



WEATHERBYS
BANK

Pillar 3 Disclosures

For Year Ended 31st December 2024

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1. INTRODUCTION

1.1 Background

This document presents the consolidated Pillar 3 disclosures of Weatherbys Bank Limited (“WBL” or the “Bank”), and its subsidiaries Arkle Finance Limited, Weatherbys General Services Ltd and Weatherbys Bank (Nominees) Limited as of 31st December 2024.

Weatherbys Bank Limited is a limited company with share capital which is incorporated and domiciled in the United Kingdom and has its registered office and principal place of business at 52-60 Sanders Road, Finedon Road Industrial Estate, Wellingborough, Northamptonshire, NN8 4BX.

WBL is a family-owned bank founded on a heritage of traditional values and prudent stewardship but one that adopts a progressive and forward-looking approach. The Group provides retail banking services to a client base of predominantly high net worth individuals. In addition to private banking and wealth advisory services, it provides banking services to the horseracing industry and the wider community, asset finance to SMEs and individuals, tax and insurance services.

1.2 Scope

Weatherbys Bank Limited is authorised by the Prudential Regulation Authority (PRA) and regulated by both the Financial Conduct Authority (FCA) and the PRA. Weatherbys Bank Limited is a subsidiary of Weatherbys Bank Holdings Limited. Weatherbys Bank Holdings Limited together with its subsidiaries, Weatherbys Bank Limited, Arkle Finance Limited, Weatherbys General Services Limited and Weatherbys Bank (Nominees) Ltd, comprise a ‘UK consolidated group’.

The PRA supervises the Group on a UK consolidated group basis (“Group”) and solo consolidated basis (“Solo”) and receives information on the capital adequacy of, and sets capital requirements of, the UK Consolidated Group and Solo Consolidated Group. There are no differences between the basis of consolidation for accounting and prudential purposes.

WBL makes use of the provisions laid down in the FCA handbook BIPRU Chapter 2.1 and reports to the PRA on a solo-consolidated basis. This solo consolidated group includes WBL and its subsidiaries Arkle Finance Limited, Weatherbys General Services Ltd and Weatherbys Bank (Nominees) Limited. All the Group’s subsidiaries are included in the Pillar 3 disclosures and the Group does not foresee any practical or legal impediments to the transfer of capital resources or repayment of liabilities when due within the Group.

The information contained in this document covers the disclosure requirements of Pillar 3 and have been prepared in accordance with the rules laid out under Part VIII of the Capital Requirements Regulation (EU 575/2013). Unless otherwise stated all figures are based on data as of 31st December 2024.

The Pillar 3 disclosures have been prepared in order to:

- comply with the regulatory requirements
- provide information on the Group’s risk management objectives and policies
- provide information on the Group’s capital position
- provide information on the Group’s approach to assessing the adequacy of its capital and its exposure to credit, market and operational risk.

They do not constitute financial statements of the Group and should not be relied on in making investment decisions in relation to the Group.

1.3 Frequency of Disclosure

Pillar 3 disclosures will be issued as a minimum on an annual basis and will be published on the Bank's website (www.weatherbys.bank/about-weatherbys/corporate-information) alongside the publication of the annual report and accounts.

1.4 Verification of Disclosure

Pillar 3 disclosures are not subject to audit except where they are equivalent to those prepared under accounting requirements for inclusion in the Group's annual report and accounts. They are however subject to the Bank's internal review processes and sign-off by the Group Audit Committee.

1.5 Regulatory Capital Framework

Weatherbys Bank Limited ("WBL" or the "Bank") is subject to the European Union Capital Requirements Directive (CRD) and Capital Requirements Regulations (CRR), collectively known as CRDIV, which took legal effect from 1st January 2014. The Bank is also subject to the amendments to the CRR (CRRII), from the beginning of 2022.

The aim of CRDIV is to provide for consistent capital adequacy standards across banks and other financial institutions and these have been implemented under the Basel III framework of the Basel Committee on Banking Supervision. This is enforced in the UK by the Prudential Regulation Authority (PRA). The legislation provides the rules to determine the amount of capital banks and other financial institutions must hold in order to provide security for depositors.

The Basel III capital framework consists of 3 'pillars':

- Pillar 1 – sets the minimum regulatory capital requirements for credit, market and operational risk.
- Pillar 2 – is a requirement for an internal assessment of the additional regulatory capital, in addition to Pillar 1 capital, required to cover specific risks related to the firm. This part is covered by the Internal Capital Adequacy Assessment Process ("ICAAP") which is reviewed by the PRA during its Supervisory Review and Evaluation Process and used to determine the overall capital requirements that apply to the Bank.
- Pillar 3 – a set of disclosure requirements allowing banks and other financial institutions to assess the scope of the application of Basel III, Capital, Risk Exposures and Risk Assessment processes, and therefore the Capital Adequacy of the firm.

A Capital Conservation Buffer (CCoB) of 2.5% of Risk Weighted Assets (RWAs) is a standard buffer to provide for losses in the event of a severe but plausible stress.

In addition to the CCoB, a Countercyclical Buffer (CCyB), which is set by the Financial Policy Committee, has been applied at the rate of 2% of RWAs.

1.6 Future Regulatory Changes

The Bank monitors and assesses the regulatory horizon to identify and evaluate any future changes or developments. The following future Regulatory changes are currently under review:

- The Bank is currently considering the impact and preparing for the implementation of Basel 3.1, the delayed implementation date for which is currently 1st January 2027
- The Bank has applied to join the PRA's Strong and Simple regime to become a Small Domestic Deposit Taking firm and benefit from its reduced liquidity reporting requirements. The Bank is currently considering the proposed capital requirements of the regime, the implementation of which are due on 1st January 2027, and will continue to assess their impact as the final rules are published.

