Wesleyan Bank Limited

PILLAR 3 DISCLOSURES
31 DECEMBER 2023

Table of Contents

1. Introduction 3
2. Risk Management 5
3. Key Metrics 8
4. Capital and Risk Weighted Assets 9
5. Corporate Governance 11
6. Remuneration 15

1. Introduction

1.1 Overview

This document provides the Pillar 3 disclosures required of Wesleyan Bank Limited ("WBL" or "the Bank") as at 31st December 2023. The Bank is authorised by the Prudential Regulation Authority ('PRA') and regulated by the PRA and the Financial Conduct Authority ('FCA').

1.2 Background

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

The 2023 disclosures reflect the revised disclosure requirements applicable from 1 January 2022 following the UK implementation of CRR II.

The Basel framework consists of three 'pillars':

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

1.3 Basis of disclosure

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

The disclosures in this report have been prepared as at 31 December 2023. They should be read in conjunction with the Bank's 2023 Annual Report and Accounts ('the Annual Report and Accounts' or 'ARA'), approved by the Board on 22 April 2024.

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

1.4 Scope

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

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

This document is applicable to WBL which is a subsidiary of Hampshire Trust Bank Plc (“HTB”). WBL is defined as a small and non-complex institution as it meets all the conditions listed per Article 4 (145) of UK CRR II. Its disclosure requirements are therefore set out in Article 433b of the PRA Rulebook.

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

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

1.5 Media and location

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

1.6 Verification

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

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

2. Risk Management

The principal risks the Bank faces, and how the Bank mitigate the risks, are described below. These should not be regarded as a comprehensive list of all the risk and uncertainties faced by the Bank but rather a summary of the primary risks which have the potential to significantly impact the achievement of strategic objectives:

Principal Risk	Definition	How the Bank mitigates risk
Credit Risk	The risk that a borrower or counterparty fails to pay the interest or repay the principal on a loan on time.	• We have security and where appropriate, guarantees to support our lending. • We have maintained a diversified portfolio by originating loans in markets we understand and by limiting concentrations by size proportionate to our own balance sheet size and position in the market, by asset class, collateral type, geography, sector and (where appropriate) by sub-sector. • Credit decisions have been made using a combination of due diligence, reviewing Credit Agency reports, reviewing financial information, credit scores and using the expert opinion of our underwriters. • We are part of the HTB Group Credit Risk Management Framework that includes detailed lending policies, underwriting manuals and a defined problem debt management process. • We operate under a HTB Group Treasury policy that only allows for deposits to be placed with large Banks or invested in High Quality Liquid Assets in line with PRA guidance on Credit Ratings. • Lending performance against Risk Appetite is monitored regularly.
Capital Risk	The risk that the Bank will have insufficient capital to cover unexpected losses, meet regulatory requirements or support growth plans.	• We operate within a HTB Group Capital Planning Framework which requires us to maintain appropriate levels of capital in a range of stressed scenarios. • We set a prudent Risk Appetite which is approved by the Board and reviewed at least annually. This considers the necessary time lag for management actions to take place. We meet, as a minimum, all regulatory prescribed ratios. • We monitor current and forecast levels of capital against our risk appetite and report to Asset and Liability Committee (ALCO) and the Board regularly. • Capital forecasts, and their compliance with our risk appetite, form an integral part of the annual budgeting process. • ICAAP stress testing is well embedded and used to inform risk appetite and business strategy.
Liquidity, and Funding Risk	**Liquidity –** The risk that the Bank is unable to meet its financial obligations as they fall due; smooth out the	• We set a prudent Risk Appetite which is approved by the Board and reviewed at least annually. This considers the necessary time lag for management actions to take place. We meet, as a minimum, all regulatory prescribed ratios.

