Rathbone Brothers Plc

Pillar 3 disclosures

July 2015

Rathbones
Established 1742

CONTENTS

		Page
1	**Corporate background**	3
2	**Risk management objectives & policies**	5
3	**Own funds disclosures**	12
4	**Own funds requirements**	15
5	**Credit risk**	19
6	**Standardised approach to credit risk**	23
7	**Interest rate risk in the banking book**	25
8	**Non-trading book exposures in equities**	26
9	**Remuneration code**	27
10	**Disclosure**	29
11	**Appendices**	30

Definition of key terms:

Rathbones	the trading name for the group of companies owned by Rathbone Brothers Plc
Board	the board of directors of Rathbone Brothers Plc
Executive directors	directors on the executive committee
FUM	funds under management
investment management business	services provided by Rathbone Investment Management Limited and Rathbone Investment Management International Limited
Plc	Rathbone Brothers Plc
RIM	Rathbone Investment Management Limited
RIMI	Rathbone Investment Management International Limited
RPAS	Rathbone Pensions & Advisory Services Limited
RUTM	Rathbone Unit Trust Management Limited
the group	Rathbone Brothers Plc and all its subsidiaries
Regulator	Prudential Regulation Authority (‘PRA’), 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 in order to hedge such positions
trust & taxation business	Services provided by Rathbone Trust Company Limited
CRR or CRD IV	Capital Requirements Regulation (EU) No 575/2013

1. Corporate background

Rathbone Brothers Plc is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. This includes discretionary investment management, unit trusts, tax planning, trust management, pension advice and selected banking services.

The group is organised into two operating divisions: Investment Management (including banking, pension & advisory services and trust & tax services) and Unit Trusts.

1.1 Investment Management

Investment Management teams provide primarily discretionary investment management services to private investors and charities with portfolios held in discretionary accounts, trust structures, ISA accounts or self-invested personal pensions ('SIPPs') from offices in the UK and Jersey.

Fees and charges are transparent, with the majority of clients having either a fee and commission-based or a fee-based service with securities held in a Rathbone nominee company and the cash component of the portfolio held by Rathbone Investment Management Limited ('RIM'), an authorised banking institution. At 31 December 2014, funds under management were £24.7bn. Within the Investment Management division, the primary company is RIM which has one trading subsidiary, Rathbone Investment Management International Limited, which is registered in Jersey.

The Investment Management division also includes Rathbone Pension & Advisory Services Limited which advises clients on retirement planning options.

Rathbone Trust Company Limited ('RTC') provides taxation services (compliance and planning), probate services, trust services (formation, administration, accounting and provision of trustees and protectors) and family office services.

1.2 Unit Trusts

Rathbones offers a range of unit trusts and open-ended investment companies ('OEICs') which are distributed mainly through independent financial advisers in the UK. Funds cover the UK stock market, embracing small, medium and large companies to achieve growth and income. In addition there is an ethical bond fund and a global fund focused on international opportunities. At 31 December 2014 funds under management were £2.5bn.

1.3 Regulation

Within the UK, RUTM and RPAS are regulated by the FCA, RIM is regulated jointly by the PRA and the FCA and the group is subject to consolidated supervision. RTC is regulated by the Solicitors Regulation Authority and is subject to HMRC regulations for money laundering purposes. RIMI is subject to regulation by the Jersey Financial Services Commission.

1.4 Corporate governance

The Board meets a minimum of seven times per year with one meeting devoted entirely to strategic issues. In months where no formal board meeting is scheduled, an informal meeting of the non-executive directors and the chairman and group chief executive is ordinarily held.

The five principal Plc Board committees are the executive committee, audit committee, remuneration committee, group risk committee and nomination committee. In addition to these committees are the five Plc executive sub-committees; group programme board, business continuity committee, training, social &

environmental committee and new products & services committee. Most of these committees have group executive director representation.

The RIM board of directors meets every other month. The principal RIM committees are the management committee, client and investment committees as well as the banking committee. All of these committees have executive director representation.

1.5 Scope of disclosures

Rathbone Brothers Plc is the parent company of the group and is required to produce a consolidated return to assess its regulatory own funds and own funds requirements. This is similar to the statutory financial statements produced for the annual report & accounts except for the exclusion of the Employee Benefit Trust (‘EBT’) and one subsidiary, Harlequin Insurance PCC Limited Cell RAT36 (‘Harlequin’), which was disposed of during 2014. Harlequin was a Guernsey-incorporated captive insurance vehicle used to self-insure the excess on insurance policies held by the group and the EBT is a separate legal entity which holds cash and Plc shares which will be used in future years to settle employee share-based payment transactions. Both are included for accounting purposes but are excluded for regulatory reporting purposes. The own funds of all excluded entities was in excess of that required at any time.

2. Risk management objectives and policies

2.1 Risk management

The group risk management report on pages 18 to 22 of the 2014 annual report and accounts, and the group risk committee report on page 60 of the 2014 annual report and accounts, include details of the group's risk management objectives and provide declarations approved by the Board on the adequacy of risk management arrangements and the group's overall risk profile. It also includes the composition of the group risk committee and the number of meetings held during the year, as well as information on the communication of risk information to the Board

Extract from 2014 annual report and accounts (Strategic report – risk management):

Risk management

Rathbones continues to enhance its risk management framework, which provides a structured and consistent approach across the group. During the year, we have further established our operating model for risk management and improved our risk governance and lines of defence model to ensure that all identified risks are owned by management, business units and, in some cases, specific committees. A dedicated chief risk officer joined us in March 2015.

Three lines of defence

Rathbones operates a three lines of defence model to support the risk management framework. Responsibility and accountability for risk management are effectively broken down into three lines as follows:

1st line

Rathbones' senior management and operational business units own and are responsible for managing risks, by developing and maintaining effective internal controls to mitigate risk.

2nd line

Rathbones' risk function and compliance function maintain a level of independence from, and are responsible for, oversight and challenge of 1st line's day to day management, monitoring and reporting of risks.

3rd line

Rathbones' internal audit function is responsible for providing an independent assessment and assurance as to the effectiveness of governance, risk management and internal controls operating within the group.

Risk assessment

Rathbones reviews and monitors risk exposures closely, considering the potential impact and any management actions required to mitigate the impact of emerging issues and future events. The group risk register is the principal tool for monitoring risks which are classified in a strict hierarchy. The highest level (level 1) identifies risks as financial, business or operational. The next level (level 2) contains 15 risk categories which are listed below. Detailed risks (level 3) are a sub-set of level 2 risks and are captured and maintained across the company within separate business unit risk registers. The risk function regularly reviews risks with risk owners and also conducts ad hoc reviews or risk workshops. A watch list is maintained to record any emerging issues and future events which will or could have the potential to impact Rathbones' risk profile and may therefore require active management, process changes or systems development. The group risk register and watch list are regularly reviewed by the executive, senior management, board and governance committees.

Risk appetite

Rathbones' risk appetite is defined as both the amount and type of risk the company is prepared to take or retain in the pursuit of its strategy. Our appetite articulates some overarching parameters and specific measures for each level 2 risk category. During 2014 Rathbones operated within its stated risk appetite and the board remains committed to mitigating risk to within levels that are consistent with a relatively low overall appetite for risk. The board continues to recognise that the business is susceptible to market fluctuations and will bear losses from financial and operational risks from time to time either as reductions in income or increases in operating costs.

Risk scoring

Rathbones assesses risks using a 1 – 4 scoring system with each level 3 risk rated by assessing the likelihood of its occurrence in a five year period and the associated impact. A residual risk score is then derived by taking into account an assessment of the internal control environment or insurance mitigation.

Risk Profile

Thirty-nine level 3 risks continue to form the basis of the group's risk register, each of which is classified under one of the 15 level 2 risk categories.

Rathbones' approach to managing risk is underpinned by an understanding of our current risk exposures and how risks change over time.

During the year there have been minor changes to the 15 level 2 risk categories; however the underlying risk profile and ratings for the majority of level 2 risks have remained consistent during 2014. The following table summarises the changes.

Ref	Risk	Risk change in 2014	Description of change
A	Credit	⇩	Cash held with central banks has increased by 245%
D	Pension	⇧	Impact of significantly lower long term gilt rates has increased IFRS and funding deficit
H	Business change	⇧	The operational integration of two acquisitions increased our business risk
J	Data integrity & security	⇧	Increased threat of fraud or cyber attack
K	Legal	⇩	Settlement of Jersey trust legal proceedings has reduced our overall risk exposure
O	Regulatory	⇧	Volume of regulation remains high and a continued focus on conduct across the financial services industry

During the year, the group executive committee has also recognised a number of emerging risks. The 3 main risks are listed below.

