OakNorth

10 YEARS

Pillar 3 disclosures 2025

CONTENTS

1 Introduction

This report provides the Pillar 3 disclosures for OakNorth Bank Plc ("OakNorth" or "the Bank") and its subsidiaries ("the Bank Group") as of 31 December 2025. It should be read alongside the OakNorth Bank Plc 2025 Annual Report & Financial Statements, available at: https://oaknorth.co.uk/2025-annual-report/. The Pillar 3 disclosures are available at: https://oaknorth.co.uk/pillar-3-disclosures/.

1.1 Applicable regulations & disclosure framework

OakNorth is subject to UK Capital Requirements Regulation (CRR) and relevant technical standards, which were amended through statutory instruments following the European Union (Withdrawal) Act 2018. The CRR framework is now split between the Prudential Regulation Authority (PRA) Rulebook and UK primary legislation. The Pillar 3 disclosures have been made in accordance with part Eight of the Capital Requirements Regulation and Directive, as implemented ('CRR II') and the PRA Rulebook, and use the PRA's disclosure templates and instructions, which came into force on 1 January 2022. Any reference in this document to EU regulations and directives should, as applicable, be read as references to the UK's version of such regulation and/or directive, as on-shored into UK law under the European Union (Withdrawal) Act 2018.

OakNorth applies the Standardised Approach for calculating capital requirements under Pillar 1 credit risk and the Basic Indicator Approach for Pillar 1 operational risk requirements.

OakNorth follows proportional disclosure requirements as outlined in Article 433c of the Disclosure (CRR) Part of the PRA Rulebook. These primarily cover key metrics (capital, liquidity, and leverage), own funds composition and movement (including reconciliation with financial statements), exposures and risk-weighted asset classifications, capital requirements, and capital instruments' main features. However, where relevant, we have provided additional disclosures. Note that any blank cells, cells that do not apply to OakNorth or are not applicable have been removed from the disclosures. No disclosures have been omitted on the basis of them being regarded as proprietary or confidential.

1.2 Basis of disclosures

The report contains information presented for the year ended 31 December 2025, with comparatives for 31 December 2024. All disclosures have been prepared in Pounds Sterling, rounded to nearest thousands. Conversion of foreign currency balances follow the accounting principles and guidelines. For further details please refer to the 2025 Annual Report & Financial Statements.

OakNorth is subject to prudential regulatory requirements on a consolidated basis, including its subsidiaries (A.S.K Partners Limited). All disclosures in this document as of 31 December 2025 are in respect of the Bank Group.

1.3 Verification

Published annually, these disclosures are verified by management and reviewed by the Board Audit Committee. They are not independently audited and do not form part of the OakNorth's Annual Report & Financial Statements.

1.4 Key Regulatory developments

The UK implementation of the Basel 3.1 reforms, which introduce revisions to the calculation of risk-weighted assets under the Standardised Approach for credit risk and update the operational risk capital framework, is expected to take effect from 1 January 2027. The PRA has published its final rules, and OakNorth has been actively engaged in industry forums and working groups to understand the implications of the reforms and contribute to the broader implementation dialogue across the sector. Preliminary analysis of the final rules, informed by our internal assessment, indicates that the changes are not expected to have a material adverse impact on OakNorth's capital position or risk-weighted assets. The Bank will continue to refine its analysis as implementation approaches and will provide updated disclosure in future reporting periods where relevant.

In December 2025, the Prudential Regulation Authority approved a 2.2% reduction in the Bank's regulatory capital requirement, effective January 2026, providing additional capital headroom to support future growth.

2 Risk management framework and overview

Refer to pages 25-26 "Risk Management Framework and overview" and 51-56 "Risk Management Framework & Risk Review" of the 2025 Annual Report & Financial Statements.

2.1 Risk Strategy and Governance

OakNorth manages risk in accordance with a Board-approved Risk Management Framework (RMF), which defines how the Bank identifies, measures, monitors and mitigates the material risks to which it is exposed. The RMF is supported by a comprehensive Risk Appetite Statement (RAS) that sets the type and quantum of risk the Board is prepared to accept in pursuit of its strategic objectives, and is operationalised through a suite of policies, standard operating procedures, and risk appetite metrics that are monitored at least monthly.

Further detail on the Bank's risk strategy, risk culture, three lines of defence model, and risk governance is set out on pages 52–56 of the 2025 Annual Report & Financial Statements.

2.2 Risk Governance Structure

The Board delegates oversight of the RMF to three Board-level Committees:

Board Risk & Compliance Committee (BRCC): oversees the overall risk framework, risk appetite, and all risks excluding credit risk; safeguards the independence of the Chief Risk Officer and second-line functions.

Board Credit Committee (BCC): oversees credit risk appetite, delegated lending authorities, and significant credit decisions.

Board Audit Committee (BAC): reviews the adequacy of financial controls, the integrity of financial reporting, and the work of Internal Audit and the external auditors.

Day-to-day risk oversight is exercised through the Executive Risk Committee (ERC), the Asset and Liability Committee (ALCO), the Credit Risk Management Committee (CRMC), and the Reserve Adequacy Working Group (RAWG). The Chief Risk Officer reports directly to the BRCC.

2.3 Principal risks

OakNorth's risk taxonomy comprises five principal (Level 1) risks, supported by 29 Level 2 risks and 87 Level 3 risks. The five principal risks and their residual risk status for 2025 are summarised below.

Risk Category	Description	Inherent Impact	Inherent Likelihood	2025 Movement
Strategic	Risk of internal or external events impacting delivery of strategy. Includes conduct, people & culture, and climate change risks.	High	Likely	Stable
Credit	Risk of loss when counterparties fail to fulfil contractual obligations. Includes concentration risk across names, sectors and geographies.	Severe	Probable	Stable
Operational	Risk of loss from failed processes, people, systems or external events. Includes cyber, operational resilience, model risk and data quality.	Severe	Likely	Stable
Regulatory & Legal	Risk of financial loss, reputational damage or disruption from non-compliance with laws, regulations or legal obligations.	High	Likely	Stable
Financial	Risk of loss from capital, liquidity, funding, market or interest rate movements. Includes IRRBB, concentration in funding sources and capital adequacy.	Severe	Likely	Stable

Three horizon risks are identified as emerging: Macroeconomic and Geopolitical Risk (reflecting interest rate volatility, inflation, global trade frictions, and broader geopolitical tensions that may affect credit quality, customer behaviour, and strategic execution); Generative Artificial Intelligence Risk (reflecting the evolving risk landscape from expanded Gen AI deployment across the Bank's credit analytics, compliance, and operational workflows); and Group Risk (reflecting the additional regulatory and structural complexity arising from the proposed acquisition of Community United Bank, subject to regulatory approval). Further details on mitigation strategies for all principal and horizon risks is set out on pages 53-56 of the 2025 Annual Report & Financial Statements.

Board Statement — Adequacy of Risk Management Arrangements (Article 435(1)(e) CRR)

The Board has reviewed OakNorth's risk management arrangements and is satisfied that they are adequate having regard to the Bank's risk profile and business strategy. This assessment is informed by the Bank's 2025 ICAAP and ILAAP, results of the Internal Audit programme, second-line assurance outputs, and the Board's own review of material risk events and appetite metrics during the year.

3 Governance Review Summary

Refer to pages 48-50 "Governance Review of the 2025 Annual Report & Financial Statements.

3.1 Board Composition and Directorships

As at 31 December 2025, OakNorth's Board comprised nine directors: three Executive Directors and six Independent Non-Executive Directors (INEDs). In line with Article 435(2)(a) CRR, the number of executive and non-executive directorships held by each Board member (including directorships in Group entities and third-party boards, where applicable) is set out in the Directors' Profiles on pages 48–50 of the 2025 Annual Report & Financial Statements.

OakNorth is not required to comply with the UK Corporate Governance Code but has regard to its principles proportionate to the Bank's size, complexity and ownership structure.

3.2 Recruitment and Diversity Policy

The Board Nomination Committee (NOMCO) is responsible for Board structure, size, composition and succession planning for both Executive and Non-Executive Directors, including maintaining a pipeline of identified candidates and conducting periodic skills and tenure assessments. Newly appointed Directors undergo a formal induction programme covering strategy, governance, the Risk Management Framework and key policies. Appointments are made on merit against the balance of skills, knowledge, experience and diversity required for Board effectiveness. The Bank is committed to equal opportunity regardless of gender, race, religion, sexual orientation or socio-economic background. Further detail on OakNorth's Board recruitment, induction, succession and diversity arrangements is set out in Section 6 of this document.

3.3 Risk Committee

The Board Risk & Compliance Committee (BRCC) is the Board-level committee responsible for overseeing the Bank's risk framework, risk appetite and risk management processes (excluding credit risk, which falls within the mandate of the Board Credit Committee). During 2025, the BRCC met on 4 occasions. The BRCC's terms of reference, membership and key activities during the year are described on pages 48–50 of the 2025 Annual Report & Financial Statements.

3.4 Information Flow on Risk to the Board

The Board receives risk management information on at least a monthly basis. This includes: monthly capital and liquidity dashboards; a monthly risk appetite metric report covering all Level 1 and key Level 2 indicators; quarterly reports from the BRCC, BCC and BAC; and periodic ICAAP and ILAAP updates. Material risk events and limit breaches are escalated to the Board outside the regular cycle as required. The CRO has direct access to the Board Chairman and BRCC Chair. Further detail on the Board's oversight of risk, including how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006, is set out in the Governance Review (pages 48–50), the Risk Management Framework and Risk Review (pages 52–79), and the Section 172 Statement (page 27-28) of the 2025 Annual Report & Financial Statements.

3.5 External directorships held by members of the Board

Name of Director	Position	Number of External Directorships[1]
Lord Adair Turner	Chairman	4
Robert Burgess	Non-Executive Director Chair of the Board Credit Committee, Chair of the Board Risk & Compliance Committee	2
Carolyn Schuetz	Non-Executive Director Chair of the Board Audit Committee	2
Edward Barry Berk	Senior Independent Director Chair of Board Remuneration Committee, Chair of Board Nomination Committee	-
Nilan Peiris	Non-Executive Director	1
Timo Boldt	Non-Executive Director	3
Rishi Khosla	Executive Director Chief Executive Officer	1
Joel Perlman	Executive Director Senior Managing Director	3
Rajesh Gupta	Executive Director Chief Financial Officer	1[2]

[1] These includes directorships in non-commercial organisations. In line with CRD Article 91(4), one type of directorship for multiple entities within a group is counted as one directorship. Therefore, for the executive directors that hold directorships in other non-Bank OakNorth group entities, those are counted as one and included in the data.

