

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



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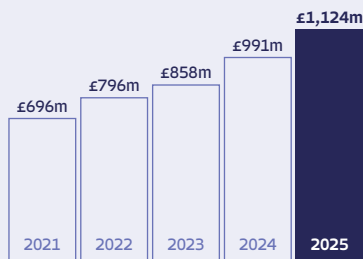


For more information on Hampden Bank, please visit our website at hampdenbank.com/investors

2025 Financial highlights

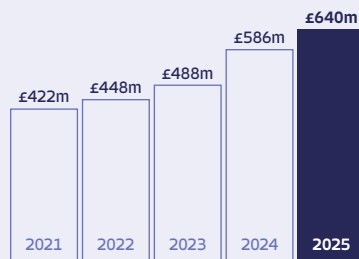
Deposits from clients

£1,124m



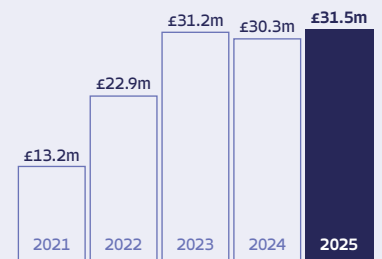
Loans and advances to clients

£640m



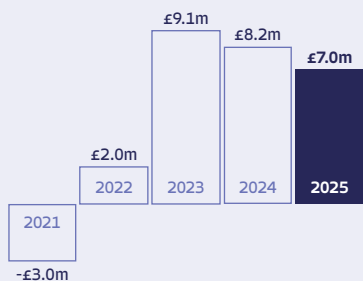
Total income

£31.5m



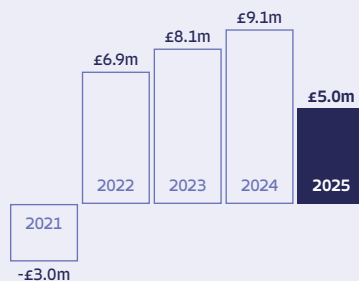
Profit/(loss) before tax

£7.0m



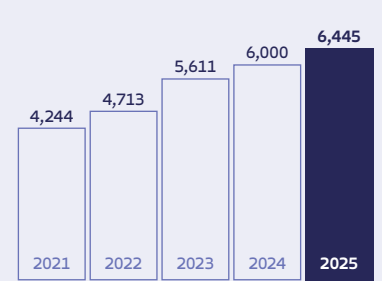
Profit/(loss) after tax

£5.0m



Client numbers

6,445



This is Hampden Bank

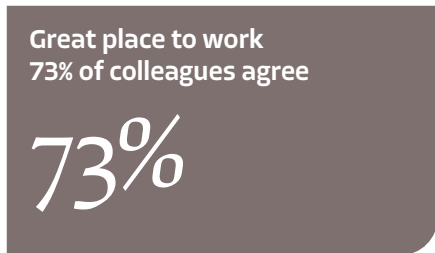
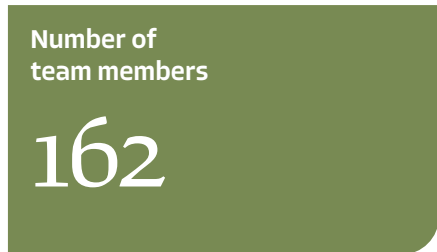
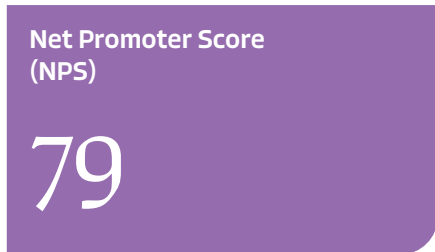
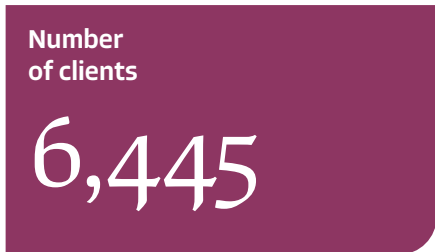
We are a private bank providing exceptional client service, delivered by outstanding banking professionals. To our target clients, we are their first port of call for financial needs or questions. We are easy to do business with, in person and via phone, email or digitally.

