled Matched Principal transactions (£m)		
Unsettled Matched Principal transactions	**65,968**	136,946

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
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**
2020			
Overdrafts	7	–	7
Loans from related party	28	–	28
Sterling Notes January 2024	10	430	440
Sterling Notes May 2026	1	249	250
	46	679	725

All amounts are stated after unamortised transaction costs. An analysis of borrowings by maturity has been disclosed in Note 29(e).

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 2021, overdrafts for the provision of settlement finance amounted to £17m (December 2020: £7m).

Bank credit facilities and bank loans
The Group has a £270m committed revolving facility that matures in December 2023. Facility commitment fees of 0.8% on the undrawn balance are payable on the facility. Arrangement fees of £3m are being amortised over the maturity of the facility.

As at 31 December 2021, 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 £130m (2020: £161m), and the average amount drawn was £60m (2020: £39m). 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 2021 (2020: £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 2024. As at 31 December, the Yen 10bn committed facility equated to £64m. 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 2021, Yen 8bn (£51m) (2020: Yen 4bn (£28m)) of the facility was drawn. 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, £64m at year end rates (2020: Yen 10bn, £71m at 2020 year end rates), and the average amount drawn was Yen 8bn, £53m at year end rates (2020: Yen 5bn, £36m at 2020 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 2021 (2020: less than £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 2021, the fair value of the Notes (Level 1) was £264m (2020: £473m). Accrued interest at 31 December 2021 amounted to £6m (2020: £10m). Unamortised issue costs were £1m as at 31 December 2021.

Interest of £22m was incurred in 2021 (2020: £23m). The amortisation expense of issue costs in 2021 and 2020 were 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 2021 the fair value of the Notes (Level 1) was £278m (2020: £284m). Accrued interest at 31 December 2020 amounted to £1m. Unamortised issue costs were £1m as at 31 December 2021.

Interest of £13m was incurred in 2021 (2020: £13m). The amortisation expense of issue costs in 2021 and 2020 were 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 2021 the fair value of the Notes (Level 1) was £249m. Accrued interest at 31 December 2021 amounted to £1m. Unamortised discount and issue costs were £3m.

Interest of £1m was incurred in 2021. Issue costs of £2m were incurred in 2021 and their amortisation expense in 2021 was less than £1m.

Liquidnet Vendor Loan Notes Due March 2024
In March 2021, as part of the purchase consideration of Liquidnet (as detailed in Note 33), the Group issued $50m (£37m at year end exchange rates) unsecured Loan Notes due March 2024. The Notes have a fixed coupon of 3.2% paid annually. At 31 December 2021 the fair value of the Notes (Level 2) was $49m (£36m). Accrued interest at 31 December 2021 was £1m.

26. Lease liabilities

Maturity analysis

	2021 £m	2020 £m
Year 1	**41**	38
Year 2	**40**	30
Year 3	**34**	29
Year 4	**39**	24
Year 5	**31**	31
Onwards	**189**	137
	374	289
Less: future interest expense	**(88)**	(77)
	286	212

Analysed as:

	2021 £m	2020 £m
Included in current liabilities	**34**	26
Included in non-current liabilities	**252**	186
	286	212

27. Provisions

	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**
2020				
At 1 January 2020	6	8	33	47
Charge/(credit) to income statement	2	8	(5)	5
Utilisation of provision	(1)	(7)	(4)	(12)
Effect of movements in exchange rates	–	–	–	–
At 31 December 2020	7	9	24	40

	2021 £m	2020 £m
Included in current liabilities	**5**	17
Included in non-current liabilities	**38**	23
	43	40

Property provisions outstanding as at 31 December 2021 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 2021 relate to termination and other employee related costs. The movement during the year reflects the actions taken under the Group's restructuring initiatives. It is expected that the remaining obligations will be discharged during 2022.

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 25 years.

European Commission Yen Libor
In February 2015 the European Commission imposed a fine of €15m on NEX International Limited (formerly ICAP plc), ICAP Management Services Limited and ICAP New Zealand Limited for alleged competition violations in relation to the involvement of certain of ICAP's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. This matter related to alleged conduct violations prior to completion of the Group's acquisition of the ICAP global broking business and has been the subject of an ongoing appeal. On 31 May 2021, the European Commission issued a fine totalling €6.5m, that was settled in November 2021, closing the case. The Group was fully provided for this amount.

Labour claims – ICAP Brazil
ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda ('ICAP Brazil') is a defendant in 8 (31 December 2020: 11) 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'). As at 31 December 2021, the Group considers a loss in respect of certain claims to be probable and estimates the amount payable in respect of such claims to be BRL2m (£1m).

28. Other long term payables

	2021 £m	2020 £m
Accruals and deferred income	**2**	4
Deferred consideration (Note 33(b))	**51**	19
	53	23

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. Following the Group's redomiciliation to Jersey and the subsequent reorganisation of the legal structure of the Group, see Note 2(a), the Group is no longer subject to the consolidated capital adequacy requirements under CRD IV and as a result the 'Financial Holding Company test' and CRD IV waiver requirements of the FCA previously applicable to the Group no longer apply.

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 US and UK.

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 £270m committed revolving credit facility and Yen 10bn (£64m at year end rates) committed facility with The Tokyo Tanshi Co., Ltd as additional contingency funding, less any amounts earmarked to fund acquisitions.

29. Financial instruments continued

(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

Financial assets	FVTPL trading instruments £m	FVOCI debt instruments £m	FVTOCI equity instruments £m	FVTOCI derivatives designated as hedging 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 measure at fair value						
Finance lease receivables	–	–	–	–	30	30
	–	2	19	–	30	51
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 value[1]						
Term deposits	–	–	–	–	34	34
Other debtors	–	–	–	–	19	19
Accrued income	–	–	–	–	14	14
Owed by associates and joint ventures	–	–	–	–	5	5
Trade receivables	–	–	–	–	351	351
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	–	2,827	3,087

Financial assets	FVTPL trading instruments £m	FVTOCI debt instruments £m	FVTOCI equity instruments £m	FVTOCI derivatives designated as hedging instruments £m	Amortised cost £m	Total carrying amount £m
2020						
Non-current financial assets measured at fair value						
Equity securities	–	–	16	–	–	16
Corporate debt securities	–	2	–	–	–	2
Non-current financial assets not measure at fair value						
Finance lease receivables	–	–	–	–	5	5
	–	2	16	–	5	23
Current financial assets measured at fair value						
Matched Principal financial assets	5	–	–	–	–	5
Fair value gains on unsettled Matched Principal transactions	378	–	–	–	–	378
Derivative instruments		–	–	3	–	3
Government debt securities	–	87	–	–	–	87
Current financial assets not measured at fair value[1]						
Term deposits	–	–	–	–	40	40
Other debtors	–	–	–	–	15	15
Accrued income	–	–	–	–	11	11
Owed by associates and joint ventures	–	–	–	–	5	5
Trade receivables	–	–	–	–	298	298
Amounts due from clearing organisations	–	–	–	–	3	3
Deposits paid for securities borrowed	–	–	–	–	1,124	1,124
Finance lease receivables	–	–	–	–	1	1
Cash and cash equivalents	–	–	–	–	656	656
	383	87	–	3	2,153	2,626
Total financial assets	383	89	16	3	2,158	2,649

1 Financial assets are initially measured at fair value.

29. Financial instruments continued

Financial liabilities	Mandatorily at FVTPL Non-current £m	Mandatorily at FVTPL Current £m	Other financial liabilities Non-current £m	Other financial liabilities Current £m	Total carrying amount £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 value[1]					
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	–	–	–	19	19
Accruals[2]	–	–	–	83	83
Owed to associate and joint ventures	–	–	–	2	2
Finance lease payable	–	–	–	2	2
Trade payables	–	–	–	89	89
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**

