Pillar 3 Disclosure 2025

Clear.Bank®

The bank built for game changers®

Contents

This report was approved by the Board on 9th April 2026.

Mark Fairless
Chief Executive Officer

Innovate.
Differentiate.
Grow.

Our purpose

To unlock our clients' potential

Our ambition

To be the leading global provider of embedded banking and clearing solutions

ClearBank at a glance

Driven by technology, powered by people

Who we are

We're a tech-bank focused on creating the best and most sustainable banking and payments infrastructure in the world. We were built on the belief that banking and payments infrastructure would no longer slow down progress. Instead, it would be the catalyst that unlocks the potential to innovate. It would adapt to cater to different needs so a new era in financial services could begin.

ClearBank is a banking group with two fully regulated banks that are driven by the latest technology and powered by our talented people.

What we do

Our banking licences and real-time technology enable brands to offer secure accounts and payment clearing that enhance the customer experience.

We're committed to being a responsible business while driving transformation in financial services.

Our clients

Brands use our Application Programming Interface (API) to offer their customers fully regulated banking and payment services.

- Airwallex
- Allica Bank
- capitalontap
- chip
- CIRCLE
- coinbase
- crypto.com
- PayCaptain
- kraken
- LemFi
- PLAID
- raisin
- tide
- TRUELAYER
- pingpong
- Trustly
- VISA
- wealthify
- ZEN.COM
- ZBD

Disclosures

Basis of preparation

These Pillar 3 disclosures are prepared according to the requirements of the Disclosures Capital Requirements Regulation (CRR) part of the Prudential Regulation Authority (PRA) Rulebook as applicable to non-listed firms meeting the definition of other institutions, as set out in Article 433c.

We have not omitted any disclosures on the basis of being regarded as proprietary or confidential. If a disclosure has been omitted on the basis of being immaterial, this will be noted in the relevant section of the report.

Scope of consolidation

These disclosures set out the consolidated Pillar 3 disclosures for the Group as at 31 December 2025. The Group comprises of ClearBank Group Holdings Limited, a regulated parent financial holding company, and its 100% owned and controlled subsidiaries, ClearBank Limited (a fully regulated UK bank) and ClearBank Europe N.V. (a fully regulated Netherlands bank).

Verification and quality assurance

Pillar 3 disclosures are not subject to external audit and have been produced solely for the purpose of satisfying Pillar 3 regulatory requirements. However, these Pillar 3 disclosures have been reviewed in line with the internal governance procedures applicable to all ClearBank external reporting, including review and approval by the Group Audit Committee and Board.

The Directors have considered the adequacy of this Pillar 3 disclosure and are satisfied that the disclosures are both accurate and comprehensive.

Frequency, media and location

Pillar 3 disclosures are published on an annual basis on the corporate website www.clear.bank in conjunction with the Group Annual Report and Accounts, in line with the required regulations.

A self-assessment of the disclosure requirements can be found in the Appendix, which references the relevant sections of this document and the applicable section in the Group's Annual Report and Accounts. Both documents provide information on the Group's capital resources and on how we manage and mitigate our key risks.

Risk management

Enterprise Risk Management Framework (ERMF)

Our approach to risk management

ClearBank Group's approach to risk management is anchored in the Enterprise Risk Management Framework (ERMF) established by the parent company, ClearBank Group Holdings Limited. This framework ensures robust governance and oversight across the Group. Where necessary, UK and European banks develop local policies to comply with local regulations, assessed case by case. The ERMF provides a clear, consistent approach to managing all risks and controls within the boundaries of the Board's risk appetite, underpinned by a strong risk culture and the 3 Lines Model, aligned to industry best practice.

The 3 Lines Model

ClearBank operates a 3 Lines Model, which supports the risk management framework by enhancing accountability and ownership, effective collaboration and efficient coordination of risk, control and assurance activities which act as a critical enabler for our growth.

Risk culture

A strong risk culture underpins our ERMF, maintained through core values, risk principles, training, and leadership setting the tone from the top. This ensures consistent, effective risk management across the Group. Enhancements have been made to our Remuneration Framework to further reinforce the importance of Risk Management in our colleague's overall performance.

During 2025 the Group continued to strengthen its risk management capabilities which included the formulation of the Risk Evolution Plan. For more information on risk management key highlights of 2025 and outlook for 2026, please refer to the Group Annual Report and Accounts, page 36.

Principal Risks

Principal risks refer to risks that pose the most material threat to the achievement of our strategic objectives. At the beginning of the year, under the strategic direction of the Group's new Chief Risk Officer and Head of Enterprise Risk Management, nine principal risks were identified and agreed by the Board. The Group's principal risks support more efficient aggregation of risks for governance and reporting purposes; better clarity on first line ownership for Risk and alignment to Executive accountabilities, whilst also more closely aligning with peers and best practice.

The risk management vision for ClearBank remains focused on the following principles:

- Dynamic, real-time
- Insightful
- Multi-dimensional
- Automated
- Forward looking, proactive
- Integrated
- Tailored
- Data enabled

Risk management cont.

