



# 2025 Results Presentation



# Unity has delivered growth and created impact where it's needed most.

We continue to deliver sustainable returns and strengthen the business to advance our growth ambition.

## Contents:

1. Highlights of 2025
2. Financial Performance
3. Impact Performance
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# Highlights of 2025

Customer image:  
Prospect

8 DECENT WORK AND  
ECONOMIC GROWTH



# Delivering on our purpose together



## Delivering on our double bottom line

### Financial

**12% YoY Growth**

Record Lending

£1,133m (2024: £1,014m)

### Impact

**53.7%**

Lending to areas of  
high deprivation

2024: 51%

**17% Return on Equity**

Sustainable returns

2024: 26%

**£141k**

Grants and donations

2024: £89k

**24% CET1**

Financial strength

Investment grade: Fitch

**3 new**

Impact products and toolkits

Local climate bonds, Green loans,  
Impact toolkit

## With our customers and people

### Customer

**83%**

Customer satisfaction

87% satisfied or extremely satisfied  
with our services

### People

**72**

People growth

28 internal movers

**4.5**

Trustpilot score

Independently verified reviews

**2 STAR**

Outstanding to work for

Best companies 2025

**11,320**

current account deposit  
customers

7% increase YoY (2024: 10,591)

**4 new**

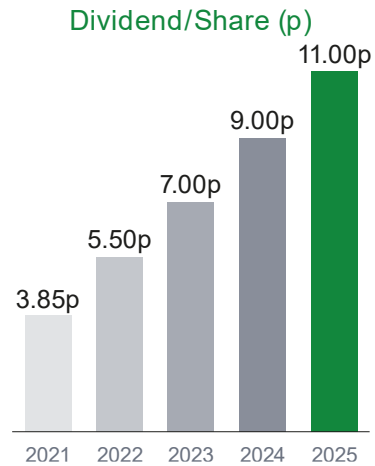
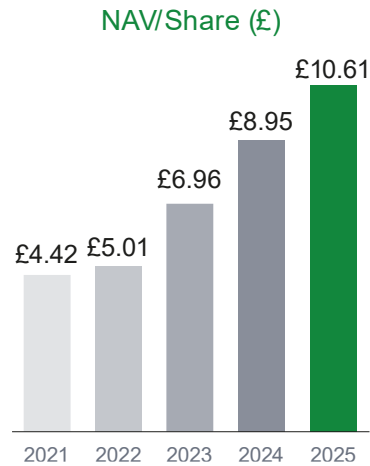
Strengthened Executive

1 internal promotion

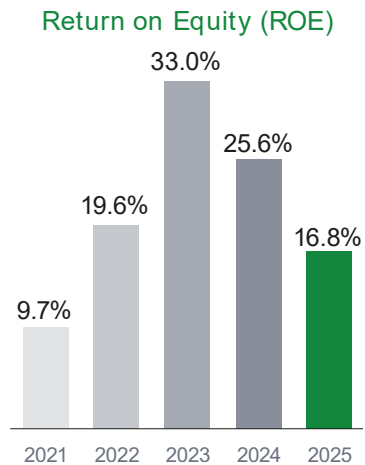
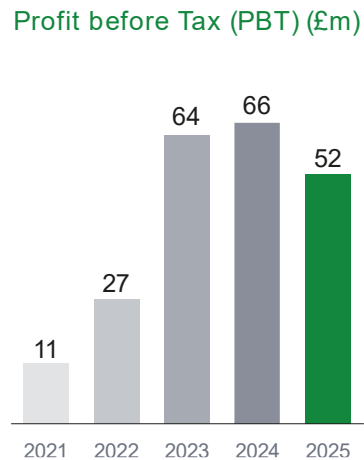
# Financial and Impact performance

Delivering on our double bottom line

## Shareholder value

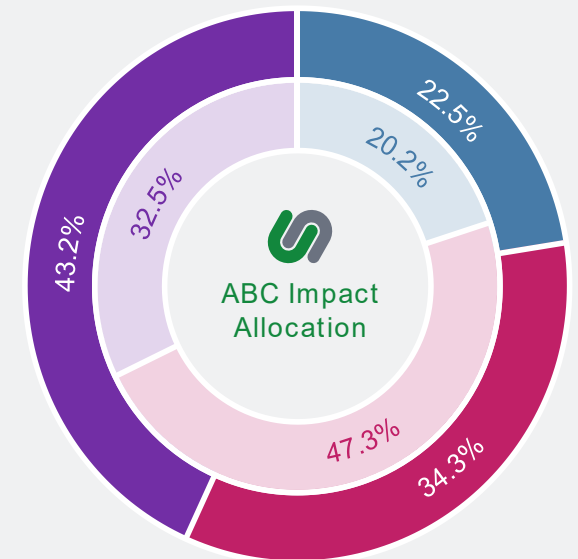


## Performance



## Impact

9 of 17 UN SDGs directly supported



- 2025
- 2024
- A Act to Avoid Harm
- B Benefit Stakeholders
- C Contribute to Solutions

# Delivering on our priorities

aligned to our strategic objectives



## Strengthen the proposition

- ✓ Investment in human and digital services and features
- ✓ Dedicated sector service teams, relationship management and newly formed Unity Experience team
- ✓ Launched new notice and money market product



## Grow the business

- ✓ Record lending and funding, with 12% and 8% growth respectively
- ✓ Sustainable financial returns with strong Return on Equity
- ✓ Structural hedging in place with diversified funding capability delivered



## Strengthen the business

- ✓ Data capability enhanced through delivery of data fabric
- ✓ Transaction monitoring capability and financial crime team strengthened
- ✓ Network replacement, disaster recovery and cyber resilience strengthened



## Ethical bank of choice

- ✓ #1 Ethical Business Current Account in 2025 by Good With Money
- ✓ Local climate bonds and Green tariff for loans. Partnering with the Green Finance Institute.
- ✓ Embedded theory of change, £141k donations/grants



## Best place to work

- ✓ "Outstanding" rating in Best Companies Survey
- ✓ Learning and development team established
- ✓ Strengthened leadership, Board and executive, and across the bank, 72 new roles, of which 28 internal moves.

