ZEMPLER BANK

Pillar 3 Disclosures

for the year ended 31 March 2026

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Company information

Company name

Zempler Bank Limited

Registered Office & Trading Address

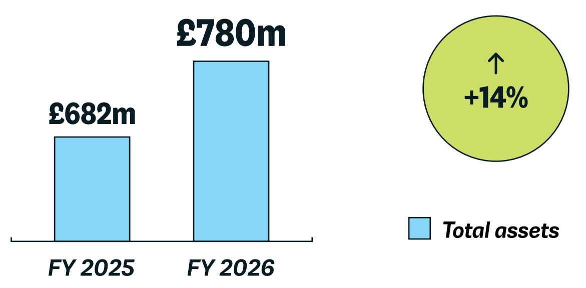
Cottons Centre
Cottons Lane
London
SE1 2QG

Company Registration Number

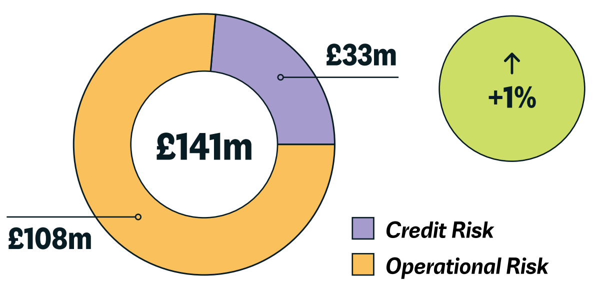
04947027
England and Wales

Executive Summary

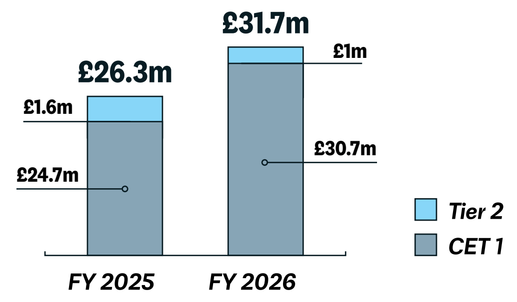
Total assets as per Annual report



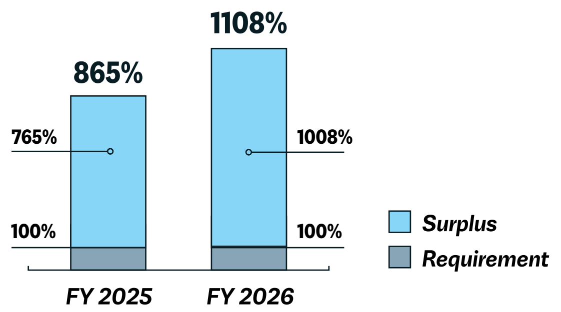
Risk Weighted Assets



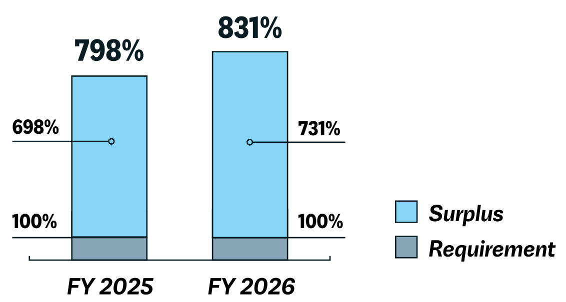
Total Capital



Liquidity Coverage Ratio



Net Stable Funding Ratio



UK Leverage Ratio

Increased from 7.96% FY2025

7.99% ↑

Total Capital Ratio

Increased from 20.6% FY2025

22.5% ↑

CET1 Ratio

Increased from 19.3% FY2025

21.7% ↑

Overview

Introduction

Zempler Bank Limited is registered in England and Wales at Cottons Centre, Cottons Lane, London SE1 2QG (company number: 04947027). It received its banking licence in February 2021 and is authorised by the Prudential Regulation Authority (PRA). It is regulated by the PRA for prudential requirements and by the Financial Conduct Authority (FCA) for conduct of business matters.

The Access Bank UK Limited (Access Bank) acquired 100% of the bank's issued share capital on 27 February 2026. Zempler Bank Limited is a wholly owned subsidiary of Access Bank but retains its own brand identity, a separate banking licence and operational independence.

Purpose

This report covers the period from 1 April 2025 to 31 March 2026. It provides information on our risk management, capital, liquidity and remuneration in line with the public disclosure requirements set out in Part VIII of the UK Capital Requirements Regulation (UK CRR) and the Disclosure (CRR) part of the PRA Rulebook. These requirements aim to encourage market discipline by enabling market participants to assess key pieces of information on our risk exposures. We have not omitted any recommended disclosures on the grounds that the information may be proprietary or confidential.

Our Pillar 3 report should be read in conjunction with the bank's Annual Report & Accounts that is available on the Zempler Bank website. The information presented in this report is not required to be, and has not been, subject to an external audit.

Basis of Preparation

We assess ourselves to be a non-listed 'small and non-complex institution' under Article 4(145) of UK CRR, as the total value of our assets is less than EUR 5 billion and we do no use any internal models to meet prudential requirements.

We follow the disclosure requirements set out in Article 433b of the Disclosure (CRR) Part of the PRA Rulebook. The frequency and scope of disclosure will be reviewed annually, or more frequently in the event of a material change in the business.

The Disclosure (CRR) Part of the PRA Rulebook contains prescribed templates which have been adopted to present the quantitative disclosures within this document. Where certain rows or columns within prescribed templates are not relevant to us, these have been omitted.

Regulatory Developments

The Basel 3.1 changes will be implemented in the UK on 1 January 2027, along with a separate regime for Small Domestic Deposit Takers (SDDT) regime. The Bank has not applied to join the SDDT and will be implementing the Basel 3.1 standards as its prudential framework. The Bank considers itself well-positioned for the application of Basel 3.1 and has engaged with its parent and the PRA on its preparations.

Pillar 3 Disclosures

Strategy

Our strategy

Our purpose

Enabling a more open and successful financial future.

Zempler Bank was founded with the ambition to make banking services more inclusive, accessible and to break down barriers for underserved businesses and individuals. We remain committed to fulfilling that purpose by providing customers with the simple, easy-to-access digital banking they deserve, from a partner they can trust.

Our mission

Provide undeserved customers with tailored banking that helps them succeed.

Our vision

Become the UK's best loved digital bank.

Our strategy

Our strategic priorities

Understand core and target customers

We will seek to develop a deeper understanding of customers within our target segments, enabling Zempler to provide tailored products and servicing that meet their needs and help them to succeed.

Enhance customer acquisition and retention capability

We will broaden our range of marketing methods and aim to build the profile of the Zempler brand within our priority segments, developing a reputation as a trusted partner and specialist.

Diversify income and grow receivables via new lending products

With a stronger capital position and large deposit base, we will seek to diversify and scale our lending activity more quickly by developing new debt products.

Explore new product lines to enable scaling

We will explore opportunities to use our existing capabilities to develop new, capital-light product lines, including any enabled through collaboration with our new shareholder.

Pillar 3 Disclosures

Governance

Governance

The Board has overall responsibility for management of the business of the Bank and the protection of depositors and must ensure that the business is managed in accordance with the regulatory threshold conditions applicable to an authorised bank.

The Board consists of the Non-Executive Chair, the Senior Independent Director, four further Non-Executive Directors and one Executive Director.

Zempler Bank does not require its directors to retire and submit themselves for re-election. Any proposed changes to the structure or composition of the Board are reviewed by the Nomination & Corporate Governance Committee.

There is a schedule of formal matters specifically reserved for the Board's consideration. The Board programme is designed so that Directors have a regular opportunity to consider the Bank's strategy, operations, risks, policies, financial plans, customer outcomes, technology, financial results, liquidity, capital and regulatory requirements in order for the Board to arrive at a balanced assessment of the Bank's position and prospects. Strategic developments, operational performance, financial performance, risk management, customer outcomes and regulatory compliance are considered at each scheduled Board meeting.

During the year, the Board invited a number of internal subject matter experts to attend Board meetings to provide the Board with insight into their specialist areas and a series of education, deep-dive and workshop sessions were also held.

The Bank has a clear division of responsibility between the roles of the Chair of the Board and the Chief Executive Officer (CEO). The Non-Executive Chair, who does not have any executive responsibility for the day-to-day running of the Bank's business, is responsible for chairing and overseeing the performance of the Board and ensuring that it discharges its responsibilities.