[2] Includes additional directorship within OakNorth Bank Plc group (A.S.K Partners Limited)

4 Key risks and further details on risk management

The following sections provide further details on the material risks associated with OakNorth's operations.

4.1 Credit

Refer to pages 57-72 of the 2025 Annual Report & Financial Statements.

Credit Quality Classification

OakNorth classifies loans across five internal risk categories — Standard, Early Warning Signs (EWS), Intensive Monitoring (IM), Watchlist (WL), and Default — based on quantitative and qualitative portfolio monitoring triggers. These categories map to IFRS 9 stages as follows:

Stage 1 (12-month ECL): Standard, EWS and IM-classified loans where there has been no significant increase in credit risk (SICR) since origination.

Stage 2 (lifetime ECL): Watchlist-classified loans. SICR triggers include 30 days past due (backstop), breaches of financial covenant ratios (interest cover, debt service cover, LTV), qualitative deterioration indicators, and all loans subject to forbearance measures.

Stage 3 (lifetime ECL, credit-impaired): Default-classified loans. Default triggers include 90 days past due (backstop), evidence of significant financial difficulty, high probability of bankruptcy, breach of contractual terms, and other objective impairment indicators consistent with EBA guidelines on the definition of default.

Each loan is assessed individually; OakNorth does not apply portfolio-level staging adjustments. No staging exceptions were applied as at 31 December 2025 (2024: nil). Full detail on staging criteria, transfer conditions and governance is set out in Note 1.14.6 of the 2025 Annual Report & Financial Statements. Write-off policy is described in Note 1.14.7.

Maximum exposure to credit risk in the loan book, ECL provisions and Staging

2025	On balance sheet- Loans and advances to customers	Allowance for ECL	Net carrying amount	% ECL allowance of on-balance sheet exposures	Off- balance sheet – Undrawn Loan Commitments	Allowance for ECL	Net carrying amount
	£'000	£'000	£'000	%	£'000	£'000	£'000
Stage 1	4,514,265	7,088	4,507,177	0.2%	638,323	500	637,823
Stage 2	242,557	4,303	238,254	1.8%	2,093	42	2,051
Stage 3	146,439	6,368	140,071	4.3%	3,736	-	3,736
Total	**4,903,261**	**17,759**	**4,885,502**	**0.4%**	**644,152**	**542**	**643,610**

2024	On balance sheet- Loans and advances to customers	Allowance for ECL	Net carrying amount	% ECL allowance of on-balance sheet exposures	Off- balance sheet – Undrawn Loan Commitments	Allowance for ECL	Net carrying amount
	£'000	£'000	£'000	%	£'000	£'000	£'000
Stage 1	3,976,861	6,838	3,970,023	0.2%	494,609	183	494,426
Stage 2	358,650	6,292	352,358	1.8%	5,815	55	5,760
Stage 3	76,908	8,949	67,959	11.6%	3,800	-	3,800
Total	**4,412,419**	**22,079**	**4,390,340**	**0.5%**	**504,224**	**238**	**503,986**

Maximum exposure to credit risk as at 31 December 2025 includes loans and advances to customers classified at FVTPL with gross on-balance sheet exposure of £67.7 million (2024: £nil) (Note 15 in the section "Notes to the financial statements", page number 131 as part of 2025 Annual Report & Financial Statements) and off-balance sheet exposure on undrawn commitment of £0.8 million (2024: £nil)

Allowance for ECL as at 31 December 2025 for on-balance sheet exposure includes £194k attributable to loans and advances to customers classified at FVTPL (2024: £nil)

Uncommitted loan facilities: As at 31 December 2025, OakNorth had £1,668 million of uncommitted facilities (2024: £1,251.1 million). These facilities are unconditionally cancellable. This balance includes a facility of £52.8 million provided to the subsidiary A.S.K Partners Limited (2024: £14.8 million).

The three largest gross drawn loan exposures represented 1.9%, 1.7%, and 1.7% of OakNorth's total drawn loan book as at 31 December 2025 (2024: 2.0%, 1.8%, and 1.8%). There were no other material concentrations of customer credit risk.

A.S.K Partners Limited loans and advances to customers: The subsidiary had outstanding loan balances of £6.9 million as of 31 December 2025 (2024: £2.8 million). These are not included in the disclosures above. There were £1.6 million of provisions against these loans as per the individual assessments applied to each facility (2024: Nil). The loan book is fully secured by property collaterals and there are no undrawn and committed facilities as at 31 December 2025 (2024: nil).

Forbearance

Forbearance involves concessions granted to borrowers who are facing, or are likely to face, difficulty in meeting their financial commitments. Concessions may take the form of payment-related forbearance (maturity extension, temporary deferral, revised repayment schedule) or covenant-related forbearance (waiver or amendment of financial covenants). Measures are granted only where they are expected to restore sustainable repayment capacity and are consistent with better outcomes for both the borrower and the Bank.

All forbearance cases require approval through a restructuring strategy presented to the Credit Risk Management Committee (CRMC). Forborne loans are classified under the appropriate internal monitoring category (EWS, IM, WL or Default) and are automatically classified as IFRS 9 Stage 2 or Stage 3 as applicable. Transfers to a lower stage are subject to the probation period requirements defined in the Bank's staging policy, as described in Note 1.14.6 of the 2025 Annual Report & Financial Statements.

Forbearance disclosures: As at 31 December 2025, 24 loans had been subject to forbearance measures during the year (2024: 16 loans), with a combined gross carrying value before provisions of £296.8 million (2024: £193.3 million). These are classified across IFRS 9 stages as follows:

- **Stage 1: Intensive Monitoring:** 1 loan - £5.2 million (2024: 1 loan - £4.7 million)
- **Stage 2:** 13 loans - £151.2 million (2024: 8 loans - £117.5 million)
- **Stage 3:** 10 loans - £140.4 million (2024: 7 loans - £71.0 million)

Credit risk mitigation

OakNorth mitigates credit risk primarily through the taking of eligible collateral, as defined in its Credit Risk Management Framework (CRMF). Acceptable collateral types include: fixed charges over freehold or leasehold property; charges over fixed and floating business assets (debentures); personal and corporate guarantees; and cash deposits. The CRMF sets out conditions and methods for collateral valuation to ensure consistency. All property valuations are carried out by firms on OakNorth's approved panel, independently of any party acting for the borrower. Revaluations are conducted at least every three years for real estate-secured exposures, with internal indexation permitted for smaller performing exposures in line with EBA guidelines.

OakNorth does not currently use credit derivatives, securitisation or financial guarantees from external protection providers as credit risk mitigants for Pillar 1 capital calculation purposes. As at 31 December 2025, no netting arrangements apply to on-balance-sheet loan exposures.

Loan book collateralisation: As at 31 December 2025, 85.1% of loan facilities across the entire loan book were collateralised (2024: 91%), spanning both the real estate and business trading loans segments. Of this, 76% were secured against fixed assets, principally real estate held as collateral (2024: 79%), and 9% were secured with charges or debentures over underlying asset portfolios (2024: 11%). These figures exclude floating asset charges and guarantees not supported by fixed asset security.

Weighted average LTV of the loan book: The weighted average LTV for loan facilities collateralised by property was 51% (2024: 51%). The weighted average LTV for the overall property-backed loan book was 51% (2024: 52%).

LTV distribution of collateralised facilities[1, 2]	2025	2024
<25%	5%	1%
25%-40%	12%	13%
40%-50%	38%	35%
50%-60%	24%	28%
60%-70%	17%	20%
70%-80%	2%	1%
80%-90%	2%	1%
>90%	0%	1%
Total	**100%**	**100%**

Note:
1 All calculations based on total facilities including committed and uncommitted
2 Excludes loans in default

Maximum exposure to credit risk for other financial assets

Details of the maximum exposure to credit risk for other financial assets, including cash and balances at central banks, investment securities, and derivative assets, are set out on pages 62–64 of the 2025 Annual Report & Financial Statements.

Credit risk concentration

Concentration risk arises when multiple exposures share characteristics such that adverse changes in the operating environment could affect borrowers simultaneously. OakNorth manages concentration risk through single-name limits and granular sector, sub-sector and product-level limits, monitored against Board-approved risk appetite metrics. Further detail on OakNorth's concentration risk framework is set out on pages 65 of the 2025 Annual Report & Financial Statements.

Sector distribution[1, 2]	2025	2024
Real estate	52%	51%
Business trading loans[3]	48%	49%
Total	**100%**	**100%**

Note:

[1] All calculations based on total facilities including committed and uncommitted. These include loans at fair value through P&L and exclude loan balances of the Bank's subsidiary, A.S.K Partners Limited.

[2] All real estate categories were 100% collateralised. Business trading loans were 69.2% collateralised (2024: 81%).

[3] Business trading loans are loans where reliance is on operations of the business and not on property. It includes Lender Finance deals (Loan on Loan deal) where underlying loan is trading in nature

Geographic distribution[1]	2025	2024
London	25%	35%
South of England	8%	13%
North & Midlands	22%	16%
National multi-site	26%	28%
Total UK[2]	81%	92%
US	**19%**	**8%**
Total	**100%**	**100%**

[1] All calculations based on total facilities including committed and uncommitted. These include loans at fair value through P&L and exclude loan balances of the Bank's subsidiary, A.S.K Partners Limited.

[2] Reduction in the proportion of UK loans primarily reflects the growth of lending activities in the US during the year.

ECL allowance assessment and impairment methodology

In accordance with IFRS 9, OakNorth recognises expected credit losses (ECL) on all financial assets classified at amortised cost and FVOCI, and on undrawn loan commitments. ECL is calculated as:

ECL = EAD × PD × LGD, discounted at the effective interest rate (EIR) where applicable.

Internally developed, borrower-level PD and LGD models — incorporating industry default data, OakNorth's historical loss experience, and forward-looking macroeconomic variables — are used to estimate ECL for Stage 1 and Stage 2 exposures. A 12-month ECL is recognised for Stage 1 loans; a lifetime ECL is recognised for Stage 2 loans. For Stage 3 loans, case-specific assessments are performed using multiple probability-weighted recovery scenarios.

Macroeconomic scenarios and weightings are reviewed at least annually by the Reserve Adequacy Working Group (RAWG) and approved by the Board Audit Committee. All models are subject to independent validation and governance review by the Model Risk Governance Working Group (MRGWG), RAWG, Board Credit Committee, and Board Audit Committee. Overlay provisions may be applied where model limitations or emerging risks are not fully captured in the standard scenarios.

Full detail on OakNorth's ECL models, macroeconomic scenarios and weightings, sensitivity analysis, and accounting policies (including staging criteria and write-off policy) is set out in Note 1.14.6 (page 110) and Note 1.14.7 (page 111) of the 2025 Annual Report & Financial Statements, and in the ECL and macroeconomic scenario discussion on pages 65–72 of the 2025 Annual Report & Financial Statements.