Stable Improving

Key Risks	Change in risk profile	Commentary
Strategic Risk **The risk that the ClearBank business model does not deliver the expected financial and non-financial benefits to its clients, shareholders and wider stakeholders. This may be as a result of poor decision making, substandard execution of decisions, inadequate resource allocation or from a failure to effectively respond to changes in the business/market environment or changing customer behaviour and technological expectations.**	Stable	We conduct regular and comprehensive reviews of our strategy which factors the global geopolitical situation and the macroeconomic environment. This includes tracking our client pipeline and attrition, controlling costs and adherence to budget. Supporting the Group's expansion, an extensive programme of work was undertaken during the year to design a Group Target Operating Model which supports simplification and scalability. Following Board approval, the revised operating model was implemented on 31 December 2025. The ways of working, driven by our behaviour and culture pillars are key to make this a success. We win together by maintaining a One ClearBank approach – one team, working towards the same purpose and ambition. Notwithstanding the external challenges, we are of the view that we are well positioned to achieve our strategic objectives.
Financial Risk **The risk that ClearBank does not have the financial resilience to support its strategy and growth objectives. This includes ensuring sufficient levels of capital and liquidity are held, as well as managing exposure to risks including interest rate risk, market risk and credit risk.**	Stable	Management has successfully carried out the annual ICAAP and ILAAP assessments through a thorough and collaborative effort. The scenarios are tested on a range of time horizons to ensure that ClearBank remains financially resilient throughout its five-year planning and going concern assessment periods. These evaluations indicate that ClearBank possesses sufficient capital and liquidity to endure both macroeconomic and microeconomic stresses. Additionally, necessary management actions can be taken to address any potential breaches of capital or liquidity requirements. In 2025, the establishment of the Model Risk function and the implementation of Second Line Independent Model Reviews (IMRs) added an extra layer of oversight and assurance regarding the adequacy of the models used for ICAAP and ILAAP. The IMRs did not reveal any significant issues. The Group boasts extensive subject matter expertise to support these assessments, as evidenced by the comprehensive review, challenge, and input from diverse individuals within the working group and calibration sessions. Stress modelling outputs were rigorously reviewed by multiple Subject Matter Experts (SMEs), with active participation from Executive Management throughout the process. This included oversight at the Board level, showcasing robust review and governance practices.
Operational Risk **The risk of potential for loss or disruption from failures in internal processes, systems or human actions. It encompasses legal failures, payment scheme non-compliance, resilience failures, process inefficiencies, and external events. To mitigate these risks, we maintain robust controls, foster a culture of risk-awareness, and operational resilience to safeguard integrity and stakeholder confidence.**	Stable	Operational risk is actively managed through our enterprise risk management framework, which includes regular Risk and Control Self-Assessments (RCSAs), control testing, and targeted mitigation strategies. These efforts provide clear visibility into our risk exposure and enable timely interventions to strengthen the control environment and maintain alignment with our risk appetite. Key enhancements included the implementation of the Operational Continuity in Resolution (OCiR) framework, which has advanced our operational resilience and improved our ability to manage disruptions. Significant investment in automation has driven greater efficiency and accuracy in Financial Reporting & Tax, with streamlined processes supporting scalability and business growth.

Risk management cont.

Stable Improving

Key Risks	Change in risk profile	Commentary
Third Party and Outsourcing Risk **The risk of impact or loss resulting from failures in assessing, managing, or overseeing third-party and outsourcing relationships—including suppliers, intragroup entities, and embedded banking partners. This includes risks arising during onboarding, ongoing oversight, and exit of arrangements.**	Improving	ClearBank operates a comprehensive Third Party Risk Management (TPRM) and Outsourcing framework designed to ensure regulatory compliance, operational resilience, and proportionate oversight across all external and intragroup service arrangements. Third Party and Outsourcing remains a priority, given the criticality of key supplier relationships. We have strengthened supplier onboarding and oversight, improving workflow efficiency and visibility across supplier management. We will continue to prioritise robust processes and controls in 2026.
Cyber, Data and Technology Risk **The risk of impact or loss arising from failures in identifying, managing, or overseeing threats to the confidentiality, integrity, and availability of systems and data, and insufficient strategic oversight of technology and data assets. This includes risks stemming from internal vulnerabilities, external threats, third-party dependencies, rapid technological change, and failures in systems, infrastructure, or emerging technologies.**	Improving	Our Cyber controls remain robust, supported by mature patching protocols and advanced threat detection capabilities that position us well against an evolving threat landscape. Technology remains a critical focus due to its central role in enabling business operations. System availability and performance have been strong, underpinned by scalable and future-proof infrastructure aligned with our growth plans. Risks around data continues to be a key focus, with robust standards, processes and governance maintained to a high standard to support continued growth and scale.
Financial Crime **Risk of facilitating business, or failure to maintain adequate controls, that gives rise to illicit activity or the movement of funds derived from the proceeds of crime.**	Improving	An extensive control improvement plan has been successfully completed during the year. This included an end-to-end process review to simplify and improve customer experience through the use of optimisation, enhanced client onboarding practices, strong collaboration with the 2nd line, strong recruitment in the Financial Crime Operations team and accelerated training and development for existing colleagues. Internal Quality Control and Assurance measures over client onboarding and screening have significantly improved throughout the year. We resolved gaps improving the effectiveness and efficiency of ClearBank's sanctions screening systems and undertook an external data mapping validation exercise to confirm their robust set up, with all high priority actions closed or on track.

Risk management cont.