We are a responsible, competitive business that seamlessly integrates technology into an efficient operating model that meets the needs of our clients, our shareholders, our colleagues and our regulators.

Delivering a comprehensive service for our clients

- **Day-to-day banking** – services that keep the management of day-to-day finances simple.
- **Deposit money** – solutions are tailored to the individual needs of clients.
- **Borrow money** – we specialise in complex lending and all enquiries are considered on an individual basis.

Digital banking complements the personal service of a banker.



June

Celebrating ten years of Hampden Bank
Hampden Bank celebrated a major milestone in the summer as we turned ten years old.



August

Welcome to our new London office
Conveniently located in the heart of The City.



November

We are now in the North and Midlands
Introducing our new team – Haydn Aird, Ian Noke, Claire Lattin and Liz Williamson.



With a clear strategy, energised leadership team and talented colleagues, the Bank is well positioned to adapt and grow.



David Huntley
Chair

Chair's statement

I am delighted to present the first Annual Report and Financial Statements of my term as Chair of the Board, having taken up the role on 1 September 2025.

The year witnessed several important milestones: the Bank's first decade in business, surpassing £1 billion in deposits, significant office upgrades in both Edinburgh and in London and expansion into the North & Midlands with the addition of a new banking team.

Our new Chief Executive Officer, Tracey Davidson, completed her first full year in post and worked tirelessly in leading a review of the Bank's strategy, investing in her Executive Team and driving delivery of numerous projects. The Board is confident that the Bank's strategic direction and pace of delivery position it well for success in a fast-changing market.

This was delivered alongside continued business growth, with lending increasing 9% to £640m (2024: £586m) and deposits finishing the year 13% up at £1,124m (2024: £991m).

These achievements are testament to the strength of the leadership team, our people and the Bank's collaborative culture. While profit before tax fell for reasons explained in the Chief Executive Officer's and Chief Financial Officer's reports, profits in the final quarter of the year matched those for the first half. This healthy underlying business growth augurs well for the future.

More broadly, 2025 was a year of geopolitical shocks with continuing conflict, trade tensions and fiscal policy never far from the news. As I write, events in the Middle East have, if anything, amplified the uncertainty in 2026, to say nothing of the human cost. The Bank of England balanced the risk picture against persistent inflation and cut the base rate to 3.75% by year end. Governments at home and abroad sought to convince markets of their ability to manage spending and balance their books over the long term. However, the UK stock market performed well. Banking stocks, in particular, made impressive gains despite continued margin pressure, tempering recent low valuations in the sector.

Dividend and Annual General Meeting

The Board is recommending a dividend of 3.36p per share, up 5% from prior year. The Board remains fully committed to rewarding our supportive shareholders in line with business performance. It is able to do so because of a robust capital and liquidity position, reflecting the prudent approach taken in building the Bank.

The 2026 Annual General Meeting will be held at 4pm on Wednesday 27 May at our Edinburgh office. Formal notice of the Annual General Meeting and the resolutions will be sent to shareholders in April. I look forward to welcoming as many as possible to our office and expressing my personal thanks for their continued support.

Board changes

Simon Miller retired as Chair of the Board at the end of August 2025 and we thank him again for his contribution. I took over having chaired the Risk Committee for the preceding five years and look forward to leading the Board through the Bank's next phase of growth.

Finlay Williamson has taken on an additional interim role as Chair of the Risk Committee. He will retain this role and will hand over his role as Chair of the Audit Committee to Angus Macpherson immediately following the Annual General Meeting. At the same time, Finlay will hand over his role as Senior Independent Director to Caroline Taylor. All of these changes are subject to regulatory approvals.

Kaushalya Somasundaram will step down from the Board at the Annual General Meeting. I would like to personally thank her for her contribution over the past three years.

Finally, I would like to recognise the significant contribution of each of the non-executive directors, both at the Board and in Committees, whose detailed reports are on pages 30 to 34.