2. KEY MEASURES & RATIOS

2.1 Capital Resources & Ratios

In accordance with regulatory requirements the Bank Board reviews the ICAAP annually. The PRA has set firm-specific capital requirements that determine the proportion of capital that the Bank must maintain relative to its Risk Weighted Assets (RWAs). The Board is required to manage the present and future activities within these parameters.

Total Capital Ratio

The Group's total capital ratio is defined as:

- the level of total capital resources as a percentage of total risk weighted assets.

As at 31st December 2024, this was 16.26% against a minimum requirement of 9%

The table below summarises the key capital measures and ratios for the Bank at 31st December 2024.

Table 1 : Capital Resources & Ratios Requirements

£'000	Group	Solo
Common Equity Tier 1		
Share capital	10,660	7,000
Profit and loss account	85,794	89,639
Other reserves	589	404
Intangible assets	(12,145)	(12,145)
Total CET 1 capital	84,898	84,898
Additional Tier 1		
Additional Tier 1 Capital	3,000	3,000
Total Tier 1 Capital	87,898	87,898
Tier 2		
Collective impairment provisions	1,855	1,855
Subordinated Loans	10,000	10,000
Total Tier 2 capital	11,855	11,855
Total capital	99,753	99,753
Risk weighted assets	613,559	613,559
CET 1 Ratio	13.84%	13.84%
Tier 1 Ratio	14.33%	14.33%
Total Capital Ratio	16.26%	16.26%

97% of the Bank's Tier 1 capital is made up of CET1. The composition of capital reflects the current requirements under Basel III.

Leverage Ratio

Under CRDIV firms are required to calculate a leverage ratio as an additional non-risk-based monitoring tool. This is intended to provide an alternative measure to assess core capital against total assets.

The Group's leverage ratio is defined as:

- the level of Tier 1 capital against balance sheet and off-balance sheet exposures, excluding assets constituting claims on central banks, where they are matched by liabilities, denominated in the same currency and of identical or longer maturity. Assets constituting claims on central banks relates to WBLs cash deposit held at the Bank of England.

As at 31st December 2024, this was 7.08% against a minimum requirement of 3.25%

The table below summarises the leverage ratio for the Bank as of 31st December 2024

Table 2 : Leverage Ratio Requirements

£'000	
On-balance sheet exposures	1,209,710
Derivatives: Current replacement cost	2,117
Derivatives: Add-on under the mark-to-market method	6,201
Off-balance sheet exposures	22,759
Total exposures	1,240,788
Tier 1 Capital	87,898
Leverage ratio	7.08%

2.2 Capital Adequacy

The Board's policy is to remain soundly capitalised at all times through the economic cycle. Under Basel III (CRDIV) the Bank is required to assess its own capital adequacy, which is completed through the ICAAP process. "Pillar 1" capital, as it is described under Basel III, is required to support Credit, Operational and Market risk.

The Bank adopts the Standardised approach to assessing Credit Risk (retail and counterparty), which is determined by risk weights, which give rise to risk weighted assets (RWAs), which are then multiplied by the CRR prescribed 8%. In accordance with this approach a factor of 8% is applied to the risk weighted exposure amounts of each of the applicable standardised credit risk exposure classes.

The other element of the Bank's Pillar 1 capital is operational risk. The Bank uses the CRR prescribed method of calculation, which is to multiply the average gross income for the previous 3 year ends by 15%. This figure is then multiplied by 12.5 to express operational risk in terms of additional risk weighted exposures. The resulting figure is then multiplied by the CRR prescribed 9%. Under this basis the Bank has assessed its operational risk as £13.3m.

The Pillar 2 capital assessment is firm specific and ensures capital is required to support risks that are not adequately addressed under Pillar 1. Pillar 1 and 2 combined with a pension risk add on, are known as the Total Capital Requirement (TCR). The Pillar 2 assessment comprises of Pillar 2A which is the Group's own assessment of capital requirement above Pillar 1. The risk-based measure, i.e., the sum of Pillar 1, Pillar 2A and the pension risk add on, results in a TCR, with any PRA Buffer added on top. The PRA will individually apply buffers to firms in line with scheduled capital reviews. In July 2022 the PRA set the Bank's TCR at 9% of RWAs plus a static add-on of £4.4m for pension obligation risk.

In 2024 the Bank paid an amount to withdraw from the group defined benefit pension scheme. This has removed its share of the liabilities arising under the scheme.

Calculations in this Pillar 3 document are based on the inclusion of this capital add on.

The following table shows the total capital required for Credit Risk as at the 31 December 2024:

Table 3 : Capital Requirements for Credit Risk

Minimum Capital Requirement 9% £'000	Group	Solo
Central Government and Central Banks	0	0
Financial institutions	1,320	1,320
Covered bonds	781	781
Corporates	0	0
Public sector entities	0	0
Retail	13,489	13,489
Secured by mortgages on immovable property	19,469	19,469
Exposures in default	1,465	1,465
Other items	4,716	4,716
Credit Value Adjustment	555	555
Minimum capital component for credit risk	41,794	41,794

The Bank does not have a trading book and as such its exposure to Market Risk is not material. The total capital resource requirement under Pillar 1 is calculated by adding the capital component for credit risk to that required for market risk and operational risk using the Basic Indicator Approach.

In addition to the minimum capital requirement the PRA requires the Bank to hold further capital to protect against Pillar 2 risks, together with a capital conservation buffer against the impact from stressed scenarios as well as a countercyclical buffer. At 31st December 2024 the capital conservation buffer was 2.5% and the countercyclical buffer was 2%.

The Total Capital Requirement was £59.51m at 31 December 2024. The Total Capital Requirement encapsulates Pillar 1, Pillar 2A and the pension risk requirements. The Overall Capital Requirement was £87.13m, which is the Total Capital Requirement plus the capital conservation and countercyclical buffers.

