



UTB Partners Plc

Pillar 3 disclosures

as at 31 December 2025

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1 Introduction

This document constitutes the consolidated Pillar 3 disclosures of UTB Partners Plc (“the Group”). The purpose of this document is to provide information and disclosure to the Group’s stakeholders in relation to the internal procedures and policies adopted by the Group to manage and mitigate its key risks. More detailed information can be found in United Trust Bank Ltd (“the Bank”)’s published accounts at www.utbank.co.uk.

1.1 Overview of regulatory framework

The Basel 3 regulatory framework, which was implemented in Europe through the Capital Requirements Directive IV (“CRD IV”), came into effect on 1 January 2014. This package defines the level of capital that banks must hold, having regard for the individual risk profile of each bank. Following the United Kingdom’s exit from the European Union, the Prudential Regulation Authority (“PRA”) published Policy Statements PS17/21 and PS 22/21 in Q3 and Q4 2021 to implement in the UK agreed changes to Basel 3. This package of modifications to the rules reflects the experience since CRD IV was first enacted in 2014.

The requirements of Basel 3 divide the framework into three ‘pillars’ as described below.

Pillar 1 – these requirements set out the minimum capital requirements that banks must adhere to. The Pillar 1 capital requirement for the group is calculated on the following bases:

- Credit Risk – Standardised Approach
- Operational Risk – Standardised Approach
- Market Risk – Standardised Approach (note the Group does not currently hold any Pillar 1 capital in relation to Market Risk)

Pillar 2 – these rules require that each bank performs an ‘Individual Capital Adequacy Assessment Process’ (“ICAAP”) to assess its own risk profile and determine whether, having regard to those risks, any additional capital should be held over and above the Pillar 1 requirements. The amount of any additional capital requirement is also assessed by the PRA during its periodic Supervisory Review and Evaluation Process (“SREP”), through which the PRA sets the overall capital resources requirement for each bank.

Pillar 3 – these rules are designed to promote market discipline by enhancing the level of disclosure made by banks to their stakeholders, allowing them to assess a bank’s key risk exposures and the adequacy of a bank’s risk management process to mitigate these risks.

1.2 Basis of disclosure

The Group’s Pillar 3 disclosure document has been prepared in accordance with the Capital Requirements Regulation as implemented in the UK in the PRA Rulebook. Where disclosure has been withheld due to its proprietary nature or omitted based on materiality, as the rules permit, we comment as appropriate.

The Group has assessed itself as a “small and non-complex institution (SNCI)” based on the definition provided in Article 4(145) of the CRR, and as a result discloses information as required by Article 433b of the CRR. With regards to remuneration disclosures, the Group has assessed itself as “proportionality level 3” based on the criteria prescribed in SS2/17 - Remuneration, and as a result discloses information as required by Article 450 of the CRR, read in conjunction with Table D of SS2/17.

All disclosures within this report have been prepared as of 31 December 2025 which is the Group’s latest financial year-end and include the 2025 audited profits which the Group’s Board approved on 26 February 2026.

UTB Partners Plc (“UTBP”) is the parent company of the Group and, given its 100% shareholding in United Trust Bank Limited (“the Bank”), UTBP has no staff and is classified as a Financial Holding Company under PRA rules. Accordingly, the Group is supervised on a consolidated basis. UTBP does not undertake any regulated activities and consequently is neither regulated nor approved. The Bank is the only material operating entity within the Group and drives the risk profile of the Group, accordingly UTBP has delegated responsibility for group compliance with prudential requirements to the Bank, and (unless otherwise noted) any reference to governance structures in this document relate to the Bank.

1.3 Frequency of disclosure

In line with Article 433b of the CRR, the Group’s Pillar 3 disclosures are made at least annually and more frequently should management determine that significant events justify such disclosures. The Group’s Pillar 3 disclosures are published on its website (www.utbank.co.uk).

1.4 Verification of information

The Group’s Pillar 3 disclosures are approved by the Bank’s Board on behalf of the Group and are not subject to external audit.

