PILLAR 3 DISCLOSURES
31 DECEMBER 2023

RATHBONES GROUP PLC

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Definitions	
Rathbones	the trading name for the group of companies owned by Rathbones Group Plc
board	the board of directors of Rathbones Group Plc
executive directors	directors on the group executive committee
FUMA	funds under management and administration
RIM	Rathbones Investment Management Limited
RIMI	Rathbones Investment Management International Limited
IW&I	Investec Wealth & Investment Limited
S&J	Speirs & Jeffrey Limited
SHL	Saunderson House Limited
RAM	Rathbones Asset Management Limited
investment management business	services provided by Rathbones Investment Management Limited ('RIM') and Rathbones Investment Management International Limited ('RIMI')
the group	Rathbones Group Plc and all its subsidiaries
regulator	Prudential Regulation Authority ('PRA') or Financial Conduct Authority ('FCA') or European Banking Authority ('EBA'), as appropriate
trading book	positions in financial instruments and commodities held either with trading intent or to hedge such positions
trust and taxation business	services provided by Rathbones Legal Services Limited and Rathbones Trust Company Limited
CRR or CRD	Capital Requirements Regulation and Capital Requirement Directive as amended and implemented into UK legislation

Notes:

- The quantitative tables in the following pages may sometimes show minor differences due to the use of concealed decimals. These differences, however, do not in any way affect the true and fair view of this document. Similarly, the value zero '0.0' in the following tables indicates the presence of a number after the decimal, while ' – ' represents the value nil.
- The figures shown in the quantitative tables are presented in GBP million unless another measure is specified.
- Throughout this report, references are made to the annual financial statements, which are available in the investor relations section of the Rathbones website https://www.rathbones.com/investor-relations/results-and-presentations.

On 21 September 2023, following regulatory approval, Rathbones Group plc completed its planned combination with Investec Wealth & Investment UK ('IW&I'). Throughout this report figures stated as at 31 December 2023 include IW&I, unless otherwise indicated. Any comparative numbers as at 30 June 2023 or 31 December 2022 do not include the effects of the combination with IW&I, being prior to the completion of the combination.

PRESCRIBED TEMPLATES WITHIN THE DISCLOSURE PART OF THE PRA RULEBOOK

Where the Disclosure Part of the PRA Rulebook details template disclosures which are relevant to our business these have been included. We have excluded any that are not relevant to our business model or which contain data considered not material. Appendix 1 includes a full listing of excluded templates and narrative as to reasons for their exclusion.

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1 / EXECUTIVE SUMMARY

1.1 KEY HIGHLIGHTS

A summary of the Rathbones group's key ratios (including IW&I as at 31 December 2023) is shown in the UK KM1 – Key metrics template below (£m).

		a	c	e
		31 December 2023	30 June 2023	31 December 2022
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	**431.4**	277.8	298.7
2	Tier 1 capital	**431.4**	277.8	298.7
3	Total capital	**471.4**	317.8	338.7
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	**2,425.6**	1,575.7	1,666.8
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	**17.79%**	17.63%	17.92%
6	Tier 1 ratio (%)	**17.79%**	17.63%	17.92%
7	Total capital ratio (%)	**19.43%**	20.17%	20.32%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount) (Note 1)				
UK 7d	Total SREP own funds requirements (%)	**9.62%**	10.76%	10.19%
Combined buffer requirement (as a percentage of risk-weighted exposure amount) (Note 1)				
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	**1.77%**	0.93%	0.81%
11	Combined buffer requirement (%)	**4.27%**	3.43%	3.31%
UK 11a	Overall capital requirements (%)	**13.89%**	14.19%	13.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	**8.16%**	6.87%	7.73%
Leverage ratio (Note 2)				
13	Total exposure measure excluding claims on central banks	**2,307.0**	2,124.8	1,694.3
14	Leverage ratio excluding claims on central banks (%)	**18.70%**	13.07%	17.63%
Liquidity Coverage Ratio (Note 3)				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	**1,305.7**	1,509.0	1,599.4
UK 16a	Cash outflows – Total weighted value	**638.8**	648.2	578.8
UK 16b	Cash inflows – Total weighted value	**332.1**	286.2	238.0
16	Total net cash outflows (adjusted value)	**306.7**	362.0	340.9
17	Liquidity coverage ratio (%)	**432.71%**	423.51%	482.19%
Net Stable Funding Ratio (Note 4)				
18	Total available stable funding	**3,016.1**	2,783.0	2,818.7
19	Total required stable funding	**1,438.8**	1,020.8	1,046.1
20	NSFR ratio (%)	**222.31%**	272.63%	269.96%

Note 1: The group is not subject to Additional CET1, AT1 or T2 SREP requirements, has not been requested to hold conservation buffer amounts due to macro-prudential or systemic risk identified at the level of a Member State and is not an LREQ/G-SII/O-SII entity. Therefore, rows UK7a-c, UK8a, UK 9a, 10, UK 10a and UK14a-14e have been removed.
Note 2: With effect from January 2022 items 13 and 14 exclude claims on central banks.
Note 3: Items 15-17 reflect the average of the month end figures (calculated in line with regulatory requirements) of the preceding 12 months.
Note 4: Items 18-20 reflect the average of the quarter end figures of the preceding 4 quarters. Following a review of methodology, comparatives for 31 December 2022 have been restated from 269.45%

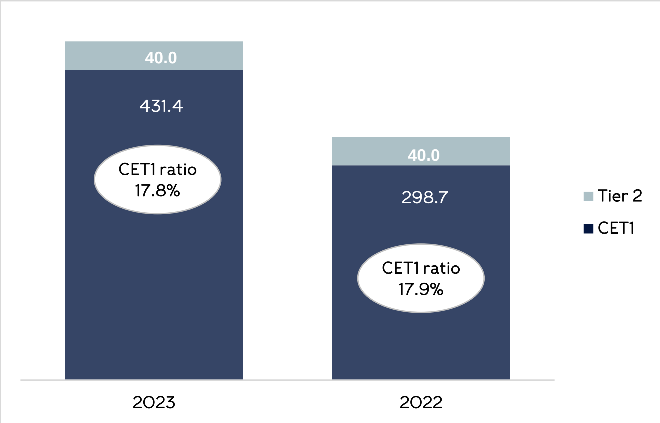
Note: values as at 31 December 2023 include IW&I. Comparatives as at 30 June 2023 and 31 December 2022 do not include the effects of the IW&I combination, being prior to the combination. See detail on the following pages for additional clarification on period-on-period changes.

1.1 KEY HIGHLIGHTS (CONTINUED)

On 21 September 2023, following regulatory approval, Rathbones Group Plc completed its planned combination with Investec Wealth & Investment UK ('IW&I'). Throughout this report, 2023 figures stated include IW&I unless otherwise indicated.

At 31 December 2023, the group's regulatory own funds (including verified profits for the year) were £471.4 million (2022: £338.7 million). The increase in the year of £132.7 million was the result of the issue of new share capital to fund the group's acquisition of IW&I. The effect on own funds of the new shares issued, which resulted in a £2.2 million increase in share capital and a £747.4 million increase in the merger reserve (net of £2.2 million of share issue costs) (see table 19 on page 45 of the annual report & accounts) was partly offset by the £585.1 million increase in goodwill and intangible assets resulting from the acquisition.

GROUP CAPITAL (£M)

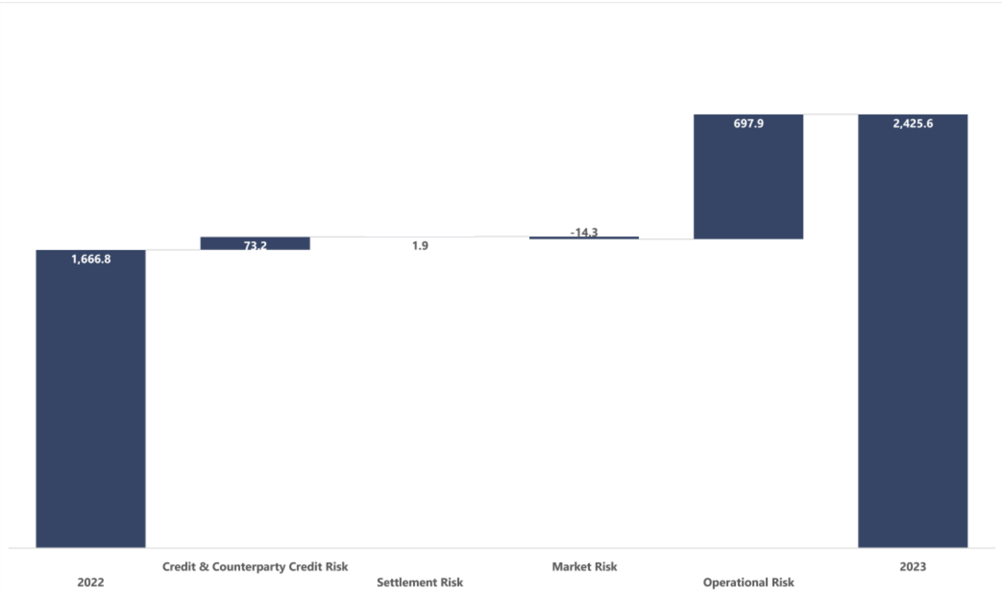


The CET1 ratio was 17.8%, broadly in line with the 17.9% reported at the previous year-end. This increase in the Pillar 1 requirement as a consequence of the enlarged group, was countered by the increased capital resources.

The leverage ratio was 18.7% at 31 December 2023, up from 17.6% at 31 December 2022. The leverage ratio represents our Tier 1 capital (own funds) as a percentage of the group's total assets (exposure measure), excluding central bank exposure, intangible assets, plus certain off-balance sheet exposures. Whilst total assets and tier one capital increased in the year due to the IW&I combination, assets excluded from the exposure measure (central bank exposure and regulatory deductions) represented a lower proportion of the balance sheet. This resulted in an uplift to the leverage ratio.

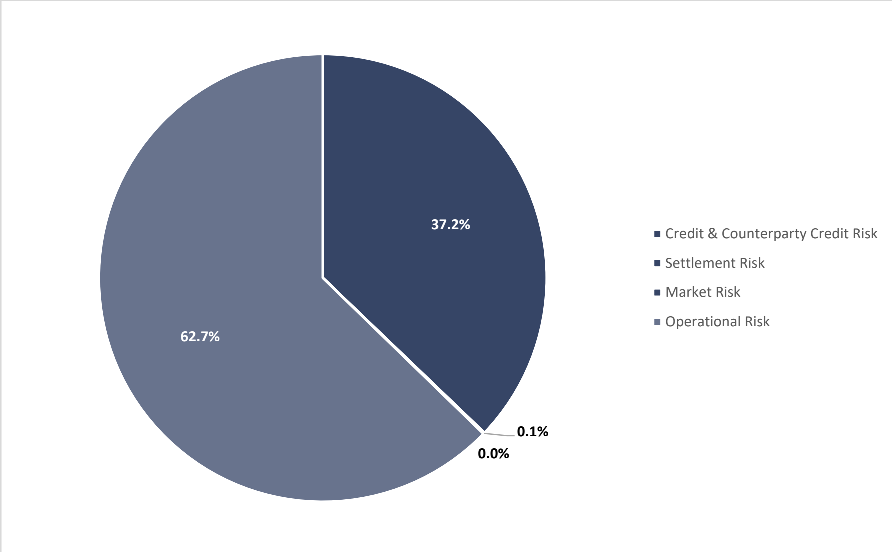
Group risk weighted exposure amount at 31 December 2023 was £2,425.6m compared to £1,666.8m in the prior year. The increase in credit risk was due to a revised allocation of the group's treasury assets, and the inclusion of IW&I exposures.

RISK-WEIGHTED EXPOSURE AMOUNT (£M)



RISK-WEIGHTED EXPOSURE AMOUNT BY RISK TYPE

Operational and credit risk together make up almost 100% of our group risk-weighted exposure amount as shown below for 31 December 2023:



Our approach to risk management is fundamental to supporting the delivery of our strategic objectives. Our risk governance and risk processes are designed to enable the firm to manage risk effectively in accordance with our risk appetite and to support the long-term future of the firm.

