



FirstBank UK Limited

Pillar 3 Disclosures

As at 31st December 2024

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Glossary

ALCO	Asset and Liability Committee.
Asset Encumbrance	A claim against an asset by another party. An encumbrance usually impacts the transferability of the asset and can restrict its free use until the encumbrance is removed.
Bank	FirstBank UK Limited.
Basel II	A set of international banking regulations put forth by the Basel Committee on Bank Supervision, which levelled the international regulatory field with uniform rules and guidelines. Basel II expanded the rules for minimum capital requirements established under Basel I and provided the framework for regulatory review, as well as set disclosure requirements for assessment of the capital adequacy of banks.
Basel III	An international regulatory accord that introduced a set of reforms designed to improve regulation, supervision, and risk management within the banking sector.
Basel 3.1	A series of reforms to improve the quantity and quality of capital held by banks, as well as to improve risk measurement. It is due for implementation in the UK on 1 Jan 2027.
Capital Conservation Buffer (CCB)	A capital buffer designed to ensure that banks can build up capital buffers outside periods of stress which can then be drawn upon as losses are incurred.
Capital Requirements Directive (CRD)	A legislative package that contains prudential rules for banks, building societies and investment firms, as adopted in UK.
Capital Requirements Regulation (CRR)	The Capital Requirements Regulation (EU) No. 575/2013 is an EU law, as adopted in UK law and updated in the PRA Rulebook, which aims to decrease the likelihood that banks become insolvent, and which reflects Basel III rules on capital measurement and capital standards.
Combined Buffer	The aggregate of the Capital Conservation Buffer and the Counter-Cyclical Buffer

Countercyclical buffer (CCyB)	A capital buffer which aims to ensure that capital requirements take account of the macro-economic financial environment in which banks operate. This seeks to provide the banking sector with additional capital to protect it from potential future losses. In times of adverse financial or economic circumstances, when losses tend to deplete capital and banks are likely to restrict the supply of credit, the CCyB may be released to help avoid a credit crunch.
Counterparty Credit Risk (CCR)	The risk that a counterparty to a derivative transaction will default before the final settlement of the transaction's cash flows.
Credit Conversion Factor (CCF)	The Credit Conversion Factor (CCF) transforms an off-balance sheet exposure into its credit exposure equivalent, which is then risk weighted. Off-balance sheet exposures have a chance of becoming credit exposures and moving onto the balance sheet. The CCF estimates this probability. The expected value of the credit exposure is calculated by multiplying the CCF with the value of the off-balance sheet exposure.
Credit Risk	The risk that a borrower will default on a debt or obligation by failing to make contractually obligated payments, or that the Bank will incur losses due to any other counterparty failing to meet their financial obligations.
Credit Risk Mitigation (CRM)	Techniques (such as collateral agreements) used to reduce the Credit Risk associated with an exposure.
Derivatives	Financial instruments whose value is based on the performance of one or more underlying assets.
Exposure	A claim, contingent claim or position which carries a risk of financial loss.
FirstBank	First Bank of Nigeria Limited, FirstBank UK's parent.
FirstBank UK	FirstBank UK Limited.
FCA	The Financial Conduct Authority, which is the regulatory authority responsible for consumer protection and markets for supervising conduct of business by the financial services industry in the UK.
FX	Foreign exchange.
IFRS 9 Transitional Arrangements	Transitional arrangements, under the CRR, to mitigate the impact on capital and leverage ratios arising from the introduction of the new IFRS 9 standard for the accounting treatment of impairments.

ILAAP	Internal Liquidity Adequacy Assessment Process.
ILG	Individual Liquidity Guidance.
Impaired Exposures	Exposures where it is not expected that all contractual cash flows will be collected or will be collected when they are due.
Impairment charge and impairment provisions	Provisions held on the balance sheet because of the raising of an impairment charge against profit for the expected credit loss inherent in the lending book. Impairment provisions may be individual or collective.
Interest Rate Risk in the Banking Book (IRRBB)	IRRBB is the risk of value changes to both earnings and capital arising from timing differences in the re-pricing of the Bank's assets and liabilities and unexpected changes to the level and/or shape of the yield curve.
ICAAP	Internal Capital Adequacy Assessment Process. An institution's own assessment of the level of capital needed in respect of its regulatory capital requirements (for Credit, Market and Operational Risks) and for other risks including stress events.
Leverage Ratio	Tier 1 capital divided by the exposure measure.
Minimum capital requirement	The minimum regulatory capital that must be held in accordance with Pillar 1 requirements for Credit, Market and Operational Risk. This is currently 8%.
Operational Risk	Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.
Pillar 1	The first pillar of the Basel II framework sets out the minimum regulatory capital requirements (8%) for Credit, Market and Operational Risks.
Pillar 2	The second pillar of the Basel II framework, known as the Supervisory Review Process, sets out the review process for a bank's capital adequacy; the process under which supervisors evaluate how well banks are assessing their risks; and the actions taken because of these assessments.
PRA	The Prudential Regulatory Authority, which is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers, and major investment firms in the UK.

RAS	The Risk Appetite Statement which articulates the level and types of risk that the Bank is willing to accept or that it seeks to avoid.
Risk Appetite	The level and types of risk that a firm is willing to assume to achieve its strategic objectives.
RWA	Risk Weighted Asset. The value of an exposure calculated by assigning a degree of risk expressed as a percentage (risk weight) in accordance with the applicable Standardised Approach rules.
SREP	The Supervisory Review and Evaluation Process sets out the factors that the PRA takes into consideration in assessing a firm's ICAAP, including the setting of firm-specific capital requirements and the PRA buffer.
Stress testing	The term used to describe techniques where plausible events are considered as vulnerabilities to ascertain how these should be considered in the capital resources which are required to be held.
Standardised Approach	In relation to Credit Risk, the method for calculating Credit Risk capital requirements using risk weightings that are prescribed by regulation. Standardised Approaches, following prescribed methodologies, also exist for calculating the capital requirements in respect of Market Risk and Operational Risk.
TCR	Guidance given by the PRA on the amount and quality of capital (Pillar 1 and Pillar 2A) resources which the PRA considers that a firm needs to hold because of its supervisory review (SREP) of the Bank's ICAAP
Tier 1 capital	A component of regulatory capital, comprising Common Equity Tier 1 capital and other Tier 1 capital. Other Tier 1 capital includes qualifying capital instruments such as non-cumulative perpetual preference shares and other Tier 1 capital securities.
Tier 2 capital	A component of regulatory capital, comprising qualifying subordinated loan capital and related non-controlling interests.

1 Overview

1.1 Background

FirstBank UK Limited ("FirstBank UK" or "the Bank") is a subsidiary of First Bank of Nigeria Limited (FirstBank). FirstBank UK provides banking services to government institutions, financial institutions, corporates and individuals from Europe, Nigeria, and Sub-Saharan Africa (SSA), with the aim of becoming their preferred UK and European Bank. The Bank's vision is to be the leading UK bank for African trade and investment, driving responsible growth and providing excellent service. We build our reputation on a highly personalised client service, an unparalleled expertise in Nigeria and other African markets, and robust compliance and governance that takes a long-term view of our clients' and our own businesses.

The Bank is an ultimate subsidiary of First Holdco Plc, a publicly listed entity on the Nigerian Stock Exchange. FirstBank UK's immediate majority shareholder is FirstBank. FirstBank has had a long history in the West Africa region, since its establishment as The Bank of British West Africa over a century ago and the first banking institution in Nigeria. FirstBank UK is authorised by the PRA; and is regulated by both the FCA and the PRA. The Bank was incorporated in England and Wales in 2002 as a limited company under the Companies Act 1986.

1.2 Highlights

This Pillar 3 disclosure complements and expands upon the information presented in FirstBank UK's 2024 Annual Report and Accounts. It provides detailed insights into FirstBank UK's regulatory capital resources and requirements, including a reconciliation of financial capital to regulatory capital, credit risk, market risk, and operational requirements. Additionally, it includes key ratios as mandated by the CRR. Articles 431 to 455 of the CRR outline the requirements of the Pillar 3 framework. These regulations came into effect on January 1, 2022, and were implemented by the PRA through the PRA Rulebook. Throughout 2024, the Bank consistently maintained capital buffers that exceeded the regulatory minimum.

Common Equity Tier 1 (CET1) Ratio 26.07% (2023: 25.05%)	Tier 1 Capital Ratio 26.07% (2023: 25.05%)
Total Capital Ratio (TCR) 29.67% (2023 : 28.7%)	UK Leverage Ratio 14.12% (2023 : 19.64%)
Liquidity Coverage Ratio (LCR) 409.09% (2023 : 383.71%)	Risk Weighted Assets (RWA) (\$ '000) 1,395,598 (2023 : 1,235,478)
Total Assets as per published Financial Statements (\$ '000) 3,174,323 (2023: 2,464,043)	

1.3 Basis and Scope of Disclosures

The aim of the capital adequacy regime is to promote the safety and soundness of the financial system. It is structured around three "pillars", being Pillar 1 representing minimum capital requirements, Pillar 2 representing the supervisory review process and Pillar 3 representing market discipline. Pillar 3 requires firms to publish a set of disclosures which allow market participants to assess key pieces of information on the Bank's capital, risk exposures and risk assessment process.

These disclosures have been prepared to provide information based on calculating capital requirements by the Bank and on the management of risks faced by the Bank in accordance with the rules and guidance laid out in the PRA rulebook and guidance, unless otherwise stated; and should be read in conjunction with the Bank's 2024 Annual Report and Financial Statements. The disclosures contained in this document includes the requirements of Pillar 3 set out in the PRA rulebook CRR instrument and are based on data as of 31 December 2024 with comparative figures as of 31 December 2023.

The Bank has provided disclosures in line with its classification as an 'Other' Institution (neither large nor small and non-complex) and with its non-listed status. Rows in which there is no data to report or zero values, have been excluded from the templates disclosed.

