Oxbury Bank Plc
Pillar 3 Disclosures

December 2024

Table of Contents

1. Overview, scope, basis and frequency of disclosures and location

1.1 Overview and scope

Oxbury Bank Plc (herein referred to as "the Bank") is a UK authorised institution that is authorised by the Prudential Regulation Authority (PRA) and regulated by both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

Oxbury is a specialist bank uniquely focused on agriculture and the rural economy. We provide specialist funding to farmers to support their cash flow management via our Oxbury Farm and Flexi Credit Accounts, term lending products to enable longer term investment in farm infrastructure and asset finance products, together with lending to support the wider rural and related industry. The Bank also provides a range of deposit products to individuals, businesses and farmers that want to support farmers and the wider rural community. More information on Oxbury Bank's products and business performance are detailed in the Annual Report and Financial Statements.

These disclosures were prepared for the standalone entity Oxbury Bank Plc (Financial Services Register Number 834822). The subsidiary entity consolidated for the statutory financial statements is excluded from the scope of regulatory consolidation based on the provisions of CRR Article 19.

All information and applicable requirements detailed in this document apply to the Bank on an individual basis.

1.2 Basis

This report is based upon Oxbury Bank's Financial Statements for the year ended 31 December 2024. These were prepared in accordance with the requirements of the Capital Requirements Directive and Regulation (CRD IV) which came into force on 1 January 2014.

The Pillar 3 disclosures have been made in accordance with part Eight of the Capital Requirements Regulation and Directive, as implemented ('CRR II') and the PRA Rulebook, and use the PRA's disclosure templates and instructions, which came into force on 1 January 2022. Any reference in this document to EU regulations and directives should, as applicable, be read as references to the UK's version of such regulation and/or directive, as on-shored into UK law under the European Union (Withdrawal) Act 2018.

The report contains information presented for the year ended 31 December 2024, with comparatives for 31 December 2023. All disclosures have been prepared in pounds sterling. Any blank cells in the relevant regulatory templates/ tables have not been included in these disclosures. Oxbury Bank uses the Standardised Approach for computing capital requirements for credit risk and the Basic Indicator Approach for operational risk. Oxbury Bank does not assess any market risk.

1.3 Frequency of disclosures

Pillar 3 disclosures are published subsequent to the Annual Report and Accounts. We continue to develop and enhance the quality and transparency of Pillar 3 disclosures to ensure that they are as clear and informative as possible.

1.4 Verification

These disclosures were subject to approval by Oxbury Bank's Board Audit Committee. These disclosures have not been externally audited and do not constitute any part of Oxbury Bank's Financial Statements.

1.5 Location & references

The Pillar 3 disclosures are available on Oxbury Bank's corporate website (www.oxbury.com). This document makes reference to Oxbury Bank's 2024 Annual Report and Financial Statements which are available at www.oxbury.com.

1.6 Regulatory developments

Basel 3.1: The PRA published a consultation on the implementation of Basel III Reforms ('Basel 3.1') in the UK in November 2022, which was followed by publication of near- final rules in relation to specific risk areas (market risk, credit valuation adjustments, counterparty risk and operational risk) in December 2023. Near final rules on the remaining parts of Basel 3.1 package (credit risk, the output floor and reporting and disclosures), were published during the course of 2024 (PS9/24). In January 2025 the PRA announced the provisions are expected to apply from 1 January 2027.

Strong and simple framework: In April 2022, PRA published a consultation paper on The Strong and Simple Framework. Through this framework, PRA seek to simplify the prudential framework for non-systemic domestic banks and building societies, while maintaining their resilience. PRA are expected to consult on several different aspects of the requirements that would apply under the regime. In November 2022, consultation on proposed thresholds for regulated firms that could be eligible for the application of the framework were published, including the option that the firms that meet the Simpler-regime criteria would be able to choose to be subject to the proposed implementation of the Basel 3.1 standards, should they prefer to do so. In February 2023, Liquidity and disclosure related consultations were published, with the final policy statement issued in December 2023. In PS9/24 it was announced that the implementation of the Small Domestic Deposit Taker (SDDT) regime will be applicable from 1 January 2027. At the reference date 31 December 2024 Oxbury Bank would qualify for SDDT instead of Basel 3.1. At the reference date no decision has been made to opt in for the SDDT regime.

2 Risk Management

Oxbury has continued to maintain adequate capital resources and liquidity, remain operationally resilient for our customers, and remains compliant with all laws and regulations, at all times. The risk management strategy within Oxbury is designed to deliver these outcomes. The strategy encourages all our colleagues to identify, mitigate and manage all risks within the business and for these risks to be appropriately escalated to executive management and the Board.

Sections 6, 7, 8, 9 and 10 of this document detail the risks and risk management and relevant disclosures associated with Credit risk, Interest rate risk in the banking book, Liquidity risk, Operational, conduct, compliance & financial crime, Cyber risk and Climate risk.

Please also refer to the Risk Management framework section in the 2024 Annual Report and Financial statements.

The critical components underpinning the risk management strategy are highlighted below:

2.1 Company Values & Culture

Oxbury has established a Board with broad experience across both financial services and agriculture supported by an experienced executive team operating within a robust governance structure described in the Governance section below.

The Board have set out key values against which the business will operate, as follows:

- Integrity – we aim to be transparent in everything we do and have open, honest, and respectful engagement with all our stakeholders.
- Customer Focused – we will design products and services that are focused on meeting customer needs.
- Risk – we will continue to create a culture where everyone in the business takes responsibility for managing risk.
- Competitive – we aim to be competitive in the markets in which we operate providing genuine choice for customers.
- Partnership – we actively work to receive the respect of colleagues, customers, partners, regulators, shareholders and suppliers.
- Sustainability - we consider our environmental footprint in our day-to-day operations and actively pursue a carbon neutral status. Our ethos is to support sustainability and the transition to a net zero economy. Oxbury has established a Board with broad experience across both financial services and agriculture supported by an experienced executive team operating within a robust governance structure described in the Corporate Governance section below.

2.2 Environmental, Social and Governance

The Bank recognises that its activities have positive and negative, intended, or unintended consequences over the short, medium, and long term. Oxbury takes an approach of responsible impact which means that Oxbury will consciously consider and manage the Bank's activities to amplify positive and minimise negative outcomes across four pillars: planet, people, principle, and partnerships. We also acknowledge that long-term sustainability requires that our decisions should balance the needs of the present generation without compromising the ability of future generations to meet their own needs. Our responsible impact contributes to the Sustainable Development Goals (SDGs). We have identified internationally agreed related targets where Oxbury's activities may influence the global effort to achieve the goals.

Oxbury believes that integrating the four pillars of responsible impact into our corporate strategy, risk management approach, business processes and financial planning strengthens the resilience of the Bank, its customers and suppliers. We follow a stakeholder inclusive approach to consider the legitimate interests of all parties affected by our activities. Where appropriate, we are identifying metrics and targets to measure the impact of our actions related to this policy.

3 Governance

3.1 Governance arrangements

The overall Board and Board committee structure, responsibilities, reporting structure are detailed in the Annual Report and Financial statements. During the year, there were no changes to the Board.

Oxbury's Risk Management Framework, governance arrangements and Board responsibilities are detailed in the preceding sections in this document and in the governance section of the Banks's 2024 Annual Report and Financial statements. The Board considers that, as at 31 December 2024, it had in place an adequate framework of systems and controls with regard to Oxbury Bank's risk profile and business strategy.

3.2 Board recruitment and diversity

Disclosures in relation to Board recruitment and diversity are detailed in section 11 of this document.

3.3 Board induction

New Directors appointed by the Board are given formal induction with respect to Oxbury Bank's vision, strategy, and core values including ethics, corporate governance practices, Risk Management Framework, financial matters, and business operations. Management also provides all the necessary documents, reports, and internal policies to the new Directors so that they get acquainted with various procedures and practices in Oxbury's Bank. Apart from the above, Oxbury's Bank's management team makes periodic presentations on business and performance updates of the Bank at Board and Committee meetings as well as in informal one to one meetings.

3.4 Succession planning

Oxbury Bank is committed to prudent risk management and ensuring that the succession of the management team is planned out and regularly monitored and adjusted. The Bank has a succession plan which allows the Board to understand the actions that Oxbury Bank would take should it lose a senior management team member. The plan outlines the "what if" scenario and corresponding actions relating to the departure of each management team member. The plan is periodically reviewed by Nomination Committee and approved by the Board and is subject to, at minimum, an annual review by senior management.

3.5 Adequacy of risk management arrangements

As detailed in the preceding sections and in our 2024 Annual Report and Financial statements, the Board retains overall accountability for approving the Risk Management Framework (RMF) and the business strategy; understanding major risks, and ensuring that appropriate limits are set against those risks and that they are adequately controlled and monitored. Oxbury Bank's RMF, governance arrangements and Board responsibilities are detailed in the preceding sections in this document and in the 'Governance' section of the Bank's 2024 Annual Report and Financial statements. The Board considers that, as at 31

December 2024, it had in place an adequate framework of systems and controls with regard to Oxbury Bank's risk profile and business strategy.

4 Capital resources and capital adequacy

4.1 Capital management & stress testing

Oxbury Banks' risk appetite statement and framework are designed to ensure that Oxbury Bank maintains sufficient capital, with appropriate buffers, to meet regulatory requirements for its ongoing projections, even in periods of stress.

To enable this, Oxbury Bank conducts the Internal Capital Adequacy Assessment Process (ICAAP), which is a formal capital planning exercise that covers forecasts over a three-to-five-year period as required under the PRA ICAA rules. As a part of the ICAAP, the Board consider all material risks Oxbury Bank faces and determine the amount, type and distribution of capital that will be required to cover such risks. The determination of these additional capital requirements is what is known as the Pillar 2 requirements, which is bank- specific capital requirement and supplements the minimum capital requirement (known as the Pillar 1 requirement). The ICAAP is reviewed and approved typically annually by the Executive Committee (ExCo), the Board Risk Committee and the Board. ICAAP is part of the Risk Management Framework and informs the Risk Appetite Statement, and it is the basis of the day to day operations of Oxbury, including - helping to inform calibration of risk appetite measures and early warning indicators (EWIs), helping to monitor and assess the management of concentration risk within the loan book, informing strategic considerations for the Bank's financial plan, including rightsizing capital planning, consideration of optimal balance sheet scale and ensuring resilience of the Bank business model to stress.

The Pillar 2A requirements cover several risk areas including – credit, market, operational risks, counterparty credit risk, credit concentration risk, interest rate risk in the banking book, pension obligation risk, and group risk. We also conduct "Stress testing" to determine whether any additional capital may be required to be held over and above the Total Capital Requirement ("TCR") plus regulatory buffers. Pillar 2B, which can also include a PRA buffer where assessed, is an amount of capital banks need to maintain in addition to their total capital requirement and the combined buffers. The combined buffers comprise of the Capital Conservation Buffer (CCoB), the Countercyclical Buffer (CCyB) and are regulatory buffers that are applied to ensure the banking system as a whole has sufficient capital to absorb system-wide losses that could occur in stress.

