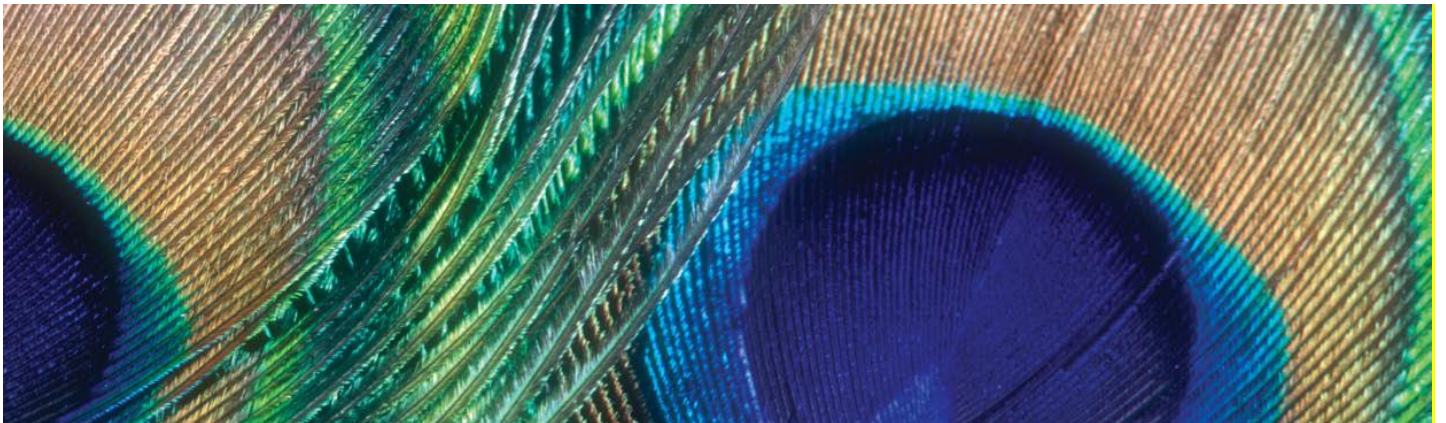




**ARBUTHNOT BANKING GROUP PLC**

**PILLAR 3 DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER  
2025**



Date: 9 April 2026

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**Arbuthnot Banking Group PLC**  
**Pillar 3 disclosures for the year ended 31 December 2025**

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# Overview

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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#### Origins of Arbuthnot Latham

George Arbuthnot (1772 – 1843) was a son of the Edinburgh banker Robert Arbuthnot. He started in 1803 as a partner in Latour & Co. in Madras (today Chennai), Southern India. Latour & Co. had been set up in 1780 by Count Francis Joseph Louis Latour de Quercy, who died in 1808. In 1807 Latour & Co. became Arbuthnot & Co. and George Arbuthnot became the leading partner until he retired in 1824. In his farewell letter to the partners he said: "...not only give the constituent (client) the assurance that his money is safe, but also give him the feeling that he is benefitting himself by dealing with the House."

In 1826 John Alves Arbuthnot started as a clerk at Arbuthnot & Co. and in 1831 became a partner. He married the daughter of George Arbuthnot. Upon his return to London he established, together with Alfred Latham, the trading house Arbuthnot & Latham on 13 March 1833.

(For more details, read the book: Arbuthnot Latham 1833 – 2023 by David Lascelles, 2nd edition)

#### The importance of history and Sun Tzu

The importance of previous experience cannot be overstated. "Those who are not willing to learn from history are doomed to repeat the mistakes of previous generations." A good place to start, therefore, is with the famous Chinese General, Sun Tzu and his writings in "The Art of War" c. 2500 years ago. He established some basic truths such as:

- "He whose ranks are united in purpose will be victorious."
- "The commander will surely choose those who are most fortunate."
- "The traits of a true commander are: courage, wisdom, humanity and integrity."

#### The Seven Principles

Ever since George Arbuthnot first gave guidance about corporate behaviour, it has been the culture of Arbuthnot to follow his advice. The Seven Principles summarise Arbuthnot's corporate philosophy and ethics.