Stable Improving

Key Risks	Change in risk profile	Commentary
Compliance and Conduct **The Risk that ClearBank fails to comply with relevant regulatory requirements or failing to maintain a constructive relationship with the regulators. This includes the risk that ClearBank fails to deliver good customer outcome and prevent customer harm, which could result in regulatory censure, financial penalty and/or reputational damage.**	Stable	Compliance risk is mitigated in a number of ways including horizon scanning for changes in regulatory and financial crime requirements, tracking regulatory change actions to closure ensuring we are and do remain compliant and that customers continue to be protected. This also includes regular oversight and control testing activities to demonstrate compliance and identify any processes or controls that may require strengthening. We maintain robust processes to oversee compliance and conduct outcomes through our embedding banking oversight governance process. This ensures that we have a level of assurance that good customer outcomes are provided through our embedded banking partners. Our relationships with our regulators in the UK and EU have remained transparent and constructive.
People Risk **The risk refers to the potential for loss or disruption arising from gaps in workforce capacity, capability, or conduct. It encompasses risks linked to how effectively an organisation attracts, retains, engages, and manages its people – especially in roles critical to strategic delivery.**	Improving	People risk has continued with a positive trajectory throughout the year. Significant progress was made during 2025 relating to the recruitment of key senior roles which support the capabilities required to achieve the next phase of growth. We regularly monitor colleague engagement and have observed an increase in the overall Group engagement score across the year and have observed participation rates at an all-time high. One of the key supporting factors for implementing a review and redesign of our Target Operating Model was feedback from our colleagues who urged for greater clarity and execution of accountabilities and more efficient ways of working across the Group.
Model Risk **Risk of loss or adverse consequences resulting from decisions based on inadequate or poorly understood models or misused models.**	Stable	The rollout of our Model Risk Management (MRM) framework in 2025 has been both comprehensive and impactful. It included the implementation of key policies and procedures, the establishment of an Independent Model Review (IMR) function, a centralised model inventory, and the formation of the Model Risk Oversight Committee (MROC). Building on this foundation, we are now developing an AI Use and Strategy to introduce governance guardrails and validation protocols for AI SaaS solutions and emerging Agentic AI technologies, ensuring their responsible and secure deployment.

Risk management cont.

Capital risk

Capital risk is the risk that the Group has insufficient capital to cover regulatory requirements and/or support its growth plans. The subsidiary banks operated in line with their capital risk appetite as set by their respective Boards and above their regulatory capital requirements throughout the year ended 31 December 2025.

Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due, or can do so only at excessive cost.

In general, the Group's business model of placing customer funds as cash at central banks which are repayable on demand significantly reduces the Group's overall liquidity risk. On a day-to-day basis, the Group maintains adequate levels of liquidity, ensuring that there is sufficient liquidity to meet foreseeable and unexpected needs. Policies and procedures are in place to manage liquidity risk. Limits for the level and type of liquidity and deposit funding balances are set by Board Risk Committees (BRC) of the Group's subsidiaries. Independently, the Finance, Treasury and Risk departments monitor compliance with these limits. The level of liquidity is monitored on a daily basis to ensure there are sufficient liquid assets at all times to cover cash flow movements and fluctuations in funding, enabling the Group to meet all financial obligations and to support anticipated asset growth.

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty fails to meet its contractual obligations to repay the Group in accordance with agreed terms.

The Group's credit risks arise principally through its exposure to our clients that results in an increase in fees receivable, which is immaterial. The Group's policy of collecting monthly fees through automated payment deductions from clients' deposit accounts on the second day of the following month, and for transactional fees on the day after the transaction occurs, minimises its exposure to credit risk. The Group does not provide any credit facilities which are not fully collateralised to its customers and is therefore not exposed to associated credit risks.

Additional information on Credit risk can be found in note 21 to the Group's Annual Report and Accounts.

Risk management cont.

Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect income or the value of the Group's assets and liabilities. The objective of the Group's market risk management strategy is to manage and control market risk exposure within acceptable parameters to ensure solvency while optimising the return on risk.

Interest rate risk is the risk of financial loss through unhedged or mismatched asset and liability positions that are sensitive to interest rate changes. The Group's banking deposits are subject to variable interest rates at the central banks where its deposits are held and earn interest; as a result, changes in interest rates could have an impact on the net interest income recognised in the financial year. The Group, therefore, has commercial arrangements with its customers that are based on net interest margin rather than fixed interest income, which serves to mitigate the risk on the Group's income as a result of base rate fluctuations.

Conduct risk

The Group recognises the importance that culture plays in delivering fair outcomes and ensuring values are demonstrated in practice. The Group's leadership values and tone from the top promote positive and fair outcomes for all clients. This includes the fair treatment of clients being at the heart of the business strategy and having the ability to evidence good outcomes for clients.

The management of conduct risk forms a core pillar of the ERMF; this framework, along with the independent oversight and assurance provided by the second and third lines, ensures that the strategy, principles, policies, and resources are aligned to the risk appetite, regulatory requirements, and industry best practices.

Operational risk

Operational risk can result in financial or non-financial losses such as client detriment or reputational damage resulting from inadequate or failed internal processes, people, and systems. Given the nature of the Group's focus on transactional banking services, maintaining secure and reliable systems connectivity to the various payment schemes is essential.

The Group continues to develop and invest in systems and controls to mitigate all operational risks, supported by the oversight of experienced staff.

Regulatory and compliance risk

Regulatory and compliance risk covers the possibility that regulatory and legislative changes may significantly impact the business model or that the Group fails to comply with existing requirements.

The Group operates within the context of the UK and EU Legal and Regulatory environment, but also within European law adopted and supported by UK regulators. In addition, it also complies with United Nations sanctions obligations and other internationally focused regulations where applicable. This context does not in itself create any material or specific risks, however, non-adherence or breach of such laws and regulations could have a significant negative impact.

Legal Counsel and Compliance functions monitor changes to the legal or regulatory landscape and are responsible for reporting forthcoming changes to management committees and to the Board, and for determining what appropriate subsequent actions need to be taken by senior management in response.

Risk management cont.

Operational resilience

The business continues to embed the PRA's operational resilience, outsourcing and third party risk management requirements, which relates to our ability to prevent, respond to, recover, and learn from operational disruptions. Our clients demand uninterrupted services, and our technology provides high levels of availability, reliability and resilience delivering optimal operational outcomes.

We protect against operational risk events by mirroring our cloud-native technology platform in separate zones within Microsoft Azure. This signficantly reduces any service disruption to our clients.

Climate risks and sustainability

We continue to embed sustainability across our operations, governance and strategic decision making, structuring our sustainability around six stakeholder pillars: Environment, People, Clients, Communities, Suppliers, and Governance.

