PILLAR 3 DISCLOSURES
31 DECEMBER 2024

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1. Introduction

1.1 Overview

This document provides the Pillar 3 disclosures required of Hampshire Trust Bank Plc and its subsidiaries (referred to in this document as 'the Group') as at 31st December 2024. The Group is authorised by the Prudential Regulation Authority ('PRA') and regulated by the PRA and the Financial Conduct Authority ('FCA').

1.2 Background

The Group is regulated under UK Capital Requirements Regulation (CRR) and the associated binding technical standards that were created by the European Union (Withdrawal) Act 2018. The CRR has subsequently been amended by several statutory instruments and is split across the Prudential Regulatory Authority (PRA) Rulebook and primary legislation.

The 2024 disclosures reflect the revised disclosure requirements applicable from 1 January 2022 following the UK implementation of CRR II.

The Basel framework consists of three 'pillars':

- **Pillar 1**: defines the minimum capital requirements that banks are required to hold for credit, market and operational risks.
- **Pillar 2**: this builds on Pillar 1 and requires each bank to perform an 'Internal Capital Adequacy Assessment Process' ('ICAAP') to assess its own risk profile and determine the level of additional capital required over and above Pillar 1 requirements, having regard to those risks. The amount of any additional capital requirement is also assessed by the PRA during its Supervisory Review and Evaluation Process ('SREP') and is used to determine the overall capital resources required by the Group.
- **Pillar 3:** aims to improve market discipline by requiring banks to publish information on their principal risks, capital structure and risk management.

1.3 Basis of disclosure

The purpose of these disclosures is to provide information on the management of risks faced by the Group and the basis of calculating capital requirements.

The disclosures in this report have been prepared as at 31 December 2024. They should be read in conjunction with the Group's 2024 Annual Report and Accounts ('the Annual Report and Accounts' or 'ARA'), approved by the Board on 25 April 2025.

The Group uses the Standardised Approach for credit risk, capital management and market risk. This approach uses standard risk weighting percentages set by the PRA. The Basic Indicator Approach is used for operational risk.

1.4 Scope

The monitoring and controlling of risk is a fundamental part of the management process. All senior management are involved in the development of risk management policies and in monitoring their application.

This document outlines the capital required under Pillar 1 and in accordance with Pillar 2, details specific risks which the Group faces, and how these risks are managed.

The Pillar 3 disclosures cover the Group as a whole, comprising of Hampshire Trust Bank Plc (HTB) and its subsidiaries. They are therefore prepared on the same basis as the Group consolidated accounts. HTB Group is defined as a small and non-complex institution as it meets all the conditions listed per Article 4 (145) of UK CRR II. Its disclosure requirements are therefore set out in Article 433b of the PRA Rulebook.

There are no current or foreseen material, practical or legal impediments to the transfer of capital resources or the repayment of liabilities among the parent undertaking and the Group.

The Group's Pillar 3 disclosure policy is considered annually to ensure that it remains appropriate in the light of new regulations and emerging best practice.

1.5 Media and location

Per the requirement in Article 434, the Pillar 3 disclosures document will be published on the Group's website at the same time as the Annual Report and Accounts. The Group's policy is to issue a Pillar 3 disclosures document on an annual basis unless circumstances necessitate additional disclosures. The document must be approved by the Audit Committee and the Board. Disclosures are prepared in conjunction with the preparation of the Annual Report and Accounts.

1.6 Verification

The Pillar 3 disclosure report is prepared in accordance with the Group's policy describing internal controls and processes around the preparation of this document.

These Pillar 3 disclosures have been prepared to explain the basis upon which the Group has prepared and disclosed certain capital requirements and information about the management of certain risks and for no other purpose. The disclosures have not been, and are not required to be, subject to independent external audit and do not constitute any part of the Group's financial statements.

2. Risk Management

2.1 Overview

The Group's approach to risk

Effective risk management plays a key role in the successful execution of the Group's business strategy as encapsulated within our overarching Risk Appetite Statement – "To run a sustainable, safe and sound business that conducts its activities in a prudent and reputable manner taking into account the interests of our customers and key stakeholders".

Risk Culture

The Board is responsible for setting the 'tone from the top' and ensuring that a strong risk culture exists across the Group. Senior Management will support this by leading in the implementation of the Risk Management Framework ("RMF"), ensuring that it is fully embedded with a strong focus on the adherence to risk appetite, monitored through its suite of risk metrics and key risk indicators. The Group uses a network of Risk Champions as departmental owners of risk related issues, providing training to other team members where required.