During the 193 year history of serving its customers, Arbuthnot has proven its ability to adapt and grow by applying such principles with pragmatism and common sense.

1. Arbuthnot serves its **shareholders**, its **customers** and its **employees** with **integrity** and **high ethical standards**. This is demonstrated in a **progressive dividend** policy, in **fair pricing** and in **pay for performance**.
2. Arbuthnot attaches great importance to **good relations** with customers and business partners, and treating them **fairly and promptly**. Arbuthnot believes in **reciprocity**.
3. Arbuthnot is **independent, and profit and growth oriented** while maintaining a **controlled risk profile**.
4. Arbuthnot's business is conducted in an **innovative, flexible** and **entrepreneurial** manner, with an **opportunistic** and **counter-cyclical** attitude.
5. Arbuthnot's approach is based on **diversification** to spread the risk, a **long-term view** to further growth, **empowerment of management** and a culture of **rewards for achievements** to engender **loyalty and motivation**.
6. Arbuthnot does not sacrifice **long term prospects** for short term gains – nor sacrifice **stability** for quick profits, and it will never put the whole company at **risk**.
7. Ultimately, the success of Arbuthnot depends on the **teamwork, commitment, and performance** of its employees, combined with the **determination** to win.

# Overview

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

#### Background

The Group and the individual banking operation (Arbuthnot Latham & Co., Limited (“AL”)) are authorised by the Prudential Regulation Authority (“PRA”) and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. One of the requirements for the Group and the individual banking operation is that capital resources must be in excess of capital requirements at all times. One of AL’s subsidiaries, Asset Alliance Leasing Limited, is regulated by the FCA.

CRD V introduced a new requirement for certain types of parent financial holding companies or mixed financial holding companies to be subject to PRA supervisory approval and consolidated supervision. Arbuthnot Banking Group PLC (“ABG”) was approved by the PRA as a Parent Financial Holding Company on 10 November 2021 (effective 22 October 2021). Following its approval, ABG is responsible for ensuring compliance with consolidated prudential requirements.

ABG and AL were approved, by the PRA, to be a Small Domestic Deposit Taker (“SDDT”) consolidation entity and SDDT entity, respectively, on 2 March 2024.

The Disclosure (CRR) Part of the PRA Rulebook, applicable from 1 January 2024, sets out disclosure requirements for SDDT banks operating under the regime. The disclosure requirements (Pillar III) aim to complement the minimum capital requirements (Pillar I) and the supervisory review process (Pillar II) and encourage market discipline by allowing market participants to assess key pieces of information on risk exposures and the risk assessment processes of the Group.

This document should be read in conjunction with the Group’s Report and Accounts for 31 December 2025.

#### Scope

The disclosures have been prepared at a consolidated level for ABG. There are no differences between the basis of consolidation of the Group for accounting and regulatory purposes.

AL reports to the PRA on a solo-consolidated basis. The solo-consolidated group includes Renaissance Asset Finance Limited, Arbuthnot Commercial Asset Based Lending Ltd, the entities within the Asset Alliance Group, and Arbuthnot Specialist Finance Limited.

#### Disclosure Policy

The Pillar III disclosures will be issued, at a minimum, in accordance with the frequency requirements of the PRA Rulebook. This document provides the required disclosure as at 31 December 2025.

The Pillar III disclosures have been prepared in accordance with the requirements for a listed SDDT consolidation entity. These requirements can be summarised as:

- **On a semi-annual basis:**
  - The key metrics in accordance with PRA template UK KM1.
- **On an annual basis:**
  - **Disclosure of Own Funds Requirements and Risk-Weighted Exposure Amounts:** as required within point (d) of Article 438 of the Disclosure (CRR) Part of the PRA Rulebook;
  - **Remuneration Policy:** as required within points (a) to (d), (h)(i) and h(ii) of Article 450(1) of the Disclosure (CRR) Part of the PRA Rulebook.

The Group regularly monitors if it continues to meet the definition of an SDDT and should it cease to meet the requirements the Pillar III disclosures will be updated accordingly. The Group will continue to monitor regulatory developments to ensure that its disclosures continue to be in accordance with PRA rules and expectations and industry best practice.