In 2025, our efforts have centered on developing our understanding of climate risks, engaging with our high-emission suppliers, investing in low-carbon technology and developing opportunities to unlock our clients' sustainability opportunities. We remain on track to achieve our Net Zero targets, but we recognise that the greatest challenges lie ahead.

ClearBank Board sets the Environmental, Social and Governance (ESG) Risk Appetite, including climate risk, and delegates monitoring of ESG risks to the Board Risk Committee. Climate risk indicators are reviewed by Executive Risk Management Committee bi-monthly. The Head of Sustainability is responsible for identifying climate risks and opportunities, in collaboration with business functions and the Head of Strategic Risk.

The Board reviews climate risks and opportunities annually and monitors sustainability metrics and progress quarterly, including climate risk and Net Zero transition indicators. Climate risk and opportunity are included in the sustainability policy.

For more information on how we are creating long-term value through our sustainability pillars, please refer to our Annual Report and Accounts pages 26-30.

Risk management cont.

Internal Capital Adequacy Assessment Process (ICAAP)

The Group undertakes an ICAAP on at least an annual basis which is an internal assessment of Pillar 2A and Pillar 2B capital requirements. The capital assessment can be performed more frequently, if the need arises.

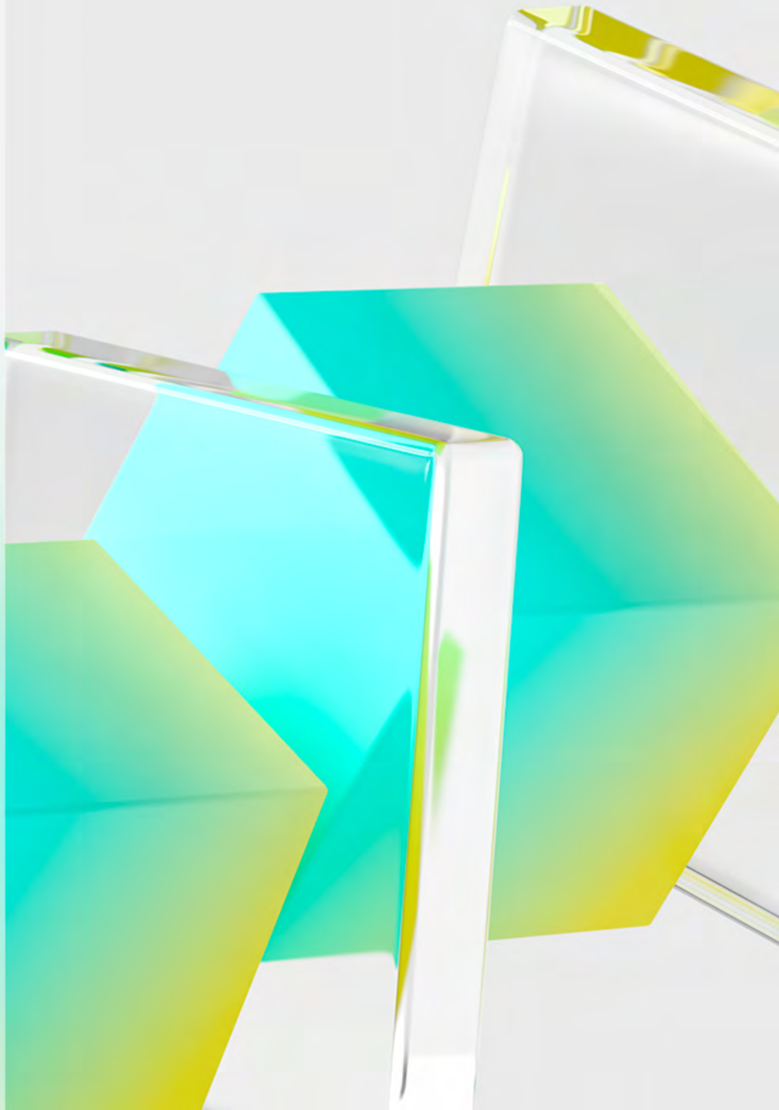
The Pillar 2A assessment considers firm-specific risks and risks not included in Pillar 1. The Pillar 2B element provides an assessment of our stressed capital adequacy in the context of its business strategy, risk appetite, risk profile and capital plan throughout a five-year planning horizon. The capital plan forms the starting point for stress testing which considers the impact of alternative severe, but plausible, stress scenarios to the Group's baseline capital plan and deploys management actions where necessary to recover the Group and ensure we remain within our risk appetite under the hypothetical stress scenarios.

The ICAAP is reviewed at various stages through a robust governance review process, incorporating the Executive Committee (EXCO), the Assets and Liabilities Committee (ALCO), Enterprise Risk Management Committee (ERMC) and BRC for challenge and approval. The Board ratifies the ICAAP following its approval by BRC. During the periodic supervisory review and evaluation process (SREP), the PRA assesses ClearBank's ICAAP and sets the total capital requirement (TCR).

Internal Liquidity Adequacy Assessment Process (ILAAP)

The Group also performs a liquidity assessment on at least an annual basis, where liquidity and funding risks are stress tested as part of the ILAAP which is reviewed at ALCO and BRC, and approved at Board.

The PRA assesses ClearBank's ILAAP and sets the Pillar 2 Liquidity requirements during the periodic SREP.



Key metrics

Robust capital, liquidity and balance sheet

The Group's capital and liquidity positions have remained strong throughout 2025, thanks to its unique business model coupled with the UK Bank's sustained profitability. In line with risk appetite, the Group maintained a robust capital position, with a Common Equity Tier 1 (CET1) of 50% at the year end, maintaining headroom in excess of total capital requirements.

As at December 2025 capital resources were made up of CET1 capital, the highest quality of capital, consisting of ordinary share capital, associated share premium and allowable reserves.

