



# PILLAR 3 DISCLOSURES 31 DECEMBER 2025

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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 31<sup>st</sup> December 2025. 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 2025 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 2025. They should be read in conjunction with the Group's 2025 Annual Report and Accounts ('the Annual Report and Accounts' or 'ARA'), approved by the Board on 26 March 2026.

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 and approved by the Audit Committee 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

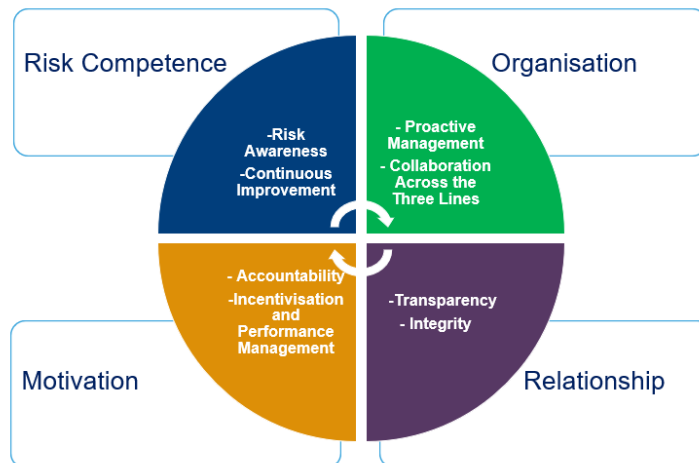
Effective risk management plays a key role in the successful execution of the Group’s business strategy as encapsulated within our overarching Risk Appetite Statement – “To run a sustainable, safe and sound business that conducts its activities in a prudent and reputable manner taking into account the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

The Group has set a Target Risk Culture – ‘A proactive and resilient risk culture that supports sustainable growth, protects our stakeholders, ensures compliance with regulation, and ensures HTB’s risk profile is managed within appetite.’

The Risk Culture framework across four target behaviours and eight principles:



#### Risk Management Strategy

The development and implementation of the Group’s risk management strategy and objectives are the responsibility of the Chief Risk Officer (CRO), the Executive Management team and ultimately subject to Board approval. Effective risk management plays a key role in the execution of the Group’s strategy, and risk taking is an inherent part of the Group’s business activities in the pursuit of its corporate objectives. Through the Risk Management Framework (‘RMF’), the Board sets out how it will ensure that the risks that the HTB Group take are identified, managed, monitored and reported effectively.

The Risk Management strategy and RMF are built around the following core principles:

- To make the Group safe, secure and resilient.
- To minimise losses and damage to the Group.
- To help to optimise returns.

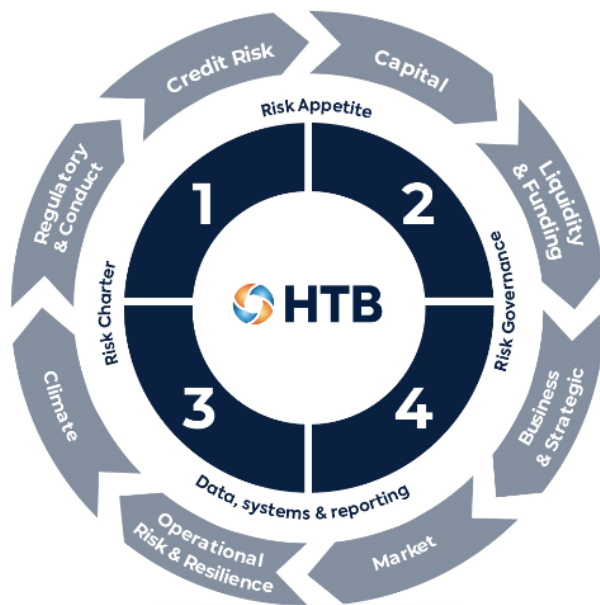
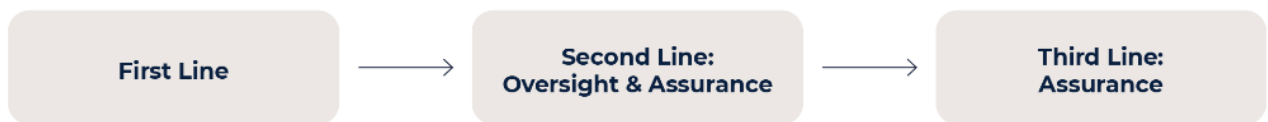
- Ensure Risk Culture is at the heart of everything we do.
- To ensure that the Group retains credibility with its key stakeholders and customers.