By taking a strategic, balanced approach to risk identification and subsequent management, the RMF's aim is to engage colleagues at all levels of HTB Group, promoting a deep understanding of the Group's approach to risk.

Risk Management Strategy

The development and implementation of the Group's Risk Management Strategy is the responsibility of the Chief Risk Officer (CRO), the Executive Management team and ultimately subject to Board approval. Our risk management strategy:

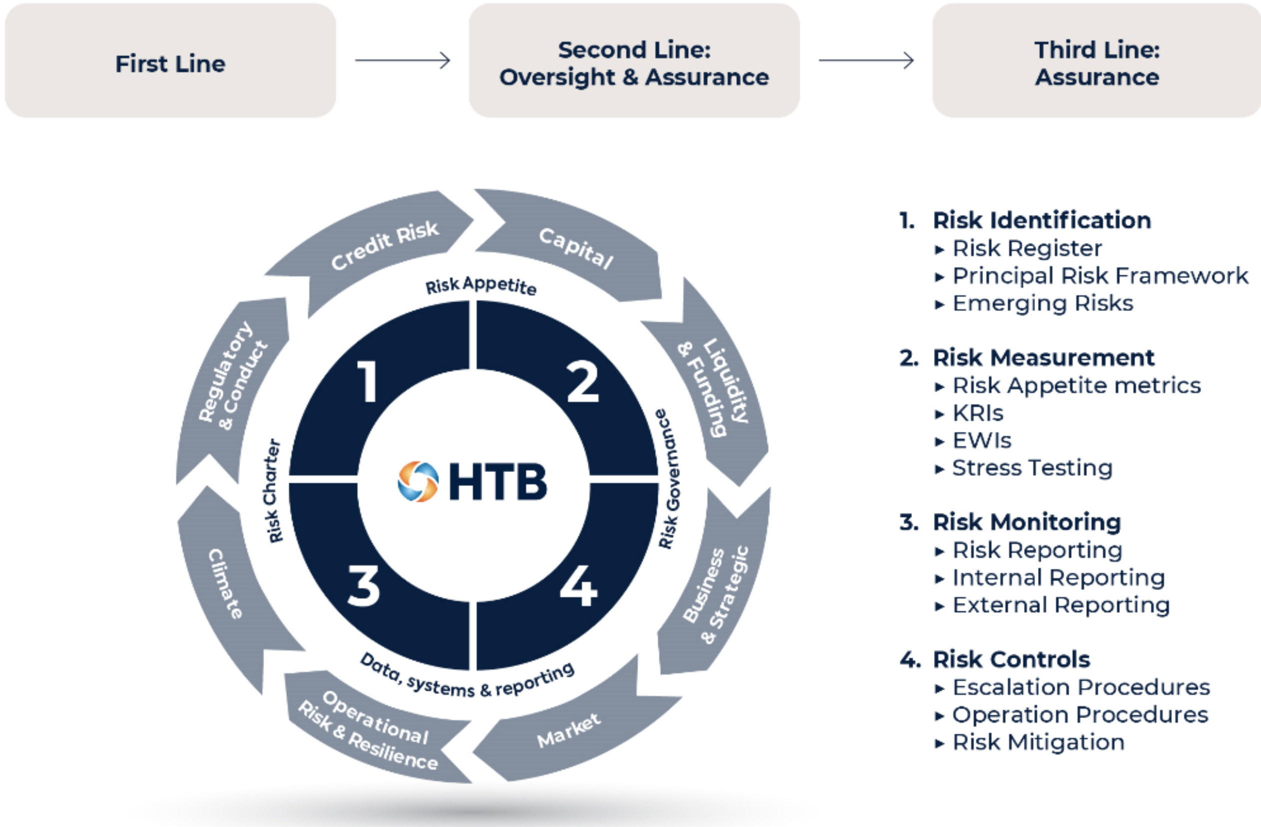
- Identifies the Principal and Emerging Risks the Group faces and how they are managed.
- Defines Risk Appetite.
- Confirms that business plans are consistent with Risk Appetite.
- Requires the Group's Risk Profile to be monitored and reported regularly.
- Tests the Group's vulnerabilities to risks under a range of stressed adverse conditions.
- Includes a strong control environment.
- Allows for robust oversight and assurance.
- Encourages strong risk culture and behaviours through its linkage with the remuneration framework.

2.2 Risk Management Framework

The Risk Management Framework ("RMF") sets parameters within which all the Group's activities are executed. This ensures we identify, measure, monitor and report the risks to which the Group is exposed. The RMF is supported by supplemental frameworks, policies and procedures that, together, ensure that risks are managed in a manner appropriate to the size of the Group and the complexity of its operations.

