

COMPANY REGISTRATION NUMBER: 12844788



THE BANK OF LONDON GROUP LIMITED

Annual Report and Financial Statements
for the year ended 31 December 2025

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Directors currently in office

A G Bullman
M J Carawan
T P Howie
A M Melis
A W Moeckli
S R Walker

Registered office

77 Cornhill
Fourth Floor
London
England
EC3V 3QQ

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Company registration number

12844788 (England)

The Directors present their Strategic Report for The Bank of London Group Limited (the “**Company**” or the “**Bank**”) for the year ended 31 December 2025. The Company (registered number 12844788) is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. On 10 March 2025, the Company’s registered office changed to 77 Cornhill, Fourth Floor, London, England EC3V 3QQ.

The Bank’s immediate parent is TBOL Holdings UK Limited (“**Group**”). The Bank’s ultimate parent company is TBOL Holdings Jersey Limited.

1. Mission Statement

Our mission is to create a safe clearing bank for the UK, offering a purpose-built payments, settlement and clearing platform that is powering the businesses and entrepreneurs of the future. With our technologies, innovations, and differentiated bank capabilities, we prioritise the preservation of our depositors’ monies and market stability. All client deposits are held in full at the Bank of England.

2. Principal Activities

As a UK clearing bank, the principal activities of the Bank are to provide payment and deposit services to our clients. These focus on:

- Agency, clearing, payment and settlement solutions for regulated and non-regulated domestic and international companies;
- Deposits-as-a-Service – directly or through deposit aggregators, and;
- Business & Commercial Banking - providing custody, transaction, and treasury banking solutions to many types of business, domestic and international.

3. Review of Business and Strategy

Our modern, cloud-native technology infrastructure represents a significant departure from traditional banking platforms, enabling us to offer enhanced efficiency, real-time processing capabilities and improved resilience. This technological foundation has been crucial in delivering our core services:

- **24/7 Faster Payments processing**, with high availability and operational resilience;
- **Comprehensive BACS (Bankers’ Automated Clearing System) capability**, supporting a broad range of payment use cases;
- **API-first connectivity**, enabling efficient client onboarding and integration;
- **Reporting and reconciliation tooling**, supporting timely operational oversight; and
- **Strengthened security controls**, aligned to the Bank’s risk management and compliance objectives.

Operations and Innovation

Over the course of 2025, we have continued to develop and enhance our operational capabilities as follows:

- The Group has taken a lease at 77 Cornhill to house our London operations;
- We maintained financial crime screening functionality in 2025 and have rolled out an enhanced AML (anti-money laundering) and sanctions screening system in Q2 2026, to further strengthen our financial crime control environment.

Market Reception and Client Engagement

We have continued to build relationships with clients across a number of key sectors, including:

- Traditional financial institutions seeking modern clearing capabilities;
- FinTech companies requiring reliable payment infrastructure;
- Corporate and SME clients looking for efficient payment solutions and secure deposit services;
- Financial service providers seeking API-first banking services; and
- Deposit aggregators and investment advisors seeking safe and high yielding deposit solutions.

Financial Technology Innovation

Our investment in technology continues, with key developments including:

- Enhanced API capabilities for seamless client integration;
- Improved straight-through processing to increase efficiency and reduce operational risk; and
- Development of additional value-added services to broaden the Bank's proposition.

Looking Ahead

As we move forward, our focus remains unwavering on:

- Expanding our service offerings while maintaining operational excellence;
- Deepening relationships with existing clients and attracting new partnerships;
- Continuing targeted investment in our technology platform to support scale and reliability;
- Further strengthening our risk management and compliance frameworks; and
- Building a sustainable and profitable business model.

4. Financial Results for the Year

The Bank recorded a net loss for the year of £23,503k (2024: £23,970k). The net loss for the year represents costs incurred in setting up infrastructure (non-tech) and hiring the high-calibre workforce required to continue to develop our capabilities and banking platform. The losses incurred in 2025, and their impact upon the Bank's net assets, remain in line with Directors' expectations, given the development phase of the business.

The Bank's net interest income increased 51% in the year to £4,141k (2024: £2,748k), with interest income of £24,290k (2024: £24,027k) primarily representing interest income earned on funds deposited in the Bank's account at the Bank of England, and interest expense of £20,149k (2024: £21,279k) being interest expense payable on customer deposits.

Despite cash and cash equivalents balances falling from £830m to £327m over the course of the year, primarily driven by deposit aggregators, average cash balances were 18% higher. This combined with more favourable pricing, contributed to the increase in net interest income.

The Bank of England base rate was cut over the course of 2025 from 4.75% to 3.75%. The Bank's interest-earning assets reprice essentially immediately with the base rate and movements in the rate flow through to interest income with minimal lag. The Bank's margin is instead a function of the rate paid to depositors relative to the base rate over the same period.

Administrative expenses for the year were £30,217k (2024: £27,659k), an increase of £2,558k or 9%. The primary drivers of administrative expenses continue to be employee costs and the management recharge from Group. The £14,400k (2024: £14,400k) management recharge from Group, for the provision of core banking technology and related support to the Company, remained flat on prior year as stipulated by the

master services agreement. Employee costs increased £840k to £11,818k. Professional fees increased £1,408k to £2,751k, with the main driver being fees to the auditor for audit and other services (see note 6).

The Bank's net assets as at 31 December 2025 increased to £23,217k (2024: £22,143k), with the net loss for the year being offset by an increase in shareholders' capital during the year.

The following measures are the Key Performance Indicators (KPIs) of the Bank:

	2025 £'000	2024 £'000
Net interest income	4,141	2,748
Loss for the year	23,503	23,970
Net assets at year-end	23,217	22,143

The Bank of England has held the base rate at 3.75% during 2026 up to the date of these accounts.

Capital, liquidity and balance sheet

The Bank manages its capital to meet regulatory capital requirements. CET1 stood at £23.2m (2024: £22.1m). The Bank is wholly reliant upon financial support for funding from its parent. Since the year end, further capital injections of £35.0m have been made into Group and £31.7m has been down streamed into the Bank up to the date of the signing of these financial statements.

The Internal Capital Adequacy Assessment Process (ICAAP) is the process by which the Bank manages and assesses its compliance with:

- The framework of the Bank's internal governance and operation of the risks;
- The management of the capital structure of the Bank;
- The results of the internal stress testing of risks; and
- The adequacy of capital resources to cover all levels of risks the Bank is faced with.

As at 31 December 2025, the CET1 Capital ratio was 82.94% (2024: 88.91%).

Liquidity

The Internal Liquidity Adequacy Assessment Process (ILAAP) is the process by which the Bank manages and assesses its compliance with:

- The Bank's liquidity management model;
- The likely effects of stress testing on liquidity and other risks;
- The mitigants in place to address these risks; and
- The adequacy of buffers held at each point in time.

From a liquidity perspective, the Bank has sufficient liquidity to satisfy business as usual and stress conditions. High Quality Liquid Assets (HQLA) were £303m at the close of 2025 (2024: £790m), with all HQLA balances continuing to be held at the Bank of England.

The Bank is subject to interest rate risk arising from its managed rate deposits. Further information can be found in note 16 Interest Rate Risk.

5. Bank Board Composition

The Bank Board at the close of the 2025 financial year consisted of six positions, including two executive directors (including the Chief Executive Officer), three independent non-executive directors (including the chairperson) and a non-executive director. Subsequent to the reporting period one additional executive director was appointed and one existing executive director resigned. During this period, the Board's composition reflected a diverse range of skills, backgrounds, experience and knowledge.

6. Decision Making

The Bank's Board maintains responsibility for long term and strategic decision making for the organisation, implementing the highest level of conduct and governance. The Bank's Board is also responsible for determining the overall Bank dividend policy.

During the year ended 31 December 2025, key decisions included:

- Sourcing from shareholders additional capital investment to facilitate growth and ongoing operating expenses; and
- Not proposing a dividend for the year.

7. Section 172 (1) statement

The Bank Board fosters effective stakeholder relationships. The table below shows the key stakeholder groups identified by the Directors and how the Bank satisfies the requirements under Section 172 of the Companies Act 2006.

Stakeholder	Engagement
<i>Colleagues</i>	Colleagues drive the success of the Bank. The Bank seeks to maintain high levels of employee engagement, including regular all-colleague communication sessions.
<i>Clients</i>	During 2025, the Bank prioritised remediation and executing internal delivery priorities, and client onboarding activity was constrained; as a result, the client base did not expand during the year.
<i>Regulators</i>	The Bank maintains an open and transparent relationship with its regulators.
<i>Investors</i>	The Bank works closely with its investors to ensure that its business is well-understood.
<i>Suppliers</i>	The Bank has established strong relationships across its supplier base, recognising the importance of our supply chain in delivering important business services to our clients.
<i>Environment</i>	Climate change is a focus for the Board. More details can be found in Section 9 below.

8. Business Conduct

The Bank seeks to maintain a reputation for high standards of business conduct. Colleagues participate at least annually in learning covering Financial Crime, the Bank's Code of Ethics and Information and Cyber Security.

9. Community and Environmental, Social and Governance issues

The Bank's impact on the community, socially and environmentally, is considered part of its governance and risk framework.

The Board is committed to Environmental, Social and Governance (ESG) issues, so that the Bank can operate responsibly, deliver sustainable outcomes and provide meaningful benefits to its stakeholders.

The Bank is in its infancy and is in the process of establishing its broader ESG Framework, under the governance of the Board. Annual reporting, facilitated by a quarterly ESG Working Group, is provided to the Board and monitors developments in this area. The Working Group commenced reporting in December 2025.

While the Board continues to monitor the impact of climate change on the Bank's financial statements, they have concluded that the impacts are not material at this time.

The Bank's approach to managing financial and non-financial risks related to ESG will evolve progressively and focuses on the following areas:

- **Policy Development:** The Bank's approach to ESG risks, including climate-related risks, are included in its Enterprise Risk Management Framework, with more detailed policies to be developed when warranted by the growth of the business.
- **Engagement:** The Bank will consider whether to engage with third-party providers as part of the onboarding and ongoing review processes as the business grows.
- **Sustainable Operations:** Over time, ESG considerations will increasingly be embedded into business processes, investment considerations, and operational planning to support the Bank's long-term value creation and responsible growth.

10. Principal Risks and Uncertainties

Going forward, as a fully-licensed deposit taking bank, the Bank will continue to evolve its governance framework to support effective management, control and oversight as the size and complexity of its activities increases.

Details of the Bank's risk management framework are set out in note 16 to the financial statements.