1.4 Frequency and Location

This Pillar 3 report is prepared annually in accordance with the PRA Rulebook and may differ from similar information in the Bank's Annual Report and Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS). The Pillar 3 report is published on the Bank's website: <https://www.fbnbank.co.uk/>

1.5 Governance: Policy, Review and Approval

FirstBank UK has a formal policy on Pillar 3 disclosures with the aim of defining requirements, elaboration process, frequency, and associated governance in accordance with the PRA Rulebook.

This policy has been prepared in compliance with the criteria established in the Guidelines on Materiality, Proprietary, Confidentiality and Frequency of the Information by the European Banking Authority in accordance with Article 432, sections 1 and 2 and Article 433 of Regulation (EU) 575/2013 per the PRA Rulebook.

The disclosures have been subject to internal verification and review by the Board Audit Committee on behalf of the Board on 21 March 2025 but have not been, and are not required to be, subject to independent external audit.

2 Key Metrics and Risk Weighted Assets

This section shows key regulatory metrics and ratios as well as related components such as Own-funds, RWAs, capital ratios, additional requirements based on the SREP, capital buffer requirements, leverage ratio and Liquidity coverage ratio based on the audited accounts as of 31 December 2024.

2.1 Key Metrics – KM1

Table 1 – Key Metrics

	Available own funds (amounts)	2024 \$'000	2023 \$'000
1	Common Equity Tier 1 (CET1) capital: Instruments and reserves	382,235	336,454
2	Common Equity Tier 1 (CET1) capital	363,763	309,460
3	Total capital (TC = T1 + T2)	414,074	353,999
	Risk-Weighted exposure amounts		
4	Total risk-weighted exposure amounts	1,395,598	1,235,478
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	26.07%	25.05%
6	Tier 1 ratio (%)	26.07%	25.05%
7	Total capital ratio (%)	29.67%	28.65%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
UK 7a	Additional CET1 SREP requirements (%)	4.82%	4.82%
UK 7c	Additional T2 SREP requirements (%)	1.61%	1.61%
UK 7d	Total SREP own funds requirements (%)	14.42%	14.42%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	of which: capital conservation buffer	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	0.14%	0.09%
11	Combined buffer requirement (%)	2.64%	2.59%
UK 11a	Overall capital requirements (%)	17.06%	17.01%
12	CET1 available after meeting the total SREP own funds requirements (%)	129,093	101,715
	Leverage		
13	Leverage ratio total exposure measure	2,575,327	1,575,739
14	Leverage ratio	14.12%	19.64%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1,400,356	1,084,674
UK 16a	Cash outflows - Total weighted value	685,809	620,176
UK 16b	Cash inflows - Total weighted value	343,498	337,095
16	Total net cash outflows (adjusted value)	342,311	283,081
17	Liquidity coverage ratio (%)	409.09%	383.17%
	Net Stable Funding Ratio*		
18	Total available stable funding	1,423,612	1,506,379
19	Total required stable funding	669,559	526,030
20	NSFR ratio (%)	213%	286%

Performance

The performance of the key metrics during the year 2024 are analysed below:

Own Funds

CRR Article 92 describes the calculation of capital ratios and the use of different tiers of capital resources. Throughout 2024, FirstBank UK remained compliant with the minimum capital requirements that were in force as set out in UK legislation. The total available capital resources increased to \$414mn (December 2023: \$354mn), Total capital ratio increased to 29.67% (December 2023 :28.68%), this increase is mainly attributable to the increase profits reported in the period and a reduction in the deferred tax due to unwinding of previous years losses.

Total Risk Weighted Assets ('RWA')

In December 2024, the RWAs increased to \$1.4bn from \$1.23bn in December 2023. This growth was driven by increased lending activities and the additional increase in operational risk requirement as result of profitability growth.

Leverage Ratio

The leverage ratio measures the relationship between the Bank's capital resources and total assets, as well as certain off-balance sheet exposures. Though FirstBank is not in scope for the leverage ratio minimum capital requirement, the Bank elected to meet the PRA expectation to ensure its leverage ratio is above the regulatory limit of 3.25%. FirstBank's leverage ratio reduced to 14.12% (December 2023:19.64%) due to increase in exposures during the year.

We actively evaluate our overall leverage when formulating long-term growth and capital resource plans. Leverage metrics are regularly reported to the Board and incorporated into all business plans.

Liquidity coverage ratio

The LCR is computed as a trailing average of the last 12 month-end ratios. The average LCR for the 12 months to 31 December 2024 increased to 409.09% (December 2023: 383.17%), this is equivalent to a surplus of \$1.06bn (December 2023: \$801mn) above the 100% regulatory requirement. The increase in LCR was driven by an increased volume of HQLA held \$1.4bn (December 2023: \$1bn) offset by an increase in total net cash outflows.

The composition of the liquid asset pool is subject to limits set in the Bank's liquidity policy.

Net Stable Funding Ratio (NSFR)

As of 31 December 2024, the trailing average NSFR for the last four quarter end positions, remained broadly stable at 213% (December 2023: 286%), equivalent to a surplus of \$754mn (December 2023: \$980mn) above the 100% regulatory requirement.

2.2 Risk Weighted Assets – (Disclosure OV1)

This table provides a detailed breakdown of RWAs and the minimum capital requirements, categorised by risk type and approach.

Table 2 – OV1 Risk Weighted Assets

		RWAs		Minimum capital requirements
		2024	2023	2024
		\$'000	\$'000	\$'000
1	Credit risk (excluding CCR)	1,196,695	1,060,740	95,735
2	<i>Of which the standardised approach</i>	1,196,695	1,060,740	95,735
6	Counterparty Credit Risk (CCR)	4,007	8,023	321
	<i>Of which Standardised Approach</i>	4,007	8,023	321
UK 8b	CVA	611	922	49
15	Settlement risk	30	2	2
20	Market risk	4,235	9,945	339
21	<i>Of which the Standardised Approach</i>	4,235	9,945	339
23	Operational risk	190,020	155,846	15,202
24	<i>Of which Basic Indicator Approach</i>	190,020	155,846	15,202
29	Total	1,395,598	1,235,478	111,648

The following sections describe the methodologies and approaches used to calculate the RWAs. The Bank adopted the Standardised Approach for the calculation of Credit Risk and counterparty credit risk RWAs and the Basic Indicator Approach for the calculation of operational risk.

The Bank operates a small derogation trading book which consist of market-making in Nigerian and other Sub-Saharan Africa Eurobonds for Nigerian institutional clients. The small derogation trading is assessed through the Banking Book for capital requirement calculation under the Standardised Approach for Credit Risk, the Market Risk component represents only net foreign exchange position risk.

Standardised Approach for Credit risk

Credit risk RWAs increased in 2024 due to the Bank's growth in lending activities, primarily driven by a rise in exposure to central governments. This increase included further investments in high-quality liquid assets.

The Regulatory capital requirements are calculated by multiplying the value of the Bank's exposure after netting off collaterals and other credit mitigating factors by an appropriate risk weight. The minimum capital requirement for Credit Risk is 8% of the RWAs.

The Bank's minimum capital requirements are calculated by applying credit risk weightings to the risk weighted assets. The credit risk weightings are determined by the Standardised Approach as set out in the CRR.

For the central governments and central banks, multilateral development banks, institutions and corporates, the Bank is required to use External Credit Assessment Institutions (ECAI) to assign exposures to credit quality steps. The Bank uses Fitch, Moody's, and Standard & Poor as its nominated ECAs for all standardised counterparty credit risk exposure classes which use external ratings.

For other types of exposures, the risk weights, both on an off-balance sheet are prescribed in the CRR. In addition, for off-balance sheet exposures CCFs are applied to the exposure prior to the application of the risk weights. The CCFs are also prescribed by the CRR.

The Bank uses credit risk mitigation to reduce the Credit Risk on its lending. These include both funded and unfunded credit risk mitigation, e.g. the receipt of financial collateral or guarantees and property collateral.

2.2.1 Market Risk

Market Risk is the potential for changes in market prices, such as interest rates, foreign exchange rates, and the market value of financial instruments, to reduce the Bank's earnings or capital. The aim of the Bank's Market Risk management is to keep market risk exposures within acceptable limits while optimizing the return on risk. Market Risk arises from the Bank's loan portfolio, securities holdings, bond trading positions in the trading book, and foreign exchange risk positions across the entire balance sheet. The Bank does not own or trade any equity products and does not engage in commodity markets. Foreign exchange currency risk is covered below.

Market Risk includes four types of risk: interest rate risk, foreign currency risk, equity position risk, and commodity position risk. FirstBank UK's market risk is primarily related to foreign currency risk and interest rate risk. Interest Rate Risk in the Banking Book is discussed in the following section. The Bank has no exposure to equity position risk or commodity position risk.

2.2.2 Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book (IRRBB) refers to the current or potential risk to a Bank's capital and earnings arising from fluctuations in interest rates that affect Banking book positions. It arises in FirstBank UK due to its holding of a combination of fixed and variable rate assets and liabilities arising during the normal course of business.

The Bank has a low-risk appetite for IRRBB. The Bank monitors IRRBB by applying the two supervisory 200 basis point shocks, as well as evaluating the impact of IRRBB under the six supervisory shock scenarios to assess the changes in the economic value of equity monthly.

The scenarios are regularly reviewed at the monthly ALCO committee, against the Bank's risk appetite metrics. The metrics are set to ensure that the Bank remain well within the regulatory threshold of a 15% decline in the economic value of Tier 1 capital. The Bank uses natural hedges, careful management of the repricing profile of assets and liabilities on the balance sheet, as well as the hedging of expense to manage earnings volatility due to foreign exchange rate risk.

Interest rate sensitivity analysis has been performed on the net cash flow interest rate risk exposures as at the reporting dates. A range of possible upward/downward movements of two hundred basis points based on the Bank of England yield curves has been assumed for the different currencies. If all other variables are held constant, the tables below present the impact on the Bank's profit or loss performance. The Bank has an adequate capital surplus to be able to manage this impact.