The Pillar III disclosures are subject to internal review procedures broadly consistent with those undertaken for unaudited information published in the Report and Accounts. The information contained in this document has not been audited by the Group’s external auditors, except to the extent it is deemed to be equivalent to that made under accounting or listing requirements.

The Pillar III disclosures have been prepared purely for explaining the basis on which the Group has prepared and disclosed certain regulatory requirements and information about the management of certain risks and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement on the Group.

# Overview

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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#### Attestation

The Group Finance Director attests that ABG has made the disclosures within this document in accordance with the requirements of the Disclosure (CRR) Part of the PRA Rulebook as they apply to SDDTs. Preparation of these disclosures has followed the Disclosure Policy, as above, and ABG's internal processes, systems and controls.

#### Media and location

The report will be published on the Arbuthnot Banking Group PLC corporate website: ([www.arbuthnotgroup.com](http://www.arbuthnotgroup.com)).

#### Regulatory developments

The Group monitors regulatory developments to ensure that it continues to meet all regulatory expectations and requirements.

#### *Basel 3.1*

The PRA's implementation of the Basel 3.1 rules will apply to the Group from 1 January 2027.

The revised Basel 3.1 standardised approach for credit risk implements significant changes to the calculation of risk weighted assets, including:

- Changes to real estate classifications and treatment. Different risk weights will apply depending on whether the exposure is materially dependent on the cash flows generated by the property.
- Changes to the definition of 'residential real estate'.
- Changes to the treatment of mixed real estate exposures.
- Changes to the treatment of loans for property development.
- Removal of the SME supporting factor with the introduction of an offset in Pillar 2A.
- Changes to the credit conversion factors for committed facilities.
- Application of the output floor for firms using the Internal Ratings Based approach for credit risk.

As part of this package of changes the PRA has also retired the refined methodology for Pillar 2A.

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# Key Regulatory Metrics

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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The following table, UK KM1, provides a summary of the Group's main prudential regulatory ratios and measures<sup>1</sup>.

The ratios are reviewed on a monthly basis to ensure that external requirements are adhered to. During the period all regulated entities have complied with all externally imposed capital and liquidity requirements to which they are subject.

The capital ratios and measures below are presented, where applicable, on a transitional basis and, therefore, include permissible adjustments for the IFRS9 transitional relief. The IFRS9 transitional relief does not apply from 1 January 2025.

Point (h) of Article 447 of the Disclosure (CRR) Part of the PRA Rulebook requires the reporting of own funds and eligible liabilities ratios as calculated in accordance with CRR Articles 92a and 92b and broken down at the level of each resolution group, where applicable. Both these CRR Articles only apply to G-SIIs and so are not applicable to the Group.

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<sup>1</sup> Disclosed in accordance with points (a) to (g) of Article 447 of the Disclosure (CRR) Part of the PRA Rulebook.