1.5 Regulatory developments

The following regulatory developments are relevant to the Group and, if they did not become effective prior to the Pillar 3 reporting date, will become effective in 2026 or subsequent years. Where the regulatory updates did not go live in 2025, the Bank is reviewing the implications of these for the Group and planning any changes necessary to comply with the forthcoming requirements:

- In May 2025, the PRA published *PS7/25 – Update to PS9/24 on the SME and infrastructure lending adjustments*. This policy statement related to the forthcoming removal, when Basel 3.1 is implemented on 1 January 2027, of Supporting Factors that currently allow firms to reduce the risk weights, and thus capital requirements, for certain SME and Infrastructure exposures.

To minimise any potential consequential disruption to SME and infrastructure lending in the UK from this increase in Pillar 1 capital, the PRA intends to introduce an offsetting Pillar 2A adjustment to avoid an increase in overall capital requirements.

The Policy Statement provides guidance to firms on how to complete the submissions required to achieve these Pillar 2A reductions through an off-cycle capital review in 2026.

- In October 2025, the PRA published an update to *SS31/15 - The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP)*. This Supervisory Statement contains five chapters including:
 - Chapter 2 - Expectations of firms undertaking an Internal Capital Adequacy Assessment Process (ICAAP): This sets out the PRA's expectations in relation to the ICAAP and the requirements set out in the ICAAP part of the PRA Rulebook.
 - Chapter 3 - Stress testing, scenario analysis and capital planning: This sets out the PRA's expectations of firms in relation to stress testing, scenario analysis and capital planning, and the requirements set out in Chapter 12 of the Internal Capital Adequacy Assessment Part of the PRA Rulebook.
 - Chapter 4 - Reverse stress testing: This sets out the PRA's expectations of firms in relation to reverse stress testing, and the requirements set out in Chapter 15 of the Internal Capital Adequacy Assessment Part of the PRA Rulebook.
 - Chapter 5 - The Supervisory Review and Evaluation Process (SREP): This sets out the factors the PRA takes into consideration to assess a firm's ICAAP, including the setting of form-specific capital requirements and the PRA buffer.

This Supervisory Statement has been updated as part of the rules that come into effect as Basel 3.1 goes live. The Group will use this document to help shape its approach to ICAAP going forward.

- In January 2026, the PRA published *PS4/26 - The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs) - final*. This Policy Statement covered the final policy for the simplified capital regime and additional liquidity simplifications for Small Domestic Deposit Takers (SDDTs) and SDDT consolidation entities which was published as near-final in *PS20/25 - The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs) - near final*.

This statement contains the final policy materials that will govern the SDDT regime. Adopting SDDT is a choice available to eligible firms, and it is due to take effect from 1 January 2027.

- In January 2026, the PRA published *PS1/26 - Implementation of Basel 3.1: Final rules*, which provides the final PRA Rulebook rule instruments, supervisory statements (SSs), statements of policy (SoPs), and disclosure and reporting templates and instructions relating to the Basel 3.1 standards.

This statement contains the final policy materials that will govern the Basel 3.1 regime, which is due for implementation on 1 January 2027.

2 Scope and Key Metrics

This section of the document provides an outline of the structure of the Group and the nature of its business. The Group comprises:

- UTB Partners Plc (“UTBP”), which is the parent company of the Group. Its primary purpose is holding shares in its wholly owned subsidiaries United Trust Bank Limited (“the Bank” or “UTB”) and SOS Intelligence Limited (“SOS”). UTBP does not undertake any regulated activities and consequently is neither regulated nor approved; it has no employees.
- The Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is the primary operating company in the Group and the only one with employees.
- SOS was launched in 2020 to commercialise proprietary cyber threat intelligence technology developed by the Bank’s technology team. It is an immaterial unregulated entity, classified as an ancillary services undertaking, and is excluded from the basis of consolidation for regulatory purposes.
- The Group established an Employee Benefit Trust (“EBT”) in 2019. Whilst the EBT is consolidated into the Group’s statutory accounts, as required by FRS 102, it is legally outside the Group and is an independent entity. It is therefore excluded from the consolidated group for regulatory purposes.

The PRA supervises the Group on a consolidated basis. It sets the capital requirement and receives information on the capital adequacy of the Group and Bank.