Oxbury Bank uses the Standardised Approach for computing capital requirements for credit risk and Basic Indicator Approach for operational risk, with the disclosures based on such. Oxbury Bank has complied with all regulatory capital requirements throughout the year. Oxbury Bank has Tier 1 and Tier 2 capital resources, including qualifying share capital reserves and retained earnings, adjusted for the regulatory depreciation for intangible assets.

4.2 Stress testing

The Bank undertakes a detailed approach to evaluate a range of potential stress scenarios that could occur based on the key risks in the business and macroeconomic stress scenarios, to ensure that we robustly stress the risks inherent in our business. Stress testing is carried out at regular intervals, with capital stress tests undertaken at least annually as well as where required as part of the ongoing risk appetite reviews and as a result of any perceived change in the wider macroeconomic environment or idiosyncratic event which might pose a threat to Oxbury. On an ongoing basis, we monitor capital adequacy considering the forecast volume of growth in the loan book. The capital adequacy and surplus over the capital buffer position (forecast and actuals) are reported to the ALCO, ExCo, monthly as well as Board Risk Committee (BRC) on a quarterly basis and at each Board meeting. The key risk appetite metrics that are used by the Bank to monitor and measure its capital risk include (but are not limited to) – minimum CET 1, Tier 1 and Total Capital and changes to the headroom over Oxbury's capital requirement, stress scenarios, leverage ratio, large exposures, etc. There are risk appetite limits set for each of these metrics under 'business as usual', early warning indicators, and internal limits.

4.3 Capital Resources (UK KM1 - Key Metrics)

	2024 (£'000)	2023 (£'000)
Available capital (amounts)		
Common Equity Tier 1	142,312	68,026
Tier 1 capital	142,312	68,026
Total capital	142,312	68,026
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	684,357	426,705
Risk-based capital ratios as a percentage of RWA	20.79%	15.94%
Total capital ratio (%)	23.35%	19.27%
Total Capital requirement (TCR) as set by the PRA (as a percentage of risk-weighted exposure amount) - Pillar 1 + Pillar 2A		
Pillar 1 + Pillar 2A *	11.65%	13.30%
Additional CET1 buffer requirements as a percentage of RWA		
Capital conservation buffer (%)	2.5%	2.5%
Countercyclical capital buffer (%)	2.0%	2.0%
Combined buffer requirement	4.5%	4.5%
Overall capital requirement (%)	16.15%	17.80%
Surplus over requirements (Pillar + Pillar 2A)		
CET1 available after meeting the bank's minimum capital requirement (%)	9.14%	2.64%
Leverage ratio		
Leverage ratio total exposure measure excluding claims on central banks	1,077,236	636,500
Leverage ratio (%)	12.66%	10.69%
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value-average)	1,510,275	525,527
Cash outflows – Total weighted value (3 months)	353,181	117,034
Cash inflows – Total weighted value (3 months)	28,590	17,872
Total net cash outflow	324,591	99,162
LCR ratio (%)	465.3%	529.9%
Net Stable Funding Ratio		
Total available stable funding	2,272,844	1,038,478
Total required stable funding	865,058	516,484
NSFR ratio (%)	262.7%	201.1%

* The Pillar 1 and Pillar 2A requirements are reported as per the SREP assessment applicable from 20/01/2025 issued by the PRA to Oxbury Bank Plc.

4.4 Overview of risk weighted exposure amounts (UK OV1)

	Risk weighted exposure amounts (RWEAs)		Total own Pillar 1 capital requirements	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Credit Risk (excluding CCR)				
- Of which the standardised approach	684,357	426,705	54,749	34,136
Counterparty credit risk (CCR)	-	-	-	-
Operational risk				
- Of which basic indicator approach	15,763	18,622	1,261	1,489
Total	**684,357**	**426,705**	**54,749**	**34,136**

4.5 Overview of capital surplus over Pillar 1 requirements

The below surplus is stated over the Pillar 1 capital requirements which are computed as 8% of the risk weighted assets.

	2024 (£'000)	2023 (£'000)
Capital resources requirement under Pillar 1	54,749	34,136
Total capital resources	142,312	68,026
Capital resources surplus over Pillar 1 requirements	**87,563**	**33,890**

4.6 Capital resources (CC1)

The following table shows the composition of Oxbury Bank's regulatory capital position.

Regulatory capital	2024 (£'000)	2023 (£'000)
Share capital	161,663	92,987
Retained earnings	(12,586)	(14,901)
Current year Profit	5,882	2,314
Deductions for Intangible assets (i)	(5,426)	(5,415)
Adjustments for Deferred tax assets (ii)	533	(3,209)
Deductions for Securitisation positions (iii)	(7,754)	(3,750)
Total Common Equity Tier 1 (CET1) capital	**142,312**	**68,026**
Total Tier 1 capital	**142,312**	**68,026**
Subordinated debt (iv)	17,500	14,188
Total Tier 2 capital	**17,500**	**14,188**
Total regulatory capital	**159,812**	**82,214**
Total risk-weighted assets	**684,357**	**426,705**
Common Equity Tier 1 capital (% rwa)	**20.79%**	**15.94%**
Total capital as a percentage of risk-weighted assets	**23.35%**	**19.27%**
Institution specific buffer requirement (% rwa)	**4.50%**	**4.50%**
Of which capital conservation buffer	2.50%	2.50%
Of which countercyclical buffer	2.00%	2.00%
Common Equity Tier 1 capital available after meeting the bank's minimum capital requirements	9.14%	2.64%

Oxbury's Tier 1 capital compromises the aggregate of its share capital and associated premiums, retained losses, together with adjustments based on regulatory requirements. The regulatory adjustments at December 2024 were:

i) Deduction of non-software or software based intangible assets
ii) Deduction of deferred tax assets and liabilities arising from timing differences expected to be utilised with future profits
iii) Deduction for ENABLE guarantee synthetic securitisation position

In 2024 Oxbury Bank continued utilising the ENABLE guarantee with the British Business Bank to provide a referenced guarantee facility of £300m for underlying receivables. This is categorised as eligible unfunded credit protection. The deduction is in accordance with CRR Article 245 (1) (b) and Article 36 (k). The deduction is calculated with the utilised portion of the guarantee. At the reference date the utilised portion of the guarantee is £206m

During 2023 and 2024, Oxbury acquired and held Tier 2 capital instruments.

4.7 Movement in regulatory capital resources

	2024 (£'000)	2023 (£'000)
Total CET1 capital at beginning of year	**68,026**	**45,557**
Shares issued during the year	68,676	24,074
Profit / (Loss) for the year	5,882	2,314
Net change in deductions for intangible assets	(9)	(1,195)
Net change in deductions for Deferred tax assets	3,741	1,026
Net change in securitisation positions	(4,004)	(3,750)
Total CET1 capital at end of year	**142,312**	**68,026**
Total Tier 1 capital at end of year	**142,312**	**68,026**
Total Tier 2 at beginning of year	**14,188**	**7,500**
Subordinated debt	3,312	6,688
Total Tier 2 capital at end of year	**17,500**	**14,188**
Total regulatory capital at end of the year	**159,812**	**82,214**

4.8 Reconciliation of regulatory capital to balance sheet (CC2)

	2024 (£'000)	2024 (£'000)
	Balance sheet published financial statements	Under regulatory scope of consolidation
Assets		
Cash and balances at central banks	1,470,898	1,470,898
Loans and advances to banks	21,120	21,120
Loans and advances to customers	1,025,824	1,025,824
Current and deferred tax assets	1,942	1,942
Prepayment, accrued income and other assets	2,487	2,507
Intangible assets	5,426	5,426
Investment in subsidiary	2,466	2,466
Property, plant and equipment	786	786
Total assets	**2,533,987**	**2,534,007**
Liabilities		
Customer deposits	2,350,433	2,350,433
Accruals, deferred income and other liabilities	10,449	10,449
Subordinated liabilities	17,798	17,798
Total liabilities	**2,378,680**	**2,378,680**
Shareholders' equity		
Paid in share capital (CET1)	**161,663**	**161,663**
Retained earnings	**(6,724)**	**(6,704)**
Share based payment reserves	**368**	**368**
Total Capital & Reserves	**155,307**	**155,327**
Total Equity & Liabilities	**2,533,987**	**2,534,007**

4.9 Reconciliation to Statutory equity

	2024 (£'000)	2023 (£'000)
Total Capital and reserves per financial statements	155,327	80,667
Deductions for intangible assets	(5,426)	(5,416)
Additions for Deferred Tax asset	533	(3,209)
Securitisation positions	(7,754)	(3,750)
Other deductions	(368)	(266)
Total CET1 capital	**142,312**	**68,026**
Total Tier 1 capital at end of year	**142,312**	**68,026**
Subordinated debt	17,500	15,000
Subject to 25% cap of Pillar 1 + Pillar 2A	-	(812)
Total Tier 2 capital at end of year	**17,500**	**14,188**
Total regulatory capital at end of the year	**159,812**	**82,214**

There were no dividends proposed or approved by the Board for 2024 (2023: nil)

Deductions for intangible assets and deferred tax assets are deducted from regulatory capital in accordance with the Capital Requirements Regulation (CRR) at that time.

Other deductions relate to share-based payment reserve and unvested share options.

4.10 Tier 2 subordinated debt

Subordinated debt qualifying as Tier 2 regulatory capital

In September 2022, the Bank issued subordinated notes with a coupon of 11.50%, which can be called 5 years from maturity. The notes are held at amortised cost. The instrument is non-convertible and there are no contractual write-down features. Write-down can only be triggered at point of non-viability under the Banking Act. As at 31 December 2024 the Bank had drawn £17.5m.

There were no payment defaults or other breaches with respect to its subordinated liabilities during year ended 31st December 2024. (2023: nil).

Additionally, the bank is able to issue a further £7.5m of subordinated debt to a maximum of £25m. The amount of subordinated debt issued will be determined in line with growth in lending (assets) and capital requirements.

GBP (000s)	Year to 31st Dec 2024	Year to 31st Dec 2023
Brought forward – prior year	15,000	7,500
Issued during current year – Cash Inflow	2,500	7,500
Carried forward – 31 Dec 2024	**17,500**	**15,000**
Interest accrued - Not paid	298	191
Subordinated Loan	**17,798**	**15,191**

All notes have an option to be repaid by Oxbury after 5 years. The accrued interest is due within 1 year.

Subordinated liabilities by maturity

GBP (000s)	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Subordinated loan	496	1,516	8,061	24,252	**34,325**

4.11 Total capital ratio

Oxbury Banks' overall capital resources requirement under Pillar 1 are calculated by adding the capital resources requirements for credit and operational risk. As at the reporting date, Oxbury Bank did not have any market risk capital requirement or credit valuation adjustment ('CVA'). Pillar 1 capital requirement is computed as 8% of the risk weighted assets.

