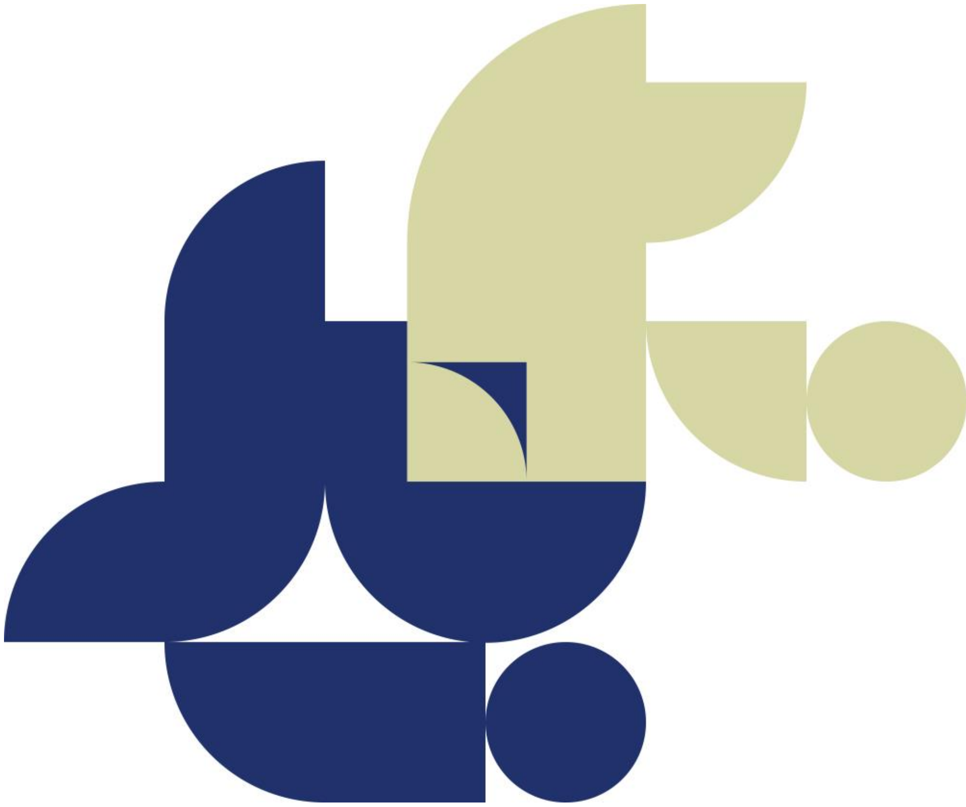
Rathbone Brothers Plc

Pillar 3 disclosures

For the year ended 31 December 2016



Rathbones
Look forward

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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 group executive committee
FUM	funds under management
RIM	Rathbone Investment Management Limited
RIMI	Rathbone Investment Management International Limited
investment management business	services provided by Rathbone Investment Management Limited (‘RIM’) and Rathbone Investment Management International Limited (‘RIMI’)
The Group	Rathbone Brothers Plc and all its subsidiaries
Regulator	Prudential Regulation Authority (‘PRA’) or Financial Conduct Authority (‘FCA’) or European Banking Authority (‘EBA’), as appropriate
trading book	positions in financial instruments and commodities held either with trading intent or 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, through its subsidiaries, is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. Our services include discretionary investment management, unit trusts, banking and loan services, financial planning, unitised portfolio services and UK trust, legal, estate and tax advice.

The Group is organised into two operating segments: Investment Management (including Rathbone Private Office and the other complementary services outlined below) and Unit Trusts.

1.1 Investment Management

Through RIM, we provide personal discretionary investment management solutions to private clients with investible assets of £100,000 upwards. We also manage £4.1bn for charities and Rathbone Greenbank Investments manages £863m in ethical and socially responsible investment portfolios.

We have also recently established the Rathbone Private Office, which will provide a range of independent investment and financing solutions to super high net worth clients.

Our offshore investment services are provided by RIMI, which is registered in Jersey.

Complementary services include:

- banking and loan services: as a licensed deposit taker we are able to offer our clients loans directly secured against their investment portfolios;
- financial planning: we offer in-house financial planning which provides 'whole of market' advice to clients;
- unitised portfolio service: using the Rathbone Multi Asset Portfolio funds we offer clients with fewer investible assets (£25,000 or more) model-based discretionary investment management services;
- Rathbone Trust Company: we provide UK trust and legal, estate and tax advice to clients; and
- Vision Independent Financial Planning: an independent IFA network providing financial advisory solutions to UK private clients.

Investment management clients are charged using either a fee and commission-based or a fee-based tariff with securities held in a Rathbone nominee company. The cash component of client portfolios is held by RIM, an authorised banking institution. At 31 December 2016, funds under management were £30.2bn. All of the funds held for clients are considered to be held for long-term investment purposes and do not represent 'transactional' accounts used for day-to-day banking services.

1.2 Unit Trusts

Rathbone Unit Trust Management provides a range of actively managed specialist and multi asset unit trusts that are designed to meet core investment needs in the retail client market. These funds are distributed mainly through independent financial advisers in the UK.

In May 2016 we launched a range of Luxembourg-based feeder funds for our Multi Asset, Income and Ethical Bond funds.

At 31 December 2016 funds under management were £4.0bn.

1.3 Regulation

Within the UK, Rathbone Unit Trust Management is regulated by the FCA, RIM is regulated jointly by the PRA and the FCA and the Group is subject to consolidated supervision. Rathbone Trust Company 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 at least six times a 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, the chairman and Group chief executive is ordinarily held.

The five principal Rathbone Brothers Plc board committees are the executive committee, audit committee, remuneration committee, Group risk committee and nomination committee. In addition to these committees are the Plc executive sub-committees; operational risk, conduct risk, general managers, Group programme board, business continuity, training, social & environmental and new products & services. Most of these committees have Group executive director representation.

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 consolidated returns to assess its regulatory own funds, own funds requirements and liquidity management. These are prepared on the same consolidation basis as the statutory financial statements produced for its annual report & accounts.

2 Risk management objectives and policies

2.1 Risk management

The Group risk management report on pages 18 to 25 of the 2016 annual report and accounts, and the Group risk committee report on page 80 of the 2016 annual report and accounts, include details of our risk management objectives, and provide declarations approved by the Board on the adequacy of risk management arrangements and our 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 2016 annual report and accounts (Strategic report – risk management):

Risk management

During 2016, we have continued to enhance the Group's risk management framework through evolving our risk governance, risk processes and risk infrastructure. We have reviewed and continued to strengthen our operating model, infrastructure and resources for risk management to further support our three lines of defence model. We will continue to mature and evolve our framework during 2017 to ensure it reflects emerging challenges and our approach continues to focus on managing risks in a consistent and appropriate manner across the Group to protect our stakeholders.