This report was approved by the Board on 5 August 2026 and signed on its behalf by:



Abullman (Aug 5, 2026 13:09:24 GMT+1)

A G Bullman

Director

The Directors present their report and the audited financial statements for the Company for the year ended 31 December 2025.

1. Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company's financial statements in accordance with UK-adopted international accounting standards ("IFRSs"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Company's financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company's financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the website.

2. Statement as to Disclosure of Information to Auditors

In order to prevent further additional delays to the presentation of these financial statements to the Bank's stakeholders, and given that it was not clear that the Bank would be able to provide the level of detailed information regarding share-based payments needed by the auditor for an unmodified audit opinion, the Audit Committee and the Board approved that it was in the best interests of the Bank to proceed with such audit work and provision of information to the auditor so far as was necessary for the auditor to issue a qualified opinion with a limitation of scope in relation to share-based payments, and therefore to provide only such information to it as the Bank considered necessary and appropriate as a result. This was with the knowledge of the auditor.

Notwithstanding the above, with respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

3. Directors

The Directors who served in office during the period and in the period up until the date of approval of these financial statements are as follows ("the Directors"):

S Bell	(Executive Director)	Appointed 3 September 2024, Resigned 30 January 2025
C A Brown	(Independent Non-Executive Director and Chair of the Board)	Appointed 1 December 2024, Resigned 21 March 2025
A G Bullman	(Executive Director)	Appointed 28 March 2025
M J Carawan	(Independent Non-Executive Director and Chair of the Audit Committee)	Appointed 27 October 2022
C G B Horne	(Executive Director)	Appointed 30 January 2025, Resigned 8 June 2026
T P Howie	(Executive Director)	Appointed 17 February 2026
A M Melis	(Independent Non-Executive Director & Chair)	Appointed 1 November 2024
A W Moeckli	(Non-Executive Director)	Appointed 30 September 2025
S R Walker	(Independent Non-Executive Director and Chair of the Board Risk Committee)	Appointed 3 December 2024

Board meetings are held at least six times a year. The Board has also formed committees to develop strategy and set policy, review progress, and deal with specific and critical issues relevant to the committee's objectives. The committees and their responsibilities are set out below.

Board Audit Committee

The Audit Committee is responsible for monitoring the integrity of the financial statements and advising the Board accordingly. It also reviews the effectiveness of the Bank's internal and financial controls, and risk management systems. Specific additional responsibilities include the review of the Internal Audit scope and annual programme, the review of the external audit scope, the analysis of audit reports, and the review of the arrangements for raising concerns.

The Bank's 2023 audit was subject to inspection by the Financial Reporting Council's (FRC) Audit Quality Review (AQR) team. The inspection covered the key audit matters and other selected areas of audit focus. The Directors were pleased to note that the final AQR report contained no findings and received the top AQR rating.

Board Risk Committee

The Risk Committee is responsible for recommending policies to the Board on the Bank's risk profile and limits, and for assessing the adequacy of its risk management and compliance framework. The Committee's responsibilities cover all risks.

Board Remuneration & Nomination Committee

The Remuneration & Nomination Committee was responsible for monitoring remuneration policy and recommending the remuneration of the Executives. In 2025, this committee was split into two separate committees, the Board Remuneration Committee and the Board Nomination Committee.

The current membership of the Board committees is as follows:

	Board Audit Committee	Board Risk Committee	Board Remuneration Committee	Board Nomination Committee
Chair	M J Carawan	S R Walker	M J Carawan	A M Melis
Member	S R Walker	M J Carawan	A M Melis	M J Carawan
Member		A M Melis	S R Walker	S R Walker

4. 2025 Key Events

During 2025, the Company's parent company, TBOL Holdings UK Limited raised additional investor funding of £25.1m. £24.5m was down streamed into the Bank.

In August 2025, the Bank voluntarily paused new customer onboarding to make enhancements to its financial crime prevention controls. This pause has since been formalised through a voluntary arrangement agreed with the Financial Conduct Authority in March 2026.

5. Events after the Reporting Period

Since the year end, further capital injections of £35.0m have been made into Group and £31.7m has been down streamed into the Bank up to the date of the signing of these financial statements.

The Group was previously notified by the PRA that it was under investigation in relation to certain historical matters that occurred prior to the Group's change in ownership. The PRA have concluded the investigation and the settlement of £2m was agreed. The Group has recognised a provision of £2m to cover the agreed settlement. The Group and Bank are jointly and severally liable for this matter, however, the Group have provided an indemnity to the Bank and will pay the required amount to discharge the obligation of the Bank in respect of all potential outflows and liabilities that may arise from the investigation, therefore, there is no provision to be recognised by the Bank for this matter.

On 15 April 2025, the PRA approved a new controller of the Group. As part of the capital injections in March 2026, the existing controller's shareholdings were transferred to other shareholders and there is no longer a controller of the Group.

In October 2025, the Board decided to exit the Bank's Belfast office and notice of early termination was served on the lease with a termination date of July 2026. The physical exit was completed on 31 March 2026, with impacted roles either relocated to London or transitioned to an outsourcing partner. Separately, the Bank entered into a lease for the London office at 77 Cornhill, previously held by the parent company, on 25 March 2026 for a further 5 years through to March 2031.

A new long term incentive plan, issued by TBOL Holdings Jersey Limited, was approved in 2026 and eligible participants in the scheme were notified on 5 March 2026. Management has considered the financial effect of both the cancellation of the previous employee share scheme and the implementation of the new scheme. The new scheme was determined to have a grant date of 5 March 2026, and under IAS 10 this is a non-adjusting event after the reporting period.

6. Going Concern

In making their assessment of the appropriateness of adopting the going concern basis of accounting, the Board have prepared profitability, liquidity and regulatory capital forecasts ('forecasts') and have undertaken an assessment, for a period of 12 months from the date of approval of these financial statements. As part of this assessment, various stressed scenarios have also been considered. The key assumptions in producing the forecasts were:

- the timing and quantum of additional capital injections,
- the timing of the removal of the voluntary arrangement related to new customer onboarding and regulatory capital requirement changes, and,
- growth in revenue.

In addition to the above, when performing the going concern assessment, the Directors have considered that the Bank is wholly reliant upon financial support from its parent with capital raised by the parent required to be down streamed to the Bank. Accordingly, for the remainder of this note reference is made to the Group's ability to raise capital. Since the year end, further capital injections of £35.0m were made into Group and £31.7m was down streamed to the Bank up to the date of the signing of these financial statements.

While the Board acknowledge the key assumptions and matters noted above, they have considered the mitigating factors in place, in particular:

1. the commitment and ability of the ultimate parent company shareholders to inject capital into the ultimate parent company, and the commitment of the ultimate parent company to then down-stream capital to the Group and then the Group to Bank,
2. the potential growth of its commercial business model, which is still in its infancy, and,
3. the Group's demonstrable operational capability.

Based on these mitigating factors, the Board have concluded that the Bank will have adequate capital resources to continue trading for a period of 12 months from the date of approval of these financial statements, and that the going concern basis of preparation remains appropriate.

The Board recognise that, notwithstanding the commitment and ability of ultimate parent company shareholders to inject capital into the ultimate parent company, and the commitment of the ultimate parent company to then down-stream capital to the Group and then the Group to Bank, a material uncertainty over going concern exists as a result of additional funding requirements and there are significant doubts about going concern. In addition to the existing material uncertainty surrounding the current funding, the following factors may necessitate additional financing to meet its financial obligations:

1. Deterioration in Market Conditions – A material decline in macroeconomic or sector-specific conditions could reduce projected revenues, adversely impacting cash flows.
2. Operational and Capital factors – The timing of the removal of the voluntary arrangement related to new customer onboarding and regulatory capital requirement changes.

Should any of these risks materialise, the Group may be required to secure additional funding to discharge its financial obligations.

These risks result in a material uncertainty related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

7. Limitation of Scope

Owing to significant turnover of staff and inadequate record keeping creating challenges to the retrieval of historical data, the Directors have been unable to conclude on the completeness, accuracy and disclosure of the employee share option scheme records (note 17). The employee share option scheme share-based payment entries reflected in these financial statements for the year ended 31 December 2025 and prior years are based on the information available. Given the limitation noted, the Directors and management have been unable to provide sufficient and appropriate audit evidence to our auditors to support the share-based payment booking resulting in a limitation of scope, as reported in the Independent Auditor's Report on page 15. The Employee Share Option Plan issued by the parent company, TBOL Holdings UK Limited, was approved by the Board for cancellation on 17 April 2025, with all vested shares cancelled on 20 November 2025 following the issuance of formal confirmations to the members of the scheme. As a result, the remaining charges on the existing scheme were accelerated in full at the cancellation date, 20 November 2025. The balance in share-based payment reserves related to the employee share option scheme at the point of cancellation has been recycled within equity to retained earnings (£728k). The 2025 ending balance is £981k and this relates to other share-based plans for non-executive directors (see note 17).

8. Matters Covered in the Strategic Report

Details regarding a review of the business and principal risk and uncertainties are provided in the Strategic Report on pages 4-8.

9. Future Developments

The Bank continues to invest in a number of ongoing initiatives such as the programme to migrate to a new core banking platform, bringing new products and services to market, whilst establishing and stabilising a high performing team.

10. Financial Instruments

The Bank's use of financial instruments, and the financial risk framework it has in place to govern their use, is set out in note 16 to the financial statements.

11. Qualifying Third-Party Indemnity Provisions

The Directors have the benefit of the indemnity provision contained in the Bank's articles of association, subject to the conditions set out on the Companies Act 2006. This is a "qualifying third-party indemnity" provision as defined by section 234 of the Companies Act 2006.

12. Political Donations and Expenditure

The Bank did not make any political or charitable donations during the period under review (2024: £nil).

13. Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: £nil).

14. Auditors

Ernst & Young LLP have expressed their willingness to continue in office. On the recommendation of the Board Audit Committee, the Board will propose their re-appointment as auditors of the Bank, to be approved by the shareholder by way of ordinary resolution.

This report was approved by the Board of Directors on 5 August 2026 and signed on its behalf by:

Abullman

Abullman (Aug 5, 2026 13:09:24 GMT+1)

A G Bullman

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BANK OF LONDON GROUP LIMITED

Qualified opinion

We have audited the financial statements of The Bank of London Group Limited (the 'Company') for the year ended 31 December 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 20 including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Our opinion is qualified in respect of one matter, as was the case in our modified audit opinion in respect of the financial statements for the year end 31 December 2024.

In September 2022, TBOL Holdings UK Limited (previously Oplyse Holdings Limited – the 'Parent company'), together with its subsidiaries, the 'Group', implemented a Share Option Plan (the 'Previous Plan') where equity-settled share option awards over shares in TBOL Holdings UK Limited are granted to employees of the Group, including employees of the Company.

