

Pillar 3 Report

31 December 2022



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1.1 | Purpose

This document comprises the Pillar 3 disclosures on capital and risk management for Trusted Novus Bank ('TNB' or 'the Bank') as at 31 December 2022.

The two main purposes are:

1. It provides details on TNB's approach and policies regarding risk management and capital resources, including information on:

- The governance structure of the Bank; and
- Information on the Bank's exposures and capital resources.

2. To meet the regulatory disclosure requirements under the Capital Requirements Regulation (CRR) and the rules of the Prudential Regulation Authority which at the domestic level is overseen by the Gibraltar Financial Services Commission ('GFSC').

These regulations came into force on 1 January 2022. Our Pillar 3 disclosures are published annually in conjunction with the date of publication of our financial statements.

1.2 | Overview

TNB is a private company limited by shares and incorporated in Gibraltar. It is licensed under the Gibraltar Financial Services Act 2019.

It is important to note that these disclosures are not subject to external audit, however there may be an overlap of some of this information within the audited 2022 Financial Statements.

This Pillar 3 document should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2022, which are published on TNB's website.

1.3 | The 3 Pillar Framework

Pillar 3 disclosures are designed to promote market discipline through the disclosure of key information about risk exposures and risk management processes.

Pillar 1

Minimum capital requirements:

Defines rules for the determination of the minimum capital requirements that banks are required to hold for credit, market and operational risks.

Pillar 2

Supervisory review process:

This builds on Pillar 1 and requires banks to undertake an internal capital adequacy assessment process in order to cover specific risks not taken into account or not fully covered in Pillar 1.

Pillar 3

Market discipline:

Requires individual banks to publish key information on their principal risks, capital structure and risk management, which allows investors and other market participants to understand their risk profiles.



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2. Risk Governance



2.1 Role & Responsibilities of the Board

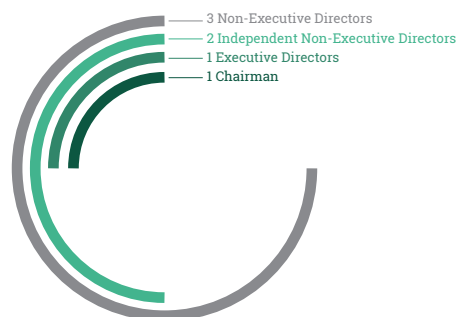
The Board is the principal decision-making body for all matters of strategic, financial, risk, regulatory and reputational significance, and is accountable to the shareholder and external stakeholders for creating and delivering long-term sustainable value. Having regard to the interests of all stakeholders the Board drives informed, collaborative and accountable decision-making, while promoting the highest standards of corporate governance and ethical culture to deliver on TNB's mission, values, and strategic objectives.

The Board is responsible for approving TNB's strategy, risk appetite and related policy statements. These policy statements establish TNB's overall appetite for risk and set out the control environment within which it operates. Implementation of strategy and these policies is the responsibility of the Chief Executive Officer (CEO) and the Senior Management Team (SMT), who report to the

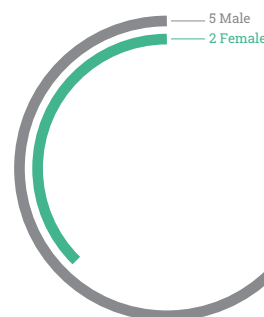
Board. In its role of reviewing and approving the financial statements, the Board is ultimately responsible for ensuring the integrity of financial reporting, and that financial controls and systems of risk management remain effective. In formulating the three-year Strategy Plan, the Board considers opportunities and threats in the external business environment and internal strengths and weaknesses to identify critical success factors and priority issues.

The Board has oversight of how management implements TNB's strategy and retains control through challenge at Board, and Board committee meetings. A clear division of responsibilities exists between the roles of the Chairman and the CEO. Whereas the responsibility to lead and manage the work of the Board resides with the Chairman, the day-to-day management of TNB's business is delegated to the CEO, who is supported in this role by the SMT.

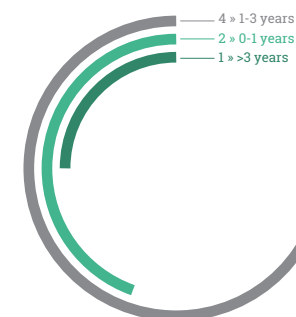
Board composition



Board gender



Board tenure



2.2 Composition of the Board

The Board of Directors includes the non-executive chairman, the non-executive deputy chairman, four non-executive directors and one executive director (the CEO).

The Board is chaired by Peter Caetano, who sets the tone for its governance by leading, guiding, and developing the Board to ensure its effectiveness in all aspects of its role as well as effective communication and information flows with key stakeholders. The non-executive directors bring fresh and diverse perspectives and experience to the Board's discussions and decision-making to monitor the delivery of TNB's strategy against the governance, risk and control framework established by the Board.

During the year, the composition of the Board was refreshed with appointments of two Non-Executive Directors. This ensured the Board continues to have an effective balance

of skills, knowledge, experience, and diversity to deliver on TNB's strategic objectives. The size and composition of the Board is kept under review to ensure an appropriate balance of skills and experience is maintained. TNB aims to ensure that at least half of the non-executive directors on the Board, including the Board Chair, are independent.

All appointments to the Board are based on merit with candidates assessed against objective criteria. The Board recognises the importance of having a wide range of perspectives to draw upon and any appointments will seek to increase its diversity while not compromising on the quality of the Board.

The number of external commercial directorships held by TNB Directors who served on the Board for the year ended 31 December 2022 were:

Name	Gender	Capacity	Appointment date	Number of other directorships*
Peter Caetano	Male	Chairman	27 July 2020	0
Adrian Olivero	Male	Deputy Chairman	27 July 2020	1
Nyreen Llamas	Female	Independent Non-Executive Director	16 June 2022	1
Joseph E. (Melo) Triay	Male	Independent Non-Executive Director	16 June 2022	2
Nguyễn Thị Thiên Hương	Female	Non-Executive Director	27 July 2020	1
Nilesh Banglorewala	Male	Non-Executive Director	12 January 2021	1
Christian Bjørløw	Male	CEO, Executive Director	1 June 2007	0

*In counting the number of other directorships, only commercial directorships involving a material time commitment in terms of preparing for and attending meetings, etc. have been included. Directorships with non-commercial entities, holding companies or entities with no other trading purpose have been excluded, as were not-for-profit organisations, charities, and trusts. Multiple directorships held within the same group are considered to count as a single directorship.

2.3 Role of the Board Committees

Board committees constitute an important element of TNB's corporate governance. Their purpose is to assist the Board in discharging its oversight responsibilities, while leveraging the range of skills and expertise of individual board directors to deal with specific issues falling within their terms of reference. They are the creation of the Board and remain under the Board's control. The Chairs of the Board committees, who are independent non-executive directors, report to the Board at each scheduled Board meeting, keeping the full Board informed of the committee's work, key deliberations, and decisions on delegated matters.

