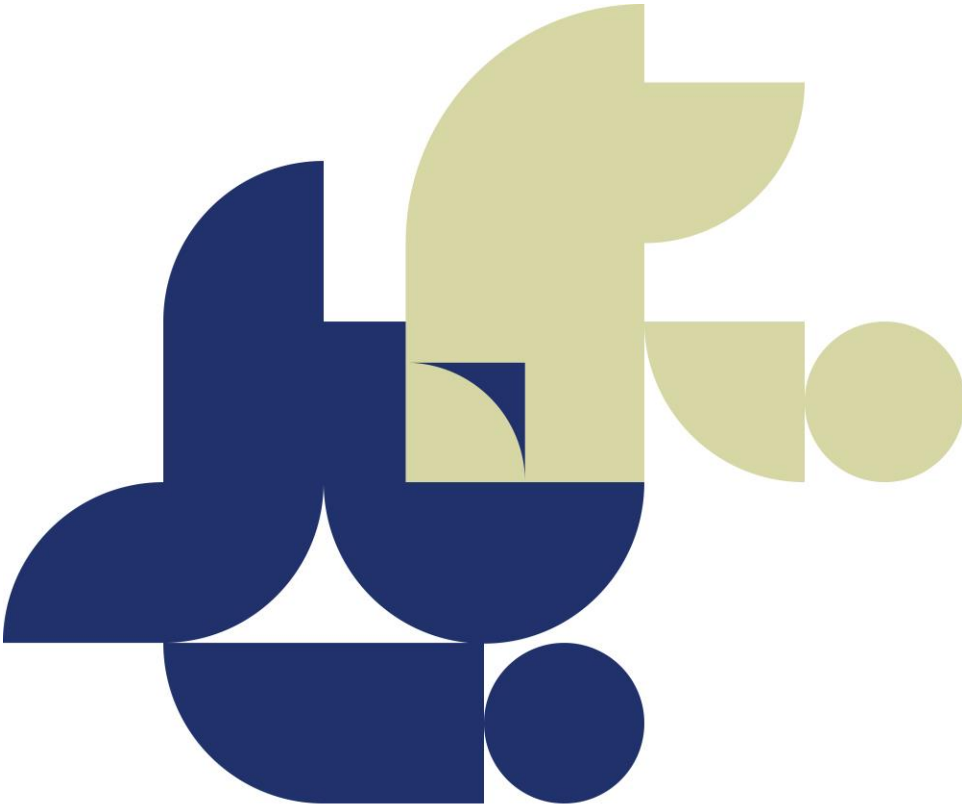
Rathbones Group Plc

Pillar 3 disclosures

For the year ended 31 December 2021



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

1 Executive Summary

1.1 Background and approach

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

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

1.2 Key highlights

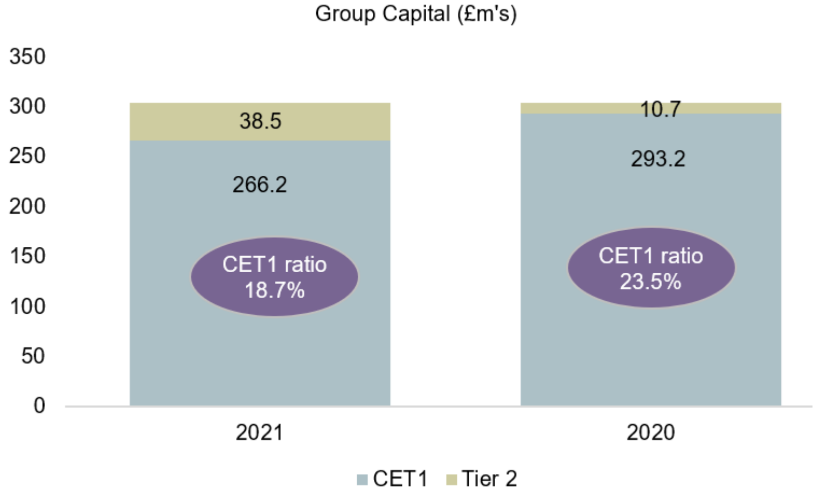
A summary of the group's key ratios is shown in the UK KM1 - Key metrics template table below.