# Recognitions

FitchRatings  
Investment Grade



THE SUNDAY TIMES  
Best Places  
to Work 2024



Fair Tax

MACFB  
HELPING FUND UK BUSINESS

disability  
confident  
EMPLOYER



INVESTORS IN PEOPLE  
We invest in people Gold



UNLOCK  
NET ZERO

Green Finance  
Institute



Responsible  
Finance

MotherTree  
UK's Greenest Business Bank

PCAF  
Partnership for  
Carbon Accounting  
Financials

Global Alliance for  
Banking on Values

unity trust  
bank

# Financial Performance

Customer image:  
Beaudesert Outdoor Activity Centre



# Financial results and dividends

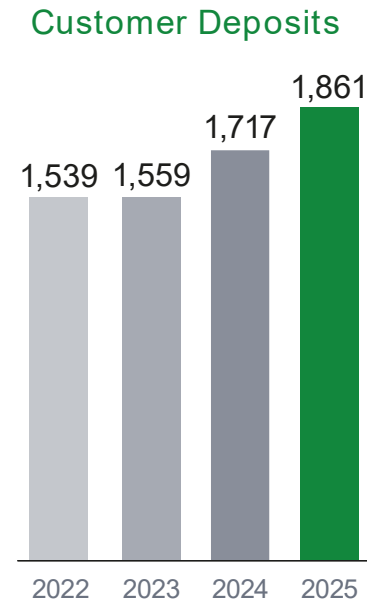
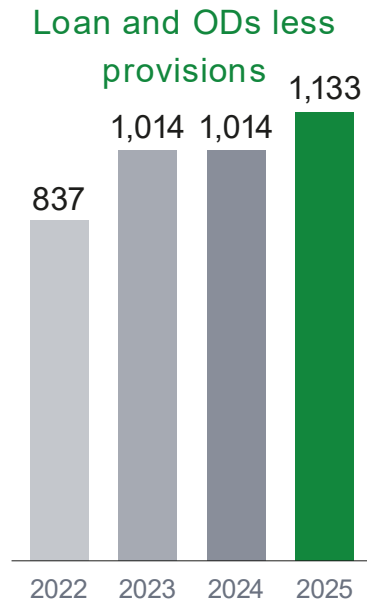
- 1 Net interest income was £92.2m (2024: £99.3m), a decrease of 7.1%, reflecting the lower interest rate environment during the year.
- 2 Net fee and commission income was £2.8m (2024: £2.8m), with growth in fee income offset by higher associated costs.
- 3 Operating expenses increased by 24.2% to £41.4m (2024: £33.3m), driven by investment in people, operational resilience, cyber security, transaction monitoring, data, digital banking and automation.
- 4 No losses on financial instruments were recognised in the year (2024: £2.0m loss from repositioning of treasury assets).
- 5 The impairment charge for the year was £1.2m (2024: £1.0m). No write-offs were recorded (2024: three write-offs totalling £861k).
- 6 The dividend per ordinary share increased to 11.00p (2024: 9.00p), consistent with the Bank's policy of prioritising capital retention while providing reliable annual dividends.

Income Statement	2025 £000's	2024 £000's
Interest receivable and similar income	118,236	122,813
Interest expense and similar charges	(26,011)	(23,561)
<b>1 Net interest income</b>	<b>92,225</b>	99,252
Fee and commission income	4,362	4,205
Fee and commission expense	(1,561)	(1,360)
<b>2 Net fee and commission income</b>	<b>2,801</b>	2,845
<b>Total income</b>	<b>95,026</b>	102,097
<b>3</b> Operating expenses	<b>(41,377)</b>	(33,314)
<b>4</b> Gains/(Losses) on financial instruments held at fair value	<b>(28)</b>	(2,015)
<b>5</b> Impairment charge	<b>(1,206)</b>	(1,017)
<b>Operating profit and Profit before taxation</b>	<b>52,415</b>	65,751
Taxation charge	(11,626)	(15,275)
<b>Profit for the year attributable to shareholders</b>	<b>40,789</b>	50,476

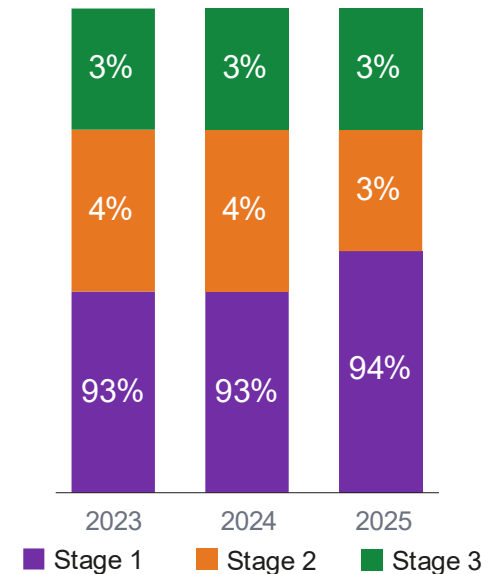
	2021	2022	2023	2024	2025
<b>6</b> Net interest margin	1.42%	2.68%	5.25%	5.38%	4.47%
Cost income ratio	54.2%	36.8%	27.1%	32.6%	43.5%
Return on equity	9.7%	19.6%	33.0%	25.6%	16.8%
Dividend per ordinary share	3.85p	5.50p	7.00p	9.00p	11.00p

# Growth

Growth in Lending and Deposits with increase of 12% and 8% respectively in 2025



Impairment - IFRS 9 Stages



- Gross loans and overdrafts increased by 12% to £1,133m (2024: £1,014m), the portfolio expanding to include local authority money market and green lending.
- The lending pipeline at end 2025 stood at £186m (2024: £133m).
- 54% of lending during the year supported organisations based in, or delivering services to, areas of high deprivation.

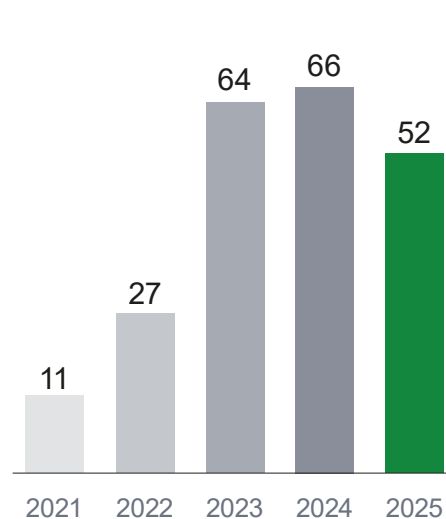
- Customer deposits grew by 8% to £1,861m (2024: £1,717m), with the Bank continuing to fund its lending growth from its deposit base.
- Number of current account deposit customers increased by 7% to 11,320 (2024: 10,591), reflecting the value customers place on our service and our model of banking.

