Entrepreneurial thinking.
Private banking.

EFG Private Bank Limited

Pillar 3 Disclosures

For the year ended 31 December 2025

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1. Introduction

1.1 Background and general information

EFG Private Bank Limited (the "Company" or "EFGIUK") is regulated by the Prudential Regulation Authority (the "PRA") and according to the relevant legislation is required to comply with Pillar 3 disclosures as per the PRA Rulebook Disclosure (CRR) on prudential requirements for credit institutions - Article 433c(2) of Regulation No. 575/2013 (CRR).

In accordance with the relevant rules within the PRA Rulebook Disclosure (CRR), EFGIUK is categorised as an Other Institution and satisfies the small CRR firms' and non-listed institution criteria. Therefore, EFGIUK is exempt from making remuneration disclosures required by Article 450(1).

This report comprises the Pillar 3 disclosures of the Company as of 31 December 2025. It should be read in conjunction with EFGIUK's 2025 Annual Report which can be obtained from Companies House.

https://find-and-update.company-information.service.gov.uk/company/02321802

Pillar 3 aims to promote market discipline and transparency through the publication of key information on capital adequacy, risk management and remuneration.

This document has been approved for issue by the Board of Directors on 9 April 2026. It has not been audited by the Company's external auditors. However, it includes information that is contained within the audited financial statements as reported in the 2025 Annual Report.

Details on EFGIUK's strategy and operating environment can be found in EFGIUK's 2025 Annual Report. The ultimate parent of the Company is EFG International AG ("EFGI" or "EFG Group") which is incorporated in Switzerland and prepares financial statements under International Financial Reporting Standards ("IFRS").

The financial statements and Pillar 3 disclosures are publicly available and can be found at:

https://www.efginternational.com/uk/investors/financial-results.html

1.2 Scope

These Pillar 3 disclosures are prepared on a stand-alone basis, as are the Company's financial statements.

The Company has taken advantage of the exemptions afforded by Section 401 of the Companies Act 2006 in not preparing consolidated financial statements and Article 19 of the CRR for Prudential Consolidation.

1.3 Accounting principles

The Company prepares its statutory financial statements in accordance with UK adopted international accounting standards. All figures referencing the Company's financial statement are prepared under this basis.

All amounts in the tables of the Pillar 3 report are denominated in British Pounds (GBP) which is the functional currency of the Company.

1.4 Impact of the Basel 3.1 Implementation

In January 2026, the PRA published its final rules to transpose the Basel Committee's changes to its prudential framework ("Basel 3.1" or "Basel III reforms") into UK regulation. The PRA has confirmed that the rules for credit risk, operational risk and credit valuation adjustment will take effect on 1 January 2027.

We continue to assess the impact of the Basel 3.1 standards on our capital and the associated implementation challenges. We expect that the impact on our Total Capital Ratio ("TCR") at 1 January 2027 will be a small decrease. The Company's TCR remains comfortably above regulatory capital requirements. The final impact will depend on regulatory developments, prevailing guidance and interpretation of rules as well as the Company's balance sheet composition at the date of implementation.

1.5 Risk management

The Company is exposed to risks arising from its core activity of private banking, wealth management and investment advisory services. The vast majority of the risk-weighted exposure amount is linked to credit activity (84% of the total risk-weighted exposure amount), and, to a lesser extent, to operational risk.

The key prudential ratios are significantly above regulatory requirements as of 2025 year-end, as follows:

- TCR of 17.43% (against total capital requirements of 14.49%, applicable from 1 January 2025)
- LCR at 227% and NSFR at 145% (against regulatory requirements of 100%).
- Leverage Ratio of 5.34% (EFGIUK is not a LREQ firm and is not required to maintain the 3.25% minimum under the UK leverage ratio framework).

These ratios, complemented by the risk-related information received through the Company's internal reporting, enable the Board of Directors ("BoD") to consider that the risk profile of the Company is in line with its strategy and risk appetite as set in the Company's Risk Appetite Statement.

1.6 Basic regulatory key figures (KM1)

The following table summarizes the key prudential ratios as of 31 December 2025 and 2024.

UK KM1 GBP millions		(a) 31 December 2025	(b) 31 December 2024
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	267.7	252.2
2	Tier 1 capital	334.3	318.8
3	Total capital	334.3	318.8
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	1,918,2	1,763.3
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	13.96%	14.30%
6	Tier 1 ratio (%)	17.43%	18.08%
7	Total capital ratio (%)	17.43%	18.08%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
UK 7a	Additional CET1 SREP requirements (%)	1.29%	1.29%
UK 7d	Total SREP own funds requirements (%)	10.82%	10.29%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	1.17%	1.11%
11	Combined buffer requirements (%)	3.67%	3.61%
UK 11a	Overall capital requirements (%)	14.49%	13.90%
12	CET1 available after meeting the total SREP own funds requirements (%)	3.14%	4.01%
	Leverage ratio[1]		
13	Leverage ratio total exposure measure excluding claims on central banks	6,265.4	5,965.2
14	Leverage ratio excluding claims on central banks (%)	5.34%	5.34%
	Liquidity coverage Ratio[2]		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	2,651.9	2,599.1
UK 16a	Cash outflows - Total weighted value	1,317.2	1,336,.1
UK 16b	Cash inflows - Total weighted value	102.1	115.8
16	Total net cash outflows (adjusted value)	1,215.3	1,220.3
17	Liquidity coverage ratio (%)	218%	213%
	Net stable funding ratio (NSFR)[3]		
18	Total available stable funding	3,713.5	3,545,1
19	Total required stable funding	2,564.9	2,297.8
20	NSFR ratio (%)	145%	154%

[1] EFGIUK is not a LREQ firm and is not required to maintain the 3.25% minimum under the UK leverage ratio framework. However, in PRA supervisory statement 45/15 the PRA outline that even banks who are not subject to the 3.25% threshold should continue to monitor their leverage ratio and manage the ratio so that it does not ordinarily fall below 3.25%.
[2] Liquidity values have been calculated as a simple average of the 12-month end observations.
[3] Net stable funding values have been calculated on the average of quarter end positions.

1.7 Risk management adequacy

It is the responsibility of the Company's Management Committee ("ManCo") to execute the Business Strategy in accordance with the Risk Management Framework approved by the Board of Directors.

With the present statement, ManCo acting under the responsibilities and competencies as described in the Risk Management Framework and stipulated by the relevant regulations (PRA Rulebook Disclosure (CRR) Article 435(1)(e) of Regulation No. 575/2013 (CRR)) declares that the risk management arrangements of our institution are deemed appropriate with regards to the institution's own profile and strategy.

The risk management systems and controls put in place, support adequately the above arrangements.

Under the Company's Risk Framework, ManCo informs at least quarterly the BoD and annually the Regulatory authorities on the institution's risk profile, major developments or events of the year, the adequacy of internal own funds to cover its risk exposure and the adequacy of its available liquidity reserves.

The Company's Risk Policies are reviewed and updated annually, subsequently and in accordance with the Group respective policies and Risk Management Framework and Appetite. They are subject to annual approval by the BoD via recommendation from the Risk Committee.

However, it may also sometimes be necessary to trigger an off-cycle adjustment process during the year, for example after significant changes to the business, such as an acquisition or the launch of a new product/service.