Emerging risk	Description of change
Cyber risk	Higher risk of an unwelcomed attack on core systems and data
Political risk	Increased market volatility from the possibility of EU uncertainties and other geopolitical factors
Business model risk	Need for banks to strengthen capital buffers in line with CRD IV framework

The Board believes that the principal risks and uncertainties facing the group have been identified within the information below, and has recognised the impact of strategic change in the year. The Board continues to believe that the most significant risks to the business are operational risks that arise from the growth in our business, and regulatory risks that may arise from continual changes to rules and standards in our sector. Our overall risk profile and ways in which we mitigate risks are analysed below. The risk mitigation listed is not exhaustive and excludes the oversight provided by board committees.

Financial risks

Ref	Level 2 Risk	Definition	Key mitigators
A	Credit	The risk that one or more counterparties fail to fulfil contractual obligations, including stock settlement	• Banking committee oversight • Counterparty limits and credit reviews • Treasury policy and procedures manual • Active monitoring of exposures • Annual Internal Capital Adequacy Assessment Process • Client loan policy
B	Liquidity	The risk of having insufficient financial resources to meet obligations as they fall due, or that to secure access to such resources would be at excessive cost	• Banking committee oversight • Daily reconciliations and reporting to senior management • Cash flow forecasting • Contingency funding plan • Annual Individual Liquidity Adequacy Assessment (including stress testing)
C	Market	The risk that earnings or capital will be adversely affected by changes in the level or volatility of interest rates, foreign currency exchange rates or market prices	• Banking committee oversight • Documented policies and procedures • Daily monitoring of interest rates, exchange rates and maturity mismatch • Robust application of policy and investment limits
D	Pension	The risk that the cost of our defined benefit pension schemes increases, or its valuation affects dividends, reserves and capital	• Management and trustee oversight • Monthly valuation estimates • Triennial independent actuarial valuations • Investment policy and oversight • Monthly management information • Annual Internal Capital Adequacy Assessment Process

Further detailed discussion of the group's exposures to financial risks is included in note 33 to the consolidated financial statements.

BUSINESS RISKS

REF	LEVEL 2 RISK	DEFINITION	KEY MITIGATORS
E	Business Model	The risk that the business model does not respond in an optimal manner to changing market conditions such that sustainable growth, market share or profitability is adversely affected	• Board and executive oversight • A documented strategy • Annual business targets, subject to regular review and challenge • Regular reviews of pricing structure • Continued investment in marketing, the investment process and service standards • Trade body participation • Regular competitor benchmarking and analysis
F	Performance and advice	The risk that clients receive inappropriate financial, trust or investment advice, inadequate documentation or unsuitable portfolios, resulting in a failure to meet clients' investment and/or other objectives or expectations	• Investment governance and structured committee oversight, specifically strategic asset allocation and stock selection • Management oversight and active client service • Performance measurement and attribution analysis • Weekly investment management meetings • Monthly investment manager peer reviews • Consistent and competitive remuneration schemes • Compliance monitoring
G	Reputational	The risk of reputational damage from financial and non-financial events or failing to meet stakeholders' expectations	• Executive oversight with a strong compliance culture • Conflicts of interest committee • Investment in staff training and development • Proactive communications with shareholders/investor relations • Investment process, management and performance monitoring • Conduct risk framework • Strong values and approach to governance • Monitoring of media coverage

OPERATIONAL RISKS

REF	LEVEL 2 RISK	DEFINITION	KEY MITIGATORS
H	Business change	The risk that the planning or implementation of change is ineffective or fails to deliver desired outcomes	• Project and IT committees • Dedicated project office function • Documented business plans and IT strategy • Two-stage assessment, challenge and approval of project plans • Documented project and change procedures
I	Business continuity	The risk that an internal or external event results in either failure or detriment to core business processes or services	• Group business continuity committee oversight • Documented crisis/incident management and disaster recovery plans • Regular disaster recovery testing • Continuous monitoring of IT systems availability • Off-Site data centre

J	Data integrity and security	The risk of a lack of integrity of, inappropriate access to, or disclosure of, client or company-sensitive information	• Data security committee oversight • Data protection policy and procedures • System access controls and encryption • Penetration testing and multi-layer network security • Training and employee awareness programmes • Physical security at all locations
K	Legal	The risk of legal action being taken against the group (and/or a subsidiary) or failure to comply with legislative requirements, resulting in financial loss and reputational damage	• Executive oversight • Retained specialist legal advisers • Data protection policy and compliance monitoring • Documented policies and procedures • Training and employee awareness programmes
L	Outsourcing	The risk of one or more third parties failing to provide or perform outsourced services to standards expected by the group, impacting the ability to deliver core services	• Executive oversight • Supplier due diligence and regular financial reviews • Active relationship management, including regular service review meetings • Service level agreements and monitoring of key performance indicators • Compliance monitoring
M	People	The risk of loss of key staff, lack of skilled resources and inappropriate behaviour or actions	• Executive oversight • Succession and contingency planning • Transparent, consistent and competitive remuneration schemes • Investment in staff training and development • Contractual clauses with restrictive covenants
N	Processing	The risk that the design or execution of client/financial /settlement transaction processes (including dealing activity) are inadequate or fail to deliver an appropriate level of service and protection to client or company assets	• Authorisation limits and management oversight • Dealing limits and supporting system controls • Active investment in automated processes • Count review/four-eyes processes • Segregation of duties • Documented procedures • Annual controls assessment (ISAE3402 report)
O	Regulatory	The risk of failure by the group (and/or a subsidiary) to fulfil its regulatory requirements and comply with the introduction of new or amended regulation	• Active involvement with representative industry bodies • Compliance monitoring and oversight of industry and regulatory developments • Close contact with the regulators • Documented policy and procedures

Extract from 2014 annual report and accounts (group risk committee report):

Committee members

Our current members are the independent non-executive directors Kathryn Matthews (chairman), James Dean, Sarah Gentleman and David Harrel. Oliver Corbett was a committee member until his retirement from the board on 3 June 2014 while Sarah Gentleman joined the committee on her appointment to the Board on

21 January 2015. We met on four occasions in 2014 (2013: four). Details of attendance by members are set out on page 56.

Role and responsibilities of the committee

These are set out in the terms of reference of the committee, which are reviewed annually and approved by the Board.

The committee is supported in its duties by the risk management committee and the group executive committee. The risk management committee is made up of representatives from all the different business units and reviews all the different risks from within the businesses at an operational level. The group executive committee reviews the risks as identified by the risk management committee from a group wide perspective and also within the framework of group strategy. These discussions then form the basis for the debate on both key risks and emerging risks at the group risk committee.

The key activities of the committee are to:

- review the businesses' risks and a top 10 list of risks
- consider a 'watch list' of emerging risks and issues
- advise the Board on the group's overall risk appetite and risk tolerance
- identify risk trends and correlations
- consider the lessons learned from operational events and the adequacy of management action
- review the risk assessment process and the metrics used
- provide guidance to other committees and to the Board
- support the board's risk assessment of any proposed strategic business change
- review of the risk-related aspects of key regulatory documents

2.2 Directors: Recruitment policy, training & external directorships

The nomination committee report on page 78 of the 2014 annual report and accounts includes details of the recruitment policy for directors. The corporate governance report on pages 55 to 58 of the 2014 annual report and accounts includes a section on the training and induction of directors. The directors' biographies on pages 50 to 52 of the 2014 annual report and accounts summarise the knowledge, skills and expertise of the management committee, as well as provide details of external directorships held.

Extract from 2014 annual report and accounts (nomination committee report):

Role and responsibilities of the committee

The remit of the committee is to consider and make recommendations to the board for the appointment of directors. The Board as a whole then decides upon any such appointment. The committee also considers issues such as appraisals, training and director development. The terms of reference of the committee are reviewed annually and approved by the Board.

An external search consultancy is generally used when recruiting new non-executive directors and may be used when recruiting executive directors. When considering possible candidates, the committee evaluates the skills, knowledge and experience of the candidates and, in the case of non-executive appointments, their other commitments. The committee is mindful of the benefits of a diverse Board with a broad range of skills and experience.

Extract from 2014 annual report and accounts (corporate governance report):

Training and induction

Rathbones is committed to the training and development of all staff to ensure professional standards are maintained and enhanced. All directors are required to dedicate a certain number of hours to their own development. Training and development include activities to keep up-to-date with Rathbones' specific issues and industry, market and regulatory changes.

New directors are involved in a thorough induction process designed to enable them to become quickly familiar with the business. This includes meeting staff in a number of key business areas, attendance at important internal meetings and demonstrations of systems and key business processes.

2.3 Diversity policy

Information on diversity and inclusion of the management committee is provided in the corporate responsibility report on page 42 of the 2014 annual report and accounts.

Extract from 2014 annual report and accounts (corporate responsibility report):

Diversity and Inclusion

Rathbones is an equal opportunities employer and it is our policy to ensure that all job applicants and employees are treated fairly and on merit regardless of their race, gender, marital status, age, disability, religious belief or sexual orientation.

