City of London Group PLC

Pillar 3 Disclosures for the year ended 31 March 2021

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Overview and Scope

Background

This document sets out the consolidated Pillar 3 disclosures for the City of London Group PLC ("COLG") and its subsidiaries ("the Group") as at 31 March 2021. Recognise Bank Limited is a wholly owned subsidiary of COLG.

Recognise Bank Limited ("Recognise Bank" or the "Bank"), is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA.

The Basel III framework was implemented in Europe through the Capital Requirements Directive IV ('CRD IV') and came into effect on 1 January 2014. CRD IV defines the level of capital that banks must hold having regard to the risks to which each bank is exposed.

The Basel framework consists of three 'pillars':

• Pillar 1: defines the minimum capital requirements that banks are required to hold for credit, market and operational risks.

• Pillar 2: requires each bank to perform an 'Internal Capital Adequacy Assessment Process' ('ICAAP') to assess the risks to which it is exposed and determine the level of additional capital required over and above Pillar 1 requirements with regard to those risks. The ICAAP is subject to a Supervisory Review and Evaluation Process ('SREP') by the PRA.

• Pillar 3: improves market discipline by requiring banks to publish information on their principal risks, capital structure and risk management.

The CRR has continued to apply in the UK through the transitional period and via the on-boarding of EU legislation at the point the UK left.

Basis of disclosure

The purpose of these disclosures is to provide information on the management of risks faced by the Bank and the basis of calculating capital requirements under CRD IV.

The disclosures in this report have been prepared as at 31 March 2021. They should be read in conjunction with the Group's 2021 Annual Report and Accounts, which can be found on the company's website: (https://cityoflondongroup.com/new-investor).

The Group and the Bank both use the Standardised Approach for calculating the capital requirements for credit risk and for interest rate risk in the banking book, and the Basic Indicator Approach for operational risk. As the Group and the Bank do not operate a trading book there are no exposures to market risk under Pillar 1.

The disclosures have not been, and are not required to be, subject to independent external audit and do not constitute part of the Group's financial statements.

Scope of Application

Within the Group, the Bank comprises Recognise Bank Limited and it's fully consolidated subsidiary Property and Funding Solutions Limited. At Group level the Bank is fully consolidated with the parent company, City of London Group plc, alongside its other subsidiaries Credit Asset Management Limited, Professions Funding Limited, Property and Funding Solutions Limited and Acorn to Oaks Financial Services Limited.

Milton Homes Limited, though also a subsidiary of City of London Group plc at 31 March 2021, is not consolidated for regulatory purposes. Milton Homes was sold with the Sale and Purchase Agreement in September 2021 and final completion in March 2022. Acorn to Oaks was also sold in April 2021.

Disclosure Policy

The disclosures are prepared in accordance with the Board-approved Group Pillar 3 disclosure policy and reflect considerations of frequency of disclosure, materiality and confidentiality as permitted by the CRR.

The Group's Pillar 3 disclosures have been reviewed and approved by the Board Risk Committee on behalf of the Board.

Media and Location

The Group's Pillar 3 disclosures are published on the City of London Group PLC corporate website (https://cityoflondongroup.com/new-investor) and should be read in conjunction with the Group's Financial Statements for the period ended 31 March 2021 which are available from Companies House or the corporate website. The Financial Statements for Recognise Bank are available from Companies House.

Risk Management Framework

Overview

Effective risk management plays a key role in the successful execution of the Group's strategy, which is set within a defined risk appetite to ensure that the Group delivers its strategic objectives of:

- To build a sustainable, profitable, well capitalised SME Group;
- To be recognised by customers for its:
    - Fairness;
    - Business understanding;
    - Responsiveness;
    - Expertise;
    - Accessibility (including access to the Executive team);
    - Flexibility (in structuring deals);
- To have engaged, passionate colleagues delivering market leading service and solutions;
- To create a compelling brand;
- To utilise the best available technology in delivering solutions to customers; and
- To be recognised by customers and colleagues as the leading SME Group in the United Kingdom.

Whilst at the same time ensuring that the Group maintains the required levels of regulatory capital and sustainable return for the Group's stakeholders to meet these strategic objectives.

Risk Culture

The risk culture is set at the top, by the Group and Bank Boards. The Group understands the need for an open and clear risk management approach which is embedded within the organisation and which meets the expectations of its stakeholders. The risk culture of Recognise Bank is designed to facilitate:

- Strong risk awareness across the organisation with a reward structure in line with the risk appetite;
- Risk-aware decision making in line with the strategic goals;
- Clarity in roles and responsibilities within the 3 lines of defence;
- Risk being identified, quantified, managed and reported in a timely fashion; and
- Open and evolving risk awareness across all individuals and functions driven by senior management and facilitated by training, risk champions and forums, with leadership action a core reinforcer within the Group's culture.

Components of the Risk Management Framework

The purpose of the Risk Management Framework is to ensure that Recognise Bank operates within the Board approved risk appetite, and that where it does not, it is identified, and an action plan implemented to bring it back within risk appetite.

The Risk Management Framework ensures that: Recognise Bank operates with integrity within the marketplace; Recognise Bank operates within a Board approved risk appetite; and Recognise Bank complies with regulatory requirements and meets the expectations of the regulators.

The Risk Management Framework is set out in the Risk Management Policy, and includes;

- Risk Appetite Statements;
- Governance – see below;
- Three Lines of Defence – see below;
- Clear roles and responsibilities – see below;
- Risk culture and training - Training is provided to all new recruits, and refresher training to all colleagues on a regular basis;
- Enterprise Risk Management – Risk and Control Self Assessments are maintained for all material risks and by all business areas, and are subject to an oversight and challenge programme by the second line;
- Risk Incidents – where risks crystallise they are subject to a risk incident process to ensure we identify areas for improvement;
- Scenario Testing – an annual programme of scenario tests based on operational risks crystallising and used to test and evaluate the adequacy of controls; and
- Stress Testing – a programme of testing capital and liquidity to severe but plausible stress tests to ensure that the Group continues to meet capital and liquidity requirements.

The Risk Management Framework also incorporates the Internal Capital Adequacy Process (ICAAP), Internal Liquidity Adequacy Process (ILAAP), Recovery and Resolution Planning (RRP), and Operational Resilience including Incident Management and Business Continuity.