The Group’s primary activity is that of the Bank, which is the provision of credit on a secured basis in niche markets within the United Kingdom. The Bank provides short to medium-term property loans for both the development of residential dwellings and the bridging of and investment in completed properties and property portfolios, as well as regulated mortgage products. The Bank also finances plant, machinery and wheeled assets to small and medium sized enterprises (“SMEs”). All the lending activities are funded by the Group’s and Bank’s capital base, a range of fixed, notice period and easy access deposit products offered to individuals and SMEs and drawings from the Bank of England’s Indexed Long-Term Repo Facility (“ILTR”).

2.1 Key metrics

The table below shows the key metrics as of 31 December 2025. All amounts are presented rounded to the nearest thousand except where stated. Where rows of the template are not show, this is because they are blank and have been removed for clarity and to improve readability.

KM1		31 Dec 2025	31 Dec 2024
	Available own funds (amounts),		
1	Common Equity Tier 1 (CET1) capital	390,450	330,662
2	Tier 1 capital	453,206	344,803
3	Total capital	482,806	400,094
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	2,785,964	2,535,096
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	14.01%	13.04%
6	Tier 1 ratio (%)	16.27%	13.60%
7	Total capital ratio (%)	17.33%	15.78%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
UK 7a	Additional CET1 SREP requirements (%)	1.10%	0.70%
UK 7b	Additional AT1 SREP requirements (%)	0.37%	0.23%
UK 7c	Additional T2 SREP requirements (%)	0.49%	0.31%
UK 7d	Total SREP own funds requirements (%)	9.96%	9.24%
	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 (%)	2.00%	2.00%
11	Combined buffer requirement (%)	4.50%	4.50%
UK 11a	Overall capital requirements (%)	14.46%	13.74%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.52%	6.68%
	Leverage ratio		
13	Total exposure measure excluding claims on central banks	4,500,670	3,979,115
14	Leverage ratio excluding claims on central banks (%)	10.1%	8.7%
	Additional leverage ratio disclosure requirements		
	Liquidity Coverage Ratio¹		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	384,058	292,329
UK 16a	Cash outflows - Total weighted value	236,537	177,378
UK 16b	Cash inflows - Total weighted value	126,370	130,301
16	Total net cash outflows (adjusted value)	113,223	59,696
17	Liquidity coverage ratio (%)	398.42%	554.44%
	Net Stable Funding Ratio²		
18	Total available stable funding	3,590,720	3,190,920
19	Total required stable funding	2,570,256	2,208,765
20	NSFR ratio (%)	139.71%	144.53%

¹ Data for the Liquidity Coverage Ratio is presented on a 12 point, 12-month average basis.

² Data for the Net Stable Funding Ratio is presented on a 4 point, 12-month average basis.

3 Risk Management Framework

As permitted by the PRA rules, UTBP has delegated to the Bank responsibility for ensuring the Group complies with the relevant prudential regulations. The Bank is the regulated entity within the Group and has appropriate governance structures in place to manage such matters. This section of the document describes the Bank's risk management and governance arrangements, as these cover both the Bank and the Group. The Bank's management regularly reports to the Group's Board on prudential matters.

Full details of the Bank's risk management framework, principal risks and uncertainties and emerging risks facing the Bank can be found in the Bank's Annual Report and Accounts at www.utbank.co.uk.

3.1 Board Declaration on the Adequacy of Risk Management Arrangements

The Board considers that its risk management arrangements, including its risk management systems and controls, are adequate with regards to the Bank's profile and size.

3.2 Risk Management Strategy and Appetite

The Bank's Risk Management Framework and Risk Appetite Statement are reviewed at least annually, supported by other key documents including the Credit Risk Appetite Statement, the Credit Risk Management Framework and the Credit Strategy. Together, these documents set out how the Bank identifies, measures, manages and oversees key and emerging risks. The purpose of the Risk Management Framework and Risk Appetite Statement is to:

- identify key and emerging risks.
- set the Bank's risk appetite and ensure business plans align with it.
- support risk-informed decision-making within the defined appetite.
- ensure risk appetite and business plans are underpinned by effective risk controls, technology and people capabilities.
- monitor and report key risks against defined appetite.
- manage the risk profile so the Bank can withstand adverse conditions identified in stress testing.
- manage risk within the business units with effective independent oversight.
- ensure a sound risk control environment and risk-aware culture; and
- inform the Bank's compensation practices to reward only prudent risk taking within the risk appetite.