- The balance sheet provision for loan impairment at 31 December 2025 was £11.4m (2024: £9.7m), with a provision coverage ratio of 0.97% (2024: 0.90%).
- No write-offs were recorded in the year (2024: three write-offs totalling £861k).
- Stage 2 and 3 cases comprise credit watchlist cases.

# Sustainable returns

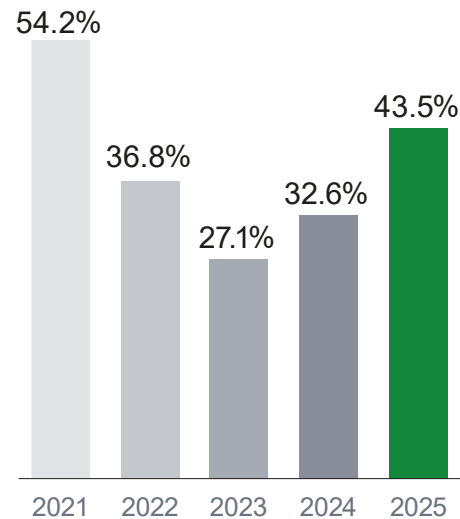
Sustainable profits and returns, whilst costs controlled to deliver long term value

Profit before Tax (PBT) (£m)



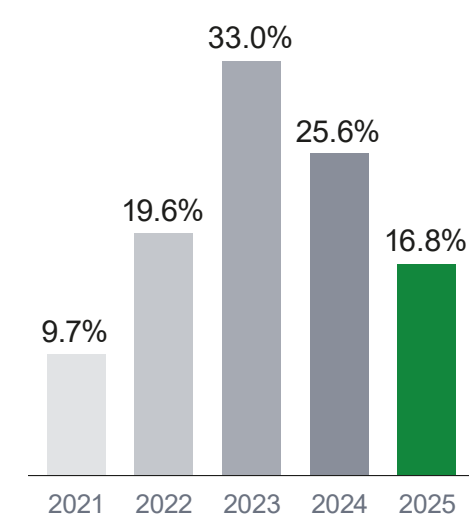
- Profit before tax is £52m (2024: £66m), increasing from £11m in 2021.
- Net interest margin is 4.47% (2024: 5.38%), with net interest income of £92m. Increased from 1.42% in 2021

Cost income ratio



- Cost income ratio is 43.5% (2024: 32.6%), reflecting a 24% YoY increase in operating expenditure across workforce, technology and operational resilience.

Return on Equity (ROE)

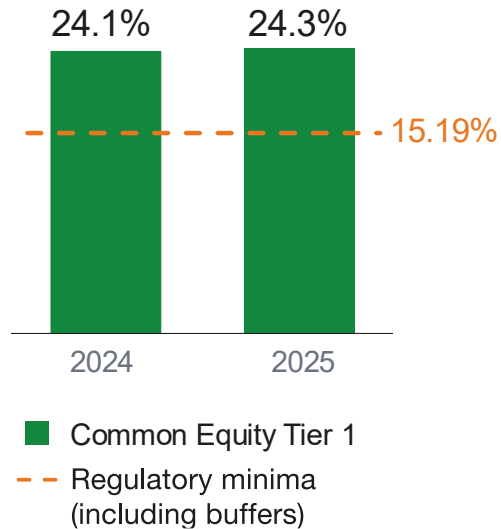


- Return on equity is 16.8% (2024: 25.6%), the combination of returns and capital strength provides capacity for continued growth.
- The dividend per ordinary share increased to 11.00p (2024: 9.00p).

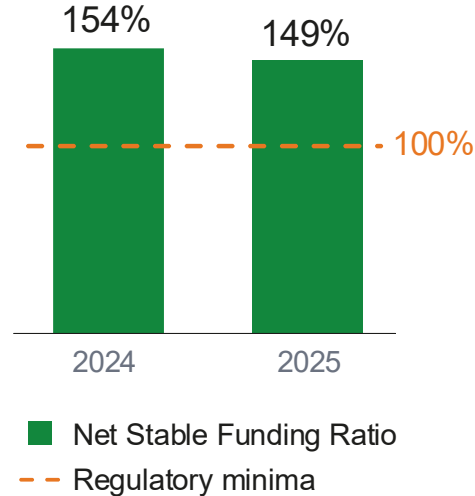
# Strength

Unity secured an investment grade credit rating, demonstrating the strength of the Bank

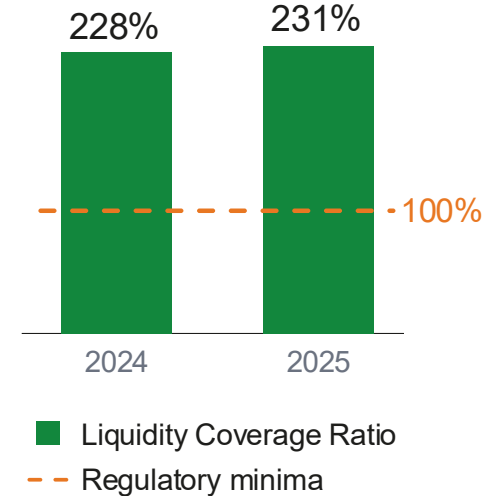
### Capital - Common Equity Tier 1



### Net Stable Funding Ratio



### Liquidity Coverage Ratio



- At the end of 2025, the Common Equity Tier 1 ('CET1') ratio showed a substantial surplus to regulatory requirements at 24.3%.
- Unity's regulatory minima including buffers is 15.19%.

- The Bank's Net Stable Funding Ratio ('NSFR'), a measure of the stability of the funding base remains strong at 149% (2024: 154%).
- The loan to deposit ratio has increased marginally to 61% (2024: 59%) during the year.

- The Liquidity Coverage Ratio ('LCR'), a measure of the Bank's ability to meet short term liquidity obligations, had an average of 231% in the 12 months of 2025 (2024: 228%).