The provision to allow for off-cycle reviews helps avoiding the circumstance where the Company operates for an extended period with an out-of-date Policy.

1.8 Management attestation

The Pillar 3 disclosures have been prepared in accordance with the PRA Rulebook Disclosure (CRR), which refers to the Capital Requirements Regulation (EU) 575/2013 (Part Eight). This Pillar 3 report has been verified and approved in line with internal policy.

2. Risk management

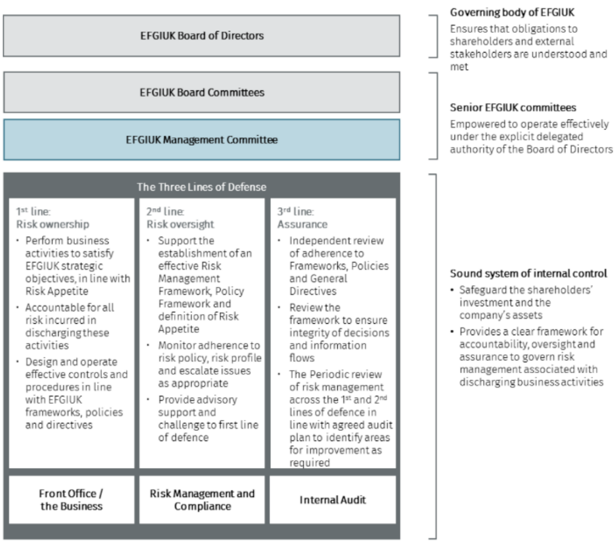
2.1 Risk management

Working in banking and financial services inherently involves risks, which may hinder the company's ability to achieve its objectives. The Company believes that the proper management of risks is critical for continued success.

2.2 Approach to risk management

The Company uses the three lines of defence model and there are independent Risk and Compliance functions with clearly defined objectives. Assurance is provided over this through an internal audit function. There is a defined risk strategy and risk appetite, including a Risk Management Framework with risk policies and procedures to govern risk management and the effectiveness and efficiency of risk management is supervised by the BoD with the support and advice of a dedicated Risk Committee.

The three lines of defence model:



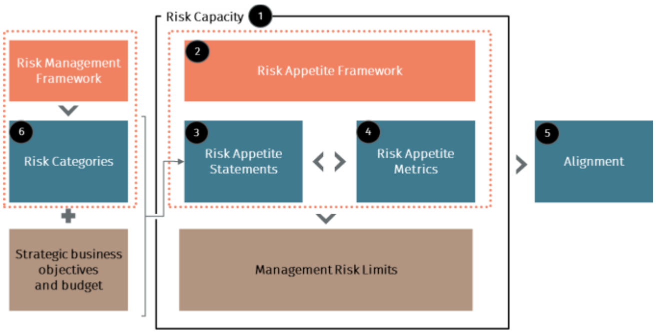
2.3 Risk Appetite Framework

It is the policy of the Company to define levels of Risk Appetite in respect of Financial Risk through the setting of risk limits and to articulate a Risk Tolerance in respect of Non-Financial Risk through identification of Top Operational Risks and the monitoring of associated KRIs/Metrics. Additionally, EFGIUK monitors Concentration Risk, setting threshold levels for escalation as appropriate.

Key responsibilities in relation to Risk Appetite are:

- It is the responsibility of the BoD to set the levels of Risk Appetite, Risk Tolerance and Concentration Risk for both EFGIUK and the EFGIUK Sub-Group;
- The BoD delegates to the Board Risk Committee ("BRC") to review in detail proposals from Risk Management for the levels of Risk Appetite and Risk Tolerance on at least an annual basis and to recommend these to the BoD for approval; and
- It is the responsibility of ManCo to execute the Business Strategy in accordance with the Risk Appetite limits and Risk Tolerance and Concentration Risk thresholds approved by the BoD.

The Company articulates its appetite through a combination of limits and thresholds, as well as risk appetite or risk tolerance statements for each category of risk identified. Risk limits or thresholds are set as a series of constraints around each risk category as defined in the Risk Management Framework Policy.



The following elements are part of the Company's Risk Appetite Framework:

- Risk Appetite and Risk Tolerance Limits, Thresholds and Statements. The BoD shall approve the levels of Risk Appetite / Risk Tolerance and establish associated statements for both EFGIUK and the EFGIUK Sub-Group in respect of both Financial Risk and Non-Financial Risk, as well as with respect to Concentration Risk.
- Key Indicators/Metrics. Indicators / Metrics should be collected, maintained and used by each function to inform both departmental and holistic views on:
  - Risk exposure vs limits and thresholds (Key Risk Indicators);
  - Effectiveness of key controls (Key Control Indicators); and
  - Performance vs targets (Key Performance Indicators)
- Risk Capacity. The levels of Risk Appetite and Risk Tolerance should be set within the levels of Minimum Capital and Liquidity / Funding Requirements set by the PRA, with sufficient margins so that any threshold

breaches do not cause EFGIUK or EFGIUK Sub-Group's Capital or Liquidity/Funding resources to become exhausted.

- Risk Exposure Monitoring. Each Risk Owner is responsible for taking, managing, measuring and remediating a risk or risk category. For their responsible risks the Risk Owner should measure the levels of risk exposure against risk appetite/risk tolerance, managing risk exposure to maintain risk levels within the designated limits and thresholds. Where limits are exceeded, prompt corrective action should be taken to bring the risk exposure back within risk appetite and escalated as appropriate.
- Risk Exposure Reporting. Risk Management should report to the BRC on the overall level of exposure for each Risk Category versus the designated Risk Appetite/Risk Tolerance on a quarterly basis.
- Escalation. Where risk limits or thresholds are exceeded for a particular type of risk, the instance, background details, rationale and remedial actions should be provided promptly by the Risk Owner to Risk Management for review and further action and/or escalation as defined in section Risk Appetite and Risk Tolerance Metrics.

2.4 The role of risk culture in supporting effective risk management

The Company believes that employee behaviour is key to ensure sound risk management, and that this is guided by the risk culture of the organisation. Accordingly, the risk culture is viewed as a core component of effective risk management. This is facilitated through training sessions delivered to all staff focused around raising awareness and understanding of the Company risk culture and internal controls framework. This is done during onboarding and throughout their employment. Financial and non-financial incentives are reviewed to ensure they do not encourage excessive risk-taking. The Board of Directors sets and approves the risk strategy, the risk appetite, and the risk management framework of the Company at least annually and monitors its risk profile, as well as the effectiveness of risk management.

2.5 Risks and uncertainties

The following pages set out the principal risks and uncertainties that may impact the Company's ability to deliver its strategy, how it seeks to mitigate these risks and the change in the perceived level of risk in the year. The Company's principal activities remain unchanged and as a result, the principal risks and uncertainties that the Company faces and our approach to mitigating them remain broadly consistent with prior years. The Company also assesses potential new and emerging risks ('horizon risks'); the principal horizon risks have also been broadly consistent to prior year, which include geopolitics, rapid advancement and adoption of Artificial Intelligence ("AI"), evolution of the UK regulatory environment and wealth flight.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Company but reflects those which the Company currently believes may have a significant impact on its performance and prospects.

2.6 Credit risk

As a lender, the Company is exposed to credit losses if customers are unable to repay loans and outstanding interest and fees.