The Board's role is to direct, supervise and oversee the business of the Bank. Implementation of the strategy set by the Board and management of the business of the Bank on a day-to-day basis within the financial, operational and risk limits and tolerances set by the Board is delegated to the CEO.

The CEO is supported by the Executive Committee whose role is to support the CEO in the management and day-to-day running of the business and delivery of the strategy and business plans approved by the Board.

For more details on our governance arrangements please see pages 29 to 33 of our Annual Report & Accounts.

Pillar 3 Disclosures

Risk Management Strategy

Risk Management Strategy

The Board aims to deliver the Bank's strategic and business objectives, together with operational and financial stability, whilst minimising and managing identified risks and ensuring good customer outcomes through appropriate mitigation.

Our risk strategy has three core elements:

i. Simplicity in approach with efficient and effective tools and processes delivering the right information to the right people at the right time;
ii. Sustainable controls enabling the Bank to absorb and adapt to shocks, and
iii. An embedded framework, utilised by trained and motivated col-leagues to optimise risk versus reward.

Zempler faces a range of risks from both internal and external factors. To manage these effectively, it has developed and embedded a comprehensive Enterprise-wide Risk

Simple

- Develop a clear approach to manage risk and compliance
- Supported by efficient and effective tools
- Provide insightful management information to the right people at the right time

Target Operating Model ensures risk resource is aligned to business growth

Sustainable

- 'Absorb and adapt to shocks' – customer service protected even in times of stress
- Effective controls in line with regulatory expectations and risk appetite
- External threats are monitored and mitigated

Proactive consideration of risk, compliance, and control in everything we do

Embedded

- Trained and motivated colleagues across the organisation embrace the framework
- Risk and compliance mindsets and behaviours linked to remuneration
- Collaborative culture supporting Senior Managers and Certification Regime accountability

Risk management 'baked into' Strategy

Risk Management Strategy

Management Framework (ERMF) with people and culture at its heart. This is subject to continuous improvement and is reflective of the increasing focus on strong risk management and governance.

The framework provides the tools to manage risk, organised around risk categories aligned to our governance structure: Conduct, Credit, Financial (including capital and liquidity), Economic Crime, Operational and Governance & Strategic.

These risks encapsulate all material financial and non-financial risks faced by Zempler and are supported by sub-categories to support identification, assessment, mitigation and monitoring of specific risks. They provide a common language to be used across the business and enable us to embed our risk appetites and associated policies into day-to-day management activity. The framework is designed to allocate risk ownership and accountability throughout the business. Each component forms part of a larger continuum, providing a holistic view of our risk profile across all risk categories.

Risk Management Framework

The Enterprise Risk Management Framework sets out the Bank's approach for managing risk and is designed and maintained by the Chief Risk Officer (CRO). It is reviewed and approved by the Risk Committee on at least an annual basis. The CRO is responsible for oversight and implementation of the framework and reports independently to the Board Risk Committee in relation to these matters, reporting directly to the CEO on a day-to-day basis.

Management of risk is everybody's responsibility and ownership resides within each business area. The Risk function delivers the framework and standardised approach, tools and processes to manage risk effectively and performs oversight to ensure that standards are being met. The risk function also helps 'reveal' the risk landscape for the benefit of the Risk Committee and Board.

Risk Operating Model

Zempler Bank has adopted the industry-standard three lines of defence model to articulate the accountabilities for risk management. The roles of key personnel are set out below:

Personnel/Line	*Responsibilities*
Senior Management (First Line)	• Responsible for the day-to-day management of risk within Zempler, as per the Management Responsibilities Map and Senior Managers and Certification Regime (SMCR). • Ensures the implementation of appropriate and effective internal controls to manage the Bank's exposure to risks. • Ensures key controls are evaluated and operating as intended to manage risk within risk appetite. • Ensures appropriate resources are in place to achieve risk management objectives. • Ensures that all policy documents become part of the corporate culture of Zempler Bank through established limits to manage quantitative risks; and through policies to manage qualitative risks.
Chief Risk Officer (Second Line)	• Responsible for the Risk and Compliance functions. Reports to the CEO for day-to-day activities, but independently to the Risk Committee to ensure oversight and adherence to the risk framework. • Establish the framework within which risk controls can be achieved to ensure that the inherent risks associated with the Bank's undertakings can be quantified and mitigated. • Provide oversight and challenge of risk management activities performed by the 1st line of defence.
Internal Audit (Third Line)	• Providing independent third line assurance and assessment of risk processes and controls on the overall effectiveness of the ERMF. Reports directly to the Chair of the Audit Committee to ensure independence. An external specialist firm is used as the outsourced Internal Audit provider.
All Colleagues	• All colleagues are responsible for adhering to all rules and regulations including Conduct Rules as well as processes and procedures which are designed to manage the risks associated with the work they perform. • They are also required to alert management to any risk incidents or potential risk incidents that they become aware of in the course of their work. • Colleagues should also discuss with their management any potential gaps in, or improvements to the control framework that they identify.

Risk Operating Model

Risk appetite

Risk appetite is set and owned by the Board and is key in setting the parameters within which the business can operate. Qualitative and, in some cases, quantitative risk appetite statements have been developed for each of the risk categories. These set the overall tone for risk taking and influence the metrics (Board Risk Measures and Key Risk Indicators) used to measure the performance of each risk and ensure appropriate intervention where required. Risk appetite is supported by a robust set of principles, policies and procedures and is set on an annual basis. Amendments to risk appetite may be proposed proactively outside of the annual refresh cycle to ensure it remains appropriate to the current risk environment.

Risk identification and assessment – the Risk Register

A Risk Register is used to standardise and enhance the monitoring of the risks by the Risk and Compliance Function. Risk and Compliance help the relevant Senior Management Functions (SMF) and Functional owners to operationalise their Risk Registers through meetings and relevant training. In 2026, formal control attestation has been introduced, with each SMF owner providing further transparency and assurance on the adequacy and effectiveness of our controls. Further, Risk and Compliance monitor the various Risk Categories through attendance at the Executive Committee (ExCo), its Sub-Committee, the (Board) Risk Committee, and relevant thematic risk assessments. In addition, Risk and Compliance perform a second line review of the ILAAP, ICAAP and Recovery and Solvent Exit Plan.

Emerging and future risks are also expected to be captured in the Risk Register commentary by the SMF and functional owners. In addition, working groups support the Executive level committees where required. This also brings together horizon scanning across legal, regulatory, macro-economic and other such matters. The output helps inform the CRO's reporting to Executive Risk Committee, the Executive Committee, the Risk Committee and Board.

Risk governance & reporting

The Board is responsible for ensuring that Zempler Bank operates in a principle-led manner and maintains an organisational structure to provide adequate support in discharging this duty. In addition, the Board ensures that the risk management processes are aligned with the corporate strategy, and that there are regular reporting of the risk profile and the results of the risk assessment process.

The Risk and Compliance function is under the remit of the CRO, who reports directly to the CEO on a day-to-day basis, with a dotted line to the Chair of the Risk Committee. The CRO provides independent reporting to the Risk Committee, Audit Committee and Board, and occasionally to the Remuneration Committee as appropriate. The Risk Committee is responsible for the oversight and assessment of the Zempler ERMF, providing advice and guidance to ensure alignment with approved company policies. Enhanced governance is provided via the Executive Risk Committee, which regularly reviews and discusses the risk profile to consolidate and ensure effective management and oversight of key outputs emanating from the various risk governance committees.