Staging movement disclosures

Movement in gross exposures and impairment allowance including provisions for loans and advances to customers (OakNorth Bank Plc)

	Gross carrying amount (on balance sheet)				Allowance for ECL			
Bank	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2025	**3,976,861**	**358,650**	**76,908**	**4,412,419**	**6,838**	**6,292**	**8,949**	**22,079**
Transfers between stages during the year								
– Transfers to Stage 1	137,277	(137,277)	-	-	1,978	(1,978)	-	-
– Transfers to Stage 2	(141,664)	141,664	-	-	(450)	450	-	-
– Transfers to Stage 3	(20,168)	(79,548)	99,716	-	(9)	(2,360)	2,369	-
Lending to new customers	1,589,972	-	-	1,589,972	2,133	-	-	2,133

Bank	Gross carrying amount (on balance sheet)				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net impact of further lending, repayments (including write-offs) and ECL remeasurement on existing customers[1]	(1,028,013)	(40,932)	(30,185)	(1,099,130)	(3,402)	1,899	(4,950)	(6,453)
As at 31 December 2025	**4,514,265**	**242,557**	**146,439**	**4,903,261**	**7,088**	**4,303**	**6,368**	**17,759**
Net change in ECL balances					**250**	**(1,989)**	**(2,581)**	**(4,320)**
Of which net impact through P&L					588	2,780	(3,011)	357
Of which net impact through balance sheet (including staging transfers & write-offs)					(338)	(4,769)	430	(4,677)

[1] Includes a £0.65 million impact from the adoption of the new US ECL model for the real estate loan book.

Stage 2 comments: Of the total outstanding loans in Stage 2 as at 31 December 2025, £151.2 million were past due and/or subject to forbearance measures (2024: £284.3 million), and the remaining were in breach of OakNorth's other staging criteria. £ 205.7 million of the loans as at 31 December 2025 were collateralised by real estate (2024: £347.8 million).

Stage 3 comments: Of the total outstanding loans in Stage 3 as at 31 December 2025, £144.4 million were collateralised by real estate (2024: all loans). All the loans were either past due, or in forbearance or under administration.

Bank	Gross carrying amount (on balance sheet)				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024	**3,397,765**	**357,847**	**91,089**	**3,846,701**	**13,260**	**5,082**	**12,219**	**30,561**
Transfers between stages during the year								
– Transfers to Stage 1	76,734	(65,832)	(10,902)	-	5,927	(867)	(5,060)	-
– Transfers to Stage 2	(202,909)	202,909	-	-	(415)	415	-	-
– Transfers to Stage 3	(19,076)	(28,220)	47,296	-	(166)	(427)	593	-
Lending to new customers	1,198,389	2,454	2,106	1,202,949	1,014	6	-	1,020
Net impact of further lending, repayments (including write-offs) and ECL remeasurement on existing customers	(474,042)	(110,508)	(52,681)	(637,231)	(12,782)	2,083	1,197	(9,502)
As at 31 December 2024	**3,976,861**	**358,650**	**76,908**	**4,412,419**	**6,838**	**6,292**	**8,949**	**22,079**
Net change in ECL balances					**(6,422)**	**1,210**	**(3,270)**	**(8,482)**
Of which net impact through P&L					(11,768)	2,089	5,840	(3,839)
Of which net impact through balance sheet (including staging transfers & write-offs)					5,346	(879)	(9,110)	(4,643)

Movement in gross exposures and impairment allowance including provisions for undrawn loan commitments (OakNorth Bank Plc)

Bank	Nominal exposure (off-balance sheet)				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2025	**494,609**	**5,815**	**3,800**	**504,224**	**183**	**55**	**-**	**238**
Transfers between stages during the year								
– Transfers to Stage 1	2,102	(2,102)	-	-	4	(4)	-	-
– Transfers to Stage 2	(1,093)	1,093	-	-	(39)	39	-	-
– Transfers to Stage 3	-	-	-	-	-	-	-	-
Lending to new customers	358,222	-	-	358,222	298	-	-	298
Net impact of further lending, repayments (including write-offs) and ECL remeasurement on existing customers	(215,517)	(2,713)	(64)	(218,294)	54	(48)	-	6
As at 31 December 2025	**638,323**	**2,093**	**3,736**	**644,152**	**500**	**42**	**-**	**542**
Net change in ECL balances					**317**	**(13)**	**-**	**304**
Of which net impact through P&L					386	(47)	-	339
Of which net impact through balance sheet (including staging transfers & write-offs)					(69)	34	-	(35)

Bank	Nominal exposure (off-balance sheet)				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024	**373,439**	**7,139**	**3,902**	**384,480**	**773**	**53**	**-**	**826**
Transfers between stages during the year								
– Transfers to Stage 1	3,850	(3,850)	-	-	26	(26)	-	-
– Transfers to Stage 2	-	-	-	-	-	-	-	-
– Transfers to Stage 3	(489)	-	489	-	(5)	-	5	-
Lending to new customers	301,011	-	-	301,011	106	-	-	106
Net impact of further lending, repayments (including write-offs) and ECL remeasurement on existing customers	(183,202)	2,526	(591)	(181,267)	(717)	28	(5)	(694)
As at 31 December 2024	**494,609**	**5,815**	**3,800**	**504,224**	**183**	**55**	**-**	**238**
Net change in ECL balances					**(590)**	**2**	**-**	**(588)**
Of which net impact through P&L					(611)	28	(5)	(588)
Of which net impact through balance sheet (including staging transfers & write-offs)					21	(26)	5	**-**

Further detail on ECL movements, macroeconomic scenarios and weightings, and ECL sensitivity analysis is set out on pages 65-72 of the 2025 Annual Report & Financial Statements.

4.2 Capital management

Refer to pages 72-74 of the 2025 Annual Report & Financial Statements.

OakNorth's capital risk appetite statement and framework are designed to ensure the Bank maintains sufficient capital, with appropriate buffers, to meet regulatory requirements while supporting its growth projections, even under stressed conditions. This is achieved through an annual ICAAP, a formal internal capital planning exercise conducted in accordance with the PRA ICAA rules. The ICAAP includes forecasts over a three-to-five-year horizon, during which the Board assesses all material capital risks faced by OakNorth and determines the quantity, type, and distribution of capital required to mitigate these risks effectively.

As part of the ICAAP, the Bank conducts stress testing to evaluate whether additional capital may be required beyond the Total Capital Requirement (TCR) and regulatory buffers. Capital adequacy is continuously monitored against the projected growth of the loan book, with regular reporting of capital adequacy and surplus over capital buffers (both forecasted and actual) provided to ALCO, ELT, and ERC on a monthly basis, and to the BRCC on a quarterly basis.

The Bank uses key risk appetite metrics to monitor and measure capital risk, including minimum CET1, Tier 1, and Total Capital ratios, changes in surplus capital under stress scenarios, leverage ratio, and large exposures. These metrics are governed by risk appetite limits defined for business-as-usual conditions, early warning indicators, and internal thresholds.

OakNorth applies the Standardised Approach for calculating capital requirements for Pillar 1 credit risk and the Basic Indicator Approach for Pillar 1 operational risk. The Bank's Tier 1 capital resources include ordinary share capital, Fair Value through Other Comprehensive Income (FVOCI) revaluation reserves, Employee Share Scheme valuation reserves, and retained earnings, with regulatory deductions such as intangible assets and deferred tax balances. The cash flow hedge reserve is excluded from regulatory capital. Tier 2 capital comprises subordinated debt issued by OakNorth.

As at 31 December 2025, OakNorth maintained a consolidated total capital ratio of 18.4% (2024: 20.5%) and a CET1 ratio of 15.5% (2024: 17.3%), with the reduction primarily reflecting growth in the loan book.

During the year, OakNorth paid total dividends of £120 million—comprising a £40 million dividend disclosed as a post-balance sheet event in the 2024 financial statements and a further £80 million special dividend—consistent with the Bank's capital management framework and strategy to optimise capital efficiency, while continuing to support future growth and funding diversification initiatives. A final dividend of £45 million for 2025 was approved by the Board on 5 March 2026.

In December 2025, the Prudential Regulation Authority approved a 2.2% reduction in the Bank's regulatory capital requirement, effective January 2026, providing additional capital headroom to support future growth. The Bank remains well-capitalised, with total capital requirements, including buffers, of 15.05% as at 31 December 2025 (2024: 15.2%), marginally lower due to the increased share of US lending exposures not subject to countercyclical buffers. OakNorth consistently met all regulatory capital requirements and maintained a strong capital surplus of c.£211 million, equivalent to 3.3% of total risk-weighted assets (2024: £288 million; 5.2%). This capital strength is underpinned by the Bank's 2025 ICAAP and Board assessments, confirming sufficient buffers to support its growth strategy and withstand severe stress conditions.

Capital Deployment – CLO Investment Programme

During the year, the Board approved a programme to deploy a portion of the Bank's excess capital into a portfolio of senior, AAA-rated Collateralised Loan Obligations (CLOs) under a discretionary mandate. The programme is designed to optimise the Bank's capital utilisation and enhance returns on surplus funds while remaining within risk appetite and regulatory capital constraints.

The programme is being implemented in phases, beginning with a small initial investment to test market conditions and operational processes. At year end, capital earmarked for further investment in the CLO programme was temporarily placed in MMFs prior to deployment. All investments are subject to the Bank's credit, liquidity, and market-risk management frameworks, with capital treatment applied in accordance with the PRA Rulebook provisions on securitisation and collective investment undertakings (Articles 132–132a).

4.3 Interest rate risk

Refer to pages 74-75 of the 2025 Annual Report & Financial Statements.

OakNorth Bank carries interest rate risk in the banking book - the risk of loss arising from changes in the interest rates associated with banking book exposures. Interest rate risk may arise in the following forms:

Gap risk, which arises from disparities in the maturity (for fixed rates) and repricing (for floating rates) of assets, liabilities, and off-balance-sheet positions, as well as from changes in the slope and shape of the yield curve; or

Basis risk, which arises when exposures to one interest rate are hedged using exposures to another rate that reprices under slightly different conditions. This risk arises due to discrepancies in the behaviour of different interest rates; or

Option or prepayment risk, which arises from options where the institution or its customers have the ability to modify the level and timing of cash flows. This includes embedded options, such as customers redeeming fixed-rate products when market rates fluctuate. Optionality can be either automatic, where exercise is highly probable if it's financially advantageous, or behavioural, where the decision to exercise depends on both interest rates and client behaviour which can change with interest rate shifts.