The following table shows the total capital requirement and capital adequacy position under Pillar 1 as at the 31 December 2024:

Table 4 : Minimum Capital Resource Requirements

£'000	Group	Solo
Credit Risk	41,794	41,794
Market Risk	0	0
Operational Risk	13,325	13,325
Static Pension add-on	4,400	4,400
Total Capital Requirement (TCR)	59,519	51,519
Total Capital	99,753	99,753

2.3 Past Due & Provisions

A financial asset is treated as past due when the debtor has failed to make a payment within three months of its contractually due date. Weatherbys Bank has prudent policies and procedures to build up reserves against possible losses. Specific provisions are in place to deal with exposures classified as impaired or where losses are expected.

In addition, the Bank maintains a collective provision to cover an identified part of the loan book where observable data indicates that impairment is likely. For prudential reporting purposes, when an individual exposure has failed to make a payment within three months of when it was contractually due the entire amount of the exposure is treated as past due.

On a monthly basis, the requirements for specific bad debt provisions are considered. Where monies are owing, or if there is evidence of impairment as a result of events that have occurred such as financial difficulty, breach of contractual duties or adverse changes in the payment status of the borrower, a provision will be made. If it is considered appropriate any interest charged to the customer and not paid will not be taken to the profit and loss account.

The following table provides details on the movement of provisions for bad and doubtful debts for the year to 31st December 2024:

Table 5 : Provisions for Bad & Doubtful Debts

Group and Solo £'000	Specific Provision	Collective Provision	Total Provision
Provisions at 31 December 2023	2,602	1,623	4,225
Charge for the year	2,698	1,874	4,572
Write offs	(2,890)	(1,642)	(4,533)
Balance at 31 December 2024	2,409	1,855	4,264

2.4 Credit Risk Exposures

The gross credit risk exposure (based on the definitions for regulatory capital purposes, before credit risk mitigation) and the average for the year is summarised below:

Table 6 : Credit Risk Exposures

Group and Solo - £'000	At 31 Dec 2024	Average 2024
Central Government and Central Banks	760,594	654,737
Financial institutions	65,986	48,435
Covered Bonds	86,742	85,402
Multilateral Development Banks	38,424	39,901
Corporates	0	0
Retail	273,745	255,113
CBILs – Government Guaranteed	15,644	13,783
Secured on real estate property	578,244	582,525
Other items	42,329	39,653
Exposures In Default	12,703	13,699
Credit Value Adjustment	6,164	3,215
Total	1,880,575	1,735,653

The residual maturity of regulated exposures on a contractual basis at 31st December 2024 is shown below:

Table 7 : Maturity of Regulated Credit Risk Exposures

Group and Solo - £'000	Up to and including 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Central Government and Central Banks	749,784	813	10,000	(3)	760,594
Financial institutions	65,986	-	-	-	65,986
Covered Bonds	13,467	5,045	68,231	-	86,742
Multilateral Development Banks	-	13,097	25,327	-	38,424
Corporates	-	-	-	-	-
Retail	13,533	15,324	223,636	21,253	273,745
CBILs - Government Guaranteed	139	845	14,661	-	15,644
Secured on real estate property	120,754	89,609	325,689	42,192	578,243
Other Items	42,329	-	-	-	42,329
Exposures In Default	12,698	-	5	-	12,703
Credit Value Adjustment	30	112	4,782	1,240	6,164
Total	1,018,720	124,845	672,329	64,681	1,880,575

2.5 Asset Encumbrance

Asset encumbrance is the process where assets are pledged in order to secure, collateralise or credit-enhance a financial transaction from which they cannot be freely withdrawn. All the Bank's assets are unencumbered and are freely available with a few, immaterial exceptions.

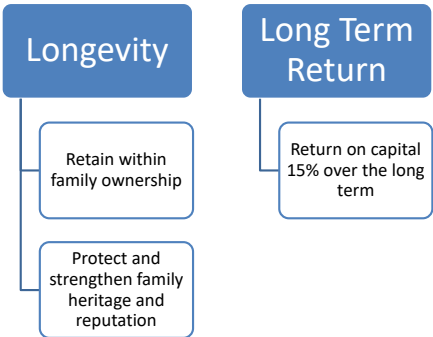
Until July 2024, these comprised a designated sum held under the Bank of England's cash ratio deposit scheme, alongside occasional cash collateral to meet margin demands for interest rate swaps employed in interest rate risk management. Since August 2024, these have been superseded by the Bank of England Levy, which directly finances the Bank's monetary and financial stability efforts through fees imposed on eligible institutions.

3. GOVERNANCE & RISK MANAGEMENT

3.1 Background

The Weatherbys group has operated as a family business for over 250 years. The longevity of the business remains a central objective for the family shareholders, and they adopt a conservative approach to risk in all areas.

The priority remains to build a platform for long term sustained growth rather than meeting short term profit objectives. The objectives of both the stakeholders and the Board are aligned and provide the cornerstone of the risk management framework which the Bank adopts. It has two pillars and can be summarised as:



Both objectives, around longevity and long-term returns, are consistent with a conservative approach to risk management.

Risk management is the process of identifying the principal risks to the Group, establishing appropriate controls to manage those risks and to monitor and put in place reporting systems to ensure that those controls remain robust and evolve with the changing risk profile of the Group.

The Bank’s primary risk management governing body is the Board of Directors. The Board is responsible for:

- approving the framework for reporting and managing risk
- approving the overall level of risk to which the Bank is exposed
- ensuring that risk management is appropriate and functioning effectively.

The Board manages risk and internal capital requirements, for both current and future activities through a combination of committees that report to it through monthly Board reporting, covering all aspects of the Bank’s activities. The Bank’s Internal Capital Adequacy Assessment (ICAAP), Individual Liquidity Adequacy Assessment (ILAAP) and Recovery Plan (RP) are formally approved each year.