1.2 BACKGROUND AND APPROACH

The Basel framework is structured around 3 pillars: Pillar 1 minimum capital requirements, Pillar 2 the supervisory review process and Pillar 3 market discipline. This Pillar 3 document provides key information on our risk management and control process, remuneration and capital position. It contains qualitative and quantitative information as required under capital requirements regulation and in line with the PRA Rulebook.

Where disclosures have been enhanced, or are new, we do not generally restate or provide comparatives. Where certain rows or columns within prescribed templates are not applicable or not material to us, we omit them. Where Pillar 3 requirements are met by inclusion in other publicly available material such as the group annual report and accounts, we reference the relevant pages of these. Pillar 3 disclosures are made for the consolidated group.

We hold capital to protect against the risks of unexpected shocks. As required under PRA rules, we perform an Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP') annually, which include performing a range of stress tests to determine the appropriate level of regulatory capital and liquidity that we need to hold. In addition, we monitor a wide range of capital and liquidity statistics on a daily, monthly or less frequent basis as required. Surplus capital levels are forecast on a monthly basis, taking account of proposed dividends and investment requirements, to ensure that appropriate buffers are maintained. Investment of proprietary funds is controlled by our treasury department.

1.3 REGULATORY DEVELOPMENTS

In November 2022, the PRA published a consultation on the implementation of Basel III Reforms ('Basel 3.1') in the UK. While the PRA's proposals were generally consistent with Basel's final rules, there were some limited adjustments to the final rules. It also proposed to remove certain EU concessions under the current framework, such as the small and medium-sized enterprise ('SME') and infrastructure supporting factors, in addition to amending the scope of the EU's exemptions from the credit valuation adjustment ('CVA') charges. In the consultation, the PRA set out its intention to implement the package on 1 January 2025, however, in September 2023, the PRA confirmed that it intended to move the final implementation date by six months to 1 July 2025. To ensure full implementation occurs by 1 January 2030, the PRA also confirmed that it will reduce the output floor transitional period from five to four-and-a-half years.

Near-final rules in relation to the market risk, credit valuation adjustments, counterparty risk and operational risk elements of the Basel 3.1 package were published by the PRA in December 2023, together with information on the planned review of the Pillar 2 framework.

Near final rules on the remaining parts of the Basel 3.1 package, namely credit risk, the output floor and reporting and disclosure, are expected to be published by the PRA in the second quarter of 2024.

2023 also saw the publication of policy statements on the implementation by the PRA of the 'Strong and Simple Framework' in relation to scope criteria, liquidity & disclosure requirements as well as enhancing proportionality for small firms in relation to remuneration, as an alternative to full implementation of Basel 3.1.

1.4 BASIS OF PREPARATION

The group is subject to consolidated supervision by the PRA. Rathbones Group Plc is the parent company of the group and is required to produce consolidated returns to assess its regulatory own funds, own funds requirements and liquidity management. These are prepared on the same consolidation basis as the statutory financial statements produced for its annual report & accounts. As all entities falling within the scope of CRR consolidation are included, there is no aggregate amount by which the actual own funds in subsidiaries are less than that required. There is no current or expected material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities between the parent undertaking and its subsidiaries.

The Pillar 3 document has been prepared in line with the PRA Rulebook. Under these requirements, in 2021 the group was classified under Article 433b of the PRA Rulebook Disclosure Part as small and non-complex. In 2022 it was classified as an 'Other Institution' and therefore the level of disclosure increased significantly. Although in 2023 we once again meet the criteria for small & non-complex disclosures, we have maintained the prior year disclosure levels in order to maintain consistency, comparability and clarity of disclosures. Notwithstanding this, several of the prescribed templates are not applicable to our business model and have therefore been excluded. A full list of all excluded templates, and reasons for their exclusion, can be found in appendix 1.

Disclosures are made on a consolidated group level, as we have no large subsidiaries meeting the requirements for individual disclosure under the definition within CRR Article 4(146).

1.5 GROUP STRUCTURE

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners. The group is organised into two main areas of operation: Wealth Management and Asset Management.

1.6 FREQUENCY

Pillar 3 disclosures are made on an annual basis, with the key metrics referred to in CRR article 447 disclosed on a semi-annual basis.

1.7 LOCATION

The report is published in the investor relations section of the Rathbones website www.rathbones.com/investor-relations/results-and-presentations and can also be available on request by writing to Iain Hooley, Group Chief Financial Officer, Rathbones Group Plc, 8 Finsbury Circus, London EC2M 7AZ.

1.8 REFERENCE TO ANNUAL REPORT AND ACCOUNTS.

The document is to be read in conjunction with the annual report and accounts with reference to:

Section	Pages	Areas covered
Financial position	44	
Liquidity and cash flow	48	
Responsible business review	58	Diversity policy, climate-related financial disclosure
Risk management and control	77	Identification of risks, risk assessment process, profile and mitigation of principal risks, key changes to risk profile, emerging risks and threats, principal risks
Corporate governance:	89	
Nomination committee report	99	Board external directorships, diversity in board membership, board recruitment and development
Audit committee report	102	Committee roles and responsibilities, committee meetings, committee effectiveness, talent and succession planning
Group risk committee report	107	
Remuneration committee and annual report	110	
Consolidated financial statements	151	

1.9 ESG DISCLOSURES

The group complies with the PRA's requirements concerning managing the financial risks from climate change.

Whilst we are not in scope of the EBA disclosures, our website sets out the following disclosures:

Section	Areas covered
Reports and disclosures | Rathbones	Responsible investment report Responsible business report Task force on climate-related financial disclosures report
Results, disclosures and presentations | Rathbones	Annual report and accounts Interim report

1.10 VERIFICATION

Disclosures are unaudited but have been verified internally through review by the three lines of defence including first line review by the head of prudential regulation and second line review by the head of prudential risk, ahead of review and challenge by the group risk committee and board. They will only be subject to external verification to the extent they are equivalent to those made in published financial information prepared in accordance with International Accounting Standards. These disclosures explain how the board has calculated certain capital requirements and information about risk management generally. They do not constitute financial statements and should not be relied upon in making judgements about Rathbones or for any other purpose other than that for which they are intended.

"I ATTEST TO THE BEST OF MY KNOWLEDGE THAT RATHBONES GROUP PLC PILLAR 3 DISCLOSURES ARE APPROPRIATE AND HAVE BEEN PREPARED IN ACCORDANCE WITH OUR INTERNAL PROCESS, CONTROL STANDARDS AND POLICIES TO COMPLY WITH DISCLOSURE REQUIREMENTS"

Iain Hooley
Group Chief Financial Officer

2 / CORPORATE GOVERNANCE AND REGULATION

2.1 CORPORATE GOVERNANCE

The group board meets at least six times a year with one meeting devoted entirely to strategy. In months where no formal board meeting is scheduled an informal meeting of the non-executive directors, the chairman and group chief executive is ordinarily held.

The board's primary role is to provide effective leadership and direction for the firm as a whole, and to ensure that the firm is appropriately managed, delivers long-term shareholder value and contributes to wider society. It establishes the firm's purpose and strategic objectives, and on an ongoing basis monitors management's performance against those objectives.

The board receives regular reports from the chair of the group risk committee and chief risk officer on the key risks facing the firm that impact on operational and financial objectives. This assessment is completed together with assurance that the level of risk retained is consistent with and is being managed in accordance with the board's risk appetite. These reports include current and forward-looking assessments of capital and liquidity adequacy and a summary 'risk dashboard' is presented. Also, during the year the board reviewed and approved the operational risk assessment process for the 2023 ICAAP document, which includes a capital assessment of financial, conduct and operational risks. The board assesses the effectiveness of the firm's internal controls on an annual basis and a report is provided for consideration. The report is considered one element of the overall assurance processes, and the board also considers other sources, which include reports emanating from first line of defence and second line of defence assurance teams, including group compliance, anti-money laundering ('AML'), as well as investment risk and information security.

A risk-based approach drives internal audit coverage, and, over the course of the year, review work by the function covers all material controls across the firm including compliance, operations and finance. The observations arising from this work form the basis for the annual internal audit opinion.

2.2 ADDITIONAL INFORMATION

The corporate governance section from page 91 of the annual report and accounts includes details on composition of the board, external directorships, board diversity, board induction, development and recruitment and reporting to the board. These are not repeated here.

2.3 REGULATION

RUTM, IW&I, SHL and Vision are regulated by the FCA. RIM is regulated jointly by the PRA and the FCA and the group is subject to consolidated supervision by the PRA. Rathbones Legal Services Limited is regulated by the Solicitors Regulation Authority and, together with RTC, they are subject to HMRC regulations for money laundering purposes. RIMI is subject to regulation by the Jersey Financial Services Commission, and IW&I CI is subject to regulation by the Guernsey Financial Services Commission.

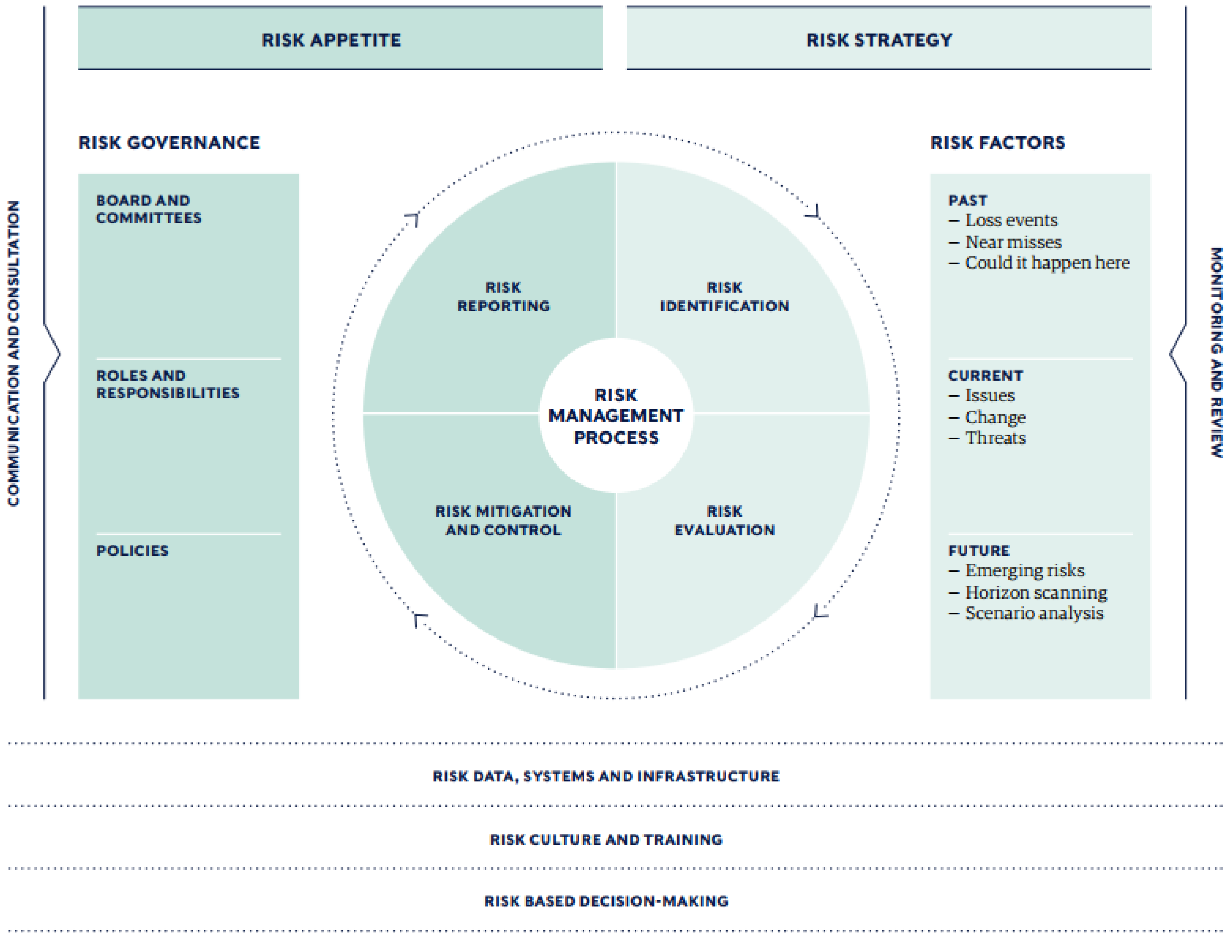
3 / RISK MANAGEMENT OBJECTIVES AND POLICIES

For further information on our risk management and control framework please refer to the 2023 annual report and accounts page 77. These are not repeated here but relevant extracts have been included.