TNB has two Board committees:

- Audit & Risk Committee
- Board Credit Committee

Allocating oversight responsibilities to Board committees enhances Board governance by helping to reduce the pressure on Board time, where the focus is more forward-looking and less about remediation and operational issues.

Audit & Risk Committee (ARC)

The primary role of the ARC is to ensure the integrity of the financial reporting and audit processes, and the maintenance of a sound control environment and risk management framework. The ARC fulfils the important role of coordination in the articulation of Board risk appetite and provides a link between the audit functions and the Board, independent of the Senior Management Team since the latter is responsible for accounting rules and procedures and implementing risk management which are the subject of audit and assurance.

Board Credit Committee (BCC)

The BCC provides Board-level review of credit and lending strategies, providing objective and active oversight of the credit risk profile and credit risk management framework, advising the full Board on internal credit policies and portfolio limits, while monitoring, directing and reviewing all issues that may materially impact on the present and future quality and performance of the credit portfolio, including appropriate impairment provisioning and loan write-offs. The BCC evaluates and approves credit applications and exposures to customers and counterparties outside the granting authority set by the Board for the Management Credit Committee (MCC).

To discharge its duties effectively, the Board meets at least four times a year, based on a defined timetable, supplemented by ad-hoc Board meetings to deal with matters arising outside the usual meeting schedule. Standing agenda items such as financial and business performance, risk, compliance, human resources, and strategic matters are reviewed and discussed, with a comprehensive Board pack circulated beforehand so that Directors are given the opportunity to consider the issues to be discussed. Detailed minutes and actions arising out of the discussions are documented. At the Board's request, members of the Senior Management Team routinely attend Board meetings to provide updates and insights on specific discussion items. This facilitates non-executive directors' engagement with the Executive and drives constructive challenge to senior management thinking. Board committees are convened as per their respective Terms of Reference.

At each meeting, Directors were required to disclose in full any actual or potential conflict of interest and to recuse themselves from participating in a discussion concerning matters in which the Director has a conflict of interest, unless the Board found in the circumstances that it had no objection to the Directors' presence. In any event, Directors were required to refrain from voting on the matter.

Under the Board Terms of Reference, Directors are offered access to independent professional advice at TNB's expense. Board meetings to provide updates and insights on specific discussion items. This facilitates non-executive directors' engagement with the Executive and drives constructive challenge to senior management thinking. Board committees are convened as per their respective Terms of Reference.

Number of scheduled meetings attended

Notes:

1. Jens Lauritzen resigned as Director of the Board on 24 March 2022.
2. Nyreen Llamas was appointed as Director on 16 June 2022 and appointed a member of the BCC 16 June 2022.
3. Joseph E. (Melo) Triay was appointed as Director on 16 June 2022 and appointed a member of the ARC on 16 June 2022.
4. Adrian Olivero was appointed a member of the BCC on 24 March 2022.

Name	Board	ARC	BCC
Peter Caetano	4/4	5/5	13/13
Adrian Olivero ⁴	4/4		11/13
Nyreen Llamas ²	3/3		7/8
Joseph E. (Melo)Triay ³	3/3	4/4	
Nguyễn Thị Thiên Hương	4/4		18/19
Nilesh Banglorewala	4/4	2/5	
Christian Bjørløw	4/4		
Jens C. B. Lauritzen ¹	1/1		5/6

The attendance reflects the number of scheduled Board and committee meetings held during 2022 and excludes ad-hoc meetings arising outside of the usual meeting schedule.

2.4 Role & Responsibilities of the Executive Committees (CEO & Senior Management Team)

Day-to-day operations and delivery of strategy, and formulation of operational plans and budget is the responsibility of the CEO, in whom general authorities and powers of executive management are vested, excluding those matters reserved for the Board as set out in the Board Terms of Reference. The CEO is supported by the SMT, which meets on a bi-weekly basis to discuss key business issues arising and to monitor and manage delivery against the Board-approved five-year Strategy Plan and review the organisation's Objectives and Key Results (OKRs) which are linked to the strategy.

The three principal executive committees established under the SMT are:

- Management Committee (MANCO)
- Asset & Liability Committee (ALCO)
- Management Credit Committee (MCC)

Consisting of department managers, the MANCO's essential role is to support the SMT in the performance of its executive functions, ensuring effective communication, coordination and cooperation between the departments and teams and monitoring and managing delivery against the Board-approved annual operational plans and budget. The MANCO is chaired by the CEO.

The ALCO has executive responsibility for overseeing the appropriate distribution and optimisation of financial risks inherent in TNB's balance sheet arising from the execution of the business plan and operating model, with particular focus on capital adequacy, funding and liquidity, and the monitoring of market risks and returns across TNB's invested assets to ensure

that these remain aligned with the Board's risk appetite and limits as set out in Board approved market and liquidity risk policies and regulatory requirements. The ALCO is chaired by the Chief Financial Officer.

The role of the MCC is to review and approve credits up to GBP 7.5m and cases outside of policy up to GBP 1m. Separate thresholds apply to Lombard loans. The MCC convenes on a weekly basis for timely, responsive decision-making. The MCC also reviews all credit applications going before the BCC for approval. The MCC is chaired by an appointed member of the SMT.



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3. Risk Management



3.1 Risk Management Overview and Framework

Risk management is not ring-fenced within the Risk Management team. An effective Risk Management Framework ("RMF") resonates throughout the organisation and its dissemination is facilitated. TNB achieves this via the following:

Communication

The Board of Directors are responsible for providing Management with timely, clear and transparent objectives together with the risk appetite which they are proposing needs to be set in achieving these objectives. This is achieved via the organisation of relevant Management Meetings and any forums which may exist as subsets to Management from time to time. Management will ensure that all employees have access to broad information on the Bank's performance and objectives set as well as sufficient information to allow those interested familiarising themselves with the role they play in the organisation.

Emphasising the Three Lines of Defence "3LoD" Model

Communication of the concept of Business Risk Owners (BRO) is an important step in ensuring that employees take ownership and feel accountable for risk which they are immediately exposed to in their day-to-day. Relevant processes ensure that this is achieved. The Chief Risk Officer (CRO) is responsible for ensuring that the RMF underlines this principle.

Assessing risk culture and its development

The Chief Risk Officer (CRO) is responsible for ensuring that a risk culture assessment is performed at least annually. This is useful exercise which aims to assess how risk is perceived by employees, how it impacts them and what their role is. More significantly, the annual assessment will be able to provide details on its evolution and will be an important metric on evaluating effectiveness of communication.

Risk Taxonomy

The CRO is responsible for establishing a Risk Taxonomy which represents the logical and sequential risk library relevant to the risk universe applicable to TNB. The Taxonomy is dynamic and evolves with the business and should bring consistency to risk causes, categories and impact.

