

J & E Davy Holdings – Summary Non-Statutory Consolidated Balance Sheet

Davy House, 49 Dawson Street, Dublin 2.

The J & E Davy Group

Background

J & E Davy Holdings (“JEDH” or the “J & E Davy Group”) is the holding company for the J & E Davy Group and was established in 1926. It is Ireland’s leading provider of wealth management, fund services and asset management, capital markets and financial advisory services. It is headquartered in Dublin, with offices in Belfast, Cork, Galway, London, Luxembourg and Chicago. Employing over 800 people, we offer a broad range of services to private clients, small businesses, corporations, and institutional investors.

The J & E Davy Group is currently¹ structured around three core operating divisions:

- **Wealth Management**
- **Capital Markets**
- **Global Fund Management**

These core operating divisions are further diversified as follows:

- Wealth Management includes: Private Clients, Charities, Credit Unions, Real Estate, Share Dealing and Intermediary Services
- Capital Markets includes: Corporate Finance, Institutional Equities, Fixed Income & Research
- Global Fund Management includes: Davy Asset Management, Investment Funds Services and Listing

Davy Wealth Management has three core offerings. Private Clients (tailored financial advice to High Net Worth clients), Financial Advice Service (advice to affluent clients), and Davy Select & Intermediaries (dealing services, self-directed

investment and pensions and intermediaries). We manage €16bn+ discretionary and advisory assets under management and received a 97% trust and 93% overall satisfaction rating in the Voice of the Client Survey in 2020. Managing wealth can be complex and present many challenges. We provide our discretionary and advisory clients with personalised investment strategies, financial life plans and a dedicated financial advisor. Our advisors work with teams of technical specialists aiming to ensure the financial goals of our clients are met, giving them confidence in their future. Our Wealth Management division has continued to grow organically and through acquisitions over the past few years, to be the leader in the Irish and Northern Irish market.

Davy Capital Markets is the leading broker in the Irish market and accounted for 21% of all dealings in Irish equities on Euronext Dublin in 2020*. We advise approximately 67% of companies on Euronext Dublin, including 8 of Ireland’s top 10 listed companies**. We are Ireland’s leading Euronext Growth and LSE AIM adviser, representing approximately 78% of companies quoted on the Euronext Growth market**, and 11 companies quoted on the AIM market of the London Stock Exchange***. Between 2015 and 2020, Davy has advised on 51 Irish ECM transactions and are ranked first in this region in terms of market share (25.2%) (Dealogic, 2021).

Davy Global Fund Management offers institutional clients UCITS and AIFM management company services (Super Manco) including portfolio management. Our asset management team manage segregated mandates and unitised funds which cover all the major asset classes including equities, fixed income and alternatives.

¹ See details of the sale announcement at www.davy.ie/sale-update

* Source: Euronext Dublin, December 2020

** Source: Euronext Dublin, July 2021

*** Source: London Stock Exchange, July 2021

Group Structure

J & E Davy Holdings (“JEDH”) is the holding company for the J & E Davy Group. J & E Davy is the largest trading entity in the Group and is a wholly owned subsidiary of JEDH and trades as “Davy”.

J & E Davy Group Regulatory Environment

The J & E Davy Group deals in, and promotes, a variety of regulated financial products and services and is regulated by the appropriate regulatory authority in the various jurisdictions in which it operates. These jurisdictions include Ireland, Italy (passport via the Central Bank of Ireland (“CBI”)), UK, Luxembourg and US.

J & E Davy, trading as Davy, is regulated by the Central Bank of Ireland. The Markets in Financial Instruments Directive (MiFID) and as of 26 June 2021 Investment Firms Regulation/ Investment Firm Directive (IFR/IFD) apply to our business and are designed to ensure that our regulatory environment conforms to the highest European standards. Davy is a member of Euronext Dublin and the London Stock Exchange. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.

Davy Securities is a FINRA registered broker dealer and a member of SIPC and regulated by the Central Bank of Ireland.

Davy Global Fund Management Limited is authorised by the Central Bank of Ireland to act as an Alternative Investment Fund Manager (“AIFM”) and UCITS Management Company. In the UK, it is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. In the United States, it is an investment adviser registered with the Securities and Exchange Commission (“SEC”).

Davy Global Fund Management Luxembourg S.A. is authorised by the Commission de Surveillance du Secteur Financier (“CSSF”) to act as an Alternative Investment Fund Manager (“AIFM”).

Davy Corporate Finance is regulated by the Central Bank of Ireland.

J & E Davy (UK) Limited is authorised and regulated by the Financial Conduct Authority.

J & E Davy is subject to the Irish Client Asset Regulations.

Financial Position

A Summary Non-Statutory Consolidated Balance Sheet for JEDH as at 30 December 2020 is set out on page 4, together with an Accountants’ Report thereon. JEDH prepares consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU.

The J & E Davy Group was in a strong financial position at the end of 2020 with regulatory capital resources significantly in excess of our regulatory capital requirements. The J & E Davy Group Balance Sheet is highly liquid with significant cash and cash equivalents.