	effect of maturity mismatches; or maintain public confidence. **Funding –** The risk that the Bank is unable to continue to fund future liquidity requirements at an affordable price.	• We monitor current and forecast levels of liquidity against our risk appetite and report to Asset and Liability Committee (ALCO) and the Board regularly. • Liquidity forecasts, and their compliance with our risk appetite, form an integral part of the annual budgeting process. • ILAAP stress testing is well embedded and used to inform risk appetite and business strategy. • We maintain liquidity buffers and contingency funding plans against various stressed liquidity scenarios.
Market Risk	The risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments counterparties and/or undermines market integrity	• We manage exposures to a very low level against our capital and earnings positions. • We monitor the credit spread risk in the liquid asset portfolio at ALCO. • We have no appetite for FX risk.
Operational Risk & Resilience	**Operational Risk -** The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal and regulatory risk. **Operational Resilience** – The risk that Group is unable to prevent, adapt to, respond to, recover from, or learn from operational disruptions.	• We ensure all staff understand and follow the HTB Group Operational Risk Management Framework • We provide training and guidance to first line staff on aspects of the Framework via both the Risk Champions forum and formal training sessions. • There are separate HTB Group policies covering key aspects of the ORMF, including, Managing Corrective Action Plans, RCSA management and Risk Events and Financial losses. • Senior Management identify and assess operational risks across their businesses and assess the effectiveness of controls that mitigate those risks using a Risk and Control Self-Assessment (RCSA) process. • We operate under a defined HTB Group Operational Resilience Policy. • We have defined our recovery time and point objectives for our business processes where a sustained operational failure would result in customer detriment. These are linked to the recovery time objectives. • We monitor the operational risk profile alongside proactive recording/management of events, losses, assurance finding resolutions and incidents.

Regulatory & Conduct	**Regulatory** – The risk of regulatory or legal sanctions, material financial loss, or loss of reputation as a result of a failure to comply with applicable laws, codes of conduct or standards of good practice **Conduct** – The risk that the business strategy, the culture, and the manner in which the business is run, create unfair customer outcomes and detriment to customers and/or undermines market integrity	• We operate within a HTB Group Conduct and Compliance Risk Management Framework supported by a number of policies and procedures that set out how we manage these risks and the minimum standards that we expect. • Our Business lines are primarily responsible for the management of these risks, but with strong oversight from the 2nd Line Compliance function. • Senior Management identify and assess conduct, compliance and financial crime risks across their businesses and assess the effectiveness of controls that mitigate those risks using a Risk and Control Self-Assessment (RCSA) process. • New and emerging regulatory driven changes are overseen through our horizon scanning process. • We complete regular and themed assurance testing of our activities to ensure that we are operating within our Board approved risk appetite and prevailing legal and regulatory requirements. • We operate a programme of staff training and awareness via our regulatory reading programme.
Climate Risk	The threat to HTB Group's business from physical or transition climate risks.	• We monitor exposure to Climate risk and escalate agenda items across the Group's risk committee structure and Board. • HTB Group closely monitor Climate Change policy, regulatory guidance and industry advances relating to climate change, considering both transition and physical risks. • HTB Group assess the impact of these changes/advances on its Business model and risk profile and consider possible impacts on its reporting obligations and our reputation.
Transversal Risks – Reputational and Climate	**Reputational Risk** – The risk that the Group's people, processes or systems create outcomes that create reputational damage to HTB **ESG Risk** – The threat to HTB Group's operations and financial standing as a result of poor Environmental, Social or Governance standards operated across the Group.	• Reputational impact is used to quantify risk and impact. • Consideration of reputational risk is embedded within our risk management. • HTB Group has an ESG steering group in place to oversee the development and embedding ESG into our day-to-day risk management and processes. • HTB Group monitor exposure to ESG risk, including Diversity, Equal Pay and opportunities via HR and escalate agenda items across the Group's risk committee structure and Board. • HTB Group people related policies provide guidance to staff to support local social initiatives and charity organisations via volunteering involvement in local community projects.