Options issued under the Previous Plan allowed the participants the right to acquire ordinary shares in the Parent company. As described in note 17, the Company accounts for the Previous Plan as an equity-settled plan. The fair value of the participants' services received in exchange for the grant of the options is recognised as an expense in Administrative Expenses in the Statement of Profit or Loss and Other Comprehensive Income. A credit is recognised directly in equity in the Share-based payment reserve.

As further explained in note 17, in April 2025, the Board approved the cancellation of the Previous Plan. The Previous Plan was cancelled in November 2025 after formal confirmations had been issued to members of the scheme.

The Company also had an arrangement with some of its non-executive directors, where those non-executive directors could elect to receive a portion of their fee in the form of equity shares of the Parent ('the Non-Executive Directors' Share Plan').

In prior periods, the limitation of scope relating to share-based payment arrangements extended to both the Non-Executive Directors' Share Plan and the Previous Plan. During the current year, sufficient appropriate audit evidence was obtained in respect of the Non-Executive Directors' Share Plan for current and prior period balances. Accordingly, the limitation of scope pertains solely to the Previous Plan.

The Directors have estimated the valuation and based the accounting and disclosure of the Previous Plan on the information they had available, because inadequate historical records have been maintained, as set out in note 17. As a result of this, we were unable to obtain sufficient appropriate audit evidence to support the valuation, accounting and disclosure of the Previous Plan.

In respect of the year ended 31 December 2025 this impacted:

- £77k of the Share-based compensation expense included within Administrative expenses within the Statement of Profit and Loss, and
- £728k of the Recycling share-based payment reserve within the Statement of Changes in Equity.

In respect of the year ended 31 December 2024 this impacted:

- £651k of the total £1,632k Share-based payment reserve in the Statement of Financial Position,
- £145k of the total £404k Share-based compensation expense included within Administrative Expenses within the Statement of Profit and Loss,
- £651k of the total £(50,529k) Retained Earnings within the Statement of Changes in Equity , and
- £483k of the total opening balances of the Share-based payment reserve and Retained Earnings as of 1 January 2024 within the Statement of Changes in Equity (£1,205k and £(26,559k), respectively).

Remaining balances in the above-mentioned financial statement line items relate to Non-Executive Directors' Share Plan.

Consequently, we were unable to determine whether any adjustment to these financial statement line items or disclosure notes were necessary. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

In addition, were any adjustment to the share-based payments charges or Share-based payment reserve be required, the Strategic Report and Directors' Report would also need to be amended.

The valuation, accounting and disclosure of share-based payments has been determined to be a key audit matter for this year too due to subjective inputs into managements calculations.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty relating to going concern

We draw attention to the Basis of Preparation in note 1 in the financial statements, which indicates that the ability of the Company to continue as a going concern is subject to material uncertainty. The Company is loss making and has been impacted by adverse events requiring attention as set out in 'Events after the reporting period' note 20 and the Directors' Report. These circumstances give rise to significant uncertainty regarding the adequacy of the Company's existing funding arrangements. This uncertainty may be further heightened by a number of factors, such as deterioration of market conditions and operational and capital factors, that could result in the need for additional funding.

As stated in note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained an understanding of management's going concern assessment process, in order to be able to design an appropriate audit response.
- We tested the mathematical accuracy of key underlying calculations included in management's going concern assessment.
- We challenged the appropriateness of management's forecasts which included understanding the key assumptions and inputs into management's estimates, critically challenging the reasonableness of these and then substantively testing these.
- We challenged the appropriateness of management's downside sensitivity analysis and created our own independent challenger downside scenario and sensitivity analyses on individual assumptions, in order to stress the impact on liquidity and capital requirements.
- We evaluated management's plans for future actions in relation to its going concern assessment by inspecting board meeting minutes and considering events occurring subsequent to the balance sheet date and up to the date of the auditor's report for evidence of management's intent and ability to carry out such plans. In addition, we performed our own downside sensitivity analysis to determine the implications should management be unable to carry out such plans.
- We engaged our regulatory specialists to review the capital calculations produced by management.
- We discussed the Company's overall capital requirements and the current voluntary arrangement with the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA').
- We considered whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion.
- We obtained a letter of commitment from a member of the investor group in relation to future capital commitments.
- We assessed the disclosures in the annual report and financial statements relating to going concern, including the material uncertainty, to ensure they were in compliance with IAS 1 – Presentation of Financial Statements.
- The audit engagement partner and other partners increased their time directing, supervising and reviewing the audit procedures on going concern and senior members of the audit team increased their time and involvement in performing the audit procedures on going concern.

From our evaluation of the Directors' going concern assessment, we had the following observations:

- The Company requires further capital to meet its ongoing cash and regulatory requirements and its future business plan, for the going concern period. Further capital will also be required subsequent to the going concern period being assessed.
- The Company's business plan is dependent on revenue growth and the timing of the removal of current voluntary arrangements. Any shortfall in revenue or delay in the lifting of the measures from the current plan will result in further capital requirements for the entity.

Based on the work we have performed, we concur with the Directors that there is a material uncertainty relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern. The assessment period considers twelve months from the date of the approval of these financial statements. Going concern has been determined to be a key audit matter.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Going concern • Improper revenue recognition, including management override of controls • Financial control environment • Valuation, accounting and disclosure of share-based payments
Materiality	• Company's overall materiality is £697k which represents 3% of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of entity level controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed by the audit engagement team with support from internal specialists.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the most significant future impacts from climate change on its operations will be from financial and non-financial risk. These are explained on page 8 Community and Environmental, Social, and Governance issues section in the Strategic Report. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

The Company has explained in note 1 how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section and the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Improper revenue recognition, including management override of controls (2025: £3,088k, 2024: £1,510k) <i>Refer to the Accounting policies note 1.10 (page 37); and note 4 of financial statements (page 39)</i> We identified all of the revenue streams recognised by the Company and assessed each stream for subjectivity related to management estimation of revenue recognition as this could give rise to a fraud risk of management override of controls. We determined that the specific revenue relative to bespoke contracts and account fees was complex and subjective in nature. We concluded this could lead to a heightened fraud risk of management override and result in non-compliance with the requirements of IFRS 15 Revenue from Contracts with Customers.	We have performed the following procedures: • We adopted a fully substantive approach to our testing. • We performed walkthroughs and understood the nature of the key revenue streams. • We assessed the Company's revenue recognition policy in relation to account fees and challenged its compliance with the requirements of accounting standards. • By inspecting bespoke revenue agreements, we challenged management's assessment of the agreements to validate that the fees had been appropriately recognised. • For a sample of account fees recognised, we obtained the contractual agreement between the Company and the applicable counterparty to examine whether the criteria to recognise the revenue had been met. • We validated that the sample of account fees had been subsequently paid by the counterparty. • We tested a sample of account fees to ensure they had been recognised in the correct period.	We highlighted to the Audit Committee • Further enhancements are required to the revenue recognition policy. • Based on audit procedures performed, and following adjustments to correct audit differences, we concluded that the revenue is appropriately recognised and is materially correct.

Financial control environment <i>Refer to the Directors' Report (pages 9 - 14)</i> Following on from our opinion on the financial statements of the Bank for the year ended 31 December 2024, the Company is still in an early stage of development, and the governance and control environment still has not yet matured fully such that the auditor can place reliance on the control environment for audit purposes. There continues to be a risk relating to the design, implementation and operating effectiveness of the financial, IT general and regulatory reporting controls, which could result in current and prior year adjustments, whether arising from errors or fraud.	Our audit approach included an assessment of the process level controls that management relies on for financial reporting and regulatory matters. We concluded we could not place reliance on the process level controls for the purpose of the audit. As such, we undertook a fully substantive audit. This involved designing and executing audit procedures to gather evidence regarding the completeness, accuracy, and validity of financial statement assertions. We performed a greater level of tests of details of the transactions and balances than would have been required had a controls-based audit approach been taken, by lowering testing thresholds and increasing sample sizes. In addition, we undertook detailed analytical reviews which involved evaluating the financial statement balances at a disaggregated level, by studying plausible relationships among both financial and non-financial data.	We highlighted to the Audit Committee that as the business grows, this brings with it challenges in respect of the need to ensure there are appropriate governance and controls in place across the three lines of defence and an appropriate level of skills and experience within the Company. Whilst progress has been made in developing an appropriate governance and control environment, there remains further remediation to be performed. Our observations communicated to the Audit Committee included the need to ensure that controls, are designed and implemented effectively and embedded so that they are operating effectively during the period and are adequately documented. We highlighted to the Audit Committee that we were not in a position to rely on the financial or regulatory controls as part of our audit.
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In the prior year, our auditor's report included a key audit matter in relation to Existence of share capital issuances and related cash, including management override of controls. In the current year, this risk has been reassessed due to enhancement in management's processes resulting in the removal of the related key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £697k (2024:£664k), which is 3% of equity. We believe that equity provides us with the appropriate basis of materiality as this aligns closely with the expectations of primary users of the financial statements being its majority shareholder and the UK regulator to whom capital adequacy and solvency of the Group is critical. As such we decided to use 3% of equity on the grounds that the Company is a start-up entity that is in the early stages of executing its business plan, is still loss making and operates within a highly regulated industry with increased focus on capital adequacy.

During the course of our audit, we reassessed initial materiality as our audit procedures identified a number of audit differences impacting equity.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £348k (2024: £332k) as the Company is a start-up and operates within a regulated industry. We have set performance materiality at this percentage based on a number of considerations, including the number and amount of identified misstatements, the effectiveness of the control environment and other factors affecting the entity and its financial reporting.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £35k (2024: £33k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

statements themselves or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves on the Recycling Share-based payment reserve, a portion of the Share-based payment reserve as at 31 December 2024 and 1 January 2024, the Share-based compensation expense included within Administrative expenses for the year ended 31 December 2025 and a portion for the year ended 31 December 2024, and Retained Earnings as at 31 December 2024 and 1 January 2024.

We have concluded that where the other information refers to these balances or related balances, it may be materially misstated for the same reason.