3.1 MANAGING RISK

The board has overall responsibility for risk management across the group, regularly assessing the most significant risks and emerging threats to the group's strategy. The board delegates oversight of risk management activities to the group risk and audit committees.

Our risk governance and risk management framework supports the chief executive and executive committee members with their day-to-day responsibility for managing risk



3.2 RISK CULTURE

The risk culture embedded across the group enhances the effectiveness of risk management and decision-making. The board promotes a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the group.

Risk management is an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

GOVERNANCE

BOARD	AUDIT COMMITTEE	GROUP RISK COMMITTEE	EXECUTIVE COMMITTEE EXECUTIVE RISK COMMITTEE BANKING COMMITTEE
Sets strategy and risk appetite across the group, and is ultimately accountable for risk management.	Monitors and reviews the effectiveness of internal controls with oversight of the internal audit function in line with the group's risk profile on behalf of the board. It also oversees the appointment and relationship with the external auditor.	Oversees effectiveness of the risk management framework and activity across the group. Advises the board on risk appetite, risk assessment, risk profile and risk culture.	First line committees with responsibility for management of risk and internal control across the group.

3.3 RISK APPETITE, RISK IDENTIFICATION AND RISK ASSESSMENT

The board approves the firm's risk appetite statement and framework at least annually to ensure it remains consistent with our strategic objectives and prudential responsibilities.

Specific risk appetite statements are set, and measures established for, each principal risk. The risk appetite framework supports strategic decision-making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the executive committee, group risk committee and the board.

Given the current economic outlook and the evolving regulatory landscape within the sector, the board remains committed to having a relatively low overall appetite for risk in line with our strategy. The board recognises our performance is susceptible to fluctuations in investment markets and has the potential to bear losses from financial and non-financial risks from time to time, either as reductions in income or increases in operating costs.

Risk appetite measures and thresholds have been approved by the board for 2024, taking into account the combination between Rathbones and IW&I. This year's measures reflect the scale of the enlarged group but, other than this, there have been no other material changes to our appetite for risk. As the business models integrate, our position against these measures will be closely monitored and exceptions reported as required.

3.4 THREE LINES OF DEFENCE

We operate a three lines of defence model to support risk governance and risk management across the group:

BUSINESS AREAS AND LINES OF DEFENCE

1 FIRST LINE OF DEFENCE	2 SECOND LINE OF DEFENCE	3 THIRD LINE OF DEFENCE
Senior management Business operations and control functions	Risk, compliance and anti-money laundering functions	Internal audit
RESPONSIBILITY Responsible for managing risk in line with risk appetite by developing and maintaining an effective system of internal control.	**RESPONSIBILITY** Responsible for the risk management framework and the independent oversight and challenge of first line risk management activity.	**RESPONSIBILITY** Responsible for providing independent assurance to senior management on the effectiveness of governance, risk management and internal control.

3.5 RISK MANAGEMENT PROCESS

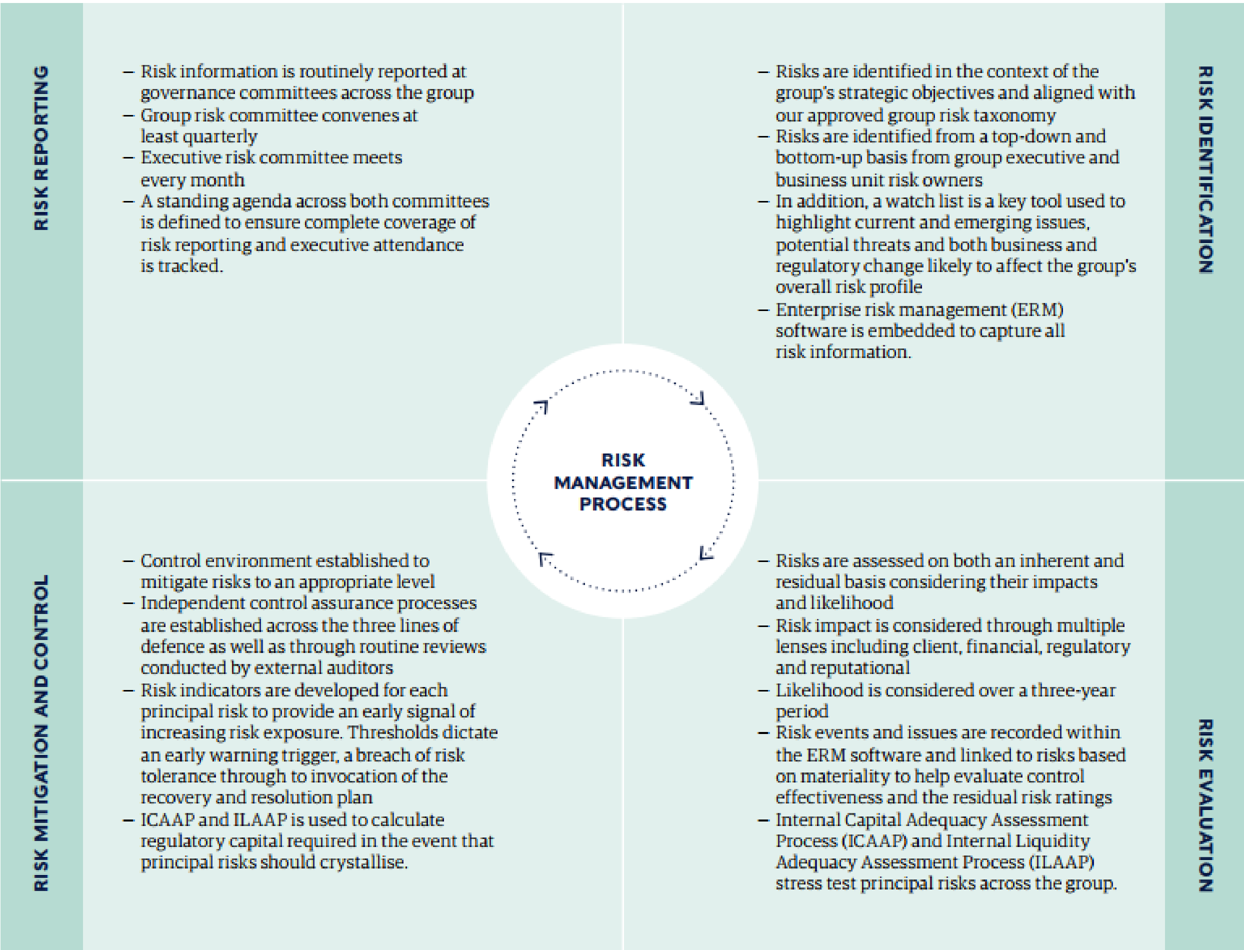
Our risk management process is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The board, executive and senior management are actively involved in this process.

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and/or insurance mitigation.

We maintain a watch list to identify and evaluate current issues and emerging risks as a result of business development or changes in the regulatory landscape, as well as threats and issues in the wider external environment. This helps inform the view of the firm's current and longer-term risk profile and influences management's decisions and actions.

Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

The group's risk profile, risk register, watch list and stress tests are regularly reviewed and challenged by the executive, senior management, group risk committee and the board.



4 / OWN FUNDS, CAPITAL ADEQUACY & TOTAL FUNDS REQUIREMENT

4.1 OWN FUNDS

A summary of the group's own funds is shown in the following table (£m):

	31 Dec 2023	31 Dec 2022
Share capital and share premium	**317.7**	313.1
Retained earnings	**263.7**	297.2
Other Tier 1 reserves	**824.4**	77.0
Deductions:		
– own shares	**(55.6)**	(52.5)
– intangible assets	**(911.8)**	(326.7)
– retirement benefit asset	**(7.0)**	(9.4)
Common Equity Tier 1 capital after deductions	**431.4**	**298.7**
Tier 2 subordinated loan notes	**40.0**	40.0
Own funds	**471.4**	**338.7**

This should be read in conjunction with the own funds section from page 44 of the 2023 annual report and accounts.

Templates UK CC1 and UK CC2 showing composition, and reconciliation, of regulatory own funds at 31 December 2023 are included in appendix 4.

4.1.1 TIER 1 CAPITAL

Our common equity tier 1 capital comprises:

- ordinary share capital and its associated share premium
- retained earnings, including audited reserves for the year
- other reserves, comprising merger reserves
- deductions comprising intangible assets (representing goodwill on consolidation, software costs and acquired client relationships to the extent not amortised, net of associated deferred tax), defined benefit pension scheme asset and treasury shares.

Terms and conditions related to the Rathbones Group Plc ordinary shares are included in note 30 to the 2023 annual report and accounts. Template UK CCA is included in appendix 3.

No innovative tier 1 capital was held at, or in the financial years ending, 31 December 2023 and 2022.

4.1.2 TIER 2 CAPITAL

Rathbones Group Plc Tier 2 capital comprises qualifying subordinated loan notes. More details, including terms and conditions, are provided in note 28 of the 2023 annual report and accounts. Template UK CCA is included in appendix 3.

4.1.3 RECONCILIATION OF OWN FUNDS ITEMS TO AUDITED FINANCIAL STATEMENTS

A reconciliation of the group's 2023 audited financial statements to regulatory own funds is shown in the following table (£m):

	Financial statements	Reclassification of deferred tax	Adjustments	Regulatory own funds
Share capital & share premium	317.7	–	–	317.7
Merger reserve	824.4	–	–	824.4
Own shares	(55.6)	–	–	(55.6)
Retained earnings	263.7	–	–	263.7
Intangible assets [1]	(1,025.3)	113.5	–	(911.8)
Defined benefit pension scheme asset	(7.0)	–	–	(7.0)
Prudent valuation adjustment	0.0	–	–	0.0
Subordinated loan notes [2]	39.9	–	0.1	40.0
Total regulatory own funds	**357.8**	**113.5**	**0.1**	**471.4**

1. The deferred tax liability associated with the intangible asset.
2. The difference in values for accounting and own funds eligibility purposes.

Templates UK LI1 and UK LI2 are included in appendix 8. Whilst the accounting and regulatory scopes of consolidation are the same for the group, we have reallocated group banking arrangements from inter-company balances in the annual report and accounts to exposures to institutions for regulatory own funds purposes, as well as deferred tax liabilities associated with intangible assets and deferred tax assets below the threshold for deduction from own funds.

Rathbones' prudent valuation adjustment is not material and template UK PV1 has therefore not been included.

4.2 LEVERAGE RATIO

A summary of the group's leverage ratio is shown in the following table (£m):

	31 Dec 2023	31 Dec 2022
Capital measure	**431.4**	298.7
Exposure measure [1]	**2,307.0**	1,694.3
Leverage ratio	**18.7%**	17.63%

1. With effect from January 2022 the exposure measure excludes claims on central banks.

Templates UK LR1, UK LR2 and UK LR3 are included in appendix 5.

The capital measure comprises Tier 1 own funds after deductions. The exposure measure consists of on- and off-balance sheet assets (including additional exposure to counterparty credit risk) excluding those assets already deducted from Tier 1 own funds. The main driver for changes in the exposure measure is the level of cash held within client portfolios.