(£m's where applicable)

		31 Dec 2021	31 Dec 2020
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	266.2	293.2
2	Tier 1 capital	266.2	293.2
3	Total capital	304.7	303.9
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	1,424.5	1,247.8
	Capital ratios (as % of risk weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	18.7%	23.5%
6	Tier 1 ratio (%)	18.7%	23.5%
7	Total capital ratio (%)	21.4%	24.3%
	Additional own funds requirements based on SREP (as % of risk weighted exposure amount)		
UK 7d	Total SREP own funds requirements (%)	10.5%	11.9%
	Combined buffer requirement (as % of risk weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.01%
11	Combined buffer requirement (%)	2.50%	2.51%
UK 11a	Overall capital requirements (%)	13.0%	14.4%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.2%	11.6%
	Leverage ratio		
13	Total exposure measure including claims on central banks	2,926.8	3,176.8
14	Leverage ratio including claims on central banks (%)	9.1%	9.2%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,460.0	1,805.3
UK 16a	Cash outflows - Total weighted value	435.3	521.0
UK 16b	Cash inflows - Total weighted value	127.6	153.8
16	Total net cash outflows (adjusted value)	307.7	367.2
17	Liquidity coverage ratio (%)	474.5%	491.6%

We hold capital to protect against the risks of unexpected shocks. The recent Covid pandemic has been a good test of our resilience under stress events with the business continuing to reflect a sound capital base, whilst at the same time showing strong financial results, delivery on strategy and expansion through both organic growth and acquisition.

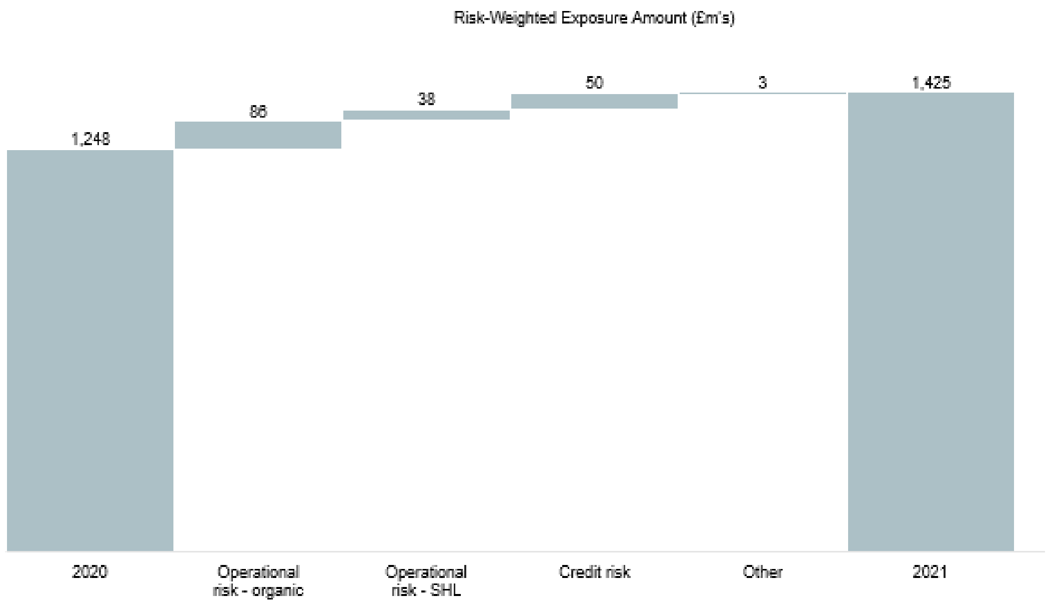
Group Common Equity Tier 1 ('CET1') capital after deductions at 31 December 2021 is £266.2m. As can be seen in the chart below, this is £27m lower than the prior year level. This is primarily due to the acquisition of Saunderson House Limited, partly offset by an increase in Tier 1 capital following the placing of £50 million fresh share capital during the year. Further, the business issued £40m of Tier 2 subordinated loan notes in October 2021, to replace previous notes which were repaid. The new Tier 2 loan notes are issued by Rathbones Group Plc and are repayable in October 2031, with a call option from October 2026 and annually thereafter.