Basis for qualified opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

Arising solely from the limitation on the scope of our work relating to share-based payments, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, performed subject to the limitation on our audit described in the basis for qualified opinion section above, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are:
 - The regulations, licence conditions and supervisory requirements of the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA');
 - Companies Act 2006;
 - Financial Reporting Council ('FRC') reporting requirements; and
 - Tax legislation.
- We understood how the Company is complying with those frameworks by making enquires of management, and those responsible for legal and compliance matters. We also read correspondence between the Company and regulatory bodies, read the minutes of the Board and Risk Committees and gained an understanding of the Company's governance framework.
- Read the correspondence with and reports from the regulators, including the PRA and FCA.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by holding discussions with senior management, internal audit and the Board Audit Committee and through an analysis of financial reporting information and areas of estimation which could be subject to manipulation. We considered the risk of fraud through management override of internal controls and in revenue recognition and designed specific audit procedures to address these risks, including those detailed in the Key Audit Matters section above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures, which included the use of internal specialists, involved inquiries of management, and those responsible for legal and compliance matters, for their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, holding discussions with and reading and understanding the reports from third parties management had engaged for specific investigations and inspecting correspondence with the PRA and FCA.
- Our procedures involved focused testing referred to in the Key Audit Matters section above. In addition, we tested journal entries using a risk-based approach analysing the general ledger data, with the focus on non-standard journals.
- The Company operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, involving specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Board we were appointed by the Company on 13 February 2024 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- This audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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*Chris Brouard (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 5 August 2026*

The Bank of London Group Limited

Statement of Profit or Loss and other comprehensive income for the year ended 31 December 2025 **Bank of London**

	Notes	2025 £'000	2024 £'000
Interest revenue		24,290	24,027
Interest expense		(20,149)	(21,279)
Net interest income	3	4,141	2,748
Fee and commission income		3,088	1,510
Fee and commission expense		(466)	(431)
Net fee and commission income	4	2,622	1,079
Credit loss expense on financial assets	9, 16	(42)	(136)
Other operating expense	5	(7)	(2)
Net operating income		6,714	3,689
Administrative expenses	6	(30,217)	(27,659)
Loss before taxation		(23,503)	(23,970)
Taxation	7	-	-
Loss for the year		(23,503)	(23,970)
Total comprehensive loss for the year		(23,503)	(23,970)

The results for the current and prior year are derived entirely from continuing operations.

All income is attributable to the equity shareholder of the Company.

	Notes	2025 £'000	2024 £'000
Assets			
Cash and cash equivalents	8	326,874	829,694
Receivables and other assets	9	19,074	18,198
Property, plant and equipment	10	16	52
Right-of-use-assets	19	40	-
Total assets		346,004	847,944
Liabilities			
Customer deposits	11	301,129	807,019
Other payables	12	21,182	18,488
Provisions	18	382	294
Lease Liability	19	94	-
Total liabilities		322,787	825,801
Equity			
Share capital	13	468	345
Share premium	13	95,072	70,695
Share-based payment reserve	17	981	1,632
Retained Earnings		(73,304)	(50,529)
Total equity		23,217	22,143
Total Equity and Liabilities		346,004	847,944

The annual report and financial statements and the notes on pages 30-58 were approved by the Board of Directors on 5 August 2026 and were signed on its behalf by:

Abullman

Abullman (Aug 5, 2026 13:09:24 GMT+1)

A G Bullman

Director

The Bank of London Group Limited (Registered number 12844788)

	Notes	Share capital £'000	Share premium £'000	Total share capital £'000	Share-based payment reserve £'000	Retained Earnings £'000	Total equity £'000
Balance as at 1 January 2024		250	51,790	52,040	1,205	(26,559)	26,686
Loss for the year		-	-	-	-	(23,970)	(23,970)
Issue of shares	13	95	18,905	19,000	-	-	19,000
Share-based payment reserve	13, 17	-	-	-	427	-	427
Balance as at 31 December 2024		345	70,695	71,040	1,632	(50,529)	22,143
Loss for the year		-	-	-	-	(23,503)	(23,503)
Issue of shares	13	123	24,377	24,500	-	-	24,500
Share-based payment reserve	13, 17	-	-	-	77	-	77
Recycling share-based payment reserve	13	-	-	-	(728)	728	-
Balance as at 31 December 2025		468	95,072	95,540	981	(73,304)	23,217

	Note(s)	2025 £'000	2024 £'000
Cash flows from operating activities			
Net cash (used in)/from operating activities	14	(532,314)	585,593
Interest received from central bank		25,200	23,209
Interest paid on customer deposits		(20,149)	(21,250)
Cash payments to utilise provisions	18	(56)	-
Net cash from operating activities		(527,319)	587,552
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(1)	(17)
Net cash used in investing activities		(1)	(17)
Cash flow from financing activities			
Proceeds on share issue	13	24,500	19,000
Net cash from financing activities		24,500	19,000
Total cash and cash equivalents movement for the year		(502,820)	606,535
Cash and cash equivalents at the beginning of the year		829,694	223,159
Total cash and cash equivalents at end of the year	8	326,874	829,694

General Information

The Bank of London Group Limited (registered number 12844788), 'the Company' or 'the Bank', is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. On 10 March 2025 the Company's registered office changed to 77 Cornhill, Fourth Floor, London, England EC3V 3QQ.

Principal activity

The principal activity of the Bank is to provide best-in-class business banking services to our clients in our selected geographies. The Bank was fully authorised by the PRA to exit mobilisation as a fully licensed, regulated deposit taking bank, and to commence unrestricted banking activities on 3 February 2023.

1. Material accounting policies

The principal accounting policies applied in the preparation of financial statements are set out below.

1.1 Basis of preparation

The Bank's financial statements for the year ended 31 December 2025 have been prepared in accordance with, and in compliance with, UK-adopted international accounting standards ("IFRSs") effective at the time of preparing these annual report and financial statements and the Companies Act 2006.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies. They are presented in Pound Sterling, which is the Bank's functional and presentational currency and are rounded to the nearest thousand. These accounting policies are consistent with the previous period.

Going concern

The Bank financial statements have been prepared on the going concern basis. As discussed in section 6 of the Directors' Report on page 12, and in note 1.2 below, the Board recognise that, notwithstanding the commitment and ability of ultimate parent company shareholders to inject capital into the ultimate parent company, and the commitment of the ultimate parent company to then downstream capital to the Group, and then the Group to the Bank, a material uncertainty over going concern exists as a result of additional funding requirements and there are significant doubts about going concern. In addition to the existing material uncertainty surrounding the current funding, the following factors may necessitate additional financing to meet its financial obligations:

1. Deterioration in Market Conditions – A material decline in macroeconomic or sector-specific conditions could reduce projected revenues, adversely impacting cash flows.
2. Operational and Capital factors – The timing of the removal of the voluntary arrangement related to new customer onboarding and regulatory capital requirement changes.

Should any of these risks materialise, the Group may be required to secure additional funding to discharge its financial obligations. These risks result in a material uncertainty related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

While the Board acknowledge this material uncertainty, they have considered the mitigating factors in place, in particular:

1. The commitment and ability of the ultimate parent company shareholders to inject capital into the ultimate parent company, and the commitment of the ultimate parent company to then down-stream capital to the Group and then the Group to Bank;

2. The potential growth of its commercial business model, which is still in its infancy; and
3. The Group's demonstrable operational capability.

The Board have concluded that the Bank will have the financial resources to continue business for the foreseeable future and meet cash and regulatory capital requirements, and to continue discharging their liabilities and realising their assets for the next 12 months from the date of approval of these financial statements.

Climate risk

In the preparation of the financial statements, the Bank assessed climate-related matters, including both physical and transitional risks, and their impact on the accounting judgments and estimates. The Directors concluded that the impact was not material at this time.

1.2 Significant accounting judgements, estimates and assumptions

The preparation of the annual report and financial statements in conformity with IFRS requires management, from time to time, to make significant accounting judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements, estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, and which are reviewed on an ongoing basis. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Other disclosures (including sensitivity analysis) relating to the Bank's exposure to risks and uncertainties in respect of financial instruments are set out in note 16.

The key areas reviewed by management included the following:

- **Presentation of Financial Statements - Going Concern (IAS 1)**

Management's judgement is applied in the preparation of the financial statements, including the assessment of the Bank's ability to continue as a going concern. Management has assessed the Bank's financial position, cash flow forecasts, and other relevant information to determine that it is appropriate to prepare the financial statements on a going concern basis.

The Board recognise that there are significant doubts about going concern, if there is material deterioration of market conditions or revenues of the Bank, which may mean that the Bank would need to obtain a greater level of funding to meet its financial obligations. These risks create a material uncertainty regarding the ability of the Bank to continue as a going concern.

While the Directors acknowledge the material uncertainty, which is discussed in the section of going concern in note 1.1 above, they have taken appropriate steps to mitigate their impact and have concluded that the going concern basis remains the appropriate basis for the preparation of these financial statements. Further detail is given in the going concern assessment in the Directors' Report on page 12.

- **Share-based Payment - (IFRS 2)**

The Group has operated a number of share-based payment plans for employees and certain Directors of the Bank. Management exercised judgement regarding classification of equity-settled vs. cash settled transactions, cancellation vs. modification, selection of an appropriate valuation model, determination of grant date and associated vesting period and conditions of the underlying options.

When determining the grant date of options which were issued prior to the formal adoption and implementation of the Group's share-based payment plan, management assess at what point the

employee had a valid expectation of an award, and of its related terms and conditions, based on an earlier commitment by the entity.

Further key inputs required in the calculation of the share-based payment expense for each individual entity in the Group, for both the current year and prior and future periods included management estimates in determining the fair value of the share options under option pricing models, assumptions regarding future share price movements, and other inputs into the valuation models, like expected volatility and the risk-free interest rate, as well as the estimated number of awards expected to vest. Subsequently, these estimates are trued up for differences between the number of instruments expected to vest and the actual number of instruments vested.

- **Revenue recognition from contracts with customers (IFRS 15)**

Revenue recognition is judgemental, particularly for fees received upfront and recognised as fee income over time. The Bank ensures the requirements of IFRS 15 are satisfied prior to recognising revenue, particularly on account fees and service fees. Contractual terms are reviewed to confirm any fee revenue recognised. The Bank also ensures to review and challenge any probability of risk of reversal of fee revenue recognised, under accordance with the requirements of IFRS 15.

- **Deferred tax (IAS 12)**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine at each reporting date the amount of deferred tax assets that can be recognised. In performing this review, the Bank assesses the likelihood of their being recovered within a reasonably foreseeable timeframe, taking into account the future expected profit profile and any potential legislative restrictions on use within the Bank and the tax jurisdictions in which it operates, using the Bank's forecast cashflows. At year end, the Bank has £71,126k of unrecognised tax losses carried forward (2024: £47,900k). Due to the uncertainty of availability of future taxable profits, no deferred tax asset has been recognised in relation to these losses.