The design and effectiveness of the RMF is overseen and reviewed by the Board Risk Committee on a regular basis and at least annually.

The structure of the RMF is set out below:



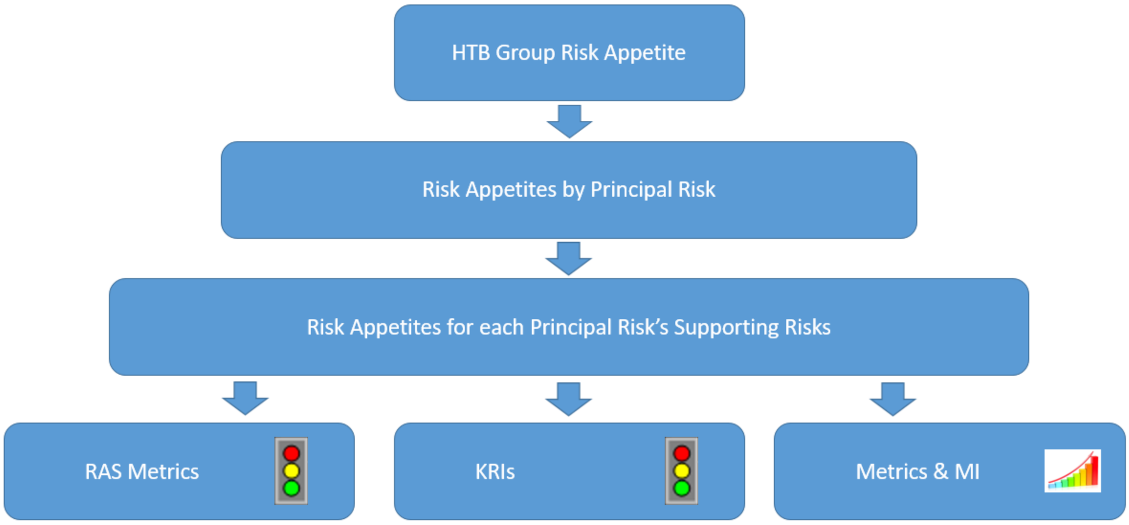
2.3 Risk Appetite Framework

The Risk Appetite Framework ("RAF") is the framework by which we clearly articulate, in a structured and systematic manner, the level and types of risk that the Group is willing to accept and must take in meeting its business objectives. The RAF:

- Identifies, in both qualitative and quantitative terms, the type and level of risk that the Group is willing to accept across a range of business drivers.
- Describes the risks that the Group is willing to take (and those that it will not) in pursuit of its corporate objectives.
- Establishes a framework for decision making based on risk appetite statements and metrics.
- Enables a view of risks across the whole business.

The RAF is structured around the Principal Risks agreed by the Board from time to time with each Principal Risk being supplemented by a suite of more granular Supporting Risks. For each Supporting Risk, the Group articulates a Risk Appetite Statement with limits that are monitored via the use of specific Risk Appetite metrics and Key Risk Indicators (KRIs). The Risk Appetite metrics are clearly measurable against the Corporate Plan, are actionable and have an assigned limit to monitor performance against the Risk Appetite. The KRIs which support the Risk Appetite metrics, are reported monthly to the relevant risk committees.

The structure of the RAF is set out in below.



Performance against Risk Appetite Metrics and KRIs is regularly reported to the Board and Board Risk Committee via appropriate executive committees.

2.4 Risk Governance and Oversight

Risk Governance describes the design of the allocation and delegation of primary accountability, authority and responsibility for risk management across the Group by the Board. The Board reviews and approves the business strategy, ensuring it is consistent with risk appetite. The Board also assures that the RMF is appropriate and is operating effectively with sufficient governance, often through appropriate sub committees, to ensure risk appetite is being adhered to.

The Group operates a Three Lines approach to manage its risks. The Three Lines model provides a simple and effective way to segregate activities and enhance communications on risk management and control by clarifying essential roles and duties and enabling the Group to manage its risks proactively. The separate lines together with their roles are summarised below:

Front Line Business Units (1st line of defence)
The business lines and central functions own primary responsibility for the day to day management of the operational level risks that feed up through the framework (e.g. credit risk, operational risk etc), and the implementation of mitigating controls in line with approved policies, frameworks, processes and procedures. They use the Group's Risk & Control Self-Assessment (RCSA) process to identify and measure risk exposure and to ensure through the application of controls that these are managed within agreed Risk Appetite. They are responsible for risk event identification and early escalation. They will also test key controls, providing regular assurance according to agreed first line control testing plans.