Financial liabilities	Mandatorily at FVTPL Non-current £m	Mandatorily at FVTPL Current £m	Other financial liabilities Non-current £m	Other financial liabilities Current £m	Total carrying amount £m
2020					
Financial liabilities measured at fair value					
Matched Principal financial liabilities	–	3	–	–	3
Fair value losses on unsettled Matched Principal transactions	–	378	–	–	378
Deferred consideration	19	12	–	–	31
	19	393	–	–	412
Financial liabilities not measured at fair value[1]					
Overdraft	–	–	–	7	7
Loans with related parties	–	–	–	28	28
Sterling Notes January 2024	–	–	430	10	440
Sterling Notes May 2026	–	–	249	1	250
Other creditors	–	–	–	13	13
Accruals[2]	–	–	–	75	75
Owed to associate and joint ventures	–	–	–	3	3
Trade payables	–	–	–	22	22
Amounts payable to clearing organisations	–	–	–	1	1
Deposits received for securities loaned	–	–	–	1,106	1,106
Lease liabilities	–	–	186	26	212
	–	–	865	1,292	2,157
Total financial liabilities	19	393	865	1,292	2,569

1 Financial liabilities are measured at fair value on initial recognition.
2 Accruals of £200m (2020: £195m) are not recorded as financial liabilities.

(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 counterparts 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 functions. As at the year end, 68% of the Group's counterparty exposure is to investment grade counterparts (rated BBB-/Baa3 or above) (Note 22).

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, 56% of the Group's counterparty exposure is to investment grade counterparts (Note 22).

The credit risk on cash, cash equivalents, and financial assets at amortised cost, FVTOCI or FVTPL, are 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, setting appropriate limits for all counterparts 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.

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29. Financial instruments continued

(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**
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	**89**	**–**	**–**	**–**	**89**
Amounts due to clearing organisations	**47**	**–**	**–**	**–**	**47**
Other creditors	**19**	**–**	**–**	**–**	**19**
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 Note March 2024	**1**	**–**	**39**	**–**	**40**
Deferred consideration	**5**	**3**	**50**	**–**	**58**
	34,822	**60**	**822**	**452**	**36,156**

	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
2020					
Matched Principal financial liabilities	3	–	–	–	3
Settlement of open Matched Principal purchases[1]	68,474	–	–	–	68,474
Deposits received for securities loaned	1,106	–	–	–	1,106
Trade payables	22	–	–	–	22
Amounts due to clearing organisations	1				1
Other creditors	13	–	–	–	13
Accruals	75	–	–	–	75
Owed to associate and joint ventures	3	–	–	–	3
Lease liabilities	11	27	114	137	289
Overdraft	7	–	–	–	7
Related party loan	28	–	–	–	28
Sterling Notes January 2024	11	11	488	–	510
Sterling Notes May 2026	–	13	52	257	322
Deferred consideration	9	3	19	–	31
	69,763	54	673	394	70,884

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.

(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	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Currency:				
> USD	**(3)**	(5)	**(95)**	(35)
> EUR	**(5)**	(4)	**(10)**	(6)
> SGD	**–**	–	**(9)**	(9)
> HKD	**–**	–	**(8)**	(4)
> JPY	**–**	–	**(8)**	(4)
> AUD	**–**	–	**(5)**	(2)

Unless specifically hedged, the Group would experience equal and opposite foreign exchange movements should the currencies strengthen against Sterling.

As at 31 December 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. 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:

	2021		2020	
	+100pts £m	**-100pts £m**	+100pts £m	-100pts £m
Income/(expense) arising on:				
> floating rate assets	**8**	**(8)**	7	(7)
> floating rate liabilities	**(1)**	**–**	–	–
Net income/(expense) for the year	**7**	**(8)**	7	(7)

(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).

29. Financial instruments continued

	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**

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2020				
Financial assets measured at fair value				
Matched Principal financial assets	5	–	–	5
Fair value gain on unsettled Matched Principal transactions	378	–	–	378
Equity instruments	–	7	9	16
Corporate debt securities	–	–	2	2
Government debt securities	87	–	–	87
Derivative instruments	–	3	–	3
Financial liabilities measured at fair value				
Matched Principal financial liabilities	(3)	–	–	(3)
Fair value losses on unsettled Matched Principal transactions	(378)	–	–	(378)
Deferred consideration	–	(5)	(26)	(31)
	89	5	(15)	79

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. 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	2021 Total £m	2020 Total £m
Balance as at 1 January	**9**	**2**	**(26)**	**(15)**	(16)
Net change in fair value – included in 'administrative expenses'	**–**	**–**	**(2)**	**(2)**	(2)
Acquisitions during the year	**–**	**–**	**(39)**	**(39)**	(8)
Amounts settled during the year	**–**	**–**	**11**	**11**	7
Transfer of assets from level 2	**–**	**–**	**–**	**–**	2
Transfer of liabilities to level 2	**–**	**–**	**3**	**3**	–
Effect of movements in exchange rates	**–**	**–**	**–**	**–**	2
Balance as at 31 December	**9**	**2**	**(53)**	**(42)**	(15)

30. Share capital

	2021 No.	2020 No.
Allotted, issued and fully paid		
Ordinary shares of 25p		
As at 1 January (TP ICAP plc)	**563,336,380**	565,336,380
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 (2021: TP ICAP Group plc & 2020: TP ICAP plc)	**788,670,932**	563,336,380

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
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**
2020				
As at 1 January 2020	141	17	1,384	1,542
Issue of ordinary shares	–	–	–	–
As at 31 December 2020	141	17	1,384	1,542

1 On 16 February 2021, TP ICAP plc raised £315m in cash, with issue costs of £6m, from a 2 for 5 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.

31. Reconciliation of shareholders' funds continued

(b) Other reserves

	Reverse acquisition reserve £m	Reorganisation reserve £m	Revaluation reserve £m	Hedging and translation £m	Own shares £m	Other reserves £m
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)**
2020						
As at 1 January 2020	(1,182)	–	5	(12)	(16)	(1,205)
Fair value movement on net investment hedge	–	–	–	2	–	2
Exchange differences on translation of foreign operations	–	–	–	(30)	–	(30)
Taxation on components of other comprehensive income	–	–	–	(1)	–	(1)
Total comprehensive income	–	–	–	(29)	–	(29)
Gain on disposal of equity investments at FVTOCI	–	–	(1)	–	–	(1)
Share settlement of share-based payment awards	–	–	–	–	3	3
Own shares acquired for employee trusts	–	–	–	–	(14)	(14)
As at 31 December 2020	(1,182)	–	4	(41)	(27)	(1,246)

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 cashflows 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 2021, £11m relates to amounts arising on previous net investment hedges (2020: £8m).

Own shares
As at 31 December 2021, the TP ICAP plc EBT (formerly the Tullett Prebon plc Employee Benefit Trust 2007) held 9,100,625 ordinary shares (2020: 8,630,751 ordinary shares) with a fair value of £14m (2020: £21m). During the year the Trust delivered 1,525,505 shares in satisfaction of vesting share-based awards and purchased 1,995,379 ordinary shares under the rights issue and in the open market at a cost of £2m. In 2020 the Trust delivered 750,572 shares in satisfaction of vesting share-based awards and purchased 4,845,819 ordinary shares in the open market at a cost of £14m.