The majority of the group's funding is derived from the cash element of clients' portfolios which, as a bank, we hold on-balance sheet. We do not raise inter-bank funding and therefore structural excessive lending is not expected.

Whilst Rathbones is not required under current PRA rules to maintain a minimum leverage ratio, our ratio is monitored against the 3.25% minimum for larger banks on a monthly basis.

5 / OWN FUNDS REQUIREMENT

5.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ('ICAAP')

Rathbones is classified for capital purposes as a banking group and performs an ICAAP, which is prepared on an annual basis and presented to the PRA on request. Regulatory capital resources for ICAAP purposes are calculated in accordance with published rules. These require certain adjustments to and certain deductions from accounting capital, the latter largely in respect of intangible assets. The ICAAP compares regulatory capital resources against regulatory capital requirements derived using the PRA's Pillar 1 and Pillar 2 methodology. The group has adopted the standardised approach to calculating its Pillar 1 credit risk component and the basic indicator approach to calculating its operational risk component. Capital management policy and practices are applied at both group and entity level.

In addition to a variety of stress tests performed as part of the ICAAP process, and daily reporting in respect of treasury activity, capital levels are monitored and forecast on a monthly basis to ensure that dividends and investment requirements are appropriately managed and appropriate buffers are kept against adverse business conditions.

5.2 TOTAL CAPITAL REQUIREMENT ('TCR')

The total capital requirement is the sum of the Pillar 1 own funds requirement, as noted in table OV1 below and the Pillar 2A requirement. The Pillar 2A charge is agreed with the regulator as part of their regular Supervisory Review and Evaluation Process ('SREP') visit and covers additional risks not deemed to be included in the Pillar 1 charge. Its basis of calculation is confidential, although disclosure of the aggregate charge is permitted (£m):

	31 Dec 2023	31 Dec 2022
Pillar 1 requirement	**194.0**	133.3
Pillar 2A requirement	**39.4**	40.0
Total capital requirement ('TCR')	**233.4**	**173.3**

Template UK OV1 – Overview of risk-weighted exposure amounts ('RWEAs') (£m):

		Risk weighted exposure amounts ('RWEAs')		Total own funds requirements	
		a	b	**c**	
		31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
1	Credit risk (excluding CCR)	**888.8**	819.9	**71.1**	65.6
2	Of which the standardised approach	**888.8**	819.9	**71.1**	65.6
6	Counterparty credit risk - CCR	**12.5**	8.3	**1.0**	0.7
7	Of which the standardised approach	**12.1**	8.3	**1.0**	0.7
UK 8b	Of which credit valuation adjustment - CVA	**0.4**	0.0	**0.0**	0.0
15	Settlement risk	**2.5**	0.4	**0.2**	0.0
20	Position, foreign exchange and commodities risks (market risk)	**-**	14.3	**-**	1.1
21	Of which the standardised approach	**-**	14.3	**-**	1.1
23	Operational risk	**1,521.8**	823.9	**121.7**	65.9
UK 23a	Of which basic indicator approach	**1,521.8**	823.9	**121.7**	65.9
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	**68.8**	-	**5.5**	-
29	**Total**	**2,425.6**	**1,666.8**	**194.0**	**133.3**

Note 1: The rows omitted in this table relate to approaches not followed by the group.
Note 2: Total own funds requirement column for year ended 31 December 2022 does not form part of the UK OV1 table but has been added to allow the reader a comparison on year-to-year values.
Note 3: The values in row 24 are included for information purposes only and are already included in the credit risk value in row 1.

6 / CREDIT RISK

Credit risk is the risk that unexpected losses may arise because of the group's market counterparties or borrowers failing to meet their obligations to repay outstanding balances. The banking committee has primary responsibility for the management of credit risk. It is a sub-committee of the RIM board and is chaired by the group chief financial officer. The committee meets each month and has additional meetings at other times when required. The group has no exposure to securitisations.

Rathbones has adopted the standardised approach to credit risk, and it follows the standard mapping of the six credit quality steps in a credit quality assessment scale as set out in the regulations to ratings provided by Fitch, Moody's and Standard & Poor's. These standard mappings ensure that consistency between ratings provided by different External Credit Assessment Institutions ('ECAIs') is achieved.

For the purpose of the credit risk calculation no credit risk mitigation has been taken on the value of any security held against the retail loan book.

6.1 NON-PERFORMING AND FORBORNE EXPOSURES

The PRA Rulebook includes annual disclosure requirements on non-performing exposures, forborne exposures and foreclosed assets. Rathbones does not fall into the definition of a significant credit institution, nor do we have a gross non-performing loan ratio of 5% or greater, which would require any of these specific disclosures.

As at 31 December 2023, Rathbones had no exposures which we defined as non-performing or forborne. Gross non-performing loan ratios are therefore 0%.

All templates required within the PRA Rulebook have therefore excluded any columns relating to non-performing exposures.

6.2 COLLATERAL AND ENCUMBERED ASSETS

The group does not offer its assets as collateral, nor does it hold pledged collateral on its balance sheet.

The only asset which is classified as encumbered is the cash ratio deposit held by RIM at the Bank of England of £2.3m (2022: £5.0m). This amount does not qualify as a high-quality liquid asset for the purposes of liquidity coverage ratio calculations. Template UK AE1 showing encumbered and unencumbered positions is presented in appendix 6.

All templates required within the PRA Rulebook have therefore excluded any columns relating to collateral and financial guarantees received.

6.3 EXTERNAL CREDIT ASSESSMENT INSTITUTIONS ('ECAIS')

Rathbones has nominated the following ECAIs to rate exposures under the standardised approach to credit risk, none of which have changed since the last disclosures:

ECAI	Exposure class
Fitch Ratings Limited	Central banks
	Institutions
	Corporates
	Claims on institutions with a short-term credit assessment
Moody's Investor Service Standard & Poor's	Collective investment undertakings

6.4 OWN FUNDS REQUIREMENT FOR CREDIT RISK

The principal source of credit risk to Rathbones arises from placing funds with, and holding interest-bearing securities issued by, a range of high-quality financial institutions. Investments are spread to avoid excessive exposure to any individual counterparty. Exposures to institutions and claims on institutions with a short-term rating accounted for 50% of the total own funds requirement for credit and counterparty credit risk. Significant balances are held at the Bank of England which attracts a 0% credit risk charge.

The charge for retail exposures represents 12% of the total own funds requirement for credit risk and arises primarily from RIM's client lending activity. This lending activity is a service offered to assist investment management clients who may have short to medium term cash requirements. Loans are made on a fully secured basis, generally against diversified portfolios held in Rathbones' nominee name, at a maximum 50% loan-to-value ('LTV'). For the credit risk calculation, no mitigation has been taken on the value of any security held against the loans. At 31 December 2023 we also held two mortgages, in addition to the security over the portfolio. Due to the minimal number held we treat these as retail exposures and apply the corresponding risk-weighting to them instead of the preferential rate which could be applied to exposures secured by mortgages on immovable property.

The charge for other items relates to exposures in the form of tangible fixed assets, prepayments and accrued income, and deferred tax assets which are below the threshold for deduction from own funds.

Analysis of own funds requirement for credit risk at 31 December 2023 (£m):

Exposure classes	Exposure value	Risk weighted	Own funds requirement	Own funds requirement %
Central government or central banks	1,244.0	–	–	–
Regional government or local authorities	–	–	–	–
Public sector entities	–	–	–	–
Multilateral development banks	–	–	–	–
International organisations	–	–	–	–
Institutions	1,218.4	394.9	31.6	44.44%
Corporates	–	–	–	–
Retail	122.5	106.6	8.5	11.95%
Secured by mortgages on immovable property	–	–	–	–
Exposures in default	0.8	1.3	0.1	0.14%
Items associated with particularly high risk	–	–	–	–
Covered bonds	–	–	–	–
Claims on institutions with a short-term credit assessment	240.8	48.2	3.9	5.49%
Collective investment undertakings	-	-	-	-
Equity exposures	1.2	1.2	0.1	0.14%
Other items (2)	299.3	336.6	26.9	37.83%
Own funds requirement for credit risk	**3,127.0**	**888.8**	**71.1**	**100.00%**

1. The table above includes all exposure classes as defined in the regulations for completeness purposes, even if we have no exposures in those classes.
2. Other items include tangible fixed assets, prepayments and accrued income, and deferred tax assets.

6.5 STANDARDISED APPROACH – CREDIT RISK EXPOSURE

Template UK CR4 – standardised approach – credit risk exposure and CRM effects at 31 December 2023 (£m):

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
Exposure classes		a	b	c	d	e	f
1	Central governments or central banks	1,244.0	–	1,244.0	–	–	0.00%
6	Institutions	1,218.4	–	1,218.4	–	394.9	32.41%
8	Retail	114.7	16.4	114.7	7.8	106.6	87.02%
10	Exposures in default	0.8	–	0.8	–	1.3	150.00%
13	Claims on institutions with a short-term credit assessment	240.8	–	240.8	–	48.2	20.00%
15	Equity exposures	1.2	–	1.2	–	1.2	100.00%
16	Other items	299.3	–	299.3	–	336.6	112.46%
17	**Total**	**3,119.2**	**16.4**	**3,119.2**	**7.8**	**888.8**	**28.42%**

Note 1: Lines for exposure classes to which we have no exposures have been removed from the template.
Note 2: We do not use credit risk mitigation but do apply credit conversion factors to our off-balance sheet loan exposures.

Template UK CR5 – standardised approach at 31 December 2023 (£m):

		Risk weight								
		0%	20%	50%	75%	100%	150%	250%	Total	Of which unrated
Exposure classes		a	e	g	i	j	k	n	p	q
1	Central governments or central banks	1,244.0	–	–	–	–	–	–	1,244.0	–
6	Institutions	–	715.2	502.6	–	0.6	–	–	1,218.4	64.7
8	Retail	–	–	–	63.9	58.6	–	–	122.5	122.5
10	Exposures in default	–	–	–	–	–	0.8	–	0.8	0.8
13	Claims on institutions with a short-term credit assessment	–	240.8	–	–	–	–	–	240.8	–
15	Equity exposures	–	–	–	–	1.2	–	–	1.2	1.2
16	Other items	3.9	–	–	–	267.9	–	27.5	299.3	299.3
17	**Total**	**1,247.9**	**956.0**	**502.6**	**63.9**	**328.3**	**0.8**	**27.5**	**3,127.0**	**488.5**

Note 1: Lines for exposure classes to which we have no exposures have been removed from the template.
Note 2: We do not currently utilise the reduced risk weightings permissible by the look-through approach to CIUs.

We have no forborne exposures as noted within section 6.1 above.

Rathbones does not use hedging or other credit risk mitigation techniques. Credit risk is the responsibility of the monthly RIM banking committee.

6.6 EXPOSURES IN DEFAULT AND IMPAIRMENTS

For the purposes of regulatory own funds, Rathbones has defined 'exposures in default' as those being 90 days or more past the due date for settlement, whereas for accounting purposes items are included when 30 days past their due settlement date. As at 31 December 2023 exposures in default have only been identified in fee debtors due to trust, pensions and advisory activities. These are often in relation to clients where we also have investment management portfolios under our control, and whilst funds could be taken from the portfolio to settle the invoices, we traditionally wait for clearance from the client to do this.

Values are not material, and no further breakdown of exposures is therefore undertaken. Detail on ageing of these amounts is provided within note 33 to the annual report and accounts.

Template UK CQ3 credit quality of performing and non-performing exposures by past due days can be found in appendix 9.

Adjustments to the gross carrying value of assets under IFRS9 were adopted at the start of the 2018 financial year with a non-material provision for impairment against financial assets. No transitional capital relief has been applied and there are no provisions held against financial liabilities.

Template UK CR1 performing and non-perming exposures and related provisions can be found in appendix 7.