Principal Risks and Uncertainties

A description of Principal Risks and Uncertainties, and the controls in place to mitigate them, have been detailed in the table below:

Risk	Description	Sub-risks	Mitigating actions and committee oversight	Over-arching processes	
Conduct	The risk that any product, service, behaviour, systems and/or controls may cause detriment to a customer, and negatively impact the integrity of the market.	• Customer Communications • Customer Servicing • Product & Service Design • Conduct Compliance & Regulatory Affairs • Vulnerable Customers	Zempler Bank considers the Consumer Duty Principle to 'act to deliver good outcomes for retail customers' at every stage of the customer journey and has embedded the cross-cutting rules to 'act in good faith', avoid causing foreseeable harm' and 'enable and support customers to pursue financial objectives' into the culture of the organisation and into the Enterprise Risk Management Framework. Conduct Risk is managed and monitored by the Customer Committee which meets monthly and reports to the Executive Committee. This includes managing the assessment of new products and their features to ensure they are appropriate, including undertaking periodic product assessments. In addition, there is an annual report to the Board on how we are meeting Consumer Duty requirements.	Enterprise Risk Management Metrics and Monitoring to Risk Committee	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*	
Credit	The risk associated with material financial disruption as a result of borrowers failing to meet obligations in accordance with agreed terms; lending exposures being grouped in such a manner that a correlated performance of the individual loans can be anticipated; and not acting in a customer's best interests, such that lending is not affordable, terms and conditions are not transparent, and borrowers are not supported if they experience repayment difficulties.	• Credit Portfolio Risk • Credit Concentration Risk • Responsible Lending	The Credit Framework focuses on ensuring appropriate and affordable lending is provided to customers. Credit is managed to a defined risk appetite and associated measures, and monitored by the Credit Risk Committee, which meets monthly and reports to the Executive Committee. The framework includes the use of: • predictive underwriting models which are regularly reviewed; • performance monitoring; and • Credit risk management policies and operational procedures across the full lifestyle.	Enterprise Risk Management Metrics and Monitoring to Risk Committee	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	Description	Sub-risks	Mitigating actions and committee oversight	Over-arching processes	
Economic Crime	Zempler faces Economic Crime risk where its bank accounts or financial products may be misused for money laundering, terrorist or proliferation financing, or to facilitate authorised or unauthorised fraud. This includes the risk that Zempler accounts could be used to defraud others, or that Zempler customers themselves may suffer financial loss as victims of fraud. There is also a risk of providing services to individuals or entities designated on sanctions lists, or facilitating transactions to sanctioned persons, entities, or jurisdictions	• Money Laundering, Terrorist Financing and Proliferation Financing • External Fraud • PEPs & Sanctions • Internal Fraud	Zempler's Economic Crime Framework is grounded in regulatory and legislative requirements and is supported by a suite of controls designed to prevent, detect, and mitigate economic crime risks. The framework seeks to minimise the misuse of Zempler's products and services for illicit purposes. Governance and oversight of these risks are managed by the Economic Crime Committee, a sub-committee of the Executive Committee	Enterprise Risk Management Metrics and Monitoring to Risk Committee	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*	
Financial	The risk associated with material financial disruption as a result of: • the business does not hold adequate capital to survive a stress event potentially resulting in regulatory censure due to breaches of regulatory requirements and/or rendering the business unsustainable.	Capital Adequacy	The Financial Risk Framework focuses on managing financial risks to within the Board's risk appetite and adhering to the rules of the banking regime set out by the Prudential Regulation Authority. The risks are monitored by the Asset and Liability Management Committee, which meets monthly and reports to the Executive Committee, with day-to-day responsibility for managing the risks delegated via the CFO with SMF accountability, to members of the Finance department. In addition, 2nd line oversight is provided by the Prudential Risk & Compliance team. A daily assessment of all the core financial risks and metrics is provided daily to key teams in Finance, Treasury and Risk, with month end summaries provided to ALCO, Risk Co and the Board. The MI covers internal and regulatory specified metrics. Capital risk management is encapsulated within the annual Internal Capital Adequacy Process (ICAAP) which identifies the level of capital required to meet forward looking requirements plus an internally defined severe-but-plausible stress scenario. Zempler's ability to manage capital is driven through operational optimisation and efficiencies, keeping costs low, plus earnings from Fees, Commissions and interest received from its lending and current account activities. A recovery plan is reviewed annually to determine appropriate management action to support short term capital stabilisation in the event of severe but plausible stress. A more recent regulatory requirement for firms is the inclusion of Solvent Exit Plan, which in extremis, is intended to aid the orderly exit for a firm.	Enterprise Risk Management Metrics and Monitoring to Risk Committee	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*	
Financial (continued)	• Liquidity risk is the risk of Zempler having insufficient available resources to meet minimum regulatory requirements and its liabilities as they fall due, both in normal and stress conditions. • IRRBB arises from exposures to absolute and relative movements in interest rates where there is a mismatch between assets and liabilities (e.g. fixed rate deposits and floating rate loans) • Financial Controls: The risk of negative financial, reputational or regulatory impacts through a lack of, or poorly operated, controls supporting reconciliation of payment processing, financial reporting, accounting practices and PRA/BoE regulatory returns. • Large Exposures / Counterparty Limits: The risk of losses arising from an institutional borrower or counterparty failing to meet its obligations as they fall due	Liquidity & Funding Risk Market Risk (Interest Rate Risk in the Banking Book) Financial Controls & Counterparty limits PRA Compliance & Regulatory Affairs	As a predominantly current account business, Zempler maintains significant cash reserves at the Bank of England to limit the impacts from a severe run on funds. With the majority of cash received held at the Bank of England, for liquidity purposes, this naturally limits any funding concentration risk for the Bank. Liquidity risk management is articulated through the Internal Liquidity Adequacy Assessment Process (ILAAP), where a comparable severe-but-plausible stress is used to determine the potential impacts to Zempler from any run on funds. The analysis is aided by a Liquidity Contingency Plan (LCP) which is an intended playbook for if a run on funds was to occur. It is also supported by the Recovery Plan (which identifies actions that may be used to increase the level of both capital and liquidity). The (opportunity) losses that can arise from financial assets or liabilities being adversely affected by the movement in market prices, interest rates or exchange rates are reflected in near term earnings or in the longer-term capital because of changes in the economic value of future cashflows. With a sizeable part of its deposits held at the Bank of England, there is an inherent mismatch between the basis of Zempler's interest income and its interest expense which it needs to manage.	Enterprise Risk Management Framework Metrics and Monitoring to Risk Committeewv	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*	
Financial (continued)	• Asset Encumbrance: The risk of an over-reliance on assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning, due to regulatory, contractual or other limitations • The risk of not meeting PRA regulatory rules, responsibilities and expectations.		Zempler's view of rates is supported by the holding of a Gilt and T-bill portfolio which immunises an element of the opportunity cost from a fall in interest rates. Zempler has a low tolerance for weak financial controls supporting the management of its financial risks. Activities are supported and managed through Zempler's change management programme and Insurance, as well as 2nd line oversight which extends to all regulatory releases. Large Exposures are managed through regular monitoring against Board and regulatory limits, while Asset encumbrance is managed through monitoring against a target encumbrance level and a maximum exposure.	Enterprise Risk Management Framework Metrics and Monitoring to Risk Committee	Management Risk Committees Supporting Executive and Board Risk Committees

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*
Operational	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.	• Project Management • Third Party Risk • Manual Payment Processing • Cyber risk & Information Security • Service Delivery, Payment Processing • Operational Resilience • Software Development & Testing • Data Protection (GDPR) • Legal Risk	Operational risks are managed by the Operational and Security Risk Committee which meets monthly and reports to the Executive Committee. Key polices are the Business Continuity and Disaster Recovery plans that set out actions in the event of material IT systems disruption Zempler Bank employs a suite of tools, software, and controls to minimise the potential impact of malicious cyber risk attacks. Dedicated functions are in place to monitor and manage information security risk. Regular penetration testing is also undertaken to assess perimeter and internal security.	

Principal Risks and Uncertainties

Risk	*Description*	*Sub-risks*	*Mitigating actions and committee oversight*	*Over-arching processes*	
Governance & Strategic	The risk that Zempler's Governance Framework, culture, resources, capability and relationships with key stakeholders do not support the delivery of its stated strategic goals.	• Climate related risks • People & Resources • Business Model Risk • Governance & Culture • Model Risk	The Board is primarily responsible for the management of strategy and governance. It delegates some of these responsibilities to the Executive Committee which meets twice a month. Processes to manage risk in this area include a strategic five-year plan, which is updated at least once a year, the execution of an annual budget and milestones. Monthly reporting of progress to these targets is provided by the Executive at Board meetings and in a Monthly Reporting Pack. Regulatory affairs are managed by the Risk and Compliance function with regular communication and meetings with regulators in place and reporting to the Board. Model risk is managed to defined standards aligned to regulatory principles, and subjects to ongoing monitoring and review. Key polices include the Management Responsibility Map and the Corporate Governance Manual.	**Enterprise Risk Management Metrics and Monitoring to Risk Committee**	**Management Risk Committees Supporting Executive and Board Risk Committees**

Principal Risks and Uncertainties

Emerging Risks

In addition to the principal risks and uncertainties, we consider medium and long-term emerging risks and evolving threats that could affect our ability to meet strategic goals and objectives.