Risk Appetite Statements

The Board's expression of Risk Appetite is articulated through the Bank's Risk Appetite Statement which outlines the level of risk the Bank is willing to accept across the 15 Key Risks identified in the Recognise Bank's Risk Taxonomy. These are Strategic Risk, Capital risk, Liquidity Risk, Credit Risk, Cyber Risk, Third Party Risk (including Outsourcing Risk), Operational Resilience, Cyber Risk, Data Risk, Conduct Risk, Operational Risk, Compliance Risk, Financial Crime Risk, Climate Change and Regulatory Reporting Risk.

Risk Appetite is expressed in qualitative terms and in quantitative terms though Key Risk Indicators ("KRIs") which allows the Bank to monitor its risk exposure. Recognise Bank's operational performance is measured with reference to the KRIs which include the Liquidity Coverage Ratio and other figures within this disclosure and which are reported to the ERC on a monthly basis.

Three Lines of Defence

First Line of Defence

The First Line of Defence are the Business Lines, such as Finance, Treasury, IT, HR, Marketing, Savings, Credit and Loan Management, who are responsible for the identification, monitoring and ownership of their risks. Each respective business line is responsible for:

- accepting, managing, and declining risks;
- owning the risks, and implementing controls and/or other methods to mitigate the risks, as required; and
- operating within the Board approved risk appetite statements and supporting limits.

Second Line of Defence

The Second Line of Defence for the Bank includes both the Risk and Compliance Functions and are responsible for:

- supporting the Board in establishing and maintaining the Risk Management Framework;
- providing independent challenge to the business;
- providing assurance through a compliance monitoring and testing plan;
- providing independent reporting to the Board against risk appetite; and
- reporting to the Board Risk Committee.

Third Line of Defence

The Internal Audit function is Recognise Bank's third line of defence and it reviews the internal control environment, including culture, and governance. Internal Audit report directly to the Recognise Bank Audit Committee.

Roles and Responsibilities

The responsibility for the key risks within the Bank is as follows. These responsibilities are recorded in the individuals Statement of Responsibilities, which are signed by the individuals.

The respective risks are aggregated and overviewed by the CRO as Second Line of Defence and reported to Executive Risk Committee ("ERC"), Board Risk Committee ("BRC") and the Board monthly with escalation as required.

Key Risk	Responsible Officer	Committee
Capital Adequacy	Chief Financial Officer	Board
Liquidity Risk	Chief Financial Officer	Asset and Liability Committee
Interest Rate Risk	Chief Financial Officer	Asset and Liability Committee
Credit Risk	Chief Credit Officer	Credit Committee
Regulatory Reporting Risk	Chief Financial Officer	Board
Operational Resilience	Chief Technology Officer	Executive Risk Committee
Third Party Risk	Chief Technology Officer	Executive Risk Committee
Cyber Risk	Chief Technology Officer	Executive Risk Committee
Data Risk	Chief Technology Officer	Executive Risk Committee
Operational Risk	All ExCo Members	Executive Risk Committee
Strategic Risk	Chief Executive Officer	Executive Committee (“ExCo”)
Conduct Risk	All ExCo Members	Executive Risk Committee
Compliance Risk	All ExCo Members	Executive Risk Committee
Financial Crime Risk	All ExCo Members	Executive Risk Committee
Climate Change	Chief Risk Officer	Executive Risk Committee

Key Risks

The Principal Risks the Bank faces are:

- Credit Risk
- Capital and Liquidity Risk
- Interest Rate Risk
- Operational Risk

These should not be regarded as a comprehensive list of all the risk and uncertainties faced by the Bank but rather a summary of the primary risks which have the potential to significantly impact the achievement of strategic objectives.

Capital Resources and Capital Adequacy

Capital risk is the risk that Recognise Bank has (or will have) insufficient capital to address the various risks to which it is exposed with the potential impact that it may have to implement the Recovery Plan and/or its Solvent Wind Down Plan.

In order to manage this risk we;

- hold capital at a level significantly in excess of the minimum requirements;
- operate a capital planning framework that sets out current and forecast capital, and ensures there is sufficient capital to withstand a stressed scenario;
- monitor and report actual and forecast capital resources in excess of actual and forecast capital resource requirements against risk appetite reporting to Board ALCO and to the Board;
- Maintain a Capital Contingency Plan (CCP) that sets out the management of capital in business as usual, the managements actions where the risk is enhanced, and the management actions if the capital risk appetite is (or is forecast to be) breached; and
- Update the ICAAP document at least annually, or more frequently if changes in the business, strategy, nature or scale of the Bank's activities or operational environment suggest that the current level of capital resources are no longer adequate.

At 31 March 2021 and throughout the period of the financial year where Recognise Bank was authorised the Group and the Bank complied with the capital requirements that were in force as set out by European and UK legislation, and enforced by the PRA, and with its risk appetite.

Capital Resources

Common Equity Tier 1 ("CET1") capital consists of ordinary shares, associated share premium and allowable reserves. The CET1 available to the Group and the Bank is calculated after deducting certain regulatory adjustments. For both the Group and the Bank, the most significant being current period and prior period accumulated losses as well as intangible assets. The total capital resources of the Group and the Bank consist entirely of CET1 capital.

The table below shows the composition of both the Group's and Bank's regulatory capital resources at 31 March 2021 as measured under CRD IV.

Regulatory Capital	**Group £'000**	**Bank £'000**
Share capital	1,615	40,141
Share premium	82,775	-
Retained earnings	(48,652)	(12,735)
Capital reserve	3,648	-
Shareholders' equity	**39,386**	**27,406**
Prudential filters: deductions from CET1 capital:		
Intangible assets [1]	(1,775)	(1,028)
Other deductions [2]	(2,815)	(7)
Total Common Equity Tier 1 (CET1) capital	**34,796**	**26,371**
Total Regulatory Capital	**34,796**	**26,371**

[1] – The Group has not taken advantage of the "CRR Quick Fix" package to allow intangible assets not to be deducted from CET1 capital.

[2] – Other deductions for the Group consists primarily of an Article 3 CRR deduction to the carrying value of Milton Homes, which was subsequently sold.