7 / COUNTERPARTY CREDIT RISK

Rathbones does not have a trading book. The counterparty credit risk charge is based on the marked-to-market exposure calculated in accordance with CRR article 274 for of any trades undertaken on behalf of investment management clients which are outside of normal settlement terms (T+2 for stock trades processed through a central securities depository and generally T+5 for trades not processed through a central securities depository), any client foreign exchange transactions which are outside of the usual T+2 settlement terms, and any trades funded by Rathbones in advance of settlement ('free deliveries'). There are no other derivatives.

All exposures are due to mature in less than three months. Exposures to rated counterparties are risk weighted using the appropriate credit quality step. Non-rated exposures are risk weighted according to the counterparty's corresponding sovereign.

Template UK CCR1 – Analysis of CCR exposure by approach at 31 December 2023 (£m):

		a	b	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
UK1	Original Exposure Method (for derivatives)	19.4	14.3	1.4	47.2	47.2	47.2	9.4
UK1	Original Exposure Method (for FX)	4.0	0.3	1.4	5.9	5.9	5.9	2.7
6	**Total**	**23.4**	**14.6**		**53.1**	**53.1**	**53.1**	**12.1**

Note: Only the methods used by the group have been included in this table. All other rows have been omitted.

Template UK CCR3 – Standardised approach –CCR exposures by regulatory exposure class and risk weights at 31 December 2023 (£m):

		Risk weight	Risk weight	Risk weight	
		e	f	I	I
	Exposure classes	20%	50%	100%	Total exposure value
6	Institutions	48.2	4.8	0.1	53.1
11	**Total exposure value**	**48.2**	**4.8**	**0.1**	**53.1**

Note: Lines for exposure classes to which we have no exposures have been removed from the template.

The charge for counterparty credit risk at 31 December 2023 represents less than 2% of the total credit risk capital component for group and RIM.

Rathbones does not have any collateral positions, margin lending transactions, repo transactions or wrong-way risk, or use guarantees or other credit risk mitigants such as netting benefits, nor does it have a credit rating the downgrading of which could impact the above values.

8 / CREDIT VALUATION ADJUSTMENT RISK

The own funds requirement for credit valuation adjustment risk is not material and template CCR2 has therefore not been included.

9 / SETTLEMENT RISK

An own funds requirement for settlement risk is taken in respect of trades undertaken on behalf of investment management clients which have gone beyond their agreed settlement terms.

Analysis of own funds requirement for settlement risk (£m):

	31 Dec 2023	31 Dec 2022
Own funds requirement for settlement risk	**0.2**	**0.0**

10 / MARKET RISK

Market risk is the risk that arises from fluctuations in values of, or income from, assets or in interest or exchange rates.

The group has no trading book, undertakes no proprietary trading and generally does not provide or use derivative products. Foreign currency settlements for investment management clients are converted to the base currency of their portfolio at the time of booking the transaction. Foreign currency income and non-Rathbones initiated transactions are converted to the base currency of the client's portfolio as soon as possible after identification of the transaction. As a result, a Pillar 1 charge only arises from incidental foreign currency positions held as a consequence of normal settlement activity.

Template UK MR1 – Market risk under the standardised approach as at 31 December 2023 (£m):

		a
		RWEAs
	Outright products	
3	Foreign exchange risk	-
9	**Total**	**-**

Note: The group is subject to foreign exchange fluctuations where we hold cash balances in foreign currencies.

11 / OPERATIONAL RISK

Operational risk is the risk of loss or negative impact to the group resulting from inadequate or failed internal processes, people and systems, or from external factors such as regulation and key suppliers; it includes legal and financial crime risks, but does not include strategic, reputation or business risks. The group and RIM have adopted the basic indicator approach ('BIA') under Pillar 1 which produces a capital charge of 15% of its audited average net operating income for the three preceding financial years.

Template UK OR1 – Operational risk own funds requirements and risk-weighted exposure amounts for group as at 31 December 2023 (£m):

		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
Banking activities		2021	2022	**2023**		
1	Banking activities subject to basic indicator approach (BIA)	799.4	792.7	**842.9**	121.7	1,521.8

Note 1: Relevant indicators been adjusted to include operating income for Investec Wealth & Investment Limited
Note 2: Only the methods used by the group have been included in this table. All other rows have been omitted.

12 / CRD IV COMBINED BUFFERS

Credit institutions are required to hold, in addition to other own funds requirements, buffers to ensure they accumulate, during periods of economic growth, a sufficient capital base to absorb losses in stressed periods.

Total capital buffers requirement of the group are as follows (£m):

	31 Dec 2023	31 Dec 2022
Capital conservation buffer requirement	**60.6**	41.6
Institution-specific countercyclical capital buffer requirement	**42.9**	13.5
Total buffers requirement	**103.5**	**55.1**

Additional information in relation to capital buffers (£m):

		31 Dec 2023	31 Dec 2022
1	Total risk exposure amount [1]	**2,425.6**	1,666.8
2	Capital conservation buffer rate	**2.50%**	2.50%
3	Institution-specific countercyclical capital buffer rate	**1.77%**	0.81%

1. Total risk exposure amount is more fully detailed in Appendix 2.

Appendix 2 includes templates UK CCyB1 and UK CCyB2.

Template CCyB1 shows that 85.16% of our exposures are to UK counterparties, which attract a 2% buffer rate as per the FPC. This drives our overall institution-specific buffer rate of 1.77% as at 31 December 2023.

13 / LIQUIDITY

13.1 INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS ('ILAAP')

As required under PRA rules, the group performs an ILAAP annually. This document sets out how the group manages its liquidity risk, the process of which includes performing a range of stress tests to measure liquidity risk and ensure all controls and procedures in place are appropriate.

A series of liquidity risk measures are monitored on a daily, monthly or less frequent basis and provide senior management and the board with an overview of liquidity positions that address the following:

- intraday: management of liquidity on a day-to-day basis
- operational: planning for operating liquidity requirements in the medium term
- strategic: incorporating long term strategic goals.

More detail on liquidity risk is included within note 33 from page 191 of the annual report and accounts.

13.2 SUMMARY OF THE LIQUIDITY COVERAGE RATIO ('LCR')

The liquidity coverage ratio is defined as the total of qualifying high quality liquid assets, otherwise referred to as the 'liquidity buffer' divided by the risk-weighted liquidity outflows less liquidity inflows over a 30-day period.

The main drivers for movement in the LCR ratio are the level of treasury assets falling within the 30-day maturity bracket and the settlement activity leading to immediate to near term inflows or outflows. These values can create sharp fluctuations in the LCR ratio. The LCR ratio is monitored against internal risk appetite levels with any drop below risk appetite escalated according to the requirements of the liquidity contingency plan ('LCP').

A summary of the group's LCR during 2023 is shown in the following table (£m):

	31 Dec 2023	30 Sept 2023	30 June 2023	31 Mar 2023
Total high quality liquid assets	1,236.9	1,226.4	1,281.0	1,455.3
Total net cash outflow	292.5	276.3	320.4	317.5
Liquidity coverage ratio	**422.88%**	**443.8%**	**399.86%**	**458.43%**

Template UK LIQ1 – quantitative information on the LCR is included in appendix 10.

The various components of the LCR are discussed further below.

13.2.1 THE LIQUIDITY BUFFER

The PRA Rulebook sets out very specific requirements and restrictions about the composition and management of the liquidity buffer.

Rathbones' buffer primarily comprises the Bank of England reserve account and UK Gilts, and hence meets the liquidity buffer general requirements;

– free from any encumbrance
– have not been issued by any member of the group
– have not been issued by any other restricted entity
– the value of the assets can be easily determined and where the assets are tradable, this is on a recognised exchange.

The liquidity buffer operational requirements are also met, namely:

– as the buffer primarily comprises exposure to the UK central bank, further diversification is not required
– there are no practical or legal impediments that restrict the ability to monetise the assets within 30 days
– the assets are under the control of the treasury team who report to the RIM director of banking and business partnering, and operate under the treasury procedures manual sanctioned by the banking committee and RIM board
– the currencies of the assets within the buffer a broadly in proportion to the distribution of RIM's net liquidity outflows
– sample monetisation of the buffer on an annual basis is unnecessary as long as the buffer comprises primarily of the Bank of England reserve account. (This account is used frequently and is subject to the Bank of England routine disaster recovery testing if account activity is not to the desired frequency).

13.2.2 NET LIQUIDITY INFLOWS

The PRA Rulebook sets out detailed information on net liquidity outflows, which are defined as the sum of liquidity outflows less by the sum of liquidity inflows, over a 30-calendar day period, with a rider stipulating that the sum of liquidity inflows utilised in the calculation shall be capped at 75% of the sum of the outflows.

13.2.3 LIQUIDITY OUTFLOWS

These are calculated by multiplying the outstanding balances of various categories of liabilities and off-balance sheet commitments by the rate at which they can be expected to run off or be drawn down. Most of these rates are prescribed within PRA rules; however higher risk category 1 and category 2 retail deposits can fall between set ranges. Unless analysis is undertaken to determine an appropriate outflow rate, the PRA expects firms to adopt the highest percentage for each banding which would be the most prudent approach. This approach has been adopted by Rathbones.

Liquidity outflows fall into various categories:

– retail deposits
– operational deposits
– other deposits
– additional outflows required under collateral posted for derivatives
– outflows under undrawn committed credit and liquidity facilities granted
– additional outflows for other credit-related products and services.

13.2.4 LIQUIDITY INFLOWS

The PRA Rulebook sets out detailed information on liquidity inflows. Non-liquidity buffer inflows arise in the following areas:

– non-central bank treasury book receipts
– loan book & client overdraft repayments
– other receivables e.g. intra-group balances and broker settlement balances.

13.3 SUMMARY OF THE NET STABLE FUNDING RATIO ('NSFR')

Effective 1 January 2022, the net stable funding ratio ('NSFR') was introduced under CRR. Rathbones is required to calculate and monitor the ratio on a RIM-solo and group consolidated basis, reporting the positions quarterly.

Rathbones has elected to remain on the standard approach to calculating the NSFR ratio. The main drivers for fluctuation of the ratio are as follows:

- on a day-to-day basis, the maturity profile of certificates of deposit held can see cash move between a 10% weighting and 50% weighting depending on whether they are less than or greater than six months residual maturity
- client deposits remain relatively stable across retail and wholesale however any change in profile can see the NSFR shift given they are the largest element of the available stable funding element
- capital raising of any form will often create an uplift, and the ratio is also sensitive to acquisition related movement where intangible assets held as a consequence can increase the funding requirement.

Template UK LIQ2 – net stable funding ratio is included in appendix 11.

14 / INTEREST RATE RISK IN THE BANKING BOOK

The group operates on a non-trading book basis, whereby all assets are held with the intent of holding to maturity. Assets are not actively traded in secondary markets for speculative purposes. The resulting interest rate risk represents losses that could arise for a 2% parallel shift in the Bank of England base rate. The exposure would measure the time to reprice interest-bearing assets and liabilities.

Interest rate risk can be broken down into the following key areas:

14.1 GAP RISK

This is the risk resulting from different tenors for interest rate sensitive instruments resulting in a rate change impacting instruments at different times.

Gap risk measures exposures which require interest sensitive assets and liabilities to be assigned to various repricing maturity buckets. The net exposure gap for each maturity bucket is discounted to net present value ('NPV') using a yield curve based on a market reference rate. This base case is then adjusted to account for a +/- 200 bps parallel shift stress and the NPV is recalculated.

Using an economic value ('EV') approach, all interest-bearing assets and liabilities are placed into maturity buckets according to their contractual maturity, in line with the FSA017 regulatory return, and the exposure for a theoretical unexpected 2% movement in interest rates is calculated on a daily basis.

The average maturity mismatch is controlled by the RIM banking committee, which is a sub-committee of the RIM board, through detailed treasury planning. In periods of potential interest rate volatility, the banking committee manages interest rate risk by shortening the maturity of interest-bearing assets. We have a statement of risk appetite in relation to acceptable levels of earnings volatility.