Risk culture

We believe that embedding an appropriate risk culture enhances the effectiveness of risk management across the Group. The board is responsible for setting the right tone and encouraging characteristics and behaviours which support a strong risk culture. As a result, the consideration of risk is accepted as being part of everyone's day-to-day responsibilities and activities. Risk management is linked to performance and development, along with the Group's remuneration and reward schemes. The aim of this is to create an open and transparent working environment, encouraging employees to engage positively in risk management and support the effective achievement of our strategic objectives.

Three lines of defence

We adopt a three lines of defence model to support our risk management framework. Under the framework, responsibility and accountability for risk management are effectively broken down as follows:

First line: Senior management and operational business units are responsible for managing risks, by developing and maintaining effective internal controls to mitigate risk.

Second line: The risk, compliance and anti-money laundering functions maintain a level of independence from the first line. They are responsible for providing oversight and challenge of the first line's day-to-day management, monitoring and reporting of risks to both senior management and governing bodies.

Third line: The internal audit function is responsible for providing an independent assurance to both senior management and governing bodies as to the effectiveness of the Group's governance, risk management and internal controls.

Risk appetite

We define risk appetite as both the amount and type of risk the Group is prepared to accept or retain in pursuit of our strategy. Our appetite is subject to regular review to ensure it remains aligned to our strategic goals. Within our risk appetite framework there are some overarching parameters, alongside specific primary and secondary measures for each risk category. At least annually, the board, Group executive committee and Group risk committee will formally review and approve the risk appetite statement for the Group and assess whether the firm has operated in accordance with the stated risk appetite measures during the year. Overall, and notwithstanding the expectations for business growth and a strategic change programme for 2017, the board remains committed to having a relatively low overall appetite for risk and to ensuring our internal controls mitigate risk to within appropriate levels. The board continues to recognise that the business is susceptible to fluctuations in investment markets and will bear losses from financial and operational risks from time-to-time, either as reductions in income or increases in operating costs.

Identification and profiling of principal risks

Our risks are classified using a hierarchical approach. The highest level (Level 1) identifies risks as financial, conduct or operational. The next level (Level 2) contains 16 risk categories which are listed below. Detailed risks (Level 3) are then identified as a subset of Level 2 risks and are captured and maintained within a Group risk register, which is the principal tool for monitoring risks. The classification is regularly reviewed and ensures a structured approach to identifying all known material risks to the business and those emerging risks which may impact future performance.

We review and monitor our risk exposures closely, considering the potential impact and any management actions required to mitigate the impact of emerging issues and future events. To ensure we identify and manage our principal risks, regular reviews take place with risk owners, senior management and business units across the Group. The risk function conducts these reviews and risk workshops during the year. A watch list is maintained to record any current issues, threats, business development and regulatory or legislative change, which will or could have the potential to impact the firm's current or future risk profile and therefore may require active risk management, through process changes or systems development. The Group's risk profile, risk register and watch list are regularly reviewed by the executive, senior management, board and governance committees.

We assess 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 and overall risk rating of high, medium or low is then derived for the five year period by taking into account an assessment of the internal control environment or insurance mitigation.

Risk assessment process

As part of the risk management framework, the board and senior management are actively involved in a continuous risk assessment process. A regular review and risk assessment is conducted for the board's five year strategic plan, supported by the annual Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP') work which assesses the principal risks facing the Group.

Activities undertaken in relation to ICAAP, ILAAP and reverse stress testing support the risk assessment process. Stress tests include consideration of the impact of a number of severe but plausible events that could impact the business. The work also takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks.

Day-to-day, our risk assessment process considers both the impact and likelihood of risk events, which could materialise, affecting the delivery of strategic goals and annual business plans. A top-down and bottom-up approach ensures that the risk assessment process is challenged and reviewed on a regular basis. The board and senior management receive regular reports and information from line management, risk oversight functions and specific risk committees.

The Group executive, Group risk committee and other key risk-focused committees consider the risk assessments and provide challenge, which is reported through the governance framework and ultimately considered by the board.

Profile and mitigation of principal risks

There are 44 Level 3 risks which form the basis of the Group's risk register, each of which is classified under one of the 16 Level 2 risk categories.

Our 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 some changes to the 16 Level 2 risk categories; however, the underlying risk profile and ratings for the majority of Level 2 risks have remained consistent during 2016. The following table summarises the most important changes to the risk ratings.

Ref	Risk	Description of change	Risk change in 2016
D	Pension	The scheme's valuation and funding deficit increased materially due to corporate bond yield volatility in the period. Actions were taken in October 2016 towards mitigating this exposure.	⇧
G	Regulatory	Volume of regulation remains high together with continued focus on conduct, remuneration and taxation across the financial services industry.	⇧
K	Data integrity & security	Continued increase in the threat of cyber attack within the financial services sector.	⇧

Based upon the risk assessment processes identified above, the board believes that the principal risks and uncertainties facing the Group have been identified and include the impact of strategic change in the year. The board remains vigilant to the risks associated with the pension schemes deficit and the subletting of vacant office space in London. Otherwise, the board continues to believe that the other key risks to the business are operational risks that arise from growth and regulatory risks that may arise from continual changes to rules and standards in our sector.

Our overall risk profile and control environment are described below. The board receives assurance from first line senior management that the systems of internal control are operating effectively and from the activities of the second line and third line that there are no material control issues which would affect the board's view of its principal risks and uncertainties.

In line with current guidance, we also include in the tables the potential impacts ('I') the firm might face and our assessment of the likelihood ('L') of each principal risk arising in the event it materialises. These assessments take into account the controls in place to mitigate the risks. However, as is always the case, should a risk materialise, a range of outcomes (both in scale and type) might be experienced. This is particularly relevant for firms such as Rathbones where the outcome of a risk event can be influenced by market conditions as well as internal control factors.

We have used ratings of high, medium and low in this risk assessment. We perceive high risk items as those which have the potential to impact the delivery of strategic objectives, with medium and low rated items having proportionately less impact on the firm. Likelihood is similarly based on a qualitative assessment.