External information, including emerging regulatory changes, upstream risks and macroeconomic factors are monitored to support a better understanding of threats and uncertainties.

Zempler is now a UK-authorised bank operating as an independent subsidiary of ABUK, following a fully approved full acquisition completed in early 2026. This was followed by the appointment of a new CEO. This marks a new phase for Zempler. As Zempler considers the commercial strategy and growth plan, organisational requirements, including capability and capacity across technology, operations, people and risk teams, will be considered to support successful execution.

Macroeconomic Environment

Volatility is expected throughout 2026, with energy prices expected to push up inflation. Subdued economic growth projections mean it is likely that consumer spending and business investment will both suffer, increasing the prospects for recession. The impact on credit losses and sensitivity analysis is conducted through simulated ECL provisioning analysis under revised forecasts and scenario weightings (including a "severe downside" scenario).

Future Regulatory Change

Zempler continues to prepare for the full introduction of Basel 3.1 regulation with its revised UK implementation date of 01 January 2027, having identified a preference for this approach over the Small Domestic Deposit Taker (SDDT) regime. Over the next year Zempler will also fully incorporate the changes arising from the PRA's approach to managing climate-related risks and will implement final rules from its current consultation on modernising the liquidity policy framework.

Consumer Duty

The Principles underlying the Consumer Duty are embedded within the core values and behaviours expected of employees and also in the business model and strategy of the Bank. Customer outcomes are monitored through Enterprise-Wide Risk Registers and supporting Committees with the Board receiving an annual report each year which provides evidence to support assurance that the Bank's customers receive good outcomes.

Principal Risks and Uncertainties

Economic Crime Risk

We continue to monitor and respond to the constantly evolving Economic Crime Risk landscape, which includes the continued threat from Authorised Push Payment (APP) fraud which particularly manifested this year in a small number of higher value complex investment frauds which prompted investment in new controls in this area.

Resourcing Capability and Capacity

Zempler's profitability and flexible working approaches allow for talent retention and key hiring, augmented by specialist third party resource / consultancy support where required.

Climate Change Risk

Climate-related risks arise through two primary channels: physical risks (relating the effects of weather events and longer-term shifts in the climate) and transitional risks (arising from adjustment towards a low or net-zero carbon economy, and which extend to the potential reputational risks that could arise from certain action/in-action. The risks are not simply focused on the future climate state and therefore extend to threats managed under a broader selection of risk categories including credit risk and operational resilience.

Zempler routinely assesses both physical and transitional risk exposures through quantitative assessments which include an indirect assessment against its unsecured lending portfolios and concentrations risks within its deposit base. A summary rating based on these Indicators, along with the level of key suppliers with net zero targets are provided to the (Board) Risk Committee each month. Following updates to PRA related regulation, Zempler's approach is being enhanced to identify and assess the materiality of climate-related risks – with assumptions, approaches and outcome of the assessment to be reviewed by the (Board) Risk Committee biennially.

For Zempler Bank, the materiality of climate-related risks is currently assessed to be 'low'. Zempler Bank is a small, microbusiness-focused bank without a secured lending portfolio and no significant concentration in high carbon-intensive industries (e.g. energy, transport, mining). Nevertheless, it remains a key focus; as Zempler Bank grows, its portfolio develops, and the volatility in climate-related threats increases, its level of risks may increase to the point where they become material. We therefore keep climate-related risk and our exposure to it, under regular review, considering how we might respond and adapt to longer-term changes which may expose sensitivities in existing business plans.

Details on Zempler's approach to sustainability and the environment are set out in the Directors' Report.

Pillar 3 Disclosures

Capital Management and Resources

Capital Management and Resources

Risk Appetite

Our capital risk appetite seeks to ensure we maintain sufficient regulatory capital to meet minimum regulatory requirements and additional capital as required to absorb a series of severe but plausible stress events. It is managed as follows:

- A target to hold at least a 10% buffer over regulatory capital requirements to provide sufficient time to enact effective management actions as part of the bank's EWI trigger framework.
- The target capital ratio includes buffers required to absorb severe but plausible firm-specific and market-wide stress scenarios as assessed through the annual ICAAP.
- Reviewing Pillar 2A add-ons regularly and adjusting our target capital surplus if required.
- In stress, a minimum surplus above the regulatory minimum levels that acts as a clear trigger for a Solvent Exit should recovery actions be ineffective

Board-level metrics monitor key capital and leverage ratios and the large exposures limit. They are supplemented by Key Risk Indicators (KRIs) that are monitored and reviewed at ALCO and escalated if trends are moving in a significantly adverse direction.

Regulatory Capital Requirements

The regulatory capital requirements as they apply to Zempler Bank are:

Pillar 1

We adopt the Basel Standardised Approach for the calculation of our Pillar 1 Risk-weighted assets (RWAs) for credit and market risk and the Basic Indicator Approach (BIA) for the calculation of Pillar 1 operational risk RWAs (see section 5). Pillar 1 capital requirements are 8% of RWAs, of which at least 4.5% of RWAs must be met by Common Equity Tier 1 (CET1) capital, 6% of RWAs by Tier 1 (T1) capital and 8% of RWAs by Total capital.

Pillar 2A

Designed to capture the risks that are not covered or are not adequately covered under Pillar 1. Our Pillar 2A requirement prescribed by the PRA is 4.04% of RWAs. When added to Pillar 1 this equates to a firm-specific Total Capital Requirement (TCR) of 12.04% of RWAs. At least 56.25% of the Pillar 2A requirement must be met by CET1 capital and at least 75% by T1 capital.

Capital Buffers

We hold the prevailing industry-wide Capital Conservation Buffer (CCB) and Counter-cyclical Buffer (CCyB). As at 31 March 2026 the CCB was 2.5% of RWAs and the CCyB was 2% of RWAs. We are not classified as a systemically important bank and are not required to hold any systemic buffers. All capital buffers must be met by CET1 capital.

Pillar 1 Risk-weighted Assets (RWAs)

Pillar 1 requirements set out the rules used to determine the minimum capital requirement for credit, Market and operational risk. Our Pillar 1 RWAs and minimum capital requirements are set out in the table below. It aligns with template OV1 as set out in the Disclosure (CRR) part of the PRA rulebook, with any blank cells removed.

Capital Management and Resources

Table 1: Overview of Risk Weighted Exposure Amounts (OV1)

		Risk Weighted Assets		Capital requirement	
		31 Mar 2026 £'000	31 Mar 2025 £'000	31 Mar 2026 £'000	31 Mar 2025 £'000
1	Credit Risk	33,364	29,569	2,669	2,366
2	of which the standardised approach	33,364	29,569	2,669	2,366
6	Counterparty Credit Risk – CCR	–	–	–	–
8b	Of which credit valuation adjustment – CVA	–	–	–	–
9	Of which other CCR	–	–	–	–
20	Market Risk	–	–	–	–
21	of which the standardised approach	–	–	–	–
23	Operational Risk	107,953	98,418	8,636	7,873
23a	of which the basic indicator approach	107,953	98,418	8,636	7,873
29	Total Risk-weighted Assets	141,317	127,987	11,305	10,239

Capital Management and Resources

Available Capital

Our CET1 capital ratio was 21.74% on 31 March 2026 and our Total Capital ratio (including eligible Tier 2 capital) was 22.47%. We do not hold any Additional Tier 1 (AT1) capital.

Table 2: Capital Ratios

	31 Mar 2026	31 Mar 2025
CET1 ratio	21.74%	19.32%
T1 ratio	21.74%	19.32%
Total capital ratio	22.47%	20.59%

CET1 capital is the strongest form of capital, consisting of ordinary share capital, associated share premiums and allowable reserves, subject to appropriate regulatory deductions. Our available CET1 capital is stated after adjustments for the IFRS9 transitional arrangements. Tier 2 capital consists of subordinated debt instruments that are amortised once their residual maturity falls below 5 years.