	2024 (£'000)	2023 (£'000)
Risk Weighted Assets		
Credit risk	668,594	408,083
Market risk, credit valuation adjustment (CVA)	-	-
Operational risk	15,763	18,622
Total Risk Weighted Assets	**684,357**	**426,705**
Tier 1 capital ratio	**20.79%**	**15.94%**
Total capital ratio	**23.35%**	**19.27%**

4.12 Total capital requirement (TCR) as set by the PRA (Pillar 1 + Pillar 2A)

The total capital requirement (TCR) as set by the PRA, which is defined as the amount and quality of capital the firm is required to maintain to comply with the Pillar 1 and Pillar 2A capital requirements, being 11.65% for the Bank as of 31 December 2024 (2023: 13.30%)

4.13 Capital buffers (Pillar 2B)

The UK Countercyclical Buffer (CCyB) rate was 2.00% as of December 2024. The capital conservation buffer was 2.5% in line with the CRDIV Capital buffers. There is no Global Systemically Important Institution (GSII) or Other Systemically Important Institution (O-SII) buffer.

The capital adequacy ratio, buffer over Individual Capital Guidance (ICG) and Capital Planning Buffers (CPB) - are key risk metrics monitored by the ALCO, ExCo and reported to Board and committees. As at 31 December 2024, Oxbury Banks' capital base was in excess of the minimum required as per the regulatory requirements, including capital requirements which form the Total Capital Requirement (TCR) of the firm.

2024	Exposure value under the Standardised Approach	Risk exposure amount (RWA)	Own funds required	Own funds required weight	Countercyclical buffer rate
	£'000	£'000	£'000		
UK	2,655,028	668,594	53,488	100%	2.0%
Total	**2,655,028**	**668,594**	**53,488**	**100%**	**2.0%**

2024	Exposure value under the Standardised Approach	Risk exposure amount (RWA)	Own funds required	Own funds required weight	Countercyclical buffer rate
	£'000	£'000	£'000		
Institution specific countercyclical buffer rate	0.00%				

2023	Exposure value under the Standardised Approach	Risk exposure amount (RWA)	Own funds required	Own funds required weight	Countercyclical buffer rate
	£'000	£'000	£'000		
UK	1,238,437	408,083	32,646	100%	2.0%
Total	**1,238,437**	**408,083**	**32,646**	**100%**	**2.0%**

2023	Exposure value under the Standardised Approach	Risk exposure amount (RWA)	Own funds required	Own funds required weight	Countercyclical buffer rate
	£'000	£'000	£'000		
Institution specific countercyclical buffer rate	0.00%				

4.14 UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

CRD IV requires firms to disclose a non-risk based leverage ratio (LR) and the processes used to manage the risk of excessive leverage. It is calculated as Tier 1 capital divided by total on and off-balance sheet assets, after adjustments.

	2024 (£'000)	2023 (£'000)
Total assets as per Annual Report and Financial statements	2,533,987	1,163,925
Asset amounts deducted in determining Tier 1 capital	(5,426)	(9,118)
Asset amounts added in determining Tier 1 capital	-	-
Total on-balance sheet exposures	**2,528,561**	**1,154,806**
Off-balance sheet exposures at gross notional amount	126,186	83,160
Adjustments for conversion to credit equivalent amounts	(116,348)	(70,475)
Total other off-balance sheet exposures	**9,838**	**12,685**

4.15 UK LR2 – Leverage Ratio Common Disclosure

	2024 (£'000)	2023 (£'000)
Tier 1 capital (leverage)	142,312	68,026
Total leverage ratio exposures including claims on central banks	2,548,134	1,167,491
Asset amounts added in determining Tier 1 capital	-	-
Leverage ratio including claims on central banks	**5.58%**	**5.83%**
Claims on central banks excluded	(1,470,898)	(530,991)
Total exposure measure excluding claims on central banks	1,077,236	636,500
Leverage ratio excluding claims on central banks	**13.21%**	**10.69%**

4.16 UK LR3 - LRSpl: Split-up of on-balance sheet exposures

Leverage ratio exposures	2024 (£'000)	2023 (£'000)
Total on balance sheet exposures	**1,055,966**	**624,309**
Banking book exposures, of which:		
Institutions	21,120	12,674
Secured by immovable property	767,497	482,993
Corporates	2,335	1,195
Retail	251,129	120,909
Exposures in default	5,058	614
Other exposures (including non-credit obligation assets)	8,827	5,924

The UK leverage ratio regime requires a minimum leverage ratio of 3.25%. Under the regime, the calculation also excludes assets constituting claims on central banks from the calculation of the total exposure measure. At present Oxbury Bank has no minimum leverage requirement as it is currently not within the scope of the UK Leverage Ratio Framework due to retail deposit levels being less than £50 billion.

As at 31 December 2024, Oxbury Banks' leverage ratio was in excess of the minimum regulatory requirements and the Banks' risk appetite limits. The Bank manages its leverage ratio in line with the overall capital requirements and ensures that the ratio is well above the minimum leverage ratio requirement.

5 Credit Risk

Credit risk refers to the potential loss that a lender may suffer due to the failure of a borrower to repay a loan or meet their financial obligations. It is the risk that arises from the possibility of default on a loan or debt by the borrower.

This risk is one of the most significant risks faced by Oxbury given its business model's emphasis on lending. Oxbury has a Risk Management Framework (RMF) that includes establishing and monitoring credit policies and procedures, credit and concentration risk appetite limits and key risk indicators, credit risk decisioning process including delegated authorities, portfolio performance and management and climate risk assessment and management within the loan book. Credit risk management information is published in the Oxbury Annual Report and Financial statements pages 60-64, pages 91-98.

5.1 Exposures subject to the Standardised Approach

December 2024	Credit risk exposure (a)	Avg Credit risk exposure (c)	RWA (d)	Minimum capital requirement (e)
	£'000	£'000	£'000	£'000
Central banks	1,470,898	1,109,858	-	-
Institutions	21,120	22,936	4,224	338
Corporates	2,884	1,960	1,624	130
Retail	309,079	265,689	155,268	12,421
Secured by immovable property	835,025	673,169	485,720	38,849
Exposures in default (b)	5,058	3,316	7,587	607
Other items	10,964	8,106	14,171	1,142
Total	**2,655,028**	**2,085,033**	**668,594**	**53,487**

December 2023	Credit risk exposure (a)	Avg Credit risk exposure (c)	RWA (d)	Minimum capital requirement (e)
	£'000	£'000	£'000	£'000
Central banks	531,316	334,440	-	-
Institutions	12,674	13,526	2,534	203
Corporates	1,403	2,010	910	73
Retail	172,391	127,523	74,826	5,986
Secured by immovable property	514,483	434,228	323,336	25,867
Exposures in default (b)	614	572	921	74
Other items	5,556	4,667	5,556	444
Total	**1,238,437**	**916,965**	**408,083**	**32,647**

a The gross exposures include all drawn and undrawn committed facilities. These are stated prior to application of any credit conversion factors.
b As of 31 December 2024, there were seven exposures in default.
c Average credit risk exposures are calculated as the average of quarterly COREP returns information.
d The RWA includes application of SME support factor where applicable per the Quickfix CRR II guidelines issued in June 2020. The RWA also includes the effect of the ENABLE guarantee where £155m of exposures secured by immovable property have a 0% risk weighting.
e The bank uses the Standardised Approach to determine capital requirements. Under this approach, eight percent of the risk weighted assets is required to be held as Pillar 1 capital.

The credit exposures increased in 2024 versus the prior year due to the growth of Oxbury Banks' loan products. More details on the business growth and strategy have been provided in Oxbury Banks' Annual Report and Financial Statements for the year ended 31 December 2024.

5.2 Maturity bucketing of the exposures

2024	Within 1 year	After 1 year but within 5 years	More than 5 years	Undated / open maturity	ECL	Total
	£'000	£'000	£'000	£'000		£'000
Central banks	-	-	-	1,470,898		1,470,898
Institutions	-	-	-	21,120		21,120
Loans to customers	222,836	252,389	678,165	0	(1,344)	1,152,046
Other items	-	-	-	10,964		10,964
Total	**222,836**	**252,389**	**678,165**	**1,502,982**	**(1,344)**	**2,655,028**

2023	Within 1 year	After 1 year but within 5 years	More than 5 years	Undated / open maturity	ECL	Total
	£'000	£'000	£'000	£'000		£'000
Central banks	-	-	-	531,316		531,316
Institutions	-	-	-	12,674		12,674
Loans to customers	126,197	114,889	448,350	0	(545)	688,891
Other items	-	-	-	5,556		5,556
Total	**126,197**	**114,889**	**448,350**	**549,546**	**(545)**	**1,238,437**

All exposures above are stated including undrawn facilities and before application of conversion factors.

5.3 Credit quality of assets (CR1)

	a	b	c	d	e	g
2024	Gross carrying values of			ECL accounting provisions for credit losses on SA exposures		Total
	£'000	£'000	£'000	£'000	£'000	£'000
	Defaulted exposures	Non-defaulted exposures	Allowance impairment	Of which specific	Of which general	Net values (a – b – c)
Loans	5,058	1,020,962	(1,344)	(1,344)	-	1,024,676
Debt securities	-	-	-	-	-	-
Institutions	-	21,120	-	-	-	21,120
Off balance sheet exposures	-	126,186	(142)	(142)	-	126,084
Other	-	10,964	-	-	-	10,964
Total	**5,058**	**1,179,232**	**(1,486)**	**(1,486)**	**-**	**1,182,844**

	a	b	c	d	e	g
2023	Gross carrying values of			ECL accounting provisions for credit losses on SA exposures		Total
	£'000	£'000	£'000	£'000	£'000	£'000
	Defaulted exposures	Non-defaulted exposures	Allowance impairment	Of which specific	Of which general	Net values (a – b – c)
Loans	614	605,717	(545)	(545)	-	605,786
Debt securities	-	-	-	-	-	-
Institutions	-	12,674	-	-	-	12,674
Off balance sheet exposures	-	83,160	(98)	(98)	-	83,062
Other	-	5,556	-	-	-	5,556
Total	**614**	**707,107**	**(643)**	**(643)**	**-**	**707,078**

5.4 Changes in stock of defaulted loans and debt securities (CR2)

Item	Defaulted loans (excluding off balance sheet)	(£'000)
1	Defaulted loans and debt securities at end of previous reporting period	614
2	Loans that have defaulted since the last reporting period	4,379
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes	65
6	**Defaulted loans at end of reporting period (1 + 2 + 3 + 4 + 5)**	**5,058**

5.5 Credit risk mitigation techniques - overview (CR3)

	a	b	c	d	e
2024	Exposures with no CRM: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	£'000	£'000	£'000	£'000	£'000
Loans	1,152,042	206,778	-	155,084	-
Debt securities	-	-	-	-	-
Total	**1,152,042**	**206,778**	**-**	**155,084**	**-**
Of which defaulted	5,085	-	-	-	-

5.6 Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects (CR4)

		a	b	c	d	e	f
	2024	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		£'000	£'000	£'000	£'000	£'000	£'000
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central banks	1,470,898	-	1,470,898	-	0	0%
2	Public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	21,120	-	21,120	-	4,224	20%
	Of which other financial institutions	*21,120*		*21,120*		*4,224*	*20%*
5	Covered bonds	-	-	-	-	-	-
6	Corporates	2,335	549	2,335	0	1,624	56.3%
	Of which securities firms, other financial institutions and specialised	-	-	-	-	-	-
7	Subordinated debt and other equity capital	-	-	-	-	-	-
8	Retail	251,299	57,094	251,299	57,094	155,268	61.65%
9	Real estate	771,869	63,842	616,785	63,842	485,720	62.92%
	Of which general CRE	*771,869*	*63,842*	*616,785*	*63,842*	*485,720*	*62.92%*
10	Defaulted exposures	5,058	-	5,058	-	7,587	150%
11	Other assets	10,964	-	10,964	-	14,171	130.2%
12	**Total**	**2,533,543**	**121,485**	**2,378,459**	**121,485**	**668,594**	**26.38%**