Minimum Capital Requirement

The following tables analyse both the Group's and Bank's credit risk exposures as at 31 March 2021 by exposure classes:

	2021			
Group	**Net Exposure[1] £'000**	**Average original exposure[2] £'000**	**RWA[3] £'000**	**Pillar 1 Capital requirement £'000**
Central governments or central banks	6,493	12,516	-	-
Institutions	14,926	12,636	3,920	314
Corporate	5,642	6,289	5,642	451
Retail	5,612	6,656	3,206	256
Secured by mortgages on immovable property	18,265	16,161	10,409	833
Exposures in default	389	524	583	47
Other items	2,071	1,781	2,537	203
Total credit risk exposure at 31 March	53,398	56,563	26,297	2,104

	2021			
Recognise Bank	**Net Exposure[1] £'000**	**Average original exposure[2] £'000**	**RWA[3] £'000**	**Pillar 1 Capital requirement £'000**
Central governments or central banks	6,493	12,516	-	-
Institutions	11,225	9,073	3,180	254
Retail	202	101	115	9
Secured by mortgages on immovable property	18,265	16,161	10,409	833
Other items	321	244	787	63
Total credit risk exposure at 31 March	36,506	38,095	14,491	1,159

Prior year comparison is not shown as the Bank first became subject to regulation during the financial year ended 31 March 2021.

[1] – The Net exposure is set out after provisions and pre-conversion factors

[2] – The average original exposure values are calculated by aggregating the original exposures for the last 2 quarters of the financial year ended 31 March 2021 and dividing by 2

[3] – The risk weighted assets are stated after applying the SME Support Factor of 76.19% to exposures to SMEs that are below 1.5m Euros. The Group has elected not to take advantage of the "CRR quick Fix" that would permit the application of the revised SME Support Factor.

The table below shows both the Group's and the Bank's total capital requirement at 31 March 2021.

Risk Weighted Assets and Capital Ratios	Group £'000	Bank £'000
Risk Weighted Assets ("RWAs")		
Credit Risk	26,297	14,491
Operational Risk	23,435	18,949
Total RWAs	49,732	33,440
Capital Ratios		
Common Equity Tier 1 ("CET1") Ratio & Total Capital Ratio	69.97%	78.86%

The table below shows both the Group's and the Bank's Pillar 1 requirements at 31 March 2021.

Pillar 1 Capital Requirement	Group £'000	Bank £'000
Capital Resources Requirement – Pillar 1		
Credit Risk	2,104	1,159
Operational Risk	1,875	1,516
Total Pillar 1 Requirement	3,979	2,675
Capital Resources	34,796	26,371
Capital resources surplus over Total Pillar 1 Requirement	30,817	23,696

The Group has adopted a "Pillar 1 plus" approach to determine the level of capital the Bank needs to hold. Under this approach Pillar 1 is capital assigned to credit and operational risk following the standardised approaches.

Pillar 2A is capital assigned to credit and operational risk where Pillar 1 capital is insufficient to meet the risks to which Recognise Bank is exposed; and risks to which Recognise Bank is exposed that are not covered by Pillar 1. This includes interest rate risk, and concentration risk. The Total Capital Requirement is the sum of the Pillar 1 Requirement and the Pillar 2A assessment.

At all times the Group and Bank's capital positions must be within risk appetite, and in excess of the Total Capital Requirement.

Capital Buffers

In addition to the Total Capital Requirement, the Group and Bank held capital in respect of both the combined buffer and the PRA buffer.

The Countercyclical buffer ("CCyB") rate for UK exposures was 0% and the Capital Conservation Buffer ("CCB") rate was 2.5% in line with CRD.

Consistent with the PRA's Approach to New and Growing Banks the Group holds a buffer – which reflects the fact that Recognise is a new and growing bank. (See SS3/21 - Non-systemic UK banks: The Prudential Regulation Authority's approach to new and growing banks | Bank of England). The buffer is based on operating costs and is intended to enable the bank to be able to achieve a solvent wind down and is expected to be held until the Bank achieves profitability.

Both the Group and Recognise met their respective TCR and combined buffers with CET1 capital throughout the financial year ended 31 March 2021.

Leverage Ratio

The leverage ratio is defined as Tier 1 capital divided by the total leverage ratio exposure measure, expressed as a percentage. The exposure measure includes both on-balance sheet exposures and off-balance sheet items.

The leverage ratio is actively monitored by Recognise Bank alongside the other regulatory metrics.

Leverage ratio disclosure

	CRR leverage ratio exposures	
	Group	**Bank**
	£'000	**£'000**
On-balance sheet exposures (excluding derivatives and SFTs)		
Total assets as per financial statements	107,936	31,227
Entities outside the scope of regulatory consolidation	(56,107)	-
(Asset amounts deducted in determining Tier 1 capital)	(4,590)	(1,035)
Total on-balance sheet exposures	**47,239**	**30,192**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	6,159	6,159
(Adjustments for conversion to credit equivalent amounts)	(4,927)	(4,927)
Other off-balance sheet exposures	**1,232**	**1,232**
Capital and total exposure measure		
Tier 1 capital	**34,796**	**26,371**
Leverage ratio total exposure measure	**48,471**	**31,424**
Leverage ratio	71.79%	83.92%

Liquidity Risk

Liquidity Risk is defined as the risk that the Group and Recognise Bank, although solvent, either do not have available sufficient financial resources to enable them to meet their obligations as they fall due or can secure such resources only at excessive cost.

In order to manage this risk we;

- hold liquidity at a level in excess of the minimum requirements;
- operate a liquidity and funding planning framework that sets out current and forecast liquidity, and ensures there is sufficient liquidity to withstand a stressed scenario;
- monitor and report actual and forecast liquidity against risk appetite reporting to Board ALCO and to the Board;
- Maintain a Liquidity Contingency Plan (LCP) that sets out the management of liquidity in business as usual, the managements actions where the risk is enhanced, and the management actions if the liquidity risk appetite is (or is forecast to be) breached; and
- Update the ILAAP document at least annually, or more frequently if required.

At 31 March 2021 and throughout the period of the financial year where Recognise Bank was authorised the Group and the Bank complied with its liquidity requirements and risk appetite.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio ("LCR") aims to improve the resilience of banks to liquidity risks by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets that can be converted into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario.

The LCR is calculated by dividing the level of the Group and Bank's liquid assets by the stressed net cash outflows over the next 30 days. It is monitored daily by Treasury and reported to ALCO monthly.

LCR = Stock of High-Quality Liquid Assets / Net Outflows over a 30 day period

The table below shows the movement in the LCR throughout the financial year ended 31 March 2021.

	Total weighted value Quarter ended			
	31 March 2021 £'000	**31 December 2020 £'000**	**30 September 2020 £'000**	**30 June 2020 £'000**
Number of data points used in calculation of averages [1]	5	2	n/a	n/a
Liquidity Buffer (Group)	12,597	18,637	n/a	n/a
Net liquidity outflow (Group)	869	751	n/a	n/a
Group LCR	**1,450.0%**	**2,481.6%**	**n/a**	**n/a**
Liquidity Buffer (Bank)	12,767	18,637	n/a	n/a
Net liquidity outflow (Bank)	832	751	n/a	n/a
Bank LCR	**1,534.1%**	**2,481.6%**	**n/a**	**n/a**

[1] – The Bank became subject to Authorisation with Restriction in September 2021, hence limited number of available data points

The Boards are satisfied that the liquidity risk management arrangements in place remain adequate and that Group and Bank's overall risk profile continues to remain within risk appetite.

