



BREWIN DOLPHIN  
HOLDINGS PLC

---

**Preliminary Results**

*For the year to 30th September 2011*

# Themes

- Strong performance in turbulent year
- Growth in funds under management
- Built up national office network
- Strategic Review - implementation



# Results – Highlights\*

	<i>Sept 2011</i>	<i>Sept 2010</i>	<i>% change</i>
	£'000	£'000	
Revenue	248,375	224,013	10.9%
Other operating income	15,638	15,999	-2.3%
<b>Total income</b>	<b>264,013</b>	<b>240,012</b>	<b>10.0%</b>
<b>Profit before tax**</b>	<b>39,642</b>	<b>39,214</b>	<b>1.1%</b>
<b>Profit before tax</b>	<b>21,862</b>	<b>30,045</b>	<b>-27.2%</b>
<b>Diluted earnings per share</b>	<b>6.3p</b>	<b>9.1p</b>	<b>-30.8%</b>
<b>Diluted earnings per share**</b>	<b>11.7p</b>	<b>12.0p</b>	<b>-2.5%</b>
Dividend	7.1p	7.1p	

\* Excluding discontinued business

\*\* Pre redundancy cost, additional FSCS Levy, contract renewal payment, acquisition of subsidiary costs and amortisation of client relationships



# Income Statement

	<i>Sept 2011</i> £'000	<i>Sept 2010</i> £'000	<i>% Change</i>
<b>Total Income</b>	<b>264,013</b>	<b>240,012</b>	<b>10.0%</b>
Salaries	(90,676)	(80,786)	12.2%
Other operating costs	(98,409)	(87,326)	12.7%
Profit before profit share*	74,928	71,900	4.2%
Profit share	(35,780)	(33,031)	8.3%
Operating Profit*	39,148	38,869	0.7%
Net finance income and other gains and losses	494	345	43.2%
<b>Profit before tax*</b>	<b>39,642</b>	<b>39,214</b>	<b>1.1%</b>
Redundancy cost	(1,008)	(135)	
Additional FSCS Levy	(6,058)	(595)	
Acquisition of subsidiary costs	(228)	-	
Contract renewal payments	-	(2,090)	
Amortisation of client relationships	(10,486)	(6,349)	
<b>Profit before tax</b>	<b>21,862</b>	<b>30,045</b>	<b>-27.2%</b>

\* Excluding redundancy costs, additional FSCS Levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships



# Capital Adequacy

*September 2011*

£'m

Capital Resources	<b>68.1</b>
-------------------	-------------

---

Capital Requirement	<b>44.0</b>
---------------------	-------------

---

Surplus	<b>24.1</b>
---------	-------------

---

Firm's cash	<b>63.8</b>
-------------	-------------

---



# *Investment Management*

# Funds Under Management

	<i>Sept 2011</i>	<i>Sept 2010</i>	<i>% change</i>
<b>Indices</b>			
FTSE APCIMS Private Investor Series Balanced Portfolio	2,735	2,844	-3.8%
FTSE 100	5,128	5,598	-8.4%
<b>Funds</b>			
Discretionary funds under management	£15.6bn	£14.0bn	11.4%
Advisory funds under management	£ 8.4bn	£ 9.2bn	-8.7%
<b>Total managed funds</b>	<b>£24.0bn</b>	<b>£23.2bn</b>	<b>3.4%</b>



# Funds Under Management Flow

	<i>Advisory funds</i>	<i>Discretionary funds</i>	<i>Total Managed funds</i>
<b>% change in funds year on year</b>	<b>-8.7%</b>	<b>11.4%</b>	<b>3.4%</b>
	£ billion	£ billion	£ billion
Value of funds at 26 September 2010	9.2	14.0	23.2
Inflows	0.3	1.6	1.9
Acquired funds*	0.2	0.6	0.8
Outflows	(0.6)	(0.3)	(0.9)
Transfers	-	-	-
Market movement	(0.7)	(0.3)	(1.0)
<b>Value of funds at 30 September 2011</b>	<b>8.4</b>	<b>15.6</b>	<b>24.0</b>