5.7 Standardised approach – exposures by asset classes and risk weights (CR5)

	2024	Exposures before CCF and CRM (risk weight %)					Exposures post-CCF and post-CRM
		£'000	£'000	£'000	£'000	£'000	£'000
	Asset classes	0%	20%	75%	100%	150%	Total
1	Central banks	1,470,898	-				1,470,898
2	Public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	-	21,120	-	-	-	21,120
5	Covered bonds	-	-	-	-	-	-
6	Corporates	-	-	-	2,884	-	2,884
7	Subordinated debt and other equity capital	-	-	-	-	-	-
8	Retail	-	-	251,299	57,094		308,393
9	Real estate	155,084	-	-	680,627	-	835,711
10	Defaulted exposures	-	-	-	-	5,058	5,058
11	Other assets		-	-	10,964	-	10,964
12	**Total**	**1,625,982**	**21,120**	**251,299**	**740,605**	**5,058**	**2,655,028**

Exposure amounts applied to off-balance sheet exposures

		a	b	c	d
	2024	£'000	£'000	%	£'000
	Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre CCF)	Weighted average CCF	Exposure (post -CCF and post-CRM)
1	Less than 40%	-	126,025	6.4%	8,049
2	40-70%	-	-	-	-
3	75%	-	-	-	-
4	85%	-	-	-	-
5	90-100%	-	-	-	-
6	105-130%	-	-	-	-
7	150%	-	-	-	-
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**-**	**126,025**	**6.4%**	**8,049**

5.8 Geographical distribution

Oxbury Banks' credit risk exposures were wholly in the UK with no exposure outside the UK.

5.9 Sectoral distribution

The sectoral breakdown of Oxbury Banks' credit risk exposures as at 31 December 2024 is detailed below. All exposures are stated including undrawn facilities and before application of conversion factors.

2024	Central banks	Institutions	Lending	Other items
	£'000	£'000	£'000	£'000
Central banks	1,470,898	-	-	-
Institutions	-	21,120	-	-
Agriculture, forestry and fishing	-	-	1,007,390	-
Mining & Quarrying			116	
Manufacturing	-	-	20,954	-
Electricity, Gas , Steam			9,400	
Water supply, waste management			568	
Construction	-	-	16,632	-
Wholesale			14,842	
Transportation			23,246	
Accommodation, food service activities	-	-	14,120	-
Real estate activities	-	-	9,748	-
Professional, scientific and technical activities	-	-	7,141	-
Administrative and support service activities	-	-	17,368	-
Arts, entertainment			1,852	
Other service activities			8,669	
Other items	-	-	-	10,964
Total	**1,470,898**	**21,120**	**1,152,046**	**10,964**

2023	Central banks	Institutions	Lending	Other items
	£'000	£'000	£'000	£'000
Central banks	531,316	-	-	-
Institutions	-	12,674	-	-
Agriculture, forestry and fishing	-	-	614,590	-
Mining and quarrying	-	-	100	
Manufacturing	-	-	17,746	-
Electricity, Gas, Steam supply			2,535	
Water supply, sewage			161	
Construction	-	-	4,691	-
Wholesale and retail trade			5,966	
Transportation and storage			6,706	
Accommodation, food service activities	-	-	9,640	-
Financial and insurance activities			9,248	
Real estate activities	-	-	7,131	-
Professional, scientific and technical activities	-	-	2,967	-
Administrative and support service activities	-	-	2,294	-
Arts, entertainment and recreation			1,477	
Other service activities	-	-	3,638	
Other items	-	-	-	5,556
Total	**531,316**	**12,674**	**688,891**	**5,556**

		a	b	c	d	e	f
	2024	Bank acts as originator				Bank acts as sponsor	Bank acts as investor
		£'000	£'000	£'000	£'000	£'000	£'000
		Traditional	Of which simple, transparent and comparabl e (STC)	Synthetic	Off-balance sheet amount	RWA	RWA density
1	Retail (total) - of which	1,470,898	-	1,470,898	-	0	0%
2	residential mortgage	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-
4	other retail exposures	21,120	-	21,120	-	4,224	20%
5	Re-securitisation	-	-	-	-	-	-
6	Wholesale (total) - of which	2,335	548	2,335	548	1,624	56.3%
7	loans to corporates	-	-	-	-	-	-
8	commercial mortgage	251,129	57,264	251,129	57,264	155,268	50.23%
9	lease and receivables	771,869	68,209	771,869	68,209	485,720	59.2%
10	other wholesale	5,058	-	5,058	-	7,587	150%
11	re-securitisation	10,964	-	10,964	-	14,171	100%
12	**Total**	**1,155,375**	**126,025**	**1,080,375**	**126,025**	**688,594**	**25.93%**

Synthetic securitisation

Oxbury Bank entered into a synthetic securitisation product called ENABLE with the British Business Bank in September 2022. This provides a credit guarantee for 75% of the referenced portfolio facility subject to a first loss to the originator. The referenced portfolio limit is £300m as at December 2024. The guarantee is eligible under relevant Capital Requirements Regulation (CRR) to be used as Credit Risk Mitigation. This has the effect that £206.7m of gross exposures which are subject to the guarantee; £155.1m (75%) has a risk weighting of 0%.

5.10 Securitisation exposures in the banking book securitisation (SEC1)

The bank does not have any non synthetic securitisation exposures.

5.11 Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator (SEC3)

		a - e	f - i	j - m	n - q
	2024	Exposure values (by risk weight bands)	Exposure values (by regulatory approach)	RWA (by regulatory approach)	Capital charge after cap
		£'000	£'000	£'000	£'000
		<20%	SEC-SA	SEC-SA	SEC-SA
1	**Total exposures**	**206,778**	**206,778**	**0**	**0**
2	Traditional securitisation	-	-	-	-
3	Of which securitisation	-	-	-	-
4	Of which retail underlying	-	-	-	-
5	Of which STC	-	-	-	-
6	Of which wholesale	-	-	-	-
7	Of which STC	-	-	-	-
8	Of which re-securitisation	-	-	-	-
9	Synthetic securitisation	155,084	155,084	0	0
10	Of which securitisation	-	-	-	-
11	Of which retail underlying	36,189	36,189	0	0
12	Of which wholesale	118,895	118,895	0	0
12	Of which re-securitisation	-	-	-	-

5.12 Credit Risk Management: Loans and advances to customers

Risk Appetite

The Board is responsible for setting the Bank's appetite strategy, including for Credit Risk, in line with business plan. Key risk appetite metrics are monitored through periodic reporting and reviewed at least annually by the Board. Risk appetite metrics are tracked to measure performance and credit concentration of the loan book.

Credit Risk Management Policy underpins Oxbury Banks' approach to credit risk management and is designed to ensure lending is prudent and is managed in alignment with the overall Board risk appetite and corresponding financial and capital targets for Oxbury Bank.

Oxbury Bank's credit risk management is supported by a suite of credit risk policies which determine risk management approach and sets out minimum requirements including specific lending parameters. All credit risk policies are reviewed at least annually to ensure the Bank has the appropriate foundations for growth whilst also considering the macroeconomic and regulatory environment.

Credit risk management portfolio oversight and approval of lending decisions are done at Board Risk Committee and Credit Committees as delegated by the Board. Credit Committee delegation is based on key credit risk measures including quantum, collateral, and policy exception.

The following functions are key to Oxbury Bank credit risk assessment and monitoring:

Credit Risk team- who review, challenge, approve credits within delegated mandates and recommend credit proposals for approval to relevant governance fora, operating under the credit risk policies.

Financial crime – who manage the banks Financial Crime framework and Policy suite, manage reports of suspicious activity and act as a business partner providing advice and guidance.

Compliance - who manage the banks Risk and Compliance plan and Policy suite, oversight the Risk Control Self Assessment (RCSA) framework, and act as a business partner providing advice and guidance.

Approach to credit monitoring

Oxbury Bank combines the traditional approach to commercial underwriting i.e. using historical borrower data, with forward looking scenarios. This is done using external credit reference agencies (CRA) and inhouse expertise. The same approach is used to monitor loans, providing early warning indicators against deterioration in credit quality, enabling our team to have early conversations with borrowers. In addition, annual reviews take place at individual loan level for all exposures which provide a clear trend of credit risk across the loan book.

The early warning indicators are a series of Daily, Weekly and Monthly criteria set in accordance with the Risk Appetite Metrics and framework. The indicators are presented to Credit Committee at least monthly and at each Board Risk Committee meeting. Risk appetite metrics are reported monthly and presented to Exco along with appropriate commentary. Both the credit committee and the Board Risk Committee monitor the performance of the overall portfolio on a regular basis and the production of management information based on the portfolio is measured against the credit risk appetites.

Measuring Credit Risk Quality

The IFRS9 approach is applied in measuring credit risk of the book. Defined criteria have been set to ascertain the staging of the loans. This includes a combination of qualitative and quantitative factors, which include, but are not limited to – trend of business performance versus plan, trend of cashflow position, significant adverse changes to external factors that may impact the performance of the loan, significant adverse changes to the collateral position.

The Credit Committee receives information about loan accounts to be added to intensive monitoring for any increased monitoring and to Watchlist / Stage 2 or Stage 3, as appropriate, the credit committee approves the final staging.

The criteria used to trigger a staging review are monitored and reviewed periodically by the credit committee. Where loans are impacted by a deterioration in credit metrics these are reviewed and updated according to a watchlist status and or staging. Where a loan account is deemed to have a significant increase in credit risk (SICR) since origination it is classed as Stage 2 or Stage 3. Loans can also be moved to Stage 2 if the Days Past Due (DPD) is over 30 and Stage 3 if DPD is over 90. This is in line with the IFRS9 accounting standard.

For Stage 3 the credit committee assesses whether there are objective impairment triggers, which include significant financial difficulty of the borrower, probability that the borrower will enter bankruptcy, breach of contract, or any other factors as the credit committee deems relevant which may result in the borrower unlikely to pay (UTP).

The classification of the loan book across different Stages and the corresponding expected credit loss charge allowance is provided in the annual accounts in note 19 pages 92 – 98.

Credit risk mitigation

Oxbury Bank seeks to mitigate credit risk through, inter alia, eligible collateral. Oxbury Bank's credit risk policies detail the eligible collateral that Oxbury may accept for risk mitigation purposes. This includes but is not limited to, debenture / charge on fixed and floating assets, charge on freehold property or land, guarantees (personal, corporate) and cash reserves / deposits. Oxbury Bank has a policy guidance on the valuation conditions and methods. Oxbury Bank also has a policy in relation to the use of external valuation firms. Any review of collateral is done in line with the scheduled (minimum annual) review for the credit and frequency as specific to the security type, as applicable. As a backstop policy measure, Oxbury Bank refreshes independent, external valuations minimum every 3 years for larger exposures in line with the CRR. For the purposes of expected credit loss provisioning, we update the values in line with credit reviews.