## 2.2 Risk Management Framework

The Risk Management Framework sets parameters within which all the Group’s activities are executed. This ensures we identify, measure, monitor and control 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:



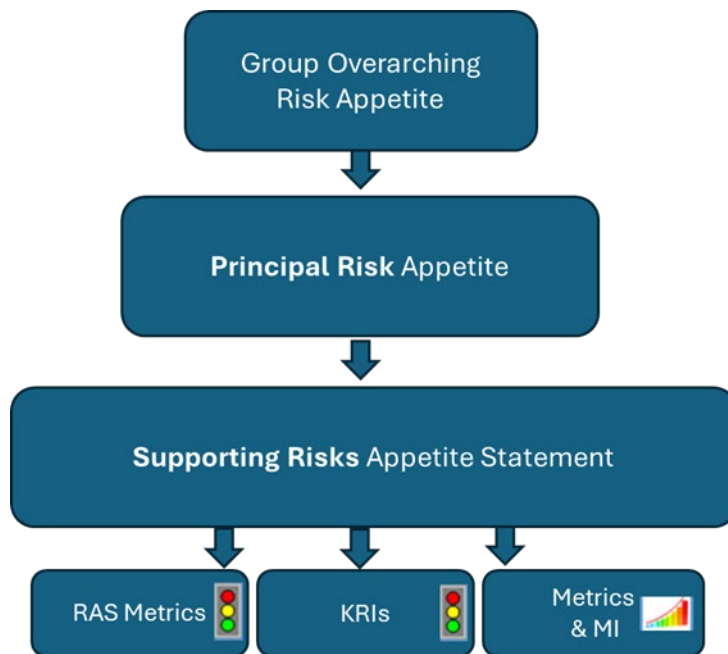
- 1. Risk Identification**
  - ▶ Risk Register
  - ▶ Principal Risk Framework
  - ▶ Emerging Risks
- 2. Risk Measurement**
  - ▶ Risk Appetite metrics
  - ▶ KRIs
  - ▶ EWIs
  - ▶ Stress Testing
- 3. Risk Monitoring**
  - ▶ Risk Reporting
  - ▶ Internal Reporting
  - ▶ External Reporting
- 4. Risk Controls**
  - ▶ Escalation Procedures
  - ▶ Operation Procedures
  - ▶ Risk Mitigation

## 2.3 Risk Appetite Framework

The Risk Appetite Framework (‘RAF’) clearly articulates, 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, 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, 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.



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 roles and responsibilities of the Three Lines are outlined below:

*First Line - Business Units*

The business units and central functions have ownership of risk, whereby they acknowledge and manage the risk that they incur in conducting their activities. The first line has primary responsibility for the day-to-day management of these risks and the implementation of mitigating controls in line with approved policies, frameworks, processes and procedures. They are

responsible for risk event identification, root cause analysis where applicable and early escalation. They will also test key controls, providing regular assurance.

### *Second Line - Risk and Compliance Function*

The Risk Function (or “Risk & Compliance”) is independent of the business units and other central functions of the Group and is the Second Line of the Three Lines approach to risk management. The main responsibility of the Second Line is to ensure that all risks are identified, measured, monitored, controlled and reported by the relevant units in the institution.

It is accountable for the development and implementation of the Group’s Risk Management Strategy, and maintains the RMF, supplemental frameworks and risk policies. It proposes the Risk Appetite of the Group and ensures it is appropriately translated into specific risk limits.

It ensures there are effective processes and controls in place in the First Line by providing independent challenge, oversight and ongoing assurance of the adequacy and effectiveness of risk management within the business units.