Key Risk Indicators (KRI) Process Cycle

The CRO will ensure that there is a regular process cycle established to monitor the provision, assessment and challenge of Key Risk Indicators collated across Teams. The process is performed at least monthly and includes as a process:

- Data Collection from Risk Owners
- Data Validation and Cleansing by Risk Management
- Data Assessment by Risk Management
- Enquiry and Challenge by Risk Management
- Feedback from Risk Owners
- KRI Reporting to Risk Owners

A final summarised overview together with any escalations should be reported to the ARC on a quarterly basis or earlier if required.

Risk Management Levels

The RMF accommodates a risk management authority level. This is to focus sufficient and adequate resources to the management of the RMF and the Bank's risk landscape. These are defined as follows:

Level 1 – Board of Directors

Level 2 – Management

Level 3 – Business Risk Owners

The RMF refers to risk management levels throughout various of the constituting parts, including ultimately with reporting on risk. This will result in ensuring that relevant stakeholders to the RMF will participate only where that individual's resource, role and seniority is required.

In order to support risk management activities, the risk management framework operates within the principles of the 'Three Lines of Defence' model.

This model is based on the overriding principle that risk capability must be embedded within the first line of defence to be most effective. Responsibility for risk management resides at all levels within the Bank and is supported by Board and Executive level committees.

Risk Management and Monitoring

Risks are owned and managed on a day-to-day basis by first line Business Risk Owners. The second line will provide risk oversight and advice to support the first line in managing risks, including the development of business continuity plans, as part of the Board's risk mitigation strategy planning. Corporate insurance is in place wherever possible to transfer or mitigate high impact, low frequency risks. The key steps in risk management and monitoring, and the roles of the first and second line, are set out in the table below:

	First line role	Second line role
Risk Management	Risks are owned and managed on a day-to-day basis by front line Business Risk Owners.	The Chief Risk Officer will provide advice to support the first line in managing risks.
Project Risks	Risks relating to strategic initiatives will be managed through project steering committees.	Project steering committees for significant strategic initiatives will include second line representation.
Risk Mitigation Strategy Planning	Business continuity management (BCM) plans will be defined at a functional level and maintained and tested by the first line. Contingency funding plans will be developed by the ALCO to ensure that funding requirements and sources are agreed.	A BCM toolkit will be maintained by the Chief Risk Office to guide the business and co-ordinate BCM testing. The Chief Risk Officer will co-ordinate liquidity risk scenario testing to input into contingency funding plans.
Operating Insurance	Operating insurance policies will be used to transfer high impact, low frequency risks. Insurance coverage is managed by Risk Management.	The Chief Risk Officer will support the business in ensuring that appropriate insurance cover is in place for high impact risks.
Risk Monitoring and Reviews	First line teams will perform risk reviews via the RCSA to assess the adequacy and effectiveness of controls. These are performed on a proactive and post-event basis.	The Head of Compliance and Legal performs second line compliance monitoring and maintain an annual compliance monitoring plan. The plan will be risk-based and reviewed on a quarterly basis. The Chief Risk Officer will perform annual operational risk scenario sting.
Internal Loss Events	The first line Finance function will log loss events.	The Chief Risk Officer will perform an analysis of loss event data monthly.

First Line of Defence

Risk Origination, Ownership & Management

The primary responsibility for risk management lies with the Board of Directors who delegate this responsibility to the Management team. Employees (as Business Risk Owners) working within business functions and business support functions that generate exposure to risks as part of their day-to-day activities. They are responsible for identifying and evaluating the significant risks to the Bank, for designing and operating suitable controls and reporting risks and issues that arise in their respective areas.

Primarily Accountable:

- Board of Directors (delegation to Management)
- Risk Owners

Role and responsibilities include:

- Sets business responsibilities, delegating actions
- Sets risk appetite and governance structure
- Defines and ultimately agrees risk policies, in alignment with strategy
- Establishes the requirement for an RMF and broad principles
- Defines the methodology by which risk management and compliance is reviewed
- Obtains assurance on risk management effectiveness and compliance with set risk policy
- Reports to stakeholders on risk management and compliance
- Ensures the financial activities of the Bank are subject to independent review and external audit, appointing the external auditor and monitoring the independence, objectivity, effectiveness and cost effectiveness of the audit

Business Risk Managers and Project Managers

They are the immediate and most proximal individuals to potential sources of risk events.

Role and responsibilities

- Identify, assess and manage risks
- Create, manage and monitor internal controls designed to manage risks
- Create, manage and ensure maintenance and update of Policy Descriptions, Standard Operating Procedures and Work Descriptions
- Disseminate sound risk practices and maintain an adequate environment of risk awareness, attitude and engagement with risk
- Manage and take charge of RCSA processes
- Provision of monthly KRI metrics and commentary
- Oversight, awareness and sign-off of Operational Incidents
- Contribution towards the Bank's ICAAP Framework
- Provide relevant information in contribution towards TNB's Recovery Plan
- Awareness, application of and alignment with the Board of Directors approved Risk Appetite Statements
- Organise to delivery relevant risk management related training/advisory sessions
- Participation in (or contribution towards) Audit/Assurance/External Regulatory risk engagements

Second Line of Defence

Risk Oversight, Challenge & Advice

Second line responsibilities are around the provision of frameworks, advice and support to the business. The CRO and Head of Compliance and Legal roles include reviewing and challenging the business on how well the RMF is being implemented in accordance with the risk appetite defined by the Board of Directors and providing additional insights on the main risks being run, the controls around these and the capital held.

Primarily Accountable:

- CRO
- Head of Compliance and Legal

The CRO and the Risk Management team

The CRO is the primary executive role responsible for managing risk within the organisation, supported by the Risk Management team.

Role and responsibilities include:

- Serves as a coordination, aggregation, facilitation and enabling function for the RMF
- Develops risk management strategy, principles, RMF and policy statements
- Advises and coaches the Board, Management and employees of business and business support functions on RMF
- Monitors the application and effectiveness of RMF processes
- Co-ordinates appropriate and timely delivery of RMF information
- Drafts risk policies
- Defines risk management standards
- Develops and distributes risk tools, techniques, methodologies, common risk language, risk framework, analysis, reporting, communication and training

Third Line of Defence

Risk Assurance

The third line responsibilities owned by Internal Audit are to provide independent, objective assurance. The scope of Internal Audit's activities encompass the examination and evaluation of the design adequacy and operating effectiveness of the Bank's system of internal controls and associated processes.