The Company also has exposure to counterparties with which it places deposits or trades and has in place a number of derivative contracts to hedge interest rate and foreign exchange exposures.

We seek to minimise our exposure to credit losses from lending by:

- Applying strict lending criteria to borrowers.
- Maintaining consistent and conservative loan to value ratios.
- Lending on a predominantly secured basis against identifiable assets such as property or investment portfolios.
- A clear, consistent and robust process for managing arrears.
- Operating a strong control and governance framework for our Client Relationship Officers ("CRO") with oversight by a central credit risk team.

Our exposures to counterparties are mitigated by:

- Continuous monitoring of the credit quality of our counterparties within approved set limits.
- Securities are settled on a delivery versus payment basis.
- Counterparty exposure and settlement failure monitoring controls are also in place.

At 31 December 2025 the Company had loans and advances to customers amounting to GBP 3.6 billion (2024: GBP 3.4 billion). There were no loans written off during the year to 31 December 2025 (2024: nil).

The Company's counterparty exposures are broadly unchanged, with most of our liquidity requirements and surplus funding placed with the Bank of England or in high quality liquid assets. We continue to monitor the UK and global economic outlooks.

2.7 Capital and liquidity Risk

The Company's ability to access capital and funding remains key to the support of our lending activities and our liquidity requirements.

Both liquidity and capital are assessed daily to ensure adequate liquidity and capital are held and remains readily accessible in stressed conditions.

Client funding decreased by GBP 0.1 billion (2.2%) in 2025 to GBP 4.9 billion (2024: GBP 5.0 billion).

2.8 Legal and Regulatory Risk

Failure to comply with existing legal, compliance, regulatory or tax requirements or to react to changes to these requirements, may have negative consequences for the Company.

Failing to provide customers with fair outcomes, to safeguard client assets or to provide advice and products which are in clients' best interests, could be harmful to clients and damage our reputation. It may also lead to adverse legal or regulatory consequences, fines, litigation or customer redress. This applies to current, past and future business.

The Company's business model involves the provision of services to high net-worth, domestic and international clients with a diverse range of needs including complex wealth structures. This complexity across a broad spectrum of clients increases the risk relating to compliance with laws, regulations, rules, standards, generally accepted practices, and codes of conduct applicable to all its activities resulting in risk of legal or regulatory sanctions, material financial loss, or loss of reputation which the Company may suffer as a result of its failure to comply. Similarly, changes to regulation and taxation can impact on our financial performance, capital and liquidity and the markets in which we operate.

The Company seeks to manage these risks by:

- Implementing appropriate policies, standards and procedures and implementing risk-based monitoring programmes to test adherence.
- Monitoring the changes in the regulatory environment and adapting policies, procedures and processes as required.
- Having regular training sessions delivered to all staff to raise their awareness and understanding of the corresponding risks.
- Providing clear advice on legal, compliance and regulatory requirements.
- Responding in an appropriate, risk-based and proportionate manner to any changes to the legal and regulatory environment and those driven by any strategic initiatives.
- Maintaining constructive and positive relationships and dialogue with regulatory bodies and tax authorities.
- Providing products and services to our clients which are designed to meet their needs.
- Reviewing and approving new products and services through a clear governance and approval process.
- Maintaining a prudent capital position with headroom above minimum capital requirements.

The Company's approach to legal and regulatory risk remains unchanged. We continued to invest in our people and infrastructure and improving and standardising our processes.

The Company has in place comprehensive directives covering anti-money laundering, know your customer, international sanctions, anti-bribery and corruption, fraud prevention, and Consumer Duty. These are operationalised through dedicated monitoring, risk assessments, customer due diligence and other quality assessment programmes and applications. Compliance with the directives is actively monitored and reviewed to ensure the company complies with external and internal regulatory requirements.

2.9 Operational risk

The Company is exposed to various operational risks through its day-to-day operations and the markets in which we operate.

Adverse impacts to the business, customers, third parties are considered within the context of our risk management framework.

The Company seeks to mitigate operational risk through:

- Sustaining robust operational risk management processes, governance and management information, supported by a robust, calibrated set of internal controls.
- Identifying key systems, third party relationships, processes and staff and ensuring associated key control activities are in place and robustly tested.
- Maintaining operational resilience through rigorous governance and controls designed to ensure the end-to-end delivery of important business services.
- Focusing on data protection controls.
- Fraud prevention and detection controls, aligned with our risk profile.

- Testing recovery capabilities, including our recovery plan, and planning communications approaches for possible scenarios.

Market and regulatory expectations continue to increase in relation to operational risk management and resilience. In line with this environment, we continue to develop and evolve our capacity to reliably deliver key services.

2.10 Outsourcing risk

The Company recognises the risk of outsourcing to EFGI and other providers and maintains robust outsourcing governance and a strong control framework to ensure good outcomes for our clients. EFG Group supports the Company through various outsourcing services including, but not limited to certain operations, risk, information technology and internal audit services. Oversight of these outsourcing services is via SLAs and performed at the relevant bank committees. The status of the Company's outsourcing is reflected at the operating committee of the Company.

2.11 Strategic and business risk

The Company is a private bank and wealth manager and faces competition from both UK and international banks. There are high levels of competition within the UK mortgage market, as excess liquidity has driven down margins. Elevated and continuing levels of competition may impact our ability to write loans within our desired risk and return criteria, resulting in lower net new assets and lower revenues.

The Company has a clear strategy and value proposition: to be a leading Swiss Private Bank that is renowned for its distinctive client approach to create sustainable and profitable growth. Our CRO model sets us apart in the market and enables us to offer truly client-centric service and our risk appetite and pricing criteria are well defined.

2.12 Market risk

Market volatility impacting equity and fixed income exposures, and/or changes in interest and exchange rates, have the potential to affect the Company's performance, through their impact on both client portfolios and the Company's balance sheet.

Our policy is to minimise interest rate risk by matching fixed and variable interest rate assets and liabilities and using swaps where appropriate. Except for the Company's AT1 bond, the capital and reserves of the Company do not have interest rate liabilities and as such are not hedged. Foreign exchange exposures are generally hedged using foreign exchange spots, forwards or currency swaps with exposures monitored daily against approved limits.

The sensitivity analysis on interest rate exposures targets a limited level of exposure to interest rate and foreign exchange movements.

2.13 Cyber risk

Cyber risk refers to the risk of financial loss, disruption or reputational damage arising from data leakage, including hacking and/or other cyber-attacks on the Company's information technology systems.

The Company is exposed to Cyber Risk through use of EFG and third-party managed information technology, including our core banking platforms, email and electronic banking, which are core to our business proposition.

The Company continuously assesses our controls over cyber security, as well as our internal processes to ensure adequate mitigation of the rapidly evolving risks in the area of IT security, client confidentiality and data protection. The Company ensures our staff are well trained in identifying and preventing legal and operational risks from cyber-attacks, via a culture of reporting incidents, ongoing information security training and annual user account reviews amongst others.

2.14 Horizon risks

The Company also regularly reviews upcoming risks on a forward-looking basis through formal horizon scanning and consideration of prospective risks, through its risk and management committees, which include industry, global economic and geopolitical risks, as well as developments in artificial intelligence usage within financial services and emerging risks.