Credit Risk

Overview

Credit Risk is the risk that borrowers do not meet their obligations to the Bank.

In order to manage this risk we;

- Evidence affordability;
- Take security and, where appropriate, guarantees to support our lending;
- Ensure that the portfolio of loans is diversified by monitoring concentrations by size, geography, sector, and product type;
- Lend into sectors where we have appropriate skills and expertise and that are supported by a fit for purpose risk management framework;
- Lend in compliance with Board Risk Committee approved Lending Policies, which are subject to at least annual review;
- Undertake quarterly reviews of lending and the loan book by the second line reporting to the Board Risk Committee;
- Monitor the position against risk appetite monthly reporting to the Credit Committee and Board Risk Committee.

In relation to Treasury activities there is a risk that securities or cash placed on deposit is not repaid in full or in part.

In order to manage this risk we place liquidity in compliance with Board ALCO approved Treasury Policies, which are subject to at least annual review, and which limit the instruments and counterparties where liquidity can be placed. The majority of liquidity is held in the Bank of England Reserve Account or in UK Gilts and T-Bills.

The Group's and Bank's credit risk exposures as at 31 March 2021 by exposure classes are analysed by the tables above on Minimum Capital Requirement.

All of the Group's and Bank's business is in the UK and all of their customers and associated collateral on all of their loans are located in the UK.

Impairment of financial assets: IFRS 9 - Financial Instruments ("IFRS 9")

The Bank has adopted and implemented IFRS 9 which is an accounting standard that uses a forward looking 'expected credit loss' ("ECL") impairment model and applies to:

- Financial assets measured at amortised cost;
- Debt investments measured at fair value through other comprehensive income; and
- Certain loan commitments and financial guaranteed contracts.

Under the IFRS 9 'expected loss' model, a credit event (or impairment 'trigger') is not a prerequisite before credit losses are recognised. An entity will now always recognise (at a minimum) 12-month ECLs in profit or loss. Lifetime expected losses will be recognised on assets for which there is a significant increase in credit risk after initial recognition.

The Bank, at each stage of the model, recognises a loss allowance for ECLs against any of the financial instruments subject to impairment accounting. This section will focus on the general IFRS 9 approach to impairment which follows a 3-stage model:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but are not credit-impaired.

Stage 3 consists of financial assets that are credit-impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Specifically, this can include (but not restricted to) material arrears detected on financial assets which are greater than 90 days.

A loan will be written off when there is no prospect of recovery and security has been realised.

Risk: Loans and Advances to Customers

The following tables provide an analysis of loans and advances to customers (as disclosed in the Bank's Financial Statements):

	Stage 1 £'000	Stage 2 £'000	Stage3 £'000	Individually Assessed £'000	Total £'000
Gross loans and advances at 1 April 2020	-	-	-	-	-
Originations and repayments	6,505	-	-	6,919	13,424
Repayments	(15)	-	-	(1,276)	(1,291)
Write-offs	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Gross loans and advances at 31 March 2021	6,490	-	-	5,643	12,133
Less allowances for ECLs	(5)	-	-	-	(5)
Net loans and advances at 31 March 2021	6,485	-	-	5,643	12,128

Prior year comparison is not shown as the Bank first became subject to regulation during the financial year ended 31 March 2021.

Credit Risk: Treasury Assets

The tables below present an analysis of cash and cash equivalents by rating agency designation at 31 March, based on Fitch national short-term credit rating.

Rating	Credit Quality Step	Group 2021 £'000	Bank 2021 £'000
F1	2	8,602	4,900
B	4	3,117	3,117
Unrated		3,207	3,207
Total		14,926	11,225

Analysis of debt securities

The table below presents an analysis of debt securities by rating agency designation at 31 March, based on Fitch national long-term credit rating (as disclosed in the Financial Statements of both the Group and Recognise Bank).

Group and Recognise Bank

Rating	Credit Quality Step	2021 £'000
AA-	1	6,500
Total		6,500

To calculate the Pillar 1 credit risk requirement under the standardised approach, the credit ratings are mapped to the credit quality steps in accordance with the EBA mapping tables.

Analysis of credit risk exposures

The following tables analyse both the Group's and Bank's credit risk exposures as at 31 March 2021 by exposure classes:

Counterparty Distribution

The following tables analyse the Group's and Bank's credit risk exposures as at 31 March 2021 by exposure class and counterparty type.

Group	Sovereign £'000	Banks £'000	Corporates £'000	Individuals £'000	Other £'000	Total £'000
Central governments or central banks	6,493	-	-	-	-	6,493
Institutions	-	14,926	-	-	-	14,926
Corporate	-	-	5,642	-	-	5,642
Retail	-	-	5,410	202	-	5,612
Secured by mortgages on immovable property	-	-	17,331	934	-	18,265
Exposures in default	-	-	389	-	-	389
Other items	-	-	-	-	2,071	2,071
Total	6,493	14,926	28,772	1,136	2,071	53,398

Recognise Bank	Sovereign £'000	Banks £'000	Corporates £'000	Individuals £'000	Other £'000	Total £'000
Central governments or central banks	6,493	-	-	-	-	6,493
Institutions	-	11,225	-	-	-	11,225
Retail	-	-	-	202	-	202
Secured by mortgages on immovable property	-	-	17,331	934	-	18,265
Other items	-	-	-	-	321	321
Total	6,493	11,225	17,331	1,136	321	36,506

Neither the Group nor the Bank employ any credit risk mitigation techniques.

Maturity of on-balance sheet exposures

The following tables analyse the maturity profile of the Group's and Bank's on-balance sheet credit risk exposures as at 31 March 2021 by the exposure class.