# Key Regulatory Metrics

Arbuthnot Banking Group PLC

Pillar 3 disclosures for the year ended 31 December 2025

## Template UK KM1 - Key metrics template

		a	c	e
		31-Dec-25*	30-Jun-25	31-Dec-24*
<b>Available own funds (amounts)</b>				
1	Common Equity Tier 1 (CET1) capital (£'000)	241,598	233,814	234,477
2	Tier 1 capital (£'000)	241,598	233,814	234,477
3	Total capital (£'000)	280,270	272,205	272,459
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount (£'000)	1,822,551	1,840,642	1,782,645
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	13.26%	12.70%	13.15%
6	Tier 1 ratio (%)	13.26%	12.70%	13.15%
7	Total capital ratio (%)	15.38%	14.79%	15.28%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>				
UK 7a	Additional CET1 SREP requirements (%)	0.03%	0.18%	0.18%
UK 7b	Additional AT1 SREP requirements (%)	0.01%	0.06%	0.06%
UK 7c	Additional T2 SREP requirements (%)	0.01%	0.08%	0.08%
UK 7d	Total SREP own funds requirements (%)	8.05%	8.32%	8.32%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-
9	Institution specific countercyclical capital buffer (%)	1.92%	1.91%	1.91%
UK 9a	Systemic risk buffer (%)	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-
UK 10a	Other Systemically Important Institution buffer	-	-	-
11	Combined buffer requirement (%)	4.42%	4.41%	4.41%
UK 11a	Overall capital requirements (%)	12.47%	12.73%	12.73%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.22%	6.46%	6.91%
<b>Leverage ratio</b>				
13	Total exposure measure excluding claims on central banks (£'000)	4,568,671	4,254,322	3,828,489
14	Leverage ratio excluding claims on central banks (%)	5.29%	5.50%	6.12%
<b>Additional leverage ratio disclosure requirements</b>				
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	NA: Only LREQ firms shall disclose values in rows UK KM1;14a to UK KM1;14e		
14b	Leverage ratio including claims on central banks (%)			
14c	Average leverage ratio excluding claims on central banks (%)			
14d	Average leverage ratio including claims on central banks (%)			
14e	Countercyclical leverage ratio buffer (%)			
<b>Liquidity Coverage Ratio**</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average) (£'000)	1,891,643	1,595,334	1,275,612
UK 16a	Cash outflows - Total weighted value	1,165,658	1,049,305	912,053
UK 16b	Cash inflows - Total weighted value (£'000)	170,906	164,096	181,473
16	Total net cash outflows (adjusted value) (£'000)	994,752	885,209	730,580
17	Liquidity coverage ratio (%)	190%	180%	175%
<b>Net Stable Funding Ratio***</b>				
18	Total available stable funding (£'000)	3,126,629	3,060,445	2,995,437
19	Total required stable funding (£'000)	2,058,754	2,159,348	2,274,318
20	NSFR ratio (%)	152%	142%	132%

\* Includes year end verified reserves

# Capital Resources

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

One of the requirements for the Group and the individual banking operation is that capital resources must be in excess of capital requirements at all times.

#### Capital Resources

The Group's regulatory capital is divided into two tiers:

- **Common equity Tier 1** which comprises shareholder funds less regulatory deductions for intangible assets, including goodwill, and deferred tax assets that do not arise from temporary differences.
- **Tier 2** comprises qualifying subordinated loans.

Table UK CC1, below, provides a breakdown of the Group's regulatory capital resources as at 31 December 2025 and 2024.

		31-Dec-25	31-Dec-24
		£'000	£'000
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	11,773	11,773
2	Retained earnings*	265,738	254,575
3	Accumulated other comprehensive income (and other reserves)	186	1,907
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>277,697</b>	<b>268,255</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	(3)	(8)
8	Intangible assets (net of related tax liability) (negative amount)	(33,448)	(30,565)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(1,349)	(1,977)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(1,299)	(1,299)
27a	Other regulatory adjustments to CET1 capital ( <i>including IFRS 9 transitional adjustments when relevant</i> )	-	71
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(36,099)</b>	<b>(33,778)</b>
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>241,598</b>	<b>234,477</b>
44	<b>Additional Tier 1 (AT1) capital</b>	-	-
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>241,598</b>	<b>234,477</b>
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	38,672	37,982
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>38,672</b>	<b>37,982</b>
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>38,672</b>	<b>37,982</b>
58	<b>Tier 2 (T2) capital</b>	<b>38,672</b>	<b>37,982</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>280,270</b>	<b>272,459</b>

# Capital Requirements

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

#### Pillar 1 Capital Requirements

In accordance with the UK CRR a Pillar I capital requirement, being 8% of the risk weighted exposure amount, is calculated for the following risks:

Pillar I Risk	ABG's Calculation Approach
Credit Risk	Standardised Approach
Counterparty Credit Risk	Original Exposure Method
Operational Risk	Basic Indicator Approach
Market Risk (FX)	Standardised Approach
Credit valuation adjustment	Standardised Method

The table below shows the Group's Pillar I own funds requirement and risk weighted exposure amount in accordance with Template UK OV1:

#### Template UK OV1 – Overview of risk weighted exposure amounts

		Risk weighted exposure amounts (RWEAs) (£'000)		Total own funds requirements (£'000)
		a	b	c
		31-Dec-25	31-Dec-24	31-Dec-25
1	Credit risk (excluding CCR)	1,511,849	1,525,678	120,948
2	Of which the standardised approach	1,511,849	1,525,678	120,948
6	Counterparty credit risk - CCR	410	741	33
UK 8b	Of which credit valuation adjustment - CVA	133	353	11
9	Of which other CCR	277	388	22
20	Position, foreign exchange and commodities risks (Market risk)	418	1,376	33
21	Of which the standardised approach	418	1,376	33
23	Operational risk	309,874	254,850	24,790
UK 23a	Of which basic indicator approach	309,874	254,850	24,790
<b>29</b>	<b>Total</b>	<b>1,822,551</b>	<b>1,782,645</b>	<b>145,804</b>

#### Pillar 1: Credit Risk

Credit risk is the risk of loss arising from a customer or counterparty failing to meet their financial obligations to the Group as and when they fall due and is the largest component of the Group's Pillar I own funds requirement.

The Group has adopted the Standardised Approach to credit risk under the CRR and has nominated Moody's Investor Services as its external credit assessment institution ("ECAI").

The table below provides an analysis of credit risk exposure and risk weighted assets by CRR exposure class. It excludes exposures subject to counterparty credit risk.

# Capital Requirements

Arbutnot Banking Group PLC

Pillar 3 disclosures for the year ended 31 December 2025

Table UK CR4: Standardised Approach: Credit risk exposure and CRM effects: 31 December 2025

	Exposure classes (£'000)	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,535,219	-	1,650,406	1,200	-	0%
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks	287,962	-	287,962	-	-	0%
5	International organisations						
6	Institutions	504,126	-	504,126	-	100,825	20%
7	Corporates	477,252	130,719	412,590	14,785	371,464	87%
8	Retail	178,980	-	178,980	-	109,745	61%
9	Secured by mortgages on immovable property	1,257,992	37,849	1,171,028	10,533	431,098	36%
10	Exposures in default	49,256	-	49,081	-	53,782	110%
11	Exposures associated with particularly high risk	2,932	-	2,852	-	4,279	150%
12	Covered bonds	261,726	-	261,726	-	26,173	10%
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	388	-	388	-	388	100%
16	Other items	414,203	-	414,203	-	414,095	100%
17	<b>TOTAL</b>	<b>4,970,036</b>	<b>168,568</b>	<b>4,933,342</b>	<b>26,518</b>	<b>1,511,849</b>	<b>30%</b>

Table UK CR4: Standardised Approach: Credit risk exposure and CRM effects: 31 December 2024

	Exposure classes (£'000)	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,326,415	-	1,476,659	226	-	0%
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks	306,749	-	306,749	-	-	0%
5	International organisations						
6	Institutions	377,502	-	377,502	-	75,531	20%
7	Corporates	423,925	157,882	358,882	8,732	322,469	88%
8	Retail	163,453	-	163,453	-	99,155	61%
9	Secured by mortgages on immovable property	1,442,433	55,070	1,330,904	14,080	513,603	38%
10	Exposures in default	72,236	-	64,731	-	74,179	115%
11	Exposures associated with particularly high risk	2,953	141	2,738	53	4,186	150%
12	Covered bonds	169,353	-	169,353	-	16,935	10%
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	3,277	-	3,277	-	3,277	100%
16	Other items	416,531	-	416,531	-	416,343	100%
17	<b>TOTAL</b>	<b>4,704,827</b>	<b>213,093</b>	<b>4,670,779</b>	<b>23,091</b>	<b>1,525,678</b>	<b>33%</b>

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# Capital Requirements

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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#### Pillar 2 Capital Requirements

##### a) Pillar 2A

Pillar 2A considers risks to the firm, which are either not captured, or not fully captured, under Pillar I.

The Board determines the level of capital the Group needs to hold. The Group holds Pillar I capital for credit, market and operational risk as a starting point, and then considers whether each of the calculations delivers a sufficient amount of capital to cover risks to which the Group is, or could be, exposed. Where the Board considers that the Pillar I calculations do not adequately cover the risks, an additional Pillar 2A capital requirement is applied. The PRA will set a Pillar 2A capital requirement in light of the calculations included within the Internal Capital Adequacy Assessment Process.