FitchRatings

Investment grade  
credit rating



# Impact Performance

Achieving impact that supports the UN Sustainable Development Goals



Customer image:  
Compass Disability Services



# Our social impact in 2025



At Unity, our mission is simple: to help create a better society.

**Our total loan book reached £1.1bn, with over 710 organisations accessing finance from Unity.**



Exceeded our Green Lending target by 64% deploying £29.3 million vs a target of £17.9 million.



Provided assurance to the 11,320 customers entrusting £1.9bn with Unity that their money is supporting positive change in their communities (£1.8bn in 2024).

To achieve this, Unity has:



**Increased new lending by 143% to £333m**  
an additional £196m driving positive social impact (2024: £137m).



**Provided finance to 155 socially-minded organisations**  
(2024: 131)



**Strengthened our focus on communities**  
with the greatest need, directing 53.7% of our lending to high-deprivation areas (2024: 50.5%).



**Supported organisations dedicated to serving marginalised and disadvantaged communities,**  
with 43.2% of lending classified as 'C – Contribute to Solutions' (2024: 32.5%).



**Delivered customer experience excellence**  
87% of our customers were 'satisfied' or 'extremely satisfied' with our services (2024: 88%).

## Bank of choice

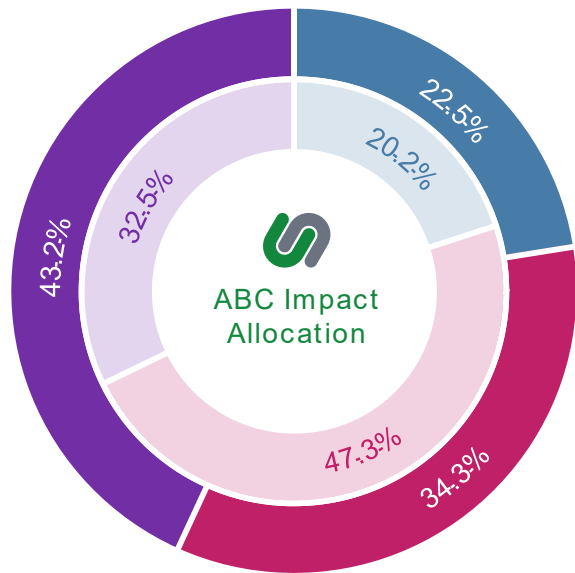
We aim to be the leading UK social impact bank, supporting organisations that deliver social, economic, and environmental impact in their communities while achieving their organisational goals. Our double bottom line approach, balancing purpose and profit, drives everything we do.

# Our social impact lending in 2025



Every loan we approve contributes to one or more of these goals, supported by a comprehensive framework that measures positive impact.

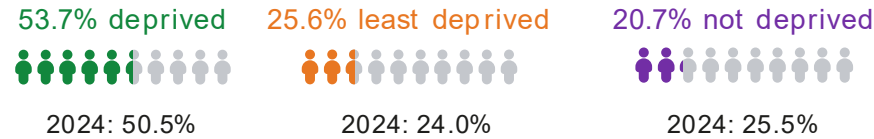
## The ABCs of Impact



2025 2024

- A Act to Avoid Harm
- B Benefit Stakeholders
- C Contribute to Solutions

## Lending deployment by deprivation



## Key beneficiaries and end users

Beneficiary Group	2025	2024
Older people	24.6%	26.7%
People experiencing homelessness	22.1%	4.9%
People living in poverty and/or financial exclusion	20.8%	7.8%
People with long-term health conditions/life threatening or terminal illness	8.6%	12.2%
Vulnerable children	6.4%	0.4%

Based on 76% of total lending commitments in 2025

## Most representative SDGs of 2025



Other SDGs supported (0.3% of commitment):

- UN SDG 10: Reduced Inequalities
- UN SDG 12: Responsible Production & Consumption
- UN SDG 2: Zero Hunger