Effect of 2% rate movement at 31 December 2023 (£m)

	31 Dec 2023	31 Dec 2022
GBP – upward shift	**(5.2)**	(3.9)
GBP – downward shift	**5.1**	3.8

We are required to report immediately to the PRA if the decline in the economic value of equity under this test is greater than 20% of own funds.

14.2 BASIS RISK

This is the risk arising from changes to interest rates for instruments that have similar tenors but are priced using different reference rates that do not perfectly correlate.

At 31 December 2023, Rathbones' exposure to basis risk was limited to fixed rate elements of the treasury book (as assets) as compared to client deposits which are on a managed rate (as liabilities). There were no variable rate funding elements on the balance sheet.

Basis risk is monitored by the treasury team in conjunction with a quarterly regulatory submission to the PRA.

Interest rate risk is monitored for US dollars and Euros; however these are not material for reporting purposes.

14.3 SUPERVISOR OUTLIER TEST

Rathbones is required to calculate the economic value of equity ('EVE') at least quarterly against six prescribed shocks:

These are reflected in the table below:

Template UK IRRBB1 - Quantitative information on IRRBB

	In reporting currency	ΔEVE		ΔNII		Tier 1 capital	
		a	b	**c**	d	**e**	f
	Period	**31 Dec 23**	31 Dec 22	**31 Dec 23**	31 Dec 22	**31 Dec 23**	31 Dec 22
010	Parallel shock up	**(7.2)**	(5.5)	**(4.7)**	(1.4)		
020	Parallel shock down	**7.3**	5.6	**9.4**	4.7		
030	Steepener shock	**5.8**	4.9				
040	Flattener shock	**(7.5)**	(6.3)				
050	Short rates shock up	**(8.6)**	(6.9)				
060	Short rates shock down	**9.0**	7.2				
070	**Maximum**	**(8.6)**	**(6.9)**	**(4.7)**	**(1.4)**		
080	**Tier 1 capital**					**431.4**	**298.7**

We are required to report immediately to the PRA if the decline in the economic value of equity under this test is greater than 15% of CET1 own funds.

14.4 OPTION RISK

This is the risk arising from options within a product, where a firm or its customers can alter the level and timing of cashflows. Loans granted by Rathbones are a small proportion of total interest rate-sensitive assets, as are undrawn commitments, therefore risk is very limited. Loans are linked to base rate plus a margin, rather than a fixed rate, which mitigates any negative exposure to rate changes.

14.5 REPRICING MATURITIES

Quantitative disclosures regarding repricing maturities for the year ended 31 December 2023:

	31 Dec 2023
Average repricing maturity assigned to non-maturing deposits (NMDs)	**1.5 months**
Longest repricing maturity assigned to NMDs	**3 months**

15 / NON-TRADING BOOK EXPOSURES IN EQUITIES

Equity securities represent both listed units held by the group in unit trusts managed by Rathbones Asset Management Limited and unlisted Euroclear shares held by Rathbones Investment Management Limited. All equities are measured at fair value through profit and loss.

15.1 VALUATION OF EXPOSURES

Analysis of total non-trading book exposures in equities (£m):

	31 Dec 2023	31 Dec 2022
Listed	**-**	8.1
Unlisted	**1.2**	3.1
Total exposures	**1.2**	**11.2**

The group had a realised net gain from changes in fair value of £0.7m on listed equities measured at fair value during 2023 (2022: net gain of £0.1m).

Total unrealised changes in fair value in equities as at 31 December 2023 were negative £0.6m (2022: negative £1.0m).

16 / REMUNERATION

Our remuneration policy is agreed by the board's remuneration committee. The policy provides a framework to attract, retain and reward employees to achieve the strategic and business objectives of Rathbones within its risk appetite and risk management framework.

16.1 REMUNERATION COMMITTEE

The remuneration committee report on pages 110 of the 2023 annual report and accounts includes details of the directors' remuneration policy. The committee, which comprises the independent non-executive directors, met on six occasions during 2023. The remuneration committee was advised by PricewaterhouseCoopers ('PWC'), who provided external market data and advice on current best practice on remuneration policies and arrangements.

16.2 OVERVIEW OF 2023 REMUNERATION SYSTEM

Full details of the executive incentive schemes are set out in the 2023 annual report and accounts.

Investment managers within Rathbones Investment Management Limited ('RIM') participated in a profit-sharing scheme which enabled them to benefit from a proportion of the profit they generated individually for the business. There are also non-financial considerations in determining the level of award. They were also rewarded for attracting and retaining new funds under management, with such awards being subject to a deferral mechanism.

Fund managers and support staff within Rathbones Asset Management Limited ('RAM') participated in a profit-sharing scheme based on the profit earned by RAM. The individual profit share for each fund manager is also dependent on the level of investment performance (measured over one and three years) of the funds managed by the individual. Awards are allocated on a discretionary basis, taking individual performance and non-financial factors into consideration, with such awards being subject to a deferral mechanism, where appropriate.

Fund managers and support staff within Saunderson House Limited ('SHL') are allocated awards on a discretionary basis, taking individual performance and non-financial factors into consideration.

Other employees within Rathbones were eligible for discretionary bonus awards which were based on both financial and non-financial criteria and individual performance.

Remuneration for senior staff in control functions is reviewed by the remuneration committee.

The balance between fixed and variable remuneration was focused on ensuring that there remains an appropriate link between overall remuneration and performance. All awards are subject to Rathbones risk adjustment to variable remuneration policy.

16.3 LINK BETWEEN PAY AND PERFORMANCE

Employee total reward typically comprised a salary and benefits including pension scheme, life assurance, private medical cover, and income protection insurance together with a number of bonus or profit-sharing arrangements. Salaries were set in the context of affordability, external market considerations as well as internal relativities and equal pay factors. The remuneration of senior management and other quantitative material risk takers ('MRTs') is reviewed annually by the remuneration committee, which reviews the size and profile of MRT awards against all variable awards granted in each financial year. In addition, a second line of defence review incorporates the impact of any individual conduct matters on remuneration.

16.4 AGGREGATE INFORMATION

RIM, and consequently the group, falls into proportionality level 3 under the remuneration code.

In accordance with Chapter 3 of the Remuneration Part of the PRA Rulebook, identification of material risk takers is defined as those employees who are deemed to have a material impact on an institution's risk profile and has included both the qualitative and quantitative testing. This population of MRTs forms the basis of the aggregate disclosures below.

No qualitative MRT received variable remuneration in excess of 200% of fixed remuneration in the year ending 31 December 2023.

Rathbones had 39 employees classified as MRTs during the 2023 performance year.

Total aggregate remuneration paid for the group for the year ended 31 December 2023 was £251.9m, of which £23.0m was paid to MRTs. This total remuneration includes salaries paid within the year, allowances, benefits and both cash and share incentives paid or for deferred incentives awarded within 2023.

Template UK REM1 - Remuneration awarded for the 2023 financial year (£m):

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	6	2	11	20
2		Total fixed remuneration	0.5	1.0	3.2	5.2
3		Of which: cash-based	0.5	1.0	3.1	5.1
UK-4a		Of which: shares or equivalent ownership interests	–	–	0.1	0.1
9	Variable remuneration	Number of identified staff	–	2	11	20
10		Total variable remuneration	–	1.4	4.5	7.4
11		Of which: cash-based	–	0.4	3.0	4.0
UK-13a		Of which: shares or equivalent ownership interests	–	1.0	1.5	3.4
UK-14a		Of which: deferred	–	1.0	1.5	3.4
UK-13b	**Total remuneration (2+10)**		**0.5**	**2.4**	**7.6**	**12.6**

Template UK REM2 – special payments to employees whose professional activities have a material impact on institutions' risk profile (identified staff) for the 2023 financial year (£m):

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	–	–	–	-
2	Guaranteed variable remuneration awards -Total amount	–	–	–	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	–	–	–	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	–	–	–	–
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	–	–	–	–
7	Severance payments awarded during the financial year - Total amount	–	–	–	–

Template UK REM3 – deferred remuneration for the 2023 financial year (£m):

		a	b	c	UK - g
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
1	MB Supervisory function	–	–	–	–
2	Cash-based	–	–	–	–
3	Shares or equivalent ownership interests	–	–	–	–
4	Share-linked instruments or equivalent non-cash instruments	–	–	–	–
5	Other instruments	–	–	–	–
6	Other forms	–	–	–	–
7	MB Management function	1.0	0.1	0.9	0.9
8	Cash-based	–	–	–	–
9	Shares or equivalent ownership interests	1.0	0.1	0.9	0.9
10	Share-linked instruments or equivalent non-cash instruments	–	–	–	–
11	Other instruments	–	–	–	–
12	Other forms	–	–	–	–
13	Other senior management	1.5	–	1.5	5.2
14	Cash-based	–	–	–	–
15	Shares or equivalent ownership interests	1.5	–	1.5	5.2
16	Share-linked instruments or equivalent non-cash instruments	–	–	–	–
17	Other instruments	–	–	–	–
18	Other forms	–	–	–	–
19	Other identified staff	3.4	–	3.4	8.9
20	Cash-based	–	–	–	–
21	Shares or equivalent ownership interests	3.4	–	3.4	8.9
22	Share-linked instruments or equivalent non-cash instruments	–	–	–	–
23	Other instruments	–	–	–	–
24	Other forms	–	–	–	–
25	**Total amount**	**5.9**	**0.1**	**5.8**	**15.0**

Note: Columns d,e and f have been removed from the template as there was no performance adjustment required to variable remuneration during the year. Column UK-h has been removed from the template as there was no deferred remuneration from previous periods that has vested but is subject to retention periods during the year.

Template UK REM4 – remuneration of 1 million EUR or more for the 2023 financial year:

		a
	EUR	Number of Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	9
2	1 500 000 to below 2 000 000	2
3	2 000 000 and above	-

Template UK REM5 – Information on remuneration of employees whose professional activities have a material impact on institutions' risk profile (identified staff) for the 2023 financial year (£m):

		a	b	c	f	g	h	j
		Management body remuneration			Business areas			
		MB Supervisory function	MB Management function	Total MB	Asset management	Corporate functions	Independent internal control functions	Total
1	Total number of identified staff							39
2	Of which: members of the MB	6	2	8				
3	Of which: other senior management				6	4	1	
4	Of which: other identified staff				17	1	2	
5	Total remuneration of identified staff	0.5	2.4	2.9	16.1	2.9	1.3	
6	Of which: variable remuneration	–	1.4	1.4	9.4	1.8	0.7	
7	Of which: fixed remuneration	0.5	1.0	1.5	6.7	1.1	0.6	

Note: columns d, e and i have been removed from the template as there are no identified staff in those business areas.

The total remuneration paid to MRTs for the 2023 financial year can be further broken down by role as follows:

	Number	Total (£m)
Senior management qualitative MRTs (including management body)	19	10.5
Other qualitative MRTs	8	2.8
Quantitative MRTs	12	9.9
Total	**39**	**23.2**

The figures above include deferred, contingent awards, the value of which is estimated based on 31 December 2023 market conditions. Where performance criteria exist, it has been assumed that these will be met in full. The figures are presented on an award basis for the year and do not equal the accrued charge in the financial statements.