Liquidity and funding risk

The Group's management of liquidity and funding risks always aims to ensure that there are sufficient liquid assets, both as to amount and quality, to cover cash flow mismatches and fluctuations in funding, to meet financial obligations as they fall due, even during periods of stress.

This is achieved through management and stress testing of business cash flows, setting appropriate risk limits to maintain a prudent funding mix and maturity profile, and maintaining sufficient levels of high-quality liquid assets and appropriate encumbrance levels.

As at 31 December 2025, the Group's Liquidity Coverage Ratio (LCR) was 397% which was well above the UK regulatory minimum of 100%. The Group continues to manage its liquidity against its internal risk appetite which is more prudent than the regulatory requirements.

The Group exceeds the PRA's expected 100% minimum requirement for the Net Stable Funding Ratio (NSFR), with a ratio of 20,367% at 31 December 2025.

The Group manages liquidity and funding risks within a comprehensive risk framework which includes its policy, strategy, limit setting and monitoring, stress testing and robust governance controls. The size and mix of the liquid asset buffer are defined by the Group's risk appetite as set by the Board, which is translated into a set of liquidity risk limits. The Group's liquid assets, which predominately comprise balances held at the Bank of England, are managed by the Group Treasury function.

Our Liquidity Coverage Ratio of

397%

and our Net Stable Funding Ratio of

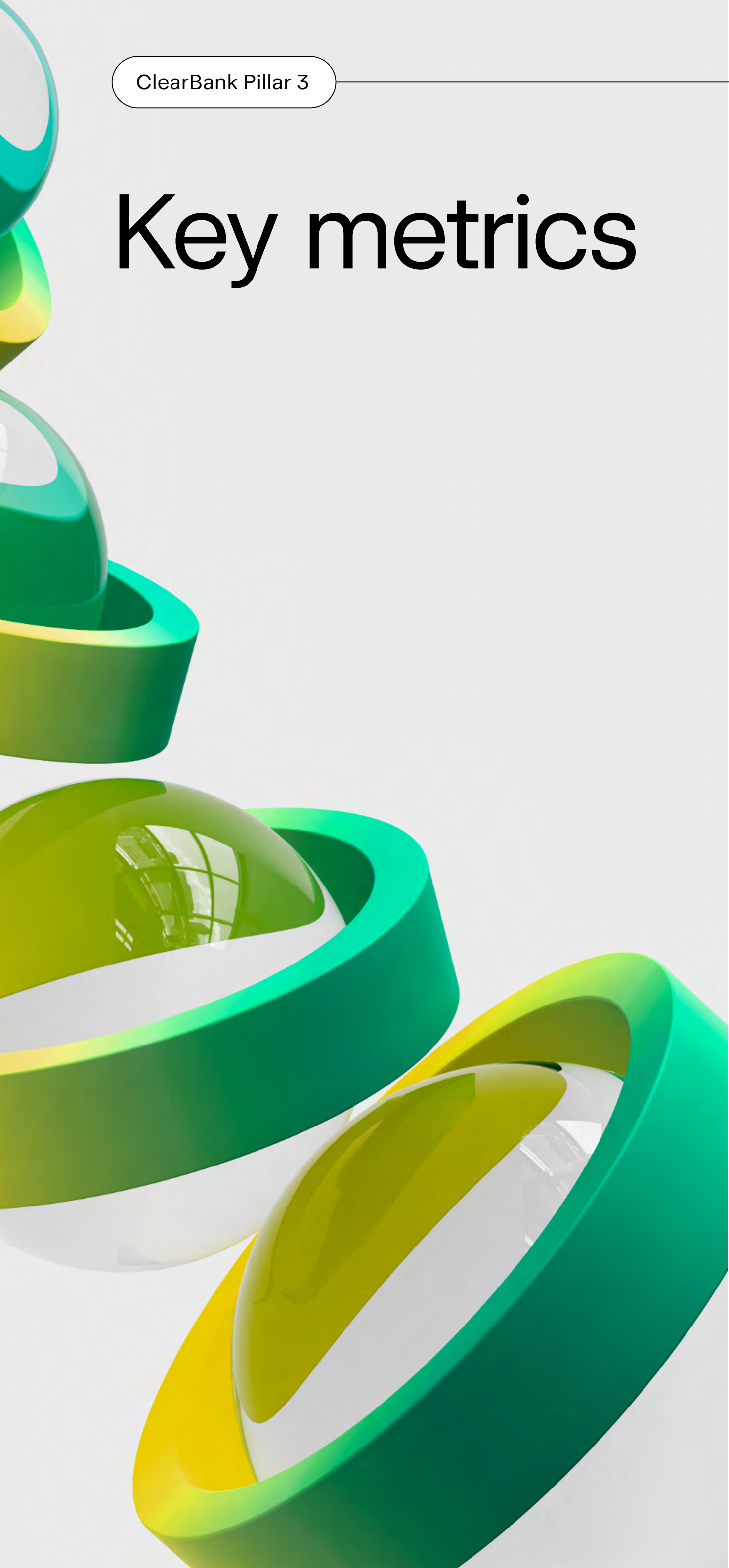
20,367%

demonstrates a strong liquidity position for the Group.

The vast majority of our High Quality Liquid Assets of

£17,909m

are held as cash in sterling at the Bank of England.