A Bank for the future

The Bank continues to build a track record of profitable growth, the foundation for which is its reputation for truly excellent client service. Investments in people and technology are enhancing the offering and laying foundations for the future. Ultimately, though, clients will continue to choose the Bank because of our people, culture and reputation.

With a clear strategy, energised leadership team and talented colleagues, the Bank is well positioned to adapt and grow. The Board looks forward with confidence to our second decade and beyond.

David Huntley

Chair

31 March 2026

In a market increasingly shaped by commoditisation and digitalisation, we continue to believe in the value of a personal, relationship-led approach to private banking; one where technology enhances, rather than replaces, the human experience.



Tracey Davidson
Chief Executive Officer

Chief Executive Officer's business review

The year under review represents a pivotal point in the Bank's evolution.

Now approaching our eleventh year of operation, a relatively youthful stage by banking standards, we delivered robust business results, made progress towards our strategic ambitions and managed significant organisational change, setting ourselves up for future success. Amidst persistent economic uncertainty marked by geopolitical tensions, constrained household budgets and cautious business sentiment – conditions that continue to shape the environment – our performance underscored the resilience of our business model and the enduring relevance of our client proposition.

Resilient performance

The Bank again delivered impressive growth in both lending and deposits. Lending increased by 9%, reaching £640m (2024: £586m), driven by the successful acquisition of new clients and deepened engagement with our existing client base. This demonstrates our capacity to meet diverse needs across private individuals, families and entrepreneurs. Crucially, it was achieved while upholding disciplined credit standards and our conservative risk profile.

Deposit volumes exceeded our targets, reaching £1bn for the first time in the summer, and closed the year at £1,124m, up 13% (2024: £991m). In a highly competitive market, our ability to attract and retain client balances speaks to the trust our clients place in the Bank and our people, and also to our competitive pricing. The strength of our deposit franchise provides a stable funding base, supporting future lending growth.

Financial results for the year reflect these positive trends, but also the impact of non-recurring costs related to organisational change and strategic investment. Performance was strong despite these headwinds and falls in the Bank of England base rate. Indeed, normalising for these effects, 2025 profitability would have surpassed that of 2024, evidencing the health of the Bank's underlying business performance.

Hampden 2.0

At our 2025 Annual General Meeting, I shared some context on our 'Hampden 2.0' strategy. I set out our vision for a sustainable, growing private bank, recognised for the quality of its client relationships, the strength of its risk management and the professionalism of its people. All are vital to deliver on our strategic ambition, which is to generate £20 million annual profit before tax by 2030.

This year marked the first step in this journey, with a clear focus on building momentum through disciplined execution. Progress against the following five strategic themes has been encouraging:

- **Profitable growth:** expanding into the North and Midlands, moving to modern offices in both Edinburgh and London, and growing the balance sheet within prudent risk parameters.
- **Efficiency:** numerous process improvements support both quick decisions and efficient growth, which in turn will help increase shareholder returns.
- **Client centricity:** prioritising client satisfaction through exceptional service and an improved digital offering.
- **Rigour:** upholding high standards in client service and risk management.
- **Collaboration:** fostering teamwork across the organisation to aid efficiency and pace of delivery.

The Bank's continued growth provides tangible validation of our strategic direction. Importantly, our people have demonstrated a readiness to embrace change, which is key to realising our 2030 ambitions.

Client relationships

Clients will always remain at the centre of the Bank's proposition. Their trust is fundamental to our success, and our purpose is to serve them with integrity, professionalism and care. In a market increasingly shaped by commoditisation and digitalisation, we continue to believe in the value of a personal, relationship-led approach to private banking; one where technology enhances, rather than replaces, the human experience.

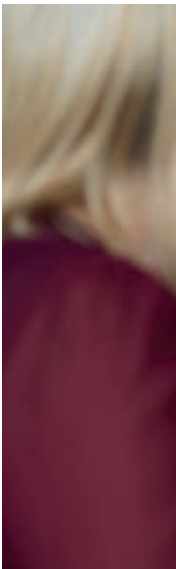
Client acquisition during the year was strong, with our client base increasing by 445 (2024: increase of 389). Many of these new relationships originated from referrals, a powerful endorsement of our service quality and the trust our clients and professional partners place in us. Satisfaction scores remained high, with 92% of clients reporting satisfaction and a Net Promoter Score of 79. These results highlight the quality of our people, the responsiveness of our service and the relevance of our personal banking offering.