1.3 Taxation

Income tax expense comprises current and deferred taxes. Current income taxes are calculated on the basis of the applicable tax laws of the respective countries and are recognised as expense in the financial year in which the related taxable income arises.

Liabilities related to current taxes are recognised in the balance sheet as current tax liabilities. Deferred tax assets and deferred tax liabilities are taken into account using the balance sheet liability method for the expected future tax consequences of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax values.

Deferred tax assets are reviewed at each reporting date. In considering their recoverability, the Bank assesses the likelihood of their being recovered within a reasonably foreseeable timeframe, taking into account the future expected profit profile and any potential legislative restrictions on use within the respective Group companies and the tax jurisdictions in which they operate, based on the Bank's forecast cashflows. Deferred tax assets arising from temporary differences and from tax loss carry-forwards eligible for offset are recognised if it is considered probable (more likely than not) that sufficient taxable profits will be available against which those differences or tax loss carry-forwards can be offset.

Deferred tax assets and deferred tax liabilities are calculated at tax rates expected to apply in the period in which the tax assets are expected to be realised, or the tax liabilities settled.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Bank holds for its own use or for rental to others and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Bank, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost, which includes all of the expenditure which is directly attributable to the acquisition or construction of the asset. Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Bank and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to the profit or loss account, so as to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Bank.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3-5 years

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.5 Financial instruments

Financial instruments are classified in accordance with the provisions of IFRS 9 Financial Instruments, as follows:

Financial assets which are debt instruments:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or

Financial liabilities:

- Amortised cost

Note 16, Financial instruments and risk management, presents the financial instruments held by the Bank based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Bank are presented below:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash. All cash and cash equivalents are classified as at amortised cost and are subject to an insignificant risk of changes in value. The Central bank balance is held with the Bank of England.

Receivables and other assets

Classification

Receivables and other assets, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Bank's business model is to collect the contractual cash flows on receivables and other assets.

Recognition and measurement

Receivables and other assets are recognised when the Bank becomes a party to the contractual provisions of the asset. They are measured at their transaction price where the receivables do not contain a significant financing component. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method (reflecting any difference between the initial and the maturity amount).

The Bank applies IFRS 9's Expected Credit Loss (ECL) model using the General Approach to its financial assets. ECL is calculated for each counterparty as the product of the probability of default (PD), the loss given default (LGD) and the outstanding exposure. Each counterparty is assigned an internal credit rating based on the riskiness of its business, its payment history and its level of engagement with the Bank. Customers receive a score of 1 to 9 and this rating determines the PD (where a score of 3 is equivalent to a CCC rating and 9 is equivalent to a BBB rating), which is derived from published S&P historical default rates, and an LGD of 45% is applied based on the Basel framework's standard rate for unsecured exposures. BBB is considered the default credit rating with lower scores reducing the credit rating.

This approach consists of three stages, as follows:

Stage 1 is applied to assets that have not had a significant increase in credit risk since initial recognition. For stage 1, a 12-month ECL is recognised, using 12-month default rates (reflecting potential credit risk events within 12 months of the reporting date).

Stage 2 is applied to assets that have had a significant increase in credit risk since initial recognition, but that do not have objective evidence of impairment. The Bank considers a significant increase in credit risk to have occurred when a balance is more than 30 days past due or where counterparty-specific information indicates increased risk. For stage 2, a lifetime ECL is recognised, using cumulative default rates over the expected life of the asset.

Stage 3 is applied when assets are more than 90 days past due or there is other objective evidence of credit impairment at the reporting date. For stage 3, a lifetime ECL is recognised applying a PD of 100%.

The Bank defines a financial asset as in default when it is 90 days past due or when management concludes the counterparty is unlikely to pay. The Bank writes off receivables against the related loss provisions when it concludes there is no reasonable expectation of recovery.

Other assets, including intra-group receivables, are assessed for expected credit loss based on management's assessment of the counterparty.

Customer deposits

Deposits from customers are initially measured at fair value, which is normally the proceeds received net of any directly attributable transaction costs incurred. Subsequent measurement is at amortised cost, using the effective interest method. A corresponding asset in connection to these amounts is maintained within cash and cash equivalents.

Other payables classification

Other payables (note 12), excluding tax, VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost. Other payables are recognised when the Bank becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. Other payables expose the Bank to liquidity risk. Refer to note 16 for details of risk exposure and management of this risk.

Derecognition

The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Bank derecognises financial liabilities when, and only when, the Bank obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Leases

The Bank assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Bank has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Bank as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Bank is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Bank recognises the lease payments as an administrative expense (note 6) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- any lease payments made at or before the commencement date, less any lease incentives received;
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in administrative expenses (note 6).

The lease liability is presented as a separate line item on the Statement of Financial Position.

After the commencement date, the lease liability is measured by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications where appropriate or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. After the commencement date, both interest on the lease liability and variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs are reflected in the Statement of profit or loss and other comprehensive income.

The lease liability is reassessed when there is a change in lease payments. Change in lease payments arising from a change in the lease terms or a change in the assessment of an option to purchase a leased asset. When such changes occur, the lease liability is remeasured, and the corresponding adjustment is made to the right-of-use asset.

The revised lease payments are discounted using the Bank's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurements of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset.

Right-of-use assets

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

The Bank depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.8 Share-based payments

The Group maintains a number of share-based payment plans for employees and certain Directors of the Bank. When such awards are made to employees, the fair value of these payments at grant date serves as the basis for calculating the personnel expenses. Share-based payments that are not subject to any further conditions are expensed immediately at grant date. Share-based payments that are subject to the completion of a service period are expensed over the respective service period.

Conditions that determine whether the counterparty receives the share-based payment are separated into vesting conditions and non-vesting conditions. Vesting conditions are all conditions that determine whether the entity receives the services that entitle the counterparty to the share-based payment and may be differentiated further between service or performance conditions.

Performance conditions are either market conditions or non-market performance conditions. All other conditions are considered non-vesting conditions.

The modified grant-date method requires entities to distinguish between the above-mentioned vesting and non-vesting conditions.

Market conditions and non-vesting conditions are reflected as an adjustment (discount) to the initial estimate of fair value at grant date of the instrument to be received and there is no true up for differences between estimated and actual vesting due to market conditions.

The impact of service conditions and non-market performance conditions on vesting is estimated at grant date, but it is not reflected in the grant-date fair value itself. Instead, the accounting for the share-based payment is based on the number of equity instruments for which the service and non-market performance conditions are expected to be met. Subsequently, these estimates are trued up for differences between the number of instruments expected to vest and the actual number of instruments vested.

Share-based payment plans that are settled in own equity instruments (shares or options) result in an offsetting credit in equity and are not remeasured for subsequent changes in the fair value of the underlying equity instruments.

Share-based payment plans that are settled by the payment of cash are recognised as a liability and are adjusted through the Statement of profit or loss and other comprehensive income for changes in fair value of the underlying equity instruments until final settlement.

1.9 Treatment of foreign currency

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The financial statements are presented in Pound Sterling which is the Company's functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Bank receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Bank initially recognised the non-monetary item arising on payment or receipt of the advance consideration. If there are multiple payments or receipts in advance, the Bank determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss in the period in which they arise.

1.10 Revenue from contracts with customers

The Bank earns fee and commission income from various services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The following steps occur on recognition of revenue:

- The contract is identified and agreed with the customer, at the inception of the contract;
- The performance obligations, as well as the timing of their satisfaction, are identified and agreed;
- The transaction price is determined;
- That transaction price is allocated to the agreed performance obligation; and
- Revenue is then recognised when each of those performance obligations is satisfied.

The Bank's principal revenue streams are:

Fee income from services that are provided over time

- *Account fees* - monthly account fees are charged for the provision, and maintenance, of the client's accounts, and are non-refundable;

Fee income from services that are provided at a point in time

- *Service fees* – these fees cover incremental costs for activity that is incurred specifically in the provision of banking services, that is not typically incurred when delivering our core payment services. This cost and activity includes such items as incremental due diligence and ongoing audits, on-boarding and screening controls, and other costs which will scale as the number of customer accounts increase; and
- *Transaction fees* - transaction fees are fees for processing inbound and outbound transactions.

1.11 Interest income and expense

Interest income and expense are recognised in the Statement of Profit or Loss and other comprehensive income for the year ended 31 December 2025 for all interest-bearing financial instruments using the effective interest method in accordance with IFRS 9.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

The following amendment became effective as at 1 January 2025:

- Lack of Exchangeability – Amendments to IAS 21

While relevant to the Company, it has not had a material financial impact on the results reported in these financial statements.

- The Bank has early adopted the derecognition provisions relating to financial liabilities settled by electronic payment, introduced by the Amendments to IFRS 9 and IFRS 7, which became effective from 1 January 2026.

2.2 Standards and interpretations not yet effective

New and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7, which are effective from 1 January 2026.
- Presentation and Disclosure in Financial Statements - New Standard IFRS 18 issued in April 2024, which is effective from 1 January 2027.
- Subsidiaries without Public Accountability: Disclosure - New Standard IFRS 19 issued in May 2024, which is effective from 1 January 2027.

The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

3. Net interest income

	2025 £'000	2024 £'000
<i>a) Interest income calculated on an effective interest basis:</i>		
Interest income from funds held with Bank of England	24,290	24,027
<i>b) Interest expense calculated on an effective interest basis:</i>		
Interest payable on customer deposits	(20,149)	(21,279)
Net interest income total	4,141	2,748

4. Net Fee and Commission Income

	2025 £'000	2024 £'000
<u>Fee and commission income</u>		
<i>Fee income from services that are provided over time</i>		
Account fees	2,928	868
<i>Fee income from services that are provided at a point in time</i>		
Service based fees	36	603
Transaction fees	124	39
Total fee and commission income	3,088	1,510
<u>Fee and commission expense</u>		
Bank payment fees	(466)	(431)
Total fee and commission expense	(466)	(431)
Net fee and commission income	2,622	1,079

For 2025, fee income related to account fees included a £1,445k release of deferred income (see note 12).

5. Other operating expense

	2025 £'000	2024 £'000
Foreign currency losses	7	2

6. Administrative expenses

	2025 £'000	2024 £'000
Employee Costs	11,818	10,978
Professional Fees	2,751	1,343
Advertising & Marketing	557	131
Computer, Software & Licenses	268	78
Facility expenses	44	20
Depreciation and Amortisation	104	52
Management charge from parent	14,400	14,400
Other costs	224	657
Impairment	51	-
	30,217	27,659

Included in the above are the following expenses:

	2025 £'000	2024 £'000
Auditor's remuneration - external		
Fees payable to the Company's auditor for the audit of the Company	486	336
Fees payable to the Company's auditor for other services		
- Other services	364	29
Total amount payable to the Company's auditor	850	365

	2025 £'000	2024 £'000
Employee costs		
Salaries, wages, bonuses and other benefits	11,226	9,941
Retirement benefit plans: Defined contribution expense	515	633
Share-based compensation expense - equity settled	77	404
	11,818	10,978

Average number of staff employed during the year

	2025	2024
Board and Executive	7	5
Administration	28	27
Product, Technology and Operations	38	46
	73	78

Loss for the year is stated after charging the following, amongst others:

- Details of the remuneration of Directors are included in note 15.
- Details of the management charge from parent are included in note 15.