Group	**On demand £'000**	**Less than 1 year £'000**	**More than 1 year £'000**	**Total £'000**
Central governments or central banks	-	6,493	-	6,493
Institutions	14,876	-	50	14,926
Corporate	-	5,642	-	5,642
Retail	-	2,909	2,703	5,612
Secured by mortgages on immovable property	-	7,173	4,933	12,106
Exposures in default	-	389	-	389
Other items	-	510	1,561	2,071
Total	14,876	24,141	8,222	47,239

Recognise Bank	**On demand £'000**	**Less than 1 year £'000**	**More than 5 years £'000**	**Total £'000**
Central governments or central banks	-	6,493	-	6,493
Institutions	11,175	-	50	11,225
Retail	-	202	-	202
Secured by mortgages on immovable property	-	7,173	4,933	12,106
Other items	-	-	321	321
Total	11,175	13,868	5,304	30,347

Interest Rate Risk in the Banking Book

Interest Rate in the Banking Book (IRRBB) is the risk that changes in interest rates affect income or the value of the assets. In order to manage this risk we;

- Match, where possible, the interest rate structure of assets with liabilities so as to create on balance sheet hedges;
- Measure the impact of a 200 basis point parallel shift using a gap analysis reporting to the Board ALCO, and ensuring that the exposure is within risk appetite;
- Monitor and report the impact of the Standardised Interest Rate Shocks reporting to Board ALCO.

As at 31 March 2021 the impact of a +/- 200 basis point shift was calculated to be -£178K/£184K respectively.

Operational Risk

Operational risk is the risk that the Group or Bank experiences a loss arising from a failure in systems or processes, and includes but is not limited to; the risk of IT failure, losses from a cyber-attack, losses arising from a failure to comply with regulations, losses arising from the failure of supplier, losses from the failure of an outsourcer to properly fulfil their obligations, and fraud.

In order to manage this risk we;

- Have a Risk Management Policy that includes Operational Risk Management;
- Have processes and procedures that are clearly documented and understood;
- Maintain an Enterprise Risk Management system that includes risk and controls, that is subject to regular review (the regularity is dependent on the risk and risk assessment), and that is subject to a programme of oversight and challenge by the second line;
- Maintain a Board approved Operational Resilience Policy, and report against the operational resilience dashboard monthly to the Executive Risk Committee;
- Maintain a Technology Resiliency Policy subject to annual review and approval at Board Risk Committee;
- Maintain a Third Party Policy subject to annual review and approval at the Board Risk Committee that requires all critical and important third parties to be subject to regular review and due diligence, with the regulatory depending on the current assessment; and
- Monitor the operational risk profile (and changes in it) reporting to the Executive Risk Committee. Operational Risks above a certain score are subject to more regular review and to an action plan by the risk owner.

The operational risk capital charge for the Bank under Pillar 1 is calculated using the Basic Indicator Approach. This is calculated by applying a multiplier of 15% to the 3-year historical average of net interest and fee income.

Given the Bank was still in its mobilisation phase at 31 March 2021 the multiplier is applied to the aggregate of the Bank's actual net interest and fee income for the year ended 31 March 2021 and 2 years forecast revenue in respect of the financial years ending 31 March 2022 and 31 March 2023.

Under this methodology a capital charge for the period ending 31 March 2021 of £1.52 million has been derived. The RWA equivalent is £18.95 million.

Asset Encumbrance

At 31 March 2021, the Group and Bank had the following encumbered assets:

Group				
	2021			
	Encumbered assets		**Unencumbered assets**	
	Carrying value £'000	**Fair value £'000**	**Carrying value £'000**	**Fair value £'000**
Loans on demand [1]	50		14,876	
Debt instruments	-	-	8,450	8,450
Debt securities (issued by general governments)	-	-	6,500	6,500
Loans and advances other than loans on demand [2]	5,417		12,690	
of which: mortgage loans	*1,725*		*10,238*	
Other assets	-		3,846	
Assets of the reporting institution	5,467	-	46,362	14,950
Total on balance sheet (encumbered and unencumbered)			51,829	

Group - Sources of encumbrance		
	2021	
	Matching liabilities, contingent liabilities or securities lent £'000	**Assets, collateral received, and own debt securities issued other than covered bonds and ABSs encumbered £'000**
Carrying amount of financial liabilities	3,610	5,417
of which: deposits	3,610	5,417
Other sources of encumbrance	-	50
Total sources of encumbrance	**3,610**	**5,467**

Recognise Bank				
	2021			
	Encumbered assets		**Unencumbered assets**	
	Carrying value £'000	**Fair value £'000**	**Carrying value £'000**	**Fair value £'000**
Loans on demand [1]	50		11,175	
Equity instruments	-	-	-	-
Debt securities (issued by general governments)	-	-	6,500	6,500
Loans and advances other than loans on demand [2]	1,725		10,583	
of which: mortgage loans	*1,725*		*10,238*	
Other assets	-		1,349	
Assets of the reporting institution	1,775	-	29,607	6,500
Total on balance sheet (encumbered and unencumbered)			31,382	

The encumbered assets of the Group and the Bank related to the following:

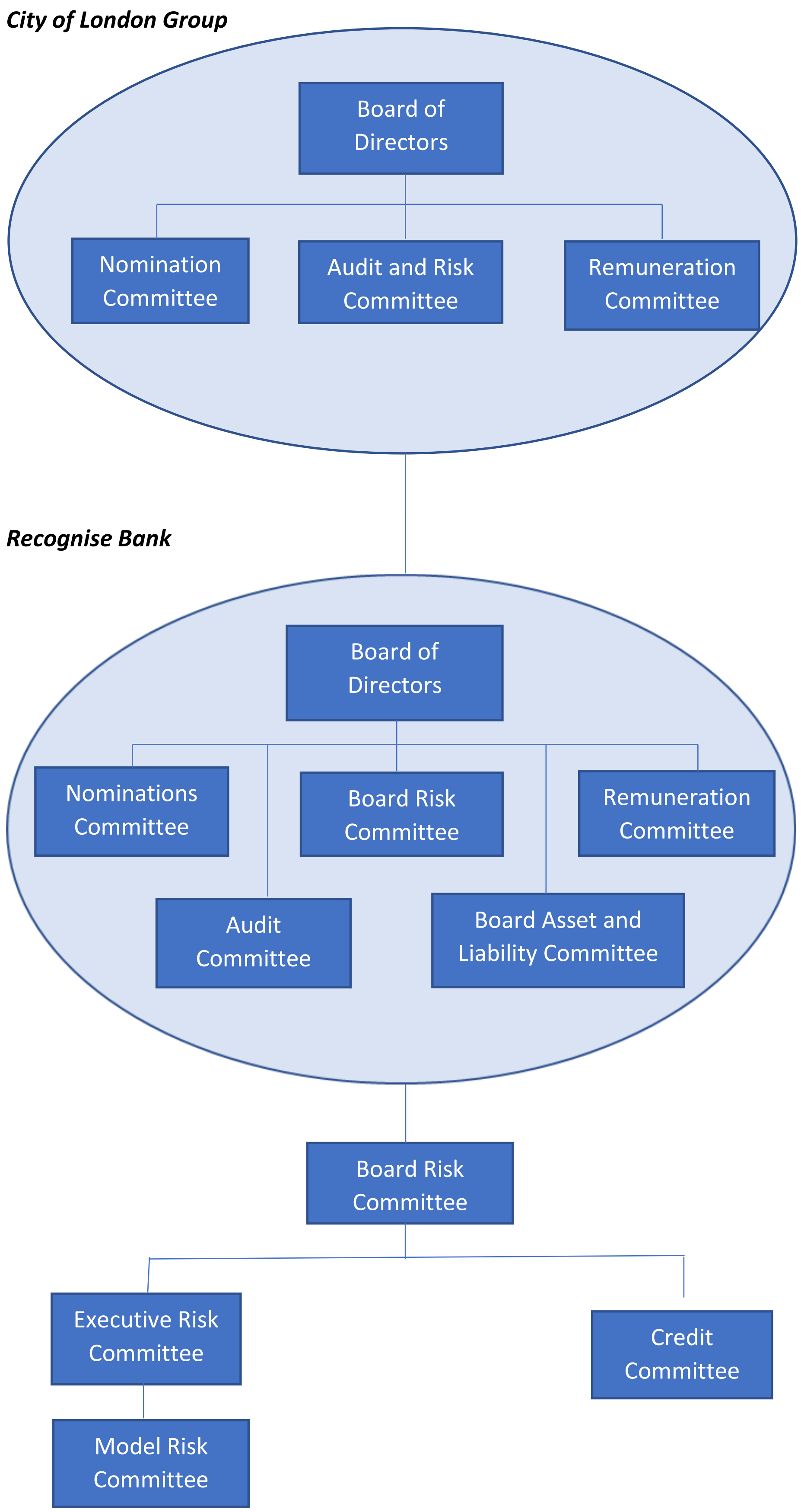
[1] – minimum deposit required for clearing house arrangement

[2] – mortgage loans partially backed by funding from other financial institutions

Recognise - Sources of encumbrance		
	2021	
	Matching liabilities, contingent liabilities or securities lent £'000	**Assets, collateral received, and own debt securities issued other than covered bonds and ABSs encumbered £'000**
Carrying amount of financial liabilities	863	1,725
of which: deposits	863	1,725
Other sources of encumbrance	-	50
Total sources of encumbrance	**863**	**1,775**

Risk Governance and Oversight

The corporate, Board and management committee structure is as follows:



Adequacy of Risk Management Arrangements

The respective Boards of COLG and Recognise Bank retain responsibility for approving the Risk Management Framework and the Business Strategy, for understanding the major risks faced by the Group and the Bank and that those risks are adequately measured, monitored and managed in accordance with limits which have been set by the Board.

The Boards consider that, at 31 March 2021, it had in place an adequate framework of systems and controls with regard to both COLG's and Recognise Bank's risk profile and business strategy.

Directorships held by members of the Board

In accordance with Article 435(2)(a) of the CRR the number of external directorships held by the Executive and Non-Executive Directors who served on the Board at 31 March 2021, in addition to their roles within Recognise Bank are disclosed below.

Director	Position	Directorships
Jason Oakley	Chief Executive Officer	3
Bryce Glover	Deputy Chief Executive Officer	2
David Jenkins	Chief Financial Officer	-
Philip Jenks	Non-Executive Director and Chair	1
Ruth Parasol	Non-Executive Director	3
Richard Gabbertas	Non-Executive Director	2
Simon Wainwright	Non-Executive Director	2
Louise McCarthy	Non-Executive Director	3
Moorad Choudhry	Non-Executive Director	2

Board Diversity

The Group and Bank values the diversity of the personal attributes of its Board, such as intellect, judgement, openness, integrity, ability to listen, to forge relationships and to constructively challenge.

The Bank also recognises the importance of diversity of psychological type, background and gender. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

As part of the Terms of Reference of the Nominations Committee, it is stipulated that the Committee will consider all Board and Senior Management appointments and take responsibility that the Bank complies with diversity and equality laws and regulations and good practice.

The Committee undertakes to consider specific matters relating to knowledge, experience, qualifications and competencies in determining whether a candidate is a sufficient match for the requirements of any role.

The Committee will also ensure that a successful candidate has both an induction, and any training or support to address and areas identified as requiring them through the recruitment process.

Further details on Corporate Governance, including on the recruitment and diversity of Board members, can be found in the Corporate Governance statement in the City London Group Annual Report and Accounts 2021.

Remuneration Committees

The Remuneration Committees review remuneration policy and practice matters (including remuneration policy), employee benefits, and performance related pay.

The COLG Remuneration Committee covers the City of London Group and subsidiaries other than Recognise Bank Limited; and the Recognise Bank Committee covers Recognise Bank Limited, including those within the Senior Managers and Certification Regime.

It sets remuneration & benefits entitlements; and agrees bonus awards (including deferral) for SMCR staff.

The Committees are chaired by a non-Executive and comprises independent Non-Executive Directors.

Nomination Committees

The Nominations Committee leads the process for identifying and making nomination recommendations to the Board and is responsible for considering senior appointments at Executive levels and Non-Executive Directors.

The COLG Nomination Committee covers the City of London Group and subsidiaries other than Recognise Bank Limited; and the Recognise Bank Committee covers Recognise Bank Limited, including those within the Senior Managers and Certification Regime.

They review and approve succession plans for all Board and Board Committee positions (including the Executive Committee).

The Committees are chaired by the Chairman of the Board and comprises independent Non-Executive Director

COLG Audit and Risk Committee

The Audit & Risk Committee of COLG oversees risk and audit for the Group and takes into account the oversight of risk and audit by the Recognise Bank Limited Audit Committee and Board Risk Committee.

It is responsible for the effectiveness of the internal control environment of the Group, monitors the integrity of the financial statements of the Group and of subsidiaries, and is responsible for internal audit of the Group.

It reviews the risk appetite of the Group and the risk profile of the Group against the risk appetite (and any action plan proposed in that regard).

The Committee is chaired by an independent Non-executive director and comprises solely Non-Executive Directors. The Audit & Risk Committee meets at least quarterly.

Recognise Audit Committee

The Recognise Audit Committee has responsibilities in relation to Recognise Bank and oversees the effectiveness of the internal control environment of Recognise, monitors the integrity of the financial statements of Recognise, and is responsible for internal audit (the third line of defence) for Recognise, and for the external audit of Recognise.