### *Third Line - Internal Audit*

The internal audit function is charged with the third line, conducting risk-based and general audits and reviews to provide assurance to the board that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied.

Internal Audit operates under the direction of the Board Audit Committee and provides independent assurance to the Board that the First and Second Lines 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 2025:

		Group	Bank	Group	Bank
		2025	2025	2024	2024
<b>Available own funds (amounts)</b>					
1	Common Equity Tier 1 (CET1) capital	398,863	397,694	337,047	300,589
2	Tier 1 capital	415,893	414,725	354,077	317,619
3	Total capital	495,893	494,725	399,208	362,750
<b>Risk-weighted exposure amounts</b>					
4	Total risk-weighted exposure amount	3,028,750	2,949,233	2,367,808	2,207,947
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
5	Common Equity Tier 1 ratio (%)	13.2%	13.5%	14.2%	13.6%
6	Tier 1 ratio (%)	13.7%	14.1%	15.0%	14.4%
7	Total capital ratio (%)	16.4%	16.8%	16.9%	16.4%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>					
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%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>					
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 (%)	6.97%	7.54%	7.85%	7.73%
<b>Leverage ratio</b>					
13	Leverage ratio total exposure measure	5,499,504	5,497,075	3,962,928	3,925,344
14	Leverage ratio	7.6%	7.5%	8.9%	8.1%
<b>Liquidity Coverage Ratio *</b>					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)		1,458,361		1,014,062
UK 16a	Cash outflows - Total weighted value		475,658		315,664
UK 16b	Cash inflows - Total weighted value		55,236		56,385
16	Total net cash outflows (adjusted value)		420,422		259,279
17	Liquidity coverage ratio (%)		346.9%		391.1%
<b>Net Stable Funding Ratio *</b>					

18	Total available stable funding	5,182,100	4,312,061
19	Total required stable funding	3,260,472	2,639,910
20	NSFR ratio (%)	158.9%	163.3%

\* Liquidity is managed on a consolidated basis hence only Group metrics are reported. Quarterly weighted average metrics used.

## 4. Capital and Risk Weighted Assets

At 31 December 2025 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).

In 2023 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.

On the 15 October 2025 the Group executed a repurchase and cancellation of its £30m 9.71% Tier 2 notes previously due to mature 10 May 2028 and the issuance of a further £55m Subordinated Tier 2 notes. These notes bear interest at 8.125% payable semi-annually and callable at the Group's option from 15 January 2031, with a final redemption date of 15 January 2036.

### 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 2025	Bank 2025	Group 2024	Bank 2024	Group 2025	Bank 2025
1	Credit risk (excluding CCR)	2,695,287	2,627,722	2,097,238	1,952,854	215,623	210,218
2	Of which the standardised approach	2,695,287	2,627,722	2,097,238	1,952,854	215,623	210,218
6	Counterparty credit risk - CCR	1,435	1,435	8,733	8,733	115	115
7	Of which the standardised approach	456	456	8,733	8,733	36	36
8a	Of which exposure to a CCP	339	339	8,733	8,733	27	27
8b	Of which credit valuation adjustment - CVA	979	979	-	-	78	78
16	Securitisation exposures in the non-trading book (after the cap)	35,085	35,085			2,807	2,807
19	Of which SEC-SA approach	35,085	35,085			2,807	2,807
23	Operational risk	296,943	284,991	261,837	246,360	23,755	22,799
23a	Of which basic indicator approach	296,943	284,991	261,837	246,360	23,755	22,799

24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	11,234	29,505	14,795	3,569	899	2,360
29	<b>Total</b>	<b>3,028,750</b>	<b>2,949,233</b>	<b>2,367,808</b>	<b>2,207,947</b>	<b>242,300</b>	<b>235,939</b>

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 2025.

