

Brewin Dolphin Limited

MIFIDPRU 8 Annual Disclosure Addendum

30 November 2024



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Overview

Business Profile

This is an addendum to the annual disclosure for Brewin Dolphin Limited (“BDL” or “the Company”) to adhere with MIFIDPRU 8.

Royal Bank of Canada completed the acquisition of Brewin Dolphin on 27 September 2022. As a result, Brewin Dolphin Holdings Limited (“BDH”) is a wholly owned subsidiary of RBC Wealth Management (Jersey) Holdings Limited. BDH itself consists principally of two wholly owned regulated trading subsidiaries:

- BDL regulated by the Financial Conduct Authority (“FCA”); and
- Brewin Dolphin Wealth Management Limited (“BDWM”) (comprising of the entities formerly known as Tilman Brewin Dolphin Limited and Investec Capital & Investments (Ireland) Limited), regulated by the Central Bank of Ireland (CBI).

In November 2024, the Company sold its UK business to RBC Europe Limited and its Channel Islands business to Royal Bank of Canada (Channel Islands) Limited, the remaining assets and liabilities were sold to RBC London Branch, for a total consideration of £1.2billion. As part of the sale, clients and employees of Brewin Dolphin Limited were transferred to the acquiring Companies.

As BDL no longer undertakes any operational or investment activity, post 4 November 2024 the sections in relation to Remuneration, Diversity & Inclusion and Investment Policy no longer apply to the company.

Location and Verification

These disclosures have been reviewed and approved by the Company’s Board of Directors. The relevant background and professional experience of the Directors of the Board are provided in the **Appendix**. These disclosures will be published on the Company’s public website: **www.brewin.co.uk/legal-other-information**

Risk Management Objectives, Policies and Governance

Risk Governance, Assessment and Management

BDL defines risk as the potential vulnerabilities in the short-, medium- or long-term that may impact the firm's financial results, financial and operational resilience, reputation, business model, or strategy. The primary objectives of risk management at BDL is to ensure that there is:

- A swift and effective response to risk events and potential issues in order to minimise impact;
- A defined risk appetite within which risks are managed; and
- An appropriate balance between risk and the cost of control.

The Board has responsibility for the effectiveness of risk management at BDL.

To provide a structured approach to risk identification and classification and to enable effective monitoring and reporting of risks, the risk framework considers risks under the three risk groupings, defined below:

Risk Category	Description
Business Risks	The risks of assets under management and revenue reducing impacting the businesses viability.
Financial Risks	Balance sheet related risks.
Operational Risks	The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Our approach is to identify and assess specific risks within these groups, mitigate and manage these risks, and monitor and report against these risks.

BDL's risk appetite is defined as the amount and type of risk that the firm is able and willing to accept in the pursuit of its business objectives. BDL has set risk appetite statements ascribed to each key risk with key risk indicators (KRIs) in place to monitor exposure against appetite.

Concentration Risk

Concentration risk is the risk arising from the strength or extent of a firm's relationships with, or direct exposure to, a single or group of connected clients / counterparties. Following the BDL asset sale to RBCEL, BDL no longer has any clients, and firm money is concentrated with RBC, which has an S&P credit rating of AA-.

Liquidity Risk

Liquidity risk is the risk of being unable to meet obligations when they come due. Liquidity risk is managed by ongoing monitoring of forecast and actual outflows and maintaining a buffer above the minimum requirements which are set in the Risk Appetite Statements.

Governance Arrangements

The BDL Board has ultimate responsibility for risk management. The Board comprises independent non-executive and executive directors and is responsible for reviewing the adequacy and effectiveness of risk management processes. The Board is responsible for setting risk appetite and approving the ICARA.

Own Funds

OF 1 – Composition of Regulatory Own Funds

In accordance with MIFIDPRU 8.4, below is a reconciliation of CET1 and deductions to present BDL own funds (OF1) and Balance Sheet in the Statutory Accounts as at 30 November 2024:

£000's		Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	296,028	
2	TIER 1 CAPITAL	296,028	
3	COMMON EQUITY TIER 1 CAPITAL	296,028	
4	Fully paid up capital instruments	20,893	(a)
5	Share premium	112,471	(b)
6	Retained earnings	1,282,408	(c)
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(1,119,744)	
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

OF 2 – Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

£000's		Balance sheet as in published/audited financial statements	Cross reference to template OF1
		As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Cash and cash equivalents	1,414,392	
2	Trade and other receivables	1,509	
3	Investment in subsidiaries	61	
4	Total Assets	1,415,962	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	190	
3	Total Liabilities	190	
Shareholders' Equity			
1	Share Capital	20,893	(a)
2	Share Premium	112,471	(b)
3	Retained Earnings	1,282,408	(c)
4	Total Shareholders' equity	1,415,772	

OF 3 – Main Features of Own Instruments Issued by the Firm

Capital instruments' main features template ⁽¹⁾	Common shares
Issuer	Brewin Dolphin Limited
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
Governing law(s) of the instrument	English
<i>Regulatory treatment</i>	
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 as published in MIFIDPRU Article 3.3.1
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	GBP 20.9m
Nominal amount of instrument	GBP 20.9m
Issue price	100 per cent
Redemption price	100 per cent of Nominal amount
Accounting classification	Equity
Original date of issuance	1 June 1987
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates, and redemption amount	N/A
Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>	
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Non cumulative
Convertible or non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger (s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
⁽¹⁾ 'N/A' inserted if the question is not applicable	

Own Funds Requirements

Own Funds Requirement by Fixed Overhead Requirement, K-Factor and Permanent Minimum Requirement

The Company's minimum own funds requirements, as at 30 November 2024, are illustrated below.