Table 3 - Interest Rate Sensitivity 200bp Parallel Shift

Sensitivity of projected net interest income to parallel interest rate shock for a one-year forecasting period	200 bp increase \$'000	200 bp decrease \$'000
31 st December 2024	2,108	(2,466)

Debt Securities Position Risk

The risk stems from adverse changes in interest rates, which impact the value of fixed interest-bearing instruments such as debt securities. The Treasury department, Risk department, and senior management actively manage this risk. The Risk department sets and maintains controls and limits to minimise this risk.

2.2.3 Foreign Currency Risk

Foreign currency risk emerges from regular banking operations, particularly from accepting deposits and investing funds in foreign currencies. FirstBank UK's policy is to align the currencies of its assets and liabilities as closely as possible. Furthermore, FirstBank UK complies with the Board's limits concerning its overall net open position.

Foreign Currency Sensitivity

FirstBank UK conducts a foreign currency sensitivity analysis on its financial assets and liabilities at the reporting date, excluding foreign exchange derivatives. The Bank experiences daily fluctuations in currency rates, which are mitigated through balance sheet hedging activities. All positions are continuously monitored, with restrictions and enforced stop-loss rules on the maximum position allowed in each currency. Under market risk capital requirements, the Bank must calculate foreign exchange financial position risk to ensure capital is allocated for exchange rate movements.

2.2.4 Group Risk

The Bank issues loans and letters of credit and accepts deposits from other members of the FirstBank group. It has a netting agreement in place, allowing deposits made by its parent and First Capital limited (formerly FBNQuest Capital) to be used for credit risk mitigation. Some of the letters of credit are fully cash-backed. The Bank continuously monitors the net position throughout the day to ensure it stays within its risk appetite and large exposure limits.

2.2.5 Asset Encumbrance

An asset is considered encumbered if it has been pledged or is subject to any arrangement that secures, collateralizes, or enhances the credit of a transaction, preventing it from being freely withdrawn. This allows creditors holding these claims to benefit from the economic value of the assets if the institution fails to meet its obligations.

The Bank's activities result in certain assets being provided by it as collateral. The \$41.0mn encumbrance on \$3.2bn of exposures, is therefore, limited to the variation margin on forward contract derivatives and a deposit covering debit card transactions via Mastercard.

2.3 Capital Resources - Disclosures CC1 and CC2

The total capital available on 31st December 2024 was \$414m including Tier 2 capital. This comprised share capital, retained profits, Tier 2 capital, and Tier 1 regulatory adjustments, as included below in the reconciliation of statutory and regulatory capital (CC2).

Capital Resources

First Bank of Nigeria Limited (FirstBank) holds 182,000,000 (2023: 182,000,000) or 91% (2023: 91%) of the ordinary shares issued. ARC Fin LP holds the remaining issued shares.

Tier 2 capital comprises a US\$60 million subordinated loan due to FirstBank, repayable on 22nd March 2029 at an interest rate of 9.00% per annum. The Tier 2 amount included in the table below has been restricted to 25% of the Bank's total capital requirement in line with regulatory requirements. Regulatory amortisation commenced in March 2024 (five years before the repayment date).

The table below shows analysis of the capital resources of the Bank as of 31 December 2024.

Table 4 – UK CC1 - Composition of regulatory own funds

		(a)	(b)
		Amounts (£'000)	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			
1	Capital instruments and the related share premium accounts	266,228	Share Capital + Share Premium
2	Retained earnings	116,007	Retained Earnings
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	382,235	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-1,006	AVA
8	Intangible assets (net of related tax liability) (negative amount)	-417	Intangible Assets
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) CRR are met) (negative amount)	-17,049	Deferred Tax Assets
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-18,472	
29	Common Equity Tier 1 (CET1) capital	363,763	
Additional Tier 1 (AT1) capital: instruments			
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	363,763	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	50,311	Subordinated Liabilities
51	Tier 2 (T2) capital before regulatory adjustments	50,311	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	50,311	
59	Total capital (TC = T1 + T2)	414,074	
60	Total Risk exposure amount	1,395,598	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	26.1%	
62	Tier 1 (as a percentage of total risk exposure amount)	26.1%	
63	Total capital (as a percentage of total risk exposure amount)	29.7%	
64	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)	4.5%	
65	of which: Capital Conservation Buffer requirement	2.5%	
66	of which: Countercyclical Buffer requirement	0.14%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	26.1%	
Amounts below the thresholds for deduction (before risk weighting)			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	0	

The Bank reports on an Individual Basis, as a result the figures used in the Financial Statements and in the Regulatory Scope of Consolidation are consistent.

Capital Conservation Buffer

The Capital Conservation Buffer (CCB) is a regulatory requirement designed to ensure that banks build up capital buffers during periods of economic growth, which can be drawn down during periods of stress. It is part of the Basel III regulatory framework and aims to enhance the resilience of banks by promoting the accumulation of high-quality capital. The CCB is set at 2.5% of a bank's risk-weighted assets and is composed of Common Equity Tier 1 (CET1) capital. FirstBank UK maintained this buffer throughout the year ended December 2024. The CCB encourages banks to conserve capital and strengthen their financial position. The CCB helps to absorb losses during financial downturns, reducing the risk of bank failures and promoting overall financial stability.

Countercyclical Capital Buffer Disclosures

Financial institutions are required to hold extra capital to prevent systemic risk during periods of high credit growth. This acts as a deterrent to excessive growth and provides additional loss absorption capability. The overall rate is weighted by the country of exposure. Most of the Bank's exposures are outside the UK and Europe and therefore do not receive a weighting. The Financial Policy Committee at the Bank of England sets the applicable rate for credit exposures in the UK. As of 31 December 2024, the UK Countercyclical buffer rate was 2%, resulting in an overall 0.10% of RWA requirement for December 2024 (down from 0.9% in 2023). Currently, only the UK rate affects the Bank.

Table 5 – UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements.

		a	b
		Balance sheet as in published financial statements	Under regulatory scope of consolidation
		As at period end	As at period end
Assets - Breakdown by asset class according to the balance sheet in the published financial statements			
1	Cash and Bank Balances	54,720	54,720
2	Loans and Advances to Banks	999,895	999,895
3	Loans and Advances to Customers	601,178	601,178
4	Financial Assets at fair value through other comprehensive income	967,978	967,978
5	Financial Assets at fair value through profit or loss	33,816	33,816
6	Financial Investments at Amortised Cost	488,452	488,452
7	Property, Plant and Equipment	6,556	6,556
8	Intangible Assets	417	417
9	Other Assets	4,262	4,262
10	Deferred Tax Asset	17,049	17,049
11	Total assets	3,174,323	3,174,323
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements			
1	Deposits from Banks	1,518,434	1,518,434
2	Deposits from Customers	1,060,136	1,060,136
3	Other Liabilities	150,203	150,203
4	Financial liabilities at fair value through profit or loss	3,007	3,007
5	Subordinated liabilities	60,240	60,240
6	Total liabilities	2,792,020	2,792,020

		a	b
		Balance sheet as in published financial statements	Under regulatory scope of consolidation
Shareholders' Equity			
1	Called up share capital	242,000	242,000
2	Share premium	24,228	24,228
3	Fair value reserves	69	69
4	Retained earnings	116,007	116,007
5	Total shareholders' equity	382,304	382,304

2.4 ICAAP and Capital Management – (Disclosure OVC)

FirstBank UK mitigate capital risk through its comprehensive Capital Adequacy Framework, which includes policies, strategic planning, limit setting, continuous monitoring, and stress testing. Central to this framework is the ICAAP, which is updated annually and serves as the foundation for the SREP discussions with the PRA. These discussions culminate into the final determination of the Total Capital Requirement (TCR). The PRA-prescribed TCR represents a point-in-time assessment of the minimum capital the PRA expect an entity to hold. The UK CRD IV capital requirements for FirstBank are calculated and disclosed in accordance with the risk-based approaches described in the table below.

Risk Type	Approach
Credit Risk	Standardised Approach
Counterparty Credit Risk (Derivatives)	Standardised Approach for Counterparty Credit Risk (SA-CCR)
Operational Risk	Basic Indicator Approach
Market Risk	Standardised Approach

FirstBank UK endeavours to maintain sufficient capital resources to support its current business and growth aspirations. Its capital adequacy target is approved annually by the Board, with ongoing monitoring and reporting of changes to the capital forecasts by management. The Board considers the need to change capital forecasts and plans based on these reviews.

In addition to capital adequacy reporting to the PRA, an internal capital adequacy calculation is performed and reviewed at least weekly by executive management and quarterly by the Board, to assess the Bank's capital adequacy and to determine the levels of capital required to support current and future risks in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the PRA.

Stress Testing

The Bank performs comprehensive stress tests which includes credit risk, market risk, operational risk, business risk, and liquidity risk, serves as a crucial management tool. It provides a forward-looking perspective on its capital adequacy and liquidity position in relation to business performance. The stress tests cover the risks to which the Bank is exposed under a range of scenarios. Capital adequacy stress tests, for example, based on the macro-economic scenarios analyse the impact on both credit and market risk exposures.

Stress testing and scenario analysis are crucial parts of the bank's ILAAP, ensuring the adequacy of liquidity resources. The main objectives are to determine the necessary liquidity for severe stress events, support liquidity planning, explore funding sensitivities, and assess future liquidity needs. The primary goal is to establish the amount of liquidity needed to withstand extreme but plausible stress scenarios, forming the basis of the Bank's Risk Appetite. This process is supported by a firm-wide stress testing framework. The liquidity stress testing is conducted annually as part of the ILAAP and as part of weekly reporting to senior management and monthly to ALCO. Capital adequacy stress tests are performed yearly as part of the ICAAP process and more frequently as needed, including periodic ad-hoc stress tests requested by the Management Committee or ALCO.

The detailed results of stress tests, including the impact on the Bank's capital requirement, capital resources, and profitability, are presented to ALCO, while summary results are shared with the Management Committee. Stress testing is used to guide strategy and medium-term planning.

Additionally, the Bank's risk management process aligns with regulatory requirements, including conducting annual reverse stress testing. This involves reviewing scenarios that could lead to insolvency and determining how to mitigate such situations.