17 / APPENDICES

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APPENDIX 1 - TEMPLATES EXCLUDED

Excluded table	Reasoning
INS1	The group does not hold own funds in insurance or re-insurance undertaking.
INS2	The group is not a financial conglomerate.
UK PV1	The group PVA is immaterial.
UK LRA	The group does not hold any excessive leverage.
UK CR2	The group does not use the advanced method of calculating risk.
UK CR2a	The group does not have any non-performing loans or net accumulated recoveries.
UK CQ1	The group does not have any forborne exposures.
UK CQ2	The group does not have any forborne exposures.
UK CQ4	The group does not have any non-performing exposures.
UK CQ5	The group does not have any loans or advances to non-financial corporations.
UK CQ6	The group does not hold collateral.
UK CQ7	The group does not hold collateral.
UK CQ8	The group does not hold collateral.
UK CRC	The group does not use CRM techniques.
UK CR3	The group does not use CRM techniques.
UK CRE	The group does not use IRB approach.
UK CR6	The group does not use IRB approach.
UK CR6-A	The group does not use IRB approach.
UK CR7	The group does not use IRB approach.
UK CR7-A	The group does not use IRB approach.
UK CR8	The group does not use IRB approach.
UK CR9	The group does not use IRB approach.
UK CR9.1	The group does not use IRB approach.
UK CR10	The group does not use IRB approach.
UK CCR2	The group CVA is immaterial.
UK CCR4	The group does not use IRB approach.
UK CCR5	The group does not hold collateral.
UK CCR6	The group does not have any credit derivatives exposures.
UK CCR7	The group does not use IMM approach.
UK CCR8	The group does not have any exposures to CCPs.
UK-SECA	The group does not have any securitisation exposures.
UK-SEC1	The group does not have any securitisation exposures.
UK-SEC2	The group does not have any securitisation exposures.
UK-SEC3	The group does not have any securitisation exposures.
UK-SEC4	The group does not have any securitisation exposures.
UK-SEC5	The group does not have any securitisation exposures.
UK-MRB	The group does not use internal Market Risk Models.
UK-MR2-A	The group does not use Internal Model Approach ('IMA').
UK-MR2-B	The group does not use IMA.
UK-MR3	The group does not use IMA.
UK-MR4	The group does not use IMA.
UK-AE2	The group does not hold collateral.
UK-AE3	The group does not have any financial liabilities which are sources of encumbrance.

APPENDIX 2

Template UK CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer at 31 December 2023 (£m):

		a	f	g	j	k	l	m
		General credit exposures [1]		Own fund requirements				
		Exposure value under the standardised approach	Total exposure value	Relevant credit risk exposures - Credit risk	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010	Breakdown by country:							
	Australia	50.7	50.7	1.7	1.7	21.5	4.36%	1.00%
	Bulgaria	–	–	–	–	–	0.00%	2.00%
	Cyprus	-	-	-	-	-	0.00%	0.50%
	Czech Republic	–	–	–	–	–	0.00%	2.00%
	Denmark	–	–	–	–	–	0.00%	2.50%
	Finland	41.7	41.7	0.7	0.7	8.3	1.69%	0.00%
	France	60.1	60.1	1.0	1.0	12.2	2.46%	0.50%
	Germany	0.1	0.1	0.0	0.0	0.1	0.01%	0.75%
	Hong Kong	-	-	-	-	-	0.00%	1.00%
	Iceland	–	–	–	–	–	0.00%	2.00%
	Luxembourg	–	–	–	–	–	0.00%	0.50%
	Netherlands	26.0	26.0	0.4	0.4	5.2	1.06%	1.00%
	Norway	–	–	–	–	–	0.00%	2.50%
	Romania	-	-	-	-	-	0.00%	1.00%
	Sweden	–	–	–	–	–	0.00%	2.00%
	United Kingdom	397.8	397.8	33.6	33.6	420.6	85.16%	2.00%
	Other	99.5	99.5	2.3	2.3	28.2	5.70%	0.00%
020	**Total**	**664.7**	**664.7**	**39.5**	**39.5**	**493.9**	**100.00%**	

1. General credit exposures are only measured using the standardised approach.

Template UK CCyB2 - amount of institution-specific countercyclical capital buffer at 31 December 2023 (£m):

		31 Dec 2023	31 Dec 2022
		a	[2]
1	Total risk exposure amount [1]	**2,425.6**	1,666.8
2	Institution specific countercyclical capital buffer rate	**1.77%**	0.81%
3	Institution specific countercyclical capital buffer requirement	**42.9**	13.5

1. Total risk exposure amount is more fully detailed in table OV1.
2. Comparative values for the year ended 31 December 2022 do not form part of the UK CCyB2 table but have been added to allow the reader a comparison on year-to-year changes.

APPENDIX 3

Template UK CCA: Main features of regulatory own funds instruments and eligible liabilities instruments as at 31 December 2023 (Rathbones Group Plc – ordinary voting shares)

		a
		Qualitative or quantitative information – Free format
1	Issuer	Rathbones Group Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	GB0002148343
2a	Public or private placement	Public
3	Governing law(s) of the instrument	England & Wales
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo& (sub-) consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares (UK)
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£316.8 million
9	Nominal amount of instrument	90.6 million shares
UK-9a	Issue price	Par
UK-9b	Redemption price	N/a
10	Accounting classification	Shareholders equity
11	Original date of issuance	21/01/1971
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Results, disclosures and presentations | Rathbones

Template UK CCA: Main features of regulatory own funds instruments and eligible liabilities instruments as at 31 December 2023 (Rathbones Group Plc – ordinary non-voting shares)

		a
		Qualitative or quantitative information – Free format
1	Issuer	Rathbones Group Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Company number 01448919
2a	Public or private placement	Private
3	Governing law(s) of the instrument	England & Wales
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo& (sub-) consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares (UK)
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£0.9 million
9	Nominal amount of instrument	17.5 million shares
UK-9a	Issue price	Par
UK-9b	Redemption price	N/a
10	Accounting classification	Shareholders equity
11	Original date of issuance	21/09/2023
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Convertible
24	If convertible, conversion trigger(s)	None
25	If convertible, fully or partially	Always partially
26	If convertible, conversion rate	1 for 1
27	If convertible, mandatory or optional conversion	Optional at the option of the holders
28	If convertible, specify instrument type convertible into	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	Rathbones Group plc ordinary voting shares
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Results, disclosures and presentations | Rathbones

Template UK CCA: Main features of regulatory own funds instruments and eligible liabilities instruments (T2) as at 31 December 2023 (Rathbones Group Plc)

		a
		Qualitative or quantitative information - Free format
1	Issuer	Rathbones Group Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Company number 01448919
2a	Public or private placement	Private
3	Governing law(s) of the instrument	England & Wales
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated debt
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£40 million
9	Nominal amount of instrument	£40 million
UK-9a	Issue price	Par
UK-9b	Redemption price	Par
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	12/10/2021
12	Perpetual or dated	Dated
13	Original maturity date	12/10/2031
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	12/10/2026
16	Subsequent call dates, if applicable	Annually
17	Fixed or floating dividend/coupon	Fixed to floating
18	Coupon rate and any related index	5.642% to Compounded Daily SONIA+4.893%
19	Existence of a dividend stopper	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Ranks in priority to all other forms of capital
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Senior Creditors
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Results, disclosures and presentations | Rathbones

APPENDIX 4

Template UK CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements at 31 December 2023 (£m)

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances with central banks	1,038.3	1,244.0	
2	Settlement balances	165.7	165.7	
3	Loans and advances to banks	266.9	340.0	
4	Loans and advances to customers	115.6	115.6	
	Investment securities			
5	– fair value through profit or loss	1.2	1.2	
6	– amortised cost	1,294.6	1,172.3	
7	Prepayments, accrued income and other assets	225.3	187.2	
8	Property, plant and equipment	16.1	16.1	
9	Right-of-use assets	64.5	64.5	
10	Current tax asset	3.9	3.9	
11	Net deferred tax asset	–	27.5	I
12	Intangible assets	1,025.3	911.8	E
13	Retirement benefit asset	7.0	7.0	F
	Total assets	**4,224.4**	**4,256.8**	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements				
1	Deposits by banks	12.4	12.4	
2	Settlement balances	172.1	172.1	
3	Due to customers	2,253.3	2,318.0	
4	Accruals, provisions and other liabilities	235.1	235.0	
5	Lease liabilities	74.9	74.9	
6	Current tax liabilities	0.5	0.5	
7	Net deferred tax liability	86.0	–	
8	Subordinated loan notes	39.9	40.0	H
9	Retirement benefit obligations	–	–	
	Total liabilities	**2,874.2**	**2,852.9**	
Shareholders' Equity				
1	Share capital	5.4	5.4	A
2	Share premium	312.3	312.3	B
3	Merger reserve	824.4	824.4	D
4	Own shares	(55.6)	(55.6)	G
5	Retained earnings	263.7	263.7	C
	Total shareholders' equity	**1,350.2**	**1,350.2**	

Template UK CC1 – composition of regulatory own funds at 31 December 2023 (£m):

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	317.7	A+B
	of which: ordinary shares	317.7	A+B
2	Retained earnings	263.7	C
3	Accumulated other comprehensive income (and other reserves)	824.4	D
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,405.8**	A+B+C+D
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
8	Intangible assets (net of related tax liability) (negative amount)	(911.8)	E
15	Defined-benefit pension fund assets (negative amount)	(7.0)	F
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(55.6)	G
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(974.4)	E+F+G
29	**Common Equity Tier 1 (CET1) capital**	**431.4**	A+B+C+D-E-F-G
Additional Tier 1 (AT1) capital: instruments			
36	Additional Tier 1 (AT1) capital before regulatory adjustments	–	–
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	–	–
44	Additional Tier 1 (AT1) capital	–	–
45	**Tier 1 capital (T1 = CET1 + AT1)**	**431.4**	A+B+C+D-E-F-G
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	40.0	H
51	**Tier 2 (T2) capital before regulatory adjustments**	**40.0**	H
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	–	–
58	**Tier 2 (T2) capital**	**40.0**	H
59	**Total capital (TC = T1 + T2)**	**471.4**	A+B+C+D-E-F-G+H
60	**Total Risk exposure amount**	**2,425.6**	–
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	17.79%	–
62	Tier 1 (as a percentage of total risk exposure amount)	17.79%	–
63	Total capital (as a percentage of total risk exposure amount)	19.43%	–
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92(1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	13.9%	–
65	of which: capital conservation buffer requirement	2.50%	–
66	of which: countercyclical buffer requirement	1.77%	–
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	**8.16%**	–
Amounts below the thresholds for deduction (before risk weighting)			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met)	27.5	I

APPENDIX 5

Template UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposure as at 31 December 2023 (£m):

		a
		Applicable amount
1	Total assets as per published financial statements	4,224.4
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for exemption of exposures to central banks)	(1,038.8)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	(918.8)
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustment for derivative financial instruments	6.0
9	Adjustment for securities financing transactions (SFTs)	26.4
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7.8
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	0.0
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	–
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	–
12	Other adjustments	–
13	**Total exposure measure**	**2,307.0**

Template UK LR2 - LRCom: Leverage ratio common disclosure (£m):

		Leverage ratio exposures	
		a	b
		31 December 2023	31 December 2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**4,224.4**	3,447.2
6	(Asset amounts deducted in determining tier 1 capital (leverage))	**(918.8)**	(388.6)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**3,305.6**	**3,058.6**
Derivative exposures			
UK-9b	Exposure determined under the original exposure method	**6.0**	0.3
13	**Total derivatives exposures**	**6.0**	**0.3**
Securities financing transaction (SFT) exposures			
16	Counterparty credit risk exposure for SFT assets	**26.4**	34.5
18	**Total securities financing transaction exposures**	**26.4**	**34.5**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**16.4**	22.5
20	(Adjustments for conversion to credit equivalent amounts)	**(8.6)**	(11.3)
22	**Off-balance sheet exposures**	**7.8**	**11.2**
Excluded exposures			
UK-22k	**(Total exempted exposures)**	**–**	**–**
Capital and total exposure measure			
23	**Tier 1 capital (leverage)**	**431.4**	298.7
24	Total exposure measure including claims on central banks	**3,345.8**	3,104.6
UK-24a	(-) Claims on central banks excluded	**(1,038.8)**	(1,410.1)
UK-24b	**Total exposure measure excluding claims on central banks**	**2,307.0**	**1,694.3**
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**18.70%**	17.63%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**18.70%**	17.63%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	**18.70%**	17.63%
UK-25c	Leverage ratio including claims on central banks (%)	**12.89%**	9.62%

Note: The rows omitted in this table relate to approaches not followed by the group or are not applicable.