3. Key Metrics

The table below shows the key metrics for WBL Bank as at 31 December 2023:

	£'000	Bank	
		2023	2022
			Available own funds (amounts)
1	Common Equity Tier 1 (CET1) capital	48,251	72,262
2	Tier 1 capital	48,251	72,262
3	Total capital	48,251	72,262
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	252,924	327,502
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	19.1%	22.1%
6	Tier 1 ratio (%)	19.1%	22.1%
7	Total capital ratio (%)	19.1%	22.1%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
UK 7a	Additional CET1 SREP requirements (%)	1.56%	2.20%
UK 7b	Additional AT1 SREP requirements (%)	0.52%	0.73%
UK 7c	Additional T2 SREP requirements (%)	0.70%	0.98%
UK 7d	Total SREP own funds requirements (%)	10.78%	11.91%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	2.0%	1.0%
11	Combined buffer requirement (%)	4.5%	3.5%
UK 11a	Overall capital requirements (%)	15.28%	15.41%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.30%	10.15%
	Leverage ratio		
13	Leverage ratio total exposure measure	330,881	498,809
14	Leverage ratio	14.6%	14.5%
	Liquidity Coverage Ratio *		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	570,667	479,543
UK 16a	Cash outflows - Total weighted value	201,820	167,124
UK 16b	Cash inflows - Total weighted value	54,956	43,179
16	Total net cash outflows (adjusted value)	146,864	123,945
17	Liquidity coverage ratio (%)	388.6%	386.9%
	Net Stable Funding Ratio *		
18	Total available stable funding	3,377,489	2,782,040
19	Total required stable funding	2,287,273	1,824,815

20	NSFR ratio (%)	147.7%	152.5%

* In line with HTB Group given that the Bank forms part of a Domestic Liquidity Sub-Group.

4. Capital and Risk Weighted Assets

At 31 December 2023 and throughout the financial year, the Bank complied with the capital requirements that were in force as set out by European and UK legislation, and enforced by the PRA.

The Bank's Tier 1 capital comprises of permanent share capital and retained earnings which represent the Bank's accumulated accounting reserves. There are no deductions from core equity Tier 1 capital.

4.1 Minimum capital requirement

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

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

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

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

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		Bank 2023	Bank 2022	Bank 2023	Bank 2022
1	Credit risk (excluding CCR)	218,496	296,239	17,480	23,699
2	Of which the standardised approach	218,496	296,239	17,480	23,699
23	Operational risk	34,428	31,262	2,754	2,501
UK 23a	Of which basic indicator approach	34,428	31,262	2,754	2,501
29	**Total**	**252,924**	**327,502**	**20,234**	**26,200**

The table below shows the total exposure and capital resource requirements for credit risk by regulatory exposure class as at 31 December 2023.

£000	**Exposures**	**RWAs**	**Pillar 1 Capital**
	2023	**2023**	**2023**
Corporate	86,467	68,470	5,478
Secured by mortgages on immovable property	68,755	53,051	4,244
Retail	132,678	76,276	6,102
Exposures in default	6,454	7,213	577
Central governments or central banks	14,970	10,964	877
Institutions	20,475	690	55
Equity	500	1,250	100
Other	582	582	47
Total	**330,881**	**218,496**	**17,480**

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

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

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

Throughout the year the Bank has benefited from surplus capital resources over its Pillar 1 and Total Capital Requirement. The Bank's total capital ratio as at 31 December 2023 was 19% (2022: 22%).

4.2 Capital Buffers

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

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

The Countercyclical Capital Buffer ('CCyB') is currently set at 2% (2022: 1%) of RWA for the Bank's UK exposures as a result of the UK Financial Policy Committee ('FPC') latest communications.