Our people

The expertise, judgement and dedication of our people underpin the quality of our client relationships and, ultimately, our ability to grow the Bank. Over 2025, we made purposeful changes to our organisational structure and welcomed new colleagues into several strategic roles. These changes strengthen our leadership capability, foster a culture of accountability and collaboration, and ensure that our people possess the skills required for the future.

Investing in talent remains central to our ongoing plans. By building leadership capacity and promoting professional development, we are positioning the Bank to grow shareholder value over the long term. I am delighted to report that we have promoted fourteen colleagues during the year to roles ranging from Banking Director to Deputy Chief Risk Officer. In 2026, we will continue to provide colleagues with training and development to help them best serve our clients, achieve our goals and fulfil their potential with the Bank.

Chief Executive Officer's business review (continued)



Our people

Our new offices have created a modern, well-equipped working environment for our teams.



Chief Executive Officer's business review (continued)

Key Performance Indicators (KPIs)

The Bank's overall progress and performance is monitored continually by the Board and the management team. Performance for the year is summarised below:

Profit before tax

2025	£7.0m
2024	£8.2m

Profit after tax

2025	£5.0m
2024	£9.1m

Total income

2025	£31.5m
2024	£30.3m

Loans and advances to clients

2025	£640m
2024	£586m

Deposits from clients

2025	£1,124m
2024	£991m

Client loan:deposit ratio

2025	57%
2024	59%

Total capital ratio

2025	17%
2024	17%

Financial strength

Prudent risk management is fundamental to our success. The economic climate reinforced the importance of maintaining a conservative risk appetite, robust underwriting standards and strong governance. Lending growth was achieved within clearly defined risk parameters, supported by rigorous credit assessment and ongoing monitoring from our credit function.

Asset quality remained resilient, with appropriate levels of provisioning maintained throughout the year. Our relationship-led model enables close engagement with clients, allowing us to identify and address emerging risks at an early stage. The Bank's capital and liquidity positions remained robust, providing both resilience and the flexibility to support future growth.

Operations and technology

Operational resilience and adapting to technological developments are increasingly vital to our success. Over the past year, we have continued to invest in the systems and processes which protect the Bank and its clients, while also leveraging the potential of technology to improve the personal service we offer.

While much of this work may not be visible externally, it is critical to our ongoing ability to meet regulatory requirements and deliver excellent client experiences.

Looking ahead

Whilst economic and geopolitical uncertainties are likely to persist, the Bank enters its next phase of growth from a position of strength. We have a clear strategic direction, a resilient business model, a growing and loyal client base and a committed team of talented colleagues.

Our priorities are clear: we will continue to execute our strategy with discipline, build on our momentum in lending and deposits, maintain a conservative approach to risk and invest in both people and technology. These efforts directly support our goal of achieving £20m annual profit before tax by 2030 and reinforce our commitment to deliver long-term shareholder value.

Having paid our first full dividend in 2025 it is pleasing that the Bank is proposing a further 5% increase for the 2026 payment. This, in concert with the Bank's performance in the latter part of 2025, in particular, signals to shareholders our confidence in both the Bank's financial strength and its prospects as we move into 2026 and beyond.

In closing, I would like to thank our clients for their ongoing trust, our colleagues for their dedication and professionalism and our shareholders for their steadfast support. I am excited for our future and confident that together we will thrive.

Tracey Davidson
Chief Executive Officer
31 March 2026

Whilst economic and geopolitical uncertainties are likely to persist, the Bank enters its next phase of growth from a position of strength.

What our clients say:

“

The level of response and assistance make the practicalities of daily financial dealings much easier and it is a pleasure to have an account at Hampden Bank.

“

Delighted with the personal service your team provides. Always prompt, always courteous. Equally, good, bespoke advice when asked. We're always treated as individuals.