*\*Tilman Brewin Dolphin Limited*



# Return on Funds Under Management

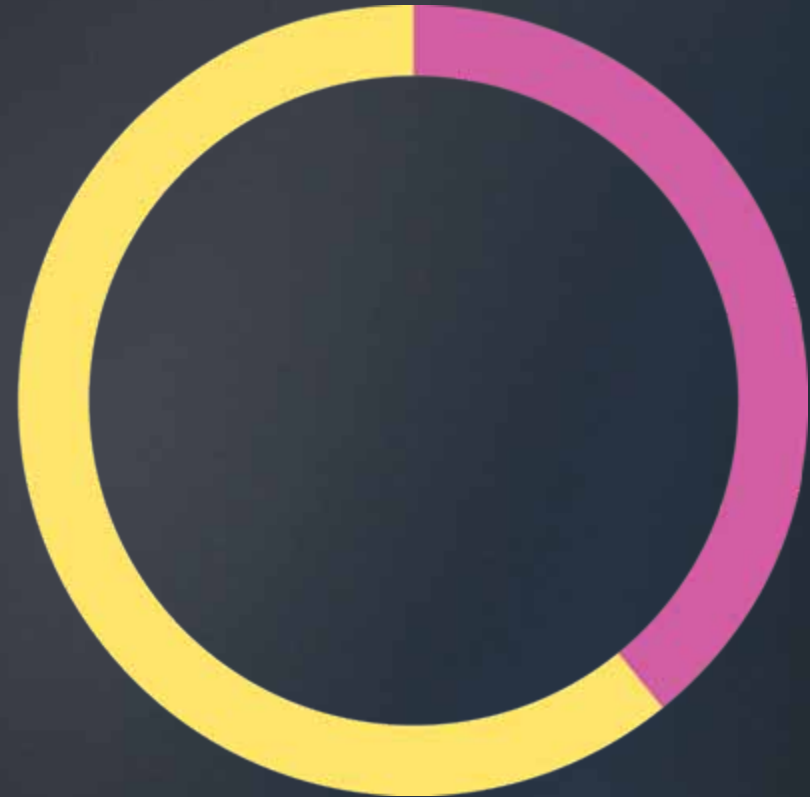
	<i>2011</i>	<i>2010</i>
Average return on discretionary funds	1.19%	1.21%
Average return on advisory funds	0.91%	0.92%