(c) Total equity

	Equity attributable to equity holders of the parent					
	Total from Note 31(a) £m	Total from Note 31(b) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £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**
2020						
As at 1 January 2020	1,542	(1,205)	1,375	1,712	18	1,730
Profit for the year	–	–	96	96	1	97
Fair value movement on net investment hedge	–	2	–	2	–	2
Exchange differences on translation of foreign operations	–	(30)	–	(30)	–	(30)
Remeasurement of defined benefit pension schemes	–	–	2	2	–	2
Taxation on components of other comprehensive income	–	(1)	–	(1)	–	(1)
Total comprehensive income	–	(29)	98	69	1	70
Issue of ordinary shares	–	–	–	–	–	–
Dividends paid	–	–	(94)	(94)	(1)	(95)
Gain on disposal of equity investments at FVTOCI	–	(1)	1	–	–	–
Share settlement of share-based payment awards	–	3	(3)	–	–	–
Own shares acquired for employee trusts	–	(14)	–	(14)	–	(14)
Non-controlling interests arising on acquisitions	–	–	–	–	1	1
Credit arising on share-based payment awards (Note 32)	–	–	6	6	–	6
As at 31 December 2020	1,542	(1,246)	1,383	1,679	19	1,698

32. Share-based awards

Senior Manager Deferred Bonus Plan

Annual awards are made under the Group's Senior Manager Deferred Bonus Plan.

Under this Plan, employees identified as senior managers have up to 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 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 Employee Benefit Trust from shares purchased by it in the open market.

	2021 No.	2020 No.
Outstanding at the beginning of the year	**4,419,705**	4,095,520
Impact of bonus element of the 2021 Rights Issue	**539,142**	–
Granted during the year	**1,580,764**	1,624,098
Forfeited during the year	**(46,494)**	(549,341)
Settled during the year	**(1,436,657)**	(750,572)
Outstanding at the end of the year	**5,056,460**	4,419,705

At the year end closing share price of 152.7p the estimated total number of deferred shares for the 2021 bonus year was 1,850,004.

Executive Director Deferred Bonus Plan

Annual awards are made under the Group's Executive Director Deferred Bonus Plan.

The Group's Executive Directors have 50% of their annual discretionary bonus awarded in deferred shares. These awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and will be settled with TP ICAP Group plc shares. The number of shares in respect of a bonus year is determined after the close period for that year at the market price, and vest three years from the date of 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.

	2021 No.	2020 No.
Outstanding at the beginning of the year	**666,772**	220,510
Impact of bonus element of the 2021 Rights Issue	**81,346**	–
Granted during the year	**524,249**	446,262
Settled during the year	**(92,004)**	–
Outstanding at the end of the year	**1,180,363**	666,772

Awards will be settled by the TP ICAP plc Employee Benefit Trust from shares purchased by it in the open market.

At the year end closing share price of 152.7p the estimated total number of deferred shares for the 2021 bonus year was 614,122.

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.

	2021 No.	2020 No.
Outstanding at the beginning of the year	**4,031,329**	1,264,712
Impact of bonus element of the 2021 Rights Issue	**491,823**	–
Granted during the year	**3,612,668**	2,766,617
Forfeited during the year	**(205,912)**	–
Outstanding at the end of the year	**7,929,908**	4,031,329

In 2019, shares to a maximum of 1,419,006 (adjusted for the bonus element of the 2021 Rights Issue) were awarded to the Executive Directors. These awards are subject to performance conditions measured over the three-year period 2019 to 2021 with 50% of the awards subject to EPS compound annual growth targets and 50% subject to relative total shareholder return targets. No awards were made to senior employees in 2019.

In 2020, shares to a maximum of 3,104,144 (adjusted for the bonus element of the 2021 Rights Issue) were awarded to the Executive Directors and senior employees. These awards are subject to performance conditions measured over the three-year period 2020 to 2022 with 30% of the awards subject to EPS compound annual growth targets, 50% subject to relative total shareholder return targets and 20% subject to new business growth targets.

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. Details of the financial targets applicable to this award are set out in the Report of the Remuneration Committee on page 142. 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 where 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.

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.

	2021 No.	2020 No.
Outstanding at the beginning of the year	**665,671**	731,470
Impact of bonus element of the 2021 Rights Issue	**81,212**	–
Granted during the year	**1,573,193**	86,716
Forfeited during the year	**(68,144)**	(152,515)
Outstanding at the end of the year	**2,251,932**	665,671

Awards will be settled by the TP ICAP plc Employee Benefit Trust from shares purchased by it in the open market.

At the year end closing share price of 152.7p the estimated total number of SEAP awards for the 2021 bonus year was 986,050.

Save As You Earn share option plan

During 2021 a Save As You Earn ('SAYE') share option plan was introduced. 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 192.9p 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 68.5p fair value of a share award was based on the share price at the date of the grant of 241.1p, estimated volatility of 39%, estimated dividend yield of 3.2% and a risk free rate of 0.11%.

	2021 No.	WAEP[1] £
Granted during the year	**7,059,105**	1.9294
Lapsed during the year	**(1,633,538)**	1.9294
Exercised during the year	**–**	
Outstanding at the end of the year	**5,425,567**	1.9294

1 Weighted average exercise price.
2 The weighted average fair value of options granted during the year was 68.5p.

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.

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32. Share-based awards continued

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.

	2021 No.	2020 No.
Outstanding at the beginning of the year	**419,004**	–
Impact of bonus element of the 2021 Rights Issue	**51,119**	–
Granted during the year	**2,168,730**	419,004
Settled during the year	**(43,000)**	–
Outstanding at the end of the year	**2,595,853**	419,004

Under the Scheme Rules awards are cash settled on vesting.

	2021 £m	2020 £m
Charge arising from the Senior Manager Deferred Bonus Plan	**5**	3
Charge arising from the Executive Director Deferred Bonus Plan	**1**	1
Charge arising from the Long Term Incentive Plan	**1**	1
Charge arising from the Special Equity Award Plan	**1**	1
Charge arising from the SAYE Plan	**2**	–
Charge arising from the Global Equity Linked Plan	**2**	–
	12	6

33. Acquisitions

(a) Liquidnet

In September 2020 the Group announced the proposed acquisition of Liquidnet Holdings, Inc together with its subsidiaries (collectively 'Liquidnet'), a technology driven global electronic trading broker network specialising in cash equities dark/block trading and fixed income primarily based in the United States, United Kingdom, Europe and Asia. The transaction completed and the Group obtained control on 23 March 2021, acquiring 100% of the issued share capital of Liquidnet Holdings Inc.

As at 31 December 2021 the identification and measurement of the fair value of the assets acquired and the allocation of the excess purchase price has been finalised. In June 2021, due to the proximity of the acquisition to the interim reporting date and its size and complexity, the identification and measurement of the fair value of the assets acquired were provisional. Similarly, the allocation of the excess purchase price between identifiable intangible assets and goodwill that arise on the consolidation of Liquidnet were also provisional. The transaction has been accounted for under the acquisition method of accounting.

A summary of the acquisition accounting is as follows:

	2021 US$m	**2021 £m**
Fair value of the purchase consideration		
Cash consideration	**525**	**382**
Excess cash and working capital	**95**	**69**
Deferred non-contingent (vendor loan note)	**50**	**36**
Deferred contingent consideration (earn-out)	**53**	**39**
	723	**526**
Fair value of acquired assets and liabilities[1]	**(308)**	**(223)**
Excess purchase price	**415**	**303**
Allocation of excess purchase price		
Other acquisition intangibles[2]	**211**	**154**
Deferred tax on acquisition intangibles[2]	**(53)**	**(38)**
Goodwill[2]	**257**	**187**
	415	**303**

1 The provisional fair value of assets and liabilities as at 30 June 2021 were US$319m (£232m).
2 The provisional value of acquisition intangibles was US$218 (£159m), allocated to customer relationships, deferred tax of US$54m (£40m) and goodwill of US$240m (£175m).