Risk and Compliance Function (2nd line of defence)
The Risk and Compliance function is independent of the business units and other central functions, and maintains the RMF, supplemental frameworks and risk policies. The second line provides independent challenge, oversight and ongoing assurance of the adequacy and effectiveness of risk management within the business units including oversight of the RCSA process. The Risk and Compliance function monitors performance in relation to risk appetite. It also undertakes and supports stress testing exercises across the business, working with Finance and Treasury on the production of the Internal Capital Adequacy Assessment Process ("ICAAP"),

Internal Liquidity Adequacy Assessment Process ("ILAAP"), and the Recovery Plan ("RP") and the first line for Operational Resilience. The adequacy and effectiveness of the second line is overseen by BRC, with evidential points including Audit Committee feedback and progress against the risk maturity roadmap.

Internal Audit (3rd line of defence)
Internal Audit operates under the direction of the Board Audit Committee and provides independent assurance to the Board that the first and second lines of defence are discharging their responsibilities effectively. The Group currently outsources this function to Deloitte, an independent professional services firm.

2.5 Stress Testing

Stress testing is an important risk management tool for the Group and is used to inform the setting of Risk Appetite limits. Stress testing is also used to inform the Group's annual key risk assessments and determination of required buffers, forward-looking strategic planning for capital and liquidity management, and key prudential processes including the ICAAP, ILAAP, and Recovery Plan. Climate Risk stress testing is also undertaken to assess the potential financial impact of both Transitional and Physical risks.

In addition, HTB also completes scenario testing as part of its operational resilience framework. Scenario testing requires HTB to test its ability to respond to severe but plausible operational disruptions with the aim of ensuring any vulnerabilities to HTB's ability to remain within impact tolerance are identified and addressed.

The Group undertakes stress testing to assist the Board in understanding its key risks, and the scenarios and sensitivities that may adversely impact on its financial and/or operational performance and resilience. Stress testing is an integral element of the Risk Management Framework as it is used to:

- Inform the identification and calibration of Risk Appetite measures.
- Test the adequacy of the Group's capital, funding and liquidity to withstand the emergence of risks under both normal and stressed conditions.
- Demonstrate the adequacy assessment of the potential management actions available to mitigate the effect of adverse events.
- Support the identification of any potential gaps in the Risk Management Framework, not readily apparent from the management of day-to-day risks.
- Provide a view of climate change risk and its impact on the financial risks of the Group.

Further details on the Group's principal risks and how we manage them can be found in the Annual Report and Accounts.

3. Key Metrics

The table below shows the key metrics for both HTB Group ('Group') and HTB Bank ('Bank') as at 31 December 2024:

		Group 2024	Bank 2024	Group 2023	Bank 2023
	Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	337,045	300,589	292,674	243,719
2	Tier 1 capital	354,075	317,619	309,704	260,749
3	Total capital	399,206	362,750	360,845	311,890
	Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	2,367,808	2,207,947	2,077,212	1,830,864
	Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	14.2%	13.6%	14.1%	13.3%
6	Tier 1 ratio (%)	15.0%	14.4%	14.9%	14.2%
7	Total capital ratio (%)	16.9%	16.4%	17.4%	17.0%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)				
UK 7a	Additional CET1 SREP requirements (%)	0.57%	0.39%	0.57%	0.39%
UK 7b	Additional AT1 SREP requirements (%)	0.19%	0.13%	0.19%	0.13%
UK 7c	Additional T2 SREP requirements (%)	0.25%	0.18%	0.25%	0.18%
UK 7d	Total SREP own funds requirements (%) *	9.01%	8.70%	9.01%	8.70%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	2.0%	2.0%	2.0%	2.0%
11	Combined buffer requirement (%)	4.5%	4.5%	4.5%	4.5%
UK 11a	Overall capital requirements (%)	13.51%	13.20%	13.51%	13.20%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.85%	7.73%	8.15%	7.72%
	Leverage ratio				
13	Leverage ratio total exposure measure	3,962,928	3,925,344	3,633,786	3,491,694
14	Leverage ratio	8.9%	8.1%	8.5%	7.5%
	Liquidity Coverage Ratio *				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)		1,014,062		570,667
UK 16a	Cash outflows - Total weighted value		315,664		201,820
UK 16b	Cash inflows - Total weighted value		56,385		54,956
16	Total net cash outflows (adjusted value)		259,279		146,864
17	Liquidity coverage ratio (%)		391.1%		388.6%
	Net Stable Funding Ratio *				

18	Total available stable funding	4,312,061	3,377,489
19	Total required stable funding	2,639,910	2,287,273
20	NSFR ratio (%)	163.3%	147.7%

* Liquidity is managed on a consolidated basis hence only Group metrics are reported.