# Split of Total Income

Recurring Income **61%**  
*(2010: 57%)*

Non-recurring Income **39%**  
*(2010: 43%)*



# Split of Income by service

## Discretionary

---

Recurring Income **65%**

Non-recurring Income **35%**



## Advisory

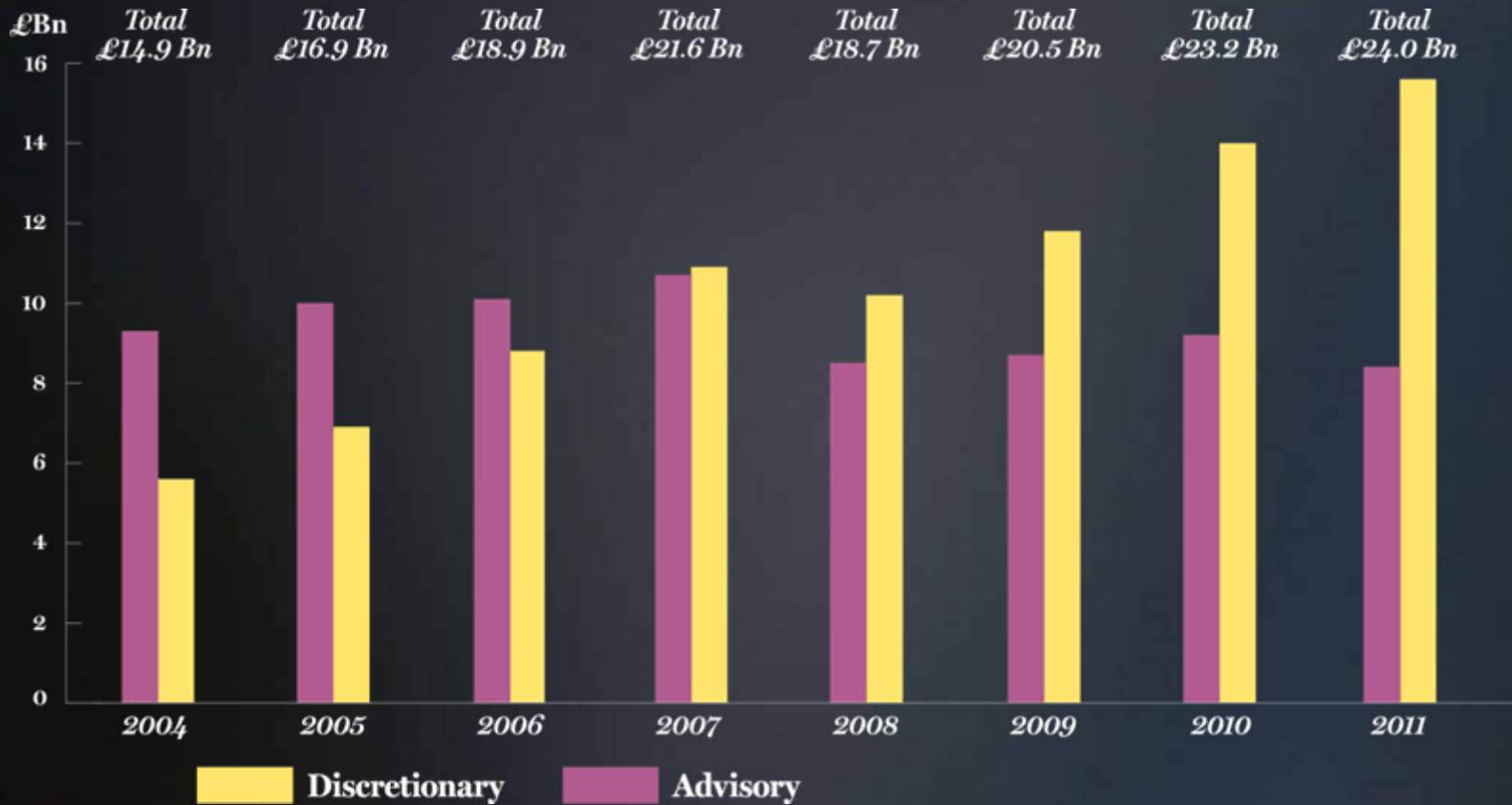
---

Recurring Income **51%**

Non-recurring Income **49%**



# Funds Under Management trend



# *Strategic Review*

# Strategic Review: Agenda

- 1 Client Survey
- 2 Regulation
- 3 Costs
- 4 Systems
- 5 Re-pricing
- 6 Financial Planning



# Strategic Review: Client Survey

*An Independent survey conducted by Ledbury Research*

- 83% overall satisfaction
- 73% more than half their wealth with BD
- Clients of both IM and FP have higher proportion of wealth with BD
- 76% are likely to recommend Brewin Dolphin



# Strategic Review: Regulation

- RDR
- FS Bill and Reform – Twin Peaks
- Opportunity for change



# Strategic Review: Costs

- Procurement team
- All contracts re-negotiated on renewal
- Presently negotiating new IT contracts
- Major savings will follow systems change



# Strategic Review: Systems

## *Systems changes to support the strategy*

- Adopting 'JHC Figaro' – Investment Management
- Adopting 'True Potential' – Financial Planning
- Holistic client view
- Decommissioning from Q4 2013



# Strategic Review: Re-pricing

- Single pricing structure
- Transparency
- Phasing out trail commission
- Service upgrades



# Strategic Review: Financial Planning

- Growth area - increasing use of tax advantaged 'wrapped' investments
- Proposition - independent offering under current FSA RDR definition
- Revenue at least 20% higher when client enjoys IM + FP
- Delivery - recruiting quality FPs nationwide
- More clients' needs met in house - increasing assets managed



# Board changes

## *Executive Roles*

Henry Algeo

Ben Speke

## *Non-Executive Roles*

Nick Hood

Simon Miller





# BREWIN DOLPHIN





# BREWIN DOLPHIN

*Celebrating 250 years*

# Outlook

- Scale and national network
- Regulatory change presents opportunity
- Strategic Review underway
- Business well positioned to withstand turbulent market conditions



# *Appendix*

# Analysis of Funds

Discretionary	£15.6bn
Advisory	£8.4bn
Execution-only	£4.4bn
<b>Total funds</b>	<b>£28.4bn</b>

Custody	£26.6bn
Certified	£1.8bn
<b>Total funds</b>	<b>£28.4bn</b>



# Regional Network



# Asset Allocation

## Funds Under Management Allocation

	2011	2010
● Alternatives	2.8%	2.2%
● Cash	5.0%	5.7%
● Bonds	21.1%	21.7%
● Equities	71.1%	70.4%



## APCIMS Balanced Indices

	2011	2010
● Alternatives	7.5%	7.5%
● Cash	5.0%	5.0%
● Bonds	20.0%	20.0%
● Equities	67.5%	67.5%



# Other Key Facts

## 2011

*Assets under management*

- Pension funds      £3.6bn
- Charitable funds    £1.7bn
- ISAs                    £3.4bn

## 2010

*Assets under management*

- Pension funds      £3.3bn
- Charitable funds    £1.7bn
- ISAs                    £3.2bn



# Staff

- Total Staff – 1886
- FSA approved staff\* - 634
- Staff shareholders own 25%

\* CF30's - 617



# Approach to Investment

*What makes us special is that the person who talks to the client makes the investment decisions.*

With the help of our:

- Asset Allocation Committee

---

- Strong research departments

---

- Collective funds analysis service

---

- Model portfolios management options

---

- Strong compliance



# Remuneration

- Basic salary
- Profit share
- Share ownership
- All personnel believe they can make a difference





BREWIN DOLPHIN