Rathbones now has two women non-executive directors and has thus achieved our commitment to meet Lord Davies' target of 25% female Board representation. For Rathbones as a whole, we have a broadly 50:50 balance between males and females. Whilst female representation at a senior executive management level is low, representation in senior and middle management roles in support departments, our investment research team and within the unit trust business is good and continues to improve.

Historically, women are less well represented in investment management roles and addressing this imbalance is a key priority. We are working hard to bring in more women in graduate trainee positions (our graduate programme currently comprises broadly equal numbers of men and women) and by encouraging more applications from women to our work experience and financial career programmes. Our work-life balance provisions are designed to be attractive to women who wish to enter our industry as well as to encourage parents to remain in work with us when raising a family.

We are also targeting the progression and development of existing female employees with opportunities for training such as our early career team worker programme. During 2013 and 2014, 26 women participated in this programme and 10 of them have since been promoted into more senior positions, including six who are now managing others.

At the next level a further 23 women attended management development programmes ranging from leadership skills and introduction to management courses to the Henley Business School Leadership Programme.

3. Own funds disclosures

3.1 Own funds

A summary of the group's and RIM's own funds is shown in the following table (£000s):

	Group 31 Dec 2014	Group 31 Dec 2013[4]	RIM 31 Dec 2014	RIM 31 Dec 2013[4]
Common Equity Tier 1 capital				
Permanent ordinary share capital	2,395	2,315	2,800	2,225
Share premium	92,987	65,484	107,585	65,035
Retained earnings[1]	149,398	150,134	100,151	104,341
Other Tier 1 reserves [2]	31,863	36,552	-	-
Deductions [3]	(164,399)	(112,176)	(120,255)	(73,081)
Common Equity Tier 1 capital after deductions	**112,244**	**142,309**	**90,281**	**98,520**
Tier 2 capital	-	-	-	-
Tier 2 capital	**-**	**-**	**-**	**-**
Own funds	**112,244**	**142,309**	**90,281**	**98,520**

Notes

[1] Retained earnings include audited profits for the year ended 31 December. Group retained earnings in 2014 exclude losses of £0.4m relating to the EBT (2013: total profits of £1.4m relating to Harlequin and the EBT).
[2] Other Tier 1 reserves represent merger and foreign currency translation reserves.
[3] Deductions include intangible assets (representing goodwill on consolidation, software costs and acquired client relationships to the extent not amortised) and treasury shares.
[4] 2013 figures have been restated and are now presented on a Basel III-equivalent basis.
[5] No innovative tier 1 capital was held at or in the financial years ending 31 December 2014 and 2013.
[6] This should be read in conjunction with the regulatory capital section on page 35 of the 2014 annual report and accounts.

Article 437(1)(b) of the CRR requires disclosure of the main features of Common Equity Tier 1 own funds, Additional Tier 1 and Tier 2 instruments in accordance with a prescribed capital instruments' main features template. This template is attached as Appendix 5 (for Plc) and Appendix 6 (for RIM).

Article 437(1)(d) & (e) of the CRR requires disclosure of own funds at 31 December 2014 in accordance with a prescribed transitional own funds disclosure template. This template is attached as Appendix 7 (for the group) and Appendix 8 (for RIM solo).

3.2 Reconciliation of own funds items to audited financial statements

A reconciliation of the group's 2014 audited financial statements to regulatory own funds is shown in the following table (£000s):

	Financial statements	Employee benefit trust		Reclassification of deferred tax asset	Regulatory own funds
		Retained losses	Own shares		
Equity					
Share capital	2,395	-	-	-	2,395
Share premium	92,987	-	-	-	92,987
Merger reserve	31,835	-	-	-	31,835
Available for sale reserve	28	-	-	-	28
Own shares	(5,531)	-	671	-	(4,860)
Retained earnings	149,018	380	-	-	149,398
Total equity	**270,732**	**380**	**671**	**-**	**271,783**
Deductions					
Intangible assets	(159,654)	-	-	115	(159,539)
Total regulatory own funds					**112,244**

A reconciliation of RIM's 2014 audited financial statements to regulatory own funds is shown in the following table (£000s):

	Financial statements	Adjustments	Regulatory own funds
Equity			
Share capital	2,800	-	2,800
Share premium	107,585	-	107,585
Retained earnings	100,151	-	100,151
Total equity	**210,536**	**-**	**210,536**
Deductions			
Intangible assets	(120,255)	-	(120,255)
Total regulatory own funds			90,281

3.3 Common Equity Tier 1 ratio

The Common Equity Tier 1 ratio is calculated in line with CRD IV regulations for banks, and makes reference to a total risk exposure amount. The total risk exposure amount includes the risk-weighted exposure amount in relation to the foreign exchange position risk requirement for market risk and the operational risk capital component, in line with other credit institutions. 2013 values below are stated on a Basel III-equivalent basis.

Group Common Equity Tier 1 ratio as at 31 December 2014 was 17.7% (2013: 21.0%).
RIM Common Equity Tier 1 ratio as at 31 December 2014 was 15.9% (2013: 16.4%).

Risk-weighted assets in relation to credit risk are more fully detailed in Appendices 1 and 3 for group and RIM respectively.

See Appendices 2 and 4, for group and RIM respectively, for a breakdown of the calculation of the total risk exposure amount.

3.4 Leverage ratio

Group leverage ratio as at 31 December 2014 was 7.5% (2013: 11.5%). More detail is provided in the regulatory capital section on page 35 of the 2014 annual report and accounts.

4. Own funds requirements

4.1 Internal Capital Adequacy Assessment Process (ICAAP)

As required under PRA rules and the CRR the group performs an ICAAP annually, which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the group needs to hold. In addition, a wide range of capital statistics are monitored 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 the treasury department.

4.2 Pillar 1: Own funds requirements

The Pillar 1 own funds requirement is the sum of the own funds requirements for credit and counterparty credit risk, settlement risk, market risk and operational risk (£000s):

	Group 31 Dec 2014	Group 31 Dec 2013	RIM 31 Dec 2014	RIM 31 Dec 2013
Credit & counterparty credit risk	26,660	32,622	25,966	30,243
Settlement risk	2	7	2	8
Market risk	234	175	-	84
Operational risk	23,726	21,306	19,593	17,726
Total own funds requirement	**50,622**	**54,110**	**45,561**	**48,061**

4.3 Credit & counterparty credit risk

Credit risk is the risk that unexpected losses may arise as a result 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 RIM and is chaired by the finance director. The committee meets each month and has additional meetings at other times when required.

Analysis of own funds requirement for credit & counterparty credit risk (£000s):

	Group 31 Dec 2014	Group 31 Dec 2013	RIM 31 Dec 2014	RIM 31 Dec 2013
Central government and central banks	-	-	-	-
Institutions	10,047	14,136	11,469	13,629
Corporates	-	227	-	-
Retail	6,875	6,196	6,896	6,217
Past due items	34	57	-	-
Short term claims on institutions	4,261	6,610	3,817	6,540
Collective investment undertakings	244	765	-	160
Other items[(1)]	5,199	4,631	3,784	3,697
Own funds requirement for credit & counterparty credit risk	**26,660**	**32,622**	**25,966**	**30,243**

[(1)] Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

See Appendices 1 and 3 (for group and RIM respectively) for a reconciliation of the 2014 report and accounts to the Pillar 3 credit risk exposures.

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 and money market funds. Investments are spread to avoid excessive exposure to any individual counterparty. The associated credit risk capital charge for these assets is included in the table above under ‘Institutions’, ‘Short term claims on institutions’ (the latter being those with less than three months to maturity) and ‘Collective Investment Undertakings’. This represents 55% of the total credit risk capital component for group and 59% for RIM.

The charge for retail exposures represents a further 26% of the total credit risk capital component for group and 27% for RIM and arises primarily from RIM’s client lending activity. This activity is a low risk service offered to assist investment management clients who are asset rich but have short to medium term cash requirements. Loans are generally made on a fully secured basis against diversified portfolios held in Rathbones’ nominee name. For the purpose of the credit risk calculation no mitigation has been taken on the value of any security held against the loans.

The charge for other items relates to exposures in the form of tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

4.3.1 Counterparty credit risk

The own funds requirement for counterparty credit risk is included within the total for short term claims on institutions in the table above.

The counterparty credit risk charge is based on the marked-to-market exposure of any trades undertaken on behalf of investment management clients which are outside of normal settlement terms (T+3 for stock trades and T+4 for unit trust trades) and client foreign exchange transactions which are outside of the usual T+2 settlement terms. Forward Rate Agreements (‘FRAs’) are used occasionally to mitigate the effect of short term interest rate risk in the banking book. There are no other derivatives.