The Company has complied with its own funds requirement throughout the financial year.

£000's	Amount
Fixed overhead requirement	69,123
K-AUM, K-CMH, K-ASA	30,037
K-COH, K-DTF	94
Total K-Factor requirement	30,130
Permanent minimum capital requirement	150
Own Funds Requirements	69,123

Overall Financial Adequacy Rule

In accordance with MIFIDPRU 7.4.7, BDL must at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- It is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- Its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

This is known as the overall financial adequacy rule ("OFAR").

BDL monitors its Own Funds resources in comparison to the Own Funds Threshold Requirement (OFTR), and it has been in excess at all times. The OFTR is determined through the Internal Capital Adequacy and Risk Assessment (ICARA) process. Firstly, an assessment is undertaken for ongoing operations, which incorporates an internal assessment of the potential harms associated with the activities represented by each of the K Factors, and then an assessment for all other potential harms identified. In addition, an assessment is undertaken for wind down, which incorporates an assessment of the cost and potential harms of a wind down compared to the Fixed Overheads Requirement. The assessment for ongoing operations, wind down and the firm's Permanent Minimum Requirement are compared and the highest assessment determines the OFTR.

Appendix

I: Board Membership – BDL Directors

Director	Role	Biography	Number of Directorships (excluding BDL)
Robin Beer (Residency: UK)	CEO, RBC Wealth Management Europe	<p>Mr Beer joined the Group in 2008, the Executive Committee in February 2016 and the Board in June 2020 when he stepped into the Chief Executive role. He has more than 25 years' experience in the financial services industry and a broad knowledge of the Wealth Management sector having previously worked at National Australia Bank, Gerrard and Barclays Wealth.</p> <p>Since he joined Brewin Dolphin, he has managed the Nottingham office, been a Regional Director across the Midlands before taking over the Intermediaries business in 2013. When Mr Beer joined the Executive Committee in 2016 he took on further responsibilities for research, investment governance and the development of investment solutions. He is a member of the Institute of Directors.</p>	<p>External Directorships - None</p> <p>4 RBC Internal Directorships</p>
Sandra Aversa (Residency: Canada)	Senior Vice President, Products & Strategy, RBC Wealth Management	<p>Ms Aversa is Senior Vice-President, Products and Strategy at RBC Wealth Management and leads a global team of over 400 colleagues to deliver Wealth Management's strategy, digital and data solutions, investments solutions, credit and cash management, as well as transformational programs.</p> <p>Prior to assuming her current role in March 2023, she was a Senior Vice President, Finance for Wealth Management, Insurance and Investor & Treasury Services and was responsible for partnering with the leadership team to drive strategic priorities, deliver business insights, and provide strong financial governance.</p> <p>Ms Aversa is a Chartered Professional Accountant, Chartered Accountant with Honours Bachelor of Commerce Degree from the University of Toronto and Started her career at PwC leading audits in the financial services industry specializing in asset management and banking clients.</p>	<p>2 External Non-Executive Directorships</p> <p>3 RBC Internal Directorships</p>
David Buckley (Residency: UK)	Independent Non-Executive Director	<p>David Buckley is the current RBCEL Board Chair and a member of the Board Committees. He has worked in the financial services sector for 30 years with extensive experience both as a senior executive across several financial institutions as well as a range of non-executive director positions. Mr. Buckley's non-executive experience includes roles at CIBC World Markets plc and Redwood Bank (non-executive Chair).</p> <p>Mr Buckley's executive career included senior management roles at Goldman Sachs International where he was the International Head of the Global Banking Group, London and Morgan Stanley International where he was International Treasurer and CEO of Morgan Stanley Bank International.</p>	<p>4 External Non-Executive Directorships</p> <p>1 RBC Internal Directorship</p>