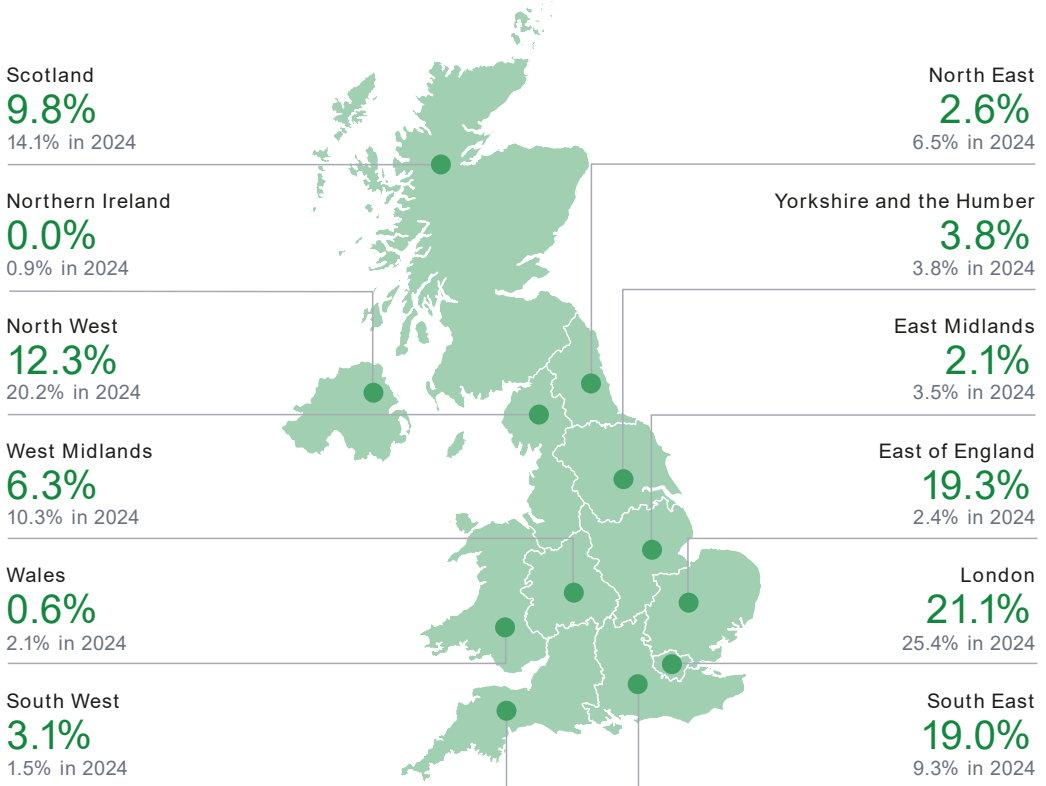


# Growth in lending across UK regions



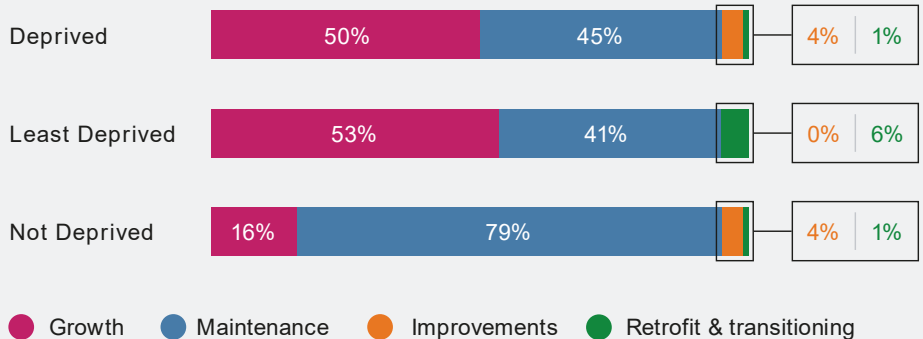
Unity continued to deliver loans across the UK, maintaining our strong commitment to social impact.

## New lending distribution by regions



In 2025, we strengthened the way we measure and report the impact of our lending. This created greater clarity on the type of support our financing provides across different sectors.

## Deprivation and use of fund categories by commitment £



● Growth ● Maintenance ● Improvements ● Retrofit & transitioning

# What we delivered in 2025



Unity's double bottom line approach ensures our financing is only used to deliver social, economic and environmental impact.



### Social Impact

Housing & Wellbeing

**2,084 homes**  
and 1,015 of people at risk of homelessness supported  
(2024: 1,109 & 416)

**1,625 care beds**  
created and renovated, and 670 day care spaces  
(2024: 1,798 & 1,806)

**Over 3m**  
prescriptions issued to increase access in local communities  
(2024: 3.8m)

**£3.2m donated**  
by customers to 87 charities  
(2024: £1.6m & 98)




### Environmental Impact

Climate Finance

**736 homes**  
and 21 communal spaces supported to decarbonise  
(2024: 931 & 2)

**£6.3m invested**  
in 14 Local Climate Bonds  
(2024: £0)

**35 loans**  
loans directly contributed to UN Sustainable Development Goal 11 – Sustainable Cities and Communities  
(2024: 12 loans)



### Economic Impact

Employment, Education and Training

**1,330**  
education spaces and 4 apprenticeships  
(2024: 216 & 0)

**5,296 jobs**  
supported, created and/or protected  
(2024: 3,194)

**252 businesses**  
accessed finance through CDFIs  
(2024: 171)

**£5m invested**  
in Money Market Loans to support local authorities  
(2024: £0)

# Unity & Me: Purpose-driven initiatives



## Grants & Donations

**£140,500+**

funding provided by Unity and colleagues to organisations delivering impact across the UK



## Equity, Diversity & Inclusion

**100+**

colleagues attended our Neurodiversity Campaign and celebrated the Deaf and Blind Awareness Week



## Health & Wellbeing

**'My Day'**

awarded as a wellbeing day off for employees and Time to talk session held with our CEO



## Community Growth

**128**

colleagues took part of volunteering activities during the year, supporting 85 charities, schools, organisations



## Unity Green

**105**

trees planted through TrainHugger and the launch of 'The Great Big Green Week'



## Connected

Coming soon in 2026

# Banking on Sustainability



Unity's 2045 Net Zero Commitment

## Unity committed to achieving Net Zero by 2045 across all emissions.

A near term target of 2035 has been set for Unity's Scope 1, 2 and business travel emissions. Unity's targets are on an intensity basis as the bank grows to support more customers delivering change in their communities.


Unity will achieve Net Zero across our own emissions by 2035.

Target: A 95%\* reduction in tonnes of CO<sub>2</sub>e\*\* per FTE from 2024 baseline by 2035 with residual emissions offset.



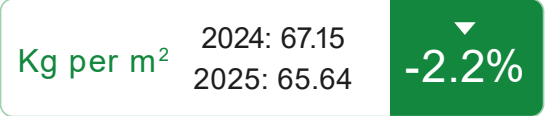
Employee carbon intensity ▲

Driven by longer commuting despite greener travel.



Unity will achieve Net Zero across all emissions by 2045.

Key loan book target: A 95%\* reduction in Kg of CO<sub>2</sub>e\*\* per m<sup>2</sup> of real estate from 2024 baseline by 2045, with residual absolute emissions offset.



Carbon intensity per m<sup>2</sup> ▼

Supported by Green Tariff, RTI and Net Zero aligned loans totalling £29.3 million.



\*Residual emissions (e.g. the 5% leftover) will be 'offset' through carbon negative assets in loan book and treasury meeting Unity's risk appetite and double bottom line.

\*\*CO<sub>2</sub>e = carbon dioxide equivalent referring to a range of greenhouse gases which have climate warming effects equalised to the equivalent tonnes of carbon dioxide to create the same warming effect (e.g. methane, nitrous oxide etc.)