##### b) Pillar 2B

The PRA buffer (Pillar 2B) is an amount of capital firms should maintain in addition to their total capital requirement and the combined buffer. The PRA buffer absorbs losses that may arise under a severe stress scenario, while avoiding duplication with the combined buffers. Any PRA buffer is set using three assessments:

- The stress impact of a severe but plausible scenario;
- The risk management and governance assessment; and
- Supervisory judgement.

The PRA requires all information relating to any PRA buffer to remain confidential.

#### Total Capital Requirement

The Group's Total Capital Requirement ("TCR"), as issued by the PRA, is the sum of the minimum capital requirements under the CRR (Pillar I: 8%) and the Pillar 2A requirement. The TCR of the Group as at 31 December 2025 was 8.05% (30 June 2025: 8.32%).

#### Combined Buffer Requirements

The combined buffer is defined as the sum of the capital conservation buffer and the countercyclical capital buffer ("CCyB").

The Capital Conservation Buffer is calculated at 2.5% of Total Risk Exposure.

The CCyB is calculated as the institution-specific CCyB rate multiplied by Total Risk Exposure. A firm's institution-specific CCyB rate consists of the weighted average of the CCyB rates that apply to exposures in the jurisdictions where the firm's relevant credit exposures are located.

The UK CCyB rate is set by the Financial Policy Committee and is currently 2%.

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# Leverage & Liquidity

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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#### Leverage Ratio

The leverage ratio is calculated as Tier 1 capital divided by the total leverage ratio exposure measure and is expressed as a percentage. Under the UK leverage ratio framework the leverage ratio exposure measure excludes assets constituting claims on central banks, where they are matched by liabilities denominated in the same currency and of identical or longer maturity.

The Group is below the thresholds for the UK leverage ratio framework; it has retail deposits of less than £50 billion<sup>2</sup> and foreign assets of less than £10 billion. Therefore, the Group is not subject to the Leverage Ratio – Capital Requirements and Buffers Part of the PRA Rulebook or the minimum leverage ratio requirement. For firms in scope there is a minimum leverage ratio requirement which requires firms to hold sufficient Tier 1 capital to maintain, at all times, a minimum leverage ratio of 3.25%.

In accordance with PRA SS45/15 *'The UK Leverage Ratio Framework'* firms that are not in scope of the leverage ratio requirement, such as the Group, are nevertheless expected to manage their leverage risk so that their leverage ratio – to be calculated based on the same rules as the in-scope firms - does not ordinarily fall below 3.25%. The Group monitors its leverage ratio and adheres to this PRA expectation.

The Group's leverage ratio has been disclosed within the Key Metrics template.

#### Liquidity Risk

Liquidity risk is the risk that the Group, although solvent, either does not have sufficient financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost.

Throughout the year the Group's Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") were above regulatory minimum requirements.

The Group's LCR and NSFR have been disclosed within the Key Metrics template.

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<sup>2</sup> The retail deposit threshold increased to £75 billion on 1 January 2026

# Remuneration Policy

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

The Remuneration Code (the “Code”) requires a firm to maintain remuneration policies, procedures and practices that promote effective risk management. The Code requires the Group to identify Material Risk Takers (“MRTs”), also known as Code staff. MRTs have activities which have a material impact on the firm’s risk profile. In respect of the 2025 performance year, the Group identified 39 MRTs.

#### MRTs

The following have been identified as MRTs across the Group:

- 1) All Executive and Non-Executive Directors of Arbuthnot Banking Group PLC (“ABG”) and Arbuthnot Latham & Co., Limited (“AL”).
- 2) All other employees of AL who hold a Senior Management Function (“SMF”).
- 3) All other MRTs not caught under 1 or 2, as per criteria defined under Rule 3.1, 3.2A and 3.3A of the Remuneration Part of the PRA Rulebook.

During 2025, there were no other staff identified who are both highly remunerated and could have an impact on the Group’s risk profile.