Financial risks

Ref	Level 2 Risk	Residual rating I	Residual rating L	How the risk arises	Control environment
A	**Credit** The risk that one or more counterparties fail to fulfil contractual obligations, including stock settlement	Low	Low	This risk can arise from placing funds with other banks and holding interest-bearing securities. There is also a limited level of lending to clients	- Banking committee oversight - Counterparty limits and credit reviews - Treasury policy and procedures - Active monitoring of exposures - Client loan policy and procedures - Annual Internal Capital Adequacy Assessment Process
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 an excessive cost	Low	Low	This risk can arise through day-to-day operations in so far as a significant proportion of client funds could be withdrawn in a short time period and marketable assets may not be realised in time and at the value required	- Banking committee oversight - Daily treasury procedures, reconciliations and reporting to senior management - Cash flow forecasting - Contingency funding plan - Annual Internal Liquidity Adequacy Assessment Process (including stress testing)
C	**Market** The risk that regulatory own funds will be adversely affected by changes in the level or volatility of interest rates, foreign currency exchange rates or market prices	Low	Low	This risk can arise through two primary areas: the exposure to mismatch between repricing of the firm's own financial assets and liabilities and, to a lesser extent, transactional foreign exchange risk	- Banking committee oversight - Documented policies and procedures - Daily monitoring of interest rates, exchange rates, maturity mismatch and extent of marketable assets - Robust application of policy and investment limits
D	**Pension** The risk that funding our defined benefit pension schemes increases, or its valuation affects dividends, reserves and capital	High	High	This risk can arise through a sustained deficit between the schemes' assets and liabilities. A number of factors impact a deficit including increased life expectancy, falling interest rates and falling equity prices	- Board, senior management and trustee oversight - Monthly valuation estimates - Triennial independent actuarial valuations - Investment policy - Senior management review and defined management actions - Annual Internal Capital Adequacy - Assessment Process - Actions taken in October 2016 towards mitigating this exposure

Further detailed discussion of the Group's exposures to financial risks is included in note 31 to the consolidated financial statements.

Conduct risks

Ref	Level 2 Risk	Residual rating		How the risk arises	Control environment
		I	L		
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	Med	Med	This risk can arise from both strategic decisions which fail to consider the current operating environment or can be influenced by external factors such as material changes in regulation or legislation within the financial services sector	- Board and executive oversight - A documented strategy - Annual business targets, subject to regular review and challenge - Regular reviews of pricing structure - Continued investment in the investment process, service standards and marketing - 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	Med	Med	This risk can arise through a failure to appropriately understand the wealth management needs of our clients and a failure to apply suitable advice or investment strategies, along with having inadequate tools and systems in place to support our client-facing financial professionals	- Investment governance and structured committee oversight - Management oversight and segregated quality assurance and performance teams - Performance measurement and attribution analysis - Weekly investment management meetings - Investment manager reviews through supervisor sampling - Compliance monitoring
G	**Regulatory** The risk of failure by the Group or a subsidiary to fulfil regulatory requirements and comply with the introduction of new or changes to the existing, regulation	High	Low	This risk can arise from failures by the business to comply with existing regulation or failure to identify and react to regulatory change	- Board and executive oversight - Active involvement with industry bodies - Compliance monitoring programme to examine the control of key regulatory risks - Separate anti-money laundering role with specific responsibility - Oversight of industry and regulatory developments - Documented policy and procedures - Staff training and development
H	**Reputational** The risk of reputational damage from financial and non-financial events or failing to meet stakeholders' expectations	Med	Low	This risk can arise due to a variety of reasons, primarily within Rathbones. This could be from the conduct of the company or its employees and from the service or products provided to clients	- Staff training and development - Board and executive oversight - Strong corporate values and approach to governance - Positive culture regarding risk and regulation, supported by appropriate remuneration practices - Appropriate emphasis on the control environment through the three lines of defence - Proactive and positive communications with key stakeholders - Crisis response plan - Monitoring of company performance relative to competitors

Operational risks

Ref	Level 2 Risk	Residual rating		How the risk arises	Control environment
		I	L		
I	**Business change** The risk that the planning or implementation of change is ineffective or fails to deliver desired outcomes, the impact of which may lead to unmitigated financial exposures	Med	Low	This risk can arise if the business is too aggressive and unstructured with its change programme to manage project risks, resource capacity and capabilities to deliver business benefits. The firm also recognises the risks associated with its office move in London, which will lead to the subletting of some premises	- Executive and board oversight of material change programmes - Group programme board - Dedicated project office function, use of internal and, where required, external subject matter experts - Documented business plans and IT strategy - Two-stage assessment, challenge and approval of project plans - Documented project and change procedures - Active marketing of vacant space
J	**Business continuity** The risk that an internal or external event results in either failure of, or detriment to, core business processes or services	Med	Low	This risk can arise from the business failing to effectively control and administer its core operating systems, manage current and future resource requirements and maintain appropriate security of its infrastructure	- 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
K	**Data integrity and security** The risk of a lack of integrity of, inappropriate access to (or disclosure of) client or company-sensitive information	Med	Low	This risk can arise from the firm failing to maintain and keep secure at all times sensitive and confidential data through its operating infrastructure, including the activities of employees and cyber threats	- 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
L	**Fraud** The risk of fraudulent action, either internal or external, being taken against the Group or a subsidiary	Med	Low	This risk can arise from failures to implement appropriate management controls to detect or mitigate impropriety either within or external to the business and services provided	- Executive oversight - Documented policies and procedures - Segregation of duties between front and back office - System authority and payment limits - System access controls - Training and employee awareness programmes
M	**Legal** The risk of legal action being taken against the Group or a subsidiary or failure to comply with legislative requirements resulting in financial loss and reputational damage	Med	Low	This risk can arise from inappropriate behaviour of individuals or from the inadequate drafting of the firm's contractual documentation	- Executive oversight - Retained specialist legal advisers - Routine control of risks which might lead to litigation if adverse outcomes are experienced by clients or other third parties - Documented policies and procedures - Training and employee awareness programmes
N	**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	Med	Low	This risk can arise due to significant unknown operational changes at key outsourced relationships or a material change to their business model which affects their ability to provide the required services for Rathbones	- 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

Ref	Level 2 Risk	Residual rating I	Residual rating L	How the risk arises	Control environment
O	**People** The risk of loss of key staff, lack of skilled resources and inappropriate behaviour or actions. This could lead to lack of capacity or capability threatening the delivery of business objectives or behaviour leading to complaints, regulatory action or litigation	Med	Med	This risk can arise across all areas of the business as a result of resource management failures or from external factors such as increased competition or material changes in regulation	- Executive oversight - Succession and contingency planning - Transparent, consistent and competitive remuneration schemes - Contractual clauses with restrictive covenants - Continual investment in staff training and development - Employee engagement survey - Appropriate balanced performance measurement system
P	**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	Low	Med	This risk can arise from the failure of management to implement and control operational processes and systems to support the volumes of transactions processed on a daily basis	- Authorisation limits and management oversight - Dealing limits and supporting system controls - Active investment in automated processes - Counter review/four-eyes processes - Segregation of duties - Documented procedures - Annual controls assessment (ISAE3402 report)

Extract from 2016 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. We met on four occasions in 2016 (2015: four). Details of attendance by members are set out on page 55 (to the consolidated financial statements).