Template UK LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) as at 31 December 2023 (£m):

		a
		Leverage ratio exposures
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4,224.4
UK-2	Trading book exposures	–
UK-3	Banking book exposures, of which:	4,224.4
UK-5	Exposures treated as sovereigns	1,244.0
UK-7	Institutions	1,678.0
UK-9	Retail exposures	115.6
UK-11	Exposures in default	0.8
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,186.0

Note: The rows omitted in this table relate to approaches not followed by the group or are not applicable.

APPENDIX 6

Template UK AE1 - Encumbered and unencumbered assets (£m):

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			Of which notionally eligible EHQLA and HQLA		Of which notionally eligible EHQLA and HQLA		Of which EHQLA and HQLA		Of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	2.9	–			3,998.7	1,258.9		
030	Equity instruments	–	–	–	–	2.2	–	2.2	–
040	Debt securities	–	–	–	–	1,217.5	126.2	1,225.6	126.9
050	Of which: covered bonds	–	–	–	–	–	–	–	–
060	Of which: asset-backed securities	–	–	–	–	–	–	–	–
070	Of which: issued by general governments	–	–	–	–	126.2	126.2	126.9	126.9
080	Of which: issued by financial corporations	–	–	–	–	1,092.8	–	1,093.4	–
090	Of which: issued by non-financial corporations	–	–	–	–	–	–	–	–
120	Other assets	2.9	–			2,748.4	1,127.5		

The items presented in the table are disclosed using median values. Median values shall be rolling quarterly medians over the previous twelve months and shall be determined by interpolation.

Encumbered assets represent the cash ratio deposit at the Bank of England.

APPENDIX 7

Template UK CR1: Performing and non-performing exposures and related provisions at 31 December 2023 (£m):

		a	b	g	h	m
		Gross carrying amount/nominal amount		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Performing exposures		Performing exposures – accumulated impairment and provisions		Accumulated partial write-off
			Of which stage 1		Of which stage 1	
005	Cash balances at central banks and other demand deposits	1,288.4	1,288.4	0.0	0.0	–
010	Loans and advances	132.7	132.7	(0.3)	(0.3)	–
020	Central banks	2.3	2.3	0.0	0.0	–
040	Credit institutions	14.5	14.5	0.0	0.0	–
080	Households	115.9	115.9	(0.3)	(0.3)	–
090	Debt securities	1,294.6	1,294.6	0.0	0.0	–
110	General governments	200.9	200.9	0.0	0.0	–
120	Credit institutions	1,093.7	1,093.7	0.0	0.0	–
150	Off-balance-sheet exposures	16.1	16.1	–	–	
210	Households	16.1	16.1	–	–	
220	**Total**	**2,731.8**	**2,731.8**	**(0.3)**	**(0.3)**	**–**

Note: Rathbones has no exposures classed as non-performing, nor any performing exposures classed as stage two, and these columns have therefore been excluded. All rows relating to classes of exposures not held by Rathbones have been excluded.

Template UK CR1-A: Maturity of exposures at 31 December 2023 (£m):

		a	b	c	d	e	f
		Net exposure value					
		On demand	<=1 year	>1 year <=5 years	>5 years	No stated maturity	Total
1	Loans and advances	14.2	20.4	97.8	–	-	132.4
2	Debt securities	–	1,294.6	–	–	–	1,294.6
3	**Total**	**14.2**	**1,315.0**	**97.8**	**–**	**-**	**1,427.0**

APPENDIX 8

Template UK LI1 -Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories at 31 December 2023 (£m):

		a	b	c	d	g
				Carrying values of items		
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset class according to the balance sheet in the published financial statements					
1	Cash and balances with central banks	1,038.3	1,244.0	1,244.0	–	–
2	Settlement balances	165.7	165.7	-	-	165.7
3	Loans and advances to banks	266.9	340.0	340.0	–	–
4	Loans and advances to customers	115.6	115.6	115.6	–	–
	Investment securities					
5	– fair value through profit or loss	1.2	1.2	1.2	–	–
6	– amortised cost	1,294.6	1,172.3	1,119.2	53.1	–
7	Prepayments, accrued income and other assets	225.3	187.2	187.2	–	–
8	Property, plant and equipment	16.1	16.1	16.1	–	–
9	Right-of-use assets	64.5	64.5	64.5	–	–
10	Current tax asset	3.9	3.9	3.9	–	–
11	Net deferred tax asset	–	27.5	27.5	–	–
12	Intangible assets	1,025.3	911.8	–	–	911.8
13	Retirement benefit asset	7.0	7.0	–	–	7.0
	Total assets	**4,224.4**	**4,256.8**	**3,119.2**	**53.1**	**1,084.5**
	Breakdown by liability classes according to the balance sheet in the published financial statements					
1	Deposits by banks	12.4	12.4	–	–	12.4
2	Settlement balances	172.1	172.1	–	–	172.1
3	Due to customers	2,253.3	2,318.0	–	–	2,318.0
4	Accruals, provisions and other liabilities	235.1	235.0	–	–	235.0
5	Lease liabilities	74.9	74.9	–	–	74.9
6	Current tax liabilities	0.5	0.5	–	–	0.5
7	Net deferred tax liability	86.0	–	–	–	–
8	Subordinated loan notes	39.9	40.0	–	–	40.0
9	Retirement benefit obligations	–	–	–	–	–
	Total liabilities	**2,874.2**	**2,852.9**	**–**	**–**	**2,852.9**

Note 1: Rathbones does not undertake securitisations business and column e from the template has therefore been excluded.

Template UK LI2 -Main sources of differences between regulatory exposure amounts and carrying values in financial statements at 31 December 2023 (£m):

		a	b	d
			Items subject to	
		Total	Credit risk framework	CCR framework
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	3,172.3	3,119.2	53.1
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	–	–	–
3	Total net amount under the regulatory scope of consolidation	3,172.3	3,119.2	53.1
4	Off-balance-sheet amounts	16.4	16.4	–
9	Differences due to credit conversion factors	(8.6)	(8.6)	–
12	**Exposure amounts considered for regulatory purposes**	**3,180.1**	**3,127.0**	**53.1**

Note: Rathbones does not undertake securitisations business and is not exposed to the market risk framework, therefore columns c and e from the template have been excluded.

Reconciliation of balance sheet assets to carrying value under scope of regulatory consolidation:

	a	Adjustments tying signed financial statements to credit risk values					b
	Carrying values as reported in published financial statements	Intercompany adjustment[1]	Deferred tax asset adjustment[2]	Reallocation of accrued interest	Client money reallocation	Gilts adjustment[3]	Carrying values under scope of regulatory consolidation
Breakdown by asset class							
Cash and balances with central banks	1,038.3			2.8		202.9	1,244.0
Loans and advances to banks	266.9	64.7		0.0	8.4		340.0
Investment securities at amortised cost	1,294.6			24.9		(200.9)	1,172.3
Prepayments, accrued income and other assets	225.3			(27.7)	(8.4)	(2.0)	187.2
Net deferred tax asset	–		27.5				27.5
Intangible assets	1,025.3		(113.5)				911.8

Note 1: £64.7m of group banking relationships which are included in the annual report and accounts as inter-company balances but which have been moved to exposures to institutions for credit risk purposes.
Note 2: £27.5m of deferred tax assets which are under the threshold for deduction from own funds and which have been moved to other exposures for credit risk purposes.
Note 3: £202.9m of UK Gilts are reallocated to central government exposures for credit risk purposes.

APPENDIX 9

Template UK CQ3: credit quality of performing and non-performing exposures by past due date at 31 December 2023 (£m):

		a	b	c
		Gross carrying amount/nominal amount		
		Performing exposures		
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days
005	Cash balances at central banks and other demand deposits	1,288.4	1,288.4	–
010	Loans and advances	132.7	131.9	0.8
020	Central banks	2.3	2.3	–
040	Credit institutions	14.5	14.5	–
080	Households	115.9	115.1	0.8
090	Debt securities	1,294.6	1,294.6	–
110	General governments	200.9	200.9	–
120	Credit institutions	1,093.7	1,093.7	–
150	Off-balance-sheet exposures	16.1		
210	Households	16.1		
220	**Total**	**2,731.8**	**2,714.9**	**0.8**

Note: Rathbones has no exposures which it classes as non-performing and columns d to l have therefore been excluded.

APPENDIX 10

Template UK LIQ1 - Quantitative information of the LCR during 2023 is shown in the following table (£m):

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on	31 Dec	30 Sept	30 June	31 March	31 Dec	30 Sept	30 June	31 March
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					1,305.7	1,373.9	1,509.0	1,575.1
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	1,811.0	1,867.4	1,942.3	1,948.6	177.2	183.0	189.0	187.7
3	Stable deposits	855.3	880.8	936.6	966.5	42.8	44.0	46.8	48.3
4	Less stable deposits	955.7	986.6	1,005.8	982.1	134.4	139.0	142.2	139.3
5	Unsecured wholesale funding	627.4	646.5	684.5	679.1	275.2	284.9	283.7	268.2
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	332.2	362.4	430.0	458.7	61.4	67.5	82.4	87.8
7	Non-operational deposits (all counterparties)	295.2	284.1	254.5	220.5	213.8	217.4	201.3	180.4
10	Additional requirements	18.7	19.8	24.3	29.0	0.9	1.0	1.2	1.5
13	Credit and liquidity facilities	18.7	19.8	24.3	29.0	0.9	1.0	1.2	1.5
14	Other contractual funding obligations	217.3	206.4	202.8	179.6	185.4	176.1	174.3	153.0
16	**Total Cash Outflows**					**638.8**	**645.0**	**648.2**	**610.3**
CASH - INFLOWS									
18	Inflows from fully performing exposures	549.4	512.8	476.7	442.6	332.1	314.9	286.2	256.6
20	**Total Cash Inflows**	**549.4**	**512.8**	**476.7**	**442.6**	**332.1**	**314.9**	**286.2**	**256.6**
UK-20c	Inflows subject to 75% cap	549.4	512.8	476.7	442.6	332.1	314.9	286.2	256.6
TOTAL ADJUSTED VALUE									
UK-21	Liquidity Buffer					1,305.7	1,373.9	1,509.0	1,575.1
22	Total Net Cash Outflows					306.7	330.1	362.0	353.7
23	**Liquidity Coverage Ratio**					**432.71%**	**420.32%**	**423.51%**	**452.20%**

Note: The rows omitted in this table relate to approaches not followed by the group or are not applicable.

The information disclosed in the table includes the values and figures required for each of the four calendar quarters (January-March, April-June, July-September, October-December) preceding the disclosure date. Institutions shall calculate these values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.

Template UK LIQ2 - Net Stable Funding Ratio as at 31 December 2023 (£m):

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(in currency amount)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) items						
1	Capital items and instruments	997.1	–	–	39.9	1,037.0
2	Own funds	997.1	–	–	39.9	1,037.0
4	Retail deposits		1,828.1	–	–	1,687.6
5	Stable deposits		846.6	–	–	804.3
6	Less stable deposits		981.5	–	–	883.3
7	Wholesale funding:		364.9	–	–	182.4
8	Operational deposits		225.5	–	–	111.2
9	Other wholesale funding		142.4	–	–	71.2
11	Other liabilities:	–	756.5	–	54.0	109.1
13	All other liabilities and capital instruments not included in the above categories		756.5	–	54.0	109.1
14	**Total available stable funding (ASF)**					**3,016.1**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					0.0
17	Performing loans and securities:		927.5	466.1	115.0	431.4
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		907.8	465.3	1.6	325.0
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		19.7	0.8	113.4	106.4
26	Other assets:		449.8	–	781.5	1,006.4
31	All other assets not included in the above categories		449.8	–	781.5	1,006.4
32	Off-balance sheet items		18.1	–	–	0.9
33	**Total required stable funding (RSF)**					**1,438.8**
34	**Net Stable Funding Ratio (%)**					**222.31%**

Note: The rows omitted in this table relate to approaches not followed by the group or are not applicable.

For annual disclosures, institutions shall disclose the simple average of four data sets covering the latest and the three previous quarters.