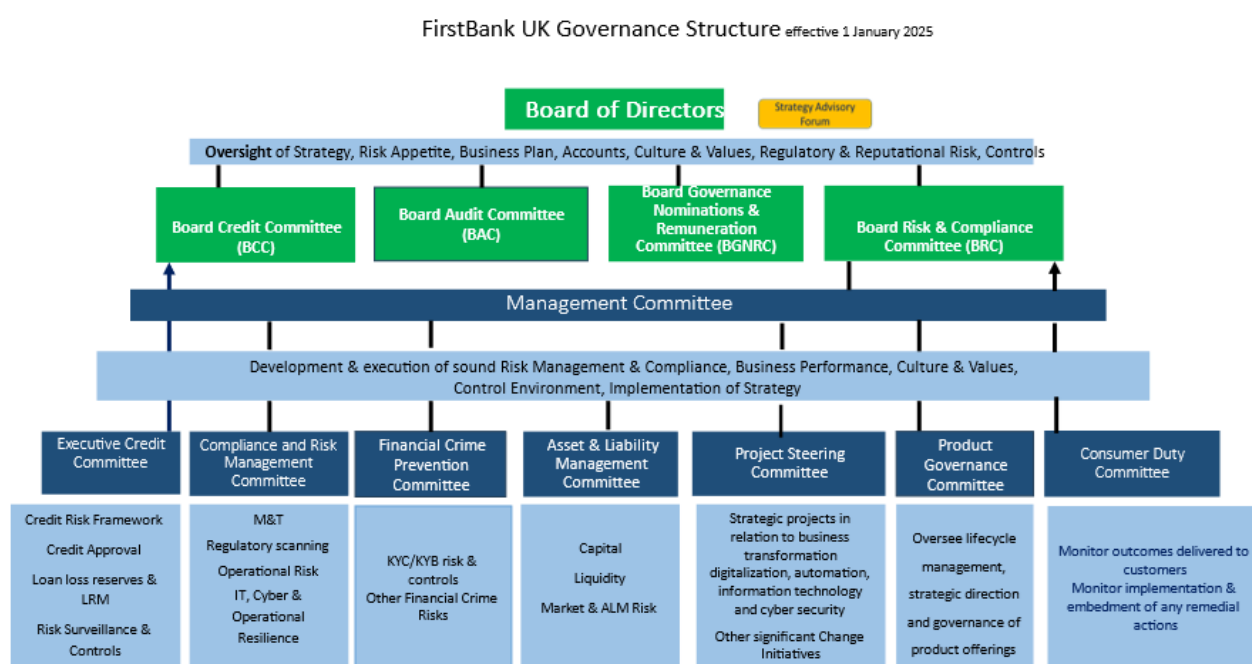
3 Risk Management and Governance – Disclosure OVA

The Board sets the overall risk strategy for the Bank, including frameworks for risk management and control, policy approvals, and governance terms. It is responsible for managing the Bank, including its offices in France and Nigeria, and for establishing and monitoring the corporate governance framework. The Board also determines the Bank's strategic direction and Risk Appetite. It meets at least quarterly and ad hoc basis as the need may arise. Day-to-day management is delegated to the Bank's Management Committee, which comprises the Chief Executive Officer, Executive Director-Business Development, Executive Director/Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, Head of Compliance, Money Laundering Reporting Officer and other senior managers who attend its formal meetings.

The Board is supported by four committees, with a formal structure and terms of reference maintained centrally. Any changes are approved by the Board. Information flows to the Board through this hierarchy.

The Bank's risk management and internal control systems are monitored at the Board level, with reviews incorporating all material controls, including financial, operational, and compliance controls.

Diagram 1 - Corporate Governance Arrangements



3.1 Governance Committees

The main roles and responsibilities of the committees shown in the above diagram are as described in the table below:

Constitution and Responsibilities of Board and Management Committees			
Committee	Voting Members	Responsibilities	Frequency of Meetings
Board Risk and Compliance Committee (BRCC)	Composition: 3 Members There are 2 Independent Non-Executive Directors, one of whom chairs the meeting and 1 Non-Executive Director.	BRCC is a standing Board Committee made up of Independent Non-Executive Directors and Non-Executive Directors of the Bank. It assists the Board with responsibilities related to the Bank's risk management, compliance with legal and regulatory requirements, and oversight of whistleblowing arrangements.	Minimum Quarterly
Board Credit Committee (BCC)	Composition: 4 Members There are 3 Independent Non-Executive Directors, one of whom chairs the meeting and 1 Non-Executive Director.	BCC is a standing Board Committee established to assist the Board in fulfilling its responsibilities concerning the regular review and approval of credit applications and related credit risk policies, ensuring alignment with prescribed guidelines and established limits. The BCC has the authority to make credit decisions within its delegated authority level.	Minimum Quarterly
Board Governance Nominations & Remuneration Committee (BGNRC)	Composition: four members There are 3 Independent Non-Executive Directors, one of whom chairs the meeting and 1 Non-Executive Director.	BGNRC is a standing Board Committee that assists the Board in addressing remuneration and HR policies, capital expenditure, nominations to the Board, and improving the Bank's governance by continuously assessing its corporate governance approach.	Minimum Quarterly
Board Audit Committee (BAC)	Composition: 3 Members There are 2 Independent Non-Executive Directors, one of whom chairs the meeting and 1 Non-Executive Director.	BAC is a standing Board Committee that assists the Board in overseeing the integrity of the Bank's financial statements and reporting process, the independence and effectiveness of the Bank's external and internal audit functions, and the Bank's system of internal financial controls, accounting, and operating procedures.	Minimum Quarterly

Executive Management Committees

Committee	Voting Members	Responsibilities	Frequency of Meetings
Management Committee	CEO (Chair) DCEO/CFO EDBD CRO COO Head of Compliance MLRO Head of HR (non- voting) Head of Legal (non- voting) Head of CCBM (non- voting) Head of Internal Audit (Observer) (non- voting)	Management Committee is accountable for implementing the business and operational strategies established by the Board and oversees the overall governance and management, strategy and business performance, risk management, regulatory issues, and financial performance of the Bank.	Minimum Monthly (up to ten meetings in a year)
Asset & Liability Committee (ALCO)	CEO (Chair) DCEO/CFO EDBD CRO Head of Finance Head of Treasury	ALCO has overall responsibility for managing the Bank's balance sheet within the defined risk/return preferences set by the Board. It seeks to provide the Bank with the ability to assess current asset and liability management direction and balance sheet structure.	Monthly
Compliance and Risk Management Committee (CARMCO)	CRO & Head of Compliance (Co-Chairs), MLRO COO Head of Operational Risk Head of Corporate Banking Head of Institutional Banking Head of Private Banking Head of Finance	CARMCO has general risk and control responsibilities across all risk domains excluding credit, market, liquidity, and capital risk related issues. Duties include to protect the Bank from reputational damage, financial loss or regulatory penalties by ensuring appropriate conduct by all employees with the interests of the client and market integrity, and robust financial crime prevention, in particular money laundering, terrorist financing, bribery and corruption and sanctions violations.	Monthly
Executive Credit Committee (ECC)	CEO (Chair) CRO DCEO/CFO EDBD Head of Credit Risk Head of Portfolio Management & Control	ECC reviews sanctions or declines credit applications within its level of authority. Makes recommendations to the BCC and Board.	Weekly or as necessary

Project Steering Committee (PSC)	COO Head of BTO Head of Operational Risk Chief Technology Officer Head of Finance Head of Operations	PSC has responsibility for bringing to fruition strategic projects in relation to business transformation digitalization, automation, information technology and cyber security plus other significant change Initiatives.	Monthly
Financial Crime Prevention Committee (FCPC)	EDBD (Chair) CEO MLRO Deputy MLRO	FCPC is an ad-hoc committee set up to provide a dedicated governance forum for the assessment of financial crime risks while overseeing the quality of the assessment process and effectiveness of controls to mitigate risks.	Fortnightly or as necessary
Consumer Duty Committee (CDCO)	CEO (Chair) EDBD DCEO/CFO COO	CDCO provides oversight on how the firm is delivering good customer outcomes and monitors identified enhancements required to deliver good customer outcomes, as defined in the Bank's Good Outcomes Statement.	Monthly
Product Governance Committee (PGC)	EDBD (Chair) DCEO/CFO COO	PGC oversees the management and strategic direction of the firm's product offerings and is instrumental in ensuring the delivery of high-quality products while mitigating risks and aligning with strategic objectives.	Monthly

3.2 Board of Directors

The Board of Directors of the Bank holds the ultimate responsibility for ensuring the Bank's capital and liquidity adequacy. The Board of the Bank encompasses a diverse range of experience and knowledge to provide the appropriate level of expertise for the Bank's management. The Board has the key function of oversight and challenging the Bank's executive management to ensure effective decision making and that the interests of all stakeholders are considered.

As of 31 December 2024, the Board includes four Independent Non-Executive Directors (including the Chair), two Non-Executive Directors, and three Executive Directors: the Chief Executive Officer, the Chief Financial Officer, and the Executive Director of Business Development.

Name	Role	No of Directorships
Mr. Andrew Alli	Chairman, Independent Non-Executive Director	6
Mr. Jeremy Patrick Stewart Crawford CB	Independent Non-Executive Director	4
Ms. Mfon Akpan	Independent Non-Executive Director	2
Dr. Catherine Raines	Independent Non-Executive Director	2
Mr Oluwatosin Adewuyi	Non-Executive Director	1
Mr. Olusegun Alebiosu	Non-Executive Director	4
Mr. Olukorede Adenowo	Chief Executive Officer	3
Mr. Olalekan Adelekan	Executive Director Business Development	2
Mr. David Tunde Davis	Executive Director, Chief Financial Officer	3

3.3 Risk Management and Governance Tools

To ensure that all significant risks facing the Bank are properly identified, understood, and managed in line with the Bank's Enterprise Risk Management Framework (ERMF), the Bank has implemented various activities, tools, techniques, and organizational structures. This approach helps the Bank maintain financial stability, achieve strategic goals, and respond to new business opportunities.