OakNorth has an interest rate risk management policy which defines, measures, sets hedging policy statements, and details the governance process around management and reporting of interest rate risk in the banking book. Our interest rate strategy is to optimise earnings predictability and stability. This is achieved through day-to-day management of assets and liabilities, for example, adjusting the deposit product mix origination and pricing in response to the prevailing commercial environment, and hedging residual interest rate risk positions through natural hedges or interest rate swaps for residual positions. Since 2023, we have been lending in the US, which is primarily funded with cross-currency swaps, introducing cross-currency basis risk. This risk is assessed as immaterial.

OakNorth's ALCO is responsible for monitoring the risk appetite and risk metrics related to interest rate risk, including Economic Value (EV) sensitivity to a 200 basis point (bps) parallel shift in the yield curve, application of prescribed European Banking Authority (EBA) shock scenarios, and Earnings at Risk (EaR) assessments.

The EV measures presented below provide an assessment of repricing exposure on notional positions across assets, liabilities, and derivatives, segmented by time buckets, under an instantaneous 200 bps upward and downward shift in all yield curves. This analysis offers a comprehensive view of how the net present value of the Bank's notional balance sheet would be affected by such a shock. The assessment incorporates the impact of interest rate floors embedded in OakNorth's lending contracts, the average gap to these floors before activation during falling rate environments, and the potential for early repayments when floors are triggered. For GBP-denominated positions, forward rate curves based on the Sterling Overnight Index Average (SONIA) are used to calculate future net interest income, while Secured Overnight Financing Rate (SOFR) forward rate curves are used for USD-denominated positions. Cash flows are discounted using spot curves derived from these respective benchmarks to ensure a consistent and robust analysis of potential interest rate impacts.

Economic value sensitivity to changes in interest rates

	2025 (£ million)	2024 (£ million)
EV Sensitivity to +2% shift (including rate floors)	19.4	14.2
EV Sensitivity to -2% shift (including rate floors)	23.2	12.1

During 2025, the IRRBB metrics remained within OakNorth's risk appetite.

4.4 Counterparty credit risk

Counterparty Credit Risk

Counterparty credit risk (CCR) arises from OakNorth's use of derivative instruments entered into exclusively for hedging purposes. The Bank's derivative portfolio comprises cross-currency interest rate swaps (CCIRS) used to fund US dollar lending from sterling deposits, and interest rate swaps used to hedge fair value risk on fixed-rate investment securities. All transactions are conducted bilaterally with three highly rated financial institution counterparties under Credit Support Annexes with daily cash variation margin exchange.

OakNorth applies the Standardised Approach (SA-CCR) to calculate Pillar 1 capital requirements for CCR. As at 31 December 2025, SA-CCR risk-weighted assets were £22.8 million and CVA risk-weighted assets were £10.1 million, as disclosed in the OV1 table. OakNorth's Pillar 2A assessment concluded that Pillar 1 capital requirements are sufficient to cover CCR risk; no additional capital has been allocated.

CCR exposures are monitored monthly, with counterparty limit adjustments escalated to ALCO where a rating downgrade occurs. CCR stress testing is embedded within OakNorth's ICAAP-wide Pillar 2B stress framework. A CCR Policy governing 1st line (Treasury), 2nd line (Risk) and back-office responsibilities was introduced in 2025. Further detail on the derivative portfolio, including notional amounts, fair values, and hedge accounting treatment, is set out in Note 16 of the 2025 Annual Report & Financial Statements.

4.5 Liquidity risk

Refer to pages 75-77 of the 2025 Annual Report & Financial Statements.

Liquidity risk is the risk that OakNorth will be unable to meet its contractual financial obligations as they fall due, and funding risk is the risk that OakNorth will be unable to fund future lending growth opportunities or will be able to do so only at significantly higher funding costs. The main liquidity risk faced by OakNorth is a retail deposit liquidity stress such that retail deposits may be withdrawn by customers at their earliest contractual maturity. As at 31 December 2025, 90% of our total deposit balances continued to be protected under the updated Financial Services Compensation Scheme (FSCS) limit of £120,000 which came into effect from 1 December 2025. OakNorth does not currently have direct USD funding sources, such as USD deposits in the US and therefore, continues to use cross currency interest rate swaps (CCIRS) to fund the US loan book from UK sterling deposits at present. Use of CCIRS as a single source of funding and the limited number of OakNorth derivative counterparties introduces additional potential concentration risk which is currently under review.

We adopt a prudent approach to liquidity management, ensuring the maintenance of sufficient high-quality liquid assets and liquidity buffers to meet both financial and regulatory commitments over an extended period. This aligns with the Board's risk appetite and the PRA's ILAA and SS24/15 requirements, both of which are detailed in the Bank's ILAAP document.

Key risk metrics used to monitor and measure liquidity risk include the LCR, NSFR and levels of High-Quality Liquid Assets (HQLA) under stress scenarios, among others. Risk appetite limits are established for each metric, incorporating 'business as usual' thresholds, early warning indicators, and internal limits.

Stress testing forms a critical component of OakNorth's liquidity risk management and governance framework. As part of the ILAAP process, liquidity stress testing evaluates potential outflows and the adequacy of liquidity resources under 'severe but plausible' stress scenarios, incorporating both idiosyncratic risks and macroeconomic factors. The ALCO and Board review, challenge, and approve the stress scenarios and their outcomes, ensuring OakNorth's ability to maintain sufficient liquidity under such conditions while validating the appropriateness of liquidity risk appetite limits.

OakNorth held unencumbered HQLA as of 31 December 2025, including £2,184.5 million in the Bank of England reserve account (2024: £2,689.0 million). Throughout 2025, OakNorth fully complied with all regulatory liquidity requirements, maintaining a surplus over the minimum thresholds. The Bank's average LCR during the year was 478% (2024: 489%), while the NSFR was 190% (2024: 190%).

There were no material changes to the liquidity risk management policy or strategy compared to the previous year, and all liquidity metrics remained within OakNorth's established risk appetite limits.

Maturity analysis of financial assets and liabilities is detailed on pages 76-77 of the 2025 Annual Report & Financial Statements.

4.6 Foreign exchange risk

Refer to page 78 of the 2025 Annual Report & Financial Statements.

OakNorth undertakes USD-denominated lending to support borrowers, including exposures to both US and UK counterparties. These activities are funded and managed with the Bank maintaining appropriate levels of USD liquidity and using derivative instruments to manage foreign exchange risk. The majority of the Bank's USD exposures are hedged via cross-currency swaps and FX forwards.

The Bank uses USD and EUR denominated cross currency interest rate swaps to hedge open balance sheet positions and USD denominated foreign exchange forwards to hedge future cash flows on its interest income (Note 1.27). The amounts presented represent the gross notional values of these instruments (Note 16).

The residual foreign exchange risk exposure in relation to the above items is not considered material, resulting in a net foreign exchange gain of £187k for the year ended 31 December 2025 (2024: loss of £88k). As a result, the Group's sensitivity to FX rate fluctuations post hedging is assessed to be minimal.

Summary of foreign currency denominated monetary assets and liabilities is provided on page 78 of the 2025 Annual Report & Financial Statements.

4.7 Conduct, compliance, and financial crime

Refer to page 79 of the 2025 Annual Report & Financial Statements.

OakNorth is firmly committed to adhering to all applicable regulatory rules, guidance, and expectations, with a particular focus on Conduct, Compliance, and Financial Crime. The Bank prioritises delivering positive customer outcomes and maintaining the integrity of the markets in which it operates. OakNorth has a zero-tolerance approach to any breach of law, regulation, or standard of conduct and compliance.

Reputational risk — the potential for damage to the Bank's brand or market standing — is carefully managed, with the expectations of all key stakeholders, including customers, investors, employees, regulators, and group companies, taken into account.

An independent and specialised Financial Crime and Compliance function provides expert oversight through a structured, risk-based Compliance Assurance Plan. The function delivers training, supports new business initiatives, and oversees policy implementation. Compliance management information is reported monthly to senior management and is subject to oversight by the Executive Risk Committee and the BRCC.

4.8 Operational Risk

Refer to pages 78-79 of the 2025 Annual Report & Financial Statements.

OakNorth calculates the Pillar 1 operational risk capital requirement using the Basic Indicator Approach (BIA), applying a 15% coefficient to average gross income over the preceding three years. Details of the BIA calculation are provided in the Disclosure Tables (Section 5).

Operational risk is managed through a three-lines-of-defence model. The first line is responsible for identifying and mitigating operational risk through clearly defined Standard Operating Procedures (SOPs), with risk and control assessments documented in the Risk and Controls Self-Assessment (RCSA) process. The second line conducts independent oversight and thematic assurance reviews through the Risk and Compliance Assurance Plan. Internal Audit provides third-line challenge and assurance. Key risk indicators, incidents, near-misses, and root cause analysis are reported monthly to senior management, with oversight by the Executive Risk Committee and BRCC.

OakNorth maintains a comprehensive Business Continuity and Crisis Management Plan, tested annually through a formal Business Impact Analysis. As at 31 December 2025, the Bank had achieved full compliance with PRA and FCA operational resilience requirements, including testing that all important business services remained within defined impact tolerances under severe but plausible disruption scenarios.

4.9 Cyber risk

Refer to page 79 of the 2025 Annual Report & Financial Statements.

Cyber risk management is supported by a 24/7 in-house Security Operations Centre, layered technical controls aligned to the NIST Risk Management Framework and the Bank of England's CQUEST cyber resilience framework, and compliance with applicable US cybersecurity regulations (NYCRR 500). Regular independent penetration testing and cyber maturity assessments are conducted. Further detail is set out on pages 78–79 of the 2025 Annual Report & Financial Statements.

4.10 Climate Risk

Refer to pages 30-40, 57-58, 79 of the 2025 Annual Report & Financial Statements.

Climate risk – comprising transition risk (arising from the shift to a low-carbon economy) and physical risk (arising from climate-related hazards) – is integrated into OakNorth's enterprise-wide Risk Management Framework and managed through the same Three Lines of Defence model applied across all risk types.

OakNorth voluntarily makes full climate-related financial disclosures in accordance with TCFD recommendations and SECR requirements in the 2025 Annual Report & Financial Statements, covering governance (pages 35–36), strategy and scenario analysis (pages 30–33, 37), risk management (pages 36–37), and metrics and targets including Scope 1, 2 and 3 financed emissions and net zero targets (pages 33, 38–39).

There is currently no mandatory CRR Pillar 3 template for climate risk. The PRA's Basel 3.1 rules are expected to introduce mandatory climate risk disclosure templates with effect from 1 January 2027, with first required Pillar 3 disclosures due by 31 March 2027, subject to final PRA rules. OakNorth has elected to adopt Basel 3.1 and will incorporate the required templates accordingly.