2.15 Climate change

The Company has developed a framework for the management of financial risks arising from climate change under the direction of the Chief Risk Officer, overseen by the BRC. The main areas of focus of the framework are:

- Overview of physical and transition risk and examples of how they may manifest across financial risk (market, credit, investment, liquidity/funding) and non-financial risk (reputational, operational).

- Risk appetite and risk tolerance in terms of protecting the Company's assets; protecting clients' investments; and deployment of capital.
- Risk identification and materiality assessment.
- Risk monitoring: metrics, limits and thresholds to be monitored across credit (loans and related collateral), treasury (investment portfolio) and investment solutions (clients' investments), and the reporting process for these.
- Third party risk management to include environmental, social and governance ("ESG") considerations in vetting processes for third parties.

Physical risk arises from shift in specific weather or shifts in climate. Transition risk arises from the process of adjustment towards a low carbon economy required by governments and regulatory bodies.

The Company's lending portfolio is primarily focused on central London, where physical risk, due to flooding, is greater than transition risk. However potential transition risks may arise from tightening energy efficient standards for domestic and commercial buildings impacting the risks in buy-to-let portfolios. The Company's Lombard portfolio is collateralised mainly by portfolios investing in well diversified equity and fixed income funds as well as cash deposits. The Company's investment portfolio is mainly exposed to sovereign issuers and financial institutions with short maturities and is not therefore expected to have material climate change exposure. The Company has no direct exposure to sectors vulnerable to a failure to adapt towards a low carbon-economy.

2.16 ESG

Emerging risks arise from ESG aspects affecting other risk categories, or may include new technologies, for example, artificial intelligence and as well as economic, regulatory or political change.

Environmental and social challenges are a source of both opportunities and risks, and the financial industry has a crucial role to play in addressing these topics. The Company has embedded the approach of its parent EFGI in its approach to managing ESG risks. Since 2021, EFGI refined the sustainability strategy and established the Sustainability Advisory Board to oversee and monitor the progress in implementing this strategy across the organisation.

Assessing and managing ESG-related risks is a key component of this new strategy. EFG International defined a specific risk appetite statement as part of the overarching risk appetite framework, underscoring the commitment to positioning EFGI as an ESG-focused financial institution. In line with international guiding principles, EFGI also launched an ESG risk management process to identify and manage potential adverse impacts that the Company's operations could have on the environment and society, as well as any associated reputational consequences or other risks affecting the Company and its clients.

EFGI defines specific metrics to monitor progress in this area. These include:

i) a reduction of greenhouse gas emissions from our own operations;
ii) an increase in female representation in senior management (in percentage terms); and
iii) a dedicated ESG focus on Assets under Management in investment products and services.

For more information on the ESG strategy see the EFG sustainability report 2025

(http://www.efginternational.com/sustainability).

2.17 Management Body

Board of Directors

Members of the BoD are selected based on their skills and experience, taking the needs of the Company into consideration. The BoD should consist of persons with management experience, preferably in the field of private banking or financial institutions, in order to ensure qualified management, control, supervision and consultation.

Board members are expected to devote such time as is necessary for the proper performance of their duties; minimum time is defined in their appointment letters and includes but is not limited to preparation for meetings, attendance at meetings and ongoing professional training.

The current BoD consists of members with a range of diversity perspectives, including but not limited to cultural and educational background, professional experience, skills, knowledge, independence and length of service.
In this respect, at year-end 2025 the Board of Directors consists of 9 members out of which:
- 5 are non-executive independent members.
- 2 are females with 1 acting as a Group Non-Executive Director and 1 acting as Chair of the Board Risk Committee.

At year-end 2025 the number of directorships held by members of the Board of Directors are as follows:

Position	Name	Number of external directorships	Number of other directorships within the group (Executive / Non-executive)
Board of Directors			
INED and Chair	Richard Metcalf	1	0
INED and SID	Andrew McIntyre	3	0
INED	Eric Barnett	2	0
INED	Catherine Brett	1	0
INED	Thomas Cooper	1	0
Group Non-Executive Director	Dimitris Politis	0	2
Group Non-Executive Director	Paula Hadjisotiriou	1	0
CEO & Executive Director	Christian Berchem	1	0
CFO & Executive Director	David Spiteri	0	2

The following management and governance changes have been effected since 1 January 2025:

- Tom Cooper was appointed as an Independent Non-Executive Director on 1 January 2025
- Andrew McIntyre was appointed as an Independent Non-Executive Director on 1 January 2025
- Oliver Meredith resigned as Executive Director and Chief Financial Officer on 29 April 2025
- David Spiteri was appointed as an Executive Director and Chief Financial Officer on 6 May 2025

3. Own Funds

3.1 Composition of own funds

In accordance with Article 72 CRR, own funds are computed as the sum of Tier1 and Tier2 capital. EFGIUK own funds composition includes CET1 capital and AT1, which, following regulatory adjustments, totals GBP 318.8 million. EFGIUK's CET1 comprises permanent share capital and reserves. The ordinary shares carry voting rights and the right to receive dividends. EFGIUK's AT1 comprises of a rolling 5-year subordinated debt of GBP 66.6 million which matures on 12th December 2027.

	UK CC1	(a)	(b)
	GBP millions*	Amounts 31-12-2025	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	128.2	
1a	*of which: Share capital*	31.6	E1
1b	*of which: Share premium*	96.6	E2
2	Retained earnings	126.5	E5.1
3	Accumulated other comprehensive income and (other reserves)	15.7	E3 + E4.2 + E4.3
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	270.4	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-1.0	
8	Intangible assets (net of related tax liability) (negative amount)	-0.4	A8
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-1.3	A6
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-2.7	
29	Common Equity Tier 1 (CET1) capital	267.7	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	66.6	
31	*of which: classified as equity under applicable accounting standards*	66.6	E4.1
45	Tier 1 capital (T1 = CET1 + AT1)	334.3	

	UK CC1	(a)	(b)
	Tier 2 (T2) capital: instruments		
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	334.3	
60	Total risk exposure amount	1,918.2	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 (%)	13.96%	
62	Tier 1 (%)	17.43%	
63	Total capital (%)	17.43%	
64	Institution CET1 overall capital requirements (%)	10.99%	
65	*of which: capital conservation buffer requirement (%)*	2.50%	
66	*of which: countercyclical capital buffer requirement (%)*	1.17%	

** The figures presented in the above table may in some cases show non-significant differences due to rounding.*

	UK CC2	(a - b)	(c)
		Balance sheet as in published financial statements and under regulatory scope of consolidation	UK CC1 reference
	GBP millions*	31-12-2025	
	Assets – *Breakdown by asset classes according to the balance sheet in the published financial statements*		
	Cash and balances with central banks	219.0	
	Due from other banks	70.8	
A1	Derivative financial instruments	7.3	
A2	Investment securities	2,300.6	
A3	Loans and advances to customers	3,616.0	
A4	Investments in subsidiaries	1.3	19
A5	Property, plant and equipment	22.7	
A6	Intangible assets	0.4	8
A7	Deferred income tax assets	9.7	
A8	Other assets	31.1	
A9	**Total assets**	**6,278.9**	
A10			
A	**Liabilities –** *Breakdown by liability classes according to the balance sheet in the published financial statements*		
	Due to other banks	906.2	
	Due to customer	4,932.7	
L1	Derivative financial instruments	31.8	
L2	Current income tax liabilities	1.3	
L3	Provisions	3.7	
L4	Other liabilities	66.1	
L5	**Total Liabilities**	**5,941.9**	
L6			
L	**Equity –** *Breakdown by equity classes according to the balance sheet in the published financial statements*		
	Share capital	31.6	1a
	Share premium	96.6	1b
E1	Capital redemption reserve	10.0	3
E2	Other equity and reserves	72.4	
E3	*Of which: Subordinated instruments*	66.6	31
E4	*Of which: Other comprehensive income*	1.1	3
E4.1	*Of which: Other*	4.7	3
E4.2	Retained earnings	126.4	
E4.3	*Of which: Retained earnings from previous years*	110.2	2
E5	*Of which: Profit or loss of the current year attributable to owners of the parent*	*16.2*	
E5.2	**Total equity**	**337.1**	