# Customer

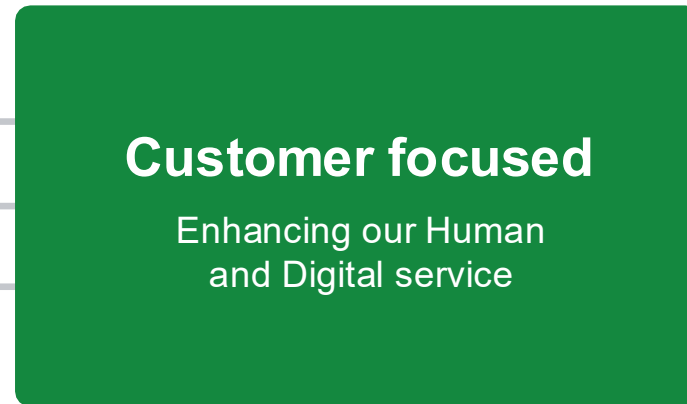



Customer image:  
North Sea Conservation



# Strengthening our Customer service and experience

Our human service enhanced by our digital platform



 **87%**  
of our customers said they were satisfied or extremely satisfied with our services

## Invested in our human service

- UK-based Relationship Managers and customer service advisors
- Dedicated sector service teams with specialist knowledge
- Unity Experience team, new capability for customer interaction

## Customer partnering

- Co-creation with customers to test digital solutions
- Grants Sponsorship and Changemakers programme launched
- Impact toolkit launched for customer organisations

## Building our products & services

- Green Tariff for loans
- 32 & 95 day Notice Accounts
- Money Market Products

## Putting customers first

- Customer council established for customer driven investment
- Inclusive design culture supporting vulnerable customers
- Customer journey mapping driving service redesign

## Improved digital banking

- Redesigned application form improving onboarding
- Accessible by design: documented standards and workflows
- Customer accounting software integration

## Service excellence

- Reduced telephony wait times and improved reliability
- Faster processing of international payments
- Simplified customer KYC experience

# Our human and digital service

Human service with our relationship managers and UK based experience team

## Our Human relationship model

- Individual relationship managers for borrowing customers supported by online banking.
- Human interaction for all customers through Unity Experience customer service team
- Dedicated Sector Desks deliver tailored support aligned to needs
- Sector specialisms, leads and product propositions offer tailored solutions
- Continued recruitment and development of our relationship managers, extending UK coverage

## Our Digital & Operational investment

- Wait times reduced and processing accelerated across lending and servicing
- End to end customer oversight review on products. BACS improvements made focussed on customer journey and experience
- Routine service requests automated, reducing unnecessary customer callbacks
- Onboarding, KYC, and account maintenance simplified, reducing customers information requests
- Digital features delivered with customer needs and accessibility built into design, improving digital service capability.



 **83%**

Customer  
Satisfaction score

**ServiceMark**

 The Institute of  
Customer Service

# With our Customers and Communities



Deepening relationships with the organisations and communities we serve

## Supporting our Customers' Missions

- Webinars on banking, fraud prevention, and cyber security for customer finance teams
- Impact toolkit enabling customer organisations to measure and communicate their impact
- Collaborative design of digital solutions based on direct customer feedback

## Investing in Communities

- Football Association grants Sponsorship and Changemakers, direct investment in grassroots community sport
- Collaboration with customers to identify unmet needs and pain points
- Bespoke sector user guides: tailored support, not generic documentation

## Building long term relationships

- Customer council providing customer driven input to Unity's product and proposition development
- Sector specific relationship management across the UK, ensuring relevance, coverage and depth
- Robust complaints management embedded with continuous improvement loop

# LEAP

(Lincolnshire Employment  
Accommodation Project)

**Loan amount:** £1.9 million

**Location:** East Midlands



Seven-figure refinance package will enable social housing charity to provide new high quality bed spaces for homeless and vulnerable people in Lincoln.



# The Cambridge Housing Society Ltd

**Loan amount:** £30 million

**Location:** East of England



Unity awards record £30m funding to help Cambridge-based housing association strengthen its portfolio.



# Bristol City Council

**Loan amount:** £573,700

**Location:** South West



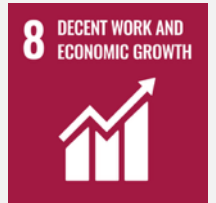
Six-figure investment in Local Climate Bonds supports Bristol City Council's carbon neutral ambitions.



# Trades Union Congress

**Deposit customer**

**Location:** London HQ and Nationwide presence



Unity supports Heat Workforce Planning Project to create high-quality jobs as the UK transitions to a low carbon future.





 4.5

Unity Trust Bank  
Trustpilot: **Excellent**

As of 19th Feb 2026



Helpful and patience

The person dealing with me was very patient and helped me through regaining access to my account



Excellent customer service

Excellent customer service on the help line - friendly, helpful and patient in guiding me through the initial login process.



Great Customer Service

Excellent Customer Service.

Really friendly. You could almost hear the warm smile! Calm, patient. Clear advice.



Excellent customer services

I called customer services for help with an account problem. Elise who answered the call was friendly, helpful and efficient. I have always had excellent service from Unity's customer services and this was another example of this.



# 2025-2029 Strategy Overview



Customer image:  
Orange Bow

8 DECENT WORK AND  
ECONOMIC GROWTH



# Our priorities for the future: Unity in 2030



Five strategic objectives aligned to our Purpose

- **Customer driven** in everything we do. Intentionally **human and digital**.
- **Positively impact** society, the environment and the economy.
- Deliver **safe balanced growth**.
- Deliver **sustainable returns** to support **growth and dividends**.
- Be the **best place for our people** to work.
- Build **scalable, resilient** operations for the future.

## Investing for growth





**Thank you to our shareholders for their support and our people for their commitment and hard work**





# unity trust bank



# About us



The Institute of Customer Service

**SERVICEMARK**

The Institute of Customer Service recognizes that  
**Unity Trust Bank**  
has achieved ServiceMark accreditation for  
customer service

ServiceMark is a national accreditation which recognizes an organization's commitment to and achievement in customer service.

*James O'Connell, Chief Executive*  
James O'Connell, Chief Executive  
on behalf of  
The Institute of Customer Service  
January 2018 - January 2019  
[www.theinstitutecustomer-service.com](http://www.theinstitutecustomer-service.com)

# Who we are

**We offer commercial banking to organisations who help to create a better society.**

Unity supports a range of sectors that deliver positive social, environmental or economic impact across the UK; from local councils helping to improve the lives of local communities, Trade Unions supporting their members to charities delivering vital services to people in need.

Striving to provide excellent human and digital services to our customers we provide specialist sector knowledge and support that enables our customers to focus on their business and deliver social impact.



**Business Savings Account**



**Payments**



**Business Current Account**



**Business Loans**

# Our proud history

**Unity Trust Bank was launched on May 1, 1984 by the Trade Unions and the Co-operative Bank.**

It was born out of a vision to create a bank that would embrace the philosophy of serving the common good. Now a thriving commercial bank, Unity continues to embody its founding principles:

## First mission

Unity's first mission was to provide prudent, profitable commercial lending in the UK and to support jobs, industries and the British economy.