The key principles of ERMF are:

- Upholding sound risk management as the foundation of a long-term business and financial sustainability.
- Maintaining robust risk management as the foundation for long-term business and financial sustainability.
- Making business decisions based on a thorough understanding of risks and balancing risks and rewards appropriately.
- Sharing responsibility for risk management across FirstBank UK's three lines of defence.
- Being selective in undertaking activities that could cause significant adverse reputational risk impact.

Risk Governance

The Bank's Management and Board of Directors are committed to operating within a robust corporate governance environment. The principles that guide the Bank's risk management strategy are:

- The Board is responsible for setting risk appetite and an appropriate 'tone from the top.'
- The Bank has a robust Risk Taxonomy and Risk Appetite Framework, which is supported by an approved set of metrics; and regular reports are presented to relevant governed forums.
- Stress tests and scenarios analysis are performed on a regular basis to check whether the Bank remains sustainable during extreme economic and/ or idiosyncratic conditions.
- The remuneration strategy is designed to promote fair customer outcomes and prudent decision-making within risk tolerance and ensure that Bank employees are not excessively rewarded for increasing revenues and/or profits.

During the period under review, the Bank adhered strictly to the Board's approved Risk Appetite Statement and continuously reviewed its risk management approach to ensure that it remains viable even in the event of a plausible but severe adverse economic downturn and/or idiosyncratic conditions.

Risk Appetite

The Bank's Risk Appetite is defined as the type and amount of risk that the Bank is willing to take in the pursuit of its strategic objectives. The Bank translates its Risk Appetite into risk appetite statements which are cascaded through tolerances and early warning indicators. These tolerances are, in turn, prescribed by means of limits which are specified within the Bank's Policies & Procedures. Compliance is measured and monitored regularly to ensure that the Bank's risk profile remains aligned with its Risk Appetite and that remedial actions are enacted through risk governance mechanisms when deviations are observed. The Risk Appetite Statement (RAS) forms part of the risk policies to guide day-to-day decision-making with a hierarchy of metrics as follows:

- High level expression of the Bank's Risk Appetite.
- Lending policies.

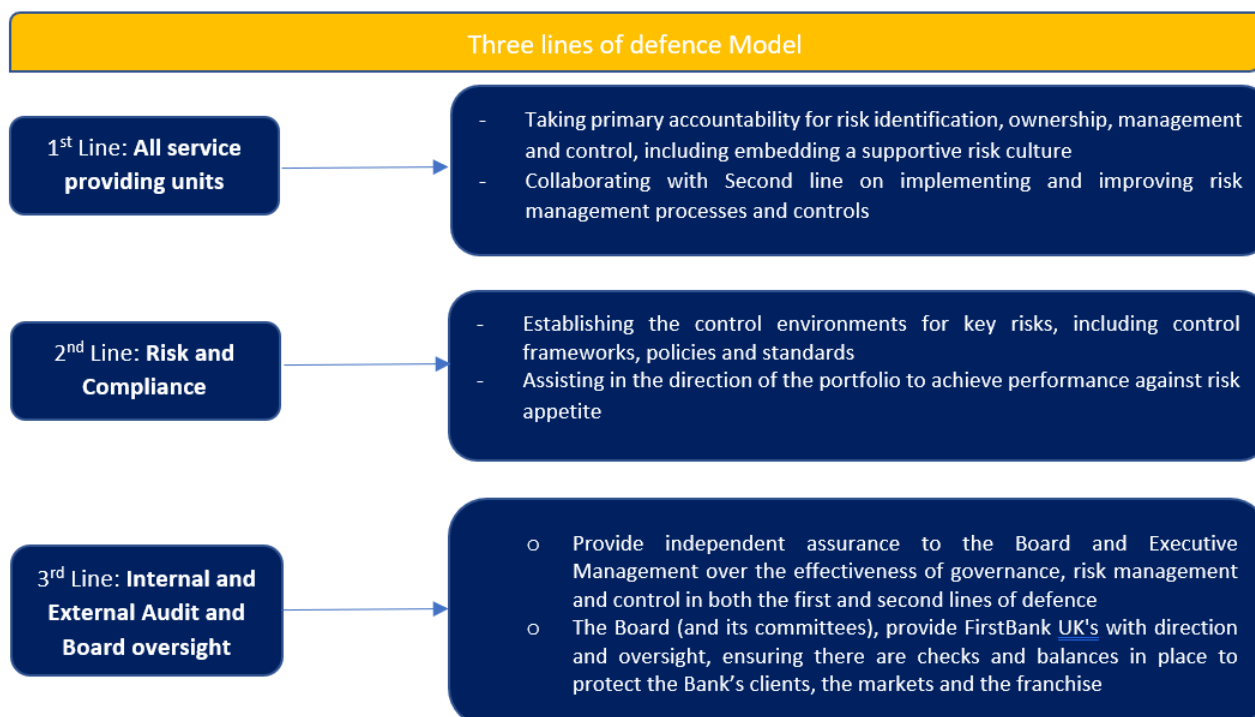
- Supporting metrics to guide decision-making by Management Committee and the Board.
- Operational metrics to support day-to-day decision making by line managers.
- Detailed tactical and operational metrics with defined target and tolerance ranges, along with potential mitigating actions to be taken in the event of a breach.
- All primary risk monitoring is conducted via Risk Appetite metrics or key risk indicators.
- Regular review of metrics by committees.

Three Lines of Defence Model

FirstBank UK recognises and promotes the importance of internal controls in accordance with the practice of the 'three lines of defence' model, including the business unit, oversight unit and audit unit. These three units work together as follows:

- Business/functional unit (first line of defence): The Business unit has ownership of, and accountability for, risks and controls, and is responsible for identifying and managing risk. There is an internal separation of duties between operators and supervisors.
- Oversight unit (second line of defence): The Chief Risk Officer (CRO), the Head of Compliance and the MLRO, supported by their staff, advise, monitor and test the activities of the business units and assess and report on whether the business units comply with relevant laws, regulations and the Bank's policies and procedures; and
- Audit unit (third line of defence): Internal auditors are responsible for assessing the adequacy of internal controls and providing advice to the Board to ensure that the Bank has effective internal control systems.

Diagram 2 – The three lines of defence model



Risk Control Systems

The Bank's risk management and internal control systems are designed to identify, manage, monitor, and report on the risks the Bank faces. The BRCC and BAC (previously BARAC – Board Audit and Risk Assessment Committee) regularly reviewed the effectiveness of these internal controls during the period under review. These reviews were primarily based on reports from Finance, Risk, Compliance, Operations, Human Resources, and Internal Audit, aiming to provide reasonable assurance against the risk of material misstatement or loss. When improvements in controls are identified, recommendations are tracked for closure, with progress reports submitted to BRCC and BAC.

Risk Culture

Risk culture can be defined as "what people do when no one is looking." Promoting behaviours that strengthen the Bank's robust risk culture is crucial for the successful implementation of the risk framework. The management and Board support a culture where the first line of defence owns risks, while the second and third lines provide varying levels of oversight. The Bank maintains a strong risk culture through various management actions, including setting the tone from the top, ensuring accountability, effective communication, mandatory conduct risk and compliance training, and appropriate performance incentives.

3.4 Risks – (Disclosure OVA)

The ERMF identifies nine principal risks namely: strategy risk, credit risk, market risk, capital risk, liquidity risk, operational risk (including resilience, cyber and model risks), regulatory risk (including financial crime and conduct), reputation risk and climate risk. Each of the principal risks is overseen by an accountable executive within the Bank who is responsible for overseeing and/or assigning responsibilities for the framework, policies and standards that set out associated responsibilities and expectations and detail the related requirements around risk management. In addition, certain risks span across more than one principal risk. In the following sections, we outline the principal risk types that FirstBank UK actively monitors and manages as part of our risk management framework.

1. Strategic Risk	
Accountability: CEO, all management executives	
Risk definition (description of risk)	Risk Impact (potential impact of the risk on the business)
Strategic risk arises from the potential failure to meet strategic goals or objectives due to poor business and strategic decisions, inadequate execution, or failure to respond to changes to the market conditions. This may include risks arising from digital transformation initiatives and banking services that could be significantly disrupted by technological advances. Ineffective strategic risk management can lead to monetary loss, reduced competitive advantage, regulatory scrutiny, or reputational damage.	The Bank could be adversely impacted if the strategy and decisions are poorly executed or if the strategy does not effectively respond to changes in the regulatory, macroeconomic, or competitive environments in the geographic locations in which we operate. The failure of the Bank's business to meet the expectations of its clients and customers, whether due to general market conditions, underperformance, a decision not to offer a particular product or service, changes in client

	expectations or other factors could affect the Bank's ability to attract or retain clients. Any such impact could in turn reduce the Bank's revenues and in extreme cases, it may jeopardise the Bank's long-term sustainability.
Risk exposures (exposure to the risk) FirstBank's exposure to strategic risk stems from several factors, including: <ul style="list-style-type: none"> - A deterioration in the macroeconomic conditions of its key markets may result in (among other things) deteriorating business and growth which may in turn lead to lower client and customer activity, higher default rates as borrowers struggle with debt commitments, mark to market losses in the trading portfolio and the underlying value of assets in the banking book and securities held for liquidity purposes. - An escalation in geopolitical tensions or increased use of protectionist measures such as reciprocal import tariffs between the US and other countries e.g. China could lead to supply chain risks and inflationary impacts in our key markets, rapidly changing regulations and ensuring systems are updated to comply with new regulations and disruption to financial operations thereby reducing the Bank's opportunities and performance. - Ineffective strategic adoption of technology or cybersecurity weaknesses could hinder operational efficiency, customer experience and competitive positioning. 	Risk measurement (how the risk is measured) The Bank applies a multi-pronged approach to measure its strategic risk: <ul style="list-style-type: none"> • Financial Risk Indicators: Early warning indicators measurements like return on capital, return on assets and operational risk losses are monitored to identify potential risks that could derail the Bank's strategy. • Scenario Analysis: Different potential scenarios are analysed to assess the Bank's resilience to various challenges and opportunities. • Stress testing: The Bank's financial models are subjected to stress tests to gauge its ability to withstand adverse economic conditions.
Risk mitigation (mitigating strategies to monitor the risk) The Bank proactively employs various strategies to mitigate its strategic risk: <ul style="list-style-type: none"> • Robust strategy development process: A well-defined and comprehensive process, involving all relevant stakeholders, ensures that the strategy is aligned with its purpose, vision, and values. • Clear strategic objectives: Measurable and realistic objectives ensure that the Bank focuses its resources on achieving its desired outcomes. • Effective strategy execution capabilities: Strong governance structures and skilled staff ensure that the strategy is effectively implemented. 	Risk monitoring (how the risk is monitored) The Bank continuously monitors its strategic risks through various mechanisms: <ul style="list-style-type: none"> • Executive Management and Board oversight: Regular reporting and discussion of strategic risks ensure that they remain a top priority for senior management and the Board. • Performance dashboards: MI and insights into key metrics enable the Bank to track progress and identify potential issues. • Risk assessments: Regular reviews via stress testing and scenarios to help identify and address vulnerabilities in the strategy.