The Board’s primary committees that report to it include:

Bank Board	
Responsibilities	The responsibilities of the Bank Board are to approve the design and implementation of appropriate risk management and internal control systems that identify the risks facing the company and enable the Board to make a robust assessment of the principal risks.

Group Risk Committee	
Responsibilities	<p>The Group Risk Committee is responsible for providing oversight in relation to current and potential future risk exposures of the Group, future risk strategy, risk appetite and tolerance.</p> <p>The Committee provides oversight and challenge on prudential risk capital and liquidity, including the setting of stress and sensitivity scenarios and recommending the ICAAP/ILAAP to the Board.</p>
Group Audit Committee	
Responsibilities	<p>The Group Audit Committee is responsible for assisting the Board in discharging its responsibilities in relation to the disclosure of the financial affairs of the Group.</p> <p>The Committee reviews accounting and financial reporting and regulatory compliance and the Group's system of internal controls along with monitoring the processes for internal audit, risk management and external audit.</p> <p>The Group Audit Committee provides oversight to the PRA action points and ICAAP internal audit.</p>
Executive Management Committee (EXCO)	
Responsibilities	<p>EXCO is accountable for the operational management of the Group and the delivery of objectives set by the Board, identifying and mitigating emerging strategic risks and compliance issues as reported by various sub-committees reporting into EXCO.</p> <p>The Committee provides oversight and challenge on strategic planning, budget, and performance.</p>
Asset and Liability Committee (ALCO)	
Responsibilities	<p>The Asset and Liability Committee (ALCO) is responsible for all aspects of treasury and balance sheet risk.</p> <p>The Committee provides oversight and challenge on prudential risk capital and liquidity, including the setting of stress and sensitivity scenarios and recommending the ICAAP/ILAAP to the Group Risk Committee.</p>

Board Remuneration & Nomination Committee	
Responsibilities	<p>The Remuneration & Nomination Committee:</p> <ul style="list-style-type: none"> ▪ approves the Bank's remuneration policy. ▪ approves the percentage of any inflationary salary increases each year. ▪ approves the quantum of any annual bonus pool. ▪ agree and approves awards under a Long-Term Incentive Plan or similar scheme for key members of staff. ▪ agrees the remuneration of the Executive Directors. ▪ oversees the remuneration policy of Arkle Finance.

3.2 Risk appetite

The longevity of the Group remains a central objective for the shareholders and accordingly a conservative approach to risk has been adopted. Weatherbys' risk appetite is designed to build a platform for long term sustained growth rather than seeking to meet short term profit objectives.

To achieve the strategic objectives referred to above, the Board has approved a risk appetite statement and limit for each principal risk category.

The risk appetites are set by the Board and implemented by the EXCo.

The Group's 2LoD risk management function is responsible for risk oversight to ensure the Group operates within its stated risk appetites.

The Board's stated risk appetite is to maintain sufficient Capital to exceed the Overall Capital Requirement at all times. This allows the bank to absorb severe combined stresses without breaching regulatory levels.

The risk appetite framework includes the following:

- Risk appetite statement: This is the articulation of the type and significance of the risks which the Group is willing to accept to meet its business objectives.
- Risk Appetite Trigger and Limits: These are the quantitative measures that disaggregate the risk appetite statement to specific metrics.
- Risk profile: the point in time assessment of the risk exposure.
- Ownership: Ownership of the framework rests with the Board. All changes to the framework and the governance principles must be approved by the Board.
- Accountability and responsibility: All functions are required to operate within the risk appetite. The 2LoD is responsible for monitoring risk and ensuring appropriate action plans are in place if defined risk limits are exceeded.
- Escalation: If a limit is breached or expected to be breached there is a defined escalation process in place.
- Reporting: The Board receives regular reports on the risk profile for the Group, which provide risk status reports with comment and analysis as needed to understand changes or trends.
- Annual review: The risk appetite framework and limits are reviewed at least once a year.

3.3 Enterprise-wide Risk Framework

The Group has adopted an enterprise-wide risk framework (EWRF) which documents the approach to risk management as well as setting out its risk strategy and agreed risk appetite parameters.

All strategic discussion, business planning and budgeting are assessed against these pillars.

The EWRF aims to strengthen the Bank's ability to anticipate, identify and assess risks thereby developing solutions for their mitigation and control.

The framework seeks to strengthen the Bank's ability to:

- Anticipate, identify, and assess key risks associated with its strategic plans.
- Define how much risk is acceptable through a risk appetite.
- Adopting a three lines of defence model.
- Develop solutions for mitigating, controlling, and monitoring risk.

The Bank has a conservative approach to managing its balance sheet, which is monitored closely with protective measures in place to safeguard customer funds for minimum risk and maximum security.

In order to provide this, the Board regularly considers the principal risks facing the Group. The main risk categories are shown in the following sections.

3.4 Retail Credit Risk

Retail credit risk is the risk of losses arising from a borrower or counterparty failure to meet its obligations as they fall due.

A firm's capital requirements for credit risk are determined in accordance with Pillar 1 of the Capital Requirements Regulations (CRR). However, the PRA believes that there are asset classes for which the standardised approach (SA) underestimates the risk (e.g., zero risk-weighted sovereigns).

The PRA therefore assesses credit risk as part of its Pillar 2 review of the firms' capital adequacy.

The methodology used to inform the setting of firms' Pillar 2A capital requirement for credit risk is based on a comparison of firms' SA risk weights at a portfolio level to an Internal Ratings Benchmarking (IRB) risk weight benchmark.

In order to mitigate risk in the lending book the Bank has in place formal procedures to assess all borrowing applications as well as agreed authority limits. The majority of the loan book is relatively short term (with 93% repayable within 5 years) and has a low average loan size. Credit proposals are all assessed according to risk and dependent on this, and the overall loan size, various sign-off levels are in place to approve new lending applications. Full Board approval is required for new applications above a certain limit.

