

Russell Investments Ireland Limited
31 December 2022

Own Funds Disclosure

Composition of regulatory own funds		
	Item	Amount (EUR thousands)
1	OWN FUNDS	17,418
2	TIER 1 CAPITAL	17,418
3	COMMON EQUITY TIER 1 CAPITAL	17,418
4	Fully paid up capital instruments	133
5	Share premium	4,219
6	Retained earnings	12,983
7	Accumulated other comprehensive income	
8	Other reserves	83
9	Adjustments to CET1 due to prudential filters	
10	Other funds	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	
19	CET1: Other capital elements, deductions and adjustments	
20	ADDITIONAL TIER 1 CAPITAL	-
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	-
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	

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Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
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		Balance sheet as in audited financial statements	Cross-reference to Own Funds
		As at 31 December 2022	
Assets			
1	Tangible Assets	0	
2	Debtors: > One Year	0	
3	Debtors: < One Year	10,251	
4	Cash	11,211	
5	Total Assets	21,462	
Liabilities			
1	Creditors < One Year	4,039	
2	Creditors > One Year	5	
3	Total Liabilities	4,044	
Shareholders' Equity			
1	Called up share capital	133	Own Funds – 4
2	Share premium	4,219	Own Funds – 5
3	Contributed deficit	83	Own Funds – 8
4	Retained earnings	12,983	Own Funds – 8
5	Total Shareholders' equity	17,418	Own Funds – 1,2,3

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Own funds: main features of own instruments issued by the firm
Allotted, called up and fully paid share capital: 141,552 Ordinary Shares of USD 1.00 each.
Retained earnings of USD 13,848k / EUR 12,983k.

Own funds requirement for non-SNI firm (MIPRU 4.3.2)	Permanent minimum capital requirement (PMR) (EUR Thousands)	Assessment A - ongoing operations capital requirement (EUR Thousands)	Assessment B - orderly wind down capital requirement (EUR Thousands)
Permanent minimum capital requirement (PMR)	75		
Fixed Overhead Requirement (FOR)			1,067
K-Factor Capital		5,111	
K-AUM		5,111	
K-COH		-	
K-CMH		-	
K-ASA		-	
K-NPR		-	
K-CMG		-	
K-TCD		-	
K-DTF		-	
K-CON		-	
ASSESSMENT A (additional capital for ongoing risks)		-	
ASSESSMENT B (additional capital for orderly wind down)			-
Overall financial adequacy threshold requirement (OFAR is higher of PMR or Assessment A or B)	75	5,111	1,067
110% of the overall financial threshold requirement		5,622	
Capital held		17,418	
SURPLUS / (DEFICIT)		11,796	

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Russell Investments Ireland Limited (RIIL) has considered its own funds and liquid assets and determined that they are adequate, both in their amount and in their quality to ensure that:

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

As part of ICAAP, stress and scenario tests are used to consider the impact of a severe worsening in macroeconomic conditions as well as the simultaneous crystallisation of a number of the major risks on the Firm's capital adequacy. The ICAAP is performed at least annually or more frequently if there is a material change in the internal or external business environment and the Board is presented with an ICAAP Report. Our approach to assessing our adequacy of Own Funds is through the development of our risk assessment process, which was prepared in accordance with the Company's audited accounts for the financial year ended 31 December 2022 and reviewed and approved by the board on 13 April 2023.

The risk assessment process is linked to RIIL's overall risk management, business planning and capital management, with each of these components informing the others. Capital planning takes place annually together with our financial forecasting process.

The risk assessment process has specific focus on the potential material harms that may arise:

1. from the ongoing operation of our business; and
2. during a wind-down of our business.

Furthermore, we identify whether we comply with the overall financial adequacy rule under IFD/ IFR, which in turn allows us to determine our own funds threshold requirement and liquid assets threshold requirements.

The risk assessment sets out the key conclusions and principles of RIIL's process, including:

- Our assessment of the risk of harm posed to our consumers and the markets
- The safety and soundness of RIIL's current financial position and ability to withstand plausible stressed conditions
- The amount of capital and liquidity RIIL has determined it must hold and confirmation that RIIL has adequate financial resources given its size and complexity
- An overview of our risk management framework and governance structure and an assessment of the adequacy of these
- RIIL's material risks, and determination of whether these risks fall within our risk appetite

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- Our capital planning and stress testing process
- Our business model, strategic planning, and earnings forecasts
- RII's costed recovery and wind down plan
- The review, challenge, and approval process of the risk assessment