	<ul style="list-style-type: none"> Continuous monitoring and evaluation: Regular reviews of the strategy and performance ensure that it remains relevant and effective in the evolving environment.
2. Credit Risk	
Accountability: Executive Director, Business Development, CRO	
Risk definition (description of risk) Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. It is created when the Bank commits to, or enters, an agreement with a borrower or counterparty.	Risk Impact (potential impact of the risk on the business) The crystallisation of credit risks could have significant negative impacts on the Bank's business, including: <ul style="list-style-type: none"> Revenue loss: reduced income from loan repayments due to defaults. Extended exposure to high-risk sectors or clients could strain capital reserves and earnings. Liquidity constraints: Impaired ability to meet short-term and long-term financial obligations. Diminished profitability: The additional expected credit loss provision negatively impacts profit due to a significant rise in credit risk, driven by loan defaults that reduce available funds for trading and lending. Cost of litigation and loan recovery: Cost incurred on court cases arising from recovery activities. Regulatory scrutiny: sustained credit losses could lead to heightened supervisory scrutiny. High default rates: may erode customer and counterparties confidence, particularly our correspondent and nostro banks.
Risk exposures (exposure to the risk) Credit risk is impacted by a few factors outside the Bank's control including wider economic conditions. The individual borrower creditworthiness and loan portfolio composition significantly affects the overall portfolio risk. Also, unexpected events like natural disasters, industry disruption, or individual borrower-specific challenges, particularly in periods of economic downturn, market volatility or currency fluctuations can increase the risk of individual loan defaults and impact borrower repayment capacity.	Risk measurement (how the risk is measured) The Bank measures its credit risk exposure through various key risk indicators (KRIs), including: <ul style="list-style-type: none"> Non-performing loan ratio measures the percentage of outstanding loans that are overdue by more than a specified period (e.g., 90 days) to total portfolio size. Cost of risk represents the annualised expenses incurred due to the potential

	<p>risk the Bank may incur on its risk assets portfolio, expressed as a percentage of average gross loans.</p> <ul style="list-style-type: none"> Weighted average risk rating (WARR): Assigns risk ratings to loan categories based on their perceived default probability, providing an overall portfolio risk assessment. Concentration Risk: The parameters for measuring concentration risk include sector limit, large exposures, and country limits.
<p>Risk mitigation (mitigating strategies to monitor the risk)</p> <ul style="list-style-type: none"> Management of concentration risks by country, sector, and single obligor. Consistent application of sound credit underwriting principles. Strict adherence to credit risk policies and procedures. Operating within well-defined delegated approval authorities. Regular monitoring of portfolio performance and risk appetite metrics. Sound transaction structures, including those secured by physical and financial collateral. Robust credit portfolio management, with a strong early-warning framework to identify early warning signals. Timely recognition of expected credit losses under the Impairment policies. Effective loan restructuring and workout strategies proactively collaborating with borrowers. 	<p>Risk monitoring (how the risk is monitored)</p> <p>A comprehensive approach is adopted to monitor credit risk throughout all three lines of defence:</p> <p>First Line:</p> <ul style="list-style-type: none"> Relationship Managers and Business Managers actively monitor borrowers' financial performance, loan covenants, and adherence to loan terms. Early warning risk framework supports the tracking of triggers such as changes in borrower financial performance, industry trends, or macroeconomic conditions, to identify potential early signs of stress. <p>Second Line:</p> <ul style="list-style-type: none"> The Credit Risk Management department independently assesses the effectiveness of credit risk policies and procedures, conducts portfolio reviews, and validates credit assessments made by the first line. Stress testing and scenario analysis are performed to assess the Bank's vulnerability to potential risk events and inform timely adjustments to risk management strategies. <p>Third Line:</p> <ul style="list-style-type: none"> Internal Audit regularly reviews the Bank's credit risk management practices and systems to ensure compliance with regulatory requirements and best practices. The Board of Directors and Senior Management receive regular reports on credit risk metrics and exposure levels to make informed decisions and provide strategic guidance.

3. Market Risk	
Accountability: Chief Financial Officer, CRO	
Risk definition (description of risk) <p>The risk of loss arising from changes in the actual or effective value or earnings of a portfolio of financial instruments is caused by adverse movements in market variables such as interest, currency exchange rates, credit spreads, and implied volatilities. A disruptive adjustment to higher or lower interest rate levels and deteriorating trade and geopolitical tensions could heighten market risks for the Bank.</p> <p>A prolonged period of elevated asset price volatility, scenario could impact the Bank's ability to execute client trades and may also result in lower client flow-driven income and/or market-based losses on its existing portfolio of assets.</p>	Risk Impact (potential impact of the risk on the business) <ul style="list-style-type: none"> Financial losses: Reduced income, impairments of interest-rate sensitive instruments, write-downs of asset values, and deterioration of profitability ratios i.e., return on equity. Capital erosion: Increased provisions for potential losses, impacting capital adequacy ratios.
Risk exposures (exposure to the risk) <ul style="list-style-type: none"> Interest rate risk: The Bank's exposure to changes in interest rates, especially on fixed-income securities and loans. Foreign exchange risk: The Bank's exposure to fluctuations in foreign exchange rates. 	Risk measurement (how the risk is measured) <ul style="list-style-type: none"> Value at Risk quantifies the potential loss in portfolio value over a specified time horizon with a given confidence level. Sensitivity analysis assesses the impact of changes in individual market variables on portfolio value. Stress testing simulates extreme market scenarios to evaluate portfolio resilience. Credit Spreads risk simulates the difference between the yield of a corporate bond and a risk-free benchmark rate.
Risk mitigation (mitigating strategies to monitor the risk) <ul style="list-style-type: none"> Matching the interest rate structure of assets and liabilities, thereby creating a natural hedge Maintaining a tight limit for interest rate risk (both upside risk and downside risk), in line with our risk appetite. Careful management of the pricing and repricing profile of assets and liabilities. Hedging of cost to manage volatility in earnings arising from FX risk. Market risk techniques, such as value-at-risk limits, stop losses limits, duration risk and counterparty risk limits, are monitored to ensure tight control. Active monitoring of market conditions and timely adjustments to portfolios and risk exposures based on market movements. 	Risk monitoring (how the risk is monitored) <ul style="list-style-type: none"> The Bank has established policies and procedures that are regularly reviewed and updated to control market risk. The Bank's Asset & Liability Committee meets regularly to review assets and liability positions that give rise to market risk and to take remedial action in line with the risk appetite or other triggers. The Bank employs a comprehensive market risk monitoring framework across the three lines of defence.
4. Capital Risk	

Accountability: Chief Financial Officer	
Risk definition (description of risk) <p>The risk that the firm has a sub-optimal quantity or quality of capital or that capital is inefficiently deployed across the Bank.</p>	Risk Impact (potential impact of the risk on the business) <p>Inadequate capital can have significant risk impacts on FirstBank UK, affecting its financial stability, regulatory compliance, and overall reputation. The key risk impacts include:</p> <ul style="list-style-type: none"> • Financial stability due to increased vulnerability to losses and liquidity issues. • Failure to meet regulatory capital requirements could lead to increased scrutiny and additional reporting requirements impacting its operations and reputation. • Reduced lending capacity due to inability to support business growth and thereby impacting profitability.
Risk exposures (exposure to the risk) <ul style="list-style-type: none"> • Increased vulnerability to macroeconomic downturns or financial crises as this could potentially erode capital buffers due to increased credit losses and reduced profitability. • A rise in non-performing loans or defaults could increase provisioning requirements, reducing available capital, and impacting profitability. • Adverse movements in bonds or foreign exchange could lead to investment losses, affecting capital adequacy and earnings stability. • Poorly executed strategies could strain capital reserves and expose the Bank to financial instability. • Litigation costs or unexpected operational failures could result in substantial financial losses. 	Risk measurement (how the risk is measured) <ul style="list-style-type: none"> • Capital adequacy ratio which ensures the Bank maintains sufficient capital buffers relative to risk exposure. • Leverage ratio which assesses the Bank's capital strength relative to its total exposure, including off-balance sheet items. • Capital stress test models and scenario analysis to quantify the capital required to absorb unexpected losses.
Risk mitigation (mitigating strategies to monitor the risk) <ul style="list-style-type: none"> • Regular Stress Testing: the Bank conducts stress tests to evaluate its capital adequacy under different scenarios and ensure it can withstand adverse conditions. • Capital Planning: a robust capital planning processes is in place to ensure sufficient capital reserves are available to meet regulatory requirements and support business growth. • Strong risk management practices are implemented to identify and address potential capital deficiencies. 	Risk monitoring (how the risk is monitored) <ul style="list-style-type: none"> • Conducting periodic internal capital adequacy assessment process to assess capital sufficiency under normal and stressed conditions. • Performing stress tests based on severe but plausible economic and financial scenarios. • Monitoring risk weighted asset levels and adjusting capital strategies in response to changes in asset risk profiles.