The fair value of the consideration paid and payable amounts to US$723m (£526m) made up as follows:

> Fixed cash consideration of US$525m (£382m);
> A cash payment representing excess cash and working capital measured at US$95m (£69m) based on the amount paid at acquisition. The final completion accounts from which the excess cash and working capital amount will be determined have yet to be agreed with the vendors. Aspects of these completion accounts are subject to arbitration under the terms of the acquisition agreement, the resolution of which will fall outside of the one year measurement period. Any repayment or additional consideration paid will be credited or charged to profit or loss once those amounts have been determined;
> Deferred non-contingent consideration of US$50m (£36m), represented by unsecured Vendor Loan Notes with a 3.20% coupon, repayable up to third anniversary of the transaction, with early redemption under certain performance conditions; and
> Deferred contingent consideration, with an initial fair value of US$53m (£39m) is payable, based on Liquidnet's Equities revenues over a three year earn-out period to 2023. The initial fair value reflects the discounted value of estimated payments, measured at the time of the acquisition, and reflects management's estimate of future performance at that time. Remeasurement of deferred contingent consideration reflecting changes after the acquisition date will be recorded in profit or loss. Management's projected estimate was based on Liquidnet's 2019 and 2020 Equity revenues. The fair value is based on unobservable inputs and the projected outcome is classified as a level 3 fair value estimate under the IFRS fair value hierarchy. The maximum payment in respect of deferred contingent consideration is capped at US$125m (£92m at year end rates).

The provisional and finalised fair values of the net assets acquired were:

	Provisional fair values £m	Final fair values £m
Non-current assets		
Intangible assets – purchased and developed software	27	33
Property plant and equipment	32	28
Right-of-use-assets	70	70
Deferred tax assets	18	13
Retirement benefit asset	1	1
Other non-current assets	3	3
	151	148
Current assets		
Trade and other receivables	161	161
Cash and cash equivalents[1]	202	202
	363	363
Total assets	514	511
Current liabilities		
Trade and other payables	(186)	(187)
Lease liabilities	(7)	(7)
Current tax liabilities	(1)	(3)
	(194)	(197)
Non-current liabilities		
Lease liabilities	(84)	(84)
Deferred tax liabilities	(2)	(2)
Long term provisions and other payables	(2)	(5)
	(88)	(91)
Total liabilities	(282)	(288)
Net assets acquired	232	223

1 Represents cash and cash equivalents held by Liquidnet's subsidiaries to meet regulatory and operational requirements, including £56m of restricted cash held to meet customer obligations. Customer obligations are shown within Trade and other payables.

The excess purchase price has been allocated to customer relationships of US$208m (£152m) and brand of US$3m (£2m) with an associated deferred tax liability of US$53m (£38m). The balance US$257m (£187m) is attributed to goodwill, representing the value of Liquidnet's reputation and established workforce. As Liquidnet is regarded as its own Cash Generating Unit for impairment testing purposes goodwill has been allocated to this CGU. In June 2021 the excess purchase price was provisionally allocated to customer relationships of US$218m (£159m) with an associated deferred tax liability of US$54m (£40m) with goodwill amounting to US$240m (£175m). Goodwill is not expected to be deductible for tax purposes and no associated deferred tax asset has been recorded.

The fair value of the brand has been estimated using a relief-from-royalty approach, based on empirical, market derived rates for such assets, and is sensitive to changes in the royalty rate applied. Its useful life is estimated to be five years. The fair value of customer relationships has been estimated using the 'multi-period excess earnings methodology' which uses the net present value of forecast, post-tax profits generated by that asset. The fair value of customer relationships is sensitive to changes in: forecast post-tax profits; the discount rate applied; the assumed useful life of the assets; the expected rate of customer attrition; and the level of contributory asset charges for the use of other assets, including a charge for the workforce. The useful life of the customer relationships is estimated to be 12 years.

Acquisition costs, included in administrative expenses, amounted to £8m in 2021 with £11m being incurred in 2020.

Had Liquidnet been acquired on 1 January 2021 the Group's revenue would have been £62m higher, EBIT £4m higher and its earnings unchanged.

33 Acquisitions continued

(b) 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.

	2021 £m	2020 £m
At 1 January	**31**	41
Acquisitions during the year	**39**	13
Adjustments to deferred consideration charged to the Income Statement	**2**	2
Cash-settled	**(14)**	(22)
Effect of movements in exchange rates	**–**	(3)
At 31 December	**58**	31
Amounts falling due within one year	**7**	12
Amounts falling due after one year	**51**	19
At 31 December	**58**	31

34. Reconciliation of operating result to net cash flow from operating activities

	2021 £m	2020 (restated) £m
Operating profit	**97**	178
Adjustments for:		
> Share-based payment charge	**10**	6
> Pension scheme's administration costs	**1**	1
> Pension scheme past service and settlement costs	**1**	1
> Depreciation of property, plant and equipment	**23**	13
> Loss on disposal of property, plant and equipment	**1**	–
> Impairment of property, plant and equipment	**10**	–
> Depreciation of right-of-use assets	**29**	23
> Impairment of right-of-use assets	**6**	1
> Amortisation of intangible assets	**30**	20
> Impairment of intangible assets	**6**	
> Amortisation of intangible assets arising on consolidation	**46**	39
> Impairment of intangible assets arising on consolidation	**–**	21
> Impairment of associates	**–**	1
> Impairment of finance lease receivables	**–**	1
> Remeasurement of deferred consideration	**2**	2
Net operating cash flow before movement in working capital	**262**	307
(Increase)/decrease in trade and other receivables	**(16)**	6
(Increase)/decrease in net Matched Principal related balances[1]	**(36)**	4
Increase in net balances with Clearing Organisations	**12**	–
Decrease/(increase) in net stock lending balances	**6**	(6)
Decrease in trade and other payables	**(14)**	(34)
Decrease in provisions	**(2)**	(7)
(Decrease)/increase in non-current liabilities	**(3)**	1
Retirement benefit scheme contributions	**–**	(1)
Net cash generated from operations	**209**	270
Income taxes paid	**(39)**	(73)
Fees paid on bank and other loan facilities	**(2)**	(2)
Interest paid	**(42)**	(37)
Interest paid – finance leases	**(15)**	(14)
Net cash flow from operating activities	**111**	144

1 Restated to reflect the change in balance sheet line items following the change in accounting policy set out in Note 2(f). There has been no change to the working capital movements or net cash generated from operations.

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
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[1]**	**–**	**–**	**(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)**

	At 1 January £m	Cash flow £m	Non-cash items £m	Acquired with acquisitions £m	Exchange rate movements £m	At 31 December £m
2020						
Cash and cash equivalents	686	(17)	–	–	(13)	656
Overdrafts	(10)	3	–	–	–	(7)
	676	(14)	–	–	(13)	649
Financial investments	148	(18)	–	–	(3)	127
Bank loan due within one year	–	1[2]	(1)	–	–	–
Loans from related parties	–	(28)	–	–	–	(28)
Sterling Notes January 2024	(440)	23[2]	(23)	–	–	(440)
Sterling Notes May 2026	(249)	13[2]	(14)	–	–	(250)
Total debt excluding lease liabilities	(689)	9	(38)	–	–	(718)
Lease liabilities	(140)	38[5]	(108)	(5)	3	(212)
Total financing liabilities	(829)	47	(146)	(5)	3	(930)
Net debt	(5)	15	(146)	(5)	(13)	(154)

1 Relates to currency differences arising on foreign currency drawdowns and repayments.
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 £15m (2020: £14m) reported as a cash outflow from operating activities and principal paid of £28m (2020: £24m) reported as a cash outflow from financing activities.

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 2021 cash and cash equivalents, net of overdrafts, amounted to £767m (2020: £649m) of which £77m (2020:£10m) 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 of new 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 8 (31 December 2020: 11) 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 47m (£6m) (31 December 2020: BRL 57m (£8m)). The Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of five of the eight 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 the estimated losses which have already been provided for (Note 27), 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 obtainment 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 295m (£39m) (31 December 2020: BRL 272m (£38m)). 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.

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 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 judgment dismissing the Foundation's claims in their entirety. The Foundation has until March 2021 to appeal this final judgment. 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. It is not possible to estimate any potential financial impact in respect of this matter at this time.