Malena Ljungkvist (Residency: UK)	CRO, RBC Europe	<p>Ms Ljungkvist is the Chief Risk Officer (CRO) for Europe & Asia and the Senior Vice President, Risk Management, Wealth Management & Insurance. She is a member of the GRM Operating Committee, the Wealth Management Operating Committee, and the European Executive Committee.</p> <p>In her role Ms Ljungkvist is responsible for the risk management oversight of RBC's Wealth Management & Insurance business, as well as all the business platforms in Europe and Asia. Her responsibilities include setting the strategic direction for risk management and providing leadership in the implementation and execution of practices in risk oversight and governance.</p> <p>Ms Ljungkvist joined RBC in 2004. Throughout her tenure, she has held progressively senior roles across the organisation, including Chief Operational Risk Officer for Investor and Treasury Services (I&TS). She led a global team and ensured that first-line-of-defence practices and processes were consistent across all I&TS business lines and fully aligned with RBC's risk management policies and frameworks. Malena possesses significant knowledge of counterparty credit, operational, liquidity and market risk.</p> <p>Prior to RBC, she held a Market risk Manager role at Commerzbank. Ms Ljungkvist holds a degree in Accounting and Management and a Masters in Money, Banking and Finance from Middlesex University.</p> <p>During her time at RBC Malena has served as a Director on numerous boards including CMA Lux, IS Malaysia and as a Trustee for RBC's Defined Benefit Pension Plan in the UK.</p> <p>Most recently she serves as a Director on the GAM UK Board and the Brewin Dolphin Limited Board.</p>	<p>External Directorships - None</p> <p>4 RBC Internal Directorships</p>
Polly Williams (Residency: UK)	Independent Non-Executive Director	<p>Ms Williams is a chartered accountant and her executive career included becoming a partner of one of the "Big Four" accountancy practices in the financial sector practice. Following her executive career, Ms Williams has held a number of non-executive directorships in and out of the financial services industry including at both publicly listed and private organisations. She has accountancy and industry experience and expertise in chairing of Audit and Risk Committees.</p>	<p>3 External Non-Executive Directorships</p> <p>1 RBC Internal Directorship</p>

<p>Jennifer Publicover</p> <p>(Residency: Canada)</p>	<p>CEO, RBC Insurance</p>	<p>As CEO of RBC Insurance, Ms Publicover has global responsibility for RBC's insurance businesses, including life and health, home and auto, travel, group annuities, as well as global reinsurance. She is also the Chair of the Pension Plan Management Committee of the Royal Bank of Canada.</p> <p>Prior to joining RBC Insurance, she held the position of Senior Vice President, Products & Strategy at RBC Wealth Management, a leading global asset and wealth manager with over C\$1.3 trillion in assets under administration and with operations in North America, Europe and Asia.</p> <p>Prior to joining RBC in 2018 as Vice President of Strategic Initiatives, Ms Publicover worked for Morgan Stanley for 20 years in senior client coverage leadership roles where she gained deep institutional experience in its Investment Banking Division, primarily in New York and London. In 2004, she supported the creation of their private side capital raising and risk management model which was subsequently replicated by other financial institutions. While in London, Jennifer led the investment bank's joint venture with its largest shareholder, MUFG, delivering the first large joint acquisition financing for a European client.</p> <p>Ms Publicover holds a Bachelor of Arts (Honours) in Economics from Queen's University.</p>	<p>2 External Non-Executive Directorships</p> <p>5 RBC Internal Directorships</p>
<p>Caroline Taylor</p> <p>(Residency: UK)</p>	<p>Independent Non-Executive Director</p>	<p>Ms Taylor's executive career was primarily based at Goldman Sachs Asset Management where she built and managed a global portfolio construction and trading team for actively managed equity portfolios, with an AUM of circa USD70 billion.</p> <p>Her non-executive career has included directorships at Brewin Dolphin Limited, Hampden and Company and Ecclesiastical Insurance PLC with particular expertise in chairing remuneration committees.</p>	<p>1 External Non-Executive Directorship</p> <p>1 RBC Internal Directorship</p>
<p>David Thomas</p> <p>(Residency: UK)</p> <p>(Resigned with effect from 30 November 2024)</p>	<p>CEO, RBC Europe</p>	<p>Mr Thomas is the CEO of RBC Europe Limited, responsible for leading all aspects of the business in the region, including strategy execution and effective governance. He is a member of the RBC Capital Markets Global Operating Committee and chairs the European Capital Markets Executive Committee.</p>	<p>3 External Non-Executive Directorships</p> <p>5 RBC Internal Directorships</p>
<p>Phillip Monks</p> <p>(Residency: UK)</p> <p>(Resigned with effect from 20 August 2024)</p>	<p>Independent Non-Executive Director</p>	<p>Mr Monks was appointed as a Non-Executive Director in February 2020.</p> <p>His banking career spans more than three decades, and includes serving as CEO of Aldermore Group PLC and CEO of Europe Arab Bank PLC, over 20 years at Barclays PLC, where he held a variety of senior corporate and private banking roles, including CEO of Gerrard Investment Management Limited, Managing Director of Barclays Corporate Banking in London, the Midlands and South East, and Head of Barclays Private Bank in Geneva.</p>	<p>External Directorships - None</p>

II: Controls and Governance

MIFIDPRU 8 Controls Process

- The MIFIDPRU 8 disclosure materially complies with all requirements.

Article Reference	Article Name	Applicable to BDL	Included in Disclosure
8.1	Disclosure	Y	Y
8.2	Risk Management objectives and policies	Y	Y
8.3	Governance arrangements	Y	Y
8.4	Own funds	Y	Y
8.5	Own funds requirements	Y	Y
8.6	Remuneration policy and practices	N/A	N/A
8.7	Investment policy	N/A	N/A