Analysis of exposure value and own funds requirement for counterparty credit risk (£000s):

	Group 31 Dec 2014		RIM 31 Dec 2014	
	Exposure value	Own funds requirement	Exposure value	Own funds requirement
Forward rate agreements	-	-	-	-
Long settlement transactions	4,312	101	3,658	72
Forward FX transactions	2,925	117	2,910	116
Total	**7,237**	**218**	**6,568**	**188**

Rathbones does not have any collateral positions, margin lending transactions or repo transactions, nor does it have a credit rating the downgrading of which could impact the above values.

4.4 Credit Valuation Adjustment risk

The own funds requirement for credit valuation adjustment risk is not material.

4.5 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 (£000s):

	GROUP 31 DEC 2014	GROUP 31 DEC 2013	RIM 31 DEC 2014	RIM 31 DEC 2013
SETTLEMENT RISK	2	7	2	8
OWN FUNDS REQUIREMENT FOR SETTLEMENT RISK	**2**	**7**	**2**	**8**

4.6 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 (other than the treasury assets referred to above) 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.

Analysis of own funds requirement for market risk (£000s):

	GROUP 31 DEC 2014	GROUP 31 DEC 2013	RIM 31 DEC 2014	RIM 31 DEC 2013
FOREIGN CURRENCY POSITION RISK REQUIREMENT	234	175	-	84
OWN FUNDS REQUIREMENT FOR MARKET RISK	**234**	**175**	**-**	**84**

Institutions are not required to report their own funds requirement for market risk if the sum of its overall net foreign exchange position does not exceed 2% of its total own funds. At 31 December 2014, RIM's market risk net position was £1.8m, which represented 1.94% of own funds, and is therefore not reported.

4.7 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.

Analysis of own funds requirement for operational risk (£000s):

	GROUP 31 DEC 2014	GROUP 31 DEC 2013	RIM 31 DEC 2014	RIM 31 DEC 2013
BASIC INDICATOR APPROACH	23,726	21,306	19,593	17,726
OWN FUNDS REQUIREMENT FOR OPERATIONAL RISK	**23,726**	**21,306**	**19,593**	**17,726**

4.8 Pillar 2 & buffers

The Pillar 2 charge is agreed with the Regulator as part of their regular Supervisory Review and Evaluation Process visit and covers additional risks not deemed to be included in either the Pillar 1 charge or the add-on. Its basis of calculation is confidential.

On 19 January 2015, the FCA issued a consultation paper setting out proposed changes to the Pillar 2 framework, which include provisions to allow banks to publish details of their aggregate Pillar 2A capital requirements in addition to Pillar 1 components.

As at 31 December 2014 neither elements of the CRD IV combined buffer have been implemented and consequently no further disclosures are made in this report.

5. Credit risk

Outstanding settlement balances do not represent a credit risk to Rathbones under the principles of matched principal broking and have therefore been excluded from any credit risk calculations.

5.1 Credit exposures by exposure class

Analysis of total exposures by exposure class (£000s):

			Month end average over 2014	
	Group 31 Dec 2014	RIM 31 Dec 2014	Group	RIM
Central government & central banks	757,419	757,419	602,187	602,187
Institutions	303,442	309,692	286,052	287,398
Corporates	-	-	-	-
Retail	115,977	116,074	104,737	104,756
Past due items	291	-	307	-
Short term claims on institutions	262,077	237,271	223,938	205,029
Collective investment undertakings	15,049	-	22,564	-
Other items (1)	64,919	47,305	59,847	47,031
Total exposures	**1,519,174**	**1,467,761**		

(1) Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

For the purposes of regulatory capital the group has defined ‘past due’ items 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. At present, past due exposures have only been identified in fee debtors due to trust and pensions activities. Values as at 31 December 2014 are not material and no further breakdown of exposures by counterparty type or geographical area is therefore undertaken.

Impaired exposures have been classified as those where a provision has been taken against the book value of the exposure. These have historically arisen only in fee debtors due to trust and pensions activities. A credit risk charge has been taken against the net amount of the exposure after deduction of the provision. Values of provisions against trust and pensions debtors are dependent on the specific circumstances of the debt and the opinion of the case officer.

5.2 Past-due items

Analysis of past due items by number of days past their contractually agreed settlement date (£000s):

	Group 31 Dec 2014	RIM 31 Dec 2014
90 to 180 days	129	-
180 to 270 days	71	-
270 to 365 days	29	-
Over 365 days	62	-
Total past due exposures	**291**	**-**

5.3 Impaired exposures

Analysis of movements in provision for impaired exposures (£000s):

	Group 2014	RIM 2014
Balance at 1 January	**1,113**	-
Amounts written off	(452)	-
Amounts recovered	-	-
Credit for the year	(589)	-
Balance at 31 December	**72**	-

5.4 Reconciliation of credit exposures to IFRS7 disclosures

Note 33 in the group annual report & accounts presents information about credit risk exposures on an IFRS7 basis. A reconciliation between these IFRS7 numbers and Pillar 3 credit risk exposures is presented below (£000s):

	Group 31 Dec 2014	RIM 31 Dec 2014
IFRS7 credit risk exposures	**1,480,692**	**1,426,835**
Counterparty credit risk and free delivery exposure	10,601	9,932
Significant investment in financial sector entity[(1)]	1,434	8,867
Non-trading book equity exposures	514	-
Undrawn loan facilities granted	14,627	14,627
Tangible fixed assets	10,242	10,013
Cash	3	3
Deferred tax asset	7,157	2,122
Other financial assets	9,721	2,429
Off-balance sheet guarantees	578	578
Settlement balances	(15,890)	(7,645)
Assets held in an employee benefit trust	(505)	-
Pillar III credit risk exposures	**1,519,174**	**1,467,761**

(1) For group this represents Plc's investment in its associates and for RIM this represents RIM's investment in its subsidiaries. If the cost of the investment is lower than 10% of Common Equity Tier 1 post deductions it is included in credit risk. If the investment exceeds this limit, the excess over 10% is deducted from capital.

5.5 Unencumbered assets

None of the assets reported are classified as encumbered. The fair value of unencumbered assets is not materially different to the carrying value.

5.6 ANALYSIS OF GROUP EXPOSURES

Analysis of the group's total exposures by exposure class and geographical distribution (£000s):

	UK	EUROZONE	REST OF WORLD	31 DECEMBER 2014
CENTRAL GOVERNMENT & CENTRAL BANKS	757,419	-	-	757,419
INSTITUTIONS	147,930	105,285	50,227	303,442
CORPORATES	-	-	-	-
RETAIL	110,818	1,204	3,955	115,977
PAST DUE ITEMS	291	-	-	291
SHORT TERM CLAIMS ON INSTITUTIONS	200,747	50,235	11,095	262,077
COLLECTIVE INVESTMENT UNDERTAKINGS	10,049	5,000	-	15,049
OTHER ITEMS (1)	64,117	1	801	64,919
TOTAL EXPOSURES	**1,291,371**	**161,725**	**66,078**	**1,519,174**

Analysis of the group's total exposures by exposure class and counterparty type (£000s):

	PUBLIC SECTOR	FINANCIAL INSTITUTIONS	SME (2)	CLIENTS AND OTHER CORPORATE	31 DECEMBER 2014
CENTRAL GOVERNMENT & CENTRAL BANKS	757,419	-	-	-	757,419
INSTITUTIONS	-	303,442	-	-	303,442
CORPORATES	-	-	-	-	-
RETAIL	-	-	11,256	104,721	115,977
PAST DUE ITEMS	-	-	-	291	291
SHORT TERM CLAIMS ON INSTITUTIONS	-	261,026	-	1,051	262,077
COLLECTIVE INVESTMENT UNDERTAKINGS	-	15,049	-	-	15,049
OTHER ITEMS (1)	-	1,689	-	63,230	64,919
TOTAL EXPOSURES	**757,419**	**581,206**	**11,256**	**169,293**	**1,519,174**

Analysis of the group's total exposures by exposure class and residual maturity (£000s):

	LESS THAN 3 MONTHS	3 MONTHS TO 1 YEAR	OVER 1 YEAR	NON-DEFINED MATURITY	31 DECEMBER 2014
CENTRAL GOVERNMENT & CENTRAL BANKS	757,244	175	-	-	757,419
INSTITUTIONS	10,601	290,893	-	1,948	303,442
CORPORATES	-	-	-	-	-
RETAIL	43,055	70,960	1,962	-	115,977
PAST DUE ITEMS	291	-	-	-	291
SHORT TERM CLAIMS ON INSTITUTIONS	262,077	-	-	-	262,077
COLLECTIVE INVESTMENT UNDERTAKINGS	15,000	-	-	49	15,049
OTHER ITEMS (1)	44,158	2,254	8,260	10,247	64,919
TOTAL EXPOSURES	**1,132,426**	**364,282**	**10,222**	**12,244**	**1,519,174**

(1) Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

(2) Micro, small & medium-sized enterprises

5.7 ANALYSIS OF RIM EXPOSURES

Analysis of RIM's total exposures by exposure class and geographical distribution (£000s):