Primarily Accountable:

- Internal Audit
- Audit & Risk Committee

Audit & Risk Committee:

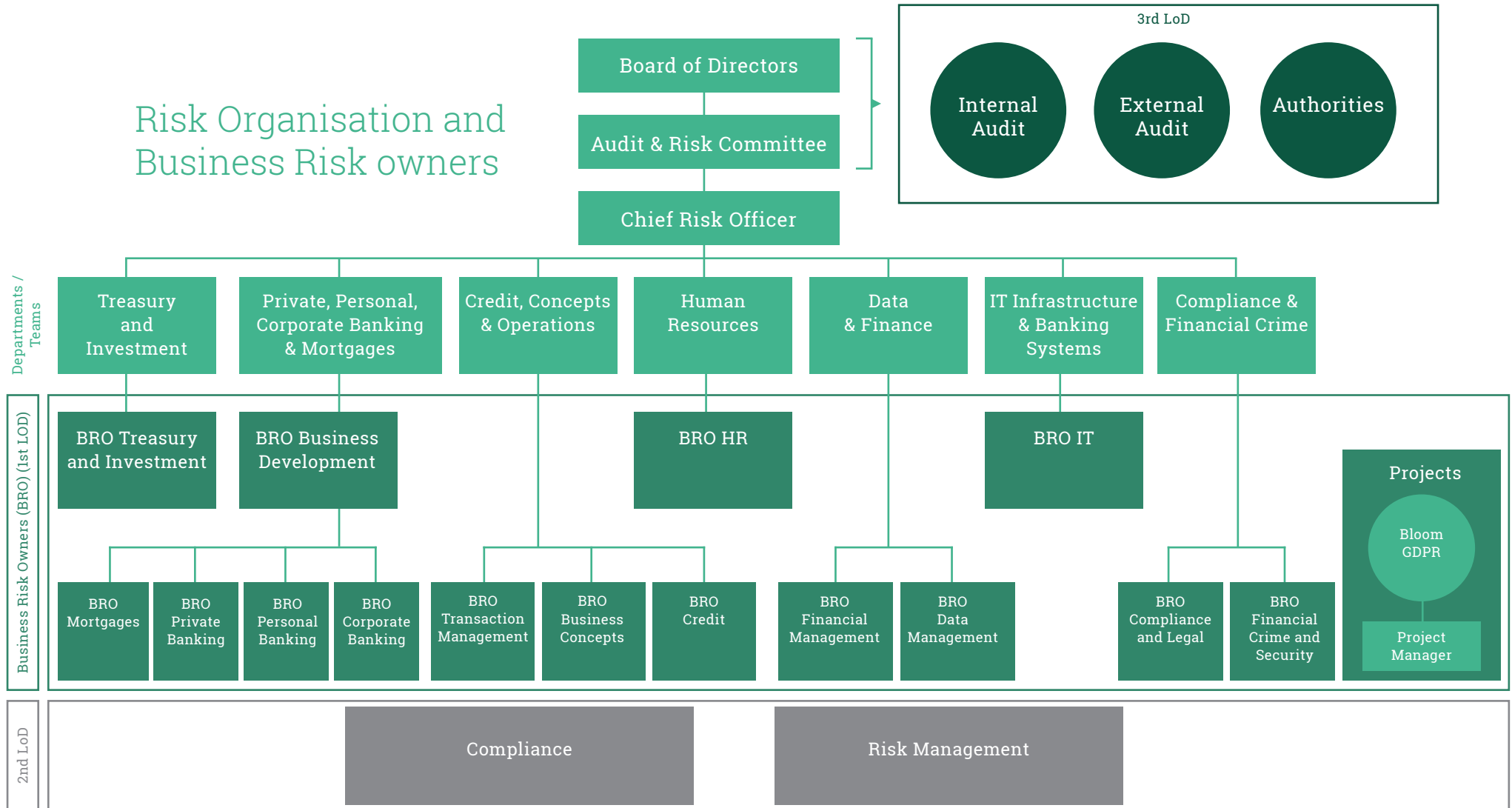
An advisory committee of the Board with no executive powers, other than those specifically delegated in these Terms of Reference, established to assist the Board in fulfilling its financial reporting, audit, compliance, risk strategy and management and ethics oversight responsibilities. The Committee reports to the Board.

Role and responsibilities include

- Proposes the approach to RMF
- Proposes risk appetite
- Proposes risk policies
- Monitors compliance with risk policies
- Monitors the adequacy of controls
- Monitors the overall risk profile against appetite
- Issues loss event escalation guidelines
- Escalates issues and reports to the Board of Directors
- Provides oversight and challenge of first line risk management
- Monitors and reviews the activities of internal audit, ensuring that internal audit has the necessary resources and access to information to perform its role

3.2 | Risk Management Structure

Risk Management structure at Trusted Novus Bank ("TNB") can be illustrated as follows:



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3.3 | Oversight of Strategy and Risk

Ultimately accountable for any financial loss or reduction in shareholder value, TNB's Board of Directors is responsible for identifying the risks to which TNB is exposed in relation to its activities and ensuring that proper mandates, policies, authority levels, risk frameworks and systems are in place and functioning effectively.

The message that emanates from TNB's Board of Directors encourages the taking of controlled risks, the grasping of new opportunities and the use of innovative approaches to further the interests of TNB within its overall internal control framework, the management of which is integrated with the Board's other corporate governance objectives.

By clarifying strategy, competitive context and corporate philosophy and values through communications, training, and leadership action, Management reinforces the risk appetite of the Board of Directors.

The Board's message further translates into authority hierarchies (delegated financial authorities and devolved responsibilities), job descriptions, specific policies and work instructions and other devices and control mechanisms intended to counter identified risks impacting on TNB's capacity to secure its corporate objectives. Material non-compliance with prescribed procedures constitutes in itself an unacceptable risk. To the degree that an officer does not comply with TNB policies, procedures or standards of conduct, Management takes appropriate disciplinary action to maintain the effectiveness of the control environment. Indeed, the control environment in TNB is significantly influenced by the extent to which its officers recognise that they will be held accountable.

Staff appraisals, promotional activities and other communication methods (e.g. visual items to enhance awareness) present further opportunities for conveying either directly or implicitly the corporate values of TNB and hence its risk culture.

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The Board's control over business activities

The Board's mandate is to oversee the conduct of TNB's affairs by working with and through Management. The Board determines TNB's direction and its manner of operation through the establishment of framework policies, particularly as they relate to:

- The management of risk generally
- Management of the loan portfolio.
- The processes for determining the adequacy of provisions for credit exposures.
- The Bank's asset/liability management.
- While more detailed operational policy statements and standard operating procedures are developed by Management.

Assurance of the control environment

Moreover, as part of its oversight function, the Board, through the ARC, receives reports and reviews from internal and external audit about the adequacy of internal control practices and ensures that identified problems are corrected in a timely and effective manner.

Independent audit's (internal and external) assessment of the adequacy of internal controls of TNB involves a process of understanding, documenting, evaluating and testing the internal control systems in place at all levels of the organisational structure. Pursuant to its charter, audit seek with reasonable assurance to help prevent or detect:

- Inaccurate, incomplete, or unauthorised transactions;
- Deficiencies in the safeguarding of assets;
- Unreliable financial and regulatory reporting;
- Violations of laws and regulations;
- Deviations from policies and procedures.