In addition to the members of the committee, standing invitations are extended to the chairman, the executive directors, the chief risk officer and the head of internal audit. All attend meetings as a matter of course and inform the committee's decisions. Other executives, risk team members and external advisers are invited to attend the committee from time-to-time as required to present and advise on reports commissioned. In addition, the chairman regularly meets with the chief risk officer and her risk team in a combination of formal and informal sessions and with senior management across all divisions of the Group to discuss the business environment and to gather their views of emerging risks.

Role and responsibilities of the committee

These are set out in the terms of reference of the committee, which are available on the company website. The terms of reference are reviewed annually and approved by the board. The key activities of the committee are to:

- review reports from the investment management performance monitoring team
- review reports from the risk team on risk appetite issues including any early warning signals and advise the board accordingly
- review reports from the head of compliance
- review reports from head of anti-money laundering
- discuss any loss events and near misses, the lessons learned and management action taken
- discuss external risk-related events
- discuss significant issues raised at the banking, conduct risk and operational risk committee meetings
- review and approve changes to the top 10 risk list and the watch list of emerging risks
- review end-to-end process risk assessments undertaken and any resulting internal control enhancements
- advise the board on the risk aspects of proposed major strategic change

- review (prior to board approval) key regulatory submissions including the Group Internal Capital Adequacy Assessment Process ('ICAAP') document
- review (prior to board approval) the annual ISAE3402 report on the investment management operations and custody control systems.

2.2 Directors: Recruitment policy, training & external directorships

The nomination committee report on page 86 of the 2016 annual report and accounts includes details of the recruitment policy for directors. The corporate governance report on pages 53 to 57 of the 2016 annual report and accounts includes a section on the training and induction of directors. The directors' biographies on pages 58 to 60 of the 2015 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 2016 annual report and accounts (nomination committee report):

Role and responsibilities of the committee

The responsibilities of the committee include reviewing the composition of the board and making recommendations to the board for the appointment of directors. The board as a whole then decides upon any such appointment.

The committee has responsibilities for succession planning for top management and for executive and non-executive directors. 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. The current terms of reference for the nomination committee are available on the company's website.

An external search consultancy is 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.

Board diversity

The board recognises the importance of diversity and that it is a wider issue than gender. We believe that the members of the board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience necessary for the effective oversight of the Group. The nomination committee considers diversity as one of the many factors when recommending new appointments to the board.

Extract from 2016 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 pages 42 to 51 of the 2016 annual report and accounts.

Extract from 2016 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 has two female non-executive directors out of five and has thus achieved our commitment to meet Lord Davies' target of 25% female board representation. We are working towards achieving the adjusted target of 33% of female board representation for FTSE350 companies by 2020 and are developing a policy and targets aligned to the recommendations published in the Hampton Alexander review in November 2016.

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 and apprentice programmes currently comprise broadly equal numbers of men and women) and by encouraging more applications from women to our work experience and financial career programmes.

We continue to target the progression and development of existing female employees with opportunities for leadership and management programmes. During 2016, we engaged with some of our recently returned maternity leavers to discuss their experiences, their views of our maternity provisions and their recommendations. We aim to take these views into account when reviewing our maternity provisions.

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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015*	RIM 31 Dec 2016	RIM 31 Dec 2015
Permanent ordinary share capital	2,535	2,407	2,935	2,800
Share premium	139,991	97,643	117,575	107,585
Retained earnings	156,545	174,413	98,038	100,587
Other Tier 1 reserves	31,985	31,906	-	-
Deductions	(172,668)	(176,662)	(119,708)	(122,739)
Common Equity Tier 1 capital after deductions	**158,388**	**129,707**	**98,840**	**88,233**
Tier 2 subordinated loan notes	15,804	14,634	20,000	20,000
Own funds	**174,192**	**144,341**	**118,840**	**108,233**

* restated for measurement period adjustment in respect of business combinations, as described in note 14 to the 2016 annual report and accounts.

This should be read in conjunction with the regulatory own funds section on page 37 of the 2016 annual report and accounts. Article 437(1)(d) & (e) of the CRR requires disclosure of own funds at 31 December 2016 in accordance with a prescribed own funds disclosure template. This template is attached as Appendix 8 (for the Group) and Appendix 9 (for RIM solo).

Tier 1 capital

Our common equity tier 1 capital comprises:

- ordinary share capital and its associated share premium;
- retained earnings, including audited reserves for the year ended 31 December;
- other reserves, comprising merger and available for sale reserves; and
- deductions comprising intangible assets (representing goodwill on consolidation, software costs and acquired client relationships to the extent not amortised) and treasury shares.

No innovative tier 1 capital was held at, or in the financial years ending, 31 December 2016 and 2015.

Article 437(1)(b) of the CRR requires disclosure of the main features of own funds instruments in accordance with a prescribed capital instruments' main features template. These templates are attached as Appendix 5 (for Rathbone Brothers Plc ordinary shares) and Appendix 6 (for RIM ordinary shares).

Tier 2 capital

Our tier 2 capital comprises qualifying subordinated loan notes, more details of which are provided in note 26 on page 129 of the 2016 annual report and accounts.

The main features template for the Tier 2 instruments is attached as Appendix 7.

3.2 Reconciliation of own funds items to audited financial statements

A reconciliation of the Group's 2016 audited financial statements to regulatory own funds is shown in the following table (£'000):

	Financial statements	Reclassification of deferred tax	Adjustments	Regulatory own funds
Share capital	2,535	-	-	2,535
Share premium	139,991	-	-	139,991
Merger reserve	31,835	-	-	31,835
Available for sale reserve	150	-	-	150
Own shares	(6,243)	-	-	(6,243)
Retained earnings	156,545	-	-	156,545
Total equity	**324,813**	**-**	**-**	**324,813**
Intangible assets	(167,192)	767(1)	-	(166,425)
Subordinated loan notes	19,590	-	(3,786)(2)	15,804
Total regulatory own funds				**174,192**

(1) The deferred tax liability associated with the intangible asset

(2) This represents the difference in values for accounting and own funds eligibility purposes

A reconciliation of RIM's 2016 audited financial statements to regulatory own funds is shown in the following table (£'000):

	Financial statements	Reclassification of deferred tax	Adjustments	Regulatory own funds
Share capital	2,935	-	-	2,935
Share premium	117,575	-	-	117,575
Retained earnings	98,038	-	-	98,038
Total equity	**218,548**	**-**	**-**	**218,548**
Intangible assets	(119,719)	11(1)	-	(119,708)
Subordinated loan notes	19,590	**-**	410 (2)	20,000
Total regulatory own funds				**118,840**

(1) The deferred tax liability associated with the intangible asset

(2) This represents the difference in values for accounting and own funds eligibility purposes

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

Group Common Equity Tier 1 ratio as at 31 December 2016 was 17.7%
RIM Common Equity Tier 1 ratio as at 31 December 2016 was 12.3%

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 2016 was 6.6% (2015: 7.7%). More detail is provided in the regulatory capital section on page 37 of the 2016 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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015*	RIM 31 Dec 2016	RIM 31 Dec 2015*
Credit & counterparty credit risk	36,815	36,508	35,868	36,186
Settlement risk	44	3	44	3
Market risk	389	346	227	195
Operational risk	34,164	30,407	27,966	24,907
Total own funds requirement	**71,412**	**67,264**	**64,105**	**61,291**

* Comparative year values for the own funds requirement for operational risk have been restated to include verified profit for that year in the 3-year average calculation.