Capital Management and Resources

Table 3: Available Capital by Type

Common Equity Tier 1	31 Mar 2026 £'000	31 Mar 2025 £'000
Paid up share capital	11	9
Share premium	44,564	43,334
Other reserves	0	4,880
Retained losses	(7,785)	(15,445)
Total equity per balance sheet	**36,790**	**32,779**
Regulatory capital adjustments		
Intangible assets	(4,420)	(5,827)
IFRS 9 transitional adjustments	0	632
Deferred tax assets	(1,642)	(2,856)
Additional coverage for non-performing exposures	0	0
Common Equity Tier 1	**30,728**	**24,728**
Tier 2 capital		
Issued Tier 2 capital instruments	1,027	1,627
Total Tier 2 capital	**1,027**	**1,627**
Total own funds	**31,755**	**26,354**

Capital Management and Resources

Minimum Requirements for Eligible Liabilities (MREL)

MREL is set annually by the Bank of England on a case-by-case basis. In line with its preferred resolution strategy for Zempler, the Bank of England does not currently require any additional MREL to be held by the bank over and above its minimum Pillar 1 and Pillar 2A requirements

Leverage Ratio

Our Tier 1 Leverage ratio is our T1 capital resources expressed as a proportion of total exposure. On 31 March 2026, our T1 leverage ratio under the UK definition was 8.0%

Table 4: Summary reconciliation of accounting assets and leverage ratio exposures (LR1)

		31 Mar 2026 £'000	**31 Mar 2025** £'000
1	**Total assets per published financial statements**	780,158	681,923
4	**Adjustment for exemption of exposures to central banks**	(394,023)	(366,157)
8	**Adjustment for derivative financial instruments**	-	-
10	**Adjustments for off balance sheet items**	4,665	2,942
12	**Other adjustments**	(6,062)	(8,051)
13	**Leverage Ratio total exposure amount**	**384,737**	**310,657**

Capital Management and Resources

Table 5: Leverage ratio common disclosure (LR2)

On-balance sheet exposures		31 Mar 2026 £'000	31 Mar 2025 £'000
1	Total assets per published financial statements	780,158	681,923
6	Asset amounts deducted in determining Tier 1 capital	(6,062)	(8,051)
7	Total on-balance sheet exposures	774,096	673,872
Derivative exposures			
9b	Exposure determined under the original exposure method	-	-
13	Total derivatives exposures	-	-
Off balance sheet items			
19	Off-balance sheet exposures at gross nominal amount	46,645	29,421
20	Adjustments for conversion to credit equivalent amounts	(41,981)	(26,479)
22	Total off-balance sheet exposures	4,665	2,942
Capital Ratios and Buffers			
23	Tier 1 capital	30,728	24,728
24	Total exposure measure inc. claims on central banks	778,760	676,814
24a	Claims on central banks excluded	(394,023)	(366,157)
24b	Total exposure measure exc. claims on central banks	384,737	310,657
25	Leverage ratio excluding claims on central banks	7.99%	7.96%
25a	IFRS9 Fully loaded leverage ratio exc. claims on central banks	7.99%	7.77%
25c	Leverage Ratio including claims on central banks	3.95%	3.65%

Capital Management and Resources

Table 6: Split of on-balance sheet exposures (LR3)

		31 Mar 2026 £'000	31 Mar 2025 £'000
1	**Total on-balance sheet exposures**	780,158	681,923
3	**Banking book exposures, of which:**	780,158	681,923
5	**Exposures treated as sovereigns**	726,709	633,016
7	**Institutions**	2,809	2,931
9	**Retail exposures**	31,105	22,507
11	**Exposures in default**	3,111	2,945
12	**Other exposures**	16,424	20,524

IFRS9 transitional arrangements

IFRS9 transitional arrangements were agreed within the CRR to allow firms to phase-in the Day 1 capital impact of the change from IAS39 to IFRS9 over a five-year period. The IFRS 9 transitional arrangements have now been fully phased out with effect from April 1 2025. As a result, there is no difference between capital and leverage metrics calculated with and without IFRS 9 transitional adjustments.

Pillar 3 Disclosures

Liquidity and Funding

Liquidity and Funding

Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its obligations as they fall due or can only do so at an excessive cost. It is assessed in relation to potential losses arising from the liquidation of assets and increases in the cost of funding during periods of stress.

Our risk appetite for liquidity risk is low and we hold sufficient liquid assets to cover liquidity needs under normal and stressed conditions. This is articulated through the following:

- Our internal risk appetite is to survive up to a minimum period of 90 days under extreme but plausible stressed conditions
- Maintain a Net Stable Funding Ratio (NSFR) at a level of at least 150%

The risk appetite is reviewed by ALCO and RiskCo and approved by the Board as part of the annual review and approval of the Internal Liquidity Adequacy Assessment Process (ILAAP). Adherence to the risk appetite is monitored daily by the Finance department. As part of the risk appetite monitoring and reporting, key metrics are in place to help identify any adverse movements at an early stage and take necessary actions before the risk appetite limits are breached.

We maintain a strong liquidity position, supported by a customer deposit base that significantly exceeds our lending portfolio. Most of our liquid assets are held at central bank and are accessible on a same-day basis. To enhance diversification and manage interest rate risk, we also maintain a portfolio of UK government securities with maturities of up to five years. These form an integral part of the Bank's liquidity buffer. On 31 March 2026, our Liquidity Coverage Ratio was 1108%.

Table 8: Liquidity Coverage Ratio

	31 Mar 2026 £'000	**31 Mar 2025** £'000
High quality liquid assets	672,041	593,599
Cash outflows	66,865	75,205
Cash inflows	6,230	6,559
Net cash outflows	60,635	68,646
Liquidity coverage ratio	**1108%**	**865%**

Liquidity and Funding

Our assets are primarily High-Quality Liquid Assets (HQLA), for which we adopt a conservative approach focused on UK GILTS/T-Bills and Supranational bonds, and cash held in the Bank of England reserve account. We assess our exposure to liquidity stresses through our annual ILAAP that concluded that our liquidity position is sufficient to withstand severe but plausible liquidity stress events.

Funding Risk

Funding risk is the risk that the Bank does not have access to stable sources of funding to enable it to meet its financial obligations as they fall due. Funding concentration risk arises where funding is primarily from a single source and Zempler is unable to raise sufficient funds.

Our funding is primarily sourced from customer deposits. We regularly analyse transactional usage in our customer deposit accounts to understand the stickiness of these accounts and review our strategic product offering at least annually. We also apply limits across our deposit portfolio to ensure we identify and manage any exposure to geographic, sector or single-name concentrations.

On 31 March 2026, our Net Stable Funding Ratio was 831%.

Table 9: Net Stable Funding Ratio

	31 Mar 2026 £'000	31 Mar 2025 £'000
Available Stable Funding	700,696	606,213
Required Stable Funding	84,273	75,978
Net Stable Funding Ratio	**831%**	**798%**

Pillar 3 Disclosures

Credit Risk

Credit Risk

Credit Risk

Credit risk is defined as the potential risk that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. We are willing to accept a moderate level of credit risk subject to associated pricing commensurate with our target markets, maintaining effective measurement and controls and ensuring that credit is being provided and used on a responsible basis and in accordance with applicable regulatory and legal obligations and standards.

Credit Risk Management

Our credit framework focuses on ensuring that appropriate and affordable lending is provided to customers. Credit is managed to a defined risk appetite and associated measures and monitored by the Credit Committee which meets monthly and reports to the Board Risk Committee. The framework includes the use of underwriting models which are regularly reviewed, performance monitoring and key policies including the Credit Policy and Collections policies.

Credit Risk RWAs

We adopt the Basel Standardised Approach to determine its Pillar 1 credit RWAs, applying the risk weights set out in Chapter 2, Section 2 of the CRR. Standardised risk weights are applied by type of asset class to each net exposure (gross exposure minus provisions and undrawn elements). On 31 March 2026, we had £33.4m of credit RWAs, against which we held £2.7m of Pillar 1 capital.