	<ul style="list-style-type: none"> Forecasting future capital requirements based on business growth and strategy. Board and senior management oversight.
5. Liquidity Risk	
Accountability: Chief Financial Officer	
Risk definition (description of risk) Liquidity risk is the inability to meet expected or unexpected cash flow needs while continuing to support our business, clients, and customers under a range of economic conditions.	Risk Impact (potential impact of the risk on the business) <ul style="list-style-type: none"> Reputational damage due to loss of customer confidence and withdrawal of deposits. Funding difficulties due to inability to access funding. Regulatory sanctions due to non-compliance with liquidity requirements. Insolvency: Inability to meet financial obligations, potentially leading to bankruptcy.
Risk exposures (exposure to the risk) <ul style="list-style-type: none"> Asset-liability mismatches: Mismatch between the maturities of assets and liabilities, creating potential liquidity gaps. Concentration of funding sources: Reliance on a limited number of depositors or funding providers. Market disruptions: External events that impair access to funding markets. 	Risk measurement (how the risk is measured) <ul style="list-style-type: none"> LCR: Measures the Bank's ability to meet its short-term liquidity needs under a 30-day stress scenario. NSFR: Assesses the Bank's long-term funding stability over a one-year horizon. Asset/Liability Mix
Risk mitigation (mitigating strategies to monitor the risk) <ul style="list-style-type: none"> Diversification of funding sources: Securing funding from a variety of sources and markets. Asset-liability management (ALM): Matching the maturities of assets and liabilities to reduce liquidity gaps. Holding adequate liquid assets: Maintaining High Quality Liquid Asset portfolio that can be easily converted to cash. Strict adherence to regulatory liquidity ratios: Complying with the LCR and NSFR requirements and other internal limits. Cash flow forecasting and monitoring: Initiative-taking management of liquidity positions and near-term funding needs and maintaining sufficient liquidity buffers to address unforeseen demands. 	Risk monitoring (how the risk is monitored) <ul style="list-style-type: none"> The Bank maintains a robust liquidity risk monitoring framework that encompasses all three lines of defense. Board and senior management oversight.

6. Operational Risk	
<p>This includes operational risk, operational resilience, cyber risk, and model risk.</p> <p>Accountability:</p> <p>Operational Risk: All management executives</p> <p>Operational Resilience: The Chief Operations Officer</p> <p>Cyber Risk: The Chief Operations Officer</p> <p>Model Risk: The Chief Financial Officer</p>	
<p>Risk definition (description of risk)</p> <p>Operational risk includes the consideration of operational resilience, cyber risk, and model risk. Operational risk is the risk that events arising from inadequate or failed internal processes, people, and systems, or from external events cause regulatory censure, reputational damage, financial loss, service disruption and/or detriment to the Bank's customers. The risks also include operational resilience and cyberattacks. Failure to build resilience and recovery capabilities into business processes, or into the services on which the Bank's business processes depend, may result in significant customer detriment, costs to reimburse losses incurred by the Group's customers and clients, and reputational damage. Cyberattacks continue to be a global threat inherent across all industries, with the number and severity of attacks continuing to rise. The financial sector remains a primary target for cybercriminals, hostile nation states, opportunists, and hacktivists. Model risk is the potential for adverse consequences from errors or the inappropriate use of outputs to inform business decisions.</p>	<p>Risk Impact (potential impact of the risk on the business)</p> <ul style="list-style-type: none"> Financial Losses: Resulting from fines, litigation, fraud, or operational disruptions. Reputational Damage: Erosion of customer trust and potential loss of business. Business Disruptions: Impaired services, productivity, and operational efficiency.
<p>Risk exposures (exposure to the risk)</p> <ul style="list-style-type: none"> Processing Errors: Mistakes in transaction processing, data entry, or other operational tasks can lead to financial losses and customer dissatisfaction. System Failures: Breakdowns or malfunctions in IT systems can disrupt banking operations and lead to significant losses. Human Errors: Errors made by employees, such as incorrect data input or failure to follow procedures, can result in operational failures. Internal Fraud: Fraudulent activities conducted by employees, such as embezzlement or unauthorized transactions, can cause substantial financial damage. External Fraud: Fraudulent activities by external parties, including cyber-attacks, phishing, and 	<p>Risk measurement (how the risk is measured)</p> <ul style="list-style-type: none"> Internal and external loss data collection and analysis provides meaningful information for assessing the Bank's exposure to operational risk, operational loss events occurring at other organizations and the effectiveness of internal controls. Risk Assessments and Risk Control Self-Assessments is used to evaluate inherent risk, control effectiveness, and residual risk environment for the Bank. Key Risk Indicators provide insight into the Bank's risk exposure. Scenario Analysis and Stress Testing is used by the Bank to understand how

<p>identity theft, can compromise the bank's security and lead to financial losses¹.</p> <ul style="list-style-type: none"> • Legal Claims: Lawsuits and legal disputes can arise from various operational issues, leading to financial and reputational damage. • Business Disruptions: Events such as natural disasters, pandemics, or geopolitical conflicts can disrupt business operations and impact the bank's ability to function effectively. • Regulatory Changes: Rapid changes in regulations can pose challenges for banks in maintaining compliance, leading to potential fines and penalties. • Sanctions Management: Managing sanctions, especially during geopolitical tensions, requires banks to quickly adapt to new regulations and ensure compliance. • Potential breach to consumer duty requirements if the identified risk exposures prevent the Bank from supporting the customer's financial objectives, avoiding foreseeable harm and failure to act in good faith. 	<p>various risk factors could affect stability and performance.</p> <ul style="list-style-type: none"> • Incident Logs and Loss Data Analysis is applied to identify patterns or recurring issues that highlight control weaknesses or process gaps. • Thresholds to measure maximum disruptions to important business services following which detriment could be caused to the client or customer.
<p>Risk mitigation (mitigating strategies to monitor the risk)</p> <ul style="list-style-type: none"> • The Bank has established policies, procedures, and controls to prevent operational risk events and model risks from arising. Operational resilience and consumer duty frameworks are also in place. • The Bank has a comprehensive risk and control self-assessment (RCSA) process to ensure that risks are identified and managed effectively. • Risk event recording is adopted including near-misses to ensure effective remediation, risk event profiles and identification of trends. • The Bank has set out the nature and level of operational risk considered acceptable (and unacceptable) within its risk appetite including by defining boundaries for business activities and behaviours and the setting of metrics to detect issues arising. 	<p>Risk monitoring (how the risk is monitored)</p> <p>The Bank adopts a three lines of defence model to manage and monitor its operational risk, resilience, cyber and model risks.</p>
<p>7. Regulatory Risk</p>	
<p>This includes financial crime and conduct risk.</p> <p>Accountability: Financial Crime risk – Executive Director, Business Development : Conduct Risk - CEO, all management executives</p>	

<p>Risk definition (description of risk)</p> <p>Regulatory risk is the risk that loss, financial, reputational, or otherwise, or a higher regulatory capital requirement may arise from the Bank failing to comply with regulation, its own internal policies and procedures and code of conduct. Regulatory risk includes financial crime and conduct.</p> <p>Financial Crime risk is the risk that financial, reputational, and other loss may arise from onboarding or transacting with clients, supporting the business of our clients and our own when in doing so we may be dealing with confirmed or suspected proceeds of crime. Financial Crime in relation to, but not limited to: Money Laundering, Terrorism Financing, Proliferation Financing, Sanctions, Bribery and Corruption, Facilitation of tax evasion.</p> <p>Conduct risk is the risk that detriment is caused to our clients, customers, markets or the Bank because of ill-designed products, processes, inappropriate judgement, intent to cause detriment, breach of regulatory reporting requirements or material negligence in the execution of our activities.</p>	<p>Risk Impact (potential impact of the risk on the business)</p> <ul style="list-style-type: none"> • Financial Losses: fines, penalties, compensation payments, legal fees, and potential loss of business opportunities. • Reputational Damage: loss of customer and stakeholder trust, and damage to brand value. • Operational Disruptions: difficulty attracting and retaining talent due to non-compliance with regulatory requirements. • Regulatory Sanctions: Suspension or revocation of licenses, restrictions on operations, and other enforcement actions.
<p>Risk exposures (exposure to the risk)</p> <ul style="list-style-type: none"> • Frequent changes and updates to regulations can increase the risk of inadvertent non-compliance. • Misinterpretation of regulatory requirements leading to potential non-compliance. • Delays in implementing new regulations can expose the Bank to the risk of non-compliance. • Failure to effectively communicate and train employees on regulatory requirements can increase the risk of non-compliance. 	<p>Risk measurement (how the risk is measured)</p> <ul style="list-style-type: none"> • The Bank conducts regular risk assessments to identify and evaluate potential regulatory risks. This involves analysing the impact of existing and new regulations on the Bank's operations. • Monitoring and testing assurance activities to ensure that the Bank adheres to regulatory requirements. These audits help identify areas where the Bank may be at risk of non-compliance. • Key Risk Indicators are metrics used to monitor regulatory risk exposure to provide early warning signs of potential regulatory issues.
<p>Risk mitigation (mitigating strategies to monitor the risk)</p> <ul style="list-style-type: none"> • Monitoring of regulatory developments through horizon scanning activity. • Engagement with regulators on key areas of focus. • Effective communication and training initiatives are employed, ensuring employees are kept informed about evolving regulations and their responsibilities in upholding compliance. 	<p>Risk monitoring (how the risk is monitored)</p> <p>The first Line are accountable for the overall assessment and management of regulatory risks in their business or function and are responsible for implementing the requirements outlined in the Financial Crime Risk Management Framework and Compliance Risk Management Framework. The second line oversees adherence to the frameworks and provide independent second line of defence oversight providing advice and</p>