	UK	Eurozone	Rest of World	31 December 2014
Central government & central banks	757,419	-	-	757,419
Institutions	154,180	105,285	50,227	309,692
Corporates	-	-	-	-
Retail	110,977	1,204	3,893	116,074
Past due items	-	-	-	-
Short term claims on institutions	176,992	50,235	10,044	237,271
Collective investment undertakings	-	-	-	-
Other items [1]	47,305	-	-	47,305
Total exposures	**1,246,873**	**156,724**	**64,164**	**1,467,761**

Analysis of RIM's total exposures by exposure class and counterparty type (£000s):

	Public Sector	Financial Institutions	SME [2]	Clients and other corporate	31 December 2014
Central government & central banks	757,419	-	-	-	757,419
Institutions	-	309,692	-	-	309,692
Corporates	-	-	-	-	-
Retail	-	-	11,256	104,818	116,074
Past due items	-	-	-	-	-
Short term claims on institutions	-	236,041	-	1,230	237,271
Collective investment undertakings	-	-	-	-	-
Other items [1]	-	1,661	-	45,644	47,305
Total exposures	**757,419**	**547,394**	**11,256**	**151,692**	**1,467,761**

Analysis of RIM's total exposures by exposure class and residual maturity (£000s):

	Less than 3 months	3 months to 1 year	Over 1 year	Non-defined maturity	31 December 2014
Central government & central banks	757,244	175	-	-	757,419
Institutions	9,932	290,893	-	8,867	309,692
Corporates	-	-	-	-	-
Retail	43,152	70,960	1,962	-	116,074
Past due items	-	-	-	-	-
Short term claims on institutions	237,271	-	-	-	237,271
Collective investment undertakings	-	-	-	-	-
Other items [1]	33,357	960	2,952	10,036	47,305
Total exposures	**1,080,956**	**362,988**	**4,914**	**18,903**	**1,467,761**

(1) Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

(2) Micro, small & medium-sized enterprises

6. STANDARDISED APPROACH TO CREDIT RISK

The group and RIM have adopted the standardised approach to credit risk, and it follows the standard mapping of the 6 credit quality steps in a credit quality assessment scale as set out in Part 1 of Annex VI of the Banking Consolidation Directive 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 mitigation has been taken on the value of any security held against the loan book.

6.1 EXTERNAL CREDIT ASSESSMENT INSTITUTIONS

The group 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
Moody's Investor Service Standard & Poor's	Collective investment undertakings

6.2 MAPPING OF ECAI RATING TO GROUP CREDIT QUALITY STEP

Analysis of the group's total exposures by exposure class and credit quality step (£000s):

	CREDIT QUALITY STEP 1	CREDIT QUALITY STEP 2	UNRATED	31 DECEMBER 2014
FITCH RATINGS LIMITED	AAA TO AA-	A+ TO A-		
MOODY'S INVESTOR SERVICE	AAA TO AA3	A1 TO A3		
STANDARD & POOR'S	AAAM TO AA-M	A+M TO A-M		
CENTRAL GOVERNMENT & CENTRAL BANKS	757,419	-	-	757,419
INSTITUTIONS	106,413	191,579	5,450	303,442
CORPORATES	-	-	-	-
RETAIL (1)	-	-	115,977	115,977
PAST DUE ITEMS	-	-	291	291
SHORT TERM CLAIMS ON INSTITUTIONS	80,105	180,921	1,051	262,077
COLLECTIVE INVESTMENT UNDERTAKINGS	15,000	-	49	15,049
OTHER ITEMS (2)	-	-	64,919	64,919
TOTAL EXPOSURES	958,937	372,500	187,737	1,519,174

(1) Retail exposures represent primarily loans advanced to existing RIM clients, whom as individuals are unrated.
(2) Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

6.3 Mapping of ECAI rating to RIM credit quality step

Analysis of RIM's total exposures by exposure class and credit quality step (£000s):

	Credit quality step 1	Credit quality step 2	Unrated	31 December 2014
Fitch Ratings Limited	**AAA to AA-**	**A+ to A-**		
Moody's Investor Service	**Aaa to Aa3**	**A1 to A3**		
Standard & Poor's	**AAAm to AA-m**	**A+m to A-m**		
Central government & central banks	757,419	-	-	757,419
Institutions	106,285	191.174	12,233	309,692
Corporates	-	-	-	-
Retail [1]	-	-	116,074	116,074
Past due items	-	-	-	-
Short term claims on institutions	64,723	171,318	1,230	237,271
Collective investment undertakings	-	-	-	-
Other items [2]	-	-	47,305	47,305
Total exposures	**928,427**	**362,492**	**176,842**	**1,467,761**

[1] Retail exposures represent primarily loans advanced to existing RIM clients, whom as individuals are unrated.
[2] Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

7. INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk is the potential adverse impact on the group's future cash flows and earnings from changes in interest rates and arises from the mis-match in the maturity profile of the group's interest bearing assets and liabilities.

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 banking committee. The overall risk exposure is controlled by a combination of reducing mismatch and the occasional purchase of Forward Rate Agreements ('FRA') on a fully matched basis. In periods of potential interest rate volatility the banking committee manages interest rate risk by shortening the maturity of interest bearing assets.

From 23 October 2009 RIM published new client interest rate schedules which explicitly link the rate paid on client deposits to the UK base rate (in compliance with the Payment Services Directive). A linear analysis of the effects of a 2% parallel shift, calculated in accordance with FSA017 returns, is shown in the table below. The current low interest rate environment means that this linear approach for a downward shift is unrealistic in practice.

7.1 EFFECT OF 2% RATE MOVEMENT

£000S	GROUP 31 DEC 2014	GROUP 31 DEC 2013	RIM 31 DEC 2014	RIM 31 DEC 2013
GBP – UPWARD SHIFT	(2,909)	(4,486)	(2,813)	(4,106)
GBP – DOWNWARD SHIFT	3,000	4,680	2,896	4,253

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

8. NON-TRADING BOOK EXPOSURES IN EQUITIES

The group holds units in Rathbone Unit Trust Management Limited. In 2013, the group also held shares in the London Stock Exchange Group Plc ('LSE') and Euroclear; however these were disposed of during 2014.

8.1 VALUATION OF EXPOSURES

Analysis of total non-trading book exposures in equities (£000s):

	Group 31 Dec 2014	Group 31 Dec 2013	RIM 31 Dec 2014	RIM 31 Dec 2013
Listed	514	5,642	-	-
Unlisted	-	691	-	-
Total exposures	**514**	**6,333**	**-**	**-**

Listed investments are shown at fair value, being equal to the market value.

Unlisted investments are shown at fair value, based on the net assets of the entity owned discounted for liquidity.

The group realised gains of £6.8m on disposal of available-for-sale securities during 2014 (2013: nil)

Total unrealised gains from changes in fair value as at 31 December 2014 were £30,000 (2013: £4.7m).

9. Remuneration code

The remuneration policy of Rathbones is determined 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.

9.1 Remuneration committee

The remuneration committee report on pages 61 to 74 of the 2014 annual report & accounts includes details on directors' remuneration policy. The committee, which comprises the four independent non-executive directors, met on four occasions in 2014.

9.2 Link between pay & performance

Remuneration typically comprised a salary with benefits including pension scheme, life assurance, private medical insurance and permanent health insurance together with a number of bonus or profit sharing arrangements. Salaries were set in the context of market data and the knowledge and skills required for the particular role. The remuneration of senior management is reviewed annually by the remuneration committee.

9.3 Overview of 2014 remuneration system

Executive directors of Rathbones were entitled to participate in a bonus scheme and a long-term incentive plan ('LTIP'), both of which were designed to align the performance of the participants with the medium to long term interests of the shareholders. A revised executive incentive plan, which will be effective for the 2015 performance year, was approved at the 2015 AGM.

Investment managers within Rathbones participated in a profit sharing scheme which enabled them to benefit from a proportion of the profit they generated individually for the business. They were also rewarded for attracting and retaining new funds under management, such awards being subject to a deferral mechanism. Other employees within Rathbones were eligible for discretionary bonus awards which were based on both financial and non-financial criteria.

The balance between fixed and variable remuneration was focused on ensuring that there remains an appropriate link between overall remuneration and performance. The remuneration committee of Rathbones was advised by Deloitte LLP until 30 June 2014, and by New Bridge Street from 1 July 2014, who provided external market data and advice on current best practice on remuneration policies and arrangements.

9.4 Aggregate quantitative information

RIM and RUTM, and consequently the group, fall into proportionality level 3 under the Remuneration Code.

In accordance with Commission Delegated Regulation (EU) No 604/2014, identification of Material Risk Takers ('MRTs'), defined as those staff members who are deemed to have a material impact on an institution's risk profile, has included both the qualitative and quantitative testing. This population of MRTs forms the basis of the aggregate disclosures below.