As of 31 December 2024, 95% of Oxbury Banks' loan facilities were collateralised by security comprising of fixed assets (including property) and charges / debentures, legal charges on land, personal and corporate guarantees. The fair value of collateral held is £1,529.4m (2023: £1,473.3) against a carrying value of loans in the financial statements of £1,025.8m (2023: £605.7m).

Overview of provisioning policy

Oxbury Bank assesses on a forward-looking basis, the Expected Credit Loss (ECL) on the financial assets held at amortised cost, including the exposure arising from, loan commitments. This includes provision for lifetime EC: where the risk on the asset has significantly increased.

ECL is computed as: exposure at default (EAD) x probability of default (PD) x loss given default (LGD), discounted using the effective interest rate of the exposure. Depending on the staging of the loan, the ECL is either 12 month or lifetime. The ECL assessment is done at an individual exposure level.

A number of significant judgements are required for measurement of ECL. This includes:

- Determining the criteria for significant increase in credit risk (SICR), in addition to the backstop triggers specified under IFRS9;
- Choosing appropriate PD/LGD framework and assumptions;

Staging approach

IFRS9 requires loans to be classified into 3 stages for assessment of impairment:

Financial instruments that are not credit impaired at initial recognition are classified as 'Stage 1'. Instruments in Stage 1 have ECL measured for next 12 months. These accounts are monitored on an ongoing basis to ensure that there is no significant increase in the credit risk. Where there is an increase in the credit risk, the account is re-assessed and moved into Stage 2 if triggers are met.

Financial instruments where there is significant increase in the credit risk is classified as 'Stage 2'. The ECL for Stage 2 accounts is measured on a lifetime basis.

Financial instruments that are deemed credit-impaired is classified as Stage 3. The ECL for Stage 3 accounts is also measured on a lifetime basis and the interest is recognised net of expected credit losses.

Oxbury Bank does not have any purchased or originated credit-impaired (POCI) assets - i.e. financial assets that have been purchased and had objective evidence of being "non-performing" or "credit impaired" at the point of purchase. The criteria for stage 2 and 3 are determined in accordance with the Credit Risk Management policy of the Bank. The approach considers both quantitative and qualitative triggers. IFRS9 backstop criteria of 30 days past due for Stage 2 and 90 days past due for Stage 3 applies.

Further information on the Bank's credit monitoring procedures and credit risk management is provided in the 'Credit Risk' section of the 'Risk Management Framework' note in the Annual Financial Statements.

Probability of Default (PD)

Due to Oxbury Banks' limited trading history and no realised losses to date, the Bank does not have its own loss data to calibrate an internal assessment of PD and LGD. As a result, the Bank uses external data sources to calibrate the PD score for each loan individually. This is supplemented by a quantitative and qualitative assessment of each individual exposure, which includes (but is not limited to) information on key financial metrics, business performance, the quality of collateral, business and borrower profile. The PDs used for computing the ECL provisions are based on conversion from commercial Delphi scores (Experian) to % PD utilising external data and 3rd party expertise.

Loss Given Default (LGD)

The bank uses expert judgement-based haircuts, predicated on relevant operational experience of the individuals across the business, applied on valuations depending on the collateral type, to determine the LGD for each loan. The primary collateral type for the Banks' lending exposure is secured by immovable property and the haircut applied reflects a loss in collateral value. The LGD % is calibrated using the portfolio characteristics and 3rd party expertise.

Exposure At Default (EAD)

This includes all current outstanding balances and judgement-based estimates of drawdowns on undrawn loan commitments. Each drawdown request by the borrower is authorised though a series of delegated mandates. The Bank does not normally allow any drawdowns for exposures that have or are expected to breach financial covenants or are not in compliance of conditions of drawdown. The undrawn loan commitments are separately identified and the ECL allowance on these is recognised as part of 'Other liabilities'. The ECL on the drawn balances is deducted from the gross carrying value of the loans.

Forbearance

Forbearance measures consist of concessions towards a debtor facing, or about to face, difficulties in meeting its financial commitments, which Oxbury would not normally provide under its standard lending criteria and may include payments or covenant related forbearance. Forbearance concessions are granted only when they aim to restore sustainable repayment by the borrower and are in the best interest of the borrower returning to nonforborne status. Payment-related forbearance is only extended if it is expected that the customer will be able to meet the revised terms of the loan. From an IFRS 9 perspective, cases marked as forbearance are automatically categorised as IFRS 9 stage 2. IFRS 9 Stage 3 classification applies if the borrower is in default.

Staging classification of drawn and undrawn committed exposures under IFRS9

Gross carrying amount (drawn)	2024 £'000 Stage 1	2024 £'000 Stage 2	2024 £'000 Stage 3	2024 £'000 Total
At 1 January 2024	**597,332**	**8,303**	**621**	**606,256**
Transfers between stages during the year				
Increase due to origination	437,730			437,730
Decrease due to repayment	(12,221)	(4,682)	85	(16,818)
Transfers from Stage 1 to Stage 2	(9,077)	9,077		-
Transfers from Stage 1 to Stage 3	(965)		965	-
Transfers from Stage 2 to Stage 3	-	(3,414)	3,414	-
Transfers from Stage 3 to Stage 2				
Transfers from Stage 3 to Stage 1				
Transfers from Stage 2 to Stage 1				
Total Transfers	**415,572**	**981**	**4,569**	**420,912**
As at 31 December 2024	**1,012,904**	**9,284**	**5,085**	**1,027,168**

Gross carrying amount (drawn)	2023 £'000 Stage 1	2023 £'000 Stage 2	2023 £'000 Stage 3	2023 £'000 Total
At 1 January 2023	**346,543**	**2,623**	**510**	**349,676**
Transfers between stages during the year	-	-	-	-
Increase due to origination	303,859	-	62	303,921
Decrease due to changes in credit risk	(47,204)	(137)	-	(47,341)
Transfers from Stage 1 to Stage 2	(5,817)	5,817	-	-
Transfers from Stage 1 to Stage 3	(49)	-	49	-
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
Total Transfers	**250,789**	**5,680**	**111**	**256,580**
As at 31 December 2023	**597,332**	**8,303**	**621**	**606,256**

Nominal exposure (undrawn committed)	2024 £'000 Stage 1	2024 £'000 Stage 2	2024 £'000 Stage 3	2024 £'000 Total
At 1 January 2024	**59,602**	**24**	**-**	**59,626**
Transfers between stages during the year				
- Drawdown on opening	(37,331)	(2)	-	(37,333)
- Transfers to Stage 1				
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Total Transfers	**-**	**-**	**-**	**-**
Increase due to origination	68,632	118	22	68,772
As at 31 December 2024	**90,903**	**140**	**22**	**91,065**

Nominal exposure (undrawn committed)	2023 £'000 Stage 1	2023 £'000 Stage 2	2023 £'000 Stage 3	2023 £'000 Total
At 1 January 2023	**30,813**	**-**	**-**	**30,813**
Transfers between stages during the year				
- Drawdown on opening	(17,951)	-	-	(17,951)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Total Transfers	**(17,951)**	**-**	**-**	**(17,951)**
Increase due to origination	46,740	24	-	46,764
As at 31 December 2023	**59,602**	**24**	**-**	**59,626**

Expected Credit Loss (ECL) allowance under IFRS9

Allowance for ECL (drawn)	**2024** £'000 Stage 1	**2024** £'000 Stage 2	**2024** £'000 Stage 3	**2024** £'000 Total
At 1 January 2024	**507**	**31**	**7**	**545**
Increase due to origination	755			755
(Decreases)/Increases due to changes in credit risk	31	(4)	17	44
Transfer from Stage1 to Stage 2	(36)	36	-	-
Transfer from Stage1 to Stage 3	(21)		21	-
Transfer from Stage 2 to Stage 3	-	(18)	18	-
Transfer from Stage 3 to Stage 2				
Transfer from Stage 3 to Stage 1				
Transfer from Stage 2 to Stage 1				
Total Transfers	**(57)**	**18**	**39**	**-**
As at 31 December 2024	**1,236**	**45**	**63**	**1,344**

Allowance for ECL (drawn)	**2023** £'000 Stage 1	**2023** £'000 Stage 2	**2023** £'000 Stage 3	**2023** £'000 Total
At 1 January 2023	**125**	**13**	**5**	**143**
Increase due to origination	434	-	-	434
(Decreases)/Increases due to changes in credit risk	(51)	(9)	-	(60)
Transfer from Stage1 to Stage 2	(1)	27	-	26
Transfer from Stage1 to Stage 3	-	-	2	2
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Total Transfers	**382**	**19**	**2**	**402**
As at 31 December 2023	**507**	**31**	**7**	**545**

Allowance for ECL (undrawn commitments)	2024 £'000 Stage 1	2024 £'000 Stage 2	2024 £'000 Stage 3	2024 £'000 Total
At 1 January 2024	**98**	**-**	**-**	**98**
Increases due to origination	44			44
As at 31 December 2024	**142**	-	-	**142**

Allowance for ECL (undrawn commitments)	2023 £'000 Stage 1	2023 £'000 Stage 2	2023 £'000 Stage 3	2023 £'000 Total
At 1 January 2023	**36**	**-**	**-**	**36**
Increase due to origination	62			62
As at 31 December 2022	**98**	-	-	**98**

5.13 Credit Risk: Treasury assets

Credit risk also exists in relation to Treasury assets such as investment securities and deposits/balances placed with other banks. The credit risk associated with Treasury assets is considered to be low. Treasury assets as at 31 December 2024 were held in the form of balances at Bank of England reserve account. No assets are held for speculative purposes or actively traded. Oxbury Bank had no derivative exposures as at 31 December 2024 (2023: Nil). Oxbury Bank's exposure in this category is to the Bank of England (BOE) - which is the UK's Central Bank. Oxbury Bank has limited exposure to balances with other financial institutions, which are only held temporarily for clearing purposes (to facilitate any loan / deposit flows). For these banks, where available, Oxbury uses publicly available credit ratings from relevant External Credit Assessment Institutions ('ECAIs'), which are mapped to credit quality steps (CQS) as per CRD IV rules, in order to assess the risk weight for standardised credit risk. Where there are two ratings available, the Bank considers the worst rating or if there are three, two common rating are considered to determine the CQS.

2024	CQS 1	CQS 1	CQS 2	CQS 3	CQS 4	Total
Long term rating		AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB -	
Short term rating		A1	A2	A3	Below A3	
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central bank (BoE)	1,470,898	-	-	-	-	1,470,898
Loans and advances to banks	-	21,120	-	-	-	21,120
Total	**1,470,898**	**21,120**	-	-	-	**1,492,018**

2023	CQS 1	CQS 1	CQS 2	CQS 3	CQS 4	Total
Long term rating		AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB -	
Short term rating		A1	A2	A3	Below A3	
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central bank (BoE)	531,316	-	-	-	-	531,316
Loans and advances to banks	-	12,674		-	-	12,674
Total	**531,316**	**12,674**	-	-	-	**542,990**

6. Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk in the banking book is defined as the risk of losses arising from changes in the interest rates associated with Oxbury Bank's banking book exposures. The risk may arise due to the following:

Repricing and Basis Risk: The risk arising from repricing mismatch of assets and liabilities. The majority of Oxbury Banks' assets reprice based on variable rates (BOE base rate) while most deposit liabilities are fixed rate.