Credit Risk

Table 10: Pillar 1 Standardised Credit Risk Weighted Assets (31 March 2026)

£'000	Gross Exposure	Provision	Net Exposure	Risk-Weight	RWAs
Retail - Consumer	**35,202**	**(6,191)**	**29,011**	**-**	**22,701**
Non-defaulted assets	29,497	(3,276)	26,221	75%	19,665
Default (>20% provision)	5,152	(2,853)	2,300	100%	2,300
Default (<20% provision)	553	(63)	491	150%	736
Retail - SME	**6,988**	**(1,783)**	**5,205**	**-**	**3,123**
Non-defaulted assets	5,991	(1,107)	4,884	57%	2,791
Default (>20% provision)	971	(674)	297	100%	297
Default (<20% provision)	25	(2)	23	150%	35
Central Banks	**726,709**	**-**	**726,709**	**0%**	**0**
Institutions	**2,809**	**-**	**2,809**	**-**	**562**
Bank Balances	2,809	-	2,809	20%	562
Other	**9,079**	**-**	**9,079**	**-**	**6,978**
Fixed Assets	1,245	-	1,245	100%	1,245
Deferred Tax Asset	138	-	138	250%	344
Cash in collection	2,885	-	2,885	20%	577
Other	4,811	-	4,811	100%	4,811
Total	**780,788**	**(7,975)**	**772,813**	**-**	**33,364**

Credit Risk

In calculating Pillar 1 credit RWAs, the following approach is used:

- **Unsecured retail exposures – Non defaulted assets.** In line with UK CRR Article 123 a 75% risk weight is applied to the bank's non-defaulted exposure to natural person or persons and to SMEs.

- **Application of the SME scaling factor.** In line with UK CRR Article 501(1), a scaling factor of 0.7619 is applied to non-defaulted SME exposures, resulting in a net risk weight of 57.1%.

- **Unsecured retail exposures – defaulted assets.** In line with UK CRR Article 127(1), a 100% risk weight is applied to defaulted assets where provisions are > 20% of exposure and a 150% risk weight is applied to defaulted assets where provisions are < 20% of exposure.

- **Undrawn commitments.** In line with UK CRR Article 166 annex 1 the bank's undrawn credit commitments, which can be withdrawn unconditionally, are classed as low risk and are assigned a 0% risk weight.

- **Central Banks.** In line with UK CRR Articles 114(2) and 114(4), the bank's exposure to the Bank of England Reserve account and UK GILTs are assigned a 0% risk weight.

- **Institutions – Bank balances.** In line with UK CRR Article 119(2) and 119(3), bank balances have a residual maturity of less than 3 months and are assigned a 20% risk weight

- **In accordance with UK CRR Article 120(1),** the cash collateral previously placed with Mastercard was subject to a 50% risk weighting. This collateral has since been withdrawn and replaced with a UK GILT, which carries 0% risk weighting, ensuring enhanced risk efficiency.

- **Deferred Tax Assets.** In line with UK CRR Article 48(4), the portion of the bank's Deferred Tax Assets that are deemed to depend upon future profitability and arise from temporary timing differences are assigned a risk weight of 250% (as the relevant aggregate DTA amount is less than the threshold of 10% of CET1 capital).

- **In 2024, the bank incurred a small Counterparty Credit Risk (CCR),** including Credit Value Adjustment (CVA), stemming from an Interest Rate Option purchased to manage interest rate risks. However, following the termination of the Interest Rate Option in November 2024, the exposure has been fully eliminated.

- **Cash in the process of collection.** In line with UK CRR Article 134(3), cash items in the process of collection are assigned a 20% risk weight.

- **Fixed / Other Assets.** In line with UK CRR Article 134(1), tangible assets are assigned a 100% risk-weight.

Further information on our credit risk exposures and provisioning is detailed in note 28 to the 2025/26 Annual Report & Accounts.

Pillar 3 Disclosures

Market Risk

Market Risk

Market Risk

Market risk is defined as the potential for changes in the market value of a firm's trading and investment positions. We do not operate a Trading Book and our Banking Book operates primarily in the UK and in £ sterling. However, we do have some small-scale Foreign Exchange exposures against which we assess the need to hold Pillar 1 capital using the standardised approach. We do not hold any LIBOR linked products and are not materially impacted by other market risks such as currency exchange.

Interest Rate Risk in the Banking Book (IRRBB)

The Bank's primary exposure to market risk is interest rate risk. IRRBB is the risk of losses arising from volatility in interest rates associated with the mismatch between assets and liabilities in the banking book. These losses can arise from financial assets or liabilities being adversely affected by the movement in market prices, interest rates or exchange rates. It can be reflected in near term earnings or in the longer-term capital because of changes in the economic value of future cashflows.

As the Bank holds its interest rate sensitive assets in a mix of credit, cash held at central banks and financial institutions, UK Government securities and Supranational bonds, the risk to the business comes from the impact to earnings associated with changes in the interest rates on these balances. The Bank has a policy to manage this risk within set parameters using a combination of repricing of liabilities and managing maturity mismatches using GILTs at fixed rates.

The Bank measures and assesses interest rate risk primarily arising from potential changes in the interest rates impacting economic value of equity (EVE), which applies six prescribed interest rate scenarios. This sensitivity scenario remain unchanged from the prior year. The ΔEVE resulting from worst case scenario on 31 March 2026 is -£749k (2025: -£1,153k).

In addition to EVE, the bank evaluates the impact of interest rate changes on NII over a 12-month horizon. This assessment is based on a parallel shift of 100 basis points upward and downward in interest rates.

Our Treasury Management function calculates and reviews our IRRBB exposure daily, monitoring movements and trends as the business grows and ensuring that we remain within risk appetite through hedging of net-liability maturity mismatches. This is also reviewed at the ALCO along with an IRRBB forecast and results of the underlying stresses. The IRRRBB policy and calculation methodology is reviewed annually or when there is a significant change in business strategy or balance sheet composition.

Pillar 3 Disclosures

Operational Risk

Operational Risk

Operational Risk

Operational Risk is defined as the risk of loss resulting from failed or inadequate internal processes, people and systems or external events. Our risk appetite seeks to optimise Operational Risk to ensure an appropriate balance between customer outcomes, financial sustainability and operational stability in line with our strategic objectives.

Operational Risk Management

Operational risks are managed by the Operational and Security Risk Committee which meets monthly and reports to the Risk Committee. Key polices are the Business Continuity and Disaster Recovery plans that set out actions in the event of material IT disruption. Zempler employs a suite of tools, software and controls to minimise the potential impact of malicious cyber risk attacks. Dedicated functions are in place to monitor and manage information security risk. Regular penetration testing is also undertaken to assess perimeter and internal security.

Operational Risk RWAs

We adopt the Basel Basic Indicator Approach (BIA) to determine our Pillar 1 operational risk RWAs. This is based on 15% of the average relevant income over the previous three years.

Table 11: Operational risk own funds requirements and risk-weighted exposure amounts (OR1)

	Relevant Indicator (£'000)			Pillar 1 Capital	RWAs
	23/24	24/25	25/26	£'000	£'000s
Banking activities subject to Basic Indicator Approach (BIA)	57,040	58,010	57,675	8,636	107,953

Pillar 3 Disclosures

Remuneration

Remuneration

Remuneration Policy

Our Remuneration Policy applies to all colleagues, including Material Risk Takers ("MRTs"), and is implemented consistently across the Bank. It is designed to be inclusive, equitable, and aligned with our values. We recognise that remuneration can influence behaviour and therefore prioritise rewarding contributions that support positive outcomes for customers, colleagues, shareholders, and other stakeholders. The Policy supports long-term sustainable growth, with risk awareness and good conduct central to its application.

The Policy is designed to attract, motivate, and retain individuals with the skills and experience required for their roles. It is applied without bias or discrimination on the basis of gender, ethnicity, age, disability, race, social background, sexual orientation, or any other factor unrelated to performance or experience.

The Remuneration Committee ("RemCo" or "the Committee") is responsible for overseeing the Remuneration Policy. Members of the Committee are appointed by the Board and, as at the disclosure date (31 March 2026), there were five members of the Committee, and the majority of members were independent Non-Executive Directors of the Company.

RemCo reviews the Policy annually to ensure alignment with the Bank's strategy, objectives, and values, and to confirm compliance with regulatory requirements. The Bank applies the Remuneration Part of the PRA Rulebook and SYSC 19D of the FCA Handbook proportionately to its size, internal organisation, and the nature, scope and complexity of its activities, on the basis that the Bank meets the definition of a "small CRR firm" under the Remuneration Part of the PRA Rulebook. The Remuneration Policy was most recently reviewed by RemCo in March 2025 and approved by the Board in April 2025. The next annual review of the Policy has been deferred to September 2026 to allow consideration of (i) the implications of the Bank's acquisition by The Access Bank UK Limited in February 2026; and (ii) the PRA and FCA remuneration reforms that took effect on 16 October 2025 (PRA PS21/25 and FCA PS25/15). In the interim, the Bank continues to operate the Policy as approved in April 2025, supplemented by RemCo's ongoing oversight of remuneration decisions in line with current regulatory requirements.