(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 have appealed the dismissal to the United States Court of Appeals for the Second Circuit. 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) Yen LIBOR Class Actions
In April 2013, ICAP plc was added as a defendant to an existing civil litigation originally filed in April 2012, Laydon v. Mizuho Bank, Ltd, against certain Yen LIBOR and Euroyen TIBOR panel banks alleging purported manipulation of the Yen LIBOR and Euroyen TIBOR benchmark interest rates. The United States District Court for the Southern District of New York dismissed the plaintiff's antitrust and unjust enrichment claims, but upheld the plaintiff's claim for purported manipulation under the Commodity Exchange Act. ICAP plc and certain other foreign defendants were dismissed in March 2015 for lack of personal jurisdiction. The Court permitted plaintiffs to file an amended complaint whereby they added new defendants to the action including ICAP Europe Limited and Tullett Prebon plc. On 10 March 2017, both ICAP Europe Limited and Tullett Prebon plc were dismissed for lack of personal jurisdiction. On 23 October 2020, the plaintiffs served their formal notice of intent to appeal the dismissal of the TP ICAP defendants. The Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

Other plaintiffs filed a related complaint, Sonterra Capital Master Fund, Ltd. v. UBS AG, which included ICAP plc, ICAP Europe Limited and Tullett Prebon plc as defendants, asserting a cause of action for antitrust injury only as a result of the purported manipulation of Yen LIBOR and Euroyen TIBOR by panel banks and brokers. Defendants filed motions to dismiss for lack of jurisdiction and failure to state a claim. On 10 March 2017, the Court issued an order dismissing the entirety of the Sonterra case on the grounds that the plaintiffs lacked antitrust standing. Plaintiffs appealed the dismissal, which was then stayed to accommodate new settlements reached between the plaintiffs and some of the defendants. The briefing on the appeal was completed on 28 January 2019 and oral argument was heard on 5 February 2020. On 1 April 2020, the Second Circuit Court of appeals reversed and remanded the dismissal. In October 2020, the Company filed a renewed motion to dismiss on grounds that were not reached in the original decision to dismiss including but not limited to lack of personal jurisdiction. It is not possible to predict the ultimate outcome of the litigation 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 ICAP Europe Limited 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') was notified by the Attorney General's office in Frankfurt notifying ISL 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 IGBB 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') 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 IGBB 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.

Portigon Ag v. TP ICAP Markets Limited and others
TP ICAP 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. 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 ('TPIML') and The Link Asset and Securities Company Limited ('Link') are defendants in a claim filed in Hamburg by MM Warburg & CO (AG & Co.) KGaA and two other group companies (together 'Warburg') on 31 December 2020, but which only reached TPIML 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 been ordered to pay the German tax authorities EUR 185 million and is subject to a criminal confiscation order of EUR 176.5 million. Warburg's claims, are based on contract, tort and joint and several liability, are for compensation for the amount it has been ordered to pay to the tax authorities, the amount of the criminal confiscation order, further indemnification and interest. TPIML and Link intend to contest liability in the matter and based on legal advice and an assessment of the claim as at 31 December 2021, 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.

36. Contingent liabilities continued

Autorité des Marchés Financiers ('AMF')
In August 2019, Tullett Prebon (Europe) Limited ('TPEL') was notified that the AMF was investigating alleged facilitation of market abuse conduct concerning historical transactions with a client undertaken in 2015 on Eurex. In June 2020, the AMF initiated enforcement proceedings before the Enforcement Committee of the AMF. TPEL responded to the AMF's letter of grievance and an investigation was carried out. The final hearing before the AMF Enforcement Committee was held on 7 July 2021 during which each party was entitled to make representations to the Enforcement Committee. The Enforcement Committee made its decision by majority vote and published its Decision to fine TPEL €5m (£4m) on 7 August 2021. The Group has settled the fine and has appealed the Decision.

ICAP Australia – GFI recruitment raid
TP ICAP and GFI agreed a settlement in relation to this case in December 2021 and no further action is outstanding. During 2017 GFI orchestrated a recruitment raid on ICAP Australia with GFI offering ICAP brokers forward starting contracts that commenced once their ICAP employment agreements could be terminated by notice. ICAP commenced proceedings (the 'ICAP Proceedings') against GFI and two former ICAP employees for interference with contractual relations, misuse of confidential information and breach of employment contracts.

Six brokers who had signed GFI forward contracts decided to remain employed with ICAP Australia. ICAP Australia indemnified these brokers against possible claims brought by GFI for breach of contract for not joining them under the forward contracts. GFI issued proceeding against the 6 brokers and ICAP Australia (the 'GFI Proceedings') claiming breach of contract and interference with contractual relations, claiming liquidated damages of approximately A$11.9m (£6.5m).

General note
The Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of 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.

37. Short-term or low value lease commitments

	2021 £m	2020 £m
Minimum short-term and low value lease payments recognised in the income statement	**1**	1

At 31 December 2021 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021		2020	
	Buildings £m	**Other £m**	Buildings £m	Other £m
Within one year	**–**	**1**	1	–

38. 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	2021 £m	2020 £m
UK Scheme	**–**	–
Overseas schemes – retirement benefit assets	**1**	–
Overseas schemes – retirement benefit obligations	**(1)**	(2)

Other comprehensive income	2021 £m	2020 £m
UK Scheme	**2**	2
Overseas schemes	**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.

The assets of the Scheme are held separately from those of the Group, either in separate Trustee administered funds or in contract-based policies of insurance.

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.

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. The policy is in the name of the Scheme and is a Scheme asset. The purchase of the policy represents a bulk annuity 'buy-in' and has been accounted for in accordance with the requirements of IAS 19 'Employee Benefits'. Under IAS 19, the accounting value of the purchased policy is set to be equal to the value of the liabilities covered, calculated using the current IAS 19 actuarial assumptions for the defined benefit obligation.

The Scheme is exposed to counterparty risk of Rothesay Life as the insurance policy makes up the majority of Scheme assets. However, the Trustees of the Scheme are currently making arrangements for the transfer of the Scheme's liabilities to the insurer to take on direct responsibility for the provision of benefits. If implemented, this would permanently extinguish the Group's obligation to support the Scheme financially.

The amounts included in the balance sheet arising from the Group's obligations in respect of the Scheme are as follows:

	2021 £m	2020 £m
Fair value of Scheme assets	**257**	276
Present value of Scheme liabilities	**(211)**	(227)
Defined benefit scheme surplus – UK	**46**	49
Impact of asset ceiling on UK scheme surplus:		
At 1 January	**(49)**	(52)
Offset against deemed interest income in the Income Statement	**(1)**	(1)
Credit to Other Comprehensive Income (application of asset ceiling – see below)	**4**	4
At 31 December	**(46)**	(49)
Recognised in the Consolidated Balance Sheet after application of the asset ceiling	**–**	–
Application of asset ceiling of defined benefit pension schemes	**4**	4
Remeasurement of the defined benefit pension scheme	**(2)**	(2)
Recognised in Other Comprehensive Income	**2**	2
Deferred tax liability (Note 21)	**–**	–

Financial statements

38. Retirement benefits continued

During 2019 the Trustee commenced proceedings to 'buy-out' the Scheme's liabilities, a process that will enable the Trustee to exchange the Scheme's bulk annuity policy for individual policies issued to, and directly held, by the Scheme's beneficiaries. To proceed with the 'buy-out', the Sponsor and Trustee commenced the wind-up of the Scheme. Prior to this, the Trustee had no right to unilaterally wind-up, or otherwise augment the benefits due to members and based on those limitations the net surplus was recognised in full by the Group. 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 2021 (2020: £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%.