Summary

The essential aim of risk management is not to eliminate all potential adverse outcomes, rather to define the parameters within which these outcomes, should they occur, can be tolerated. TNB's RMF should set out to define optimal levels for adverse outcomes, based on an assessment of their probability and impact, which then focuses Management efforts on those risks deemed unacceptable. Any attempt to do otherwise can be disproportionately difficult, costly and give rise to unintended consequences. Through the assurance work of independent audits, there is no evidence to suggest that the RMF in TNB suffers from any material vulnerabilities.

3.4 | Key Risk Categories

Principal risks

These are the risks in our Risk Taxonomy for which both qualitative and quantitative measures are set at Board level and reported throughout our risk governance structure as set out in its Risk Management Framework.

CREDIT RISK				
Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Collateral Risk	The risk that in event of default, the available collateral will not be sufficient to cover the outstanding debt	The bank does not depend on slim collateral margins as a business model. Collateral margins will incorporate sufficient buffer to absorb mild and medium adverse market or client behaviour	Board Credit Committee, Management Credit Committee	Credit Risk Policy, Compliance Risk Policy
Counterparty and Default Risk	Client: The risk of default of the client due to insufficient financial means or solvency of the counterparty Non client: Risk of default of the security issuer or solvency of the counterparty	The bank has no appetite for investing outside investment grade credit risk in respect of security positions and approved credit risk policies should prescribe said statement. Additionally, the bank's processes will be sufficiently robust to detect credit facilities granted and potentially transitioning into Non performing loans and systemic weaknesses in the identification process	Board Credit Committee, Management Credit Committee	Credit Risk Policy, Compliance Risk Policy, Market Risk Policy
Concentration Risk	The risk of material losses due to interconnected or market correlated positions in the banking book	The risk of material losses due to interconnected or market correlated positions in the banking book	Board Credit Committee, Management Credit Committee	Credit Risk Policy, Compliance Risk Policy, Market Risk Policy
Large Exposure Risk	At a Bank portfolio level that the Bank is operating within Credit policy in respect of overall lending cap, within approved lending frames, and is adequately monitoring large exposures	At a Bank portfolio level that the Bank is operating within Credit policy in respect of overall lending cap, within approved lending frames, and is adequately monitoring large exposures	Board Credit Committee, Management Credit Committee	Credit Risk Policy, Compliance Risk Policy, Market Risk Policy

MARKET RISK				
Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Interest Rate Risk	The risk of loss of earnings as a result of underlying market rate changes	The bank shall not suffer a loss on earning potential (income+price) of >5% as a result of a 1% drop in underlying base rate movements	Assets and Liability Committee	Market Risk Policy Asset Liability Management Policy Compliance Risk Policy
Foreign Exchange Risk	The risk of loss resulting from open foreign exchange exposure	The bank shall not encounter an overnight foreign exchange exposure of > GBP 100k (or equivalent) to any one currency	Assets and Liability Committee	Market Risk Policy Asset Liability Management Policy Compliance Risk Policy

LIQUIDITY RISK				
Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Funding Liquidity Risk	The inability to meet future cash-flow demands as a result of insufficient funding	Throughout any 30-day forward looking outlook, the bank shall have sufficient expected inflows (under normal economic circumstances) to fund all expected outflows. This shall also be the case at a per currency level for GBP, EUR, USD, DKK	Assets and Liability Committee	Liquidity Risk Policy Asset Liability Management Policy Compliance Risk Policy Market Risk Policy
Market Liquidity Risk	The risk that exposures (typically in the investment portfolio) fail to raise expected liquidity when required giving rise to an unexpected funding gap	As above	Assets and Liability Committee	Liquidity Risk Policy Asset Liability Management Policy Compliance Risk Policy

OPERATIONAL RISK				
Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Client Products and Business Practices Risk	The risk arising from an unintentional or negligent failure to meet a professional obligations (including fiduciary and suitability requirements), or from nature or design of a product	Products and services offered by the bank shall be standard in the market in which they are being offered. The bank shall have no tolerance for intentional breach of conduct in its sale process. Complacency with regards to ethics or customer detriment will be immediately and severely sanctioned. Controls and reward structures are designed in such a way that a systematic breach in the sales process impacting large number of clients is extremely unlikely	Audit & Risk Committee Risk Management	New Products & Services Policy Discretionary and advisory framework Vendor Administration Policy Cross-border Policy Outsourcing Policy
Employment Practices and Workspace Risk	The risk arising from acts inconsistent with employment, health or safety laws or agreements, personal injury claims or from diversity/discrimination events	The bank shall approach the relationship with its employees as its prime assets. The bank shall abide by commitment to providing the top local working environment and all-in employment experience. The bank will ensure a fair and equitable approach to treatment of its employees and that continuous investment is made and retained	Audit & Risk Committee Risk Management	Remuneration Policy Employment Policy Salary Review Policy Disciplinary Procedure Policy Learning and Development Policy Social Media Policy Flexible Working Policy Business Travel Policy Equality Policy Conduct & Ethics Policy Grievance Procedures Policy
Business Disruptions and System Failures Risk	The risk of disruption arising from business or system failures	The bank has no appetite for any failures occurring in the core business processes. Systems and controls are designed to ensure that the product and service offering to stakeholders continue to be the best in class	Audit & Risk Committee Risk Management	IT Security Policy Cloud Outsourcing Policy Business Continuity Management Policy Information Security Management Systems
Execution, Delivery and Process Management Risk	The risk arising from failed transaction processing or process management	The bank has limited appetite for repetitive processing errors. Whilst understanding that processing errors inevitably occur, these will only be unexpected with little foreseeability. The bank will have error management processes which effectively prevent reoccurrence	Audit & Risk Committee Risk Management	N/A

LEGAL, COMPLIANCE AND REGULATORY RISK

Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Business Practices Risk	The risks arising from enabling business behaviour which foments sales processes which are not catered for the available resources and organic growth of lax client management habits	The bank does not envisage taking risks by venturing outside the realm of standard retail banking products and services. However, it is understood that any product or service has an adaptation requirement which needs to be managed	Audit & Risk Committee Risk Management	AML & CFT Policy Crypto Currencies Policy
Client KYC & DD Risk	Risk inherent in having inadequate processes to identify accountholders and connected individuals throughout the client lifecycle	The bank has no appetite for risks posed as a result of weaknesses arising from weak processes and systems governing KYC and DD systems and processes governing client onboarding and ongoing relationship management	Audit & Risk Committee Risk Management	Compliance Risk Policy Conduct and Ethics Policy
Consumer Protection Risk	Risk of failed conduct practices when engaging with the end customer	The bank will not tolerate recurring systematic complaints arising from systemic issues. The bank shall stand by the quality of service and products which are akin to the reputation in the market. Nevertheless, it is understood that complaints may arise from time to time however it is expected that complaints are always satisfied diligently	Audit & Risk Committee Risk Management	Inducements Policy Best Execution Policy Compliance Risk Policy Conduct and Ethics Policy
Customer Relationship Management Risk	The risks attributed to systematically failing to legitimately meet client expectations in extreme cases leading to toxic client relationships	The bank shall ensure that there sufficient time resource is applied in adequately managing the relationship with the final customer	Audit & Risk Committee Risk Management	Anti-bribery and Corruption Risk Complaints Handing Policy Related Party Transactions