To mitigate risk in its treasury activities (counterparty risk) the Board has set minimum short and long term credit ratings for approved counterparties where the Bank places its surplus funds, as well as individual monetary limits. These limits are reviewed on a regular basis by the ALCO and are set by reference to WBL's assessment of the risk of default for each counterparty.

3.5 Market Risk

Market risk is defined as the risk of losses arising from movements in market prices. Market risk includes, but is not limited to:

- Default risk
- Interest rate risk
- Credit spread risk
- Equity risk
- Foreign exchange risk and commodities risk for trading book instruments
- Foreign exchange risk and commodities risk for banking book instruments.

All foreign currency client deposits are held in currency bank accounts by the Bank and where appropriate Treasury Bills in the currency denomination. This currently extends to USD's and Euros. This removes any FX exposures on these balances.

The Bank does not have a trading book so its exposure to market risk is very limited. It is also not exposed to credit spread, equity or commodity risks.

3.6 Operational Risk

The risks of losses stemming from inadequate or failed internal processes, people and systems or external events. Basel II gives 7 official event types that the Bank internally assesses through its ICAAP process:

- Internal Fraud
- External Fraud
- Employment Practices & Workplace Safety
- Clients, Products and Business Practice
- Damage to Physical Assets
- Business Disruption and Systems Failures
- Execution, Delivery and Process Management

In addition to these prescribed risks, the Bank has identified the following risks through its ICAAP process that could have a material impact on the Banks Pillar 2A risks:

- Operational Resiliency
- Cybercrime Risk
- Staff Risk
- Data Compliance Risk
- Outsourcing and Third-Party Risk
- Anti Money Laundering

An incident in operational risk can be described as a situation that has caused or has the potential to cause harm to the organization, its employees, clients, or stakeholders. It can be an event or series of events that has led to an interruption of business operations, a breach of security, a financial loss, or a reputational damage.

These are risk events such as fraud, the failure of internal systems (e.g., for payment and settlement) or external factors such as cybercrime or terrorism, which have the potential to impact on the institution's ability to carry out its business.

3.7 Pension Risk

Pension risk is the risk that the market value of the Scheme's assets, together with any agreed employer contributions, will be insufficient to meet the projected liabilities of the scheme. Pension risk can adversely impact the bank's capital resources.

It relates to defined benefit pension schemes and defined contribution schemes offering guaranteed returns that are not fully matched by underlying investments. This includes hybrid schemes and overseas pension schemes.

The Bank is part of the Weatherbys group defined benefit pension scheme, the Weatherbys Pension and Assurance Scheme.

The Weatherbys group of companies closed its final salary scheme to new members in 2002. In April 2016 it also closed the scheme to future benefit accrual, and all payments by continuing staff into the final salary scheme ceased. Employer and employee contributions for such staff were instead made into the company's defined contribution scheme. The defined contribution scheme is open to all new employees.

As with other such schemes the Group has a recovery plan in place to meet the liability that has been agreed with the Pension Regulator. In addition, the PRA requires the Bank to hold additional Pillar 2 capital well in excess of the estimated liability as at 31st December 2024. This is to ensure that the Bank can meet potential increased pension liabilities should the actuarial assumptions on, for example, future mortality, equity and bond returns, deteriorate significantly.

During December 2024 the Bank settled its employer debt to withdraw from the Weatherbys Pension and Assurance Scheme, removing all future liabilities that might arise from the scheme. The Bank is awaiting PRA

confirmation before removing its current pension risk capital add-on. Calculations in this Pillar 3 document are therefore based on the inclusion of this capital requirement at the year-end.

3.8 Concentration Risk

Concentration risk is the risk to the Bank of its combined exposures to specific industry sectors, groups of business or regions.

- Bank – regional limits monitored at ALCO.
- Arkle – sector limits monitored by Arkle Risk Committee

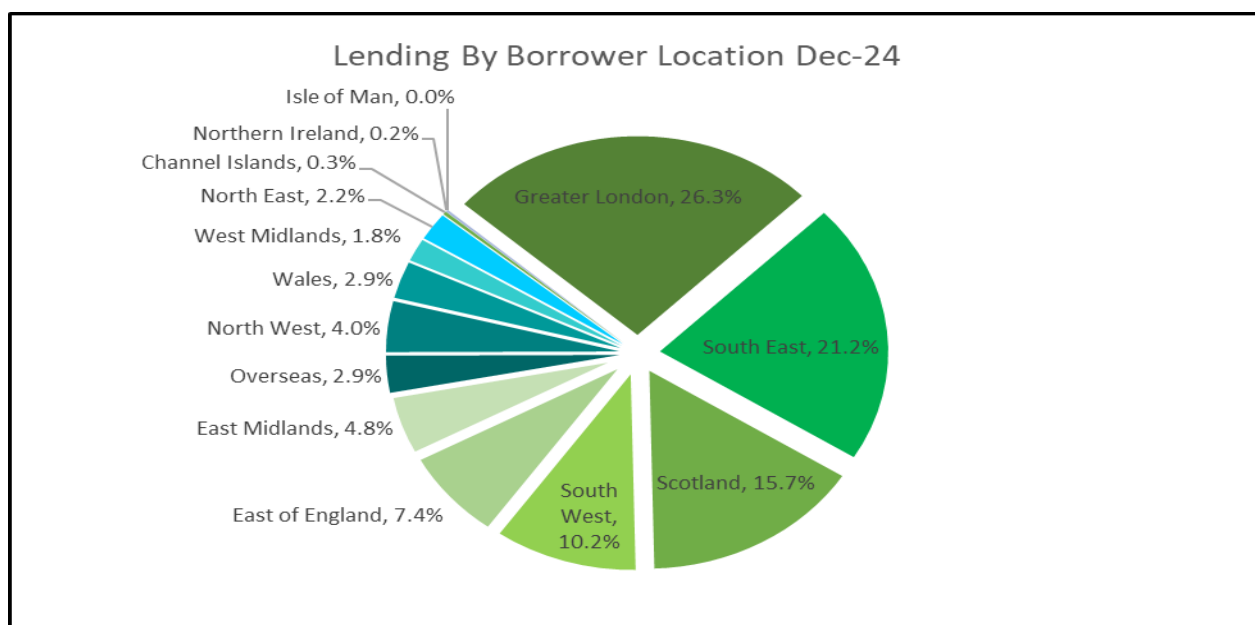
The Boards of both WBL and Arkle have set limits on the maximum exposure to any individual business sector. Within WBL the exposure to sectors is analysed and reviewed at the monthly ALCO meeting.