## Developing banking facilities

The first few years were spent developing banking facilities for our Trade Union shareholders and providing additional services specifically to benefit their members.

## Products and services

During the 1990s we tailored our products and services to meet the needs of socially-minded organisations.

## Double-bottom line

In 2012 we committed to a 'double-bottom line' strategy to continue delivering positive social impact alongside sustainable financial returns.

## Independent bank

In December 2015, Unity became independent after the Co-operative Bank was bought out.

# Unity Trust Bank

## A purpose led bank

### Delivering on Purpose

Unity is a purpose led bank, from its establishment 40 years, the establishment of the “double bottom line” and the continued pursuit of commercial return alongside positive social impact.

This purpose is ingrained in Unity’s DNA (through the articles of association) and deeply embedded in culture.

Unity’s purpose is more relevant today than it has ever been and we have demonstrated that banking can be different.

The growth ambition set out within this Plan allows Unity to advance its purpose. Growing our impact alongside delivering sustainable returns.

### Purpose (from our articles):

- To be the bank with a social conscience;
- To provide banking services to viable organisations, sole traders or individuals that contribute community, economic, social or environmental benefit to society, including, but not limited to, Trade Unions, co-operatives, charitable and commercial enterprises; and
- To achieve sustainable returns for itself and its members as well as a social benefit. This is described as a “double bottom line” approach to all business the Company does.



### Mission

Our mission is to provide customer driven ethical and sustainable banking services to commercial organisations.

### Ambition (vision):

To be the Bank of Choice that empowers organisations to deliver positive impact and achieve commercial success.

### Our Values



Bold



Collaboration



Inclusive



Straightforward



Integrity

# Our Business Model

Balance the distribution of needs

## Our funding comes from:

Organisations, sole traders or individuals seeking human and digital service, providing a fair return alongside supporting positive social impact.



## Our funding goes to:


Provide lending to creditworthy organisations that deliver social value.

## How we generate sustainable returns

- Loans and services to customers who deliver impact and repay our loans.
- We provide banking, payments and savings services to organisations who want to see their money do good.
- Our services to organisations across the UK enable us to generate sustainable returns.

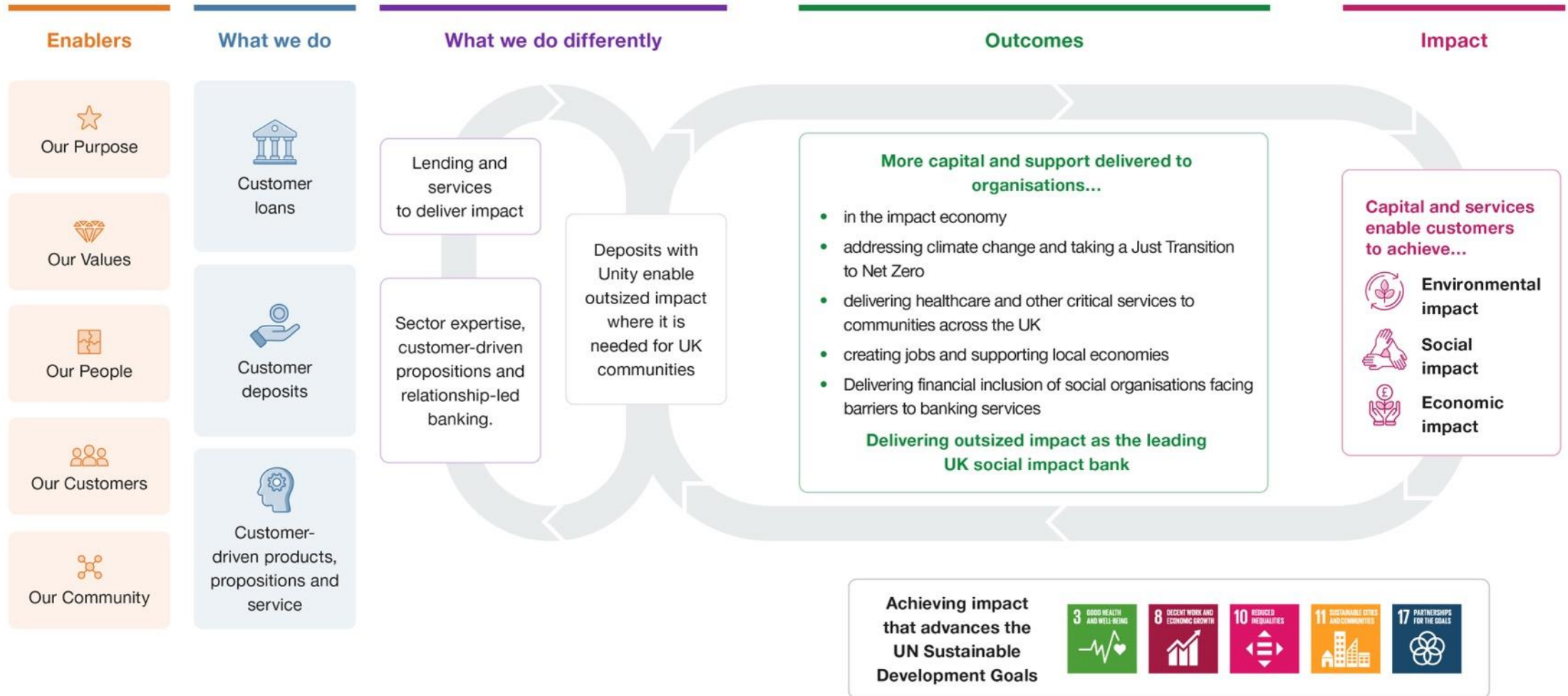
## How we deliver positive social impact

- Delivering Unity's purpose
- Driving the Impact Model
- Leading on impact
- Impact through Innovation

  
**Our double bottom  
line – embedded  
in our DNA**

# Our Impact Model

With customers, for communities



# Unity's Risk Management Framework



# Unity's Risk Management Framework



The Board is responsible for maintaining overall corporate governance, including ensuring that the Bank operates within an adequate system of risk management and that the level of capital levels held remain appropriate for the Bank's risk profile.

Through its committees, the Board receives regular reporting on principal risks, emerging risks and the Bank's performance against risk appetite.