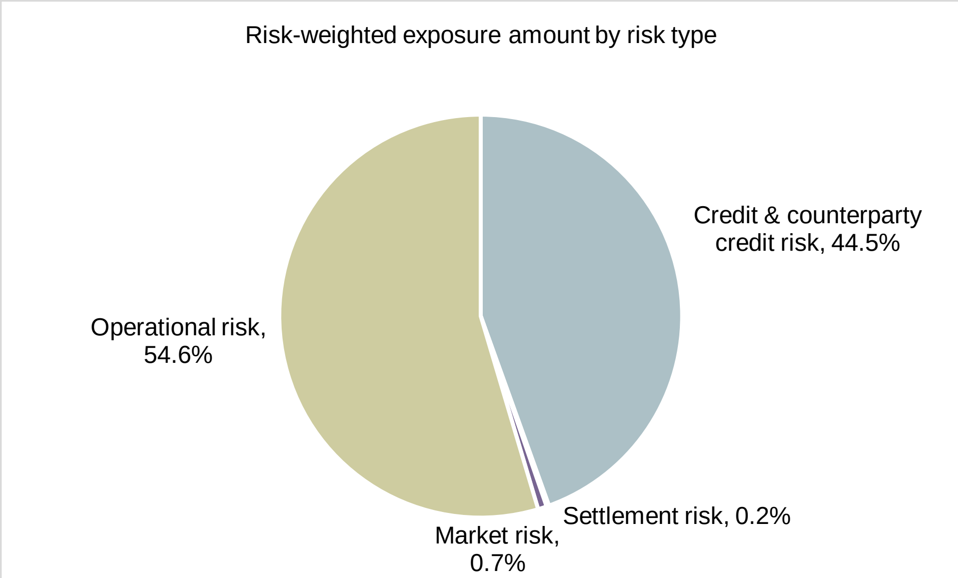
The Group CET1 ratio reflects the percentage of Common Equity Tier 1 capital against the total risk-weighted exposure amount and was 18.7% at 31 December 2021 compared to a prior year comparative ratio of 23.5%.

There was also a reduction in group leverage ratio to 9.1% from 9.2% in line with the decrease in CET1 capital. Capital balance and ratios will increase back to comparable levels once 2022 verified profits are recognised.

Group risk weighted exposure amount at 31 December 2021 was £1,424.5m compared to £1,247.8m in the prior year. The increase has been driven by business growth and the acquisition of Saunderson House Limited.



Operational and credit risk together make up over 99% of our group risk-weighted exposure amount as shown below for 31 December 2021.



We have a well-established approach to risk management, which has continued to evolve in response to the group's growth and external developments. Our priority for 2022 is to continue managing risk effectively in accordance with our risk appetite to support the long-term future of the firm. We continue to manage our responsible business programme through the four strategic pillars of responsible investment, our people, society & communities, and our environmental impact.

1.3 Regulatory developments

The CRR II rules were originally drafted when the UK was a member of the EU. The UK has since left the EU and so the PRA will have oversight of how to amend existing parts and adopt any new parts of CRR II into UK regulations moving forwards. The UK's version of the CRR II for implementation on 1 January 2022 was recently finalised, with PRA Rulebook instruments, statements of policy, supervisory statements and reporting templates and instructions provided under policy statement PS22/21: Implementation of Basel standards – Final rules.

We are mindful of the proposals and discussion papers on ESG topics and new requirements will be embedded into future Pillar 3 documents as appropriate.

The UK's implementation of the remaining elements of the Basel III Reforms is currently scheduled for 2025, consistent with the European Commission's timeline.

1.4 Changes to the Pillar 3 document

The Pillar 3 document has been prepared in line with the PRA Rulebook. Under these requirements, Rathbones Group is classified under Article 433b of the PRA Rulebook Disclosure Part as small and non-complex, which reduces the scope of the required Pillar 3 disclosures. We have included applicable PRA templates and requirements effective 1 January 2022 in this year's Pillar 3 document.

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

1.5 Group structure

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

Rathbones Group Plc is subject to consolidated supervision by the PRA. 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 Rathbones Group Plc and its subsidiaries.

1.6 Frequency

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

1.7 Location

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

1.8 Reference to annual report and accounts.

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

Section	Pages	Areas covered
Financial position	42-44	
Liquidity and cash flow	45	
Risk management and control	46-53	Identification of risks, Risk assessment process, Profile and mitigation of principal risks, Key changes to risk profile, Emerging risks and threats, Principal risks
Responsible business report	54-64	Diversity policy, Climate-related financial disclosure
Corporate governance, including: Group risk committee report Audit committee report Nomination committee report Remuneration Committee and annual report	65-115 86-89 90-94 95-98 99-111	Board external directorships, Diversity in board membership, Board recruitment and development Committee roles and responsibilities, Committee meetings, Committee effectiveness, Talent and Succession planning
Consolidated financial statements	116-190	

1.9 Verification

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

"I attest to the best of my knowledge that Rathbones Group Plc Pillar 3 disclosures are appropriate and have been prepared in accordance with our internal process, control standards and policies to comply with disclosure requirements"

Jennifer Mathias, Group Chief Financial Officer

2 Risk management objectives and policies

2.1 Managing risk

Risk management practices are embedded across the firm and will continue to develop as we upgrade risk management systems and consider control self-assessment processes in 2022. We remain conscious of the impact of the changing risk landscape to our firm and industry, particularly as the world emerges from the pandemic. Risks associated with environmental, social and governance ('ESG'), including climate change, anti-money laundering and the potential for further supply chain risks arising from Brexit are considered and assessed regularly. We will also remain diligent to mitigate risks in respect of potential cyber threats, business change, and greater investment in digital solutions.