£'000s	Exposures	RWAs	Pillar 1 Capital
	<u>2025</u>	<u>2025</u>	<u>2025</u>
Corporate	367,574	328,619	26,289
Secured by mortgages on immovable property	3,312,131	1,380,514	110,441
Items associated with particularly high risk	362,775	544,162	43,533
Retail	395,595	233,979	18,718
Exposures in default	137,375	140,321	11,226
Central governments or central banks	739,008	11,234	899
Institutions	39,210	4,857	388
Covered bonds	421,082	42,108	3,369
Securitisation	272,591	35,085	2,807
Other	9,949	9,949	796
<b>Total</b>	<b>6,057,290</b>	<b>2,730,828</b>	<b>218,466</b>

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 2025.

£'000s	Exposures	RWAs	Pillar 1 Capital
	<u>2025</u>	<u>2025</u>	<u>2025</u>
Corporate	344,995	311,224	24,898
Secured by mortgages on immovable property	3,275,801	1,352,461	108,197
Items associated with particularly high risk	362,775	544,162	43,533
Retail	337,328	200,651	16,052
Exposures in default	132,387	133,649	10,692
Central governments or central banks	734,613	246	20
Institutions	151,562	4,396	351
Covered bonds	421,082	42,108	3,368
Equity	11,703	29,258	2341
Securitisation	272,591	35,085	2807
Other	10,023	10,023	802
<b>Total</b>	<b>6,054,860</b>	<b>2,663,263</b>	<b>213,061</b>

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 16.4% (2024: 16.9%).

### 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% (2024: 2%) of RWA for the Group's UK exposures as a result of the UK Financial Policy Committee ('FPC') latest communications.

## 5. Remuneration

In 2025, the Group issued Tier 2 debt which is tradeable on a regulated market. As such the Group can no longer be defined as a non-listed institution and is therefore required to make the remuneration disclosures as set out under Article 433b paragraph 4b.

The following references the Group's remuneration policies and practices for categories of staff whose professional activities have a material impact on the company's risk profile (Material Risk Takers ("MRTs")). MRTs include staff who hold Significant Management Functions ("SMFs") as designated by the regulatory authorities.

### 5.1 Link between pay and performance

The Remuneration Committee ('RemCo') is the governing body responsible for the Group's remuneration policy and practises. The Committee's primary function is to ensure the Group attracts, selects, and retains suitably qualified and experienced employees at all levels and motivates high individual/ business performance at an acceptable and appropriate cost and within the risk management framework.

The RemCo reviews annually the Remuneration policy (last review was in March 2025) and meets at least four times a year, to ensure sound and effective risk management on remuneration. They determine the basis for performance related pay, approve the list of Material Risk Takers (in line with the Remuneration Code guidelines by PRA/FCA) and approve the fixed and variable pay for such staff, approve the Group's Bonus pool, and determine the CEO's pay. The RemCo also reviews the Performance Adjustment policy that applies to the variable compensation for MRTs, as well as participants of the Deferred Bonus Retention Scheme (DBRS). It also includes the Group's policy with regard to clawback and malus. In performing the above duties, the RemCo considers advice from the Board Risk Committee and the Board Audit Committee on the management of remuneration risk, including advice on the measurement of performance in the context of variable pay and the application of risk adjustments, malus or clawback.

### 5.2 Link between pay and performance

RemCo determine the basis for performance related pay and the Group's Remuneration policy provides information on pay and performance. Linking performance to reward assists in motivating staff to deliver sustained high performance over a prolonged period while developing and embedding an appropriate culture. All remuneration practices must be consistent with the Group's risk appetite and aligned with delivery of positive outcomes for our customers.

- Variable pay is determined by financial and non- financial factors including individual, team and Group performance and behaviours.
- The Group's performance measures also include appropriate standards for conduct behaviour, consumer duty/ customer focus, risk management and compliance with Remuneration code as defined by the PRA and FCA. The Group's performance measures, which are agreed by the Board with risk / compliance oversight, are those in the Balanced Scorecard. This scorecard does not include a measure relating to compliance with the Remuneration Code. That said, management checks that the Code has been complied with and that check is overseen by RemCo.