* *The figures presented in the above tables may in some cases show non-significant differences due to rounding.*

3.2 Risk weighted assets

The table below summarises the composition of the risk weighted assets, and the minimum requirement based on an 8.0% capital requirement, at 31 December 2025. Credit risk accounts for the largest risk type, reaching 82% of EFGIUK risk-weighted exposure, followed by operational risk with 15% and 3% attributable to others.

	UK OV1 GBP millions*	(a) Risk weighted exposure amounts 31 December 2025	(b) Risk weighted exposure amounts 31 December 2024	(c) Minimum Capital Requirement 31 December 2025
1	Credit risk (excluding counterparty credit risk)	1,574.8	1,430.2	126.0
2	*Of which standardised approach*	1,574.8	1,430.2	126.0
6	Counterparty Credit risk - CCR	55.3	64.0	4.4
7	*Of which the standardised approach*	31.3	38.0	2.5
8b	*Of which credit valuation adjustment - CVA*	24.0	26.0	1.9
15	Settlement risk	0	0	0
23	Operational risk	288.1	269.0	23.1
UK 23b	*Of which standardised approach*	288.1	269.0	23.1
29	**Total**	**1,918.2**	**1,763.2**	**153.5**

* *The figures presented in the above tables may in some cases show non-significant differences due to rounding.*

4. Credit Risk

Credit risk refers to the possibility that a financial loss will occur because of a borrower's or counterparty's deteriorating creditworthiness and/or inability to meet its financial obligations.

4.1 Credit risk management

Loans and advances

A key feature of the credit approval process is a separation between the Company's business origination and credit risk management activities. Credit requests are initiated by Client Relationship Officers ("CROs") and assessed by the Credit department's Underwriting team, independent of the Client Relationship Officers. The Company's Credit Committee ensures the implementation of the credit policies and procedures, as defined by the BoD, and approves major client credit related risks. The Credit Administration team monitors credit exposures linked to and arising from investment securities, amounts due from banks, and loans and advances to customers, against approved limits and pledged collateral. Management is required to understand the background and purpose of each loan (which is typically for investment in securities, funds, and investment related insurance policies or real estate) as well as the risks of the underlying collateral of each loan. The Company's internal grading system assigns each client credit exposure to one of ten rating categories. The rating assesses the borrower's repayment ability and the value, quality, liquidity and diversification of the collateral securing the credit exposure. The credit policy and the nature of the loans ensure that the loan book is of high quality. Consequently, an overwhelming majority of the Company's credit exposures are rated within the top three categories.

(a) Debt securities and other bills

The Company's nominated External Credit Assessment Institutions ("ECAIs") are Standard & Poor's ("S&P") and Moody's, which are used by the Company for managing the credit risk exposures.

The following table describes the internal definition of different grading levels (broadly they follow the risk categories of external rating agencies).

Grading		Description of grade	S&P approximate rating
1	Top	Secured by "cash collateral or equivalent" – good diversification	AAA
2	High	Secured by "cash collateral or equivalent" – imperfect diversification	AA
3	Very good	Secured by "other collateral"	A
4	Good	Partly secured by "cash collateral or equivalent"	BBB
5	Acceptable	Unsecured but prime borrower	BB
6	Weak	Borrower situation/collateral value is deteriorating	B
7	Poor	Conditions of initial credit are no longer being met	CCC
8	Unacceptable	Interest is no longer being paid – collateral is being held	CC to C
9	Potential loss	Bank holds illiquid – uncollectible or no collateral	D
10	Loss	No collateral or uncollectible collateral	D

4.2 Risk limit control and mitigation policies

Customer loans secured by real estate are treated in conformity with regulation pertaining to examination, valuation and treatment of credits secured by real estate and with the internal policies and procedures on mortgage lending. All the real estate provided as collateral will be evaluated at origination by the Credit department and by external professionals. Further evaluation during the life of loan will take place as required by the relevant rules and policies. Mortgage valuations are reviewed monthly using statistical (indexation) methods, and larger mortgages are subject to independent valuations every three years.

To qualify as collateral for a Lombard loan, a client's securities portfolio must generally be well diversified with differing haircuts applied depending on the type of risk profile and liquidity of the security. Additional haircuts are applied if the loan and the collateral are not in the same currency and maturity, or diversification criteria are not fully met.

The Credit department monitors credit exposures against approved limits and pledged collateral for the Lombard portfolio. If necessary, they initiate rectification steps. Most collateral is valued daily (but may be valued more frequently during periods of high market volatility).

The Company's management of exposure to financial institutions is based on a system of counterparty limits which is coordinated at the EFGI Group level, adapted for the Company's country limits. Limits for exposure to counterparties are granted based upon the Company's internal analysis. The limits are set and supervised by the relevant Group Committees depending on each counterparty's S&P or Moody's ratings (with reference to individual and support ratings) and on the counterparty's total equity. These limits are annually reported to the Company's BRC. The Company's other specific areas of consideration and mitigation measures are outlined below.

(a) Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for credit exposures. The Company implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential and to a limited extent commercial property.
- Charges over cash balances held with the Company and cash equivalent.
- Charges over financial instruments such as debt securities, equities and funds.
- Bank guarantees.

(b) Derivatives

The Company maintains a regular monitoring of market risk exposure induced by over-the-counter derivative trading. The market risk exposure reflects the current market value of the exposure and the potential future value of the exposure.

(c) Credit-related commitments

Credit-related commitments include the following:

- Guarantees, forward contracts and standby letters of credit: these carry the same credit risk as loans;
- Commitments to extend credit; these represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. The Company is potentially exposed to loss for an amount equal to the total unused commitments. However, commitments to extend credit are contingent upon customers maintaining specific credit standards.

Guarantees can be issued, and lines of credit drawn by customers only if they have adequate collateral pledged with the Company. Most credit facilities would be rated by the Company with an internal grading of 1 to 3.

4.3 Credit loss measurement

The Company applies the 'three-stage' approach introduced by IFRS 9 for impairment measurement:

- Stage 1: for financial assets that have not experienced a significant increase in credit risks ("SICR") since initial recognition a 12-months expected credit losses ("ECL") is measured.
- Stage 2: for financial assets that experienced a SICR since initial recognition (but not yet deemed to be credit-impaired) a lifetime ECL is measured.
- Stage 3: for credit-impaired or defaulted financial assets a lifetime ECL is measured.

Specific ECL measurements have been developed for each type of credit exposure.