The level of risk that the Bank can assume, and the strategy are informed by:

- the results of stress tests and scenario analysis; and
- the Bank's risk capacity.

The Bank's risk appetite is aligned with its strategic objectives, ensuring those objectives are risk-informed and consistent with the level of risk the Bank is prepared to accept.

The Board approves the risk that may be assumed in each category through:

- a high-level Risk Appetite Statement defining the acceptable impact of risk on the Bank's objectives.

- granular statements specifying the type and level of risks the Bank will accept, tolerate or avoid: and
- risk limits and tolerances (quantitative or qualitative measures) relating to individual business activities.

The Bank's approved risk appetite is documented in the Risk Appetite Statement, which sets out monitoring and escalation thresholds for key metrics, including capital and liquidity. The statement is reviewed at least annually, or more frequently where there is a material change in the Bank's risk appetite, activities, or the external environment.

3.3 Related Party Transactions

All related party transactions were made on terms equivalent to arm's length transactions. More information around related party transactions is disclosed in note 24 of the Group's Annual Report and Accounts.

3.4 Key Performance Indicators

The Bank monitors the following key performance indicators:

Measure	31 Dec 2025	31 Dec 2024	% Change
Operating Income	£176.4m	£165.0m	+6.9%
Operating Profit	£78.7m	£86.4m	-8.9%
Cost to Income Ratio	47.7%	46.6%	+1.1%
Return on Equity	14.1%	20.1%	-6.0%
Gross New Lending	£1,975m	£1,851m	+6.7%
Loan Book	£3,895m	£3,487m	+11.7%
Funding ³	£3,928m	£3,468m	+13.3%
Staff Numbers	435	435	0%

³ Deposit funding plus drawings from the Bank of England's Indexed Long-Term Repo Facility ("ILTR") and, in 2024, Term Funding Scheme with additional incentives for SMEs

4 Capital Resources

As of 31 December 2025, and throughout the period to 31 December 2025, the Group maintained its capital resources above the minimum capital adequacy requirements.

4.1 Eligible Capital Resources

The Eligible Capital Resources of the Group:

Tier 1	% of Total	31 Dec 2025	% of Total	31 Dec 2024	% Growth
		£000s		£000s	
Share Capital		5,108		5,009	
Share Premium		20,265		11,947	
Profit and Loss Account		374,694		325,139	
Less Intangible Assets		(5,914)		(5,092)	
Less Other Deductions		(11,747)		(12,581)	
Other Reserves		8,044		6,239	
Total CET 1	80.9%	390,450	82.6%	330,661	18.1%
Additional Tier 1		62,756		14,141	
Total Tier 1	93.9%	453,206	86.2%	344,802	31.4%
Tier 2					
Subordinated Loans		26,394		52,220	
Collective Impairments		3,206		3,071	
Total Tier 2	6.1%	29,600	13.8%	55,291	(46.5%)
Eligible Capital	100.00%	482,806	100.00%	400,093	20.7%

Intangible Assets:

Intangible Assets are deducted from CET1 capital net of applicable deferred tax.

Other Deductions:

Other deductions from CET1 capital relate predominantly to the British Business Bank's ("BBB") Enable Guarantee, with a small amount related to prudent valuation adjustments. For more details on the BBB guarantee, refer to section 6.

Deferred Tax:

In accordance with Article 48 of the Capital Requirements Regulation ("CRR"), the Group's deferred tax asset of £3,517k is not deducted from Eligible Capital.

5 Capital Adequacy

Capital adequacy is monitored by the Group Board, the Bank's Board and executive management, and is reported to the PRA on a quarterly basis. Capital forecasts, covering the remainder of the year in which the forecast is performed, plus a further 3-year period, are prepared on an annual basis as part of the Bank's annual budgeting cycle. During the year, additional re-forecasts are also reviewed by the Bank's Board to consider the effects of events that were not reflected in the original budgets.