Rathbones had 34 staff classified as MRTs during 2014.

Total aggregate remuneration paid for the year ended 31 December 2014 was £90.1m, of which £16.3m was paid to MRTs.

The total remuneration paid to MRTs can be further broken down by role as follows (£m):

Business unit	
Senior management (including Management body)	5.5
Other MRTs	10.8
Total	16.3

The total remuneration paid to MRTs can be further broken down by business unit as follows (£m):

Business unit	
Management body	3.5
Investment management	10.0
Unit trusts	2.2
Independent control functions	0.6
Total	16.3

The figures above include deferred, contingent awards, the value of which is estimated based on 31 December 2014 market conditions. Where performance criteria exist, it has been assumed that these will be met. The figures are presented on an award basis for the year and do not equal the accrued charge in the financial statements.

10. Disclosure

This document includes the disclosure requirements that are required by CRR and the Regulator.

Rathbone Brothers Plc is subject to consolidated supervision by the Regulator. The group's principal operating subsidiaries are detailed more fully in Section 1. All subsidiaries are limited by ordinary shares, and other than the requirements to hold regulatory capital there are no practical or legal impediments to the prompt transfer of capital between Rathbone Brothers Plc and its subsidiaries.

10.1 Frequency

Pillar 3 disclosure is made on an annual basis.

10.2 Location

The report is published in the investor relations section of the Rathbones website, and can also be available on request by writing to the Finance Director, Rathbone Brothers Plc, 1 Curzon Street, London W1J 5FB.

10.3 Verification

Disclosures are unaudited but have been verified internally. 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 have 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 than that for which they are intended.

11. APPENDICES

		Page
1	**Group reconciliation of report & accounts to Pillar 3 credit risk exposures**	31
2	**Group Common Equity Tier 1 ratio**	32
3	**RIM reconciliation of report & accounts to Pillar 3 credit risk exposures**	33
4	**RIM Common Equity Tier 1 ratio**	34
5	**Plc description of the main features of Common Equity Tier 1 instruments issued**	35
6	**RIM description of the main features of Common Equity Tier 1 instruments issued**	36
7	**Group transitional own funds disclosure template**	37
8	**RIM transitional own funds disclosure template**	44

Appendix 1

Group reconciliation of report & accounts to Pillar 3 credit risk exposures

As at 31 December 2014:

Reconciliation of report & accounts to Pillar 3 credit risk exposures (£000s)						Analysis of credit risk exposure by risk weighting (£000s)								
	Presented Balance Sheet	Excluded from credit risk	Excluded from scope	Other	Pillar III credit risk exposures	0%	20%	50%	75%	100%	150%	250%	1250%	Total
Cash and balances at central banks	727,178			29,967 [1]	757,145	757,145								757,145
Settlement balances	15,890	(15,890)			-									-
Loans and advances to banks	144,399		(505)	6,446 [2]	150,340		150,340							150,340
Loans and advances to customers	101,640			14,627 [3]	116,267	14,627			61,694	39,655	291			116,267
Investment securities														
- Available for sale	15,514				15,514		15,000			514				15,514
- Held to maturity	429,974			(29,967) [1]	400,007		210,007	190,000						400,007
Investment in associate	1,434				1,434							1,434		1,434
Intangible assets	159,654	(159,654)			-									-
Property, plant and equipment	10,242				10,242					10,242				10,242
Deferred tax asset	7,042			115 [4]	7,157					7,157				7,157
Prepayments, accrued income and other assets	55,272			10,613 [5] (6,446) [2]	59,439	277	4,166	4,505		50,481			10	59,439
Intra-group balances	-		1,051		1,051					1,051				1,051
Off-balance sheet guarantees	-			578 [6]	578					578				578
Total assets	**1,668,239**	**(175,544)**	**546**	**25,933**	**1,519,174**	**772,049**	**379,513**	**194,505**	**61,694**	**109,678**	**291**	**1,434**	**10**	**1,519,174**
Total risk-weighted assets						**-**	**75,902**	**97,252**	**46,270**	**109,678**	**436**	**3,585**	**125**	**333,248**
Total credit risk capital requirement (at 8%)						**-**	**6,072**	**7,780**	**3,702**	**8,774**	**35**	**287**	**10**	**26,660**

(1) reclassification of treasury bills to central bank holdings
(2) reclassification of Barclays Bank Plc client money account
(3) undrawn loan proposals
(4) deferred tax relating to intangible assets
(5) counterparty & settlement risk exposures
(6) off-balance sheet items

APPENDIX 2
GROUP COMMON EQUITY TIER 1 RATIO

Calculation of group Common Equity Tier 1 ratio (£000s):

	31 DEC 2014	31 DEC 2013
COMMON EQUITY TIER 1 AFTER DEDUCTIONS	112,244	142,309
RISK WEIGHTED ASSETS		
CREDIT & COUNTERPARTY CREDIT RISK (1)	333,248	407,780
SETTLEMENT RISK (2)	25	87
MARKET RISK (3)	2,925	2,188
OPERATIONAL RISK (4)	296,575	266,325
TOTAL RISK EXPOSURE AMOUNT	632,773	676,380
COMMON EQUITY TIER 1 RATIO	17.7%	21.0%

(1) See Appendix 1 (page 31)
(2) Calculated as 12.5 times the own funds requirement for settlement risk (page 17)
(3) Calculated as 12.5 times the own funds requirement for market risk (page 17)
(4) Calculated as 12.5 times the own funds requirement for operational risk (page 17)

Appendix 3

RIM reconciliation of report & accounts to Pillar 3 credit risk exposures

As at 31 December 2014:

Reconciliation of RIM report & accounts to Pillar 3 credit risk exposures (£000s)						Analysis of credit risk exposure by risk weighting (£000s)								
	Presented Balance Sheet	Excluded from credit risk	Excluded from scope	Other	Pillar 3 credit risk exposures	0%	20%	50%	75%	100%	150%	250%	1250%	Total
Cash and balances at central banks	727,177			29,967 [1]	757,144	757,144								757.144
Settlement balances	7,645	(7,645)			-									-
Loans and advances to banks	118,910			6,446 [2]	125,356		125,356							125.356
Loans and advances to customers	102,677			14,627 [3]	117,304	14,627	900		60,993	40,784				117.304
Investment securities														
- Available for sale	-			-	-									-
- Held to maturity	429,974			(29,967) [1]	400,007		210,007	190,000						400.007
Intangible assets	120,255	(120,255)			-									-
Property, plant and equipment	10,013				10,013					10,013				10.013
Deferred tax asset	2,122				2,122					2,122				2.122
Prepayments, accrued income and other assets	42,884			3,486 [4]	46,370	277	4,054	4,085		37,944			10	46.370
Investment in subsidiary undertakings	8,867				8,867							8,867		8.867
Off-balance sheet guarantees	-			578 [5]	578					578				578
Total assets	1,570,524	(127,900)	-	25,137	1,467,761	772,048	340.317	194,085	60,993	91,441	-	8,867	10	1.467.761
Total risk-weighted assets						-	68,063	97,042	45,745	91,441	-	22,167	125	324,583
Total credit risk capital requirement (at 8%)						-	5,445	7,763	3,660	7,315	-	1,773	10	25,966

[1] reclassification of treasury bills to central bank holdings
[2] inclusion of Barclays Bank Plc client money account
[3] undrawn loan proposals
[4] legacy shareholdings held at cost
[5] off-balance sheet items

Appendix 4
RIM Common Equity Tier 1 ratio

Calculation of RIM Common Equity Tier 1 ratio as at 31 December (£000s):

	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 after deductions	**90,281**	98,520
Risk Weighted assets		
Credit & counterparty credit risk [1]	**324,583**	378,039
Settlement risk [2]	**25**	100
FX & settlement risk [3]	**-**	1,050
Operational risk [4]	**244,913**	221,575
Total risk exposure amount	**569,521**	600,764
Common equity Tier 1 ratio	**15.9%**	16.4%

(1) See Appendix 3 (page 33)
(2) Calculated as 12.5 times the own funds requirement for settlement risk (page 17)
(3) Calculated as 12.5 times the own funds requirement for market risk (page 17)
(4) Calculated as 12.5 times the own funds requirement for operational risk (page 17)

Appendix 5

Description of the main features of Common equity Tier 1 instruments issued (Plc)

1	Issuer	Rathbone Brothers Plc
2	Unique identifier (ISIN)	GB0002148343
3	Governing law	England & Wales
	Regulatory treatment	
4	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	(sub-)consolidated
7	Instrument type	Ordinary shares
8	Amount recognised in regulatory capital	GBP 95,382,000
9	Nominal amount of instrument	5 pence
10	Accounting classification	Shareholders equity
11	Original date of issuance	21 January 1971
12	Perpetual or dated	Perpetual
13	Original maturity date	Not Applicable
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates & redemption amount	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Floating dividend
18	Coupon rate and any related index	Not Applicable
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy	Final
36	Non-compliant transitional features	No
37	If yes, specify non-compliant features	Not Applicable