4. Capital and Risk Weighted Assets

At 31 December 2024 and throughout the financial year, the Group complied with the capital requirements that were in force as set out by European and UK legislation, and enforced by the PRA.

The Group's Tier 1 capital arises from the equity represented by its ordinary shares as well as £17m Additional Tier 1 securities which were issued and fully paid up during 2022 as part of the consideration for the acquisition of HTB Leasing & Finance Ltd ("HLF", formally Wesleyan Bank Ltd).

The Bank's existing Tier 2 capital instruments of £30m of subordinated loan notes, bearing interest at 9.71% payable semi-annually, has a final redemption date of 10 May 2028 and is being amortised in line with Article 64 of CRR2. In 2023 further Tier 2 capital instruments of £25m of subordinated loan notes were issued, bearing interest at 14.00% payable semi-annually and callable at the Group's option from 27 June 2028, with a final redemption date of 27 December 2033.

4.1 Minimum capital requirement

The Group uses the Standardised Approach in determining the level of capital necessary for regulatory purposes. Under the Standardised Approach the level of capital required against a given level of exposure to credit risk is calculated as:

Credit risk capital requirement = Exposure value x Risk weighting* x 8%.

* The risk weighting applied will vary depending on whether the asset is retail or wholesale. For retail assets, variables such as loan to value and security will impact the risk weighting. Wholesale assets are dependent on counterparty, duration and credit rating.

The tables below show the overall minimum capital requirements and risk weighted assets for the Group.

		Risk weighted exposure amounts (RWEAs)				Total own funds requirements			
		Group 2024	Bank 2024	Group 2023	Bank 2023	Group 2024	Bank 2024	Group 2023	Bank 2023
1	Credit risk (excluding CCR)	2,097,238	1,952,854	1,846,812	1,623,626	167,779	156,228	147,745	129,890
2	Of which the standardised approach	2,097,238	1,952,854	1,846,812	1,623,626	167,779	156,228	147,745	129,890
6	Counterparty credit risk - CCR	8,733	8,733	9,410	9,410	699	699	753	753
7	Of which the standardised approach	8,733	8,733	8,137	8,137	699	699	651	651
8a	Of which exposure to a CCP	8,733	8,733	6,351	6,351	699	699	508	508
8b	Of which credit valuation adjustment - CVA	-	-	1,273	1,273	-	-	102	102
23	Operational risk	261,837	246,360	220,990	197,828	20,947	19,709	17,679	15,826
23 a	Of which basic indicator approach	261,837	246,360	220,990	197,828	20,947	19,709	17,679	15,826
29	**Total**	**2,367,808**	**2,207,947**	**2,077,212**	**1,830,864**	**189,425**	**176,636**	**166,177**	**146,469**

The table below shows the total exposure and capital resource requirements for credit risk by regulatory exposure class on a Group level as at 31 December 2024.

£'000s	Exposures	RWAs	Pillar 1 Capital
	2024	2024	2024
Corporate	360,471	273,582	21,887
Secured by mortgages on immovable property	2,482,511	921,104	73,688
Items associated with particularly high risk	659,411	532,353	42,588
Retail	537,464	246,713	19,737
Exposures in default	68,413	69,466	5,557
Central governments or central banks	1,407,847	14,795	1,184
Institutions	65,714	13,143	1,051
Covered bonds	219,980	21,998	1,760
Other	12,817	12,817	1,026
Total	**5,814,628**	**2,105,971**	**168,478**

The table below shows the total exposure and capital resource requirements for credit risk by regulatory exposure class at HTB level as at 31 December 2024.

£'000s	Exposures	RWAs	Pillar 1 Capital
	2024	2024	2024
Corporate	313,947	237,317	18,985
Secured by mortgages on immovable property	2,438,256	886,992	70,959
Items associated with particularly high risk	659,411	532,353	42,588
Retail	445,724	194,187	15,535
Exposures in default	60,736	60,923	4,874
Central governments or central banks	1,403,356	3,569	286
Institutions	223,068	12,130	970
Covered bonds	219,980	21,998	1,760
Other	12,118	12,118	970
Total	**5,776,596**	**1,961,587**	**156,927**

The Board has adopted a "Pillar 1 plus" approach to determine the level of capital the Group needs to hold. This method takes the Pillar 1 capital formula calculations (standardised approach for credit and market risk, and basic indicator approach for operational risk) as a starting point, and then considers whether each of the calculations deliver a sufficient capital sum adequate to cover management's anticipated risks. Where the Board considered that the Pillar 1 calculations did not reflect the risk, an additional capital add-on in Pillar 2 is applied, as per the Group's Total Capital Requirement issued by the PRA.