### 5.3 Design of remuneration components

#### Fixed Pay

The Group's fixed pay elements include base salaries, pension, private medical insurance ('PMI') and allowances. Salaries are determined based on performance, skills/ competencies, retention risks, market comparators and affordability. Performance does not determine the eligibility for pension, PMI and allowances. Allowances (car, cash etc.) are provided to staff based on the nature of the role performed due to operational reasons.

Salaries are reviewed groupwide annually and during the year wherever necessary. MRT salaries require approval from RemCo, along with salaries over £150K.

#### Variable Pay

##### a) Discretionary Bonus

The annual Group cash bonus scheme is discretionary, and performance based. RemCo approve the rules of the scheme and set the factors used to determine the bonus pool, eligibility criteria, distribution of bonuses to MRTs and govern adherence to Remuneration code (such as fixed pay to variable pay ratio) and other regulatory requirements. The bonus pool is derived based on the Group's financial results and non-financial metrics (based on the Group's Scorecard).

Allocation of bonus awards are reviewed against individual performance to ensure they appropriately reflect performance against financial and operational objectives, as well as behaviours, alignment to the Group's values and risk culture, customer focus and conduct standards.

There is currently no deferred element applied to the Group's discretionary bonus scheme therefore no associated criteria apply.

##### b) Sales Incentive Schemes

The Group operates sales incentive schemes for staff in specific roles. These schemes pay out quarterly/annually and are based on a balanced assessment of a scorecard that considers factors such as sales performance, conduct and behaviours. The rules governing these schemes are reviewed and approved annually by RemCo.

##### c) Deferred Bonus Retention Scheme (DBRS)

In performance year 2020 a Long-Term Incentive Plan was introduced for a restricted group of individuals. Under this scheme, a bonus award is granted to the relevant individuals and then deferred over a four-year period, before payment is made. The conditions are that the employee must remain in service until either an exit event occurs or they have completed a minimum of four years' service after an award is granted, at which point the entire award becomes payable. The purpose of this scheme is to retain and motivate a small team of business-critical staff. All awards are subject to the scrutiny and approval of the RemCo and subject to the Group's policies regarding regulatory controls. The scheme has a limited number of participants, and no new members are permitted.

### Other non-cash benefits

The Group reviews the overall reward and benefits offering periodically, with an aim of providing a competitive total reward package. Current benefits include annual holiday allowance, cycle to work scheme, season ticket loan, holiday purchase scheme, corporate gym discounts, green car scheme, perks and cashbacks amongst others. The majority of these non-cash benefits are available to all staff regardless of performance or role.

For the 2025 performance year, variable remuneration did not exceed 100 percent of the fixed component.

### 5.4 Remuneration statistics

The table below shows total fixed and variable remuneration awarded to MRTs in the Group in respect of the financial year ended 31 December 2025.

		a	b	c	D	
£s		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	9	2	6	26
2		Total fixed remuneration	605,321	843,055	1,362,399	3,424,069
3		<i>Of which: cash-based</i>	<i>605,321</i>	<i>843,055</i>	<i>1,362,399</i>	<i>3,424,069</i>
9	Variable remuneration	Number of identified staff	0	2	6	21
10		Total variable remuneration	0	425,000	792,500	1,066,000
11		<i>Of which: cash-based</i>	<i>0</i>	<i>425,000</i>	<i>792,500</i>	<i>1,066,000</i>
17	Total remuneration (2 + 10)		605,321	1,268,055	2,154,899	4,490,069

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.
MB Management function	The members of the Management Body, who are responsible for its Management functions.
MB Supervisory function	The Management Body in its Supervisory function, as the management body acting in its role of overseeing and monitoring management decision-making, as defined in point (8) of Article 3(1) CRD.
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.
Other identified staff	Other staff than Management Body in its Supervisory function or in its Management function, and other than senior management, whose professional activities have a material impact on the institution's risk profile in accordance with the criteria set out in the Commission Delegated Regulation on identified staff implementing Article 94(2) CRD and where appropriate in addition based on institutions' criteria.
Other senior management	'Senior management' means those natural persons who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution.
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

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