Key metrics

	2025	2024
Available own funds (£m)		
Common Equity Tier 1 ('CET 1') capital (£m)	132	141
Tier 1 capital (£m)	132	141
Total capital (£m)	132	141
Risk-weighted assets ('RWA') (£m)		
Total risk-weighted exposure amount (£m)	266	211
Capital ratios (% of RWA)		
Common Equity Tier 1 ratio (%)	49.75%	67.02%
Tier 1 ratio (%)	49.75%	67.02%
Total Capital ratio (%)	49.75%	67.02%
Additional own funds requirements based on SREP (% of RWA)		
Additional CET1 SREP requirements (%)	7.38%	9.89%
Total SREP own funds requirements (%)	13.12%	17.58%
Combined buffer requirements (% of RWA)		
Capital conservation buffer (%)	2.50%	2.50%
Institution specific countercyclical capital buffer (%)	2.00%	2.00%
Combined buffer requirement (%)	4.50%	4.50%
Overall capital requirements (%)	17.62%	22.08%
CET1 available after meeting the total SREP own funds requirements (%)	36.63%	49.44%
Leverage ratio		
Total exposure measure excluding claims on central banks (£m)	658	542
Leverage ratio excluding claims on central banks (%)	20.05%	26.07%
Liquidity Coverage Ratio ('LCR')		
Total high-quality liquid assets ('HQLA') (Weighted value-average) (£m)	17,909	10,914
Cash outflows - Total weighted value (£m)	4,521	2,873
Cash inflows - Total weighted value (£m)	9	15
Total net outflows (adjusted value) (£m)	4,513	2,858
Liquidity coverage ratio (%)	396.85%	381.88%
Net Stable Funding Ratio ('NSFR')		
Total available stable funding (£m)	14,804	8,718
Total required stable funding (£m)	72	55
NSFR ratio (%)	20366.50%	15959.22%

Key metrics cont.

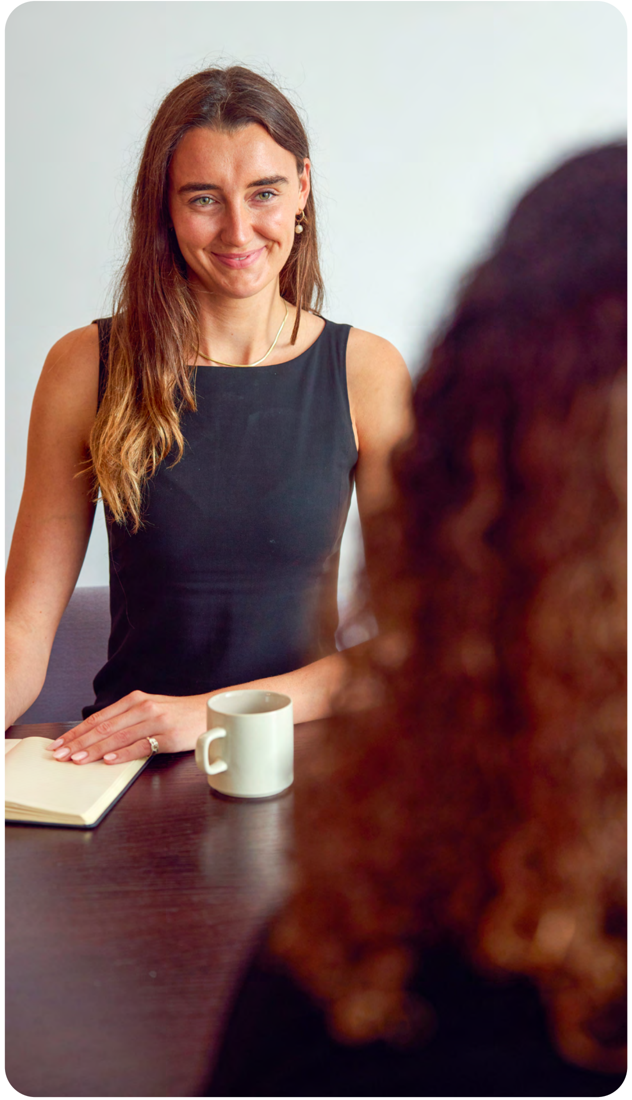
Composition of regulatory own funds

	2025 Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves £m		
Capital instruments and the related share premium accounts	224	a,b
Retained earnings	(25)	c
Accumulated other comprehensive income (and other reserves)	13	d
Common Equity Tier 1 (CET1) capital before regulatory adjustments	213	
Common Equity Tier 1 (CET1) capital: regulatory adjustments £m		
Intangible assets (net of related tax liability) (negative amount)	(52)	e
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(29)	f
Total regulatory adjustments to Common Equity Tier 1 (CET1)	(81)	
Common Equity Tier 1 (CET1) capital	132	
Total Risk exposure amount	266	
Capital ratios and buffers		
Common Equity Tier 1 (%)	49.75%	
Tier 1 (as a percentage of total risk exposure amount)	49.75%	
Total capital (as a percentage of total risk exposure amount)	49.75%	
Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	17.62%	
of which: capital conservation buffer requirement	2.50%	
of which: countercyclical buffer requirement	2.00%	
Common Equity Tier 1 available to meet buffers (%)	36.45%	

Key metrics cont.

Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published financial statements	Reference to Composition of Regulatory Own Funds
£'000	2025	
Assets - *Breakdown by asset class according to the balance sheet in the published financial statements*		
Cash and cash equivalents	17,956,976	
Collateral placed	509	
Receivables	17,296	
Current tax asset	1,563	
Right of Use Asset	549	
Property, plant and equipment	-	
Intangible assets	51,683	e
Deferred Tax asset	39,779	f
Total assets	18,068,355	
Liabilities - *Breakdown by liability class according to the balance sheet in the published financial statements*		
Customer Deposits	17,826,803	
Other payables	27,067	
Lease Obligations	1,256	
Deferred Income	390	
Current Tax Liability	-	
Total liabilities	17,855,516	
Equity		
Called up share capital	2	a
Share premium	224,403	b
Capital Contribution reserve	11,942	d
Retained earnings losses	(24,512)	c
Translation reserve	1,004	d
Total shareholders' equity	212,839	
Total equity and liabilities	18,068,355	



Key metrics cont.