APPENDIX 6

DESCRIPTION OF THE MAIN FEATURES OF COMMON EQUITY TIER 1 INSTRUMENTS ISSUED (RIM)

1	Issuer	Rathbone Investment Management Limited
2	Unique identifier (ISIN)	Company number 1448919
3	Governing law	England & Wales
	Regulatory treatment	
4	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	Solo
7	Instrument type	Ordinary shares
8	Amount recognised in regulatory capital	GBP 110,385,000
9	Nominal amount of instrument	GBP 1.00
10	Accounting classification	Shareholders equity
11	Original date of issuance	17 September 1979
12	Perpetual or dated	Perpetual
13	Original maturity date	Not Applicable
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates & redemption amount	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Floating dividend
18	Coupon rate and any related index	Not Applicable
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy	Final
36	Non-compliant transitional features	No
37	If yes, specify non-compliant features	Not Applicable

Appendix 7

Transitional own funds disclosure template (group)

		(A) Amount at disclosure date	(B) Regulation (EU) No 575/2013 article reference	(C) Amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) No 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	95,382,000	26(1), 27, 28, 29 EBA list 26(3)	-
	of which: ordinary shares	95,382,000	EBA list 26(3)	-
2	Retained earnings	149,398,000	26(1)(c)	-
3	Accumulated and other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	31,863,000	26(1)	-
3a	Funds for general banking risk	-	26(1)(f)	-
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase out from CET1	-	486(2)	-
	Public sector capital injections grandfathered until 1 January 2016	-	483(2)	-
5	Minority interests (amount allowed in consolidated CET1)	-	84, 479, 480	-
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	26(2)	-
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	276,643,000		-
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-	34, 105	-
8	Intangible assets (net of related tax liability)(negative amount)	159,539,000	36(1)(b), 37, 472(4)	-
9	Empty set in the EU	-		-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met)(negative amount)	-	36(1)(c), 38, 472(5)	-
11	Fair value reserves related to gains or losses on cash flow hedges	-	33(a)	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	36(1)(d), 40, 159, 472(6)	-
13	Any increase in equity that results from securitised assets (negative amount)	-	32(1)	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	33(b)	-
15	Defined-benefit pension fund assets (negative amount)	-	36(1)(e), 41, 472(7)	-

16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	4,860,000	36(1)(f), 42, 472(8)	-
17	holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	36(1)(g), 44, 472(9)	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions (negative amount)	-	36(1)(h), 43, 45, 46, 49(2)(3), 79, 472(10)	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)	-
20	Empty set in the EU	-		-
2oa	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	36(1)(k)	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	36(1)(k)(1), 89 to 91	-
20c	of which: securitisation positions (negative amount)	-	36(1)(k)(ii), 243(1)(b), 244(1)(b), 258	-
20d	of which: free deliveries (negative amount)	-	36(1)(k)(iii), 379(3)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)(negative amount)	-	36(1)(c), 38, 48(1)(a), 470, 472(5)	-
22	Amount exceeding the 15% threshold (negative amount)	-	48(1)	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	36(1)(i), 48(1)(b), 470, 472(11)	-
24	Empty set in the EU	-		-
25	of which: deferred tax assets arising from temporary differences	-	36(1)(c), 38, 48(1)(a), 470, 472(5)	-
25a	Losses for the current financial year (negative amount)	-	36(1)(a), 472(3)	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	36(1)(l)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-		-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	467, 468	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regards to additional filters and deductions required pre-CRR	-	481	-

27	QUALIFYING AT1 DEDUCTIONS THAT EXCEED THE AT1 CAPITAL OF THE INSTITUTION (NEGATIVE AMOUNT)	-	36(1)(J)	-
28	TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1 (CET1)	164,399,000		-
29	COMMON EQUITY TIER 1 (CET1) CAPITAL	112,244,000		-
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30	CAPITAL INSTRUMENTS AND THE RELATED SHARE PREMIUM ACCOUNTS	-	51, 52	-
31	OF WHICH: CLASSIFIED AS EQUITY UNDER APPLICABLE ACCOUNTING STANDARDS	-		-
32	OF WHICH: CLASSIFIED AS LIABILITIES UNDER APPLICABLE ACCOUNTING STANDARDS	-		-
33	AMOUNT OF QUALIFYING ITEMS REFERRED TO IN ARTICLE 484(4) AND THE RELATED SHARE PREMIUM ACCOUNTS SUBJECT TO PHASE OUT FROM AT1	-	486(3)	-
	PUBLIC SECTOR CAPITAL INJECTIONS GRANDFATHERED UNTIL 1 JANUARY 2018	-	483(3)	-
34	QUALIFYING TIER 1 CAPITAL INCLUDED IN CONSOLIDATED AT1 CAPITAL (INCLUDING MINORITY INTERESTS NOT INCLUDED IN ROW 5) ISSUED BY SUBSIDIARIES AND HELD BY THIRD PARTIES	-	85, 86, 480	-
35	OF WHICH: INSTRUMENTS ISSUED BY SUBSIDIARIES SUBJECT TO PHASE OUT	-	486(3)	-
36	ADDITIONAL TIER 1 (AT1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	-		-
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS				
37	DIRECT AND INDIRECT HOLDINGS BY AN INSTITUTION OF OWN AT1 INSTRUMENTS (NEGATIVE AMOUNT)	-	52(1)(B), 56(A), 57, 475(2)	-
38	HOLDINGS OF THE AT1 INSTRUMENTS OF FINANCIAL SECTOR ENTITIES WHERE THOSE ENTITIES HAVE RECIPROCAL CROSS HOLDINGS WITH THE INSTITUTION DESIGNED TO INFLATE ARTIFICIALLY THE OWN FUNDS OF THE INSTITUTION (NEGATIVE AMOUNT)	-	56(B), 58, 475(3)	-
39	DIRECT AND INDIRECT HOLDINGS OF THE AT1 INSTRUMENTS OF FINANCIAL SECTOR ENTITIES WHERE THE INSTITUTION DOES NOT HAVE A SIGNIFICANT INVESTMENT IN THOSE ENTITIES (AMOUNT ABOVE THE 10% THRESHOLD AND NET OF ELIGIBLE SHORT POSITIONS) (NEGATIVE AMOUNT)	-	56(C), 59, 60, 79, 475(4)	-
40	DIRECT AND INDIRECT HOLDINGS BY THE INSTITUTION OF THE AT1 INSTRUMENTS OF FINANCIAL SECTOR ENTITIES WHERE THE INSTITUTION HAS A SIGNIFICANT INVESTMENT IN THOSE ENTITIES (AMOUNT ABOVE THE 10% THRESHOLD (NET OF ELIGIBLE SHORT POSITIONS) (NEGATIVE AMOUNT)	-	56(D), 59, 79, 475(4)	-
41	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-CRR TREATMENT AND TRANSITIONAL TREATMENTS SUBJECT TO PHASE OUT AS PRESCRIBED IN REGULATION (EU) NO 575/2013 (IE CRR RESIDUAL AMOUNTS)	-		-
41A	RESIDUAL AMOUNTS DEDUCTED FROM ADDITIONAL TIER 1 CAPITAL WITH REGARD TO DEDUCTION FROM COMMON EQUITY TIER 1 CAPITAL DURING THE TRANSITIONAL PERIOD PURSUANT TO ARTICLE 472 OF REGULATION (EU) NO 575/2013	-	472, 472(3)(A), 472(4), 472(6), 472(8)(A), 472(9), 472(10)(A), 472(11)(A)	-

41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of regulation (EU) No 575/2013	-	477, 477(3), 477(4)(a)	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regards to additional filters and deductions required pre-CRR	-	467, 468, 481	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56(e)	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-		-
44	Additional Tier 1 (AT1) capital	-		-
45	Tier 1 capital (T1 = CET1 + AT1)	112,244,000		-
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	-	62, 63	-
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase out from T2	-	486(4)	-
	Public sector capital injections grandfathered until 1 January 2018	-	483(4)	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	87, 88, 480	-
49	of which: instruments issued by subsidiaries subject to phase out	-	486(4)	-
50	Credit risk adjustments	-	62(c) & (d)	-
51	Tier 2 (T2) capital before regulatory adjustments	-		-
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	63(b)(i), 66(a), 67, 477(2)	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	66(b), 68, 477(3)	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	66(c), 69, 70, 79, 477(4)	-
54a	of which new holdings not subject to transitional arrangements	-		-
54b	of which holdings existing before 1 January 2013 and subject to transitional arrangements	-		-