At all times the Group's capital position must be aligned with the capital adequacy limits approved by the Board in the risk appetite statement, which is to maintain a robust capital and liquidity management under "normal" and "stressed" conditions. With regard to capital management this means maintaining a level of capital greater than the minimum that is set by the PRA.

The Group's Pillar 1 capital resources requirement is calculated by adding the capital resources requirements for credit risk, and operational risk. The Group calculates risk weightings for credit risk exposures using the Standardised Approach and the risk weightings for operational risk using the Basic Indicator Approach. Changes in operational risk requirements in the year reflect income growth within the regulatory prescribed income streams, as these measures form the basis of the Basic Indicator Approach.

Throughout the year the Group has benefited from surplus capital resources over its Pillar 1 and Total Capital Requirement. The Group's total capital ratio as at 31 December 2024 was 16.9% (2023: 17.4%).

4.2 Capital Buffers

The Group is also required to hold additional capital in the form of capital buffers. 100% of the regulatory buffers must be met by CET1 capital.

The Capital Conservation Buffer ('CCB') is currently set at 2.5% of RWA and has been developed to ensure capital buffers are available which can be drawn upon during periods of stress if required.

The Countercyclical Capital Buffer ('CCyB') is currently set at 2% (2023: 2%) of RWA for the Group's UK exposures as a result of the UK Financial Policy Committee ('FPC') latest communications.

5. Corporate Governance

The Group has applied the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles") published by the Financial Reporting Council in 2018.

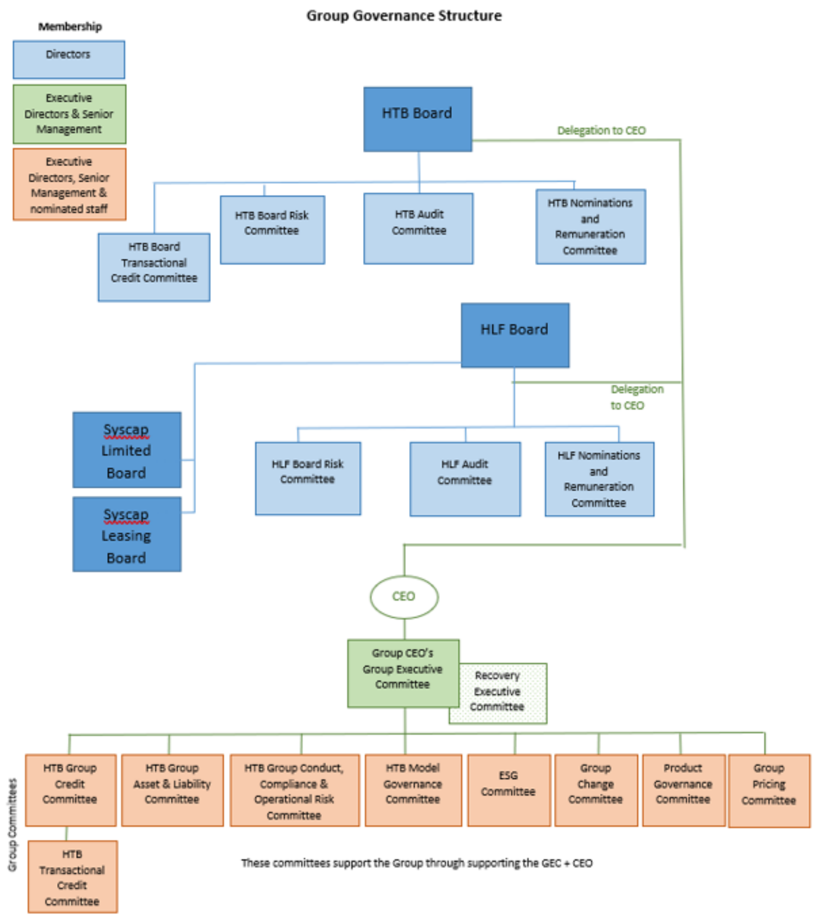
Applying the Wates Principles has ensured that the Group has continued to enhance its corporate governance standards for the benefit of all of its stakeholders, ensuring that it is well managed and aligned behind a clear purpose. A detailed analysis of how the Group has complied with the specific principles is set out in Governance framework section of the Annual Report & Accounts.