Our risk governance, processes and infrastructure are designed to ensure that appropriate risk management is applied to existing and emerging challenges to the firm's day to day activities and strategic objectives. Our priority for 2022 is to continue managing risk effectively in accordance with our risk appetite, to support the long-term future of the firm.

For further information on our risk management and control framework please refer to the 2021 report and accounts pages 46-53.

The board receives regular reports from the chair of the group risk committee and chief risk officer on the key risks facing the firm that impact on operational and financial objectives. This assessment is completed together with assurance that the level of risk retained is consistent with and is being managed in accordance with the board's risk appetite. These reports include current and forward-looking assessments of capital and liquidity adequacy and a summary 'risk dashboard' is presented. Also, during the year the board reviewed and approved the operational risk assessment process for the 2021 ICAAP document, which includes a capital assessment of financial, conduct and operational risks. The board assesses the effectiveness of the firm's internal controls on an annual basis and a report is provided for consideration.

The report is considered one element of the overall assurance processes, and the board also considers other sources, which include reports emanating from first line of defence and second line of defence assurance teams, including group compliance, anti-money laundering (AML), as well as investment risk and information security.

For further information on our corporate governance please refer to the 2021 report and accounts pages 65 to 115. The group risk committee report is on pages 86 to 89.

2.2 Risk culture

The risk culture embedded across the group continues to enhance the effectiveness of risk management and decision-making. The board sets a constructive tone in support of a strong risk culture and, supported by our executive and senior management team, encourages appropriate behaviours and collaboration on risk management across the group. Risk management is therefore an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

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

For further information on our three lines of defence please refer to the 2021 report and accounts page 47 and 48.

2.3 Risk appetite, risk identification and risk assessment

The board, group risk committee and executive committee regularly review and, at least annually, formally approve the group's risk appetite statement, ensuring it remains consistent with our strategy and objectives. We define risk appetite as the amount and type of risk the board is prepared to take or accept in pursuit of our long-term strategic objectives.

Our appetite framework is aligned with the group's overall prudential requirements for strategic, financial and non-financial (conduct and operational) risk. Specific appetite statements are set, and measures established, for each principal risk. The risk appetite framework is used to support strategic decision making, as well as providing a mechanism to monitor risk exposure.

The position against our risk appetite measures is assessed and reported on a regular basis to the executive committee, group risk committee and the board, so that risk mitigation can be reviewed and strengthened if needed.

The board, executive and senior management are actively involved in a continuous risk assessment process as part of our risk management framework, supported by the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) work, which assesses the principal risks facing the group.

We maintain a watch list as part of our approach to identify and evaluate any current, emerging or future issues, threats, business developments and regulatory or legislative changes, which could have the potential to impact the firm's current or longer term risk profile.

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

For further information on our risk appetite, identification of risks and the risk assessment process please refer to the 2021 report and accounts group risk management and control report on pages 46-53.

3 Own funds and own funds requirement

3.1 Own funds

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

	31 Dec 2021	31 Dec 2020
Permanent ordinary share capital	3.1	2.9
Share premium	291.0	215.1
Retained earnings	288.8	270.8
Other Tier 1 reserves	77.0	71.8
Deductions	(393.7)	(267.4)
Common Equity Tier 1 capital after deductions	**266.2**	**293.2**
Tier 2 subordinated loan notes	38.5	10.7
Own funds	**304.7**	**303.9**

This should be read in conjunction with the capital resources section on page 42 of the 2021 annual report and accounts

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;
- deductions comprising intangible assets (representing goodwill on consolidation, software costs and acquired client relationships to the extent not amortised, net of associated deferred tax) and treasury shares; and
- defined benefit pension scheme asset.

Terms and conditions related to the Rathbones Group Plc ordinary shares are included in Note 30 to the 2021 annual report and accounts.

No innovative tier 1 capital was held at, or in the financial years ending, 31 December 2021 and 2020.