While RemCo has the authority to engage external consultants to support its responsibilities, no such appointments were made during the reporting period ending 31 March 2026. The Chief Risk Officer provides input into remuneration decisions where appropriate; the arrangements applicable during the reporting period are described under "Alignment of Remuneration and Risk" below. During the financial year ended 31 March 2026, RemCo met 4 times.

Ownership change

The Bank was acquired by The Access Bank UK Limited on 27 February 2026. The Bank continues to operate as an independent UK subsidiary under its existing UK banking licence and remains directly subject to the FCA Handbook (SYSC 19D) and the Remuneration Part of the PRA Rulebook, applied proportionately on the basis that the Bank meets the definition of a "small CRR firm". Local remuneration decisions remain within the authority of the Bank's Board and RemCo, in line with the RemCo Terms of Reference.

Link between pay and performance

Remuneration for colleagues comprises fixed pay (including base salary, a flexible benefits allowance calculated as a percentage of base salary, life assurance, company-funded pension contributions,

Remuneration

and other benefits) and variable pay.
For the period ended 31 March 2026, variable pay comprised a discretionary cash bonus paid in July 2025 in recognition of individual contributions to the Bank's overall performance.

In addition, during the reporting period all outstanding awards under the Bank's historic share option arrangements (granted in prior financial years) vested in connection with the acquisition by The Access Bank UK Limited and were exercised, with cash payments made in March 2026. The treatment of these amounts in the disclosure is described under "Variable Pay" below.

The Remuneration Policy provides a framework that supports legal and regulatory compliance while ensuring decisions are based on the following principles:

1. Business performance, including performance against strategic objectives and metrics from the Enterprise-wide Risk Management Framework;
2. Individual performance against individual objectives as set out in personal performance reviews;
3. Adherence to Bank's values, business principles, risk-related policies and procedures, and global conduct standards of the banking and financial services industry.

Fixed Pay

Base salaries are determined by the accountability, impact, and level of responsibility of each role, as well as, to a lesser extent, individual performance. External market benchmarking is used to inform appropriate salary levels. Salaries are reviewed annually, though this does not necessarily result in a change each year.

In addition, a fixed range of relevant benefits is provided for colleagues. RemCo periodically reviews the benefits package to ensure continued relevance and alignment with market expectations. Alongside pension contributions and life assurance, each colleague receives a Flexible Benefits Allowance worth 7.5% of their base salary. While this is paid in cash, colleagues are encouraged to use it towards private medical cover and to enhance their company pension contributions.

We offer a variety of leave options including annual leave, sabbatical opportunities, and enhanced family leave and pay policies. A suite of voluntary benefits is also available to support financial, physical, emotional, social, and professional wellbeing. These benefits are not linked to individual or Bank's performance metrics.

Variable Pay

Variable pay is designed to reward performance. For the period ending 31 March 2026, discretionary cash bonuses were paid in July 2025. All eligible colleagues appointed before 1 January 2025 were considered for a bonus, calculated as a percentage of base salary, in recognition of their contribution to the Bank's performance.

In respect of the variable pay awards included in this disclosure (the discretionary cash bonus paid in July 2025), the Bank applied the individual proportionality threshold then in force under the PRA Rulebook (Remuneration Part) at the time the awards were determined — namely, that the requirements relating to deferral and payment in instruments need not be applied to a Material Risk Taker whose variable remuneration did not exceed £44,000 and did not represent more than one third of total annual remuneration. All MRT awards fell below this threshold. As a result, no deferral was applied and no portion of any bonus was delivered in instruments.

Remuneration

RemCo confirmed this position when approving individual MRT awards.

Share option arrangements

The Bank previously operated two share option schemes — The All-Colleague Share Option Scheme ("SiS") and The Executive Share Option Scheme ("ESOS"). SiS had been suspended since 19 September 2023, with no further allocation of options. In connection with the acquisition by The Access Bank UK Limited in February 2026, all outstanding awards under both schemes vested and were exercised, with cash payments made in March 2026.

As a result, the Bank does not currently operate any share-based or instruments-based variable remuneration scheme. With the exception of grants disclosed in the table 1 (REM1) below, the share option awards which vested and were exercised in March 2026 had been granted in prior financial years and were disclosed in REM1 in the financial years in which they were granted. Consistent with the design of REM1 as a disclosure of remuneration awarded in the financial year of reference, the cash amounts realised by MRTs on the March 2026 settlement of these historic awards are not re-disclosed in Table 1 below.

Malus and clawback

As a small CRR firm under the Remuneration Part of the PRA Rulebook, the Bank is not required to apply the regulatory requirements relating to malus and clawback set out in rules 15.20(2), 15.20(3A), and 15.20A to 15.23 of the Remuneration Part, which are disapplied for small CRR firms in respect of performance years starting on or after 8 December 2023. The Bank has elected, as a matter of good governance and risk-aligned reward, to retain malus and clawback provisions in its Remuneration Policy applicable to MRT variable remuneration. With no deferred or unvested awards in flight at the disclosure date, the practical operation of malus is limited during the reporting period; clawback provisions remain in force in respect of awarded variable pay and would be invoked in circumstances including, but not limited to, conduct resulting in significant losses, restatement of financial statements, failure to implement proper controls leading to a material failure of risk management, or failure to meet fitness and propriety standards.

Variable-to-fixed ratio

Although the regulatory bonus cap was removed in October 2023, the Bank's Remuneration Policy continues to limit total variable pay in any year to a maximum of 100% of fixed pay for each individual. RemCo documents the rationale for this position as part of its annual policy review.

Guaranteed variable remuneration and termination payments

The Bank's Remuneration Policy limits guaranteed variable remuneration to exceptional circumstances, for example to secure a candidate for a role. Such arrangements apply only in the first year of employment. Any payments related to early termination of contract are not designed to reward failure or misconduct.

Alignment of Remuneration and Risk

The Terms of Reference for RemCo, which are reviewed annually, set out the Committee's full responsibilities, including ensuring that remuneration arrangements are consistent with, and actively promote, sound and effective risk management. RemCo provides oversight of the Remuneration Policy and its application across all business and functional areas.

To support alignment of remuneration with both

Remuneration

risk management and sustainable business growth, the following arrangements were in place during the reporting period:

- The Chief Risk Officer ("CRO") provides regular input to RemCo on risk-related matters across the Bank. This ensures relevant risks are taken into account when applying the remuneration framework and making related decisions. The CRO also reports on performance against the ERMF, which describes and measures the appetite for risk that the Bank takes in executing its strategy. RemCo considers this information when determining adjustments to the variable pay pool and to individual MRT awards.
- The Internal Audit function used to provide input to RemCo on material matters arising from internal audit work. The Internal Audit Director role became vacant in September 2025, and the internal audit function transitioned to an outsourced arrangement during the reporting period. During this transitional period, internal audit perspective was supplemented by the former Chair of the Audit Committee, who continues to serve as a member of RemCo, supported by the Chief Risk Officer's reporting on related matters. The Bank's longer-term arrangements for internal audit input to RemCo will reflect the operating model of the outsourced internal audit function.
- The Chairs of the Audit and Risk Committees are members of RemCo. Their perspectives, informed by their respective committee responsibilities, help ensure that risk-related adjustments to the variable pay pool — and to individual remuneration decisions — are grounded in sound governance and aligned with the Bank's risk management framework.

For the financial year ended 31 March 2026, no risk-related adjustments to the variable pay outcomes for MRTs were recommended or applied. RemCo confirmed this position when approving the FY25/26 variable pay outcomes.

Control Functions

In view of potential conflicts of interest, RemCo determines whether colleagues in Control Functions are included within the variable pay schemes operated for other staff, taking into account:

- the impact of personal performance within variable pay schemes, with reference to performance assessment against objectives specific to the functional role;
- the extent of involvement in, and broader contribution to, variable pay scheme design;
- the materiality of any potential award, including a review of values as a percentage of fixed remuneration;
- whether the schemes have the potential to impair independence and objectivity.

The remuneration of senior colleagues in Control Functions, including those identified as MRTs, is reviewed and approved by RemCo.

Remuneration for Material Risk Takers

Material Risk Takers are defined as individuals whose professional activities can have a material impact on the firm's risk profile. We identify MRTs in line with the relevant PRA and FCA regulatory standards.

The remuneration of MRTs is managed in line with the Bank's overall reward approach, applying the Remuneration Code requirements in a way that is proportionate to the Bank's size, nature, and complexity.