<ul style="list-style-type: none"> Leveraging on technology and automation solutions to ensure compliance. 	challenge where appropriate. The third line provides assurance.
8. Reputational Risk	
Accountability: CEO, all management executives	
Risk definition (description of risk) Reputational risk is the risk that monetary loss or otherwise may arise from actions, transactions, investments, or events when it reduces the trust placed by clients, customers, regulators and the market in the Bank's integrity and competence.	Risk Impact (potential impact of the risk on the business) <ul style="list-style-type: none"> Financial Losses: decreased revenue, reduced customer base and confidence, increased funding costs, fines, and legal costs. Operational Disruptions: challenges in attracting and retaining customers, loss of key talent, and strained relationships with partners and suppliers. Erosion of Trust: Negative brand perception, diminished public confidence, and disengaged stakeholders. Increased regulatory scrutiny and restrictions on operational licenses.
Risk exposures (exposure to the risk) <ul style="list-style-type: none"> Customer complaints arising from poor customer service, unresolved complaints, and loss of customer trust. The Bank is required to act in good faith, avoid causing foreseeable harm, and support customers in pursuing their financial objectives. Failure to address customer complaints promptly and effectively can result in non-compliance with Consumer Duty Act requirements, exposing FirstBank UK to regulatory risk and reputational damage. Failure to comply with regulatory requirements can lead to fines and damage to the Bank's reputation. Non-compliance with the consumer duty standards can expose FirstBank UK to significant regulatory risk, leading to reputational damage. Data breaches and cyber-attacks can compromise clients and customer information, leading to reputational damage and potential legal liabilities. 	Risk measurement (how the risk is measured) <ul style="list-style-type: none"> Customer Satisfaction Surveys: Collecting feedback on customer experiences to gauge brand perception and identify service quality gaps. Employee Engagement Surveys: Assessing employee morale and identifying potential internal reputational risks arising from employee dissatisfaction. Tracking Regulatory Incidents and Complaints: Regularly reviewing customer complaints and compliance breaches to identify reputational risks early.
Risk mitigation (mitigating strategies to monitor the risk) <ul style="list-style-type: none"> A robust complaints management process which ensures resolution within required timeframes. 	Risk monitoring (how the risk is monitored) <ul style="list-style-type: none"> Robust monitoring and testing programs to ensure adherence to regulatory requirements and to avoid legal issues.

<ul style="list-style-type: none"> • A robust incident response framework to address and mitigate the impact of reputational risk events. This ensures that the Bank can respond quickly and effectively to issues, minimizing harm to customers and mitigating the overall impact of events that could harm the Bank's reputation. 	<ul style="list-style-type: none"> • Monitoring of media coverage, social media, and other channels to identify and address potential reputational risks early
9. Climate Change Risk	
Accountability: CEO, all management executives	
<p>Risk definition (description of risk)</p> <p>The Bank is exposed to climate change risk through two primary channels - Physical Risk and Transition risk. Physical risks from climate change arise in the form of frequent and/or severe weather events, such as heatwaves, floods, wildfires, and storms and in the long term by way of broader shifts in climate such as changes in precipitation and extreme weather variability, sea level change and rising average temperatures. Transition risks arise due to changes to the policies associated with transition to a net zero emissions economy, which will require significant structural changes to the economy. As part of the management of the financial risk arising from the climate change, various risks to which the Bank is exposed to needs to be quantified and managed for various climate change risk scenarios.</p>	<p>Risk Impact (potential impact of the risk on the business)</p> <ul style="list-style-type: none"> • Financial Losses: loss of business opportunities, and decreased access to funding due to non-compliance with regulations. • Reputational Damage: negative media coverage, decreased customer trust, and difficulty attracting and retaining talent due to unsustainable practices. • Business continuity issues arising from physical risks.
<p>Risk exposures (exposure to the risk)</p> <ul style="list-style-type: none"> • The Bank's borrowers could be potentially exposed to climate related disruptions such as extreme weather, flooding and wildfires which could impact their financial health thereby increasing default rates and non-performing loans especially in sectors vulnerable to environmental changes. • The Bank's trading and investment portfolio could face revaluation risks due to shifts in market preferences towards sustainable investments, carbon pricing or stranded assets in sectors affected by net zero transition policies. • Increasing regulations may potentially require FirstBank UK to increase capital buffers, adjust lending policies and improve ESG disclosures. • Delayed adaptation to the green economy, failure to innovate sustainable finance products 	<p>Risk measurement (how the risk is measured)</p> <p>Key measurement approaches include:</p> <ul style="list-style-type: none"> • Scenario analysis and testing to assess potential financial losses under various climate scenarios which include extreme weather events, carbon tax increases etc. • Carbon footprint – the Bank is actively monitoring its scope 1, 2 and 3 emissions with a view to baselining the data such that net zero targets can be set and tracked. • The Bank has aligned its disclosure requirements with the Task Force on Climate-related Financial Disclosures (TCFD) and PRA stress test requirements. • Climate risk is monitored through the ICAAP process and sector risk exposure analysis is conducted to identify high risk sectors.

or misalignment with global climate policies could weaken the Bank’s position, profitability, and growth potential.	
Risk mitigation (mitigating strategies to monitor the risk) <ul style="list-style-type: none">• The Bank applies TCFD principles to meet disclosure requirements• Climate change risk has been integrated into the Bank’s Risk Management Framework and processes, including loan approvals, portfolio monitoring and reporting.• Periodic climate change stress testing and scenario analysis are conducted to understand the potential impact of extreme weather events and transition risks.• Climate risk governance and oversight on climate related financial risks have been enhanced, integrating the considerations into the Bank’s business decisions and strategy.	Risk monitoring (how the risk is monitored) <ul style="list-style-type: none">• The Bank’s Climate Change Risk Framework provides the platform to identify, manage, monitor, and mitigate risks arising from climate change risks.• Annual risk assessments are conducted to measure the impact of climate change risk.• Climate risk is integrated cross-functionally into other risk types.

4 Remuneration

The Bank recognises the vital role our people play in delivering on our strategic objectives. We are committed to fostering a culture rooted in integrity and responsibility—doing the right thing for our customers, shareholders, and the communities we serve. Our corporate values—working together, being inclusive, thinking big and making it happen, taking ownership, and showing we care—guide our actions and decisions. We reward performance through a balanced and holistic approach that reflects both individual contribution and collective success.

For the year ended 31 December 2024, the current remuneration guidance for the Bank is based on the PRA Rulebook, the PRA Supervisory Statement – SS2/17 on Remuneration as updated in December 2023, SYSC 19D and the FCA statement on dual regulated firms. The Bank is classified as an unlisted ‘Other’ category firm, and as a Proportionality Level 3 firm, and has followed the Regulator’s guidance on materiality and proportionality. Disclosures are required in line with Article 433c of the CRR as interpreted by PS22/21: Reporting and disclosure templates and instructions. This statement sets out the disclosures required as they apply to FirstBank UK.

The BGNRC oversees the implementation of the Remuneration Code, as outlined by the FCA and PRA, and conducts regular reviews to ensure the Bank’s ongoing compliance.

Responsibility for overseeing all remuneration matters within the Bank rests with the BGNRC, covering employees, Executive Management, and Board Directors. The BGNRC is composed of three Independent Non-Executive Directors and one Non-Executive Director. The Chief Executive Officer and the Head of Human Resources attend meetings by invitation. All Non-Executive Directors are considered independent of management and bring the expertise required to exercise sound judgement.

The BGNRC conducts regular reviews of the Bank’s remuneration policies to ensure alignment with the Remuneration Code. It has also approved the internal criteria for identifying Code Staff and ratified the 2024 Code Staff list.

The Bank operates a discretionary bonus plan designed to reward employees in a manner that supports our values and promotes responsible behaviour. The plan is reviewed annually to ensure it continues to reinforce a strong performance culture, individual accountability, and effective risk management, while also contributing to the Bank’s long-term success. It forms part of a competitive reward package aimed at attracting and retaining key talent. Although not mandated by the Remuneration Code, the Bank has voluntarily introduced a deferral component into the bonus structure for Material Risk Takers. This reflects our commitment to sound governance, ethical standards, and alignment with long-term value creation.

Bonus awards under the scheme are classified as ‘variable remuneration’ in accordance with the Remuneration Code. For the year ended 31 December 2024, the Bank generated a profit, enabling bonus funding, which was distributed in April 2025 in line with the rules approved by the BGNRC. The Bank does not offer guaranteed bonuses under its current discretionary bonus framework.

For 2024, the Board also approved discretionary ‘Long Term Incentive Plans’ for senior employees of the Bank which comply with the regulatory remuneration code. BGNRC has determined that these should vest after three years, subject to performance conditions being met, resulting in a vesting date of 2028.

In line with the Remuneration Code, the Bank is required to identify individuals in senior or key roles as 'Code Staff' or 'Material Risk Takers.' As of 31 December 2024, a total of 28 individuals were designated under this classification. This group included three Executive Directors, members of the Management Committee, and individuals in FCA investment advisory roles or other positions deemed appropriate under PRA and FCA guidelines. In accordance with regulatory expectations, Forty percent of the bonus remuneration awarded to these individuals was deferred over future years and remains subject to malus and clawback provisions.

The table below analyses the remuneration of the Material Risk Takers in accordance with clause (h) of CRR Article 450.

Table 7: REM1 -Remuneration for material risk takers

The disclosures items below relate to awards relating to the year 2024 but not necessarily paid in the year.

	Business	Support	Total
No. of Material Risk Takers during the year	8	20	28
Year Ending 31/12/2024	\$'000	\$'000	\$'000
Total fixed remuneration	1,925	3,164	5,089
Variable remuneration (cash)	801	901	1,702
Remuneration deferred to future years	478	601	1,079
Deferred remuneration from previous years	113	267	380
Long term incentive plan deferred to future years	233	324	557
Long term incentive plan payments relating to prior years	20	132	152
Discretionary pension contributions (ER)	0	0	0
Total	3,570	5,389	8,959
Variable remuneration as a % of total remuneration	22%	17%	19%

The Bank does not make discretionary pension payments and therefore does not benefit from the derogation for small CRR firms and small third country CRR firms.

Table 8: Remuneration

Remuneration for staff in control functions is independent to that of staff in the business units and is also reviewed by BGNRC.

Remuneration	Total Remuneration	Number of Employees as of 31 December 2024		
		Business	Support	Total
All Staff	\$32.9m	58	143	201