5. Corporate Governance

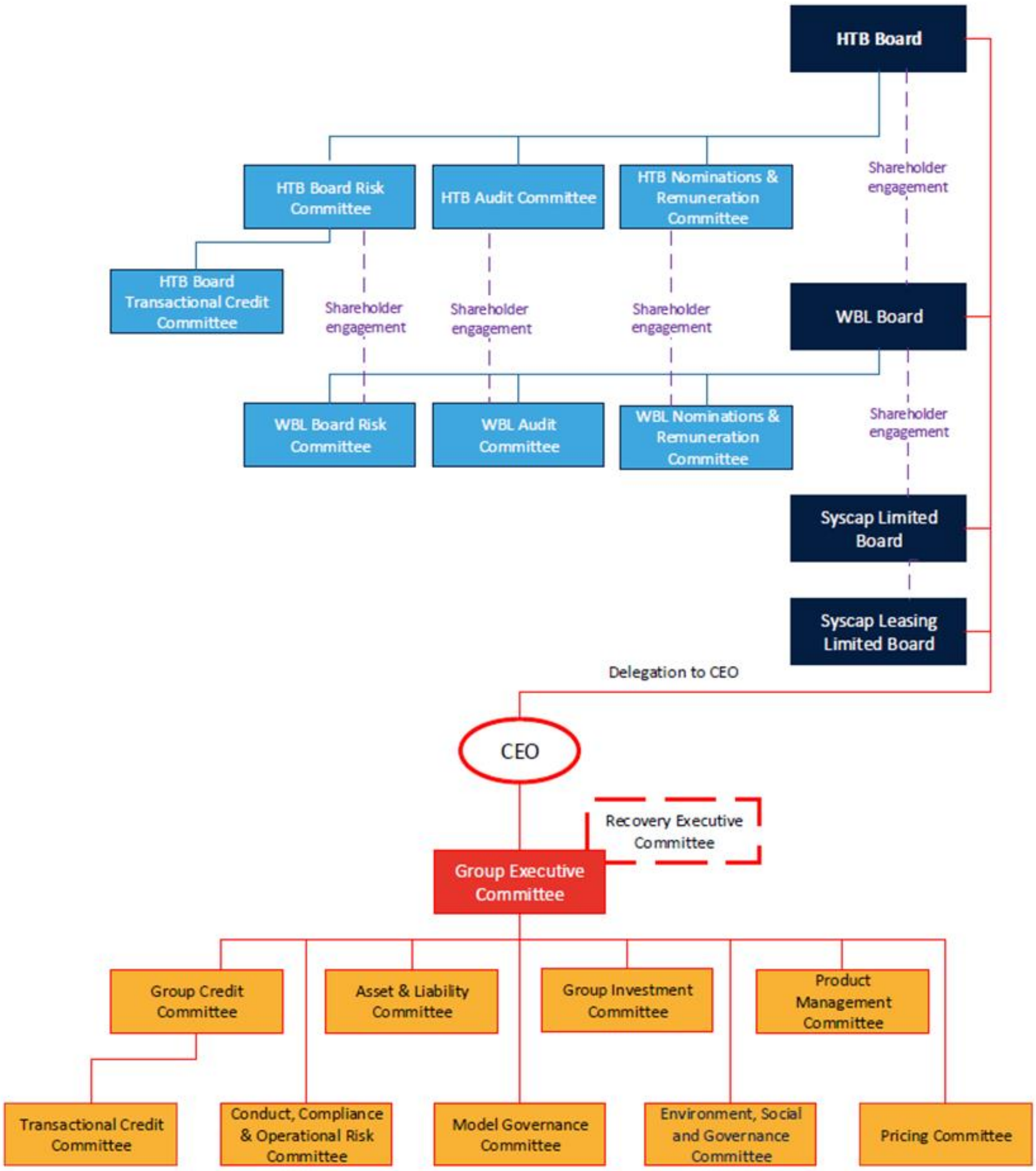
Following the acquisition by HTB, the Bank is governed under a single overarching HTB Group Governance Framework. The single Group Governance Framework ensures:

- That there are appropriate and effective Group governance arrangements in place and that the arrangements support HTB and the Bank's application of The Wates Principles.
- An appropriate balance between the governance requirements of the Bank, as a regulated Bank in its own right, to make effective decisions for itself as well as the importance of HTB having effective oversight of the Group and to ensure that the Group achieves the orderly and efficient wind-down of the Bank's business in line with the Regulatory Business Plan approved by the PRA and FCA.
- That HTB senior executives who hold SMF responsibility for the Bank are able to effectively discharge their responsibilities.
- That there is a framework that is easily understood, practically accessible and capable of quick reference.
- A streamlined approach which utilises the most appropriate resources within the Group, ensures consistency of approach while avoiding duplicated or wasted cost, time and effort across the Group where appropriate.

The diagram below sets out the governance arrangements and oversight of the Group, however, in summary the Governance Framework is as follows:

- HTB and the Bank have separate Boards and Board Committees (Audit, Risk and Nomination and Remuneration Committees) which are comprised of experienced executive Directors, non-executive Directors and independent non-executive Directors. The Bank and HTB have common executive Directors and the Chairman of the Bank is also an independent non-executive of HTB but other non-executive Directors are different.
- The Chair of the Bank's Board engages with the HTB Board following each Bank Board meeting to inform HTB on the Bank's performance, strategy and to understand HTB's views on governance and performance against the strategy.
- The Terms of Reference provide that a designated member of each WBL Board Committee (Audit, Board Risk and Nomination and Remuneration) should meet with the respective Group Board Committee following each meeting on significant matters related to their areas of responsibility and, in practice, the purpose of this requirement is achieved by virtue of the overlapping directorships and senior management / SMF function holders in attendance at all meetings.
- To ensure consistency of approach across the Group, to make best use of group resources, to reduce inherent risk in the run-down of the Bank's business activities and to support SMF responsibilities, the Bank has disbanded its own executive level committees and outsourced those activities to HTB under the Intra-Group Services Agreement. HTB undertakes these outsourced activities though its own executive level committees, namely: Credit Committee; Asset & Liability Committee; Conduct, Compliance and Operational Risk Committee, Model Governance Committee, Investment Committee, Pricing Committee and Transactional Credit Committee. Terms of Reference for the HTB Committees are written to ensure that these activities are effectively performed and to

ensure there is effective escalation and reporting to the Bank's Board and Board Committees so that the Bank's Board has effective oversight of the activities and risk.



The Board

The Group's Board

The Group's governance structure is designed to ensure the effective running of HTB and WBL in accordance with the legal and regulatory obligations and in line with established principles of good conduct and practice. HTB and WBL apply The Wates Corporate Governance Principles for Large Private Companies and each of HTB and WBL are led by separate Boards comprising an independent Non-Executive Chairman, Non-Executive (Shareholder representative) Directors, independent Non-Executive Directors and Executive Directors.

WBL Board

The Board approves the strategy and direction of the business, sets the policies and risk appetite, monitors risk management, financial performance and reporting and ensures that appropriate and effective succession-planning arrangements and remuneration policies are in place. In the case of WBL, this is done in the context of its express purpose, which is the orderly an efficient run-down of its business and the maximising and transition of value to HTB in line with the Regulatory Business Plan approved by the PRA and FCA. Directors are appointed by the Board. Non-Executive Director appointments can be terminated at any time, without notice or payment of compensation.

Board meetings are held normally nine times a year. This enables Directors to regularly review strategy, the operations and the results of the business, and to discharge their duties within a framework of prudent and effective controls. As set out above, the Chair of the WBL Board engages with the HTB Board following each WBL Board meeting to inform HTB on WBL's performance and to understand HTB's views on governance and performance against the strategy.