4.4 Due from banks and investment securities

This category includes balances with central banks, due from other banks, treasury bills and other eligible bills, and investment securities.

Inputs and assumptions
The ECL for all products above is estimated using three components:
- EAD (exposure at default): book value (amortised cost assets) and purchase value adjusted for amortisation and discount unwind (financial assets at fair value through other comprehensive income).
- PD (probability of default): estimated based on external counterparty credit risk rating information (Standard & Poor's annual global corporate default study and rating transition). For unrated instruments a BBB is considered as a proxy.
- LGD (loss given default): for stage 1 and stage 2 assets aligned to the credit default swap ISDA market standard (recovery rate 40%). In case of stage 3 assets, determined on an individual basis.

Estimation techniques
Macroeconomic expectations for sovereign securities and central banks debt are incorporated via their respective external rating as part of their assessment of counterparty credit risk. For banks and corporate counterparties, the PD and related transition matrices are impacted based on macroeconomic expectations.

Significant increase in credit risk
A significant increase in credit risk ("SICR") is determined based on rating changes and individually assessed by an internal expert panel considering a range of external market information (e.g. credit default spreads, rating outlook).

Definition of default
The default is triggered through a payment default on the instrument or any cross-default indication.

Lombard lending includes loans and advances to customers covered by financial collaterals. Being secured by diversified portfolios of investment securities, the risk of default of the loan is driven by the collateral.

4.5 Lombard Lending

Inputs and assumptions
The exposure of Lombard loans considers potential drawdowns, and the ECL is estimated by means of two components:
- ECL due to adverse market price movements that captures the risk that a shortfall arises when collateral values decrease to a level insufficient to cover the respective Lombard loan exposure (based on assumptions regarding market price volatility of collateral asset classes, currency mismatch between loan and collateral, close-out periods and LGD considering collateral liquidation sales cost), and
- ECL due to a default of a large single collateral position (top 1 to top 5) yielding a shortfall for the Lombard loan exposure (based on PD and LGD for each sub-asset class based on counterparty risk ratings, LGD to assess the collateral value after default and close-out periods).

Estimation techniques
As opposed to the general measurement approach, the ECL measurement for Lombard loans is not based on the PD but on the probability to reach the close-out trigger level and the related expected positive exposure ("EPE"). The latter corresponds to an uncovered shortfall which in combination with the LGD parameter determines the ECL. No additional macro-conditioning of variables is necessary as macroeconomic effects are captured through parameters such as volatility and loan-to-value ("LTV") levels.

Significant increase in credit risk
A SICR occurs once the close-out trigger (based on collateral LV) is reached and contextually the computed ECL is above a materiality threshold.

Definition of default
Lombard loans that were closed out or have their collateral liquidated, resulting in an actual shortfall, or where liquidation is still in progress, resulting in a potential shortfall, are considered credit-impaired and classified as stage 3.

4.6 Mortgages and other loans

All loans and advances to customers not considered Lombard lending are included in this classification. These are residential and commercial mortgages, commercial loans, and overdrafts.

Inputs and assumptions
The ECL for mortgages and for other loans is estimated using three components:
- EAD: the exposure considers contractual repayments, as well as potential drawdown over the lifetime of the loan.
- PD: derived from historical transition matrices. To derive forward-looking default estimates, these matrices are calibrated to the macroeconomic expectation.
- LGD: calculated based on the possibility to cure (derived from the transition matrix), considering the current LTV and the future recovery value of underlying properties for mortgages (computed considering house price development and sales costs proxies).

Estimation techniques
Each loan is assigned to a risk grade on the basis of its credit quality (i.e. rank order estimation). Forward-looking macroeconomic effects are incorporated with forecasts on gross domestic product growth, unemployment rate and house price index.

Post-model adjustments have been recognised on selected individual cases for which risks and uncertainties cannot be adequately reflected with the existing models.

Significant increase in credit risk
A SICR is experienced by any exposure greater than 30 days past due, or with a deterioration of other criteria (such as rank order estimation or watchlist status), or previously defaulted (cure period), or are performing but past their original maturity whilst the repayment or refinancing is being discussed with the customer.

Definition of default
Any exposure with unpaid interest greater than 90 days past due, or other criteria (such as watchlist status) or following an individual assessment is considered credit-impaired and classified as stage 3.

4.7 Contractual modifications

The Company modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view of maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms of initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 in accordance with the new terms for six consecutive months or more.

4.8 Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The Company may write off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectations of full recovery.

4.9 Stress Testing

Stress testing is an integral part of EFGIUK’s overall risk governance, used as a tool for forward looking risk management and decision-making. Stress testing results are considered in business planning. They also indicate any business model vulnerabilities and the adequacy of controls and financial resources to manage the unexpected shocks and absorb any losses.

The Bank leverages its IFRS 9 ECL models to develop an internal stress testing model to support its annual Internal Capital Adequacy Assessment Process (ICAAP). Two stress test scenarios (recession and inflation) have been developed to test the business plan. In addition, the Bank of England’s Supply and Demand shock scenarios have also been considered. The scenarios are tailored for specific aspects of the Balance Sheet:

- Mortgages: modelling of credit quality deterioration based on internal migration statistics and collateral recoveries using a structural model.
- Investment securities: modelling of credit quality deterioration based on external rating agency data.
- Lombard portfolio: modelling of collateral shortfalls due to shocks to collateral value caused by adverse market movements or jump-to-default of the issuers.

5. Market Risk

The Company engages in the trading of foreign exchange on behalf of its clients, in addition to client lending and deposit taking activities. The Company does not engage in proprietary trading in securities.

Both securities and foreign exchange exposures are limited by nominal overnight and Value at Risk ("VaR") limits. Foreign exchange is also subject to intraday limits, whilst securities have monthly and yearly stop loss limits. Adherence to all limits is monitored independently of the Treasury department who are responsible for managing market risk. Due to the nature of the Company's business, Market Risk has a Board approved limit that is capitalised under Pillar 2A.

5.1 Market risk measurement methodology

Market risk exposure is measured in several ways, namely: nominal and VaR exposure and stress tests. VaR is not used for regulatory reporting of risks and is used internally only, for control and management purposes of FX exposure and credit risk exposure in the Treasury investment portfolio. The Company applies limits to all market risks. Limits include nominal, stop loss, rating quality and concentration types, depending upon the nature of the market risk concerned. In addition, positions are also measured in the event of extreme market movements (stress testing). The measurement techniques to control market risk are described below.

(a) Value at risk

VaR measures the potential loss impact on open risk positions, under normal market conditions. VaR is calculated using statistically expected changes in market parameters for a given holding period at a specified level of probability. The internal model is based on a historical simulation approach and uses a 99% one-tailed confidence level. The model assumes a 10-day holding period for purposes of group internal risk reporting, with a 251-day observation period for market variables. The VaR model is adjusted on an ongoing basis in response to developments in the financial markets and to changes in our risk management needs. Risk parameters based on the VaR methodology are calculated daily. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(b) Stress tests

The risk calculations explained above are complemented by a suite of stress tests that identify the potential impact of extreme market scenarios on portfolio values. These stress tests simulate both exceptional movements in prices or rates and drastic deteriorations in market correlations. In addition to nominal limits and stop losses, they are the primary tools used for internal market risk management.