The classification of MRTs in template REM1 is as follows:

- **MB Supervisory Function:** all Non-Executive Directors of ABG
- **MB Management Function:** ABG and AL Executive Directors
- **Other Senior Management:** All other MRTs

Template UK REM1 - Remuneration awarded for the financial year

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	9	7	23
2		Total fixed remuneration	742,643	5,010,727	4,124,392
3		Of which: cash-based	742,643	5,010,727	4,124,392
4		(Not applicable in the UK)	-	-	-
UK-4a		Of which: shares or equivalent ownership interests	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
UK-5x		Of which: other instruments	-	-	-
6		(Not applicable in the UK)	-	-	-
7		Of which: other forms	-	-	-
8	(Not applicable in the UK)	-	-	-	
9	Variable remuneration	Number of identified staff	1	7	20
10		Total variable remuneration	40,000	2,940,000	1,396,500
11		Of which: cash-based	40,000	2,940,000	1,396,500
12		Of which: deferred	-	-	-
UK-13a		Of which: shares or equivalent ownership interests	-	-	-
UK-14a		Of which: deferred	-	-	-
UK-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
UK-14b		Of which: deferred	-	-	-
UK-14x		Of which: other instruments	-	-	-
UK-14y		Of which: deferred	-	-	-
15	Of which: other forms	-	-	-	
16	Of which: deferred	-	-	-	
17	Total remuneration (2 + 10)	782,643	7,950,727	5,520,892	

#### Decision making process used to determine the remuneration policy

The ABG Remuneration Committee has responsibility for oversight of the ABG Remuneration policy and the implementation of it, while the AL Remuneration Committee is responsible for the AL Remuneration policy and the implementation thereof.

The Remuneration Committees have responsibility for approving the overall remuneration policy for directors for review by the Board. The Committees are also responsible for remuneration more generally including, inter alia, in relation to the Company’s policy on executive remuneration determining, the individual remuneration and benefits package of each of the Executive Directors and the fees for Non-Executive Directors. Members of the Committees do not vote on their own remuneration. The Committees also deal with remuneration-related issues, taking into account the requirements established by the PRA and the FCA.

The AL Remuneration Committee additionally determines the remuneration of all Senior Manager Functions and each of the directors of subsidiary companies. It oversees the remuneration of the other senior officers in the risk management and compliance function, namely the Chief Risk Officer, Chief Compliance Officer, Money Laundering Reporting Officer, Chief Credit Officer and, on the recommendation of the Chairman of the Audit Committee, the Head of Internal Audit. It also reviews and approves the list of Material Risk Takers and reviews their remuneration.

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# Remuneration Policy

## Arbuthnot Banking Group PLC

### Pillar 3 disclosures for the year ended 31 December 2025

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All bonuses in excess of 33% of total remuneration and/or any annual remuneration package in excess of £660,000 must be specifically approved in advance by the Ultimate Majority Shareholder who has an express right of veto in relation to all such remuneration packages. Current regulatory remuneration requirements also establish that the Company must report to the PRA any material changes to its remuneration structure. This includes disclosing changes to: the ratio of the maximum payout of bonus and executive incentive schemes when compared to fixed remuneration; and the performance measures and the risk adjustment used to determine whether and how much these bonus schemes and executive incentive schemes will pay out.

Where the Committee believe it is appropriate, significant bonuses will be subject to a deferred payment structure.

#### Membership of the Remuneration Committee

Membership of both the ABG and AL Remuneration Committees is limited to non-executive directors, together with Sir Henry Angest. The ABG Committee is chaired by Sir Henry Angest and the AL Committee by Sir Nigel Boardman. The other members of each Committee are Richard Gabbertas and Angela Knight.

Both Committees normally meet at least twice per year and otherwise as required. The ABG Remuneration Committee met three times during the year and the AL Remuneration Committee met four times.

#### Link between pay and performance

The Group believes in the importance of attracting, retaining and motivating Staff of the appropriate calibre without paying more than is necessary for this purpose.

The general principle for the Group is that staff will be paid a salary, plus benefits and they will be eligible for an annual discretionary bonus.

Both salary increases and the payment of a discretionary bonus are subject to good performance, company profitability and compliance with risk/compliance policies and risk appetite limits.