In the financial year ended 31 March 2026 we

Remuneration

identified 25 Material Risk Takers, including part-year MRTs. Remuneration for identified MRTs in the financial year 2025/26 is shown in Table 12 below.

Table 12: Remuneration awarded for the financial year 2025/26 (REM1)

	MB Supervisory Function £'000	MB Management Function £'000	Other Senior Management £'000	Other Identified Staff £'000	Other Identified Staff £'000
Number of identified staff	**7**	**3**	**11**	**4**	**25**
Fixed Remuneration: Cash-based	492	1,335	2,097	669	4,594
Total Fixed Remuneration	**492**	**1,335**	**2,097**	**669**	**4,594**
Variable Remuneration:					
Cash-based	-	83	97	28	208
Shares or equivalent interests	-	13	51	20	84
of which: deferred	-	13	51	20	84
Total Variable Remuneration	**-**	**95**	**148**	**48**	**292**
Total Remuneration	**492**	**1,431**	**2,246**	**718**	**4,886**

Remuneration

Table 13: Special payments to staff (REM2)

Guaranteed variable remuneration awards	***Total £'000s***
1. Guaranteed variable remuneration awards – Number of identified staff	–
2. Guaranteed variable remuneration awards – Total amount	–
3. Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	–
Severance payments awarded in previous periods, that have been paid out during the financial year	
4. Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	–
5. Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	–
Severance payments awarded during the financial year	
6. Severance payments awarded during the financial year – Number of identified staff	1
7. Severance payments awarded during the financial year – Total amount	170
8. Of which paid during the financial year	–
9. Of which deferred	170
10. Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	–
11. Of which highest payment that has been awarded to a single person	170

Pillar 3 Disclosures

Appendices

Appendix 1: Key Metrics

The following table shows key metrics in the format prescribed by the Disclosure (CRR) part of the PRA rulebook. Any blank cells in the template have been removed.

Table 14: Key Metrics (KM1)

Available Own Funds		31 Mar 2026 £'000	31 Mar 2025 £'000
1	Common Equity Tier 1 capital	30,728	24,728
2	Tier 1 Capital	30,728	24,728
3	Total Capital	31,755	26,354
Risk Weighted Assets (RWAs)			
4	Total Risk Weighted Assets	141,317	127,987
Capital ratios (as a % of RWAs)			
5	Common Equity Tier 1 ratio	21.74%	19.32%
6	Tier 1 ratio	21.74%	19.32%
7	Total capital ratio	22.47%	20.59%
7a	Additional CET1 SREP requirements	1.96%	1.96%
7b	Additional AT1 SREP requirements	0.65%	0.65%
7c	Additional T2 SREP requirements	0.87%	0.87%
7d	Total SREP own funds requirements	12.04%	12.54%

Appendix 1: Key Metrics

Table 14: Key Metrics (KM1)

Combined buffer requirement (% of RWAs)		31 Mar 2026 £'000	31 Mar 2025 £'000
8	Capital conservation buffer	2.50%	2.50%
9	Institution specific countercyclical capital buffer	2.00%	2.00%
11	Combined buffer requirement	4.50%	4.50%
11a	Overall capital requirements	16.54%	17.04%
12	CET1 available after meeting SREP own funds requirements	9.70%	6.78%
Leverage ratio			
13	Leverage ratio total exposure measure	383,737	310,657
14	Leverage ratio	7.99%	7.96%
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA)	672,041	593,599
16a	Cash outflows	66,865	75,205
16b	Cash inflows	6,230	6,559
16	Total net cash outflows	60,635	68,646
17	Liquidity coverage ratio (%)	1108%	865%
Net Stable Funding Ratio			
18	Total available stable funding	700,696	606,213
19	Total required stable funding	84,273	75,978
20	NSFR ratio (%)	831%	798%

Appendix 2: Composition of Own Funds

The following table shows the composition of own funds for the Bank in the format prescribed by the Disclosure (CRR) part of the PRA rulebook. Any blank cells in the template have been removed.

Table 15: Composition of regulatory own funds (CC1)

Common Equity Tier 1 capital: instruments and reserves		31 Mar 2026 £'000	31 Mar 2025 £'000
1	Capital instruments and related share premium	44,575	43,344
2	Retained Earnings	(7,785)	(15,445)
3	Accumulated other reserves	0	4,880
5a	Independently reviewed interim profits	0	0
6	**Common Equity Tier 1 before regulatory adjustments**	**36,790**	**32,779**
Common Equity Tier 1 capital: regulatory adjustments			
8	Intangible assets	(4,420)	(5,827)
10	Deferred tax assets	(1,642)	(2,856)
27a	Other adjustments	0	632
28	**Total Regulatory adjustments to CET1**	**(6,062)**	**(8,051)**
29	**Common Equity Tier 1**	**30,728**	**24,728**
45	**Tier 1 capital**	**30,728**	**24,728**

Appendix 2: Composition of Own Funds

Table 15: Composition of regulatory own funds (CC1)

Tier 2 capital and provisions		31 Mar 2026 £'000	31 Mar 2025 £'000
46	Tier 2 capital instruments and related share premium	1,027	1,627
51	**Tier 2 capital before regulatory adjustments**	**1,027**	**1,627**
58	**Tier 2 capital**	**1,027**	**1,627**
59	**Total Capital**	**31,755**	**26,354**
60	**Total Risk-weighted assets**	**141,317**	**127,987**
Capital Ratios and Buffers			
61	Common Equity Tier 1 (as % of total risk exposure amount)	21.74%	19.32%
62	Tier 1 (as % of total risk exposure amount)	21.74%	19.32%
63	Total capital (as % of total risk exposure amount)	22.47%	20.59%
64	Institution CET1 overall capital requirement	10.96%	10.96%
65	Of which: capital conservation buffer requirement	2.50%	2.50%
66	Of which: counter-cyclical buffer requirement	2.00%	2.00%
68	Common Equity Tier 1 available to meet buffers	15.28%	12.86%
Amounts below the threshold for deduction (before risk weighting)			
75	Deferred tax assets arising from temporary differences	138	195
Applicable caps on the inclusion of provisions in Tier 2			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	417	370

Appendix 3: Reconciliation

The following table shows the reconciliation of own funds to balance sheet for the Bank in the format prescribed by the Disclosure (CRR) part of the PRA rulebook. Any blank cells in the template have been removed.

Table 16: Reconciliation of regulatory own funds to balance sheet (CC2)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Assets		31 Mar 2026 £'000	31 Mar 2026 £'000	
1	Cash and balances at other banks	396,832	396,832	
2	Investment Securities	332,687	332,687	
3	Loans and Advances to Customers	35,122	35,122	
4	Derivative financial assets	0	0	
5	Other assets	8,069	8,069	
6	Net Deferred Tax Assets	1,781	1,781	CC1 (10)
7	Plant, property and equipment	1,247	1,247	
8	Intangible Assets	4,420	4,420	CC1 (8)
	Total On B/S Assets	**780,158**	**780,158**	
9	Other items – IFRS9 adjustment and NPE charge	0	0	CC1 27(a)
	Total Assets	**780,158**	**780,158**	

Appendix 3: Reconciliation

Table 16: Reconciliation of regulatory own funds to balance sheet (CC2)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Liabilities		31 Mar 2026 £'000	31 Mar 2026 £'000	
1	Customer deposits	713,291	713,291	
2	Provisions for Liabilities and Charges	0	0	
3	Tier 2 debt	1,027	1,027	CC1 (46)
4	Tier 2 debt amortisation	1,973	1,973	
5	Loan Stock	–	–	
6	Other Liabilities and Accruals	21,719	21,719	
7	Deferred Income	5,357	5,357	
	Total Liabilities	**743,367**	**743,367**	

Appendix 3: Reconciliation

Table 16: Reconciliation of regulatory own funds to balance sheet (CC2)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Shareholder's Equity		31 Mar 2026 £'000	31 Mar 2026 £'000	
1	Share Capital	11	11	CC1 (1)
2	Share Premium	44,564	44,564	CC1 (1)
3	Other Reserves	0	0	CC1 (3)
4	Retained Earnings	(7,785)	(7,785)	CC1 (2) & 5(a)
5	IFRS 9 transitional adjustment	0	0	CC1 27(a)
	Total Shareholder's Equity	36,790	36,790	

ZEMPLER BANK