

AFIN BANK LIMITED
(Formerly All Africa Capital Limited)

PILLAR 3 DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2024

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1. Introduction

This document sets out the Pillar 3 disclosures for Afin Bank Limited (formerly All Africa Capital Limited) (the 'Company', 'Bank' or 'Afin') for the year ended 31 December 2024.

Afin Bank is a UK Licensed bank which entered 'Authorisation with Restriction' on the 18 October 2024. Having been granted Part 4A permissions by the regulators the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA'). Having gained consent from the FCA to use the name 'Bank' on 22 October 2024, the Company name was changed from 'All Africa Capital Limited' to 'Afin Bank Limited'.

It is authorised by the Prudential Regulatory Authority ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA.

2. Company overview

Afin Bank, a new digital bank, plans to help diaspora living and working in the UK who find it difficult to get mortgages. Afin Bank will also help borrowers from certain African countries investing in the UK property market.

We aim to deliver simple products and service excellence, to make banking effortless.

Afin Bank will be offering residential and buy-to-let (BTL) mortgages to Africans living in England and Wales, as well as BTL mortgages for borrowers in the West African countries of Ghana, Sierra Leone and The Gambia investing in the UK property market. It will also offer a range of FSCS protected savings products to savers with a UK passport, as well people from Ghana, Nigeria, Sierra Leone and The Gambia resident in the UK.

We will provide a simple and secure banking experience, guided by our customers' values and tailored to their needs.

3. Disclosure Requirements

3.1 Basis of Disclosure

Afin Bank meets the criteria for being defined as a small non-complex institution under Article 433b of the Capital Requirements Regulations. This document has been prepared to comply with the Disclosure (CRR) Part of the PRA Rulebook which was incorporated into the PRA Rulebook from 1 January 2022.

3.2 Scope of Application

The disclosure requirements in relation to this document apply to Afin Bank Limited only. (Registered office: Lower Ground Floor, 10 Chiswell Street, London EC1Y 4UQ).

Afin Bank Limited is a majority-owned subsidiary of WAICA Reinsurance Corporation PLC (Registered office: 30 Junction, Hill Station, Freetown, Sierra Leone).

3.3 Frequency, Media and Location

It is Afin Bank's policy to publish the Pillar 3 disclosures on an annual basis. The frequency of reporting will be reviewed if there is a material change in any approach used for the calculation of capital, business structure or regulatory requirements.

Afin Bank's Pillar 3 disclosures and Annual Report and Accounts are published on Afin Bank's website www.afinbank.com. The Annual Report and Accounts are also available from Companies House.

This Pillar 3 document should be read in conjunction with the 2024 Annual Report and Accounts. This Pillar 3 document is not subject to external audit, however some of the information contained in this report may also appear in the audited 2024 Annual Report and Financial Statements.

3.4 Future disclosures

The Board acknowledges that under the proposed changes as per CP 7/24 – "The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs)", Afin Bank would meet the definition of a Small Domestic Deposit Taker (SDDT) and intends to become an SDDT, if this proposed regulatory change is implemented. The Bank would therefore no longer be required to make Pillar 3 disclosures under CRR Article 433b.

3.5 Attestation

The Board confirm that these disclosures meet the requirements for Pillar 3 disclosures and have been prepared in line with our internal controls framework.

4. Key Metrics

Table 1 UK KM1 – Key Metrics

This table provides a summary of Afin Bank's key metrics. The template has been disclosed in accordance with Annex I and Annex II of the Disclosure (CRR) Part of the PRA Rulebook.