The Company carries out foreign currency operations both for its clients, and for its own account. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments, and trading activities in foreign operations. From time to time, the Company may enter into currency hedging arrangements to reduce the effects of exchange rate fluctuations on its income.

5.2 Market risk measurement and value at risk

VaR Summary

The following table presents the VaR (10-d / 99%) for currency risk considering all positions at Balance Sheet level

	Limit in CHF
Value at Risk FX (99%, 10 Day Holding)	225k
FX Exposure Max Long/Short	6m

VaR on Currency Risk	2025 GBP '000	2024 GBP '000
As at 31 December	25	22
During the Year		
Average	41	40
Highest	1,590	2,114
Lowest	7	5

6. ALM Risk

6.1 ALM risk measurement methodology

ALM risk exposure is measured in several ways, namely: Economic Value of Equity, sensitivity to risk factors and stress tests. The Company applies limits to all ALM risks. In addition, positions are also measured in the event of extreme market movements (stress testing). The measurement techniques to control ALM risk, are described below.

(a) IRRBB Economic value of equity, interest income sensitivity and maturity gap metrics

The Economic Value of Equity ("EVE") sensitivity metric refers to risks on the Company's capital, arising from adverse movements in interest rates that affect the Company's balance sheet. Changes in interest rates affect the underlying value of the Company's assets, liabilities and off-balance sheet items and hence its economic value. The Net Interest Income ("NII") sensitivity metric refers to risks on the Company's earnings, arising from adverse movements in interest rates that affect the Company's banking book positions. Changes in interest rates affect the Company's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income. These two metrics are the key measures monitoring interest rate risk.

The Company has implemented an interest rate risk framework in accordance to its business model and its interest rate risk exposure, where stress testing is used as the primary technique to measure Interest Rate Risks in the Banking Book ("IRRBB"). The stress tests used include the regulatory +/- 200bp parallel moves and other scenarios as appropriate to ensure the key IRBB are captured. The impact of IRRBB is monitored weekly. The table below shows the IRRBB EVE sensitivity to a parallel upward and downward move of 200bps in interest rates.

Through the EVE measure, the Company computes a change in the net present value of assets, liabilities and off-balance sheet items, subject to specific interest rate stress scenarios. The economic value of equity sensitivity reflects changes in value over the remaining life of assets, liabilities and off-balance sheet items (i.e. until all positions have run off) and including all pricing components (e.g. margin payments).

Non-maturing products are modelled using replicating portfolios, considering behavioural characteristics. Non-maturity products assumptions are built around the following three analysis steps:

1. Correlation to market rates – magnitude of deposits rate shifts, in response to market rates changes
2. Volume stability – estimate of the stability of outstanding volume, and
3. Volume decay – rate at which balances are being reduced from the account outstanding volume

Based on the above steps, non-maturing products are replicated, so that they can be assigned a synthetic maturity and transformed into fixed-income instruments. The synthetic maturity is based on parameters specific to the Company, considering a segmentation into retail and wholesale categories. Products placed by an individual person fall in the retail category, while sole proprietorships or partnerships are captured in the wholesale category.

The Company considers embedded options within loans. Floor options (for example the cost of funding will never go below zero) are captured and optional cash flows are generated using a deterministic model.

Stress scenario outcomes are highly affected by optional elements embedded in banking products, especially on loans (floors) and other financial products (including behavioural options specific to the Company). The stress scenarios activate optional elements when shocked rates fall in negative territory. Consequently, the economic value of equity sensitivity is not symmetric between the upward and downward stress scenarios, heightening the economic value of equity in case of a parallel down stress scenario.

	31 December 2025 GBP '000	31 December 2024 GBP '000
IRRBB moves 200bps down	16,695	24,683
IRRBB moves 200bps up	(14,791)	(22,759)

(b) Stress tests

The risk calculations explained above are complemented by a suite of stress tests, that identify the potential impact of extreme scenarios on portfolio values. These stress tests simulate both exceptional movements in prices.

6.2 Hedging strategies

The Company is exposed to financial risks arising from many aspects of its business. The Company implements different risk management strategies to eliminate or reduce market risk exposures. Risks being hedged through derivative financial instruments are typically changes in interest rates and foreign currency rates or effects of other risks. The Company implements fair value hedging strategies.

(a) Fair value hedging strategies

The risk being hedged in a fair value hedging strategy is a change in the fair value of an asset or liability that is attributable to a particular risk and could affect P&L or the EVE. Changes in fair value might arise through changes in interest rates, foreign exchange rates or other attributes. The Company implements fair value hedges of individual hedged items (micro fair value hedging).

6.3 Capital management

The Company's objectives when managing regulatory capital are:

- to ensure that the Company has established an adequate framework and processes to maintain an optimal capital level that supports its strategic growth and investment opportunities, and
- to be efficient in its capital mix, to keep its overall cost of capital low, and to deliver sustainable returns in the form of dividends to its shareholders

These objectives are supported by the Company's capital management framework and processes which involves:

- ongoing monitoring procedures to ensure that the Company's capital position meets its minimum capital requirements; and
- a process of capital planning to ensure adequate capital to meet future requirements by setting capital targets in forecasting capital demands, stress scenarios and management mitigating actions

CET1 capital increased by GBP 15.5 million to GBP 267.7 million (2024: GBP 252.2 million) largely due to an increase in reserves mostly from Retained Earnings.

7. Operational Risk

The Company is exposed to various operational risks through its day-to-day operations and the markets in which we operate. Adverse impacts to the business, customers, third parties are considered within the context of our risk management framework.

The BoD strive to set the operational risk culture through, among others, the definition of the overall operational risk tolerance of the organisation (expressed in quantitative thresholds and qualitative statements), which is embedded in the Company's risk management practices.

7.1 Operational risk management

The Company designs and implements internal controls and monitoring mechanisms in order to mitigate key operational risks that it inherently runs in conducting its business.

While the primary responsibility for managing operational risk lies with the Company's business entities and business lines (first line of defence), the development, implementation and oversight of the operational risk policy of the Company forms part of the objectives of the Operational Risk function of the Company. It ensures that the Company has an appropriate operational risk management framework and programme in place for identifying, assessing, mitigating, monitoring and reporting operational risk.

The Company's Operational Risk function, reporting to the Chief Risk Officer, works in collaboration with the Company's functions that also undertake operational risk oversight for their respective area of responsibility. These functions report to the Chief Financial Officer, the Chief Operating Officer, the Chief Compliance Officer, the Head of Human Resources and the Legal Counsel.

Main measures applied by the Operational Risk function for the identification, assessment, monitoring and reporting of operational risk are:

- Assessment and monitoring of key operational risks.
- Monitoring of key risk indicators.
- Collection, analysis and reporting of operational risk events and losses.
- Consolidated operational risk reporting.
- Follow-up of actions taken to remedy key operational risk-related control issues.
- Establishment of an operational risk awareness programme.
- Independent Internal control monitoring and oversight.

EFGIUK seeks to minimise financial and other impacts from operational risks through well documented, standardised and where possible automated processes and a robust control environment, always striving to ensure right balance between cost/benefit of risk mitigation and risk taking.