The main financial assumptions used by the independent qualified actuaries of the Scheme to calculate the liabilities under IAS 19 were:

	2021 %	2020 %
Key assumptions		
Discount rate	**1.8%**	1.4%
Expected rate of salary increases	**n/a**	n/a
Rate of increase in LPI pensions in payment[1]	**3.3%**	2.7%
Inflation assumption	**2.7%**	2.4%

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 are 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 (2020: 31.7 years) after retirement if they are male and for a further 33.1 years (2020: 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 valuation of the Scheme liabilities is sensitive to changes in the assumptions used. The effect of changes in the discount rate, inflation and mortality assumptions, assuming an independent change in one assumption with all others held constant, on the liabilities is shown below:

		Scheme assets £m	**Scheme liabilities £m**	**Surplus £m**
As at 31 December 2021		**257**	**(211)**	**46**
Following a 0.25% decrease in the discount rate	Change	**3.9%**	**4.7%**	
	New value	**267**	**(221)**	**46**
Following a 0.25% increase in the inflation assumption	Change	**1.6%**	**1.9%**	
	New value	**261**	**(215)**	**46**
Life expectancy increases by 3 years	Change	**7.4%**	**9.0%**	
	New value	**276**	**(230)**	**46**

The above analysis does not reflect any inter-relationship between the assumptions.

The above changes have been derived by adjusting the actuarial calculation of the Scheme's liabilities at 31 December 2021 to allow for the assumption change. Changes to the risks inherent in the Scheme would result in changes to the Scheme's carrying value. However, as a result of the bulk annuity purchase, the value of the Scheme's insurance asset matches changes in the insured liabilities. The value of Scheme's surplus assets will change as the market value of those investments change.

The amounts recognised in the income statement in respect of the Scheme were as follows:

	2021 £m	2020 £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:

	2021 £m	2020 £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	**(11)**	26
Actuarial gains/(losses) arising from changes in financial assumptions	**11**	(29)
Actuarial (losses)/gains arising from experience adjustments	**(1)**	2
Remeasurement of the defined benefit pension scheme	**(2)**	(2)

Movements in the present value of the Scheme liabilities were as follows:

	2021 £m	2020 £m
At 1 January	**(226)**	(205)
Deemed interest cost	**(4)**	(4)
Past service cost	**–**	–
Actuarial gains/(losses) arising from changes in financial assumptions	**11**	(29)
Actuarial (losses)/gains arising from experience adjustments	**(1)**	2
Benefits paid/transfers out	**9**	10
At 31 December	**(211)**	(226)

Movements in the fair value of the Scheme assets were as follows:

	2021 £m	2020 £m
At 1 January	**275**	257
Deemed interest income	**5**	5
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	**(11)**	26
Benefits paid/transfers out	**(9)**	(10)
Past service and settlements costs	**(1)**	(1)
Scheme's administrative costs	**(1)**	(1)
At 31 December	**257**	275

The major categories and fair values of the Scheme assets as at 31 December were as follows:

	2021 £m	2020 £m
Cash and cash equivalents	**7**	39
Government bonds	**44**	14
Insurance policies	**206**	222
Other receivables	**–**	–
At 31 December	**257**	275

The Scheme does not hedge against foreign currency exposures or interest rate risk.

The Scheme duration is an indicator of the weighted average time until benefit payments are made. For the Scheme as a whole, the duration is around 20 years reflecting the approximate split of the defined benefit liability between current employees (duration of 25 years), deferred members (duration of 23 years) and current pensioners (duration of 13 years).

The estimated amounts of contributions expected to be paid into the Scheme during 2021 is £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 (2020: £19m), of which £10m (2020: £9m) related to overseas schemes.

As at 31 December 2021, there was £1m outstanding in respect of the current reporting year that had not been paid over to the schemes (2020: £1m).

39. 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 2021, which also represent the value of transactions during the year. The total amounts owed to and from related parties at 31 December 2021 are set out below:

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Associates	**5**	5	**–**	–
Joint ventures	**–**	–	**(2)**	(3)
Loans from related parties	**–**	–	**(51)**	(28)

In August 2020, the Group entered into a Yen 10 bn committed facility with the Tokyo Tanshi Co., Ltd, a related party, that matures in February 2024. The loan for related parties is conducted on an arm's length basis. At 31 December 2021, Yen 8 bn (£51m) of the facility was drawn.

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 of interest 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 135 to 145.

	2021 £m	2020 £m
Short-term benefits	**4**	5
Social security costs	**1**	1
	5	6

40. Impact of the change in Accounting policy

As set out in Note 2(f) the Group changed its accounting policy for regular way Matched Principal transactions from trade date accounting to settlement date. As a result, line items in the Group's balance sheets for 31 December 2020 and 1 January 2020 have been restated as follows:

	31 December 2020 (as reported) £m	31 December 2020 (as restated) £m	1 January 2020 (as reported) £m	1 January 2020 (as restated) £m
Trade and other receivables				
Settlement balances	68,487	–	48,295	–
Deposits paid for securities borrowed	–	9	–	13
Financial assets at FVTPL				
Matched Principal financial assets	–	5	–	16
Fair value gains on unsettled Matched Principal transactions	–	378	–	155
Gross assets	68,487	392	48,295	184
Trade and other payables				
Settlement balances	(68,476)	–	(48,275)	–
Financial liabilities at FVTPL				
Matched Principal financial liabilities	–	(3)	–	(9)
Fair value losses on unsettled Matched Principal transactions	–	(378)	–	(155)
Gross liabilities	(68,476)	(381)	(48,275)	(164)
Net assets	11	11	20	20
Notional contract amounts of open unsettled Matched Principal transactions(£m)				
Unsettled Matched Principal transactions	–	136,946	–	96,532

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.

41. Principal subsidiaries

At 31 December 2021, 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 226 to 231.
All subsidiaries are involved in broking or information sales activities and have either a 31 December or 31 March year end.

Country of incorporation and operation	Principal subsidiary undertakings	Issued ordinary shares, all voting
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%
	ICAP Management Services Limited	100%
	TP ICAP Markets Limited	100%
	Tullett Prebon (Europe) Limited	100%
	Tullett Prebon (Securities) 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 Oil Associates Pte. Ltd.	100%
United States	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 2021, £17m (2020: £19m) 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.

42. Events after the balance sheet date

In February 2022 the UK, EU and US imposed sanctions against certain Russian individuals, entities and their subsidiaries. TP ICAP has ceased any trading activity with sanctioned clients.

The proportion of 2021 revenue from Russian clients was approximately 0.5% of the total.

As at 11 March 2022 the value of realised losses on failed settlements with sanctioned Russian clients is £4m. TP ICAP has also recognised potential unrealised losses of £9m in relation to failed settlements and written down trade debtors with sanctioned Russian clients of £1m.

In addition, the Group has outstanding unsettled Matched Principal transactions in Russian financial instruments of a nominal value of around £12m where neither counterparty has been able to settle at this time and where no net loss has been recognised.

TP ICAP Group plc Shareholder Information

Financial calendar

TP ICAP Group plc Preliminary Results – 15 March 2022
Ex-dividend date for final dividend – 7 April 2022
Record date for final dividend – 8 April 2022
Final date for Dividend Reinvestment Plan election – 25 April 2022
Annual General Meeting – Wednesday 11 May 2022 at 2.15pm
Final dividend payment date (if dividend approved at AGM) – 17 May 2022

Dividends

A final dividend of 5.5p per ordinary share will be recommended to shareholders at the 2022 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: enquiries@linkgroup.co.uk
Telephone: 0371 664 0300[1]

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
JE48PX

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 19.02, Level 19, 60 Castlereagh Street, Sydney NSW 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 NSW 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 - Brasil
Tullett Prebon Brasil Corretora de Valores e Câmbio Ltda.	Brazil		Rua São Tomé, 86, 21º andar, Vila Olímpia, São Paulo-SP, CEP 04551-030 - Brasil
Tullett Prebon Holdings Do Brasil Ltda.	Brazil		Rua São Tomé, 86, 21º andar, Vila Olímpia, São Paulo-SP, CEP 04551-030 - Brasil
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 1002, 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
TP ICAP (Europe) S.A., Danish Branch	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
Louis Capital Markets France SA	France		42, rue Washington, 75008 Paris, France