The internal audit has been outsourced to a big four firm to enable the Group to access adequate skills and experience in the performance of the Internal Audit Plan.

The Committee recommends to the Board the appointment of both internal and external auditors and approves the annual internal and external audit plans.

The Committee is chaired by an independent non-executive director and comprises solely Non-Executive Directors. The Audit Committee meets at least quarterly.

Board Risk Committee ('BRC')

The BRC is responsible for oversight of the risk management framework of Recognise and for oversight of the Bank's principal risks.

This involves reviewing, challenging and recommending to the Board, the risk appetite of the Bank, the risk profile against the risk appetite (and any action plan proposed in that regard).

The Committee receives reports from ALCO, Credit Committee and the Executive Risk Committee Conduct, which operate under their own terms of reference, to enable to exercise its oversight and challenge role.

The Committee is chaired by an independent Non-Executive Director and comprises independent, and shareholder appointed Non-Executive directors.

It meets at least four times a year.

Recognise Board Asset and Liability Committee ('ALCO')

The Board Asset & Liability Committee ("ALCO") has detailed terms of reference and is chaired by a non-executive director. ALCO meets monthly or more frequently as required.

It is responsible for oversight and challenge of the management of capital, liquidity and interest rate in the banking bank, and also for credit risk in the liquidity book.

It ensures the Bank adheres to its Liquidity and Interest Rate Policy and reviews the Bank's exposure to liquidity and interest rate risks. It reviews the ILAAP document.

Recognise Executive Committee

The Executive Committee takes day-to-day responsibility for the running of the business. The Executive Committee implements the strategy and financial plan which is approved by the Board and ensures the performance of the business is conducted in accordance with the Board's approved policies and oversight. It also reviews prudential and regulatory matters of the Bank.

Recognise Model Governance Committee

The purpose of this Committee is to manage the development and adherence to model governance principles, policies, standards and practices, ensuring there is a robust ongoing monitoring, challenge and assessment of key financial models, such as the expected credit loss model under IFRS 9.

The Model Risk Committee comprises executives and is subject to oversight by the Board Risk Committee.

Recognise Credit Committee

The Credit Committee is responsible for reviewing and recommending the Lending Policy and Concentration Policy, and for monitoring both the lending and the loan book against risk limits.

It is an Executive Committee and is chaired by the Chief Credit Officer. It meets monthly.

Recognise Executive Risk Committee

This Committee is focused on the operational environment of the Bank. The aim of the Committee is to ensure there is a robust ongoing monitoring, challenge, assessment and management of the Conduct, Compliance, Financial Crime and Operational Risks including Operational Resilience, Business Continuity, and Incident Management.

It meets monthly and is chaired by the Chief Risk Officer.

Remuneration Disclosures

The Remuneration Code (the "Code") requires a firm to maintain remuneration policies, procedures and practices that promote effective risk management.

Decision making and governance

Remuneration for both COLG and Recognise Bank are overseen by their respective Remuneration Committees. The membership of the committees are made up independent Non-executive Directors.

The membership of the remuneration committees at 31 March 2021 were as follows:

COLG	**Recognise Bank**
Philip Jenks (Chair)	Louise McCarthy (Chair)
Richard Gabbertas	Philip Jenks
Louise McCarthy	Moorad Choudhry
Moorad Choudhry	

The respective remuneration committees are responsible for developing the policies on remuneration for executive directors and senior management and for determining specific remuneration packages for each of the executive directors of COLG and Recognise Bank.

The remuneration committees are only involved in setting pay for the executive directors and senior managers of COLG and Recognise Bank. They are, however, aware of pay and conditions for other staff in the Group and Bank when making these decisions.

The remuneration committee for COLG met 5 times during the year and the Bank's remuneration committee met 4 times.

The remuneration committee for COLG consulted Deloitte LLP during the year and received advice on incentives and rewards for the Group. The remuneration committee for Recognise Bank engaged with Aon with respect to various remuneration matters.

Both COLG and Recognise Bank have applied the proportionality principle to ensure that their practices and processes are appropriate to their size, internal organisation and the nature, scope and the complexity of their activities.

Link between pay and performance

COLG and Recognise Bank believe in the importance of attracting, retaining and motivating staff of the appropriate calibre.

The general principle for COLG and Recognise Bank is that staff will be paid a salary, plus benefits and they will be eligible for an annual discretionary bonus. Senior staff are entitled to participate in long-term incentive plans.

Salary increases and the payment of a discretionary bonus are both subject to good performance, corporate profitability and compliance with risk policies and risk appetite limits.

Code Staff Remuneration

The Code requires both the COLG and Recognise Bank to identify Material Risk Takers ("MRTs"), also known as Code staff. MRTs have activities which have a material impact on the firm's risk profile. COLG and Recognise Bank identified 24 MRTs in respect of the financial year ended 31 March 2021.

Material Risk Takers

The following have been identified as MRTs within both COLG and Recognise Bank:

1. All Executive and Non-Executive Directors of COLG and Recognise Bank;
2. All other employees of Recognise Bank who hold a Senior Management Function ("SMF"); and
3. All other MRTs not caught by 1 or 2 as per criteria outlined under MRT regulation (No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU).

During the financial year ended 31 March 2021, there were no other staff identified who are both highly remunerated and could have an impact on the risk profile of either COLG or Recognise Bank.

Aggregate Remuneration Expenditure (MRTs) (£'000)

COLG	Recognise Bank	Total
795	2,398	3,193

Breakdown of remuneration between Fixed and Variable amounts (£'000)

	Directors	Other	Total
Number of MRTs	14	10	24
Fixed	1,506	1,262	2,768
Variable	338	87	425
Total	1,844	1,349	3,193

Appendix A – Own Funds Disclosures

The following table shows the composition of own funds and the key features of the Bank's capital instruments in the format prescribed under EU Regulation 1423/2013 and the disclosures adjusted accordingly where there is no requirement.