5. Disclosure tables

5.1 UK KM1 – Key metrics

Template UK KM1 - Key metrics template	2025 (£'000)	2024 (£'000)
Available own funds		
1 Common Equity Tier 1 (CET1) capital	988,868	952,901
2 Tier 1 capital	988,868	952,901
3 Total capital	1,168,868	1,132,901
Risk-weighted exposure amounts		
4 Total risk-weighted exposure amount	6,363,514	5,517,819
Capital ratios (as a percentage of risk-weighted exposure amount) (%)		
5 Common Equity Tier 1 ratio (%)	15.5%	17.3%
6 Tier 1 ratio (%)	15.5%	17.3%
7 Total capital ratio (%)	18.4%	20.5%
Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount) (%)		
UK 7a Additional CET1 SREP requirements (%)	6.1%	6.1%

Template UK KM1 - Key metrics template	2025 (£'000)	2024 (£'000)
UK 7b Additional T1 SREP requirements (%)	2.0%	2.1%
UK 7c Additional T2 SREP requirements (%)	2.7%	2.7%
UK 7d Total SREP own funds requirements (%)	10.9%	10.9%
Combined buffer requirement (as a percentage of risk-weighted exposure amount) (%)		
8 Capital conservation buffer (%)	2.5%	2.5%
9 Institution specific countercyclical capital buffer (%)	1.6%	1.8%
11 Combined buffer requirement (%)	4.1%	4.3%
UK 11a Overall capital requirements (%)	15.05%	15.24%
12 CET1 available after meeting the total SREP own funds requirements (%)	7.4%	9.1%
Leverage ratio		
13 Leverage ratio total exposure measure excluding claims on central banks	6,177,019	5,262,074
14 Leverage ratio excluding claims on central banks	16%	18.1%
13a Leverage ratio total exposure measure including claims on central banks	8,361,483	7,951,087
14a Leverage ratio including claims on central banks	11.8%	12.0%
Liquidity Coverage Ratio (LCR)[1]		
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	2,609,639	1,876,341
UK 16a Cash outflows - Total weighted value	795,431	546,183
UK 16b Cash inflows - Total weighted value	239,530	162,128
16 Total net cash outflows (adjusted value)	555,901	384,055
17 Liquidity coverage ratio (%)	478%	489%
Net Stable Funding Ratio (NSFR)[2]		
18 Total available stable funding	6,855,628	6,303,663
19 Total required stable funding	3,608,230	3,324,269
20 NSFR ratio (%)	190%	190%

[1] All values presented in the LCR disclosures are calculated as the average of the weighted values over the last year. The specific ratios at the end of each month were: Dec'24- 489%, Jan'25 – 575%, Feb'25 – 549%, Mar'25 – 529%, Apr'25% - 578%, May'25- 523%, Jun'25 – 430%, July'25 – 473%, Aug'25 – 507%, Sep'25 – 363%, Oct'25 – 427%, Nov'25 – 358%, Dec'25 – 416%.

[2] All values stated in relation to NSFR disclosures are based on average of data for each quarter-end reporting period. The specific ratios at the end of each reporting quarter were: Q4'24 -190%, Q1'25 - 194%, Q2'25 - 196%, Q3'25 - 181% & Q4'25 - 189%.

5.2 UK OV1 – Overview of Risk weighted exposure amounts

The table below shows RWAs and minimum capital requirements. Total own funds requirements are calculated as 8% of RWAs.

	Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
	2025	2024	2025	2024
	(£'000)	(£'000)	(£'000)	(£'000)
Credit risk (excluding CCR & CVA)	**5,801,031**	**5,057,693**	**464,083**	**404,615**
- Of which the standardised approach	5,801,031	5,057,693	464,083	404,615
Counterparty credit risk (CCR)	32,843	31,736	2,627	2,540
- Of which the standardised approach	22,773	22,036	1,822	1,764
- Of which exposures to CCP	32	-	3	-
- Of which credit valuation adjustment (CVA)	10,070	9,700	806	776
Securitisation exposures in the non-trading book (after the cap)	22,393	-	1,791	-
Of which SEC-ERBA (including IAA)	22,393	-	1,791	-
Operational risk	507,247	428,390	40,580	34,271
- Of which basic indicator approach	507,247	428,390	40,580	34,271
Total	**6,363,514**	**5,517,819**	**509,081**	**441,426**

5.3 Securitisation exposures

During 2025 the Board approved a programme to deploy a portion of the Bank's surplus capital into a portfolio of senior, AAA-rated Collateralised Loan Obligations (CLOs) under a discretionary investment mandate, designed to optimise capital utilisation and enhance returns on surplus funds within risk appetite and regulatory capital constraints. The programme is being implemented in phases; as at 31 December 2025 the initial tranche had been deployed and capital earmarked for further investment was held in money market funds pending deployment. All positions are in the non-trading book, classified at amortised cost under a hold-to-collect business model, with maturity dates between 2030 and 2040. OakNorth acts solely as investor and has no role as originator or sponsor of any securitisation. No re-securitisation exposures are held.

Capital requirements are calculated in accordance with PRA Rulebook provisions on securitisation and collective investment undertakings (Articles 132–132a), applying the SEC-ERBA approach to reflect OakNorth's investor-only status and the availability of external credit ratings on all held tranches. Risk-weighted assets of £22.4 million are reported in the OV1 table above. Due diligence is conducted in accordance with the PRA Rulebook securitisation framework, including assessment of tranche credit ratings, structural tests including a minimum senior tranche ratio of 90%, and obligor industry diversification within the underlying pool.

5.4 Overview of capital surplus over Pillar 1 requirements

The below surplus is stated over the Pillar 1 capital requirements which are computed as 8% of the risk weighted assets.

	2025 (£'000)	2024
Capital resources requirement under Pillar 1	509,081	441,426
Total capital resources	1,168,868	1,132,901
Capital resources surplus over Pillar 1 requirement	**659,787**	**691,475**

5.5 Capital resources

The following table shows the composition of OakNorth's regulatory capital position. This does not include any non-controlling (minority) interests.

	2025 (£'000)	2024 (£'000)
Share capital	389,320	389,320
Retained earnings/ (losses)	667,507	625,420
Dividend approved post balance sheet date not paid(1)	(45,000)	40,000)
Capital contribution	146	176
Cash flow Hedge reserve	(39)	(2,785)
OCI relating to financial assets at FVOCI	26	8
Deductions for Intangible assets	(14,238)	8,967)
Deductions for Deferred tax assets	2,754	(1,409)
Deductions for Investment in subsidiary	-	-
Goodwill	(11,647)	(11,647)
Deduction/reversal of Cash flow Hedge reserve	39	2,785
Cost of Hedging Reserve	-	-
Total CET1 capital	**988,868**	**952,901**
Total Tier 1 capital	**988,868**	**952,901**
Subordinated debt	180,000	180,000
Total Tier 2 capital	**180,000**	**180,000**
Total regulatory capital	**1,168,868**	**1,132,901**

[1] See note 32 on post balance sheet events in the Annual Report & Financial Statements

5.6 Movement in regulatory capital resources

	2025 (£'000)	2024 (£'000)
Total CET 1 capital at beginning of year	**952,901**	**853,523**
Profits for the year (Bank)	158,951	156,306
Retained earnings of consolidated financial subsidiary	(36,864)	4,805
Dividend paid	(80,000)	(20,000)
Dividend approved post balance sheet date not paid	(5,000)	(40,000)
Net change in capital contribution and other reserves	2,734	(5,012)
Net change in investment in financial subsidiaries	0	14,250
Net change in Goodwill	0	(11,647)
Net change in deductions for deferred tax assets	4,163	(1,042)
Net change in deductions for intangibles	(5,271)	(3,328)

	2025 (£'000)	2024 (£'000)
Net change in deduction for Cash flow Hedge reserve	(2,746)	5,046
Total CET 1 capital at end of year	**988,868**	**952,901**
Total Tier 1 capital at end of year	**988,868**	**952,901**
Total Tier 2 capital at beginning of the year	**180,000**	**30,000**
Call-back of Tier 2 subordinated debt	-	-
Issuance of Tier 2 Subordinated debt	0	150,000
Total Tier 2 capital at end of the year	**180,000**	**180,000**
Total regulatory capital at end of the year	**1,168,868**	**1,132,901**

5.7 Reconciliation to Statutory equity

	Reference	2025 (£'000)	2024 (£'000)
Equity per financial statements		1,067,530	1,019,581
Of which called-up share capital	a	389,320	389,320
Of which retained earnings	b	667,507	625,420
Of which other items & reserves	c	133	(2,601)
Of which non-controlling interests	d	10,570	7,442
Deductions for Intangible assets	e	(14,238)	(8,967)
Deductions for Deferred tax assets	f	2,754	(1,409)
Deduction for Investment in subsidiary	g	-	-
Deduction for Goodwill	h	(11,647)	(11,647)
Deduction minority interest	I	(10,570)	(7,442)
Deduction/ reversal of Cash flow Hedge reserve	j	39	2,785
Deduction for Dividend approved post balance sheet date not paid	K[1]	(45,000)	(40,000)
Total CET 1 capital at end of year		**988,868**	**952,901**
Total Tier 1 capital at end of year		**988,868**	**952,901**
Tier 2 Subordinated debt	L[2]	180,000	180,000
Total regulatory capital at end of the year		**1,168,868**	**1,132,901**

[1] See note 32 on post balance sheet events in the 2025 Annual Report & Financial Statements.

[2] See note 25 on Tier 2 Subordinated Debt in the 2025 Annual Report & Financial Statements.

5.8 Tier 2 subordinated debt

In December 2023, the Bank issued 10-year £30.0 million subordinated notes with coupon of 12.987%. The notes are callable at the option of OakNorth in March 2029 and mature in March 2034. Subsequently, in October 2024, the Bank issued another 10-year £150.0 million subordinated notes with coupon of 10%. The notes are callable at the option of OakNorth in January 2030 and mature in January 2035. Both the notes are held at amortised cost The instruments are non-convertible in the ordinary course of business. However, they are subject to the statutory write-down and conversion powers of the Bank of England as the UK resolution authority under the Banking Act 2009, which may be exercised at the point of non-viability.

There were no payment defaults or other breaches with respect to its subordinated liabilities during the year ended 31 December 2025(2024: Nil).

The cumulative fair value basis adjustment represents changes in interest rate risk component associated with the amortised cost instrument designated as a hedged item in a qualifying fair value hedge. This basis adjustment is recognised directly in profit or loss, offset by changes in the fair value of its designated hedging instrument (Note 16).