The Board is committed to the highest standards of corporate governance and has adopted a single overarching Group Governance Framework structured to achieve responsibility, accountability, transparency, and fairness, while ensuring:

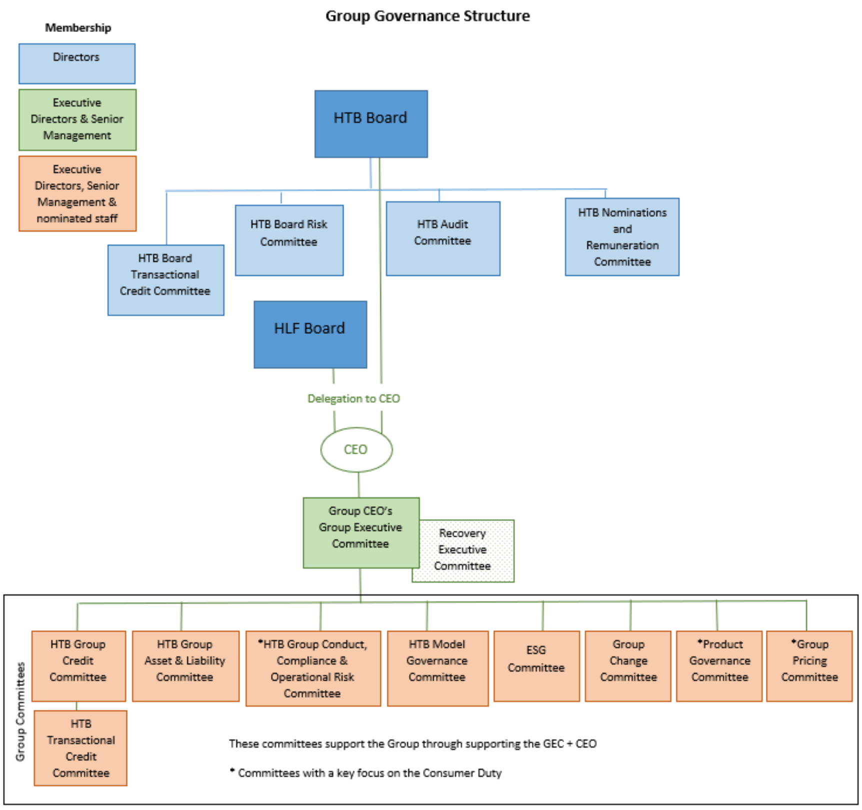
- Effective oversight and strategic leadership of the Group, and an appropriate balance between the governance requirements of HLF, as a regulated Bank in its own right until it relinquished its banking licence in December 2024, and the Board's effective oversight of the Group is maintained
- That Group senior executives who hold SMF responsibilities for HLF are able to effectively discharge their responsibilities
- That there is a framework that is easily understood, practically accessible and capable of quick reference
- A streamlined approach which utilises the most appropriate resources within the Group, ensures consistency of approach while avoiding duplicated or wasted cost, time, and effort across the Group where appropriate.

5.1 Committee Structure

The responsibility for managing the principal risks ultimately rests with the Group's Board of Directors. The Group's committee structure, in place until HLF relinquished its banking licence in December 2024, with regard to risk management is outlined below:



The Group Board and Committee structure in place at the year end, after HLF relinquished its banking licence in December 2024 is shown below:



5. 2 The Board

The Group's governance structure is designed to ensure the proper running of the Group in accordance with the legal and regulatory obligations and in line with established principles of good conduct and practice. The Group is led by a Board comprising an independent Non-Executive Chairman, Non-Executive (Shareholder) Directors, independent Non-Executive Directors and Executive Directors. The Board approves the strategy and direction of the business, sets the policies and risk appetite, monitors risk management, financial performance and reporting, and ensures that appropriate and effective succession-planning arrangements and remuneration policies are in place. Directors are appointed by the Board.

Board meetings are held normally ten times a year. This enables Directors to regularly review corporate strategy, the operations and the results of the business, and to discharge their duties within a framework of prudent and effective controls.

The Board is supported by Committees to which it has delegated relevant authority; the principal Committees being the Board Risk Committee, the Audit Committee and the Nominations and Remuneration Committee. These Committees comprise only Non-Executive Directors and each is chaired by an Independent Non-Executive Director. Matters such as internal and external audit, risk, financial reporting, governance and remuneration policies are delegated to these Committees in order that the Board can spend a greater proportion of its time on strategic items.