7. Taxation

	2025 £'000	2024 £'000
Reconciliation of the accounting profit and tax expense		
Accounting loss	(23,503)	(23,970)
Tax at the applicable tax rate of 25% (2024:25.00%)	(5,876)	(5,993)
Fixed asset differences	-	-
Impact of tax rate changes on adjusted prior year numbers	-	-
Expenses not deductible for tax purposes	40	169
Adjustments to brought forward values	-	(15)
Deferred tax asset not recognised	5,836	5,839
Income tax credit	-	-
Unrecognised accumulated tax losses		
Expiring:		
No expiry date	71,126	47,900
	71,126	47,900

Any potential deferred tax has been measured using the enacted rate of 25%.

The company has taxable losses of £71,126k (2024: £47,900k) and other gross temporary differences of £120k (2024: £170k) on which no deferred tax has been recognised. This is due to the uncertainty of availability of future taxable profits.

8. Cash and cash equivalents

Cash	2025 £'000	2024 £'000
Bank of England	326,151	828,074
Placements with other banks	251	238
	326,402	828,312
Cash equivalents	2025 £'000	2024 £'000
Accrued interest on Bank of England balance	472	1,382
	472	1,382
Total cash and cash equivalents	326,874	829,694

Amounts placed at the Bank of England include £301,129k (2024: £807,019k) from customer deposits, which are placed unencumbered at the Bank of England, track the Bank of England base rate and are available upon demand (see note 11). Collateral amounts of £25,200k are placed encumbered at the Bank of England (2024: £25,200k). All cash and cash equivalents are denominated in GBP.

9. Receivables and other assets

	2025 £'000	2024 £'000
Financial instruments:		
Amounts owed by group undertakings	18,245	17,806
Accrued income	98	167
Lease deposits	28	-
Trade receivables	121	114
	<u>18,492</u>	<u>18,087</u>
Non-financial instruments:		
Prepayments	582	111
Total receivables and other assets	<u>19,074</u>	<u>18,198</u>

Trade receivables, and the related ECL provision above, arise from contracts with customers.

Trade receivables are stated net of ECL provision as follows:

	2025 £'000	2024 £'000
Trade receivables	182	197
ECL provision	(61)	(83)
	<u>121</u>	<u>114</u>

Amounts owed by group undertakings are stated net of ECL provisions as follows:

	2025 £'000	2024 £'000
Amounts owed by group undertakings	18,694	18,263
ECL provision	(449)	(457)
	<u>18,245</u>	<u>17,806</u>

Movement in total credit loss provisions

	Trade receivables £'000	Amounts owed by group undertakings £'000	Total £'000
Balance at 1 January 2024	(9)	(479)	(488)
Amount expensed in the year	(158)	22	(136)
Write-offs	84	-	84
Balance at 31 December 2024	<u>(83)</u>	<u>(457)</u>	<u>(540)</u>
Amount expensed in the year	(50)	8	(42)
Write-offs	72	-	72
Balance at 31 December 2025	<u>(61)</u>	<u>(449)</u>	<u>(510)</u>

Further detail on amounts owed by group undertakings is given in note 15 below.

Further detail on credit loss provisions is given in note 16 below.

10. Property, plant and equipment

	IT equipment £'000	Total £'000
Cost		
As at 1 January 2024	141	141
Addition	17	17
Disposal	-	-
As at 31 December 2024	158	158
Addition	1	1
Disposal	-	-
As at 31 December 2025	159	159
Accumulated depreciation		
As at 1 January 2024	(54)	(54)
Charge in year	(52)	(52)
Disposal	-	-
As at 31 December 2024	(106)	(106)
Charge in year	(37)	(37)
Disposal	-	-
As at 31 December 2025	(143)	(143)
Net book value		
As at 1st January 2024	87	87
As at 31 December 2024	52	52
As at 31 December 2025	16	16

The fair value of the above items of property, plant and equipment is not materially different to the carrying amount.

11. Customer deposits

	2025 £'000	2024 £'000
Customer deposits	301,129	807,019
	301,129	807,019

Customer deposits are placed at the Bank of England and most track the Bank of England base rate (see managed rate deposits, page 6 Strategic Report and Note 16, Interest Rate Risk). The customer base is a mix of retail, corporate and institutional customers.

12. Other payables

	2025 £'000	2024 £'000
Financial instruments:		
Accounts payable	423	87
Amounts owed to group undertakings	17,791	14,606
Accruals	1,915	1,071
	<u>20,129</u>	<u>15,764</u>
Non-financial instruments:		
Other creditors	1,053	2,724
Total Other Payables	<u>21,182</u>	<u>18,488</u>

Other creditors of £1,053k comprises deferred income of £544k, payroll tax payable of £352k, pension payable of £84k, VAT liabilities £60k, and salaries payable of £12k all representing amounts outstanding at the year end.

Deferred income reduced by £1,445k from 2024 (£1,989k), with the recognition of fee income related to account fees (see note 4).

13. Share capital and other reserves

	2025 Number	2024 Number	2025 £'000	2024 £'000
Allotted, issued and fully paid Ordinary shares of £1 each				
At 1 January	345,300	250,300	345	250
Issued in year	122,500	95,000	123	95
At 31 December	<u>467,800</u>	<u>345,300</u>	<u>468</u>	<u>345</u>

There is one class of ordinary share capital, which has full rights to voting and dividends. The Bank has no limit on authorised share capital.

Share premium

	2025 £'000	2024 £'000
At 1 January	70,695	51,790
Arising on issue of shares in year	24,377	18,905
At 31 December	<u>95,072</u>	<u>70,695</u>

Other components of equity

	<i>Share-based payment reserve</i>	<i>Retained Earnings</i>	Total
	£'000	£'000	£'000
Balance at 31 December 2023	1,205	(26,559)	(25,354)
Loss for the year	-	(23,970)	(23,970)
Movement in share-based payment reserve	427	-	427
Balance as at 31 December 2024	1,632	(50,529)	(48,897)
Loss for the year	-	(23,503)	(23,503)
Movement in share-based payment reserve	77	-	77
Recycle shared-based payment reserve	(728)	728	-
Balance as at 31 December 2025	981	(73,304)	(72,323)

Share-based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

An existing equity-settled share-based remuneration scheme is operated by the parent company, TBOL Holdings UK Limited (see note 17). In November 2025, the Board invoked Rule 9.2(c) of the previous plan (malus - material downturn in financial performance) and cancelled all outstanding options with effect from 20 November 2025. There were movements in the share-based payment reserve related to the existing scheme up to the cancellation date. In accordance with IFRS 2 paragraph 28, the remaining unrecognised grant-date fair value of all outstanding options (£5k) was recognised immediately as an accelerated employee cost charge. The balance related to the employee share option scheme at the point of cancellation has been recycled within equity to retained earnings (£728k). The 2025 ending balance is £981k and this relates to other share-based plans for non-executive directors (see note 17).

There is a new equity settled shared-based remuneration scheme, operated by the ultimate parent company, TBOL Holdings Jersey Limited. The grant date for the new equity-settled scheme is March 2026. Vesting periods and share-based expense charges commence from this date for all employees participating. At 31 December 2025, there was no shared understanding of terms under which employees rendered services and therefore it was not possible to estimate the fair value of the awards (see Note 20).

14. Cash generated from operations

	Note(s)	2025 £'000	2024 £'000
Loss for the year		(23,503)	(23,970)
Adjusted for:			
Depreciation and Amortisation	10	104	52
Share-based payments	17	77	404
Interest income	3	(24,290)	(24,027)
Interest expense	3	20,149	21,279
Lease Impairment Charge	19	50	-
Lease modification (gain)/loss	19	1	-
Unrealised foreign exchange (gains)/losses	5	7	-
Provisions	18	143	74
Movement in:			
Receivables and other assets and accrued interest	9	(1,788)	1,040
Customer deposits	11	(505,890)	594,488
Other Payables	12	2,626	16,253
		(532,314)	585,593

15. Related parties**Key management personnel**

Key management personnel are those having the authority and responsibility of planning, directing and controlling the activities of the Bank, and consist of the Directors, who are listed in the Directors' Report on page 10.

Details of key management personnel remuneration:

	2025 £'000	2024 £'000
Short-term employee benefits	1,417	962
Termination benefits	1	140
Post-employment pension	11	-
Share-based payment expense	-	247
	1,429	1,349

Details of directors' remuneration:

	2025 £'000	2024 £'000
Aggregate remuneration in respect of qualifying services	1,429	1,341
Highest paid director - aggregate emoluments	456	364

There are no amounts receivable by Directors under long-term incentive schemes (excluding the Employee Share Option Plan discussed in note 17). There were no Group share awards exercised by Directors in 2024 or 2025, and no pension benefits or post-employment costs accruing to Directors.

Related party transactions and balances with fellow Group companies

	Amounts due from	Amounts due to
	£'000	£'000
FY2025		
TBOL Holdings UK Limited *	18,694	(17,713)
TBOL (N.I.) Limited	-	(78)
	<u>18,694</u>	<u>(17,791)</u>

	Amounts due from	Amounts due to
	£'000	£'000
FY2024		
TBOL Holdings UK Limited *	18,253	(14,606)
Gjennomsiktig Inc *	10	-
	<u>18,263</u>	<u>(14,606)</u>

Details of related party transactions between the Company, its Parent Company, and fellow Group subsidiaries are as follows:

During the year, TBOL Holdings UK Limited charged the Company £14,400k in management recharges (2024: £14,400k), for the provision of core banking technology and related support to the Company. These management recharges and other funding flows reduced the net receivable from TBOL Holdings UK Limited to £981k (2024: £3,647k).

During the year, certain group entities settled liabilities on behalf of one another. TBOL Holdings UK Limited settled liabilities of £1,589k on behalf of the Bank, and Bank settled liabilities of £441k on behalf of TBOL Holdings UK Limited, resulting in a net balance of £1,148k owed by Bank to TBOL Holdings UK Limited at year end. TBOL NI settled liabilities of £78k on behalf of the Bank, which remained outstanding at year end. In addition, Gjennomsiktig settled its intercompany balance with the Bank of £10k in cash during the year.