	2025 (£'000)	2024 (£'000)
Tier 2 subordinated debt	**188,076**	**180,949**
Amounts due:		
- over five years	188,076	180,949

5.9 Total capital ratio

	2025 (£'000)	2024 (£'000)
Risk weighted assets		
Credit risk (including CCR and CVA)	5,856,267	5,089,429
Market risk	-	-
Operational risk	507,247	428,390
Total risk weighted assets	**6,363,514**	**5,517,819**
Capital ratios		
Common Equity Tier 1 capital ratio	15.5%	17.3%
Tier 1 capital ratio	15.5%	17.3%
Total capital ratio	18.4%	20.5%

5.10 Total capital requirement (TCR) as set by the PRA (Pillar 1 + Pillar 2A)

The total capital requirement (TCR) as set by the PRA, which is defined as the amount and quality of capital a firm is required to maintain to comply with the Pillar 1 and Pillar 2A capital requirements, was 10.91% for OakNorth Bank as of 31 December 2025 (2024: 10.91%).

5.11 Capital buffers (Pillar 2B)

The weighted CCyB was 1.64% as at 31 December 2025 (2024: 1.83%). The capital conservation buffer was 2.5%(2024: 2.5%).

CCyB applies to only relevant exposures which excludes exposures to central governments and central banks and institutions, as summarised below. These exclude CVA of £10.07m as at 31 December 2025 (2024: £9.7m).

2025	General credit exposures	Securitisation exposures	Total exposure value (£'000)	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	CCyB (%)
	Exposure value under the standardised approach	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country:									
United Kingdom	4,179,605	111,965	4,291,571	374,798	1,791	376,589	4,707,364	81.90%	2%
Austria	677		677	27		27	338	0.01%	0%
Canada	1,340		1,340	71		71	887	0.02%	0%
China	172		172	7		7	86	0.00%	0%
Finland	388		388	10		10	129	0.00%	0%
France	3,729		3,729	156		156	1,948	0.03%	1%
Germany	596		596	28		28	349	0.01%	1%
Japan	1,389		1,389	55		55	690	0.01%	0%
Netherlands	3,600		3,600	147		147	1,834	0.03%	2%
Switzerland	506		506	32		32	398	0.01%	0%
Ireland	44		44	2		2	22	0.00%	2%
United States	899,351		899,351	82,155		82,155	1,026,935	17.87%	0%
Jersey	6,520		6,520	522		522	6,520	0.11%	0%
Total	**5,097,918**	**111,965**	**5,209,883**	**458,009**	**1,791**	**459,800**	**5,747,501**	**100.0%**	**1.64%**

2024	General credit exposures	Total exposure value (£'000)	Own fund requirements		Risk-weighted exposure amounts (£'000)	Own fund requirements weights (%)	CCyB (%)
	Exposure value under the standardised approach (£'000)		Relevant credit risk exposures - Credit risk (£'000)	Total (£'000)			
Breakdown by country:							
United Kingdom	4,257,837	4,257,837	367,917	367,917	4,598,955	91.5%	2%
Rest of World	464,692	464,692	34,346	34,346	429,331	8.5%	0%
United states	459,152	459,152	33,903	33,903	423,791	8.4%	0%
Jersey	5,540	5,540	443	443	5,540	0.1%	0%
Total	**4,722,529**	**4,722,529**	**402,263**	**402,263**	**5,028,286**	**100.0%**	**1.83%**

5.12 Leverage ratio

The UK leverage ratio regime requires a minimum leverage ratio of 3.25%. Under the regime, the calculation also excludes assets constituting claims on central banks from the calculation of the total exposure measure. At present, OakNorth Bank has no minimum leverage requirement as it is currently not within the scope of the UK Leverage Ratio Framework as its deposit levels are less than £50 billion.

All leverage exposure disclosures below exclude CVA of £ 10.07m as at 31 December 2025 (2024: £9.7m).

	Leverage ratio exposures	
	2025 (£'000)	2024 (£'000)
Total on-balance sheet exposures (excluding derivatives and SFTs)[1]	7,795,755	7,522,700
Total derivatives exposures[2]	83,911	51,289
Off-balance sheet exposures[3]	481,817	377,098
Total exposure measure including claims on central banks	**8,361,483**	**7,951,087**
Total exposure measure excluding claims on central banks[4]	**6,177,019**	**5,262,074**
Tier 1 capital	**988,868**	**952,901**
Leverage ratios		
Leverage ratio excluding claims on central banks (%)	**16%**	**18.1%**
Leverage ratio including claims on central banks (%)	**11.8%**	**12.0%**

[1] Computed as on-balance sheet items £ 7,819 million (2024: £7,574 million), less deductions of receivables assets for cash variation margin provided in derivatives transactions £0.195 million (2024: £29.7 million), less asset amounts deducted in determining Tier 1 capital (includes intangibles, deferred tax assets and goodwill) £ 23.13 million (2024: £ 22.02million).

[2] Computed as replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin) £56.6 million (2024: £35.6 million), plus, Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions £ 27.3 million (2024: £15.7 million)

[3] As at 31 December 2025, OakNorth had undrawn loan commitments outstanding for £644.2 million (2024: £504.2 million); along with £1,668 million in uncommitted facilities (2024: £1,251.1 million). This includes £52.8 million (2024: £14.8 million) in uncommitted facilities provided to A.S.K Partners Limited.

[4] Central bank claims are £2,184 million (2023: £2,689 million).

5.13 Exposures subject to the Standardised Approach (excluding CVA)

Exposures subject to the Standardised Approach	Credit risk exposure[1]	RWA[2,3]	Minimum capital requirement @8%[3]
2025	**(£'000)**	**(£'000)**	**(£'000)**
Central government and central banks	2,484,443	-	-
Institutions (subject to short term credit assessment)	148,929	64,316	5,145
Corporates	3,099,488	2,183,941	174,715
Secured by mortgages on immovable property	2,034,597	1,512,662	121,013
Exposures at default	48,781	18,576	1,486
Items belonging to regulatory high-risk categories	2,019,361	1,982,413	158,593
Other items	16,902	16,902	1,351
Claims in the form of CIU	187,492	44,994	3,599
Total	**10,039,993**	**5,823,804**	**465,902**

[1] The gross exposures include all drawn and undrawn committed and uncommitted facilities. These are stated prior to application of any credit conversion factors or credit risk mitigants. As at 31 December 2025, OakNorth had undrawn loan commitments outstanding for £644.2 million (2024: £504.2 million); along with £1,668 million in uncommitted facilities (2024: £1,251.1 million). This includes £52.8 million (2024: £14.8 million) in uncommitted facilities provided to A.S.K Partners Limited.

[2] The RWA includes application of SME support factor where applicable. In relation to exposure to institutions, where available, we use publicly available credit ratings from relevant External Credit Assessment Institutions ('ECAIs'), which are mapped to credit quality steps (CQS) as per CRR rules, in order to assess the risk weight for standardised credit risk. Where there are two ratings available, the worse of the two is used. Where there are three or more ratings available, the two most favourable ratings are considered, and the worse of those two is used to determine the CQS

[3] RWA excludes CVA of £10.1 million and Securitisation exposure of £22.4 million associated capital requirement of £2.6 million.

Exposures subject to the Standardised Approach	Credit risk exposure	RWA	Minimum capital requirement @8%
2024	**(£'000)**	**(£'000)**	**(£'000)**
Central government and central banks	2,896,244	-	-
Institutions (subject to short term credit assessment)	135,302	51,442	4,115
Corporates	2,674,275	2,002,967	160,237
Secured by mortgages on immovable property	1,803,522	1,271,918	101,753
Exposures at default	18,023	25,565	2,045
Items belonging to regulatory high-risk categories	1,652,114	1,679,556	134,364
Other items	21,111	21,111	1,688
Claims in the form of CIU	124,007	27,169	2,174
Total	**9,324,598**	**5,079,728**	**406,376**

5.14 Maturity bucketing of exposures

Exposures subject to the Standardised Approach[1]	Within 1 year	After 1 year but within 5 years	More than 5 years	Undated/ open maturity	Total
2025		**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
Central government and central	2,484,443	-	-	-	2,484,443
Institutions[2]	-	-	-	148,929	148,929
Lending	2,246,607	4,780,974	174,646	-	7,202,227
Other items	-	-	-	16,902	16,902
Claims in the form of CIU	187,492	-	-	-	187,492
Total	**4,918,543**	**4,780,974**	**174,646**	**165,831**	**10,039,993**

[1] Includes undrawn exposures pre application of conversion factors.
[2] .Subject to short term credit assessment.

Exposures subject to the Standardised Approach	Within 1 year	After 1 year but within 5 years	More than 5 years	Undated/ open maturity	Total
2025		**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
Central government and central	2,896,244	-	-	-	2,896,244
Institutions	-	-	-	135,302	135,302
Lending	1,626,347	4,245,824	275,763	-	6,147,934
Other items	-	-	-	21,111	21,111
Claims in the form of CIU	124,007	-	-	-	124,007
Total	**4,646,598**	**4,245,824**	**275,763**	**156,413**	**9,324,598**

5.15 Geographical distribution

Please see disclosures 5.10 Capital buffers (Pillar 2B) and 4.1 Credit risk concentration.

5.16 Operational risk capital charge computation

	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Year-1		
2025	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
Banking activities subject to basic indicator approach (BIA)	219,049	290,185	302,361	40,580	507,247

	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Year-1		
2024	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
Banking activities subject to basic indicator approach (BIA)	176,190	219,049	290,185	34,271	428,390

Operational Risk Risk-Weighted Assets (RWA) are calculated using the Basic Indicator Approach (BIA) under the standardised methodology. This approach determines the capital charge for operational risk by applying a fixed 15% coefficient to the average gross income over the past three years. The resulting capital charge is then multiplied by 12.5, the reciprocal of the 8% minimum capital requirement, to convert it into its RWA equivalent.