The Committee Chairs report to the Board at the Board meeting following each Committee meeting on the activities of their respective Committees. The Board Chairman undertakes an annual review of performance of each director. The Board Chairman's performance is evaluated by the Non-Executive Directors taking account of the views of the Executive Directors.

Up to the point that HLF relinquished its banking licence in December 2024, the Chairman of the HLF Board engaged with the Board following each HLF Board meeting to inform the Board on HLF's performance against strategy, to understand the Group's views on governance and performance against the strategy and to inform the Board about any significant matters arising from HLF's Audit, Board Risk and Nominations and Remuneration Committee. In practice, the overlapping directorships and senior management / SMF function holders in attendance at all meetings ensure appropriate information sharing.

Directorships held by members of the Board

The number of external directorships and partnerships held by the Executive and Non-Executive Directors who served on the Board as at 31 December 2024, in addition to their roles within the Bank/Group, are detailed below.

Name	Position	Positions held *
Robert Sharpe	Chairman	2
Matthew Wyles	CEO/Executive Director	0
Kathryn Winup	CFO/Executive Director	0
Martyn Scrivens	Non-Executive Director	2
Richard Price	Non-Executive Director	1
Dominic Slade	Non-Executive Director	5
Richard Sommers	Non-Executive Director	1
Julia Warrack	Non-Executive Director	4

*- as at 31 December 2024

The number of directorships shown excludes the Company and its subsidiaries, and also counts external directorships held within the same group of companies as a single directorship in line with CRD V. Directorships of non-commercial organisations are not included.

Board Diversity

The Group recognises and values the diversity of the personal attributes of its Board and Board Committee members, such as intellect, critical assessment and judgement, courage, openness, honesty, tact, the ability to listen, forge relationships and develop trust. The Group also recognises the importance of maintaining diversity of psychological type, background, gender, ethnicity and sexuality and the importance that this affords in ensuring that a particular Board or Board Committee is not composed of solely like-minded people. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

As part of the Terms of Reference of the Nominations Committee, it is stipulated that the Committee will consider all Board and Senior Management appointments and take responsibility that the Group complies with diversity and equality laws and regulations. To this end the Nominations and Remuneration Committee approved in November 2024 the Board Diversity Policy. This sets out the Boards commitment to creating a Diverse and Inclusive firm. The Committee undertakes to consider specific matters relating to market and business knowledge, experience, qualifications and technical skills and competencies in determining whether a candidate is a sufficient match for the requirements of the role. The Committee will also ensure that any perceived weaknesses or deficiencies in any candidate are addressed on a timely basis after appointment through an appropriate tailored training plan.

Division of responsibilities between the Chair and CEO

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. The Chairman has overall responsibility for the leadership of the Board, its effectiveness on all aspects of its role and setting its agenda. The Chief Executive Officer is responsible for the day to day running of the business and is accountable to the Board for its operational and financial performance.

ALCO	Asset and Liability Committee
CCB	Capital Conservation Buffer
CCyB	Counter Cyclical Buffer
CET 1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
FPC	Financial Policy Committee (of the Bank of England)
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
Leverage ratio	The ratio of Tier 1 capital divided by total exposure, which includes on and off-balance sheet assets, after netting derivatives.
Liquidity coverage ratio	Measure designed to ensure that financial institutions have sufficient high-quality assets available to meet their liquidity needs for a 30 day liquidity stress scenario.
MRT	Material Risk Takers - group of employees to whom the FCA's Remuneration Code applies. MRTs consist of Executive Directors, Non-Executive Directors and certain senior managers who could have a material impact on the firm's risk profile.
Pillar 1	The first pillar - Minimum Capital Requirement covers total risk including the credit risk, market risk as well as Operational Risk
Pillar 2	The second pillar - Supervisory Review Process is intended to ensure that the Groups have adequate capital to support all the risks associated in their businesses
Pillar 3	The third pillar is completed through these disclosures of capital structure and approaches to assess the capital adequacy including the governance
PRA	Prudential Regulation Authority
RWA	Risk Weighted Assets - value of assets, after adjustment, under CRD IV rules to reflect the degree of risk they represent.
The Bank	Hampshire Trust Bank Plc
Tier 1 capital	Tier 1 capital is divided into Common Equity Tier 1 and Additional Tier 1 capital. Common Equity Tier 1 capital comprises common shares issued and related share premium, retained earnings, less specified regulatory adjustments.
Tier 2 capital	Tier 2 capital comprises regulated subordinated liabilities

Hampshire Trust Bank Plc
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London
EC3M 4BY
Company number: 1311315

HTB