Overview of risk weighted exposure amounts

Overview of risk weighted exposure amounts £m	Risk weighted exposure amounts (RWEAs)		Total own funds requirements
	2025	2024	2025
Credit risk (excluding CCR)	45	34	4
Of which the standardised approach	45	34	4
Operational risk	221	178	18
Of which basic indicator approach	221	178	18
Total	266	212	21

Credit risk

The Group uses the Standardised Approach (SA) to calculate its Pillar 1 credit risk capital requirements. Under the SA, the Group applies a risk weighted asset value to each of its exposure classes and provides 8% of that risk weighted value as the minimum capital requirement for credit risk under Pillar 1. As at 31 December 2025, the Group's Credit Risk RWA was £45m, which required own funds of £4m to be held.

Operational risk

The Group uses the Basic Indicator Approach for calculating its Pillar 1 operational risk capital requirements. Under this approach, the Group applies a risk weight to the average of the past three years' audited relevant income (or using forecasted relevant income when historic audited numbers are not available), and is required to hold 8% of that risk-weighted value as the minimum capital requirement for operational risk under Pillar 1. As at 31 December 2025, the Group's Operational Risk RWA was £221m, which required own funds of £18m to be held.

Remuneration

Remuneration Policy and practices

This section provides details on the remuneration of the Board and employees of the Group including the approach for material risk takers for the year ending 31 December 2025. Material Risk Takers (MRTs) are those individuals whose professional activities of their role may have a material impact on the risk profile of the Group. MRTs are identified on an annual basis in accordance with the applicable requirements of the PRA's Rulebook and SYSC 19D of the FCA's Handbook (the "UK Codes") with input from the relevant risk function. The lists of MRTs may be updated on a more frequent basis if required due to recruitment, departures or changes in team, role or responsibilities. The policy and level of remuneration is determined by the Group's Remuneration Committee.

All employees who are identified as MRTs are notified of their status, and the implications thereof on an ongoing basis. Employees whose MRT status ceases are notified of this change and the implications.

Key remuneration requirements that apply under the UK Codes include:

- a requirement to identify UK-based MRTs including those that may be employed by the Group;
- a requirement to implement a proportionate ratio between fixed and variable remuneration for UK-based MRTs;
- a requirement for the policy and remuneration practices and procedures to be gender-neutral and based on the principle of equal pay for women and men for equal work or work of equal value.
- a requirement for variable remuneration awarded to UK-based MRTs to comply with the "pay-out process rules" contained within the UK Codes, being:
  - deferral;
  - payment in instruments; and
  - performance adjustment (i.e. malus and clawback provisions);
- limitations regarding the use of guaranteed variable remuneration and the structure of buy-out awards.

Senior Managers Regime

All employees who are subject to the Senior Managers Regime, either as a Senior Manager or as a Certified Individual, are advised of their status on an annual basis. These employees are required to remain up to date with regulatory training and are subject to a more detailed performance management process. For these employees, the Group's Responsibility Map and the Individual Statements of Responsibility are used as the core underlying metrics and accountabilities.

The Group will keep records of the results of these annual performance assessments, which will feed into a determination of each individual employee remuneration package and any decisions to review or adjust remuneration awards.

Remuneration Policy

The Group's Remuneration Policy (the 'Policy') and approach to remuneration are designed to support the delivery of the Group's long term corporate strategy in a manner that is compliant with the requirements and frameworks of the competent domestic authorities' respective rules on remuneration (the Codes) and related guidance as these apply to the Group's business.

The Policy is intended to ensure alignment of remuneration with the long-term interests of our shareholders. The Group considers that the Policy is consistent with and promotes sound and effective risk management and includes appropriate measures to avoid conflicts of interest.

Remuneration Committee

Remuneration for the Group is overseen by the Group Remuneration Committee (GRemCo). GRemCo is made up of four independent Non-Executive Directors who retain ultimate discretion for those matters as outlined within its Terms of Reference.

The Committee agrees the framework and policy for remuneration; terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements; the basis of bonus and bonus awards and participation in and awards under share, incentive and benefit plans not available to all employees; and the targets for any performance related pay schemes.

Only members of the Committee have the right to attend and vote at Committee meetings. The Chief People Officer, Chief Executive Officer and Chief Financial Officer retain a standing invitation to attend meetings but are excluded from discussions relating to their own remuneration arrangements.

For more information, please refer to the Group Remuneration Committee report, contained within the Group Annual Report and Accounts.

Remuneration cont.

Non-Executive Directors' remuneration

The Group's Independent Non-Executive Directors received a fixed fee, and do not participate in the Group's variable pay arrangements. Non-Executive Directors do not receive pension or other benefits.

Executive Directors' remuneration

Executive Directors' remuneration is determined by taking into account the specific role performed and is made up of individual remuneration components which when combined ensure an appropriate and reasonable remuneration package. It includes:

Fixed pay:
- Base salary, including fixed allowances if any
- Pension and insurance schemes
- Other benefits

Variable pay:
- Performance-based remuneration
- Service-based remuneration

Fixed pay

Fixed pay is determined on the basis of the role and the position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

Decisions on adjustments to employees' fixed pay are currently reviewed on a bi-annual basis.

Variable pay

All variable pay is entirely discretionary, and any bonus is assessed at the time of delivery taking into account all relevant factors, including the Group's results, financial affordability, the achievement of personal milestones and adherence to the Group's standards of expected behaviour and any risk events and mitigation. Prior to any variable payments being made, the Remuneration Committee and Board confirms that such payment will not undermine the Group's capital position in relation to its regulatory requirements or risk appetite. Any variable payments for members of the Executive Committee and any senior officers in the risk and control functions will also be subject to approval by the Committee.