		31/12/2024*
		£000's
	Available own funds (amounts)	
1	Common Equity Tier 1 (CET1) capital	12,922
2	Tier 1 capital	12,922
3	Total capital	12,922
	Risk-weighted exposure amounts	
4	Total risk-weighted exposure amount	3,087
	Capital ratios (as a percentage of risk-weighted exposure amount)	
5	Common Equity Tier 1 ratio (%)	418.5%
6	Tier 1 ratio (%)	418.5%
7	Total capital ratio (%)	418.5%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)	
UK 7a	Additional CET1 SREP requirements (%)	75.7%
UK 7b	Additional AT1 SREP requirements (%)	25.2%
UK 7c	Additional T2 SREP requirements (%)	33.6%
UK 7d	Total SREP own funds requirements (%)	142.5%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)	
8	Capital conservation buffer (%)	2.5%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-
9	Institution specific countercyclical capital buffer (%)	2%
UK 9a	Systemic risk buffer (%)	-
10	Global Systemically Important Institution buffer (%)	-
UK 10a	Other Systemically Important Institution buffer	-
11	Combined buffer requirement (%)	4.5%
UK 11a	Overall capital requirements (%)	147%
12	CET1 available after meeting the total SREP own funds requirements (%)	276%
	Leverage ratio	
13	Total exposure measure excluding claims on central banks	14,782
14	Leverage ratio excluding claims on central banks (%)	87.4%
	Liquidity Coverage Ratio ⁽¹⁾	

15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,909
UK 16a	Cash outflows - Total weighted value	0
UK 16b	Cash inflows - Total weighted value	3,971
16	Total net cash outflows (adjusted value)	0
17	Liquidity coverage ratio (%)	999999%
Net Stable Funding Ratio		
18	Total available stable funding	21,486
19	Total required stable funding	4,365
20	NSFR ratio (%)	492.2%

*We were authorised as a bank by the PRA (with restrictions) in Oct 2024. Therefore we do not provide comparative information for the prior periods.

⁽¹⁾ We are currently authorised as a bank by the PRA (with restrictions). At present we do not have any qualifying cash outflows. Therefore our LCR is reported as 999999%.

Table 2 UK OV1 – Overview of risk weighted exposure amounts.

This below table provided a breakdown of the risk weighted assets of Afin Bank. OV1 has been disclosed in accordance with Annex I and Annex II of the Disclosure (CRR) Part of the PRA rulebook.

		*Risk weighted exposure amounts (RWEAs)	Total own funds requirements
		31/12/2024	31/12/2024
		£000's	£000's
1	Credit risk (excluding CCR)	2,489	199
2	Of which the standardised approach	2,489	199
23	Operational risk	598	48
UK 23a	Of which basic indicator approach	598	48
29	Total	3,087	247

*We were authorised as a bank by the PRA (with restrictions) in Oct 2024. Therefore we do not provide comparative information for the prior periods.

5. Risk Management

5.1 Our Approach

This section should be read in conjunction with the Risk Management sections of Afin Bank's 2024 Annual Report and Accounts.

For the purposes of this document, risk is defined as any unforeseen event that could hinder our ability to achieve strategic, financial, or broader business objectives. This encompasses liquidity risk, capital risk, operational risk, credit risk, interest rate risk, regulatory risk and reputational risk.

The Board holds ultimate responsibility for establishing the strategy, defining the risk appetite, and setting the control framework.

The Board's approach is to take risk consciously and methodically to deliver on business and strategic objectives. Sound risk management supports operational and financial resilience, which enables us to earn and sustain the trust of customers, regulators, and investors.

While risk cannot be eliminated entirely, the Board considers that as of 31 December 2024, Afin Bank has in place adequate risk management systems and controls to manage the risks to which it is exposed.

As a new and expanding institution, we continuously review our risk management approach to ensure it aligns with the evolving size and scope of our business.

5.2 Risk Appetite Statement,

Risk appetite is established, reviewed and monitored by the Board. The Bank, through the operation of its committee structure, considers all relevant risks and advises the Board as necessary. The Bank maintains a comprehensive risk register as part of its risk management framework, promoting a risk-based approach to the internal controls and management.

Afin Bank's operational performance is measured with reference to the KRIs, which include key figures from the KM1 table of this disclosure and which are reported to the Executive Risk Committee (ERC) on a monthly basis.

The Risk Appetite Statement is approved by Afin Bank's board and is reviewed regularly.

5.3 Principal Risks and Uncertainties.

Information on the management of the Principal Risks which the Bank faces can be found on page 6 in Afin Bank's 2024 Annual Report and Accounts.