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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
Central government or central banks	-	-	-	-
Institutions	17,933	20,305	19,423	21,617
Corporates	-	-	-	-
Retail	7,491	7,968	7,458	7,918
Exposures in default	41	35	1	-
Claims on institutions with a short-term credit assessment	2,654	2,012	2,654	2,012
Collective investment undertakings	1,810	841	1,257	597
Other items(1)	6,886	5,347	5,075	4,042
Own funds requirement for credit & counterparty credit risk	**36,815**	**36,508**	**35,868**	**36,186**

(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 2016 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.

Analysis of total credit and counterparty credit risk charge as at 31 December 2016, split between Treasury book and other assets (£'000):

	Group Treasury book	Group Other	RIM Treasury book	RIM Other
Central government or central banks	-	-	-	-
Institutions (1)	17,591	342	17,123	2,300
Corporates	-	-	-	-
Retail	-	7,491	-	7,458
Exposures in default	-	41	-	1
Claims on institutions with a short-term credit assessment	2,654	-	2,654	-
Collective investment undertakings	1,661	149	1,257	-
Other items (2)	-	6,886	-	5,075
Total exposures	**21,906**	**14,909**	**21,034**	**14,834**

(1) Non-Treasury book balances for Institutions represent balances at brokers and intragroup balances

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

The charge for the Treasury book represents 60% of the total credit risk capital component for Group and 59% for RIM. Significant balances are held at the Bank of England which attracts a 0% credit risk charge.

The charge for retail exposures represents a further 20% of the total credit risk capital component and arises primarily from RIM's client lending activity. This activity is a service offered to assist investment management clients who may be asset rich but have short to medium term cash requirements. Loans are made on a fully secured basis, generally 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 claims on institutions in the table above.

The counterparty credit risk charge is based on the mark-to-market exposure of any trades undertaken on behalf of investment management clients which are outside of normal settlement terms (T+2 for stock trades and generally T+3 for unit trust trades), any client foreign exchange transactions which are outside of the usual T+2 settlement terms, and any free deliveries. There are no other derivatives.

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

	Group 31 Dec 2016		RIM 31 Dec 2016	
	Exposure value	Own funds requirement	Exposure value	Own funds requirement
Forward rate agreements	-	-	-	-
Long settlement transactions	12,606	232	9,037	167
Forward FX transactions	239	10	114	5
Free deliveries	1,250	100	1,250	100
Total	**14,095**	**342**	**10,401**	**272**

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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
Own funds requirement for settlement risk	**44**	**3**	**44**	**3**

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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
Foreign currency position risk requirement	389	346	227	195
Own funds requirement for market risk	**389**	**346**	**227**	**195**

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 (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015*	RIM 31 Dec 2016	RIM 31 Dec 2015*
Basic indicator approach	34,164	30,407	27,966	24,907
Own funds requirement for operational risk	**34,164**	**30,407**	**27,966**	**24,907**

* Comparative year values for the own funds requirement for operational risk have been restated to include verified profit for that year in the 3-year average calculation.

4.8 Pillar 2 & buffers

The Pillar 2A charge is agreed with the regulator as part of their regular Supervisory Review and Evaluation Process ('SREP') visit and covers additional risks not deemed to be included in either the Pillar 1 charge or the add-on. Its basis of calculation is confidential, although disclosure of the aggregate charge is permitted.

Analysis of own funds requirement for Pillar 2A (£'000):

	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
Aggregate Pillar 2A charge	27,898	26,794	26,875	26,066

Geographical distribution of Group credit exposures relevant for the calculation of the countercyclical capital buffer (£'000):

Country	General credit exposures	Trading book exposures	Securitisation exposures	Own funds requirement: General	Own funds requirements weights	Countercyclical buffer rate
Hong Kong	12	-	-	1	0.01%	0.625%
Norway	12	-	-	1	0.01%	1.500%
Sweden	6,021	-	-	482	2.72%	1.500%
Total						**0.040%**

Geographical distribution of RIM credit exposures relevant for the calculation of the countercyclical capital buffer (£'000):

Country	General credit exposures	Trading book exposures	Securitisation exposures	Own funds requirement: General	Own funds requirements weights	Countercyclical buffer rate
Hong Kong	12	-	-	1	0.01%	0.625%
Norway	12	-	-	1	0.01%	1.500%
Sweden	6,021	-	-	482	3.12%	1.500%
Total						**0.050%**

Amount of institution-specific countercyclical capital buffer (£'000):

	Group 31 Dec 2016	RIM 31 Dec 2016
Total risk exposure amount*	892,657	801,321
Institution-specific countercyclical capital buffer rate	0.04%	0.05%
Institution-specific countercyclical capital buffer	**357**	**401**

* Total risk exposure amount is more fully detailed in Appendices 2 and 4 (for Group and RIM respectively)

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 (£'000):

			Month end average over 2016	
	Group 31 Dec 2016	RIM 31 Dec 2016	Group	RIM
Central government or central banks	1,075,744	1,075,744	882,906	882,906
Institutions	669,751	656,030	721,366	709,500
Corporates	-	-	-	-
Retail	141,759	141,205	138,360	137,721
Exposures in default	340	11	260	18
Claims on institutions with a short-term credit assessment	165,876	165,876	153,274	153,274
Collective investment undertakings	105,501	78,584	91,074	67,587
Other items (1)	86,073	63,434	61,543	42,138
Total exposures	**2,245,044**	**2,180,884**		

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

For the purposes of regulatory own funds the Group has defined 'exposures in default' as those being 90 days or more past the due date for settlement, whereas for accounting purposes items are included when 30 days past their due settlement date. As at 31 December 2016 exposures in default have only been identified in fee debtors due to trust and pensions activities, however values 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 Exposures in default

Analysis of exposures in default by number of days past their due payment date (£'000):

	Group 31 Dec 2016	RIM 31 Dec 2016
90 to 180 days	150	11
180 to 270 days	55	-
270 to 365 days	46	-
Over 365 days	89	-
Total exposures in default	**340**	**11**