Own funds disclosure template

		Group £'000	Bank £'000	Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	84,390	40,141	26(1), 27, 28, 29
	of which: Ordinary shares	84,390	40,141	EBA list 26(3)
2	Retained earnings	(48,652)	(12,790)	26(1)(c)
3	Accumulated other comprehensive income (and other reserves)	3,648	55	26(1)
3a	Funds for general banking risk	-	-	26(1)(f)
4	Amount of qualifying items referred to in Article 484(3) and the related other share premium accounts subject to phase out from CET1	-	-	486(2)
5	Minority interests (amount allowed in consolidated CET1)	-	-	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-	26(2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**39,386**	**27,406**	Sum of rows 1 to 5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments	(2,815)	(7)	34, 105
8	Intangible assets (net of any related tax liability)	(1,775)	(1,028)	36(1)(b), 37
9	Empty set in the EU	-	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities where the conditions of Article 38(3) are met)	-	-	36(1)(c), 38
11	Fair value reserves related to gains and losses on cash flow hedges	-	-	33(1)(a)
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	36(1)(d), 40, 159
13	Any increase in equity that results from securitised assets	-	-	32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	33(1)(b)
15	Defined-benefit pension fund assets	-	-	36(1)(e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments	-	-	36(1)(f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-	36(1)(g), 44

18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-	36(1)(h), 43, 45, 46, 49(2) & (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-	36(1)(i), 43, 45,47, 48(1)(b), 49(1) to (3), 79
20	Empty set in the EU	-	-	
20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	-	-	36(1)(k)
20b	of which: qualifying holdings outside the financial sector	-	-	36(1)(k)(i), 89 to 91
20c	of which: securitisation positions	-	-	36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	of which: free deliveries	-	-	36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)	-	-	36(1)(c), 38, 48(1)(a)
22	Amount exceeding the 15% threshold	-	-	48(1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	36(1)(i), 48(1)(b)
24	Empty set in the EU	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	36(1)(c), 38, 48(1)(a)
25a	Losses for the current financial year	-	-	36(1)(a)
25b	Foreseeable tax charges relating to CET1 items	-	-	36(1)(l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution	-	-	36(1)(j)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(4,590)**	**(1,035)**	Sum of rows 7 to 20a, 21, 22, 25a to 27
29	**Common Equity Tier 1 (CET1) capital**	**34,796**	**26,371**	Row 6 minus row 28
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	-	-	51, 52
31	of which: classified as equity under applicable accounting standards	-	-	
32	of which: classified as liabilities under applicable accounting standards	-	-	
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1	-	-	486(3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	85, 86

35	of which: instruments issued by subsidiaries subject to phase out	-	-	486(3)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	**-**	Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments	-	-	52(1)(b), 56(a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-	56(b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-	56(c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-	-	56(d), 59, 79
41	Empty set in the EU	-	-	
42	Qualifying T2 deductions that exceed the T2 capital of the institution	-	-	56(e)
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	**-**	Sum of rows 37 to 42
44	**Additional Tier 1 (AT1) capital**	**-**	**-**	Row 36 minus row 43
45	**Tier 1 capital (T1 = CET1 + AT1)**	**34,796**	**26,371**	Sum of row 29 and row 44
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	-	-	62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase out from T2	-	-	486(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-	87, 88
49	of which: instruments issued by subsidiaries subject to phase out	-	-	486(4)
50	Credit risk adjustments	-	-	62(c) & (d)
51	**Tier 2 (T2) capital before regulatory adjustments**		-	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans	-	-	63(b)(i), 66(a), 67
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-	66(b), 68
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-	66(c), 69, 70, 79

55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-	-	66(d), 69, 79
56	Empty set in the EU	-	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	**-**	Sum of rows 52 to 56
58	**Tier 2 (T2) capital**	**-**	**-**	Row 51 minus row 57
59	**Total capital (TC = T1 + T2)**	**34,796**	**26,371**	Sum of row 45 and row 58
60	**Total risk weighted assets**	**49,732**	**33,440**	
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	69.97%	78.86%	92(2)(a)
62	Tier 1 (as a percentage of total risk exposure amount)	69.97%	78.86%	92(2)(b)
63	Total capital (as a percentage of total risk exposure amount)	69.97%	78.86%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	2.50%	2.50%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.00%	0.00%	
67	of which: systemic risk buffer requirement	0.00%	0.00%	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	45%	68%	CRD 128
69	[non relevant in EU regulation]	-	-	
70	[non relevant in EU regulation]	-	-	
71	[non relevant in EU regulation]	-	-	
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-	36(1)(h), 46, 45, 56(c), 59, 60, 66(c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-	36(1)(i), 45, 48
74	Empty set in the EU	-	-	
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)	-	-	36(1)(c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2				

76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-	62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-	62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
80	-- Current cap on CET1 instruments subject to phase out arrangements	-	-	484(3), 486(2) & (5)
81	-- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	484(3), 486(2) & (5)
82	-- Current cap on AT1 instruments subject to phase out arrangements	-	-	484(4), 486(3) & (5)
83	-- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	484(4), 486(3) & (5)
84	-- Current cap on T2 instruments subject to phase out arrangements	-	-	484(5), 486(4) & (5)

Own funds disclosure template

Issuer	COLG City of London Group PLC	Recognise Recognise Bank Limited
Unique identifier	GB00BD9GS058	N/a
Governing law(s) of the instrument	English	English
Regulatory treatment		
Transitional CRR rules	CET1	CET1
Post-transitional CRR rules	CET1	CET1
Eligible at solo/(sub-)consolidated/solo & (sub) consolidated	Consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares
Amount recognised in regulatory capital (currency in million, as of capital (currency in million, as of most recent reporting date)	£84.390	£40.141
Nominal amount of instrument	£0.02	£1.00
Issue price	Various	Various
Redemption price	N/a	N/a
Accounting classification	Equity	Equity
Original date of issuance	Various	Various
Perpetual or dated	Perpetual	Perpetual
Original maturity date	N/a	N/a
Issuer call subject to prior supervisory approval	N/a	N/a

Option call date, contingent call dates and redemption amount	N/a	N/a
Subsequent call dates if applicable	N/a	N/a
Coupons/Dividends		
Fixed or floating dividend/coupon	Floating	Floating
Coupon rate and any related index	N/a	N/a
Existence of a dividend stopper	N/a	N/a
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
Existence of step up or incentive to redeem	N/a	N/a
Non-cumulative or cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion triggers	N/a	N/a
If convertible, fully or partially	N/a	N/a
If convertible, conversion rate	N/a	N/a
If convertible, mandatory or optional conversion	N/a	N/a
If convertible, specify the instrument type convertible into	N/a	N/a
If convertible, specify the issuer of instrument it converts into	N/a	N/a
Write-down features	N/a	N/a
If write-down, write-down trigger(s)	N/a	N/a
If write-down, full or partial	N/a	N/a
If write-down, permanent or temporary	N/a	N/a
If temporary write-down description of write-up mechanism	N/a	N/a
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/a	N/a
Non-compliant transitioned features	N/a	N/a
If yes, specify non-compliant features	N/a	N/a