LEGAL, COMPLIANCE AND REGULATORY RISK

Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Privacy and Data Protection Risk	Risk arising from inadequate policies or processes governing the regulatory treatment and protection of the data custodied by the bank	The bank will not accept risks that could result in a data breach. A mass data breach will be regarded as a critically serious incident and consequences for failure will be at a par	Audit & Risk Committee Risk Management	Clear Desk Policy Consent Policy Document IT Security Policy Compliance/GDPR Policies
Health and Safety Risk	The risk of inadequate measures to protect the well-being of employees or the environment in which they perform	The bank will always ensure that the well-being and working environment of employees is above standard	Audit & Risk Committee Risk Management	Focus & First Aiders Policy
Regulatory Reporting Risk	Regulatory risk arising from inadequate regulatory reporting processes	The bank has no appetite for failed or inaccurate regulatory reporting. The bank shall have sufficient controls and review procedures to mitigate any risk of failures. The bank has not appetite for failing to close recommendations from auditors or external authorities within agreed timeframes	Audit & Risk Committee Risk Management	Compliance Risk Policy Conduct and Ethics Policy
Regulatory Environment Risk	The risk of not adhering the regulatory requirements, including fiscal and financial reporting	The bank shall not tolerate any known deviation from the rules and regulation in place in the countries where it operates. The risk of regulatory breaches occurring due to unexpected changes in legislation is accepted, provided that these breaches are temporary and rapidly remediated	Audit & Risk Committee Risk Management	N/A

LEGAL, COMPLIANCE AND REGULATORY RISK

Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Labour and Employment Risk	The risk of failing to acquire and maintain appropriate proficiency, experience and academic ability consistently	The bank shall invest in ensuring that employees have the right level of competence and technical abilities to perform their responsibilities. There is no appetite for risk around inadequate employees. Additionally, the bank shall fully comply with regulatory requirements governing required levels of experience and academic attainment for specific positions. The bank shall means to record and identify instances where employees are conflicted or influenced to the extent that enables them to perform their responsibilities with independence and sound judgement	Audit & Risk Committee Risk Management	Compliance Risk Policy Learning & Development Policy Conflict of Interest Policy Document Whistleblowing programme Policy
Legal Risk	Risks incurred due to negligence in compliance with laws related to the business	The bank will invest sufficient resources to ensure the flawless handling of client litigation. The bank has no appetite to include permanent ongoing litigation as part of its business model although acknowledges that an element of legal risk is unavoidable	Audit & Risk Committee Risk Management	Compliance Risk Policy
Licencing and Permits Risk	The risk inherent in failing to obtain (or obtaining inappropriate) necessary operating authorisations as a firm or individuals	The bank shall establish and manage adequate controls to ensure that all regulatory licences, authorisations, and permissions are in place. The bank has no appetite for other modus operandi	Audit & Risk Committee Risk Management	Compliance Risk Policy

AML/CFT/FINANCIAL CRIME RISK

Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Internal Fraud Risk	The risk of our services being utilised for AML/CFT purposes	The bank's business model shall not be built on the necessity of high-risk customers (including PEPs). Onboarding of high-risk clients will be justified to the extent that heightened risks can be mitigated through transferring that risk to third-party or that specific internal controls can be ring-fences to the particular client group. PEP and high-risk clients shall only marginally contribute to the revenues of the bank	Audit & Risk Committee Risk Management	AML & CFT Policy Conflict of Interest Policy Fraud Policy Insider Trading Policy
External Fraud Risk	The risk arising from failing to appropriately deal with legitimate requests from third-party authorities	The bank shall not tolerate any behaviour which puts the bank's reputation with the authorities at risk. There will be no tolerance towards legitimate requests or demands from authorities	Audit & Risk Committee Risk Management	AML & CFT Policy Conflict of Interest Policy Fraud Policy Insider Trading Policy
High Risk Client Relationships Risk	The risk exposure created by managing client relationships who's inherent characteristics adhere to an elevated risk profile.	The bank accepts that high risk customers are an important element of our business. However, the bank will not entertain client profiles which cannot be managed by suitable and adequate risk management frameworks	Audit & Risk Committee Risk Management	AML & CFT Policy Anti-Bribery & Corruption Policy Crypto Currencies Policy New Business Policy
Sanctions Risk	Risk of losses due to acts of a type intended to defraud, misappropriate property or circumvent the law	The bank has a zero tolerance approach to fraud risk	Audit & Risk Committee Risk Management	AML & CFT Policy Anti-Bribery & Corruption Policy

AML/CFT/FINANCIAL CRIME RISK

Risk Domain	Definition	Risk Appetite	Governing Body	Key Applicable Policies
Criminal and Judiciary Risk	The risk of our services being utilised for AML/CFT purposes	The bank's business model shall not be built on the necessity of high-risk customers (including PEPs). Onboarding of high-risk clients will be justified to the extent that heightened risks can be mitigated through transferring that risk to third-party or that specific internal controls can be ring-fenced to the particular client group. PEP and high-risk clients shall only marginally contribute to the revenues of the bank	Audit & Risk Committee Risk Management	AML & CFT Policy Anti-Bribery & Corruption Policy
Fiscal Transparency & Cooperation Risk	The risk arising from failing to appropriately deal with legitimate requests from third-party authorities	The bank shall not tolerate any behaviour which puts the bank's reputation with the authorities at risk. There will be no tolerance towards legitimate requests or demands from authorities	Audit & Risk Committee Risk Management	AML & CFT Policy
Bribery Risk	The risk arising from corrupt solicitation, acceptance, or transfer of value in exchange for official action	The bank will ensure sufficient protection against the risk of bribery practices including disciplinary measures if required	Audit & Risk Committee Risk Management	AML & CFT Policy Anti-Bribery & Corruption Policy
Employee Market Abuse Risk	The risk arising from market manipulation and arbitration arising from abuse of privileged internal information	The bank does not tolerate any level of employee market abuse	Audit & Risk Committee Risk Management	Market Abuse Policy Market Risk Policy
Money Laundering	The risk arising from the process of illegally concealing the origin of money from illicit activities	The bank will take a risk-based approach to managing the risk arising from money laundering. The AML/CFT will be adequate in line with the markets that we operate in and the specific jurisdictional risks which arise	Audit & Risk Committee Risk Management	AML & CFT Policy Crypto Currencies Policy



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4. Capital and Other Disclosures



The Bank prioritises maintaining a robust capital base to uphold investor and market confidence, as well as support future business growth. The Board oversees capital levels for present and future operations, documenting risk appetite and capital needs under stress scenarios as part of the ICAAP (Internal Capital Adequacy Assessment Process).