55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	66(d), 69, 79, 477(4)	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie CRR residual amounts)	-		-
56a	Residual amounts deducted from tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)	-
56b	Residual amounts deducted from Tier 2 capital with regards to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	475, 475(2)(a), 475(3), 475(4)(a)	-
56c	Amount to be deducted from or added to Tier 2 capital with regards to additional filters and deductions required pre-CRR	-	467, 468, 481	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-		-
58	Tier 2 (T2) capital	-		-
59	Total capital (TC = T1 + T2)	112,244,000		-
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie CRR residual amounts)	-		-
	of which: items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg deferred tax assets that rely on future profitability net of related tax liability , indirect holdings of own CET1, etc)	-	472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)	-
	of which: items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)	-	475, 475(2)(b), 475(2)(c), 475(4)(b)	-
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities, etc)	-	477, 477(2)(b), 477(2)(c), 477(4)(b)	-
60	Total risk weighted assets	632,773,000		-
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	17.7%	92(2)(a), 465	--
62	Tier 1 (as a percentage of risk exposure amount)	17.7%	92(2)(b), 465	-

63	Total capital (as a percentage of risk exposure amount)	17.7%	92(2)(c)	-
64	Institution-specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII), expressed as a percentage of the risk exposure amount	4.5%	CRD 128, 129, 130	-
65	of which: capital conservation buffer requirement	-		-
66	of which: countercyclical buffer requirement	-		-
67	of which: systemic risk buffer requirement	-		-
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	CRD 131	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	9.7%	CRD 128	-
69	[non relevant in EU regulation]	-		-
70	[non relevant in EU regulation]	-		-
71	[non relevant in EU regulation]	-		-
Capital ratios and buffers				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,434,000	36(1)(h), 45, 46, 472(10), 56(c), 59, 60, 475(4), 66(c), 69, 70, 477(4)	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	36(1)(i), 45, 48, 470, 472(11)	-
74	Empty set in the EU	-		-
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)	-	36(1)(c), 38, 48, 470, 472(5)	-
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	62	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	62	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	62	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	62	-

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	-	484(3), 486(2) & (5)	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484(3), 486(2) & (5)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	484(4), 486(3) & (5)	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484(4), 486(3) & (5)	-
84	Current cap on T2 instruments subject to phase out arrangements	-	484(5), 486(4) & (5)	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484(5), 486(4) & (5)	-

Appendix 8

Transitional own funds disclosure template (RIM)

		(A) Amount at disclosure date	(B) Regulation (EU) No 575/2013 article reference	(C) Amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) No 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	110,385,000	26(1), 27, 28, 29 EBA list 26(3)	-
	of which: ordinary shares	110,385,000	EBA list 26(3)	-
2	Retained earnings	100,151,000	26(1)(c)	-
3	Accumulated and other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-	26(1)	-
3a	Funds for general banking risk	-	26(1)(f)	-
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase out from CET1	-	486(2)	-
	Public sector capital injections grandfathered until 1 January 2016	-	483(2)	-
5	Minority interests (amount allowed in consolidated CET1)	-	84, 479, 480	-
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	26(2)	-
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	210,536,000		-
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-	34, 105	-
8	Intangible assets (net of related tax liability)(negative amount)	120,255,000	36(1)(b), 37, 472(4)	-
9	Empty set in the EU	-		-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met)(negative amount)	-	36(1)(c), 38, 472(5)	-
11	Fair value reserves related to gains or losses on cash flow hedges	-	33(a)	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	36(1)(d), 40, 159, 472(6)	-
13	Any increase in equity that results from securitised assets (negative amount)	-	32(1)	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	33(b)	-
15	Defined-benefit pension fund assets (negative amount)	-	36(1)(e), 41, 472(7)	-

16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	36(1)(f), 42, 472(8)	-
17	holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	36(1)(g), 44, 472(9)	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions (negative amount)	-	36(1)(h), 43, 45, 46, 49(2)(3), 79, 472(10)	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)	-
20	Empty set in the EU	-		-
2oa	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	36(1)(k)	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	36(1)(k)(1), 89 to 91	-
20c	of which: securitisation positions (negative amount)	-	36(1)(k)(ii), 243(1)(b), 244(1)(b), 258	-
20d	of which: free deliveries (negative amount)	-	36(1)(k)(iii), 379(3)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)(negative amount)	-	36(1)(c), 38, 48(1)(a), 470, 472(5)	-
22	Amount exceeding the 15% threshold (negative amount)	-	48(1)	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	36(1)(i), 48(1)(b), 470, 472(11)	-
24	Empty set in the EU	-		-
25	of which: deferred tax assets arising from temporary differences	-	36(1)(c), 38, 48(1)(a), 470, 472(5)	-
25a	Losses for the current financial year (negative amount)	-	36(1)(a), 472(3)	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	36(1)(l)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-		-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	467, 468	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regards to additional filters and deductions required pre-CRR	-	481	-

27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	36(1)(j)	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	120,255,000		-
29	Common Equity Tier 1 (CET1) capital	90,281,000		-
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	-	51, 52	-
31	of which: classified as equity under applicable accounting standards	-		-
32	of which: classified as liabilities under applicable accounting standards	-		-
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	-	486(3)	-
	Public sector capital injections grandfathered until 1 January 2018	-	483(3)	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	85, 86, 480	-
35	of which: instruments issued by subsidiaries subject to phase out	-	486(3)	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-		-
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	52(1)(b), 56(a), 57, 475(2)	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	56(b), 58, 475(3)	-
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	56(c), 59, 60, 79, 475(4)	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold (net of eligible short positions) (negative amount)	-	56(d), 59, 79, 475(4)	-
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie CRR residual amounts)	-		-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	-	472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)	-

41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of regulation (EU) No 575/2013	-	477, 477(3), 477(4)(a)	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regards to additional filters and deductions required pre-CRR	-	467, 468, 481	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56(e)	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-		-
44	Additional Tier 1 (AT1) capital	-		-
45	Tier 1 capital (T1 = CET1 + AT1)	90,281,000		-
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	-	62, 63	-
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase out from T2	-	486(4)	-
	Public sector capital injections grandfathered until 1 January 2018	-	483(4)	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	87, 88, 480	-
49	of which: instruments issued by subsidiaries subject to phase out	-	486(4)	-
50	Credit risk adjustments	-	62(c) & (d)	-
51	Tier 2 (T2) capital before regulatory adjustments	-		-
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	63(b)(i), 66(a), 67, 477(2)	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	66(b), 68, 477(3)	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	66(c), 69, 70, 79, 477(4)	-
54a	of which new holdings not subject to transitional arrangements	-		-
54b	of which holdings existing before 1 January 2013 and subject to transitional arrangements	-		-

55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	66(d), 69, 79, 477(4)	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie CRR residual amounts)	-		-
56a	Residual amounts deducted from tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)	-
56b	Residual amounts deducted from Tier 2 capital with regards to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	475, 475(2)(a), 475(3), 475(4)(a)	-
56c	Amount to be deducted from or added to Tier 2 capital with regards to additional filters and deductions required pre-CRR	-	467, 468, 481	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-		-
58	Tier 2 (T2) capital	-		-
59	Total capital (TC = T1 + T2)	90,281,000		-
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (ie CRR residual amounts)	-		-
	of which: items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg deferred tax assets that rely on future profitability net of related tax liability , indirect holdings of own CET1, etc)	-	472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)	-
	of which: items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)	-	475, 475(2)(b), 475(2)(c), 475(4)(b)	-
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, eg indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities, etc)	-	477, 477(2)(b), 477(2)(c), 477(4)(b)	-
60	Total risk weighted assets	569,521,000		-
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.9%	92(2)(a), 465	--
62	Tier 1 (as a percentage of risk exposure amount)	15.9%	92(2)(b), 465	-

63	Total capital (as a percentage of risk exposure amount)	15.9%	92(2)(c)	-
64	Institution-specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII), expressed as a percentage of the risk exposure amount	4.5%	CRD 128, 129, 130	-
65	of which: capital conservation buffer requirement	-		-
66	of which: countercyclical buffer requirement	-		-
67	of which: systemic risk buffer requirement	-		-
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	CRD 131	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.9%	CRD 128	-
69	[non relevant in EU regulation]	-		-
70	[non relevant in EU regulation]	-		-
71	[non relevant in EU regulation]	-		-
Capital ratios and buffers				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	8,869,000	36(1)(h), 45, 46, 472(10), 56(c), 59, 60, 475(4), 66(c), 69, 70, 477(4)	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	36(1)(i), 45, 48, 470, 472(11)	-
74	Empty set in the EU	-		-
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)	-	36(1)(c), 38, 48, 470, 472(5)	-
Applicable caps on the inclusion of provisions in tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	62	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	62	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	62	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	62	-

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	-	484(3), 486(2) & (5)	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484(3), 486(2) & (5)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	484(4), 486(3) & (5)	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484(4), 486(3) & (5)	-
84	Current cap on T2 instruments subject to phase out arrangements	-	484(5), 486(4) & (5)	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484(5), 486(4) & (5)	-