The parent company also holds a deposit with the Bank of £1,381k (FY24: £13,047k). No fees were levied on nor was any interest credited to this account.

* The Bank of London Group Holdings Limited was renamed Oplyse Holdings Limited in March 2025. Oplyse Holdings Limited was renamed TBOL Holdings UK Limited in May 2026. TBOL Inc. was renamed Gjennomsiktig Inc in January 2025.

Ultimate parent company

TBOL Group and Holdings Corporation Limited, which was incorporated in Jersey on 1 November 2023, with registered office De Carteret House, 7 Castle Street, St. Helier, JE2 3BT, Jersey, became the ultimate parent company of the Bank on 2 May 2024. Until that date, the Bank's immediate parent company, TBOL Holdings UK Limited with registered office 77 Cornhill, Fourth Floor, London, EC3V 3QQ, was the ultimate parent company of the Bank.

On 11 February 2025, TBOL Group and Holdings Corporation Limited was renamed Fellesskap Group & Holdings Corporation Limited.

On 22 May 2026, Fellesskap Group & Holdings Corporation Limited was renamed to TBOL Holdings Jersey Limited.

16. Financial instruments and risk management

- Categories of financial assets

	Note(s)	Amortised cost £'000	Total £'000
2025			
Receivables and other assets	9	18,492	18,492
Cash and cash equivalents	8	326,874	326,874
		<u>345,366</u>	<u>345,366</u>
2024			
Receivables and other assets	9	18,087	18,087
Cash and cash equivalents	8	829,694	829,694
		<u>847,781</u>	<u>847,781</u>

- Categories of financial liabilities

	Note(s)	Amortised cost £'000	Total £'000
2025			
Customer deposits	11	301,129	301,129
Other payables	12	20,129	20,129
Lease Liability	19	94	94
		<u>321,352</u>	<u>321,352</u>
2024			
Customer deposits	11	807,019	807,019
Other payables	12	18,488	18,488
		<u>825,507</u>	<u>825,507</u>

Risk management

The Bank uses its Risk Management Framework (RMF) to apply governance and oversight across the Bank. The RMF has been designed to provide a clear and consistent approach to the management of risks and controls aligned to risk appetite. The RMF is underpinned by our risk culture and three lines model, aligned to industry practice and UK Regulatory requirements.

Risk Management Framework

The Bank's principal risks are laid out below and the order in which they are shown does not imply their importance. Each risk is equally important in assessing the performance of the Bank in the context of its overall risk appetite. The principal risks will be reviewed by the Board each year in line with the Strategic and Annual Planning processes and monitored on an ongoing basis.

The Bank's approach to identifying and managing risks continued to evolve throughout the period of mobilisation.

Level 1 Risk	Definition
Business Model	The risk that the Bank's business model is unsustainable due to poor strategic decision making, execution and/or governance, resulting in the failure to meet the Bank's objectives and loss of revenue.
Client	The risk that poor service, a poor client experience, competitor actions, industry shifts, technological innovation, and/or inadequate communications result in failure to deliver our strategy, leading to financial loss.
Product	The risk that delays to product launches, poor product design and/or defective products result in failure to deliver our strategy, leading to financial loss.
Reputational	The risk that issues arise which lead to damage to the Bank's public image and brand, resulting in its inability to meet its current or projected financial and investment objectives and/or regulatory censure.
Treasury	The risk that the inadequate management of capital, foreign currency, liquidity and/or interest rate risks results in the Bank being unable to meet its current or projected financial and investment objectives.
Financial Crime	The risk that the Bank acts, omissions, practices or behaviours fail to prevent the facilitation of money laundering, terrorist financing, breach of sanctions, or bribery and corruption resulting in customer harm, regulatory censure, reputational and/or financial damage.
Compliance	The risk of legal or regulatory sanctions, material financial loss, or loss to reputation Bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities and/or a failure to treat customers fairly, leading to poor customer outcomes.
People	The risk that limitations related to the capacity and/or capability available to the Bank results in its inability to meet its current or projected financial and investment objectives and/or regulatory censure.
Third Party	The risk that the actions, failure or vulnerabilities of external entities, such as vendors, suppliers or partners lead to data breaches, financial losses, reputational damage and/or regulatory censure.
Technology Risk	The risk of inadequate performance of IT infrastructure increasing the likelihood of the failure of the Bank's systems resulting in customer harm, financial loss, disruption or reputational damage.

Information Security Risk	The risk that confidentiality, integrity, or availability of information or information systems is compromised, whether through internal or external acts or omissions, leading to regulatory, financial, operational, and/or reputational impact.
Data Governance, Quality and Management	The risk that weaknesses in how data is owned, defined, captured, quality-assured, protected, and used across the organisation lead to errors, bias, misuse, or non-compliance, causing operational, financial operational and/or reputational impact.
Operational Resilience	The risk of a failure to prevent, respond to, recover from, and learn from operational disruptions, leading to disruption to important business services which results in customer harm, financial loss, reputational damage and/or regulatory censure.
Finance Control	The risk of financial and/or financial reporting errors, resulting in incomplete, inaccurate and/or untimely submissions, misinterpretation of accounting requirements or payment errors, leading to client dissatisfaction, reputational damage and/or regulatory censure.

The Bank faces various financial risks in its operations, principally marginal market risk (specifically interest rate fluctuations), nominal credit risk, and liquidity risk. Risk management is fundamental to our business model. The Board of Directors bears ultimate accountability for risk identification and management, including setting strategy and risk parameters.

Framework Structure

Our Risk Management Framework provides a structured approach to managing risks across financial, economic, operational and behavioural domains. This framework is built on the three lines model principle, emphasising frontline risk ownership with second-line challenge and third-line assurance, defining organisational responsibilities, processes and monitoring requirements.

Risk Management and Monitoring

Our risk management and monitoring balances our growth ambitions with risk management. We monitor both qualitative and quantitative metrics to assess risk exposure, supported by Key Risk indicators and Early Warning indicators which enable proactive risk management.

Risk monitoring occurs through regular reviews by the Executive Risk and Compliance Committee, with quarterly oversight from the Board Risk Committee, facilitating scrutiny and debate of principal risks.

Capital Management Strategy

Maintaining appropriate capital levels is crucial for meeting regulatory requirements and supporting the Bank's business objectives. Key capital risks include potential defaults on receivables, unexpected operational losses or challenges in capital raising.

The Bank's capital management approach includes:

- Board-set capital thresholds exceeding regulatory minimums;
- Periodic Internal Capital Adequacy Assessment Process (ICAAP) reviews, submitted to the PRA;
- Implementation of Standardised and Basic Indicator approaches for credit and operational risk assessment; and
- Endeavouring to comply with regulatory capital requirements.

Capital and Liquidity Oversight

The Asset and Liability Committee (ALCO) leads capital monitoring, focusing on resource allocation and regulatory compliance. The Board, Board Risk Committee, and Executive Committee receive regular updates on capital positions and forecasts.

Our capital structure comprises Tier 1 instruments only. As of 31 December 2025, the unaudited CET1 Capital ratio was 82.94% (2024: 88.91%).

Funding Position

The Bank's funding position as at 31 December 2024 and 2025 can be summarised as follows:

	Note(s)	2025 £'000	2024 £'000
Customer deposits	11	301,129	807,019
Other payables	12	20,129	18,488
Lease Liability	19	94	-
Total borrowings		321,352	825,507
Cash and cash equivalents	8	(326,874)	(829,694)
Net funding position		(5,522)	(4,187)
Total equity		23,217	22,143

Liquidity Risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts. Given the short-term nature of the Bank's non-derivative financial liabilities and financial assets, there are no differences from the amounts shown in the Statement of Financial Position.

	Within 12 months	After 12 months	Total
2025			
Receivables and other assets	247	-	247
Intercompany receivables	18,245	-	18,245
Cash and cash equivalents	326,874	-	326,874
	345,366	-	345,366
2024			
Receivables and other assets	281	-	281
Intercompany receivables	17,806	-	17,806
Cash and cash equivalents	829,694	-	829,694
	847,781	-	847,781

	Within 12 months	After 12 months	Total
2025			
Client Deposits	301,129	-	301,129
Other payables	20,129	-	20,129
Lease Liability	95	-	95
	321,353	-	321,353
2024			
Client Deposits	807,019	-	807,019
Other payables	18,488	-	18,488
	825,507	-	825,507

Foreign currency risk

The Bank is exposed to minimal foreign currency risk as its monetary assets and liabilities are GBP denominated, particularly the most material balances, being its cash, customer deposits, and receivables and payables.

Interest rate risk

Interest rate risk refers to the potential financial loss arising from un-hedged or mismatched asset and liability positions that are sensitive to interest rate fluctuations. The Bank's deposits are primarily at variable interest rates, with £268 million (2024: £729 million) held in instant access accounts and £33 million (2024: £78 million) in notice accounts with a 14-day repricing period. As a result, changes in interest rates have a minimal impact on net interest income.

The majority of the Bank's assets are held in the Bank of England cash reserve (see note 8) and are subject to fluctuations in the Base Rate. A 200-basis point increase/decrease in the Bank of England base rate would have had a £95k positive/negative (2024: £103k) net annualised impact on 2025 performance.

Fair value

Financial instruments measured at fair value subsequent to initial recognition are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. The fair values of the Bank's financial instruments are considered to approximate their carrying values, due to their short-term and floating rate nature.

Credit risk*Maximum exposure to credit risk*

	2025 £'000	2024 £'000
Cash and cash equivalents	326,874	829,694
Amounts owed by group undertakings	18,694	18,263
Trade receivables	182	197
Accrued income	98	167
Lease deposits	28	-
Gross credit risk exposure	345,876	848,321
Less: allowance for impairment losses	(510)	(540)
Net credit risk exposure	345,366	847,781

At 31 December 2025, cash and cash equivalents include £326,151k of central bank balances at the Bank of England (2024: £828,074k). At 31 December 2024 and 2025, the Bank of England's credit rating was AA- (Fitch Ratings), and the Bank's related credit risk is considered immaterial. Credit ratings are not available for intra-group counterparties.

Accrued income comprises short-term balances (maturity of 1 day) on which the Bank has minimal historical credit risk exposure. No ECL provisions are made in respect of these balances.