5.1 Table UK OV1- Overview of risk weighted exposure amounts

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		31 Dec 2025	31 Dec 2024	31 Dec 2025
1	Credit risk (excluding CCR)	2,654,604	2,419,829	212,368
2	<i>Of which the standardised approach</i>	2,654,604	2,419,829	212,368
6	Counterparty credit risk - CCR	2,328	1,429	186
UK 8b	<i>Of which credit valuation adjustment - CVA</i>	2,328	1,429	186
16	Securitisation exposures in the non-trading book (after the cap)	(146,838)	(157,263)	(11,747)
UK 19a	<i>Of which 1250% / deduction</i>	(146,838)	(157,263)	(11,747)
23	Operational risk	275,870	271,100	22,070
UK 23a	<i>Of which basic indicator approach</i>	0	271,100	0
UK 23b	<i>Of which standardised approach</i>	275,870	0	22,070
29	Total	2,785,964	2,535,096	222,877

The table above follows template OV1. Rows with no data have been omitted.

5.2 Pillar 1 capital requirement

The Pillar 1 capital requirement, determined in accordance with the rules contained within Basel 3 as applied to the Group, consists of the following components:

Credit risk capital requirement – the Group uses the standardised approach to determine its Pillar 1 credit risk capital requirements. This involves the application of standard risk weights to each exposure class.

Operational risk capital requirement – the Group has adopted the standardised approach to determine its Pillar 1 operational risk capital requirements. This calculation is based on the Group's operating income for the past three years split across the relevant business lines laid out in Article 317.

Market risk capital requirement – the Group does not have a trading book but does have exposure to interest rate risk from its interest-bearing assets and liabilities and through the use of interest rate swaps, which is addressed in Pillar 2 via a Pillar 2A add-on. Interest rate risk is mitigated through the Group's hedging strategy.

6 Exposure to Securitisation Positions: Enable Guarantee

At 31 December 2025, the Group had in place an Enable Guarantee with the British Business Bank. The British Business Bank is a state-owned economic development bank established by the UK Government. Its aim is to increase the supply of credit to small and medium size enterprises as well as providing business advice services. The Enable Guarantee provides unfunded credit protection for qualifying loans within the Group's property development loan book. Its effect is to partially offset the Group's exposure to qualifying loans; the Group remains exposed to the unguaranteed portion and to a 'first loss' element of the guaranteed portion. This latter exposure constitutes a synthetic securitisation position under the CRR. The guarantee improves the Group's capital efficiency for property development lending and, consequently, increases the Group's capacity to fund SME housebuilders in the UK.

The guarantee covers loans originated by the Group which meet certain criteria including: the risk profile, loan size, purpose of the loan and the nature of the borrower. The guarantee was first entered into in October 2017 and became effective in 2018 when certain size and diversification criteria had been reached. It was extended in March 2021 and again in December 2023. Qualifying newly originated loans are added to the guaranteed portfolio up to a maximum aggregate facility amount of £350m. The guarantee contains provisions that mean that new qualifying loans may not be added in the event of defaults occurring within the guaranteed portfolio. The guarantee can be terminated via a clean-up call, once the aggregate value of the remaining facilities falls below 10% of the maximum facility limit.

Loans covered by the guarantee are monitored in the same way as unguaranteed loans provided by the Group, and in the event of a default, the Group would undertake the same recovery procedures for guaranteed loans as for unguaranteed loans.

The guarantor under the guarantee is the UK Government. Consequently, the risk weighting of the exposure to the guarantor is 0% under Article 114(4) of the CRR which is applied to the value of guaranteed facility of each loan, including undrawn amounts. The synthetic securitisation position is deducted from Own Funds in accordance with Article 244(2)(b) of the CRR. The amount deducted at year end was £11.7m (2024: £12.6m).

The accounting for the guarantee protection is off balance sheet, and the full originated loan exposure remains on balance sheet. The fees paid for the guarantee are included within operating expenses within the income statement.

The total amount of outstanding exposures under the guarantee at year end (being the guaranteed portion of the qualifying loans) was £101.9m (2024: £114.1m).