Specific Board authority is delegated to Board Committees and the Chief Executive Officer (CEO) who may, in turn, delegate elements of discretion to appropriate members of Executive and senior managers. In addition, Board Risk Committee (BRC) have delegated a lending authority to credit underwriting, that is overseen by the Chief Risk Officer (CRO) but executed by Head of Credit Underwriting (CU) and the team.

**The Board Risk Committee (BRC)** is a Board Committee. It supports the Board by monitoring the ongoing process of identification, evaluation, and management of all significant risks across the Bank and determining that all risks are being managed appropriately, in line with its Risk Appetite Statement, and that adequate capital and liquidity is maintained.

**The Board Audit Committee (BAC)** is a Board Committee. It supports the Board in carrying out its responsibilities for internal control and risk assessment and receives reports from the Internal Audit function (outsourced). It monitors the integrity of the financial statements and the effectiveness of the external auditors.

**The Remuneration Committee** is a Board Committee. It determines remuneration and employment policy, approving appropriate incentive schemes and any payments made under such schemes.

**The Nomination Committee** is a Board Committee. It makes recommendations on the size, structure and membership of the Board and its committees and keeps under review the leadership needs of the Bank.

**The Executive Committee** is a management committee and oversees and monitors strategic performance and risks of the business in line with the Board's Risk Appetite Statement.

**The Executive Risk Committee (ERC)** is a newly formed executive committee with delegated authority from the Executive Committee. ERC will provide oversight, scrutiny and management of risk related matters within the Bank and its subsidiaries and is responsible for the escalation to the Board Risk Committee. ERC will meet monthly in 2026 and is chaired by the Chief Risk Officer.

**The Change and Operational Risk Committee (CORC)** is a management committee which is primarily responsible for managing all of the operational and change risks within Unity. CORC met bi-monthly in H1 2025 and monthly in H2 2025 and is chaired by the Chief Operating Officer.

**The Customer Outcomes, Conduct & Regulatory Committee (CoCRC)** is a management committee with responsibility for overseeing conduct and regulatory risks at Unity. CoCRC met quarterly in 2025 and is chaired by the Chief Commercial Officer.

**The Asset and Liability Committee (ALCo)** is a management committee and is primarily responsible for managing the financial risks, including market, capital, and liquidity (and treasury aspects of credit) that affect the Bank. Specific focus includes the economic outlook, interest rate risk, liquidity and funding, capital risk and treasury credit risk. ALCo met bi-monthly in 2025 with additional e-ALCo's when required and is chaired by the Chief Financial Officer.

**The Credit Risk Committee (CC)** is a management committee with responsibility for overseeing all credit related risks within Unity. CC met bi-monthly in 2025 and is chaired by the Head of Credit Underwriting.

# Our approach to risk management



Unity arranges its business areas into, and operates, a three lines model. The three lines model emphasises partnership and promotes the premise that each line works with the others to implement a solid risk strategy.

To help employees manage risk well, Unity has an Enterprise Risk Management Framework (ERMF). The purpose of the ERMF is to:

- Describe and enable the delivery of Unity's risk strategy and objectives;
- Ensure there is a comprehensive consistent approach to risk management;
- Identify the significant risks to which Unity is exposed;
- Set out how the Board sets risk appetite;
- Define the Three Lines model;
- Explain the roles and responsibilities for risk management;
- Provide an overview of Unity's key risk management frameworks and policies;
- List the committees that are responsible for risk governance.

## Three Lines Model

To support this governance structure, the Bank operates a Three Lines of Defence model, providing clear segregation of duties and reinforcing accountability:

### First Line:

Business areas own and manage risk inherent in their activities, ensuring that controls are designed and operated effectively. Functions are supported by First Line Business Risk & Control team.

### Second Line:

The Risk & Compliance teams provide oversight, challenge and guidance, ensuring that risks are appropriately managed.

### Third Line:

Internal Audit provides independent assurance over the adequacy and effectiveness of governance, risk management and internal controls.

Risk management is regarded as a shared responsibility across the Bank, with principal risks owned and managed within the first line supported by clear accountability and escalation routes.

The second line and third line review programmes are overseen by BRC and detailed findings are also reported into the appropriate management committee.

# Stress testing as a key tool to understand and manage risk



The Bank has a framework that covers stress testing, reverse stress testing and scenario planning.

As well as an understanding of the Bank's resilience to internal and external shocks, regular stress testing provides a key input to the Bank's capital and liquidity assessments and related tests of risk management and measurement assumptions.

## ICAAP

The Internal Capital Adequacy Assessment Process (ICAAP) is the Bank's evaluation of its risks, the capital requirements of the business based on these risks, assessed under the CRD V framework, and the adequacy of the Bank's capital resources against these requirements. The ICAAP provides details of the approach to managing risk across the Bank and assesses capital requirements against the Bank's current position, the position against the Business Plan period and during severe but plausible stresses.

## ILAAP

The Internal Liquidity Adequacy Assessment Process (ILAAP) is the Bank's documentation of its evaluation of its liquidity and funding risks, the current liquidity position and its requirements, assessed against regulatory requirements and risk tolerance. An integral component of the approach to liquidity risk management is stress testing, using the latest guidance issued within prudential regulations and the Delegated Act for the Liquidity Coverage Ratio (LCR).

## Reverse Stress testing

Reverse stress testing informs, enhances, and integrates with the Bank's quarterly stress testing by considering extreme events that could cause the failure of the Bank. As such, it complements the ICAAP and ILAAP approaches, helping to frame the severe but plausible scenarios against complete failure scenarios.

The analysis is formally completed in conjunction with the reviews of the ILAAP and the ICAAP documents.

## Recovery Plan and Resolution Pack

The Recovery Plan represents a 'menu of options' for the Bank to deal with firm-specific or market-wide stress which can be rolled out quickly as part of a credible and executable plan. The Recovery Plan is enacted if certain key triggers are breached, or events happen in the market which are likely to affect the Bank detrimentally (e.g. failure of a counterparty or treasury issuer).

The solvent exit plan compliments the recovery plan, it considers wider scenarios than the recovery plan that consider when it may be the right decision to wind down the Bank whilst remaining solvent. The plan examines what actions would need to be taken in such scenarios and what risks would occur to performing a solvent exit.