5.3 Impaired exposures

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

	Group 2016	RIM 2016
Balance at 1 January	**83**	**-**
Transferred from fellow Group undertakings	-	30
Amounts written off	(1)	(1)
Amounts recovered	-	-
Charge for the year	9	-
Balance at 31 December	**91**	**29**

5.4 Reconciliation of credit exposures to IFRS7 disclosures

Note 31 in the Group annual report & accounts presents information about credit risk exposures on an IFRS7 basis. A reconciliation between this IFRS7 basis and the basis used for Pillar 3 credit risk disclosure is presented below (£'000):

	Group 31 Dec 2016	RIM 31 Dec 2016
IFRS7 credit risk exposures	**2,199,028**	**2,127,623**
Counterparty credit risk and free delivery exposure	14,095	10,401
Significant investment in financial sector entity(1)	-	8,867
Non-trading book equity exposures	1,864	-
Undrawn loan facilities granted	31,148	31,148
Tangible fixed assets	16,590	16,366
Cash	3	2
Deferred tax asset	11,368	2,682
Other financial assets	8,735	2,540
Off-balance sheet guarantees	-	-
Settlement balances	(37,787)	(18,745)
Pillar III credit risk exposures	**2,245,044**	**2,180,884**

(1) 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. As at 31 December 2016 the cost of the investment was lower than the 10% limit.

5.5 Unencumbered assets

The only asset which is classified as encumbered is the Cash Ratio Deposit held by RIM at the Bank of England of £670,117 (2015: £153,716). The fair value of unencumbered assets is not materially different to the carrying value. This amount does not qualify as a high quality liquid asset for the purposes of liquidity coverage ratio calculations.

5.6 Analysis of Group exposures

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

	UK	Eurozone	Rest of World	31 December 2016
Central government or central banks	1,075,744	-	-	**1,075,744**
Institutions	318,895	95,229	255,627	**669,751**
Corporates	-	-	-	**-**
Retail	132,441	460	8,858	**141,759**
Exposures in default	340	-	-	**340**
Claims on institutions with a short-term credit assessment	-	35,201	130,675	**165,876**
Collective investment undertakings	1,917	103,584	-	**105,501**
Other items (1)	84,286	339	1,448	**86,073**
Total exposures	**1,613,623**	**234,813**	**396,608**	**2,245,044**

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

	Public Sector	Financial Institutions	SME (2)	Clients and other corporate	31 December 2016
Central government or central banks	1,075,744	-	-	-	**1,075,744**
Institutions	-	669,751	-	-	**669,751**
Corporates	-	-	-	-	**-**
Retail	-	-	8,447	133,312	**141,759**
Exposures in default	-	-	-	340	**340**
Claims on institutions with a short-term credit assessment	-	165,876	-	-	**165,876**
Collective investment undertakings	-	105,501	-	-	**105,501**
Other items (1)	-	347	-	85,726	**86,073**
Total exposures	**1,075,744**	**941,475**	**8,447**	**219,378**	**2,245,044**

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

	Less than 3 months	3 months to 1 year	Over 1 year	Non-defined maturity	31 December 2016
Central government or central banks	1,075,074	670	-	-	**1,075,744**
Institutions	188,262	481,471	18	-	**669,751**
Corporates	-	-	-	-	**-**
Retail	61,776	79,675	308	-	**141,759**
Exposures in default	-	251	89	-	**340**
Claims on institutions with a short-term credit assessment	165,876	-	-	-	**165,876**
Collective investment undertakings	103,584	-	-	1,917	**105,501**
Other items (1)	55,727	1,477	12,279	16,590	**86,073**
Total exposures	**1,650,299**	**563,544**	**12,694**	**18,507**	**2,245,044**

(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 (£'000):

	UK	Eurozone	Rest of World	31 December 2016
Central government or central banks	1,075,744	-	-	**1,075,744**
Institutions	305,174	95,229	255,627	**656,030**
Corporates	-	-	-	**-**
Retail	131,887	460	8,858	**141,205**
Exposures in default	11	-	-	**11**
Claims on institutions with a short-term credit assessment	-	35,201	130,675	**165,876**
Collective investment undertakings	-	78,584	-	**78,584**
Other items (1)	62,620	172	642	**63,434**
Total exposures	**1,575,436**	**209,646**	**395,802**	**2,180,884**

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

	Public Sector	Financial Institutions	SME (2)	Clients and other corporate	31 December 2016
Central government or central banks	1,075,744	-	-	-	**1,075,744**
Institutions	-	645,638	-	10,392	**656,030**
Corporates	-	-	-	-	**-**
Retail	-	-	8,447	132,758	**141,205**
Exposures in default	-	-	-	11	**11**
Claims on institutions with a short-term credit assessment	-	165,876	-	-	**165,876**
Collective investment undertakings	-	78,584	-	-	**78,584**
Other items (1)	-	254	-	63,180	**63,434**
Total exposures	**1,075,744**	**890,352**	**8,447**	**206,341**	**2,180,884**

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

	Less than 3 months	3 months to 1 year	Over 1 year	Non-defined maturity	31 December 2016
Central government or central banks	1,075,074	670	-	-	**1,075,744**
Institutions	165,862	481,301	-	8,867	**656,030**
Corporates	-	-	-	-	**-**
Retail	60,894	79,913	398	-	**141,205**
Exposures in default	-	11	-	-	**11**
Claims on institutions with a short-term credit assessment	165,876	-	-	-	**165,876**
Collective investment undertakings	78,584	-	-	-	**78,584**
Other items (1)	43,372	375	3,321	16,366	**63,434**
Total exposures	**1,589,662**	**562,270**	**3,719**	**25,233**	**2,180,884**

(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 Claims on institutions with a short-term credit assessment
Moody's Investor Service Standard & Poor's	Collective investment undertakings

6.2 Mapping of ECAI rating to credit quality step

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

	Credit quality step 1	Credit quality step 2	Other	Unrated	31 December 2016
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 or central banks	1,075,744	-	-	-	**1,075,744**
Institutions (1)	224,875	443,593	30	1,253	**669,751**
Corporates	-	-	-	-	**-**
Retail (2)	-	-	-	141,759	**141,759**
Exposures in default	-	-	-	340	**340**
Claims on institutions with a short-term credit assessment	140,779	25,097	-	-	**165,876**
Collective investment undertakings (3)	103,584	-	-	1,917	**105,501**
Other items (4)	-	-	-	86,073	**86,073**
Total exposures	**1,544,982**	**468,690**	**30**	**231,342**	**2,245,044**

(1) Unrated Institutions represent exposures to brokers for settlement and counterparty credit risk
(2) Retail exposures represent primarily loans advanced (plus £31m of undrawn proposals) to existing RIM clients, whom as individuals are unrated.
(3) Unrated CIUs represent holdings of RUTM units by the Group
(4) Other items include tangible fixed assets, off-balance sheet guarantees, prepayments & accrued income and deferred tax assets.