Board limits are monitored closely within the Credit committee and presented to ALCO.

The limits are annually approved by the Group Risk Committee and are aligned to the Strategic Plan process.

The Bank's lending activities, in the context of concentration risk, are primarily directed towards high-net-worth individuals across the UK.

Due to the location of the Bank's offices and clients, a large proportion of its clients are based in London, South East and Scotland, however all regions are represented as follows:



In 2024, the Bank expanded its lending operations to include facilities secured against properties in France. These are either denominated in Euros or Sterling, according to client preference. As of December 2024, the Bank's lending under this scheme amounted to a sterling equivalent of £4.1m, reflecting a measured expansion into new markets and currencies.

3.9 Interest Rate Risk

Interest Rate Risk refers to the current or future risk to capital and earnings arising from adverse movements in interest rates. Weatherbys Bank is exposed to the following types of interest rate risk:

- Gap Risk – arising from the term structure of banking book instruments, describing the risk arising from the timing of instrument's rate changes.
- Basis Risk – assessing the impact of relative changes in interest rates for financial instruments of similar term, but with different interest rate pricing indices.

Interest Rate Gap Risk

The Bank is exposed to interest rate risk that arises from a mismatch between the repricing of assets and liabilities. Though the majority of the Bank's lending and deposits are priced at variable rates, it has some fixed rate deposits and lending, as well as fixed rate lending to SMEs and individuals through its asset finance subsidiary which are generally between terms of three and five years.

As a consequence of a low loan to deposit ratio and surplus funds, an interest rate risk can arise. The Treasury department monitors this risk, transacting Interest Rate SWAPS as required to maintain the risk levels with the limits set by ALCO. Interest Rate risk is reported to ALCO on a monthly basis.

A policy of Hedge Accounting was introduced during 2021 in order to reduce the volatility to the Profit and Loss account.

In order to assess these risks, WBL has undertaken the PRA's 6 Outlier Tests to assess their impact on the Banks Tier 1 capital.

The PRA 6 outlier tests assess any potential decline in economic value based on a maximum threshold of 15% of own funds. Economic value movements above this threshold require notification to the supervisory body and are monitored monthly at ALCO.

The tests are based on the following unexpected movements to interest rates:

- Parallel shift upwards +2.5%
- Parallel shift downwards -2.5%
- Shock flattener
- Shock steepener
- Short up
- Short down

In addition to this, the bank monitors and reviews its interest rate gap risk. This assesses the impact of a change in the net present value of a +/- 200 bps movement in the yield curve on the Bank's interest bearing assets and liabilities to according to the financial regulator's requirements.

The table below shows the interest rate sensitivity as at 31st December 2024

Table 8 : Interest Rate Sensitivity

Net Present Value (NPV) Sensitivity	2024 £000	2023 £000
Positive Shift (+2%)	187	(307)
Negative Shift (-2%)	(181)	400

Basis Risk

Basis risk is the risk of a reduction in income or economic value arising from the re-pricing of assets and liabilities according to different interest rate bases. The Bank's exposure to basis risk arises from assets and liabilities being linked to different interest rate types including:

- Bank of England base rate – reserve account deposits with the Bank of England
- SONIA – floating rate notes (FRN's) or Covered Bonds (CBs) purchased
- Fixed rates – fixed rate gilts, savings and loan products
- Managed rates – deposits and advances which are on managed (or administered) rates.

For the latest regulatory return as at 31st October 2024 (the last return prior to the year end), the following applied:

- Of the £374m administered assets, £321m represented client lending
- Of this, 99% by value and 98% by volume were subject to minimum lending rate floors
- Bank Base Rate linked assets related entirely to funds held at the Bank of England.

3.10 Climate Related Financial Risk

Climate change risks include the financial, operational, and reputational risks arising due to climate and weather-related events and the political and social response to this threat.

The possible effects of climate related financial risks have been discussed at Group Risk Committee and at Board level. The Bank has allocated SMF climate change responsibility to its Chief Executive.

Environmental, Social and Governance

As a company, the Bank has always been aware of its impact on the environment and has embraced new technology where available e.g., solar panels on the property in Wellingborough. It has also hosted 'Creating the Future' conferences that have included debate on climate changes issues.

In order to achieve our goals, we recognise that we need to operate in a sustainable manner and have therefore adopted core principles in our business operations providing a framework for both managing risk and maintaining our position as a good 'corporate citizen'. We are committed to helping to create a sustainable future for all.

Our commitment is to:

- Reduce consumption of resources by purchasing renewable energy and implementing energy-efficient practices
- Measure and take actions to reduce our greenhouse gas emissions
- Manage waste generated from our operations incorporating the waste hierarchy of reduce, re-use, recycle.
- Comply as a minimum with all relevant environmental legislation

- Raise awareness, encourage participation, and provide the training necessary for our colleagues to adopt responsible environmental practices
- Convert our commitment into action

Weatherbys aims to improve environmental performance and drive the reduction of energy use, emissions, and waste.