Pipeline Risk: The uncertainties of occurrence of future transactions.

Prepayment Risk: Borrowers redeeming fixed rate products when interest rates change or prepaying loans for other reasons. Oxbury Bank's interest rate risk management policy is detailed in Oxbury Bank's Market and Liquidity Risk Management policies, which defines, measures, and details the governance process around the management, monitoring and reporting of the interest rate risks. The Chief Financial Officer (CFO) is responsible for managing the interest rate risk in the Bank. The Asset and Liability Management Committee (ALCO) is responsible for recommending to Board and subsequently monitoring the appropriate thresholds and risk appetite limits on the interest rate risk. The reporting of the IRRBB is done on a monthly basis to the ALCO and to each Board and Board Risk Committee.

The Bank uses a number of measures for measurement and monitoring of interest rate risk. These include an NPV sensitivity to 200 basis point (bps) parallel shift in the entire yield curve to measure the interest rate risk in the banking book (IRRBB) and the basis risk exposure report. Oxbury Bank monitors the Net Present Value (NPV) sensitivity to the positive and negative 200 basis points shift in the yield curve including the Bank of England base rate embedded within the customer loan agreements and conditional assumptions on prepayments. The forward rate curves for Sterling Overnight Index Average (SONIA) are used to calculate the future net interest income on GBP denominated asset/ liability positions.

During 2024, the IRBB metrics have remained within Oxbury's risk appetite.

As at 31 December, the NPV sensitivity to +/-200bps shift including the impact of rate floors was as follows. The impact is positive in both +/- shift:

	2024 (£m)	2023 (£m)
NPV sensitivity to +2% (200bps) shift (including base rate floor)	(0.9)	1.3
NPV sensitivity to -2% (200bps) shift (including base rate floor)	1.0	(1.3)

7. Liquidity Risk

This is defined as the risk that Oxbury Bank is unable to meet its contractual financial obligations as they fall due and is unable to fund future loan draw-downs. The main liquidity risk Oxbury Bank faces is deposits funding risk – i.e. the risk that funds may be withdrawn from Oxbury Bank at their earliest contractual maturity in the event of a stress occurring. Oxbury Banks' Funding policy sets out its approach to funding its requirements and at the same time limiting the concentration of the funding sources. Oxbury Bank has put in place an Individual Liquidity Adequacy Assessment Process (ILAAP), which includes an on-going assessment and quantification of Oxbury Bank's liquidity requirements and risks in various stress scenarios and how Oxbury Bank plans to manage/mitigate risks arising in such stress scenarios. Oxbury Bank also has a liquidity contingency funding plan, which is a part of its Recovery and Resolution plan; this Recovery plan further details a range of credible options for addressing capital and liquidity challenges under a range of stress scenarios.

Oxbury Banks' liquidity position is monitored in accordance with Oxbury Bank's Liquidity Risk Management Policy and in accordance with the Liquidity risk appetite statements as approved by Oxbury Bank's Board. The Asset and Liability Management Committee (ALCO) is responsible for setting and monitoring the appropriate thresholds and limits on the capital and liquidity risk drivers, the day-to-day decision-making process around early warning triggers and ensuring that Oxbury Bank remains on target and within its capital and liquidity risk appetite. Independent oversight is provided by the second line Risk function. ALCO also conducts risk appetite appraisals to ensure that the Capital and Liquidity risk appetite statements are up to date and remain relevant to Oxbury Banks' operations. The key risk metrics that are used by the Bank to monitor and measure its liquidity risk include (but are not limited to) – Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), levels of High-Quality Liquid Assets (HQLA) including under stress, and peak deposit outflows. There are risk appetite limits set for each of these metrics under 'business as usual', early warning indicators, and internal limits.

As at 31 December 2024, Oxbury Bank held unencumbered high-quality liquid assets of £1,466.7m (2023: £528.5m).

	2024 (£m)	2023 (£m)
Liquidity buffer	1,466.8	528.5
Net cash outflows	319.0	86.0
30-day liquidity coverage ratio % (LCR)	460%	614%

7.1 UK LIQ1 – Quantitative information of LCR

		(a) Total unweighted value (£'000)				(b) Total weighted value (£'000)			
	Quarter ending	Mar-24	Jun-24	Sep-24	Dec-24	Mar-24	Jun-24	Sep-24	Dec-24
High-quality liquid assets									
1	Total HQLA	516,476	1,243,103	1,402,229	1,466,722	516,476	1,243,103	1,402,229	1,466,722
Cash outflows									
2	Retail deposits and deposits from small business customer, of which:	1,084,108	1,918,912	2,141,737	2,301,923	113,622	243,749	297,557	319,160
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	1,084,108	1,918,912	2,141,737	2,301,923	113,622	243,749	297,557	319,160
5	Unsecured wholesale funding, of which:	-	-	-	-	-	-	-	-
6	Operational deposits	-	-	-	-	-	-	-	-
7	Non-operational deposits	8,074	7,6155	9,293	9,390	2,218	2,297	2,711	2,831
8	Unsecured debts	-	-	-	-	-	-	-	-
9	Secured wholesale funding	-	-	-	-	-	-	-	-
10	Additional requirements, of which:	-	-	-	-	-	-	-	-
11	Outflows related to derivatives	-	-	-	-	-	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-

		(a) **Total unweighted value (£'000)**				(b) **Total weighted value (£'000)**			
	Quarter ending	Mar-24	Jun-24	Sep-24	Dec-24	Mar-24	Jun-24	Sep-24	Dec-24
13	Credit and liquidity facilities	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	29,728	46,501	46,716-	28,987	17,174	29,805	29,850	18,241
15	Other contingent funding obligations	87407	95,989	105,941	126,025	5,674	6,328	7,363	9,065
16	Total cash outflows	1,209,317	2,069,017	2,303,687	2,466,325	138,688	282,179	337,481	349,297
Cash inflows									
17	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	10,163	11,150	12,341	13,788	7,496	7,949	8,567	9,675
19	Other cashflows	23,785	13,279	21,351	21,083	22,919	12,666	20,592	20,578
20	Total cash inflows	33,948	24,429	33,692	34,871	30,415	20,615	29,159	30,253
						Total adjusted value			
21	Total HQLA					516,476	1,243,103	1,402,229	1,466,722
22	Total net cashflows					108,273	261,564	308,322	319,044
23	Liquidity coverage ratio (%)					477%	475%	455%	460%

7.2 UK LIQ2 – Net Stable Funding ratio (NSFR)

	Total unweighted value (£'000)				Total weighted value (£'000)			
Quarter ending	Mar-24	Jun-24	Sep-24	Dec-24	Mar-24	Jun-24	Sep-24	Dec-24
Available stable funding (ASF)	1,224,733	1,852,728	2,323,547	2,527,965	1,099,122	1,659,989	2,080,833	2,272,844
Required stable funding (RSF)	1,329,538	1,911,073	2,429,489	2,654.151	576,293	658,099	749,565	865,058
NSFR Ratio (%)					191%	252%	278%	263%

		Unweighted value by residual maturity				Weighted value (average)
	£'000 Dec-24	No maturity	< 6 months	6 months to < 1 year	>1 year	
Available stable funding (ASF) items						
1	**Capital items**					
2	Regulatory capital	165,166				165,166
3	Other capital instruments					
4	**Retail deposits**					
5	Stable deposits					
6	Less stable deposits		2,129,133	140,280	81,019	2,107,678
7	**Wholesale funding**					
8	Operational deposits					
9	Other wholesale funding					
10	Liabilities with matching assets					
11	**Other liabilities**					
12	NSFR derivative liabilities					
13	All other liabilities	12,366				
14	**Total ASF**					**2,272,844**
	Required stable funding (RSF)					
15	Total NSFR high-quality liquid assets (HQLA	1,470,898				

16	Deposits held at other financial institutions	21,120				10,560
17	**Performing loans and securities:**					
26	Other assets:					
31	All other assets not included in the above categories	8,778	51,916	44,315	930,936	848,189
32	Off-balance sheet items		126,025			6,309
33	**Total RSF**					**865,058**
34	**Net Stable Funding Ratio (%)**					**263%**

8. Operational risk

Operational risk management

Operational risk is defined as the risk of direct or indirect impacts resulting from human factors, inadequate or failed internal processes and systems, or external events. Oxbury Bank aims to mitigate each risk with robust controls and monitoring. Oxbury Bank has implemented an Operational Risk policy and robust risk mitigation processes. The first line of defence ensures that any operational risk in their area is mitigated by clearly defined and documented process documents and undertakes a thorough Risk and Controls Self-Assessment ('RCSA') process. Appropriate risk limits and their thresholds and early warning indicators are set. Reporting of appropriate MI on process effectiveness and any events or near misses is made monthly to CORC. Escalation if appropriate feeds into the CRO report which informs EXCO and the Board. Second-line and Third-line reviews and monitoring ensure independent challenge and review of the management of material operational risk in the first line functions. Please see page 12 -14 Oxbury Statutory Financial Statements for an overview of the Risk Operating Model.

The Bank has a Business Continuity & Crisis Management Plan (BCP) in place that establishes systems of prevention and recovery to deal with potential threats. A Business Impact Analysis (BIA) is conducted at least annually to identify and quantify the operational and financial impact from foreseen crisis events. The BIA establishes the criticality of partners, applications, infrastructure, people assets, business processes, operational activities, and their respective interdependencies, defines the recovery objectives i.e., Recovery Time Objectives where applicable and Recovery Point Objectives, and links to planning for contingencies and back-up arrangements. During the year the Bank continued its Operational Resilience programme which focuses on continuous improvement through the identification and remediation of vulnerabilities through periodic testing. In accordance with PRA and FCA expectations, the Bank has defined its important business services and impact tolerances, and all have been met throughout the year and are reviewed annually by the Board. The services are mapped, and controls and contingencies are fully planned. A programme of individual component testing and more complex multi-component testing and drills ensures that we can identify vulnerabilities to continually strengthen our resilience.

Conduct, compliance and regulatory risks

Conduct Risk is defined as the risk that a firm's behaviour results in poor outcomes for customers. Oxbury Bank is committed to delivering good outcomes for its customers. Compliance risk is defined as the risk of impairment to the organisation's business model, reputation and/ or financial condition resulting from failure to meet laws, regulations, standards and policies, and expectations of regulators and society as whole. Regulatory risk is defined as the risk of regulatory sanction, financial loss, or loss to reputation Oxbury Bank may suffer because of failure to comply with all laws and regulations, and the expectations of regulators. Oxbury Bank has no appetite for any breach of regulation, code or standard of conduct. Oxbury Bank uses a "customer outcomes" focussed approach to assess conduct performance. Staff are provided with a Compliance Manual and appropriate training to provide an overview of the regulatory system under which Oxbury Bank operates, to provide an outline of Oxbury Banks' Compliance policy in each area, and to provide instructions on policies and procedures for compliance. We also ensure that we effectively manage reputational risk, defined as the risk to its public image from a failure to meet stakeholders' expectations in relation to performance, conduct or business profile. Stakeholders include customers, investors, employees, suppliers, government, regulators, and other group companies.