6.3 Mapping of ECAI rating to credit quality step

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

	Credit quality step 1	Credit quality step 2	Other	Unrated	31 December 2016
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 or central banks	1,075,744	-	-	-	**1,075,744**
Institutions (1)	206,758	428,760	-	20,512	**656,030**
Corporates	-	-	-	-	**-**
Retail (2)	-	-	-	141,205	**141,205**
Exposures in default	-	-	-	11	**11**
Claims on institutions with a short-term credit assessment	140,779	25,097	-	-	**165,876**
Collective investment undertakings	78,584	-	-	-	**78,584**
Other items (3)	-	-	-	63,434	**63,434**
Total exposures	**1,501,865**	**453,857**	**-**	**225,162**	**2,180,884**

(1) Unrated Institutions represent exposures to brokers for settlement and counterparty credit risk and intragroup balances

(2) Retail exposures represent primarily loans advanced (plus £31m of undrawn proposals) to existing RIM clients, whom as individuals are unrated.

(3) 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 mismatch in the maturity profile of the Group's interest bearing assets and liabilities.

We place all interest-bearing assets and liabilities into maturity buckets according to their contractual maturity, in line with the FSA017 regulatory return, and we calculate the exposure for a theoretical unexpected 2% movement in interest rates on a daily basis.

The average maturity mismatch is controlled by the banking committee, which is a sub-committee of the RIM board. We control the overall risk exposure by a combination of treasury planning 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

£'000	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
GBP – upward shift	(3,925)	(2,915)	(3,788)	(2,801)
GBP – downward shift	4,046	2,888	3.909	2,771

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

8 Non-trading book exposures in equities

Listed equities represent units held by the Group in unit trusts managed by Rathbone Unit Trust Management Limited.

8.1 Valuation of exposures

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

	Group 31 Dec 2016	Group 31 Dec 2015	RIM 31 Dec 2016	RIM 31 Dec 2015
Listed	1,864	1,070	-	-
Unlisted	-	-	-	-
Total exposures	**1,864**	**1,070**	**-**	**-**

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 £nil on disposal of available-for-sale securities during 2016 (2015: £nil)

Total unrealised gains from changes in fair value as at 31 December 2016 were £93,000 (2015: £53,000).

9 Remuneration code

Our remuneration policy 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 60 to 79 of the 2016 annual report & accounts includes details on directors' remuneration policy. The committee, which comprises the five independent non-executive directors, met on four occasions in 2016. The remuneration committee was advised by New Bridge Street, who provided external market data and advice on current best practice on remuneration policies and arrangements.

9.2 Link between pay & performance

Employee 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 2016 remuneration system

Full details of the executive incentive schemes are set out in the 2016 annual report & accounts.

Investment managers within RIM 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.

Fund managers and support staff within RUTM participated in a profit sharing scheme based on the profit earned by RUTM. The individual profit share for each fund manager is also dependent on the level of investment performance (measured over 1 and 3 years) of the funds managed by the individual.

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.

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 22 staff classified as MRTs for the 2016 performance year (excluding those identified under the quantitative rules for whom exclusion will be notified to, or sought from, the regulator).

Total aggregate remuneration paid for the Group for the year ended 31 December 2016 was £118m, of which £11.4m 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)	8.8
Other MRTs	2.6
Total	**11.4**

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

Business unit	
Management body	3.8
Investment management	4.5
Unit trusts	2.5
Independent control functions	0.6
Total	**11.4**

The figures above include deferred, contingent awards, the value of which is estimated based on 31 December 2016 market conditions. Where performance criteria exist, it has been assumed that these will be met in full. The figures are presented on an award basis for the year and do not equal the accrued charge in the financial statements.

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 disclosures are 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 Paul Stockton, Group finance director, Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ.

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

Appendix 1

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

As at 31 December 2016:

Reconciliation of report & accounts to Pillar 3 credit risk exposures (£'000)					Analysis of credit risk exposure by risk weighting (£'000)								
	Presented Balance Sheet	Excluded from credit risk	Other	Pillar III credit risk exposures	0%	20%	50%	75%	100%	150%	250%	1250%	Total
Cash and balances at central banks	1,075,673			1,075,673	1,075,673								1,075,673
Settlement balances	37,787	(37,787)		-									-
Loans and advances to banks	114,088		4,540 [1]	118,628		88,572	30,056						118,628
Loans and advances to customers	110,951		31,148 [2]	142,099	31,148			67,884	42,727	340			142,099
Investment securities													
- Available for sale	105,421			105,421		103,557			1,864				105,421
- Held to maturity	700,000			700,000		435,000	265,000						700,000
Investment in associate	-			-									-
Intangible assets	167,192	(167,192)		-									-
Property, plant and equipment	16,590			16,590					16,590				16,590
Deferred tax asset	10,601		767 [3]	11,368					11,368				11,368
Prepayments, accrued income and other assets	65,710		14,095 [4] (4,540)[1]	75,265	71	13,463	2,310		59,421				75,265
Intra-group balances	-			-									-
Off-Balance Sheet guarantees	-			-									-
Total assets	**2,404,013**	**(204,979)**	**46,010**	**2,245,044**	**1,106,892**	**640,592**	**297,366**	**67,884**	**131,970**	**340**	**-**	**-**	**2,245,044**
Total risk-weighted assets					**-**	**128,118**	**148,683**	**50,913**	**131,970**	**510**	**-**	**-**	**460,194**
Total own funds requirement for credit risk (at 8%)					**-**	**10,249**	**11,895**	**4,073**	**10,557**	**41**	**-**	**-**	**36,815**

(1) reclassification of Barclays Bank Plc client money account

(2) undrawn loan proposals

(3) deferred tax relating to intangible assets

(4) counterparty & settlement risk exposures

Appendix 2

Group Common Equity Tier 1 ratio

Calculation of Group Common Equity Tier 1 ratio (£'000):

	31 Dec 2016	31 Dec 2015*
Common Equity Tier 1 after deductions	**158,388**	**129,707**
Risk Weighted assets		
Credit & counterparty credit risk (1)	460,194	456,347
Settlement risk (2)	550	38
Market risk (3)	4,863	4,325
Operational risk (4)	427,050	380,088
Total risk exposure amount	**892,657**	**840,798**
Common Equity Tier 1 ratio	**17.7%**	**15.4%**

* restated for measurement period adjustment in respect of business combinations, as described in note 14 to the 2016 annual report and accounts. The own funds requirement for operational risk has been restated to include verified profit for the year in its calculation. This is in line with the inclusion of current year verified profit in the calculation of year-end own funds.