The Internal Capital Adequacy Assessment Process ("ICAAP") was last undertaken for the year ending 31 December 2022 and serves two key purposes:

- It informs TNB's Board of Directors how TNB assesses its risks, how it mitigates those risks and how much current and future capital is deemed necessary to support TNB's operations in light of those risks.
- It is also the means by which TNB evidences its internal capital adequacy assessment process to the Gibraltar Financial Services Commission.

TNB's ICAAP methodology adheres to relevant regulatory requirements and makes an assessment of the following areas of risk:

- Credit Risk
- Market Risk
- Liquidity Risk
- Leverage Risk
- Operational Risk
- Business Risk
- Strategic Risk

This ICAAP is prepared by TNB's Risk Management team and serves as Management's expression of the level of confidence it has in its:

- Oversight of significant risks
- Ability to identify significant risks
- Specific risk management practices and
- Ability to respond to severe adverse conditions

Maintaining and continually reviewing the ICAAP helps to ensure that TNB continues to retain its focus on the risks it faces.

Capital Requirement

TNB's capital adequacy assessment, which covers the period ending 31 December 2022, is based on relevant regulatory requirements.

Each defined risk category is assessed in order to determine whether additional capital beyond the Pillar I requirement should be set aside.

TNB is presently operating with a comfortable capital buffer, well in excess of both the minimum regulatory capital adequacy requirement of 8% of the Total Risk Exposure Amount (REA) and TNB's aggregated capital requirement (solvency need) of 10.89%.

Stress Test Analysis

The purpose of capital planning is to enable TNB to ensure capital adequacy under stressed economic conditions. Stress testing is intended to help TNB gain a better understanding of the significant risks that it potentially faces under extreme conditions and to provide important input to the determination of related regulatory and economic capital requirements.

The stress test analysis consists of applying assumed values of economic parameters that affect the financial position of TNB in terms of profit and loss and balance sheet and determining the impact on capital.

The stress test performed demonstrate that TNB maintains sufficient capital in the short-term vis-à-vis the REA determined by the Bank's current activity, even in a distressed and catastrophic environment.

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The set of figures illustrate above shows that TNB has adequate capital for the nature, scale and complexity of its operations. However, as a result of the calculations performed for each of the risk types it was recommended that the Board considers Pillar 2 capital add-ons for the following additional risks:

- **GBP 1.8m** for concentration risk (credit risk) relating to the ratio of large exposures to TNB's total exposures
- **GBP 7.962m** for operational risk
- **GBP 0.362m** for risks relating to lending growth

The aggregate of capital add-ons proposed is GBP 10.124m, or 2.89% of REA. It was therefore recommended that TNB's solvency requirement (i.e. excluding the combined buffer requirement) be set at 10.89% of REA (and at 14.89% inclusive of the combined buffer requirement and additional safety buffer).

At present TNB's capital ratio, which is calculated by expressing own funds as a proportion of the REA, is 22.64%.

The above recommendations were approved by the Board during the board meeting held on 16th March 2023.

Taking risk is intrinsically linked to conducting business. Hence it is fundamental that TNB maintains a effective risk management framework as part of the overall governance structure. The Board understands that risk taking is inevitable in pursuit of TNB's objectives but requires to be managed methodologically to ensure that risk can be adequately identified and measures and fall within the appetite which has been set.

The Board considers that as at 16th March 2023, TNB had in place adequate systems and controls with regards to TNB's risk profile and strategy. Fully recognising that risk cannot be eliminated, the Board is satisfied that the systems of internal control embedded within the risk management framework have worked effectively during the last financial year to identify, monitor manage and control relevant risks.

as at 31/12/2022 £'000	Total Risk Exposure Amount (REA)	Pillar I capital requirement	Pillar II capital add-on	Capital requirement
Credit risk	325,313	26,025	1,800	27,825
Market risk	-	-	-	-
Operational risk	24,560	1,965	7,962	9,927
Liquidity risk	-	-	-	-
Leverage risk	-	-	-	-
Business Risk	-	-	362	362
TOTALS	349,873	27,990	10,124	38,114
Own funds (CET1 + AT1 + T2 capital)	79,199			
Surplus of own funds over Pillar I capital requirement	51,209			
Surplus of own funds over capital requirement	41,085			
TOTAL CAPITAL RATIO (Own funds as % of REA)	22.64%			
SOLVENCY NEED (capital requirement as % of REA)	10.89%			

4.1 | Key Metrics

The table opposite represents the set of key prudential metrics covering the Bank's available capital (including buffer requirements and ratios), risk weighted exposure amounts (RWA), leverage ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

		31/12/2022
Available own funds (amounts)		
	Common Equity Tier 1 (CET1) capital	79,198,926
	Tier 1 capital	79,198,926
	Total capital	79,198,926
Risk-weighted exposure amounts		
	Total risk-weighted exposure amount	349,873,046
Capital ratios (as a percentage of risk-weighted exposure amount)		
	Common Equity Tier 1 ratio (%)	22.64%
	Tier 1 ratio (%)	22.64%
	Total capital ratio (%)	22.64%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
	Additional CET1 SREP requirements (%)	2.89%
	Additional AT1 SREP requirements (%)	0%
	Additional T2 SREP requirements (%)	0%
	Total SREP own funds requirements (%)	10.89%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
	Capital conservation buffer (%)	2.50%
	Other Systemically Important Institution buffer	1.50%
	Combined buffer requirement (%)	4%
	Overall capital requirements (%)	14.89%
	CET1 available after meeting the total SREP own funds requirements (%)	7.75%
Leverage ratio		
	Total exposure measure excluding claims on central banks	281,966,222
	Leverage ratio excluding claims on central banks (%)	28.02%
Liquidity Coverage Ratio		
	Total high-quality liquid assets (HQLA) (Weighted value - average)	100,210,837
	Cash outflows - Total weighted value	134,373,691
	Cash inflows - Total weighted value	81,310,577
	Total net cash outflows (adjusted value)	53,063,113
	Liquidity coverage ratio (%)	188.85%
Net Stable Funding Ratio		
	Total available stable funding	466,548,910
	Total required stable funding	279,158,935
	NSFR ratio (%)	167.13%

4.2 Overview of Risk Weighted Exposure Amounts

The below table represents an overview of Risk Weighted Exposure Amounts (RWAs). The assets of the Bank are analysed by risk category and given ratings according to the level of risk entailed per the CRR. This table presents the Bank's RWAs and capital requirements per category of risk, calculated as 8% of RWAs.

	Risk weighted exposure amounts (RWAs)	Total own funds requirements
	31/12/2022	31/12/2022
Credit risk (excluding CCR)		
Of which the standardised approach	325,312,835	26,025,027
Counterparty credit risk - CCR		
Of which the standardised approach	-	-
Operational risk		
Of which basic indicator approach	-	-
Of which standardised approach	24,560,211	1,964,817
Total	349,873,046	27,989,844

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5. Remuneration

5.1 | Remuneration System

TNB is guided by a Remuneration Policy which outlines key components and objectives of how as an organisation we review and approve all employees' remuneration, which includes that of Executive Directors and Senior Management.