Tier 2 capital

Our Rathbones Group Plc Tier 2 capital comprises qualifying subordinated loan notes. More details, including terms and conditions, are provided in Note 28 of the 2021 annual report and accounts.

3.1.1 Reconciliation of own funds items to audited financial statements

A reconciliation of the group's 2021 audited financial statements to regulatory own funds is shown in the following table (£m's):

	Financial statements	Reclassification of deferred tax	Adjustments	Regulatory own funds
Share capital	3.1	-	-	3.1
Share premium	291.0	-	-	291.0
Merger reserve	77.0	-	-	77.0
Own shares	(36.6)	-	-	(36.6)
Retained earnings	288.8	-	-	288.8
Intangible assets	(376.2)	31.4[1]	-	(344.8)
Defined benefit pension scheme asset	(12.3)			(12.3)
Subordinated loan notes	39.9	-	(1.4) [2]	38.5
Total regulatory own funds				**304.7**

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

3.2 Own funds requirement

3.2.1 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 range of capital statistics are monitored on a daily, monthly, or less frequent basis as required. Surplus capital levels are forecast monthly, 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.

3.2.2 Total capital requirement

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

	31 Dec 2021	31 Dec 2020
Pillar 1 requirement	114.0	99.9
Pillar 2A requirement	40.1	40.0
Total capital requirement ('TCR')	**154.1**	**139.9**

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

Ref		RWEAs 31 Dec 2021	RWEAs 31 Dec 2020	Total Own Funds Requirements 31 Dec 2021	Total Own Funds Requirements 31 Dec 2020
1&2	Credit risk (excluding CCR) - of which the standardised approach	630.3	575.0	50.4	46.0
6&7	Counterparty credit risk - CCR - of which the standardised approach	3.4	8.9	0.3	0.7
UK 8b	Of which credit valuation adjustment - CVA	0.1	0.1	0.0	0.0
15	Settlement risk	2.1	1.7	0.2	0.2
20&21	Position, foreign exchange, and commodities risks (Market risk) – of which the standardised approach	10.5	7.3	0.8	0.6
23 & UK23a	Operational risk – of which basic indicator approach	778.2	654.9	62.3	52.4
29	Total	1,424.5	1,247.8	114.0	99.9

3.2.3 Credit & counterparty credit risk

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

Analysis of own funds requirement for credit & counterparty credit risk [1] at 31 December 2021 (£m's):

	Exposure value	Risk weighted	Own funds requirement
Central government or central banks	1,463.5	-	-
Institutions	796.6	227.4	18.2
Retail	197.1	173.1	13.8
Exposures in default	0.7	1.1	0.1
Claims on institutions with a short-term credit assessment	192.3	38.5	3.1
Collective investment undertakings	27.4	11.4	0.9
Equity exposure	2.6	2.6	0.2
Other items [2]	179.7	179.6	14.4
Own funds requirement for credit & counterparty credit risk	**2,859.9**	**633.7**	**50.7**

(1) Only exposure classes under CRR article 112 to which an exposure is held are reported.

(2) Other items include tangible fixed assets, prepayments & accrued income, and deferred tax assets.

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. Significant balances are held at the Bank of England which attracts a 0% credit risk charge.

The charge for retail exposures represents 27% of the total credit risk capital component for group, arising primarily from RIM's client lending activity. This activity is a service offered to assist investment management clients who may have short to medium term cash requirements. Loans are made on a fully secured basis, generally against diversified portfolios held in Rathbones' nominee name. For 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, prepayments & accrued income, and deferred tax assets.

As at 31 December 2021, the group did not have any exposures defined as non-performing or forborne. Gross non-performing loan ratios are therefore 0%.

3.2.4 Reconciliation of credit exposures to IFRS7 disclosures

Note 33 in the group annual report & accounts presents information about credit risk exposures on an IFRS7 basis. A reconciliation between this IFRS7 basis and the basis used for Pillar 3 credit risk disclosure is presented below (£m's):

	31 Dec 2021
IFRS7 credit risk exposures	**2,798.5**
Counterparty credit risk and free delivery exposure	15.2
Non-trading book equity exposures	7.4
Undrawn loan facilities granted	18.2
Tangible fixed assets	56.9
Deferred tax asset	15.3
Other financial assets	18.1
Settlement balances	(69.7)
Pillar III credit risk exposures	**2,859.9**

3.2.5 Reconciliation of group report & accounts to credit risk exposures

At 31 December 2021 (£m's)