7.2 Operational risk mitigation

The Company seeks to mitigate operational risk through:

- Sustaining robust operational risk management processes, governance and management information, supported by a robust, calibrated set of internal controls.
- Identifying key systems, third party relationships, processes and staff and ensuring associated key control activities are in place and robustly tested.
- Maintaining operational resilience through rigorous governance and controls designed to ensure the end-to-end delivery of important business services.
- Increasing focus on data protection controls.
- Fraud prevention and detection controls, aligned with our risk profile.
- Testing recovery capabilities, including our recovery plan, and planning communications approaches for possible scenarios.

The company also benefits from EFGI's operational risk transfer mechanism insurance, which hedges potential low-frequency-high-impact events. Group administers centrally for its consolidated entities three layers of insurance cover, being comprehensive crime insurance, professional indemnity insurance and directors, and officer's liability insurance.

7.3 Compliance & Regulatory risk

Failure to comply with existing legal, compliance, regulatory or tax requirements or to react to changes to these requirements, may have negative consequences for the Company.

Failing to provide customers with fair outcomes, to safeguard client assets or to provide advice and products which are in clients' best interests, could be harmful to clients and damage our reputation. It may also lead to adverse legal or regulatory consequences, fines, litigation or customer redress. This applies to current, past and future business.

The Company's business model involves the provision of services to high net-worth, domestic and international clients with a diverse range of needs including complex wealth structures. This complexity across a broad spectrum of clients increases the risk relating to compliance with laws, regulations, rules, standards, generally accepted practices, and codes of conduct applicable to all its activities resulting in risk of legal or regulatory sanctions, material financial loss, or loss of reputation which the Company may suffer as a result of its failure to comply. Similarly, changes to regulation and taxation can impact on our financial performance, capital and liquidity and the markets in which we operate.

The Company seeks to manage these risks by:

- Implementing appropriate policies, standards and procedures and implementing risk-based monitoring programmes to test adherence.
- Monitoring the changes in the regulatory environment and adapting policies, procedures and processes as required.
- Having regular training sessions delivered to all staff to raise their awareness and understanding of the corresponding risks.
- Providing clear advice on legal, compliance and regulatory requirements.
- Responding in an appropriate, risk-based and proportionate manner to any changes to the legal and regulatory environment and those driven by any strategic initiatives.
- Maintaining constructive and positive relationships and dialogue with regulatory bodies and tax authorities.
- Providing products and services to our clients which are designed to meet their needs.
- Reviewing and approving new products and services through a clear governance and approval process.
- Maintaining a prudent capital position with headroom above minimum capital requirements.

The Company's approach to legal and regulatory risk remains unchanged. We continued to invest in our people and infrastructure and improving and standardising our processes.

The Company has in place comprehensive directives on anti-money laundering, know your customer, international sanctions, and anti-bribery and corruption, to prevent, detect and report such risks. Through dedicated monitoring and quality assessment programmes and applications, the Company monitors compliance with such directives.

7.4 Outsourcing risk

The company recognises the risk of outsourcing to EFG AG and other providers and maintains robust outsourcing governance and a strong control framework to ensure good outcomes for our clients. EFG Group supports the Company through various outsourcing services including, but not limited to certain operations, risk, information technology and internal audit services. Oversight of these outsourcing services is via SLAs and performed at the relevant bank committees. The status of the Company's outsourcing is reflected at the operating committee of the Company.

8. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The Company manages its liquidity risk in such a way as to ensure that enough liquidity is available to meet its commitments to customers, both in demand for loans and repayments of deposits, and to satisfy its own cash flow needs. The Company also ensures that it seeks to comply with all regulatory liquidity requirements. As part of the Company's overall Treasury management process, other banks within the EFG Group may place deposits, representing their surplus liquidity, with the Company. These deposits are then typically placed by the Company in short-term money market assets.

8.1 Liquidity risk management process

The Company attempts to avoid concentrations of its funding facilities. It observes its current liquidity situation and determines the pricing of its assets and credit business. The Company also has a liquidity management process in place that includes liquidity contingency plans. These contingency measures include liquidation of marketable securities and seeking parent company support.

The Company seeks to comply with all regulatory requirements, including overnight liquidity limits. In addition, it reports its liquidity position to its management daily. Stress tests are undertaken monthly. Both the Company's capital and reserves position, and its conservative approach to tenor when funding customer loans, assist in reducing the Company's exposure to liquidity risk.
The Company's liquidity risk management process is carried out by Treasury and monitored by the Asset and Liability Committee ("ALCO"). It includes:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment as they mature or are borrowed by customers of funds.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring Balance Sheet liquidity ratios against internal and regulatory requirements.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities, and the expected collection date of the financial assets.

Under the oversight of ALCO, Treasury also monitors unmatched medium-term assets and the usage of overdraft facilities. Sources of liquidity are regularly reviewed by Treasury with the aim of maintaining diversification by currency, geography, provider, product and term.

8.2 Concentration risk

The overall level of liquidity exposure and corresponding limits are tightly monitored by means of specific risk metrics approved by the Board of Directors and in line with the Company's overall committed level of risk appetite.

The Company's concentration risks are managed through the following mechanisms:

- Monitoring of compliance with ALM, funding concentration and risk appetite limits assigned.
- Informing approval bodies when ALM, concentration and risk appetite limits are exceeded.
- Proposing risk mitigation measures for ALM, concentration and risk appetite thresholds.

9. Appendix

9.1 List of abbreviations

PRA	Prudential Regulation Authority
EFGI	EFG International AG
EFGIUK	EFG Private Bank
ICS	Internal Control System
LREQ firm	Leverage Ratio minimum requirement firm
HMRC	His Majesty's Revenue and Customs
SLA	Service Level Agreement
IT	Information Technology
SICR	Significant Increase in Credit Risk
LAB	Liquid Asset Buffer
ECL	Expected Credit Loss
EAD	Exposure at Default
PD	Probability of Default
LGD	Loss Given Default
AT1	Additional Tier 1
LTV	Loan-to-Value
VaR	Value at Risk
EVE	Economic Value of Equity
IRBB	Interest Rate Risk in Banking Book
FX	Foreign Exchange
ALCO	Asset and Liability Committee
BRC	Board Risk Committee
LAB	Liquid Asset Buffer
BoD	Board of Directors
ManCo	Management Committee
CRO	Client Relationship Officer
CET1	Common Equity Tier 1
CRR	Capital Requirement Regulation (Regulation No 575/2013)
ESG	Environmental, Social and Governance
FX	Foreign Exchange
LCR	Liquidity Coverage Ratio
NII	Net Interest Income
NSFR	Net Stable Funding Ratio
SREP	Supervisory Review and Evaluation Process
TOR	Terms of Reference
TCR	Total Capital Ratio

9.2 PRA Rulebook Disclosure (Part Eight CRR) Map

CRR Article	Theme	Pillar 3 Report Reference	Page in Pillar 3 Report
Article 435(1)(f)	Risk management	Section 1.4	1
Article 447(a)-(h)	Basic regulatory key figures	Section 1.5	1
Article 435(1)(e)	Management attestation	Section 1.7	3
Article 435(1)(a)	Risk management framework	Sections 2 & 4-7	4-8 & 14-22
Article 435(2)(a)-(c)	Management Body	Section 2.17	8
Article 437(a)	Composition of own funds and balance sheet in the audited financial statements	Section 3.1	10
Article 438(d)	Risk weighted assets	Section 3.2	13

Entrepreneurial thinking.
Private banking.