Oxbury Bank Plc adopts a holistic approach to cyber risk, combining sound governance with robust technical controls. Building from the ground up, we start with colleague education and assessment through cyber awareness training and attack simulations. This is supported by the deployment of best in breed network, endpoint and email detection and response providers. We leverage the advance security controls provided by Microsoft and Amazon's cloud infrastructure, adopting standardised best-practice security patterns which we enforce through automated deployment pipelines and validate using continual assessment by security benchmarking tools. Our infrastructure and endpoints are monitored by our Security Operations Centre on a 24x7 basis. We conduct biannual penetration tests using accredited providers and open ourselves to regular red teaming exercises, and at least one cyber event is tested per annum as part of our ongoing Operational Resilience stress testing program. Cyber risk forms a key component of our overall Risk Management Framework and key performance indicators are reported up to Board level.

Operational risk capital charge computation

The operational risk capital charge for Oxbury Bank under Pillar 1 is calculated using the Basic Indicator Approach, whereby a 15 per cent multiplier is applied to the 3-year historical average net interest and fee income. Based on this computation, the capital charge for the period ended 31 December 2024 was £15.8m (2023: £18.6m).

2024 (£'000)	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Year-1		
Banking activities subject to basic indicator approach (BIA)	323	5,493	19,405	1,261	15,763

2023 (£'000)	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Year-1		
Banking activities subject to basic indicator approach (BIA)	323	5,493	23,978	1,489	18,621

9.0 Climate risk.

Oxbury publishes a Natural Capital report each year available at www.oxbury.com/disclosure/. The report includes detailed climate risk disclosures which have been adopted by the bank and the associated governance and risk management sections in the 2024 Natural Capital report provides the relevant information.

10.0 UK AE1 – Encumbered and unencumbered assets

2024	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
	£'000	£'000	£'000	£'000
Assets of the reporting institution	**40**	**-**	**2,529,985**	**N/A**
Loans on demand a	-	-	1,491,981	N/A
Equity instruments	-	-	-	N/A
Debt securities	-	-	-	N/A
Loans and advances other than loans on demand b	-	-	1,026,020	N/A
Other assets	40	-	11,984	N/A

a includes £1,471m of balances held at Bank of England and £20.0m of balances held at other banks
b Loans and advances to customers per financial statements

2023	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
	£'000	£'000	£'000	£'000
Assets of the reporting institution	**365**	**-**	**1,158,456**	**N/A**
Loans on demand a	-	-	543,625	N/A
Equity instruments	-	-	-	N/A
Debt securities	-	-	-	N/A
Loans and advances other than loans on demand b	-	-	605,711	N/A
Other assets	365	-	9120	N/A

a includes £530.9m of balances held at Bank of England and £12.7m of balances held at other banks
b Loans and advances to customers per financial statements

11. Remuneration disclosures

This section describes the remuneration policy and governance of Oxbury Bank and discloses details of the remuneration for the year ending 31 December 2024. These disclosures are made in accordance with Article 450 of the Capital Requirements Regulation (CRR) and should be read in conjunction with the 2024 Annual Report.

Approach to remuneration

The approach taken by Oxbury Bank in respect of remuneration emanates from a combination of regulatory guidance, in particular the dual-regulated firm's Remuneration Code as appropriate for Level 3 firms the rules on remuneration published by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) and our own best judgement regarding the design of awards and incentive packages.:

- http://www.bankofengland.co.uk/pra/Pages/publications/ps/2015/ps1215.aspx
- https://fshandbook.info/FS/html/handbook/SYSC/19D

Oxbury Bank has a straightforward approach to compensation which reinforces its model by rewarding the right behaviours and outcomes for customers and the business, focusing on long-term growth and discouraging unnecessary risk-taking. The bank's reward principles are as follows:

1. Pay fair salaries and offer strong career and growth opportunities.
2. Pay no excessive cash bonuses or incentives which could skew behaviours and/or encourage unnecessary risk-taking.
3. Reward employees based on the Bank's performance and how they behave and deliver; both as part of the team and as an individual.
4. Keep reward as simple as possible, with one approach for all.
5. With respect to variable remuneration components, adopt a risk-adjusted approach which explicitly takes into account the economic capital position of the bank and financial performance.
6. Benefits, including pensions, will form a component of reward that is appropriate to the individual employee and the long-term interests of the Company.
7. If necessary, the Company will make appropriate arrangements for deferral of pay and/or non-payment in the case of early termination.

Our Board Remuneration Committee (REMCO) further serves to assure, through its principal oversight function, the alignment of remuneration with both the strategic aims of Oxbury Bank and regulatory compliance requirements. Additionally, due to the size and maturity of our business, Oxbury Bank applies the proportionality principle (SYSC 19A.3.3R(2)) to ensure the practices and processes we promote are "appropriate to our size, internal organisation and the nature, the scope and the complexity of our activities."

Oxbury Bank further seeks to calibrate its approach to remuneration through a regular review of its remuneration policy and practices, at least annually.

Board Remuneration Committee (REMCO)

The Board Remuneration Committee is responsible for ensuring that remuneration arrangements support the strategic aims of Oxbury Bank, drive the right behaviours from staff, comply with best practices, and with the requirements of regulation. All remuneration is set in line with the Remuneration Code (SYSC 19D, as relevant to proportionality level 3 firms).

The Committee has delegated authority from the Board for the review and approval of the Remuneration Policy, setting remuneration and remuneration structure for all Executive Directors, Non-Executive Directors (NEDs) including the Chairman and other key individuals such as Senior Managers and employees captured under the scope of the Certification Regime.

The independent Non-Executive Directors are entitled to yearly fees for attending Board or Committee meetings at the rate that may be agreed upon between the Shareholders and the Board of Directors from time to time. Changes in Board compensation, if any, arise out of the recommendation of the Board Remuneration Committee with necessary approvals by the Board, Shareholders and PRA and FCA as appropriate.

The committee's membership is formed by the Board Chair and two further Independent Non-executive directors and is chaired by the Senior Independent Director.

The committee aims to meet at least twice per year as called by the Committee Chair. At least once per annum the Chief Risk Officer (CRO) and Chief Financial Officer (CFO) advise the Committee on specific risk adjustments to be applied to performance objectives of the Executive Directors and any employees captured under the scope of the Certification Regime, set in the context of incentive packages. Four meetings were convened during 2024 with all members in attendance at every meeting.

The Board Remuneration Committee has access to sufficient resources in order to carry out its duties and is able to use any forms of resources the committee deems appropriate, including external advice.

Remuneration structure

Oxbury Bank seeks to combine various remuneration/incentive components to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's seniority in the professional activity as well as market practice. The four remuneration components that employees are eligible to receive include: 1) Basic Salary; 2) Benefits; 3) Variable remuneration) and 4) C shares. These remuneration components are used to reward employees firm-wide. Any employee who is an SMF holder or Certified Person has their variable compensation subject to clawback in the event of malus. The criteria for malus and clawback is designed to create long term sustainable performance for the Bank.

Remuneration components

Base pay is part of the total proposition, including career and growth opportunities and long-term reward. We aim to set pay at a level which enables us to attract and retain the right calibre of staff, with the required level of skills and experience.

Remuneration is determined, in full compliance with the Equality Act 2010. The Remuneration Committee- will review the overall base salary remuneration framework annually with any increase usually taking effect from the following 1st April. The key factors taken into account in assessing the overall framework are:

- Individual behaviours and delivery against all company aligned objectives (Financial and Non-Financial relevant external market data
- Scope and size of role
- Individual's skills, expertise and experience and ability to grow with the role and organisation
- Economic factors, e.g. inflation
- The economic capital position and financial revenue position of the Bank

Basic Salary is a critical component in attracting and retaining high quality people in all salaried roles.

Pension

Our Pension Policy aims to support employees in building long-term savings for their retirement, without exposing the Bank to any unnecessary financial risk or unacceptable cost. New employees are automatically enrolled into our Group Personal Pension Plan ("GPPP") when they join the Bank.

Benefits

Other benefits may be provided to employees as part of their contract of employment at the discretion of the Executive Committee. Additional benefits for Senior Manager Function holders and Certified Persons will be at the discretion of Remco.

Variable remuneration

Oxbury pays variable remuneration based on the annual performance review process as outlined in the Appraisals Policy and in line with the Company's overall performance and meeting of Company objectives. RemCo will determine the overall variable remuneration framework annually with the CEO making recommendations on the size of the overall pool. RemCo will specifically approve variable remuneration for ExCo and any variable remuneration over 33%. Oxbury will not award, pay or provide guaranteed variable remuneration unless there are exceptional circumstances. Any exceptional award should be approved by Remco before commitment provided.

For employees who are neither Senior Manager Function (SMF) holders nor Certified Persons (CP), variable remuneration is at the discretion of the relevant ExCo member to make a recommendation to ExCo to approve an individual's variable remuneration.

The variable remuneration to be paid will be set against predetermined individual performance criteria set by the appropriate ExCo member and agreed by CEO and HR. In setting the level of variable remuneration, ExCo will take into account an appropriate balance of the fixed and variable remuneration components (including the split of the variable component between cash and other instruments), including the possibility that the variable component is a nil amount. To date there have been no variable pay awards.

Enhanced Variable Remuneration and deferred remuneration

RemCo approves variable remuneration for all SMFs and CPs and for all employees where variable remuneration is in excess of £44,000 cash or where the variable remuneration exceeds 33% of total remuneration.

Those subject to Enhanced Variable Remuneration, and in recognition of the requirement to align SMF and CP variable remuneration to a longer term time frame, at least 50% of the variable component will be paid as a balance of C-shares in line with the Articles of Association of the Company.

For FCA-approved SMF holders and CPs, the minimum vesting period for 40% of these shares will be for 5 years with none vesting before year 1.

For Higher Paid Material Risk Takers (including all PRA SMFs), the vesting period will be for 7 years with none vesting before 3 years.

Where employees are not Higher Paid Material Risk Takers but are FCA SMFs the vesting period will be 5 years, and for other non SMF Material Risk Takers 4 years.

If the total quantum of variable payment is greater than £500,000 then 60% of the share award shall be in deferred shares.

Retention awards shall form part of variable remuneration for the purpose of the ratio between fixed and variable components of total remuneration. Firms should notify the PRA and provide justification when a retention award is offered to an SMF or CP.

Oxbury may apply a discount rate to a maximum of 25% of an employee's total variable remuneration provided it is paid in shares or similarly approved cash equivalent that are deferred for a period of not less than five years.

Share options

At the judgement of RemCo, employees, including SMFs and CPs, can be awarded share options in line with the Articles of Association of the Company.

Remuneration of Non-Executive Directors

All Independent Non-Executive Directors receive a basic annual fee for fulfilling their duties as a Board member. Non-Executive Directors who are not independent do not receive a fee for fulfilling their duties as a Board member.

Additional fees are paid for added responsibilities such as chairship and membership of Committees or acting as the Senior Independent Director. Fees for Committee chairship are paid in addition to any fees for Committee membership. The Non-Executive Chair receives an annual fee for the performance of their role. These fees are agreed by RemCo.