Reconciliation of report & accounts to Pillar 3 credit risk exposures					Analysis of credit risk exposure by risk weightings						
	Presented Balance Sheet	Excluded from credit risk	Other	Pillar 3 credit risk exposures	0%	20%	50%	75%	100%	150%	Total
Cash and balances at central banks	1,463.3		0.2(1)	1,463.5	1,463.5						1,463.5
Settlement balances	69.7	(69.7)		-							-
Loans and advances to banks	203.6		7.9(2)	211.5		181.5	30.0				211.5
Loans and advances to customers	179.8		(0.2)(1) 18.2(3)	197.8				96.2	100.9	0.7	197.8
Investment securities											
- Fair value through profit or loss	30.0			30.0		20.0			10.0		30.0
- Amortised cost	761.7		0.6(1)	762.3		567.1	195.2				762.3
Intangible assets	376.2	(376.2)		-							-
Property, plant and equipment	56.9			56.9					56.9		56.9
Current tax asset	2.3	(2.3)	15.3(5)	15.3					15.3		15.3
Prepayments, accrued income and other assets	115.9		15.2(4) (7.9)(2) (0.6)(1)	122.6		13.7	1.4		107.5		122.6
Surplus on retirement benefit schemes	12.3	(12.3)		-							-
Total assets	**3,271.7**	**(460.5)**	**48.7**	**2,859.9**	**1,463.5**	**782.3**	**226.6**	**96.2**	**290.6**	**0.7**	**2,859.9**
Total risk-weighted assets					**-**	**156.5**	**113.3**	**72.2**	**290.6**	**1.1**	**633.7**
Total own funds requirement for credit risk (at 8%)					**-**	**12.5**	**9.0**	**5.8**	**23.3**	**0.1**	**50.7**

(1) reclassification of accrued interest

(2) reclassification of Barclays Bank Plc client money account

(3) undrawn loan proposals

(4) counterparty & settlement risk exposures

(5) deferred tax not relating to intangible assets

3.2.6 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, reputational or business risks.

The group have adopted the Basic Indicator Approach (BIA) under Pillar 1 which produces a capital charge of 15% of its audited average net operating income for the three preceding financial years.

Template UK OR1 – Operational risk own funds requirements and risk-weighted exposure amounts for group at 31 December 2021 (£m's)

		(a)	(b)	(c)	(d)	(e)
		Relevant indicator – *Net operating income*				
		Year-3	Year-2	Last year	Own Funds Requirements	Risk weighted exposure amount
1	Banking activities subject to basic indicator approach (BIA)	382.7	400.2	462.3	62.3	778.2

4 Remuneration

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

4.1 Remuneration committee

The remuneration committee report on pages 99 to 111 of the 2021 annual report & accounts includes details of directors' remuneration policy. The committee, which comprises the seven independent non-executive directors, met on four occasions in 2021. The remuneration committee was advised by PricewaterhouseCoopers (PWC), who provided external market data and advice on current best practice on remuneration policies and arrangements.

4.2 Overview of 2021 remuneration system

Full details of the executive incentive schemes are set out in the 2021 annual report & accounts.

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

Fund managers and support staff within Rathbone Unit Trust Management Limited ('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. Awards are allocated on a discretionary basis, taking individual performance and non-financial factors into consideration, with such awards being subject to a deferral mechanism, where appropriate.

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

The balance between fixed and variable remuneration was focused on ensuring that there remains an appropriate link between overall remuneration and performance.

All awards are subject to Rathbones Risk Adjustment to Variable Remuneration Policy.

4.3 Link between pay & performance

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

4.4 Aggregate information

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

In accordance with Chapter 3 of the Remuneration Part of the PRA Rulebook, identification of Material Risk Takers ('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 59 staff classified as MRTs during the 2021 performance year.

Total aggregate remuneration paid for the group for the year ended 31 December 2021 was £189.7m, of which £31.8m was paid to MRTs.

This total remuneration includes salaries paid within the year, allowances, benefits and both cash and share incentives paid or for deferred incentives awarded within 2021.

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

	Number	Total (£m's)
Senior management qualitative MRTs (including Management body)	20	9.7
Other qualitative MRTs	9	3.7
Quantitative MRTs	30	18.4
Total	**59**	**31.8**

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

	Number	Total (£m's)
Management body	11	3.1
Investment management, including support functions	38	18.1
Unit trusts	6	9.4
Independent control functions	4	1.2
Total	**59**	**31.8**

The figures above include deferred, contingent awards, the value of which is estimated based on 31 December 2021 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.