The objectives of the policy are to:

- Establish the principles that ensure TNB applies fair and equitable remuneration arrangements.
- Drive our employee performance without encouraging poor customer outcomes.
- Retain high quality individuals to deliver success in a competitive market environment and create sustainable shareholder value.
- Support TNB's risk management and governance frameworks that have been implemented to encourage prudent risk-taking and deliver sustainable long-term financial soundness for TNB.
- Ensure compliance with regulatory obligations and expectations in respect of employee remuneration.

Our remuneration policy considers regulations such as:

- Financial Services (Credit Institutions & Capital Requirements) Regulations 2020 (regulations 49 to 53)
- EU Directive 2013/36EE as amended by EU Directive 2019/878/EU
- EU Regulation 604/2014
- EBA Guidelines on sound remuneration policies under Directive 2013/36/EU

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Board approval & oversight

The Board is responsible for approving the remuneration policy that will apply to TNB and for reviewing this Policy on an annual basis. This review will include an assessment of:

- The application and effectiveness of this Policy
- Compliance with relevant legislation or regulatory requirements
- The relevance of this Policy in changing market conditions

TNB's cultural norms also find expression through TNB's remuneration philosophy - that compensation should remain fair and competitive to attract, motivate and retain talent and create sustainable shareholder value by rewarding good performance while avoiding bonus-centric compensation arrangements, which tend to distort individual motivations and encourage excessive risk-taking. TNB's Reward & Recognition programme is designed to drive employee performance without detriment to desired customer and stakeholder outcomes. In 2022 the Board presided over the design of TNB's Reward & Recognition programme (a variable remuneration award scheme) to ensure that total reward is appropriate and aligned with TNB's long-term strategy, business objectives, and Board risk appetite. These awards are based on an individual's performance and contribution against agreed objectives (both financial and non-financial) measured in terms of what has been delivered and how it was delivered, as well as on TNB's financial results for the year.

Discretionary awards for exceptional performance are intended to reward employees who have gone above and beyond expectation in terms of effort and/or results achieved. Base remuneration is set by reference to market rates and reviewed, although not necessarily changed, annually. Increases are typically to ensure appropriate pay positioning relative to the market and in connection with promotions or changes in role responsibilities. In addition, consideration is given to salary adjustments for increases in cost of living. Whereas talent is at the heart of everything, and that attracting and retaining good people is critical to our ongoing success, the Board recognises that building a positive reputation by striking the right cultural balance is what keeps TNB on track to becoming the employer of choice. The external perspective gained from assessment and accreditation by Investors in People (IIP) in September 2021 to assess how well TNB leads, supports, and manages its human assets led to TNB's shortlisting in 2022 as one of IIP's top 20 organisations in the Gold Award category.

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Material Risk Takers (MRTs)

MRTs are those colleagues who operate in roles that are deemed to have, or potentially have, a material impact on the risk profile of the Bank. TNB has classified 4 members of staff as MRTs in 2022. In order to be identified as a MRT, the individual must meet one of the below quantitative or qualitative criteria, in accordance with the Remuneration Policy.

Qualitative Criteria

- a) Executive Directors & CEO,
- b) Senior Managers,
- c) Employees who are responsible and accountable to the Board for the activities of the independent risk management function, compliance function or internal audit function

Quantitative Criteria

Employees entitled to significant remuneration in the preceding financial year provided that the following three conditions are met:

- a) The employee's Total Potential Remuneration is equal to or higher than GBP 500,000,
- b) The employee's Total Potential Remuneration is equal to or higher than the average Total Potential Remuneration awarded to the members of TNB's executive and senior management, and
- c) The employee performs a role that has a significant impact on TNB's risk profile (e.g., has the authority individually, or as a member of a committee, to take, approve or veto a decision on credit proposals which can result in credit risk exposures to a single counterparty (or group of connected counterparties) in excess of GBP 5 million, or to take, approve or veto a decision on transactions on the trading book which represents 5% or more of TNB's Common Equity Tier 1 capital).

The Board will approve remuneration structures for these employees and oversee the overall remuneration outcomes for employees in these roles at least annually.

Approach to remuneration

The approach taken for our MRTs population will differ from that of the wider colleague population. We offer base salary (fixed remuneration), variable remuneration and a consistent benefit offering to all colleagues.

Fixed remuneration

Base remuneration will generally be reviewed annually, within budget parameters agreed with the Board on recommendations from the CEO and the Manager of Human Resources. During this process funding for annual remuneration increases will be considered by the Board, taking account of a range of factors, including general market remuneration movements and trends, market competitiveness and TNB's capacity to pay. Base remuneration may be adjusted for increases in the annual cost of living, but these adjustments remain at the discretion of the Board within the budget parameters agreed.



Variable remuneration

Variable Remuneration, including the measures used to assess outcomes, shall be underpinned by the remuneration principles outlined in our remuneration policy.

All Variable Remuneration schemes (including formula driven plans) will be clearly documented and governed by Scheme Rules, which will include Remuneration Arrangements, participation rules, and plan design promoting behaviours in line with TNB's values and risk management. This includes any STVR Target agreed for employees on Specified Term Contracts, which is contingent upon contract-specific performance outcomes.

The Scheme Rules of Variable Remuneration schemes will be approved by the Board on the recommendation of the CEO.

An effectiveness review of TNB's Variable Remuneration schemes is conducted on a regular basis and the review outcomes reported to the Board. This ensures that the Variable Remuneration schemes remains fit for purpose and adheres to the Variable Remuneration principles set out in our remuneration policy.

Other remuneration arrangements

One-off payments (e.g., sign on awards and retention payments) are a non-standard component of total reward and will only be considered upon submission of a strong business case.

Retention payments, usually intended to encourage individuals who are identified as business critical to continue employment with TNB, will be subject to deferral arrangements and performance criteria.

Sign-on Awards will not be guaranteed or paid upfront. Should it be necessary to compensate an employee joining TNB for the loss of remuneration with their previous employer, then any such payment will be made no earlier than one year after commencing employment with TNB. However, the payment will be subject to forfeiture where the employee does not meet agreed performance expectations.

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5.2 Remuneration awarded for the financial year

The information below sets out the remuneration of individuals who served for at least part of the year as a Material Risk Taker (MRT). All TNB's identified MRTs fall within being a member of the management body (MB Supervisory Function), or senior management (MB Management Function). The Bank is not structured in such a way to break down the data by business area. In addition, to preserve the anonymity of individual's remuneration, the tables do not show the breakdown between each distinct MRT category.

The ratio between fixed and variable pay can be seen below.

For the year ended 31 December 2022

	MB Supervisory Function	MB Management Function
Number of identified staff	6	4
Of which: members of the MB	6	1
Of which: other senior management	-	4
Total fixed remuneration	126,485	638,183
Total variable remuneration	-	69,734
Total remuneration	126,485	707,917

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