The Bank has undertaken a number of key strategic changes and decisions during the 2024 financial year and into 2025. These include:

1. Continuing to provide dedicated resource focused on Sustainable Development
2. Continuing to showcase innovation in the sustainability space through our Future Forum and Creating the Future talks/conferences.
3. Reinvigorating our Sustainability Committee who meet bi-monthly with representatives from each site and almost all departments.
4. Investing in carbon accounting software to accurately calculate our full scope 1, 2 and 3 emissions.
5. Purchasing 100% renewable electricity and switching to 100% renewable energy by the end of 2025*
6. Installation of 100% LED lighting with PiR sensors in owned sites

*for owned sites

Weatherbys Bank has appointed Catalyst to independently assure the accuracy, completeness and consistency of energy use, greenhouse gas (GHG) emissions data and energy efficiency action within the operations under our direct control.

3.11 Business Risk

Business risk is the exposure a company or organization has to factor that will lower its profits or lead it to fail. Anything that threatens a company's ability to achieve its financial goals is considered a business risk. There are many factors that can converge to create business risk. Some of the business risks to the Bank are:

Competitive Risk

The risk that changes in the market and/or from other market participants might affect the longer-term viability of the bank. The Bank operates in the high-net-worth sector, and this remains for vision and strategic intent. While recognising that other banks will identify this segment as a viable market, the Bank is well positioned to retain existing and onboard new clients, utilizing its reputation for integrity, professionalism, and outstanding client service.

Separately, in the asset finance market, Arkle's margins can be impacted by capacity and pricing decisions of the largest players in the sector. Historically Arkle Finance have counteracted this by bespoke underwriting and by targeting specific niches.

Bank Counterparty Risk

The risk that a treasury counterparty will not repay its liability in full, materially affecting the profitability of the business. The bank's business model and strategy should be consistent with the overall risk appetite to protect longevity and reputation whilst achieving target returns across the cycle. Counterparty limits are monitored by ALCO.

The Bank retains significant levels of cash relative to its capital base. The Board has set minimum Standard & Poor's ratings of AA-/A-1 or Moody's Aa3/P-1 for its treasury counterparties, with the Board separately approving counterparties whose external credit rating falls below the agreed minimum. Presently this extends to RBS and Barclays.

Horseracing Sector Exposure Risk

The risk that exposure and/or concentration to the horseracing sector might affect the bank in terms of profitability or liquidity.

The bank's business model and strategy should be consistent with the overall risk appetite to protect longevity and reputation whilst achieving target returns across the cycle. The results and assets of the Racing banking division are regularly monitored by EXCO and ALCO.

Weatherbys group has historically been closely associated with the horseracing and breeding industries. As the banking activities of the group have developed over the last ten years the Bank has become less dependent on its close association with racing in the UK. The results and assets of the Racing banking division are regularly monitored by EXCO and ALCO.

Group Risk

Group risk covers both the risk to a firm arising from its relationships with other entities in the same group and risks arising from subsidiaries that may affect the financial position of the whole group, including reputational contagion.

The other companies within the group are either well-integrated but separate legal entities that carry out similar business operations, or structures set up to meet a specific and closely defined legal purpose within the Groups framework. The group is managed on a group basis, with a common approach to risk management, internal control, and accounting.

Reputation Risk

The Bank prides itself on the reputation it has with its clients. Reputation risk is the risk that the Bank's reputation is damaged by an event, internal or external, leading to a financial loss.

The Bank's reputation is one of its most important assets. Efforts are made at every level to ensure that the Bank's reputation in the external marketplace is not compromised.

3.12 Model Risk

Model risk is the potential for adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. These adverse consequences could lead to a deterioration in the prudential position, non-compliance with applicable laws and/or regulations, or damage to a firm's reputation. Model risk can also lead to financial loss, as well as qualitative limitations such as the imposition of restrictions on business activities.

The Group recognises the benefits from the use of models and calculators and therefore has some appetite for model risk; in part acknowledging that by their nature not all the risks from a model can be removed.

However, the Group has no tolerance for critical models or calculators which are non-compliant with good practice and appropriate standards that would remove unnecessary risks.

3.13 Liquidity Risk

Liquidity risk is the potential that a Bank will be unable to meet its obligations as they are due because of an inability to liquidate assets or obtain adequate funding (referred to as "funding liquidity risk") or that it cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions ("market liquidity risk").

At all times the Bank should maintain liquidity resources which are both adequate, both as to amount and quality, to ensure that there is no significant risk that liabilities cannot be met as they fall due. The banking group should be able to withstand the prescribed stress tests for 90 days without resorting the Recovery Plan

The Bank is now required to document its procedures in a separate format (Individual Liquidity Adequacy Assessment Process) which includes a detailed risk analysis and several stress tests.

WBL's loan portfolio is entirely funded by retail deposits. WBL has maintained most of its own funds in qualifying buffer assets or instant access overnight accounts with suitable counterparties thus maximising its flexibility and short-term liquidity.

Liquidity Coverage Ratio

The Bank aims to monitor its resilience to a liquidity risk over a 30-day period. Against this the Bank has maintained a ratio well above the minimum regulatory requirement of 100% at all times. The table below shows the LCR as at 31st December 2024:

Table 9: Liquidity Coverage Ratio

Liquidity Coverage Ratio	2024	2023	2024 Average
Liquidity buffer (£m)	877.3	723.6	769.0
Total net outflows (£m)	86.3	80.8	73.1
Liquidity coverage ratio	1017%	896%	779%

Net Stable Funding Ratio

The Bank aims to ensure that it has an adequate amount of stable funding to support assets over a one year period of extended stress, and in excess of the minimum requirement of 100%. Based on current requirements the NSFR at 31st December 2024 was 266% (2023: 254%).

3.14 Residual Risk

Residual risk is a risk that remains after Risk Management options have been identified and action plans have been implemented. It also includes all initially unidentified risks as well as all risks previously identified and evaluated but not designated for treatment at that time.