5.17 Capital Instruments main features template

	CET1	Tier 2	Tier 2
Issuer	**OakNorth Bank Plc**	**OakNorth Bank Plc**	**OakNorth Bank Plc**
Unique identifier	None	XS2735501947	XS2910525927
Public or private placement	Private	Private	Public placement
Governing law(s) of the instrument	English	English	English
Contractual recognition of write down and conversion powers of resolution authorities	n/a	Yes[1]	Yes[1]
Regulatory treatment			
Transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
Eligible at solo/(sub-) consolidated/ solo&(sub-) consolidated	Solo & (sub) consolidated	Solo & (sub) consolidated	Solo & (sub) consolidated
Instrument type (types to be specified by each jurisdiction)	Ordinary share capital	Dated subordinated debt	Dated subordinated debt
Amount recognised in regulatory capital (currency in '000, as of most recent reporting date)	£389,320	£30,000	£150,000
Nominal amount of instrument ('000)	£389,320	£30,000	£150,000
Issue price	N/A	100% of nominal amount	100% of nominal amount
Redemption price	N/A	Principal plus accrued and unpaid interest	Principal plus accrued and unpaid interest
Accounting classification	Shareholders' equity	Liability – amortised cost	Liability – amortised cost

	CET1	Tier 2	Tier 2
Issuer	OakNorth Bank Plc	OakNorth Bank Plc	OakNorth Bank Plc
Original date of issuance	First issuance - June 2013 (incorporation). Subsequent issuances in 2014, 2015, 2016, 2017 and 2018. Filings for all issuances available under "Statement of capital following an allotment of shares" available on UK Companies House https://beta.companieshouse.gov.uk/company/08595042/filing-history	19-Dec-23	09-Oct-24
Perpetual or dated	Perpetual	Dated	Dated
Original maturity date	No maturity	19-Mar-34	09-Jan-35
Issuer call subject to prior supervisory approval	No	Yes	Yes
Optional call date, contingent call dates and redemption amount	N/A	Optional call: Any time in the three months prior to and including 19 March 2029 (the "Reset Date") at 100.00% plus accrued but unpaid interest to (but excluding) the date fixed for redemption; Tax redemption OR Regulatory event redemption at 100.00% plus accrued but unpaid interest to (but excluding) the date fixed for redemption	Optional call: Any time in the three months prior to and including 9 January 2030 (the "Reset Date") at 100.00% plus accrued but unpaid interest to (but excluding) the date fixed for redemption; Tax redemption OR Regulatory event redemption at 100.00% plus accrued but unpaid interest to (but excluding) the date fixed for redemption
Subsequent call dates, if applicable	N/A	None	None
Coupons / dividends			
Fixed or floating dividend/coupon	Discretionary dividend	Fixed	Fixed
Coupon rate and any related index	N/A	12.987% fixed rate up to (but excluding) the optional call date payable semi-annually in arrears. Reset on the optional call date to the sum of the GBP 5 year GILT benchmark swap rate plus the reset margin payable semi-annually in arrears	10% fixed rate up to (but excluding) the optional call date payable semi-annually in arrears. Reset on the optional call date to the sum of the GBP 5 year GILT benchmark swap rate plus the reset margin payable semi-annually in arrears
Existence of a dividend stopper	N/A	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
Existence of step up or other incentive to redeem	N/A	No	No
Noncumulative or cumulative	N/A	Cumulative	Cumulative

	CET1	Tier 2	Tier 2
Issuer	**OakNorth Bank Plc**	**OakNorth Bank Plc**	**OakNorth Bank Plc**
Convertible or non-convertible	N/A	Convertible – see below	Convertible – See below
If convertible, conversion trigger(s)	N/A	May be subject to write-down or conversion via the Exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority (currently the Bank of England) under the Banking Act 2009, at the point of non-viability.	May be subject to write-down or conversion via the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority (currently the Bank of England) under the Banking Act 2009, at the point of non-viability.
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	N/A	See below	See below
If write-down, write-down trigger(s)	N/A	Subject to write-down or conversion via the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority (currently the Bank of England) under the Banking Act 2009, at the point of non-viability.	Subject to write-down or conversion via the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority (currently the Bank of England) under the Banking Act 2009, at the point of non-viability.
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)		Contractual	Contractual
Ranking of the instrument in normal insolvency proceedings		Subordinated to senior creditors, pari-passu with other Tier 2 instruments, and above all Tier 1 capital instruments (incl. AT1 bonds and shareholders)	Subordinated to senior creditors, pari-passu with other Tier 2 instruments, and above all Tier 1 capital instruments (incl. AT1 bonds and shareholders)
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Senior Creditors	Senior Creditors
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A
Link to the full term and conditions of the instrument (signposting)	N/A	N/A	https://oaknorth.co.uk/wp-content/uploads/2024/10/Information-Memorandum-7-October-2024.pdf

[1] OakNorth's outstanding Tier 2 are automatically subject to the statutory point of non-viability powers and statutory bail-in powers of the Bank of England (the UK resolution authority). Contractual acknowledgment of the Bank of England's write-down and conversion powers is needed when the terms of the securities are governed by a third country law, however similar text as included in the prospectus is a prescriptive requirement under the UK CRR for MREL and so is customarily included in English law Tier 2 instruments.

5.18 UK CC1 – Composition of regulatory own funds

Common Equity Tier 1 capital: instruments and reserves	Source based on reference numbers/letters of the Balance Sheet under the regulatory scope of consolidation	2025 (£'000)	2024 (£'000)
Capital instruments and the related share premium accounts	a	389,320	389,320
of which: Ordinary shares	a	389,320	389,320
Retained earnings(1)	b+K[1]	622,507	585,420
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	c	133	(2,601)
Common Equity Tier 1 (CET1) capital before regulatory adjustments		**1,011,960**	**972,139**
Intangible assets (net of related tax liability)	e	(14,238)	(8,967)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met)	f	2,754	(1,409)
Adjustment for cash flow hedge reserves	j	39	2,785
Regulatory adjustments applied to common equity Tier 1 in respect of amounts subject to pre-CRR treatment	h	(11,647)	(11,647)
Total regulatory adjustments to common equity Tier 1 capital		(23,092)	(19,238)
Common equity Tier 1 capital		988,868	952,901
Tier 1 capital		988,868	952,901
Tier 2 capital instruments	L[2]	180,000	180,000
Tier 2 capital		**180,000**	**180,000**
Total capital		**1,168,868**	**1,132,901**
Total Risk exposure amount		**6,363,514**	**5,517,819**
Common equity Tier 1 (as a percentage of risk exposure amount)		15.5%	17.3%
Tier 1 (as a percentage of risk exposure amount)		15.5%	17.3%
Total capital (as a percentage of risk exposure amount)		18.4%	20.5%
Institution specific buffer requirement (common equity Tier 1 capital requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		4.1%	4.3%
of which: capital conservation buffer requirement		2.5%	2.5%
of which: countercyclical buffer requirement		1.6%	1.8%
of which: systemic risk buffer requirement		N/A	N/A
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		N/A	N/A
Common equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)[2]		7.4%	9.1%
Amounts below the thresholds for deduction (before risk weighting)		-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		N/A	N/A

[1] Net of £45 million dividend approved post balance sheet date not paid.

[2] Computed as T1 capital less SREP CET1 & T1 requirements as per table UK KM1, available to meet the institution specific buffer requirements. This is restated for 2023, previously presented as total T1 held towards Pillar 1, 2A & 2B requirements.

REMUNERATION DISCLOSURES

6 Remuneration disclosures

This section describes the remuneration policy and governance of OakNorth Bank and discloses details of the remuneration of the Bank's 36 "Identified Staff" for the year ending 31 December 2025.

These disclosures are made in accordance with Article 450 of the Capital Requirements Regulation (CRR) and should be read in conjunction with the 2025 Annual Report and Financial Statements.

6.1 Approach to remuneration

The approach taken by OakNorth Bank in respect of remuneration emanates from a combination of regulatory guidance, in particular the dual-regulated firm's Remuneration Code[2] as appropriate for Level 3 firms, the rules on remuneration published by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA)[3], and our own best judgement regarding the design of attractive awards and incentive packages which are effective in not only recruiting and retaining staff, but also in meeting the judicious risk appetite and long term interests of the Bank. Fundamentally, our approach to remuneration is based on promoting and rewarding the right behaviours which ensure that the interests of our customers and long-term value creation are at the heart of our thinking and at the forefront of everything we do.

Our Board Remuneration Committee (REMCO) further serves to assure, through its oversight function, the alignment of remuneration with both the strategic aims of OakNorth Bank and regulatory compliance requirements.

Additionally, due to the size and maturity of our business, OakNorth Bank applies the proportionality principle (SYSC 19D.3.3R(2)) to ensure the practices and processes we promote are appropriate to our size, internal organisation and the nature, the scope and the complexity of our activities.

In practically applying PRA and FCA guidance, OakNorth Bank classifies its employees as either Code or Non-Code Staff. Code staff are comprised of Senior Managers (covered by the Senior Managers Regime), Risk Managers excluding those covered by the Senior Managers Regime, and all other Material Risk Takers (MRTs). During 2025, OakNorth employed 36 Code Staff (3 Executive Directors, 6 Non-Executive Directors, and 27 Senior Managers and additional MRTs). For completeness, 7 MRTs left the organisation in 2025, 2 MRTs were removed from the Identified staff list and 4 MRTs joined in 2025, making the number of Senior Managers and additional MRT as of 31 December 2025, 27 in total.

OakNorth Bank aims to continuously refine its remuneration approach through regular policy and practice reviews, conducted at least annually. We use both external benchmarks issued by various professional bodies as well as internal reviews by our first line owners, second line oversight, third line oversight and, as relevant, the Remuneration Committee.

[2] https://fshandbook.info/FS/html/handbook/SYSC/19D
[3] http://www.bankofengland.co.uk/pra/Pages/publications/ps/2015/ps1215.aspx

6.2 Board Remuneration Committee (REMCO)

The Board Remuneration Committee is responsible for ensuring that remuneration arrangements support the strategic aims of OakNorth Bank, drive the right behaviours from staff, comply with best practices, and with the requirements of regulation. All remuneration is set in line with the Remuneration Code (SYSC 19D, as relevant to proportionality level 3 firms).

The Committee has delegated authority from the Board for the review and approval of the Remuneration Policy, setting remuneration and remuneration structure for all Executive Directors, Non-Executive Directors including the Chairman and other key individuals such as Senior Managers and employees captured under the scope of the Certification Regime.

The independent Non-Executive Directors are entitled to yearly fees for attending Board or Committee meetings at the rate that may be agreed upon between the Shareholders and the Board of Directors from time to time. Changes in Board compensation, if any, arise out of the recommendation of the Board Remuneration Committee with necessary approvals by the Board, Shareholders and PRA and FCA as appropriate.

The Committee's membership is formed by the Senior Independent Director (Chair of the Remuneration Committee), 1 Independent Non-Executive Directors (INED) and 1 Notified Non-Executive Director. All other Non-Executive Directors as well as the Chief Executive Officer (CEO), Senior Managing Director (SMD) and Chief People Officer are standing invitees at each meeting but are not voting members. The People Operations Director acts as Secretary to the Committee.

The Committee held four face to face meetings and as well as materials shared via e-mail circulation during 2025, as called by the Committee Chairman. At least once per annum the Chief Risk Officer (CRO) and Chief Financial Officer (CFO) advise the Committee on specific risk adjustments to be applied to performance objectives of the Executive Directors and any Code Staff, set in the context of incentive packages.