Company name	Country of incorporation	Interest	Registered office address
TP ICAP (Europe) SA	France		89/91 rue de faubourg, Saint Honore, 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		Stephanstrasse 14-16, 60313 Frankfurt am Main, Germany
Tullett Prebon (Securities) Limited, Frankfurt Branch	Operating in Germany		Bleidenstraße 6-10, 60311 Frankfurt am Main, 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
Tullett Prebon Asia Group 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	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		The Exchange, George's Dock, IFSC, Dublin 1 D01 P2V6, 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 4F, 2-17-7 Akasaka Minato-ku, Tokyo 107-0052, Japan
Liquidnet Japan, Inc.	Japan		Akasaka Garden City, 15-1, Akasaka 4-chome, Minato-ku, Tokyo, 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 Securities (Japan) Co., Ltd.	Japan		Akasaka Tameike Tower 4F, 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 4F, 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
M.W. Marshall (Overseas) Limited	Jersey		22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands
Prebon Marshall Yamane (C.I.) Limited	Jersey		22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands
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

Company name	Country of incorporation	Interest	Registered office address
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
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 Energy Limited, 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		Telestone 8 - Teleport, Naritaweg 165, 1043 BW, Amsterdam, Netherlands
TP ICAP (Europe) S.A., Netherlands Branch	Operating in the Netherlands		Vijzelstraat 68, office 109, 1017HL Amsterdam, the Netherlands
Tullett Liberty B.V.	Netherlands		135 Bishopsgate, London, EC2M 3TP, England
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		Storetveitvegen 96, 5072 Bergen, Norway
ICAP Energy Limited, Norway Branch	Operating in Norway		Storetveitvegen 96, 5072 Bergen, Norway
TP ICAP (Europe) S.A., Norway Branch	Operating in Norway		Storetveitvegen 96, 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, RCBC Savings Bank Corporate Centre, 26th and 25th Streets, Bonifacio South, Bonifacio Global City, Taguig City, 1634, Philippines
ICAP Philippines Inc. (In liquidation)	Philippines	99.90%	14th Floor, RCBC Savings Bank Corporate Centre, 26th and 25th Streets, Bonifacio South, Bonifacio Global City, Taguig City, 1634, Philippines
Tullett Prebon (Philippines) Inc.	Philippines	51%	14th Floor, RCBC Savings Bank Corporate Centre, 26th and 25th Streets, Bonifacio South, Bonifacio Global City, 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 Oil Associates Pte. Ltd	Singapore		50 Raffles Place, #41-00, Singapore Land Tower, 048623, Singapore
PVM Oil Futures 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

Company name	Country of incorporation	Interest	Registered office address
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, Chislehurston, Sandton, 2196, South Africa
ICAP Broking Services South Africa (Pty) Ltd	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurston, Sandton, 2196, South Africa
ICAP Holdings South Africa (Pty) Limited	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurston, Sandton, 2196, South Africa
ICAP Securities South Africa (Proprietary) Limited	South Africa	66.30%	19 Impala Road, Block A GF, Chislehurston, Sandton, 2196, South Africa
Tullett Prebon South Africa (Pty) Limited	South Africa		19 Impala Road, Block A GF, Chislehurston, Sandton, 2196, South Africa
Corretaje e Informacion Monetaria y de Divisas SA	Spain	21.47%	Principe de Vergara nº 131, 3º floor, 28002 Madrid, Spain.
ICAP Energy AS, Spain Branch	Operating in Spain		Avenida de la Vega 1, Edificio, Planta 3, Office 15, Madrid, 28108 Alcobendas, Spain
ICAP Energy Limited, Spain Branch	Operating in Spain		Avenida de la Vega 1, Edificio, Planta 3, Office 15, Madrid, 28108 Alcobendas, Spain
TP ICAP (Europe) S.A., Madrid Branch	Operating in Spain		Paseo de la Castellana, edificio Torre Europa Pl 10B, 28046 Madrid, Spain
Tullett Prebon (Europe) Limited, Spanish Branch	Operating in Spain		Torre Europa, Paseo de la Castellana 95, planta 10, 28046 Madrid, Spain
ICAP Energy Suisse S.A.	Switzerland		Lavaterstrasse 40, c/o Pannell Ker Forster AG, 8002 Zurich, Switzerland
Cosmorex AG	Switzerland		Zürcherstrasse 66, 8800 Thalwil, Switzerland
Tullett Prebon (Securities) Limited, Geneva Branch	Operating in Switzerland		route de Pré-Bois 29, World Trade Center II, 1215 Genève 15 cases, 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
Automated Confirmation Service Limited	UK	75.75%	30 Finsbury Square, London, EC2A 1AG
ClearCompress Limited	UK		10 Fleet Place, London, EC4M 7QS
Cleverpride Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Coex Partners Limited	UK		10 Fleet Place, London, EC4M 7QS
Emsurge Limited	UK	20%	1 Garrick Close, Hersham, Walton-On-Thames, United Kingdom, KT12 5NY
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 Corporates LLC, UK Branch	Operating in UK		135 Bishopsgate, London, EC2M 3TP, England

Company name	Country of incorporation	Interest	Registered office address
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
LCM Europe Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
LCM Trading LLP	UK	81.07%	135 Bishopsgate, London, EC2M 3TP, England
LiquidityChain Limited	UK	85%	10 Fleet Place, London, EC4M 7QS
Liquidnet Europe Ltd	UK		24th Floor, Broadgate Tower, 20 Primrose Street, London, EC2M 3UG
Liquidnet Technologies Europe Ltd	UK		24th Floor, Broadgate Tower, 20 Primrose Street, London, EC2M 3UG
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		24th Floor, Broadgate Tower, 20 Primrose Street, London, EC2M 3UG
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, England, HP1 1SR
Research Exchange Limited	UK		24th Floor, Broadgate Tower, 20 Primrose Street, London, EC2M 3UG
Research Supply Co. Limited	UK		24th Floor, Broadgate Tower, 20 Primrose Street, London, EC2M 3UG
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 EMEA Investments Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Finance plc*	UK		135 Bishopsgate, London, EC2M 3TP, England
TP ICAP Group Services Limited	UK		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 (Securities) Limited	UK		135 Bishopsgate, London, EC2M 3TP, England
Tullett Prebon (UK) Limited.	UK		135 Bishopsgate, London, EC2M 3TP, England

Company name	Country of incorporation	Interest	Registered office address
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 Information 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		Two Greenway Plaza, Suite 600, Houston, Texas 77046, 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 Corporates LLC	US		251 Little Falls Drive, Wilmington, Delaware, 19808, 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
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		Two Greenway Plaza, Suite 600, Houston, Texas 77046, 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
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
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 management and the Board consider are useful to enhance the understanding of its performance and allow meaningful comparisons between periods, Regions and Business Segments. The APMs reported are monitored consistently by the Group to manage performance on a monthly basis.