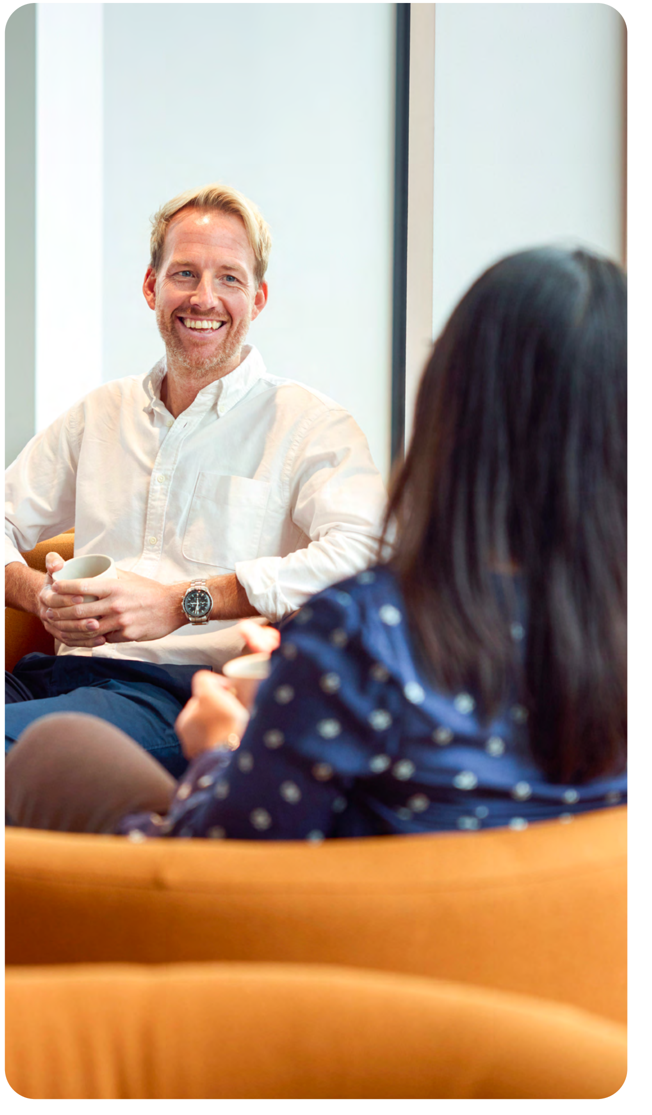
Pension and insurance schemes

Pension and insurance schemes guarantee employees cover in the event of short-term loss of income, death, and pension payment on retirement. Employees are covered by a suite of comprehensive and externally-benchmarked insurance and pension companies.

Other benefits

Other benefits include a Group medical insurance program and other benefits as awarded on the basis of individual employment contracts and local market practice.

For more information on remuneration, please refer to the tables below.



Remuneration cont.

Remuneration awarded for the financial year

Remuneration awarded for the financial year £		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	13	26	6	6
	Total fixed remuneration	1,738,458	6,874,260	793,026	1,120,507
	of which: cash-based	1,738,458	6,874,260	793,026	1,120,507
Variable remuneration	Number of identified staff	-	20	4	6
	Total variable remuneration	-	1,422,339	177,838	174,128
	of which: cash-based	-	770,398	43,158	174,128
	of which: shares or equivalent ownership interests	-	651,940	134,680	-
Total remuneration		**1,738,458**	**8,296,599**	**970,864**	**1,294,634**

Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	MB Management function	Other senior management
Guaranteed variable remuneration awards		
Guaranteed variable remuneration awards - Number of identified staff	3	1
Guaranteed variable remuneration awards -Total amount	524,401	78,480
of which: guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	524,401	78,480
Severance payments awarded during the financial year		
Severance payments awarded during the financial year - Number of identified staff	3	-
Severance payments awarded during the financial year - Total amount	378,319	-
of which: paid during the financial year	304,126	-
of which: highest payment that has been awarded to a single person	304,126	-

Appendix

Self-assessment of compliance with the Disclosure (CRR) part of the PRA rulebook

UK CRR Reference	High Level Summary	Reference
435 (1)	Firms must disclose information on risk management for each type of risk including;	pg 6-13
435 (1) (a)	The strategies and processes to manage those risks	pg 6-13
435 (1) (e)	Adequacy of risk management arrangements	pg 6-13
435 (1) (f)	Concise risk statement approved by the Board	pg 6-13
435 (1) (f) (i)	Key metrics for external stakeholders to get a comprehensive view of the firms risk management	pg 6-13
435 (1) (f) (ii)	Information on intragroup and related party transactions	pg 6-13
435 (2)	Information on governance arrangements, including information on Board composition and recruitment, and risk committees	ARA
435 (2) (a)	Number of directorships held by Directors	ARA
435 (2) (b)	Recruitment policy of the Board, their experience and expertise	ARA
435 (2) (c)	Policy on diversity of Board membership and results against targets	ARA
437	Requirement to disclosure following information regarding own funds:	pg 16
437 (a)	Reconciliation of regulatory values for Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions to statutory balance sheet	pg 17
438	Requirement to disclosure following information regarding capital adequacy:	pg 13
438 (c)	The result of the ICAAP	pg 13
438 (d)	Total risk weighted exposure and own funds requirements by risk category	pg 18
447	Disclosure of Key Metrics	pg 15
450 (1)	Requirement to disclose information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on risk profile of the institution	pg 19-20
450 (1) (a)	Decision-making process for determining remuneration policy	pg 19-20
450 (1) (b)	Link between pay and performance	pg 19-20
450 (1) (c)	Design characteristics of the remuneration system, criteria for performance measurement, risk adjustment, deferral policy and vesting criteria	pg 19-20
450 (1) (d)	Ratios between fixed and variable remuneration	pg 19-20
450 (1) (h)	Aggregate quantitative information on remuneration, broken down by senior management and members staff with significant impact on risk profile of the institution	pg 21

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