The Board Remuneration Committee has access to sufficient resources in order to carry out its duties and is able to use any forms of resources the committee deems appropriate, including external advice.. The Committee will continue to receive appropriate funding as and when required and shall oversee any investigation of activities which are within its terms of reference and address any other matters referred to it by the Board.

6.3 Board Diversity

Through our diversity and inclusion policy, the Bank asserts its commitment to increase diversity at all levels and to provide equal opportunities throughout employment, including in recruitment, training and promotion of employees. The Bank is committed to eliminating discrimination in the workplace. All job applicants and employees are treated fairly and assessed solely on merit. We believe that a diverse workplace, bringing together different backgrounds, voices, and perspectives, strengthens decision-making and supports a high-performing organisation. We aim to attract and retain people with the right competencies and skills, irrespective of gender, race, religion, sexual orientation, or socio-economic background.

To further support fair and consistent hiring practices, the Bank continues to refine its recruitment approach. This includes the introduction of structured interview scorecards and training for hiring managers to help mitigate bias and promote objective assessment of candidates.

Our diversity commitment applies equally to members of the Board of Directors. All Board of Directors appointments are made solely on merit, in the context of the skills, experience, independence and knowledge which the Board of Directors requires to be effective.

Although OakNorth has not yet met the threshold for reporting the gender pay gap, we started analysing the initial findings of our gender pay gap and started identifying the areas where this can be improved. This topic will continue to be discussed at committee meetings.

6.4 Board Recruitment

The Board of Directors has the authority to select and appoint Board members and to define and approve the Board's structure, taking into account recommendations from the relevant Board Committees.

The Board Nomination Committee has delegated authority by the Board of Directors to establish the policy and approval process for Executive Directors and other Senior Management undertaking external non-executive appointments. The Committee also leads the Board's review and approval of the terms and conditions of service agreements for Executive Directors and, in conjunction with the Executive Directors, reviews the terms of appointment for the Chairman.

In evaluating the suitability of potential Board members, the Board, based on recommendations from the Board Nomination Committee, considers a range of factors including the individual's understanding of the Bank's business and operating environment, professional and educational background, relevant experience, social perspective, and personal achievements. Candidates are expected to have experience at policy-making and operational levels within banks or financial institutions, enabling them to contribute effectively to Board discussions and decision-making on the complex issues facing the Bank. Directors are also expected to demonstrate the highest standards of personal and professional ethics, integrity and values.

The Nomination Committee is responsible for identifying and assessing suitable candidates when a vacancy arises on the Board, whether due to retirement, resignation or other circumstances. The Committee may also consider candidates recommended by shareholders. Following its evaluation, the Committee provides recommendations to the Board, which makes the final decision on the appointment.

6.5 Remuneration Policy

The Remuneration Policy gives a clear overview of OakNorth Bank's vision of remuneration and incentives and how this translates into practice. The Policy has been established in compliance with the European Banking Authority (EBA) guidelines on sound remuneration policies (EBA/GL/2015/22), the Financial Conduct Authority (FCA) dual-regulated firms Remuneration Code (SYSC 19D), as appropriate for proportionality level 3 firms, and the Remuneration Rules published by the PRA.

The Bank's Remuneration Policy is designed to align with the Bank's values and long-term strategic objectives. Its primary aim is to attract, motivate and retain high-calibre individuals capable of contributing to the Bank's continued success, while rewarding strong performance and the sustainable creation of shareholder value.

The policy supports a performance-driven culture while promoting prudent risk management and long-term value creation. It is structured in accordance with the requirements and expectations of the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), ensuring that the Bank's remuneration framework remains responsible, well-governed and aligned with regulatory standards.

A key objective of the Remuneration Policy is to ensure that the Bank's remuneration practices are aligned with and promote sound and effective risk management. To balance the goal of rewarding performance based on value generation while maintaining prudent controls, the Bank operates a transparent system for granting rewards and variable remuneration that aligns with the performance objectives of the institution, business areas, and staff. Performance evaluations will consider risk-adjusted outcomes rather than absolute results, taking into account all relevant risk types, including credit, market, operational, liquidity, reputational, and environmental risks. We are committed in incorporating best practices in remuneration approach while upholding ethics and customer interests as central priorities.

The Bank's Policy does not encourage the assumption of risks that exceed the risk appetite of the Bank. The Remuneration Policy will enable the provision of incentives to staff that both promote the Bank's long-term strategic objectives and protect its underlying financial health and operational integrity. The Bank will always give priority to considerations of risk management, regulatory and compliance legislation and guidelines, key stakeholder expectations and Bank procedures.

The following Guiding Principles underpin OakNorth Bank's Remuneration Policy:

- The interests of our Employees are aligned with the long-term interests of the Bank, its shareholders, investors, other stakeholders and the public interest.
- Employees will not be rewarded for taking unwarranted or excessive risks
- All remuneration, including variable and deferred remuneration, shall be paid or vested based on the current and future financial performance of OakNorth.
- In the event of OakNorth Bank having a poor financial performance, the bank may consider not awarding variable remuneration.
- Incentives will be determined using a combination of financial and non-financial performance criteria, including an employee's adherence to:
  - effective risk management practices
  - regulatory requirements and internal policies, both in the UK and in relevant overseas jurisdictions; and metrics relating to conduct, which form a significant portion of the non-financial criteria.
- The Bank's Second and Third lines of defence will be incentivised on the delivery of objectives linked to their functions and maintenance of a robust control environment. Similar to the Bank's First line of defence, the Second and Third lines will not be incentivised on the basis of generating volumes of business. The Bank's CRO will have appropriate input into any risk adjustments needed across business areas to minimise any undue risks the Bank may be otherwise subject to without this oversight.
- The Bank's Second Line of Defence (Risk & Compliance and Credit functions) is also a part of the discussions where OKRs for the organisation are being set and will provide their inputs, where appropriate. This will ensure that the quality of risk management, behaviours and conduct are taken into account appropriately.
- Principles of "malus" and "clawback" will be implemented where relevant.

Based on the PRA and FCA Guidance on proportionality, OakNorth Bank is a proportionality level 3 firm, accordingly, OakNorth may disapply under the Dual-regulated firms remuneration principles proportionality rules.

In summary, our Remuneration Policy and Approach considers, and will continue to evaluate throughout its evolution: risk-adjusted business performance, delivering good customer outcomes and customer satisfaction, behaviours such as teamwork, collaboration and maintaining a high-quality control environment.

6.6 Remuneration Structure

OakNorth Bank seeks to combine various remuneration/incentive components to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's seniority in the professional activity as well as market practice. The four remuneration components that every employee is eligible to receive include: 1) Base Salary; 2) Benefits; 3) Variable Remuneration - Cash Bonus (immediate and deferred) and 4) Employee Shareholder Share Scheme ("ESS") / Share Option Plan Scheme ("ESOP"). These remuneration components are used to reward employees firm- wide.

The pay-out to the Bank's origination team is governed under a separate scheme known as the Debt Finance Team Incentive Scheme (DFTIS). The DFTIS was designed in accordance with the guiding principles of this policy, including being based on risk-adjusted performance measures, taking into account the cost of capital and liquidity, and being subject to clawback.

Any measurement of performance used to calculate variable remuneration components, or pools of variable remuneration components, shall take into account all types of current and future risks. This will include:

- adjustments for all types of current and future risks, including the cost and quantity of the capital and the liquidity required, market trends and inflation.
- ensuring consistency between the timing and likelihood of future revenues being realised and any current earnings on which variable remuneration is based.

6.7 Remuneration Components

Base Salary: is a key component in attracting and retaining high quality people in all salaried roles. Base salaries are set with reference to individual responsibilities, experience, performance and market benchmarks.

Benefits: The Bank offers a range of benefits designed to support employee wellbeing, financial security and key life moments. These include a pension scheme, enhanced family leave, life event bonus for employees who get married or welcome a child through birth or adoption, and partly subsidised private health insurance, alongside employee-funded dental, health cash plans and life insurance. Employees also have access to additional wellbeing support such as reproductive health support, a medical second-opinion service and an employee assistance programme. Lifestyle and financial benefits include salary sacrifice options for electric vehicles, technology, workplace nursery support and cycle to work, as well as season ticket loans and subsidised food and drink in the office.

Variable Remuneration: Variable remuneration (including both immediate and deferred cash bonuses) is discretionary, risk-adjusted and based on a combination of Bank and individual performance. A performance bonus pool is accrued annually at a level proposed by the CEO, after consulting with the CPO, CFO and CRO, and approved by the Board Remuneration Committee. Key business performance indicators measured include a) business growth, b) profitability and c) credit losses. Bonus outcomes will be based on both overall Bank risk-adjusted performance and individual performance. Although the UK regulatory cap of 100% on variable pay has been removed, the Bank continues to apply an internal cap. Accordingly, the maximum variable remuneration remains limited to 100% of base salary for all Code Staff.

Employee Shareholder Share ("ESS") and Share Option Plan schemes: These schemes support the achievement of the Bank's long-term strategic objectives and are designed to align the interests of employees with those of shareholders and to support the retention of key individuals. A select group of key employees will be issued restricted shares in OakNorth Holdings Limited. Other employees may be granted employee stock options, either in addition to or instead of restricted shares. These share based incentive schemes encourage employees to demonstrate behaviours aligned with the Bank's values and to drive sustainable long-term performance by aligning employee and shareholder interests.

6.8 Remuneration for Code Staff

The following table below shows total fixed and variable remuneration awarded to Code staff in respect of the performance year 2025.

	2025 payments (£'000)		
	MB Supervisory Function (6)	MB Management Function (3)	Code Staff (27)
Total Fixed remuneration	**968**	**4,705**	**5,338**
- Cash-based	968	4,696	5,335
- Shares/Share based	-	9	3
Total Variable remuneration paid in 2025	**-**	**346**	**1,559**
- Cash-based	-	346	1,559
- Shares/Share based	-	-	-
Total Deferred remuneration paid in 2025	**-**	**144**	**650**
- Cash-based (# of individuals)	-	144	650 (8)
- Shares/Share based	-	-	-
Pension and Insurance	**-**	**17**	**156**
Severance Payments	**–**	**–**	**155**
Total deferred remuneration outstanding as at the end of 2025[1]	**-**	**373**	**1,426**
Cash-based	-	369	1,423
Shares/Share based	-	4	3
Total Remuneration in 2025	**-**	**5,585**	**9,283**

[1] All outstanding remuneration is subject to ongoing business conditions such as performance, clawback or if the employee leaves the company.

Individuals remunerated over €1m: The total number of individuals remunerated over €1m during the financial year ended 31 December 2025 were 4.

OakNorth

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