APMs are defined below. Complementary definition, commentary, and outlook of those APMs considered important in measuring the delivery of the Group's strategic priorities 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
Broking contribution	Represents total broking revenues less total front office costs of the Global Broking, Energy & Commodities and Agency Execution divisions (excluding Liquidnet), inclusive of the revenue internally generated to the Parameta Solutions business.
Broking contribution margin	Broking contribution margin is Broking contribution expressed as a percentage of reported revenue and is calculated by dividing Broking contribution by reported Broking revenue
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
Diversified revenue	Sum of Energy & Commodities, Agency Execution and Parameta Solutions 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. Constant Currency – Revenue by segment

	2021 £m	2020 Reported (restated)[1] £m	2020 Constant Currency £m	Reported change	Constant Currency Change
Revenue by Division					
> Rates	**429**	488	474	-12%	-9%
> Credit	**82**	90	86	-9%	-5%
> FX & Money Markets	**170**	186	180	-9%	-6%
> Emerging Markets	**179**	183	176	-2%	+2%
> Equities	**226**	201	192	+12%	+18%
> Inter-division revenues[1]	**19**	20	20	-5%	-5%
Total Global Broking	**1,105**	1,168	1,128	-5%	-2%
Energy & Commodities	**367**	388	372	-5%	-1%
> Inter-division revenues[1]	**3**	3	3	0%	0%
Total Energy & Commodities	**370**	391	375	-5%	-1%
Agency execution (excluding Liquidnet)	**87**	91	88	-4%	-1%
Liquidnet	**159**	–	–	n/a	n/a
Agency Execution	**246**	91	88	+170%	+180%
Data & Analytics	**149**	145	136	+3%	+10%
Post Trade Solutions	**17**	22	22	-23%	-23%
Parameta Solutions	**166**	167	158	-1%	+5%
Inter-division eliminations[1]	**(22)**	(23)	(23)	-4%	-4%
Reported Revenues	**1,865**	1,794	1,726	+4%	+8%
Revenue by Region					
EMEA	**872**	890	874	-2%	0%
Americas	**605**	668	626	-9%	-3%
Asia Pacific	**229**	236	226	-3%	+1%
Liquidnet	**159**	–	–	n/a	n/a
Reported Revenues	**1,865**	1,794	1,726	+4%	+8%

1 Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Data & Analytics division. The prior year Period has been restated in line with the new-presentation format. The Global Broking inter-division revenues and Data & Analytics inter-division costs are eliminated upon the consolidation of the Group's financial result and restated 2020 Segmental Revenues.

A2. Operating costs by type

2021	IFRS Reported £m	Significant Items £m	Adjusted £m	Allocated as Front Office £m	Allocated as Support £m
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 intangibles assets	**82**	**(52)**	**30**	**–**	**30**
Impairment of other assets	**–**	**–**	**–**	**–**	**–**
	1,778	**(136)**	**1,642**	**1,163**	**479**

2020	IFRS Reported £m	Significant Items £m	Adjusted £m	Allocated as Front Office £m	Allocated as Support £m
Employment costs	1,153	(6)	1,147	923	224
General and administrative expenses	360	(27)	333	191	142
	1,513	(33)	1,480	1,114	366
Depreciation and impairment of PPE and ROUA	37	(1)	36	–	36
Amortisation and impairment of intangibles assets	59	(39)	20	–	20
Impairment of other assets	23	(23)	–	–	–
	1,632	(96)	1,536	1,114	422

A3. Constant Currency – Adjusted operating expenses

	2021 £m	2020 Reported (restated) £m	2020 Constant Currency £m	Reported change	Constant Currency Change
Operating expenses					
> Broking	**1,012**	1,056	1,018	-4%	-1%
> Liquidnet	**91**	–	–	n/a	n/a
> Parameta Solutions	**60**	58	55	+3%	+9%
Total front office costs	**1,163**	1,114	1,073	+4%	+8%
> Other staff costs	**226**	224	217	+1%	+4%
> Technology and related costs	**79**	69	68	+14%	+16%
> Premises and related costs	**28**	27	27	+4%	+4%
> Depreciation and amortisation	**82**	56	56	+46%	+46%
> Foreign exchange losses	**11**	–	–	n/a	n/a
> Other administrative costs	**53**	46	44	+15%	+20%
Total management and support costs	**479**	422	412	+14%	+16%
Adjusted operating costs	**1,642**	1,536	1,485	+7%	+11%

A4. Adjusted earnings per share

The earnings used in the calculation of adjusted earnings per share are set out below:

	2021 £m	2020 £m
Adjusted profit for the year (Note 4)	**151**	184
Non-controlling interest	**(3)**	(1)
Adjusted earnings	**148**	183
Weighed average number of shares for Basic EPS (Note 11)	**759.3**	625.0
Adjusted Basic EPS	**19.5p**	29.3p
Weighted average number of shares for Diluted EPS (Note 11)	**768.2**	632.7
Adjusted Diluted EPS	**19.3p**	28.9p

A5. Adjusted EBITDA and Contribution

	2021 £m	2020 £m
Adjusted EBIT (Note 4)	**233**	272
Add: Depreciation of PPE and ROUA (Note 5 and A2 above)	**52**	36
Add: Amortisation of intangibles (Note 5 and A2 above)	**30**	20
Adjusted EBITDA	**315**	328
Less: Operating income (Note 6)	**(10)**	(16)
Add: Operating income reported as significant items (Note 4)	**–**	2
Add: Management and support costs (A2)	**397**	366
Contribution	**702**	680

Glossary

AGM
Annual General Meeting

AMF
Autorité des marchés financiers

APAC
Asia Pacific

API
Application Programme Interface

BEIS
UK Government Department for Business, Energy & Industrial Strategy

Board
The Board of Directors of TP ICAP Group plc

BRC
TP ICAP Group plc Board Risk Committee

CAGR
Compound Annual Growth Rate

CAPEX
Capital expenditure

CCP
Central counterparty clearing house

CGU
Cash-Generating Unit

CLOB
Central Limit Order Books

Code
The UK Corporate Governance Code 2018

COEX
Coex Partners Limited and its subsidiaries

Company
TP ICAP Group plc

COO
Chief Operating Officer

CRD IV
Capital Requirements Directive

CREST
Certificateless Registry for Electronic Share Transfer

Deloitte
Deloitte LLP

DRIP
Dividend Reinvestment Plan

EBITDA
Earnings before interest, tax, depreciation and amortisation

EMEA
Europe, Middle East and Africa

EPS
Earnings per Share

ERMF
Enterprise Risk Management Framework

ESG
Environmental, Social, and Governance

EU
European Union

FCA
Financial Conduct Authority

FRC
Financial Reporting Council

FX
Foreign Exchange

Governance Manual
TP ICAP's Group Governance Manual

GRCGC
Group Risk, Conduct, and Governance Committee

Group
From 26 February 2021 TP ICAP Group plc and its subsidiaries

HMRC
Her Majesty's Revenue & Customs

HR
Human Resources

IAS
International Accounting Standards

ICAP
ICAP Global Broking and Information Business, acquired by TP ICAP plc on 30 December 2016

IFR/IFD
Investment Firm Regulation and Investment Firm Directive

IFPR
Investment Firms Prudential Regime

IFRS
International Financial Reporting Standard

IRS
Internal Revenue Service

ISDA
International Swaps and Derivatives Association

Jersey
Jersey, Channel Islands

JFSC
Jersey Financial Services Commission

KPI
Key Performance Indicator

Liquidnet
Liquidnet Holdings, Inc and subsidiaries

LCM
Louis Capital Markets UK LLP

LIBOR
London Inter-Bank Offered Rate

LTIP
Long-Term Incentive Plan

LTIS
Long-Term Incentive Scheme

MiFID II
Markets in Financial Instruments Directive

OPEX
Operating expenditure

OTC
Over the Counter

Pillar 1
Minimum capital requirements under CRD IV

Pillar 2
Supervisory review requirements under CRD IV

Pillar 3
Disclosure requirements under CRD IV

PVM
PVM Oil Associates Ltd and its subsidiaries

RCF
Revolving Credit Facility

RFQ
Request for Quotes

RoE
Return on Equity

SEF
Swap Execution Facility

TRACE
Trade Reporting And Compliance Engine

TSR
Total Shareholder Return

UK
United Kingdom

US/USA
United States of America

USD/US$
US Dollars

US GAAP
US Generally Accepted Accounting Principles

VAT
Value Added Tax

VIU
Value in use

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TP ICAP Group plc

Registered office
22 Grenville Street
St Helier
Jersey
JE48PX

UK and EMEA Headquarters
135 Bishopsgate
London
EC2M 3TP
United Kingdom

www.tpicap.com