The Board is supported by its Committees, which make recommendations to the Board on those matters delegated to them. The Committee members comprise only Non-Executive Directors and each is chaired by an independent Non-Executive Director. Matters such as internal and external audit, risk, financial reporting, governance, and remuneration policies are delegated to these Committees, in order that the Board can spend a greater proportion of its time on strategic items. The Committee Chairs report to the Board at the Board meeting following each Committee meeting on the activities of their respective Committees.

Directorships held by members of the Board

The number of external directorships and partnerships held by the Executive and Non-Executive Directors who served on the Board as at 31 December 2023, in addition to their roles within the Group, are detailed below.

Name	Position	Positions held *
Martyn Scrivens	Chairman	2
Matthew Wyles	CEO/Executive Director	0
Tim Blackwell	CFO/Executive Director	0
William Gray	Non-Executive Director	3
Jeremy Brettell	Non-Executive Director	3
Alex Leicester	Non-Executive Director	3

*- as at 31 December 2023

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

Division of responsibilities between the Chairman and CEO

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

6. Remuneration

This remuneration disclosure is a requirement under Article 450 of the CRR. The following references the Group's remuneration policies and practices for categories of staff whose professional activities have a material impact on the company's risk profile (Material Risk Takers ("MRTs")). MRTs include staff who hold Significant Management Functions ("SFs") as designated by the regulatory authorities.

6.1 Decision making process

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

The committee reviews annually the Remuneration policy (last review was in November 2023) and meets at least 4 times a year, to ensure sound and effective risk management on remuneration. They determine the basis for performance related pay, approve the list of Material Risk Takers (using the remuneration code guidelines by PRA/FCA) and the fixed and variable pay for such staff, approve the Group's Bonus pool, and determine the CEO's pay. The committee also reviews the Performance adjustment policy that applies to MRTs variable compensation and includes the Group's clawback policy. In performing the above duties, the committee considers advice from the Board Risk Committee and the Board Audit Committee on the management of remuneration risk, including advice on the measurement of performance in the context of variable pay and the application of risk adjustments, malus or clawback.

An external consultant, Eversheds, was also contracted to review both the Remuneration policy and the Performance Adjustment policy.

6.2 Link between pay and performance

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

- Variable pay is determined by financial and non- financial factors such as individual, team and group performance and behaviours.
- The group's performance measures also include appropriate standards for behaviours, consumer duty/ customer focus, risk management and compliance with Remuneration code as defined by the PRA and FCA.

6.3 Design of remuneration components

Fixed Pay

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

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

Variable Pay – Discretional Bonus

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

Allocation of bonus awards to individuals are reviewed against individual performance to ensure they appropriately reflect performance not only relative to financial and delivery-based objectives, but also to behaviours, alignment to the Group's values and risk culture, customer focus and conduct standards.

There is currently no deferred element applied to the Group's general cash bonus scheme therefore no criteria to be applied in this regard.

For the 2023 performance year, variable remuneration must not exceed 100 per cent of the fixed component unless a higher maximum level (not exceeding 200 per cent) has been approved by the Bank's shareholders.

6.4 Remuneration statistics

The table below shows total fixed and variable remuneration awarded to MRTs in respect of the financial year ended 31 December 2023.

			a	b	c	D
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	3	4	3	3
2		Total fixed remuneration	135,000	242,829	233,964	157,122
3		*Of which: cash-based*	*135,000*	*242,829*	*233,964*	*157,122*
9	Variable remuneration	Number of identified staff	-	4	3	3
10		Total variable remuneration	-	206,493	81,077	46,748
11		*Of which: cash-based*	-	*84,990*	*81,077*	*44,048*
12		*Of which: deferred*	-	-	-	-
UK-13a		*Of which: shares or equivalent ownership interests*	-	*121,503*	-	*2,700*
UK-14a		*Of which: deferred*	-	-	-	-
17	Total remuneration (2 + 10)		135,000	449,322	315,041	203,870

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

Wesleyan Bank Ltd
80 Fenchurch Street
London
EC3M 4BY
Company number: 2839202