(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 2016:

Reconciliation of report & accounts to Pillar 3 credit risk exposures (£'000)					Analysis of credit risk exposure by risk weighting (£'000)								
	Presented Balance Sheet	Excluded from credit risk	Other	Pillar 3 credit risk exposures	0%	20%	50%	75%	100%	150%	250%	1250%	Total
Cash and balances at central banks	1,075,672			1,075,672	1,075,672								1,075,672
Settlement balances	18,745	(18,745)		-									-
Loans and advances to banks	84,801		4,540 [(1)]	89,341		59,285	30,056						89,341
Loans and advances to customers	120,460		31,148 [(2)]	151,608	31,148	9,000		67,329	44,120	11			151,608
Investment securities													
- Available for sale	78,557			78,557		78,557							78,557
- Held to maturity	700,000			700,000		435,000	265,000						700,000
Intangible assets	119,719	(119,719)		-									-
Property, plant and equipment	16,366			16,366					16,366				16,366
Deferred tax asset	2,671		11 [(3)]	2,682					2,682				2,682
Prepayments, accrued income and other assets	51,930		10,401 [(4)] (4,540)[(1)]	57,791	71	10,221	1,858		45,641				57,791
Investment in subsidiary undertakings	8,867			8,867							8,867		8,867
Off-Balance Sheet guarantees	-			-									-
Total assets	**2,277,788**	**(138,464)**	**41,560**	**2,180,884**	**1,106,891**	**592,063**	**296,914**	**67,329**	**108,809**	**11**	**8,867**	**-**	**2,180,884**
Total risk-weighted assets					**-**	**118,413**	**148,457**	**50,497**	**108,809**	**16**	**22,167**	**-**	**448,359**
Total own funds requirement for credit risk (at 8%)					**-**	**9,473**	**11,877**	**4,040**	**8,704**	**1**	**1,773**	**-**	**35,868**

(1) reclassification of Barclays Bank Plc client money account

(2) undrawn loan proposals

(3) deferred tax relating to intangible assets

(4) exposures subject to counterparty credit & settlement risks

Appendix 4

RIM Common Equity Tier 1 ratio

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

	31 Dec 2016	31 Dec 2015*
Common Equity Tier 1 after deductions	**98,840**	**88,233**
Risk Weighted assets		
Credit & counterparty credit risk (1)	448,359	452,328
Settlement risk (2)	550	38
Market risk (3)	2,837	2,438
Operational risk (4)	349,575	311,338
Total risk exposure amount	**801,321**	**766,142**
Common Equity Tier 1 ratio	**12.3%**	**11.5%**

* The own funds requirement for operational risk has been restated to include verified profit for the year in its calculation. This is in line with the inclusion of current year verified profit in the calculation of year-end own funds.

(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 (Rathbone Brothers 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 142,526,000
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 120,510,000
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

Description of the main features of Tier 2 instruments issued (RIM)

1	Issuer	Rathbone Investment Management Limited
2	Unique identifier	Company number 1448919
3	Governing law	England & Wales
	Regulatory treatment	
4	Transitional CRR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo / (sub-)consolidated / solo & (sub-)consolidated	Solo & (sub-)consolidated
7	Instrument type	Subordinated debt
8	Amount recognised in regulatory capital	GBP 15,804,000 (group) GBP 20,000,000 (solo)
9	Nominal amount of instrument	GBP 20,000,000
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	3 August 2015
12	Perpetual or dated	Dated
13	Original maturity date	August 2025
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates & redemption amount	August 2020
16	Subsequent call dates, if applicable	Annually
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Fixed until first call date Variable thereafter
18	Coupon rate and any related index	5.856% to 6mLIBOR+4.375%
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (timing)	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (amount)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Not Applicable
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	Subordinated to Senior Creditors
36	Non-compliant transitional features	No
37	If yes, specify non-compliant features	Not Applicable

Appendix 8

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	142,526,000	26(1), 27, 28, 29 EBA list 26(3)	-
	of which: ordinary shares	142,526,000	EBA list 26(3)	-
2	Retained earnings	156,545,000	26(1)(c)	-
3	Accumulated and other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	31,985,000	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**	**331,056,000**		**-**
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)	166,425,000	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)	6,243,000	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	-	36(1)(g), 44 472(9)	-

	institution (negative amount)			
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	-		-
20a	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)**	**172,668,000**		**-**
29	**Common Equity Tier 1 (CET1) capital**	**158,388,000**		**-**
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)**	**158,388,000**		**-**
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	-	483(4)	-

	1 January 2018			
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	15,804,000	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**	**15,804,000**		**-**
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**	**15,804,000**		**-**
59	**Total capital (TC = T1 + T2)**	**174,192,000**		**-**
Risk weighted assets				
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**	**892,657,000**		**-**
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)	19.5%	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	5.165%	CRD 128, 129, 130	-
65	of which: capital conservation buffer requirement	0.625%		-
66	of which: countercyclical buffer requirement	0.04%		-
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)	12.535%	CRD 128	-
69	[non relevant in EU regulation]	-		-
70	[non relevant in EU regulation]	-		-
71	[non relevant in EU regulation]	-		-
Amounts below the thresholds for deduction (before risk weighting)				
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)	-	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 9

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	120,510,000	26(1), 27, 28, 29 EBA list 26(3)	-
	of which: ordinary shares	120,510,000	EBA list 26(3)	-
2	Retained earnings	98,038,000	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**	**218,548,000**		**-**
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)	119,708,000	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	-	36(1)(g), 44 472(9)	-

	institution (negative amount)			
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)**	**119,708,000**		**-**
29	**Common Equity Tier 1 (CET1) capital**	**98,840,000**		**-**
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)**	**98,840,000**		**-**
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	20,000,000	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	-	483(4)	-

	1 January 2018			
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**	**20,000,000**		**-**
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**	**20,000,000**		**-**
59	**Total capital (TC = T1 + T2)**	**118,840,000**		**-**
Risk weighted assets				
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**	**801,321,000**		**-**
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	12.3%	92(2)(a), 465	--
62	Tier 1 (as a percentage of risk exposure amount)	12.3%	92(2)(b), 465	-
63	Total capital (as a percentage of risk exposure amount)	14.8%	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	5.175%	CRD 128 129, 130	-
65	of which: capital conservation buffer requirement	0.625%		-
66	of which: countercyclical buffer requirement	0.05%		-
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)	7.125%	CRD 128	-
69	[non relevant in EU regulation]	-		-
70	[non relevant in EU regulation]	-		-
71	[non relevant in EU regulation]	-		-
Amounts below the thresholds for deduction (before risk weighting)				
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)	8,867,000	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)	-