3.15 Securitisation Risk

Securitisation is the process of pooling various exposures to form a financial instrument that can be marketed to investors.

The securities are 'tranching', which means that they carry different levels of risks and return to suit the appetite of different investors.

The Bank does not trade in financial instruments, so it is not required to hold any capital against this risk.

4. REMUNERATION

All decisions regarding remuneration ultimately fall with the Bank's remuneration committee. Pay policy reflects the conservative long-term strategy adopted by the Bank, with pay and bonus awards based on the Bank's performance and aligned to the Group's objectives.

Compensation is predominantly salary based with a variable cash bonus available dependent on the achievement of Group and individual targets. No compensation is paid in shares or options.

These disclosures reflect the requirements under article 450 of Capital Requirement Regulation on the disclosure of remuneration.

Staff that are deemed to have a material impact on the Bank's risk profile have been identified and are included in the following groups:

- Directors and Senior Management
- Staff performing significant influence functions
- Staff engaged in control functions (compliance and finance).

Remuneration awards for the identified staff in 2024 are highlighted below. This includes a breakdown between fixed (salary) and variable (bonus, discretionary pension contributions) remuneration. The variable element of remuneration was paid in March 2024 in relation to the year ended 31 December 2023.

Table 10: Remuneration Breakdown for Staff with a Material Impact on the Bank's Risk Profile

Staff Type	No. Beneficiaries	Fixed (£'000)	Variable (£'000)	Total (£'000)
Directors & Senior Management	22	3,738	1,609	5,347
Staff performing significant influence functions	6	876	208	1,083
Staff engaged in control functions (compliance and finance)	15	1,200	114	1,314

5. APPENDIX – OWN FUNDS DISCLOSURE

Table 11: Common Equity Tier 1 (CET1) Capital: instruments and reserves

Common Equity Tier 1 (CET1) capital: instruments and reserves		£'000	Regulation (EU) No 575/2013 Article Reference
1	Capital instruments and the related share premium accounts	10,660	26 (1), 27, 28, 29
	of which: ordinary share capital	10,660	EBA list 26 (3)
	of which: Instrument type 2		EBA list 26 (3)
	of which: Instrument type 3		EBA list 26 (3)
2	Retained earnings	85,794	26 (1) c)
3	Accumulated other comprehensive income (and other reserves)	589	26 (1)
3a	Funds for general banking risk		26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)
5	Minority interests (amount allowed in consolidated CET 1)		84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend		26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	97,043	Sum of rows 1 to 5a

Table 12: Common Equity Tier 1 (CET1) Capital: regulatory adjustments

Common Equity Tier 1 (CET1) capital: regulatory adjustments		£'000	Regulation (EU) No 575/2013 Article Reference
7	Additional value adjustments (negative amount)		34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(12,145)	36 (1) (b), 37
9	Empty Set in the EU		
10	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) are met) (negative amount)		36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges		33(1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(1) (b)
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44

Common Equity Tier 1 (CET1) capital: regulatory adjustments		£'000	Regulation (EU) No 575/2013 Article Reference
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Empty set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91
20c	of which: securitisation positions (negative amount)		244 (1) (b), 258
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15% threshold (negative amount)		48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b)
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)		36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(12,145)	Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital	84,898	Row 6 minus row 28

Table 13: Additional Tier 1 (AT1) Capital: instruments

Additional Tier 1 (AT1) capital: instruments		£'000	Regulation (EU) No 575/2013 Article Reference
30	Capital instruments and the related share premium accounts	3,000	51, 52
31	of which: classified as equity under applicable accounting standards	3,000	
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	3,000	Sum of rows 30, 33 and 34

Table 14: Additional Tier 1 (AT1) Capital: regulatory adjustments

Additional Tier 1 (AT1) capital: regulatory adjustments		£'000	Regulation (EU) No 575/2013 Article Reference
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 €, 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 €
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital	3,000	Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)	87,898	Sum of row 29 and row 44

Table 15: Tier 2 (T2) Capital: instruments and provisions

Tier 2 (T2) capital: instruments and provisions		£'000	Regulation (EU) No 575/2013 Article Reference
46	Capital instruments and the related share premium accounts	10,000	62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments	1,855	62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments	11,855	

Table 16: Tier 2 (T2) Capital: regulatory adjustments

Tier 2 (T2) capital: regulatory adjustments		£'000	Regulation (EU) No 575/2013 Article Reference
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66 (d), 69, 79
56	Empty set in the EU		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52 to 56
58	Tier 2 (T2) capital	11,855	Row 51 minus row 57
59	Total capital (TC = T1 + T2)	99,753	Sum of row 29 and row 58
60	Total risk weighted assets	613,559	

Table 17: Capital ratios and buffers

Capital ratios and buffers		£'000	Regulation (EU) No 575/2013 Article Reference
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	13.84%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	14.33%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	16.26%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	14.22%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	2.00%	
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		CRD 128
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		

Table 18: Amounts below the thresholds for deduction (before risk weighting)

Amounts below the thresholds for deduction (before risk weighting)		£'000	Regulation (EU) No 575/2013 Article Reference
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (h), 46, 45 56 (c), 59, 60 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (i), 45, 48
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)		36 (1) (c), 38, 48

Table 19: Applicable caps on the inclusion of provisions in Tier 2

Applicable caps on the inclusion of provisions in Tier 2		£'000	Regulation (EU) No 575/2013 Article Reference
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62

Table 20: Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		£'000	Regulation (EU) No 575/2013 Article Reference
80	Current cap on CET1 instruments subject to phase out arrangements		484 (3), 486 (2) & (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484 (3), 486 (2) & (5)
82	Current cap on AT1 instruments subject to phase out arrangements		484 (4), 486 (3) & (5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484 (4), 486 (3) & (5)
84	Current cap on T2 instruments subject to phase out arrangements		484 (5), 486 (4) & (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484 (5), 486 (4) & (5)