Expected Credit Loss provisions, as analysed in note 9, consist of:

Credit risk staging table - type 2

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
<i>Amounts owed by group undertakings</i>				
As at 1 January 2024	-	-	(479)	(479)
Amount expensed in the year	-	-	22	22
As at 31 December 2024	-	-	(457)	(457)
Amount expensed in the year	-	-	8	8
As at 31 December 2025	-	-	(449)	(449)

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
<i>Trade receivables</i>				
As at 1 January 2024	(9)	-	-	(9)
Amount expensed in the year	(158)	-	-	(158)
Write-offs	84	-	-	84
Transfers to Stage 3	57	-	(57)	-
As at 31 December 2024	(26)	-	(57)	(83)
Amount expensed in the year	-	-	(50)	(50)
Write-offs	-	-	72	72
Transfers to Stage 2	1	(1)	-	-
Transfers to Stage 3	11	-	(11)	-
As at 31 December 2025	(14)	(1)	(46)	(61)

The Bank applies the rebuttable presumptions in IFRS 9 'Financial Instruments' that a significant increase in credit risk (SICR) has occurred when a financial asset is more than 30 days past due, and that default has occurred when it is more than 90 days past due. Neither presumption has been rebutted. The majority of the

ECL provision on receivables relates to Stage 3 exposures. The Bank defines a financial asset as in default when it is 90 days past due or when management concludes the counterparty is unlikely to pay. The Bank writes off receivables against the related loss provisions when it concludes there is no reasonable expectation of recovery.

The Bank's receivables are predominantly due from counterparties based in the United Kingdom, with limited exposure to other jurisdictions. Accordingly, country risk is not considered a significant driver of expected credit losses. Management has also considered the potential impact of wider geopolitical and macroeconomic uncertainty on the recoverability of receivables and, given the size, short-dated nature and concentration of the portfolio in the UK, concluded that any such impact is not a notable driver of the ECL provision.

Over the course of 2024 and 2025 as set out in the Directors' report, a number of the difficulties arose in the broader Group, negatively impacting the Bank's Parent Company's financial outlook. As a part of its on-going credit monitoring, the Bank concluded there was objective evidence of credit impairment at the reporting date. On this basis, the Bank classified the loan as a Stage 3 exposure and calculated the ECL on an individual basis, incorporating intercompany level inter-dependencies into the recovery scenario.

17. Share-based payments

Employee Share Option Plan – TBOL Holdings UK Limited

The Group (and subsidiaries, including the Bank) operated an equity-settled share option plan — the TBOL Holdings UK Limited Share Option Plan (the 'Previous Plan') — adopted September 2022, with grants dating back to 2018 for certain early joiners. Options were granted in four exercise-price series (£0.10, £225.59, £395.45 and £29.16) over ordinary shares in TBOL Holdings UK Limited. Options vested over 3–8 year periods and were exercisable only upon an exit event.

Options were granted to eligible employees selected by the Board, with the only vesting conditions being that the individual remains an employee of the Company over the vesting period, which is typically 3 years, or if an 'exit event' occurs.

An exit event includes, but is not limited to a share sale, an asset sale and an Initial Public Offering. No options may be transferred, assigned or charged, and any purported transfer, assignment or charge shall cause the option to lapse immediately. Option holders who leave the Group and who are considered to be good leavers may keep the vested portion of their respective awards, but it will not usually become exercisable early.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Previous Plan as an equity-settled plan. The fair value of the participant services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in equity against Share-Based Payment Reserve. The total amount to be expensed is determined by reference to the fair value of the options granted, calculated on a Black Scholes basis.

Options issued under the Option Plan allow Participants the right to acquire Ordinary Shares of £0.10 each in the Parent in the future.

The total IFRS 2 charge recognised in profit and loss for share-based compensation plans for the year to 31 December 2025 under the Previous Plan was £77k (2024: £145k).

Other share-based plans

The Bank also has an arrangement with some of its non-executive directors, where those non-executive directors can elect to receive a portion of their fee in the form of equity shares of the Parent. These transactions are treated as equity-settled share-based transactions in the Group accounts and are measured and recognised at the fair value of the amount payable under the arrangement. No shares were issued in 2025 (2024: nil) as the arrangement was in place for 3 years from 2022-2024.

The total IFRS 2 charge recognised in profit and loss for the non-executive director plans for the year to 31 December 2025 was nil (2024: £259k).

Limitation of scope

Owing to significant turnover of staff and inadequate record keeping creating challenges to the retrieval of historical data, the Directors have been unable to conclude on the completeness, accuracy and disclosure of the employee share option scheme records relating to the Previous Plan. The employee share option scheme share-based payment entries reflected in these financial statements for the year ended 31 December 2025 and prior years are based on the information available. Given the limitation noted we have been unable to provide sufficient and appropriate audit evidence to our auditors to support the share-based payment booking resulting in a limitation of scope, as reported in the Independent Auditor's Report on page 15. The Employee Share Option Plan issued by the parent company, TBOL Holdings UK Limited, was approved by the Board for cancellation on 17 April 2025, with all vested shares cancelled on 20 November 2025 following the issuance of formal confirmations to the members of the scheme. The balance in share-based payment reserves related to the employee share option scheme at the point of cancellation has been recycled within equity to retained earnings (£728k).

In prior periods, the limitation of scope relating to share-based payment arrangements extended to certain non-executive directors and the Previous Plan. With the passage of time, during the current year, sufficient and appropriate evidence was obtained in respect of the non-executive directors' share plan, including the associated comparative balances. Accordingly, the Directors have been able to conclude on the completeness, accuracy and disclosure of the non-executive directors' plan and the limitation of scope relates solely to the Previous Plan.

18. Provisions and contingent liabilities

From time to time and in the normal course of business, claims against the Bank may be received. Management has assessed the likelihood of an outflow of resources in respect of current open claims where it is able to measure the likely outflow. A provision of £253k is held at 31 December 2025 (2024: £294k) in respect of such claims.

	2025 £'000	2024 £'000
Restructuring provision	129	-
Provisions for ongoing claims	253	294
Total provisions	382	294

During the second half of 2025 the Group undertook a strategic review under which several roles were placed at risk of redundancy. This comprised a redundancy review exercise in the London office and, following Board approval, the closure of the Group's Belfast office, with affected roles made redundant and activities migrated to London or transferred to an outsourced service provider. The plans were communicated to affected employees before 31 December 2025. A constructive obligation existed before 31 December 2025 as there was a formal plan approved and affected employees had been notified. A restructuring provision of £129k was

recognised under IAS 37. The financial effect is largely based on actual redundancy costs per individual, since in most instances the employee redundancy costs have been finalised. The provision is expected to be fully utilised during 2026.

Contingent Liabilities

In addition to the matters provided for, the Bank disputes other claims where an outflow is not considered probable and at this point in time it is not possible to measure any potential outflow.

19. Leases

The Bank leases some of its premises as a lessee. Details of premises where property leases are in effect as at 31 December 2025, and the remaining term, are as follows:

Description of Premise	Physical address	Rental increase	Remaining lease term as at 31 Dec 2025
Belfast Office	Metro, 6-9 Donegall Square South, Belfast, BT1 5JA	0.00%	7 months

Right-of-use assets

The carrying amount of right-of-use assets included in the following line items:

	2025 £'000	2024 £'000
Carrying value as at 1 January	-	-
Additions to right of use asset	323	-
Reassessment of right of use asset	(166)	-
Current period depreciation	(67)	-
Impairment	(50)	-
Carrying value as at 31 December	40	-

Depreciation recognised on each class of right-of-use assets (Property), includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 6).

	2025 £'000	2024 £'000
Lease liabilities as at 1 January	-	-
Additions	323	-
Reassessment of lease liability	(166)	-
Interest expense	5	-
Payments during the year	(68)	-
Lease liabilities as at 31 December	94	-

The Company's Belfast (Metro) office lease was entered into during 2025 with an original term to July 2027. In October 2025, as part of the Group's strategic review and restructuring undertaken (see note 18, provisions), the Board approved the closure of the office and the exercise of the break clause in the lease. This shortened

the remaining lease term from 19 to 7 months, with the lease now terminating effective 31 July 2026 and the office largely vacant for the remainder of the term. The Company reassessed the lease term and remeasured the Belfast lease liability and right-of-use asset accordingly. No prior year comparative is presented, as the Group's leases were previously held by another Group entity rather than by the Company.

The closure decision was an indicator of impairment. The right-of-use asset, together with the associated leasehold improvements, was tested for impairment, with its recoverable amount determined on a value-in-use basis. An impairment loss of £50k was recognised in the year in addition to a £1k loss on termination, reducing the carrying amount of the Company's Belfast right-of-use asset to £40k at 31 December 2025. The remaining Belfast lease liability of £94k at 31 December 2025 is payable over the period to termination in July 2026. The redundancy costs arising from the closure are dealt with in note 18, provisions and contingent liabilities.

	2025	2024
	£'000	£'000
Amounts expensed on short-term leases	-	-
Total cash outflow from leases	68	-

The total lease payments were settled by other group companies.

20. Events after the reporting period

Since the year end, further capital injections of £35.0m have been made into Group and £31.7m has been down streamed into the Bank up to the date of the signing of these financial statements.

The Group was previously notified by the PRA that it was under investigation in relation to certain historical matters that occurred prior to the Group's change in ownership. The PRA have concluded the investigation and the settlement of £2m was agreed. The Group has recognised a provision of £2m to cover the agreed settlement. The Group and Bank are jointly and severally liable for this matter, however, the Group have provided an indemnity to the Bank and will pay the required amount to discharge the obligation of the Bank in respect of all potential outflows and liabilities that may arise from the investigation, therefore, there is no provision to be recognised by the Bank for this matter.

On 15 April 2025, the PRA approved a new controller of the Group. As part of the capital injections in March 2026, the existing controller's shareholdings were transferred to other shareholders and there is no longer a controller of the Group.

In October 2025, the Board decided to exit the Bank's Belfast office and notice of early termination was served on the lease with a termination date of July 2026. The physical exit was completed on 31 March 2026, with impacted roles either relocated to London or transitioned to an outsourcing partner.

A new long term incentive plan, issued by TBOL Holdings Jersey Limited, was approved in 2026 and eligible participants in the scheme were notified on 5 March 2026. Management has considered the financial effect of both the cancellation of the previous employee share scheme and the implementation of the new scheme.

The new scheme was determined to have a grant date of 5 March 2026, and under IAS 10 this is a non-adjusting event after the reporting period.

The total estimated FV of the awards is £7m-£9m and a total IFRS 2 charge of £5m-£6.5m after estimated forfeitures due to attrition. The charge is expensed in profit and loss over a 4-year period, in line with vesting schedules.

Other than those stated above, the Directors are not aware of any material event which occurred after the reporting date and up to the date of this report which requires disclosure in these financial statements.