Post Balance Sheet Events

On 1 March 2021, the CBI reprimanded and fined J & E Davy €4.13m in respect of four breaches of the European Communities (Markets in Financial Instruments) Regulations 2007 (the MiFID Regulations) that occurred over different intervals between July 2014 and May 2016.

On 11 March 2021, the Board of J & E Davy decided to pursue a sale of the Group. On 22 July 2021, the Group announced three agreements that subject to a number of approvals would see Davy businesses being acquired from the shareholders by separate long-term strategic owners.

The agreements, which require regulatory and other customary approvals, will see Bank of Ireland acquire the Wealth Management, Capital Markets and associated businesses, Davy Global Fund Management Limited will be acquired by IQ-EQ, whilst the Group’s shareholding in Rize ETF, a UK ETF business, will be acquired by AssetCo.

The agreement with Bank of Ireland is intended to build on J & E Davy Group’s leadership position in Wealth Management and Capital Markets, to extend our services to Bank of Ireland customers, and to provide an enhanced range of services to our existing clients. It will also see the J & E Davy Group benefit from Bank of Ireland’s scale and resources to facilitate sustainable growth. In addition, we see a continuation of the Davy brand and structure, under the Bank of Ireland umbrella.

Directors’ Statement

The Summary Non-Statutory Consolidated Balance Sheet presented overleaf is an extract from JEDH’s statutory financial statements and is prepared in order to summarise the JEDH financial position as at 30 December 2020. The Summary Non-Statutory Consolidated Balance Sheet is not the statutory financial statements of JEDH and is considered a non-statutory financial statement. The Group’s auditors issued an unmodified opinion on the statutory financial statements. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s websites. Legislation in the Republic of Ireland governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



Bernard Byrne - Director
Date: 25 August 2021



Ronan Murphy - Director

Accountants' Report to the Directors of J & E Davy Holdings

We have examined the Summary Non-Statutory Consolidated Balance Sheet presented overleaf, which has been extracted from the statutory financial statements that were properly prepared by the Directors of J & E Davy Holdings. In our opinion the Summary Non-Statutory Consolidated Balance Sheet has been accurately extracted from the J & E Davy Holdings statutory financial statements for the year ended 30 December 2020.

We expressed an unmodified opinion on 30 April 2021 on the statutory financial statements of J & E Davy Holdings for the year ended 30 December 2020. Our opinion included an Emphasis of Matter paragraph, drawing attention to a material subsequent event affecting the Group, but was not modified in respect of that matter.

The Summary Non-Statutory Consolidated Balance Sheet does not contain all the disclosures required by IFRS which were applied in the preparation of the statutory financial statements. The Summary Non-Statutory Consolidated Balance Sheet and the statutory financial statements do not reflect the effects of events that occurred subsequent to the date of our audit report on the statutory financial statements.

Respective responsibilities of the Directors and Auditors

The Directors are responsible for the preparation of the Summary Non-Statutory Consolidated Balance Sheet. We have agreed to report to you whether in our opinion the Summary Non-Statutory Consolidated Balance Sheet has been accurately extracted from the statutory financial statements for the year ended 30 December 2020, on which this firm issued an unqualified audit opinion dated 30 April 2021. That report, on the statutory financial statements, including the opinion, was prepared for, and only for, the Company's members as a body in accordance with Section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving that report or opinion, accept or assume responsibility for any other purpose or to any other person. This report including its opinion is prepared for, and only for, the Directors of J & E Davy Holdings. We do not in giving this report accept or assume responsibility for any other purpose or to any other person save where expressly agreed by prior consent in writing.



KPMG

Chartered Accountants
Registered Auditor,
1 Harbourmaster Place,
IFSC,
Dublin 1.

Date: 25 August 2021

J & E Davy Holdings – Summary Non-Statutory Consolidated Balance Sheet

30 December 2020

Assets

Non-current assets	€m
Property, plant and equipment	6
Intangible assets	19
Goodwill	3
Leased right-of-use asset	13
Other	5
Total non-current assets	46
Current assets	€m
Trade and other receivables	208
Financial assets at fair value through profit or loss	161
Other assets	14
Current tax	2
Cash and cash equivalents	120
Total current assets	505
Total assets	551

Equity capital and reserves attributable to the equity holders of the company

Called up share capital presented as equity	3
Share premium account	33
Retained earnings and other reserves	123
Total equity attributable to owners of the company	159

Liabilities

Non-current liabilities	€m
Trade, other payables, financial liabilities at fair value through profit or loss and provisions	5
Lease Liabilities	10
Total non-current liabilities	15
Current liabilities	€m
Trade, other payables and provisions	234
Lease Liabilities	2
Financial liabilities at fair value through profit or loss	138
Bank overdraft	3
Total current liabilities	377
Total liabilities	392
Total equity and liabilities	551

J & E Davy, trading as Davy, is regulated by the Central Bank of Ireland. In the UK, J & E Davy, trading as Davy, is authorised by the Financial Conduct Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.