Fees for both Non-Executive Directors and the Non-Executive Chair are paid in cash, subject to the appropriate deductions. The amount payable takes into account: the time commitment and requirements of the role; individual performance and experience; benchmark data from appropriate market sources and the financial performance of the Bank.

The basic and additional fees are reviewed periodically, drawing on external market information for comparable financial services groups and companies. Any increase normally takes effect from April of a given year.

The maximum aggregate annual fees that can be paid to the Chairman and Non-Executive Directors are capped at £200,000. As a minimum this cap should be reviewed periodically to ensure that remuneration paid aligns to appropriate market benchmarks; the review is performed by CEO.

There is no variable remuneration component available to Non-Executive Directors.

Remuneration

As at 31 December 2024, there were 15 employees, defined as Material Risk Takers, including the Bank's Executive and Non-Executive Directors, and others included under the Senior Managers and Certification Regime (SMCR). A summary of remuneration for these employees can be seen below.

11.1 UK REM1 – Remuneration awarded during the year

2024 Payments £'000				
	Remuneration amount		Senior Management	Other Material Risk-takers
1	Fixed remuneration	Number of Employees	12	3
2		Total Fixed Remuneration (3 + 5 + 7)	2,621	345
3		*Of which: cash based*	2,454	306
4		*Of which: deferred*	-	-
5		*Of which: shares*	-	-
6		*Of which: deferred*	-	-
7		*Of which: other forms*	166	38
8		*Of which deferred*	-	-
9	Variable remuneration	Number of employees	-	-
10		Total variable remuneration (11 + 13 + 15)	-	-
11		*Of which: cash based*	-	-
12		*Of which: deferred*	-	-
13		*Of which: shares*	-	-
14		*Of which: deferred*	-	-
15		*Of which: other forms*	-	-
16		*Of which deferred*	-	-
17	**Total remuneration (2 + 10)**		**2,621**	**345**

2023 Payments £'000				
	Remuneration amount		Senior Management	Other Material Risk-takers
1	Fixed remuneration	Number of Employees	11	4
2		Total Fixed Remuneration (3 + 5 + 7)	1,984	441
3		*Of which: cash based*	1,881	405
4		*Of which: deferred*	-	-
5		*Of which: shares*	-	-
6		*Of which: deferred*	-	-
7		*Of which: other forms*	103	36
8		*Of which deferred*	-	-
9	Variable remuneration	Number of employees	-	-
10		Total variable remuneration (11 + 13 + 15)	-	-
11		*Of which: cash based*	-	-
12		*Of which: deferred*	-	-
13		*Of which: shares*	-	-
14		*Of which: deferred*	-	-
15		*Of which: other forms*	-	-
16		*Of which deferred*	-	-
17	**Total remuneration (2 + 10)**		**1,984**	**441**

11.2 UK REM2 – Special payments

Special payments 2024	**Guaranteed bonuses**		**Sign-on awards**		**Severance payments**	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management	-	-	-	-	-	-
Other material risk-takers	-	-	-	-	-	-

11.3 UK REM3 – Deferred remuneration

2024 (000's)	a	b	c	d	e
Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: exposed to ex post explicit and/or implicit judgement	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Other material risk-takers	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-

2023 (000's)	a	b	c	d	e
Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: exposed to ex post explicit and/or implicit judgement	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Other material risk-takers	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-

Nomination Committee (NOMCO)

The Committee reviews and recommends, alongside the Board, the selection and appointment of Board members as well as the Board structure.

The committee's membership is formed by the Chairman of the governing body (Chairman of the Nomination Committee), and two further Independent Non-executive directors.

Two meetings were convened during 2024 with all members in attendance.

The Board Nomination Committee has access to sufficient resources in order to carry out its duties and is able to use any forms of resources the committee deems appropriate, including external advice.

Board Diversity

Oxbury has developed a Board and senior management team with diverse experiences and, resultant skill sets and outlook, from across financial services and the agricultural market we serve. Oxbury is committed to promoting equal opportunities in employment and therefore recruitment at all levels is without discrimination on any protected characteristic.

Board recruitment

The Board of Directors has the authority to select and appoint Board members as well as to define and approve the Board structure following recommendations from the relevant Board Committees. The Board Nomination Committee is chaired by the Board Chair. Its membership consists of Non-Executive Directors only, including the Chair of the Board Risk Committee and the Chair of the Board Audit Committee and Senior Independent Director. It takes delegated authority from the Board of Directors to determine the policy and approval process for the Executive Directors and other senior management taking-up external non-executive appointments. It also leads the Board review and approval of the conditions and terms of service agreements of the Executive Directors and, in conjunction with the Non-Executive Directors, the terms of appointment of the Chair.

The Board reviews annually, following recommendations from Nomination Committee, the appropriate skills, characteristics, and experience required of the Board as a whole and from its individual members. The objective is to have a Board comprising of members with extensive banking experience, and additionally diverse background experience in such areas as business, agriculture, and technology. Oxbury Bank's current management team has a strong track record. The Board of Directors is highly experienced, bringing in diverse experience from both UK and international markets, banking, agriculture, and financial services sector experience.

In evaluating the suitability of individual Board members, the Board, following recommendations from the Board Nomination Committee, takes into account many factors, including a general understanding of Oxbury Bank's business dynamics, social perspective, educational and professional background and personal achievements. Directors are required to possess experience at policy-making and operational levels in banks or financial institutions that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing Oxbury Bank. Directors are required to possess the highest personal and professional ethics, integrity and values. The Committee evaluates each individual with the objective of having a group that best enables the success of Oxbury Bank.

Both the Board and the Board Nomination Committee have the responsibility for identifying suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on recommendations from the Board and Nomination Committee, the Board evaluates the candidate(s) and selects the appropriate member.

The composition of the Board includes the PRA-approved Non-Executive Directors (the Chair function, the Senior Independent Director function, the Chair of the Risk Committee function, the Chair of the Audit Committee function, Chair of the Remuneration Committee and the Chair of the Nomination Committee function) and includes at least three Independent Non Executive Directors. The majority of Board members are Non-Executive Directors

12. Own funds disclosures templates

12.1 Capital instruments main features template

TABLE: CAPITAL INSTRUMENTS MAIN FEATURES TEMPLATE			
		CET1	Tier 2
1	Issuer	Oxbury Bank Plc	Oxbury Bank Plc
2	Unique identifier	Fully discretionary	
3	Governing laws of the instrument	English	English
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier1	Tier 2
6	Eligible at solo/group/ group and solo	Group and solo	Group and solo
7	Instrument type	Ordinary share capital	Subordinated debt
8	Amount recognised in regulatory capital (currency in '000, as of most recent reporting date)	142,312	17,500
9	Par value of instrument	142,312	17,500
10	Accounting classification	Shareholders' equity	Liability – amortised cost
11	Original date of issuance	First issuance in 2018 and subsequent issuances in each year since. Filings for all issuances available under "Statement of capital following an allotment of shares" available on UK Companies House	October 2022
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	October 2032
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	From any date in the period commencing October 2027
16	Subsequent call dates, if applicable	N/A	None
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Discretionary dividend	Fixed
18	Coupon rate and any related index	N/A	Initial coupon is 11.5% per annum

19	Existence of a dividend stopper	N/A	No
20	Fully discretionary, partially or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	N/A	No
22	Non-cumulative or cumulative	N/A	Non-cumulative
23	Convertible or non-convertible	N/A	Non-convertible
30	*Writedown features*	N/A	None contractual. Notes may be subject to the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority in accordance with the Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks or other financial institutions
31	If writedown, writedown trigger(s)	N/A	N/A
32	If writedown, full or partial	N/A	N/A
33	If writedown, permanent or temporary	N/A	N/A
34a	*Type of subordination*		
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Eligible senior claims
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A

Disclosure requirements not relevant or not applicable to Oxbury Banks

DIS - Disclosure requirements			
Chapter	Templates	Name	Non disclosure reason
DIS20 Overview of risk management, key prudential metrics and RWA	KM2	Key metrics – total loss-absorbing capacity (TLAC) requirements	Not applicable
DIS21Comparison of modelled and standardised	CMS1	Comparison of modelled and standardised RWA at risk level	Not applicable
	CMS2	Comparison of modelled and standardised RWA for credit risk at asset class level	Not applicable
DIS25 Composition of capital and TLAC	TLAC1	TLAC composition for global systemically important banks (G-SIBs) (at resolution group level)	Not applicable
	TLAC2	Material subgroup entity – creditor ranking at legal entity level	Not applicable
	TLAC3	Resolution entity – creditor ranking at legal entity level	Not applicable
DIS26 Capital distribution constraints	CDC	Capital distribution constraints	Not applicable
DIS40 Credit risk	CRE	Qualitative disclosure related to internal ratings-based (IRB) models	Not applicable
	CR6	IRB - Credit risk exposures by portfolio and probability of default (PD) range	Not applicable
	CR7	IRB - Effect on RWA of credit derivatives used as credit risk mitigation (CRM) techniques	Not applicable
	CR8	RWA flow statements of credit risk exposures under IRB	Not applicable
DIS42 Counterparty credit risk	CCRA	Qualitative disclosure related to CCR	Not applicable
	CCR1	Analysis of CCR exposures by approach	Not applicable
	CCR3	Standardised approach – CCR exposures by regulatory portfolio and risk weights	Not applicable
	CCR4	IRB – CCR exposures by portfolio and probability-of-default (PD) scale	Not applicable
	CCR5	Composition of collateral for CCR exposures	Not applicable
	CCR6	Credit derivative exposures	Not applicable

	CCR7	RWA flow statements of CCR exposures under the internal models method (IMM)	Not applicable
	CCR8	Qualitative disclosure related to CCR	Not applicable
DIS43 Securitisation	SEC2	Securitisation exposures in the trading book	Not applicable
	SEC4	Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	Not applicable
DIS45 Sovereign exposures	SOV1	Exposures to sovereign entities – country	Not applicable
	SOV2	Template SOV2: Exposures to sovereign entities – currency denomination breakdown	Not applicable
	SOV3	Template SOV3: Exposures to sovereign entities – accounting classification breakdown	Not applicable
DIS50 market risk	MRA	General qualitative disclosure requirements related to market risk	Not applicable
	MR1	Market risk under the standardised approach	Not applicable
	MRB	Qualitative disclosures for banks using the IMA	Not applicable
	MR2	Market risk for banks using the IMA	Not applicable
	MR3	Market risk under the simplified standardised approach	Not applicable
DIS51 Credit valuation adjustment risk	CVAA	General qualitative disclosure requirements related to CVA	Not applicable
	CVA1	The reduced basic approach to CVA (BA-CVA)	Not applicable
	CVA2	The full basic approach for CVA (BA-CVA)	Not applicable
	CVA3	The standardised approach for CVA (SA-CVA	Not applicable
	CVA4	RWA flow statements of CVA risk exposures under SA-CVA	Not applicable
DIS60 Operational risk	OR1	Historical losses	Not applicable
DIS75 Macro prudential	GSIB1	Disclosure of global systemically important bank (G-SIB) indicators	Not applicable
	CCyB1	Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement	Not applicable