“

Extremely friendly, efficient service. Always possible to get in immediate contact with bankers, with whom one becomes friends.

“

Everyone I work with is kind, responsive, interested in helping, and fun. I love it!

“

I think the service is both pro-active and fantastic. The staff are pleasant to deal with whilst being professional.

“

First class service. Always on the ball and always delivers.

“

Top class personalised service with a pragmatic, solution finding approach.

Alongside delivering such fundamental changes to the organisation, balance sheet growth in the year remained robust.

Jonathan Peake
Chief Financial Officer



Chief Financial Officer's report

2025 was a year of investment and transformation for the Bank.

As the year commenced, client adoption of our recently launched digital platform continued apace, followed by the appointment of the Head of Banking, North and Midlands to spearhead regional expansion. These developments were supplemented by the arrival of key executive hires, such as the new Chief Operating Officer and Chief Banking Officer, in the second half of the year.

In addition, London and Edinburgh office moves cemented a year of structural progress for the Bank. In parallel, financial milestones were reached, with the surpassing of the symbolic £1bn deposits in the summer – and continuing growth in the period thereafter – providing another measure of progress.

Alongside delivering such fundamental changes to the organisation, balance sheet growth in the year remained robust. The 13% increase in deposits, from £0.99bn to £1.12bn, was a positive reflection of the Bank's progress, with the 12% increase in the all-important private banking deposit book, from £746m to £834m, particularly pleasing in an environment in which competition for deposits continues to be fierce. Accompanying this deposit growth, total loan volumes have similarly progressed during 2025, reaching £640m by the year end, delivering year-on-year net growth of 9%.

Macroeconomic, rates and margin outlook

As ever, monetary, fiscal and political risks to the banking sector more broadly remain. The gradual plateauing of the interest rate trajectory and the relative stability in the longer-term rates outlook provided a measured level of confidence to clients in the property sector, with the recent fall in UK base rate below 4% similarly helpful in this respect. The fiscal landscape during the past 12 months has however been more challenging. The wealth taxes announced in the autumn budget have arguably served to compound the impact of previous rises in areas such as employers' national insurance, with UK plc's total tax burden now forecast to exceed 38% of GDP by 2030, a level not witnessed for several generations.

As the pace of interest rate reductions has slowed, the Bank's net interest margin has stabilised and reached approximately 270bps in the second half of the year. Further margin pressure is nevertheless possible, whether through the re-entry of competitors into the Bank's lending markets or the continuing rise of the deposit aggregator platforms. Whereas, until recently, markets had been expecting the UK base rate to fall to 3.25% by the end of 2026, the latest developments in the Middle East, and their potential impact on the UK inflation outlook, have reversed traders' previous expectations. In this uncertain environment, ensuring the Bank's investment in technology is an effective enabler for growth, whilst also remaining proportionate, will be critical. Such delivery should allow the Bank to serve the businesses of its existing private clients, delivering further deposit and franchise growth.

A year of two halves

When reflecting on 2025 performance in profitability terms, the second half of the year witnessed a transformation in the Bank's financial performance. Having accelerated the pace of change as we moved into 2025, the first half of the year saw non-recurring costs associated with the Edinburgh and London office relocations, as well as one-off restructuring costs associated with the investment in people noted earlier. This accelerated pace of change in the first half of the year, combined with the balance sheet growth delivered in the second half, saw the Bank performing strongly as we moved towards the year end. Evidencing this, the Bank's profits in the final quarter matched those in the first six months of the year, demonstrating the progression in performance, driven by a £142m growth in deposits in the second half of the year alone.

Whilst the Bank's profit before tax, at £7.0m is, in absolute terms, 15% down from the prior year (2024: £8.2m), this reflects the impact in 2025 of those costs associated with the relocation of our Edinburgh and London offices, in addition to the non-recurring restructuring costs noted earlier. These investments in the Bank's long-term infrastructure and capability are considered critical to the delivery of our long-term financial goals.

Looking ahead

Whilst macroeconomic and fiscal conditions continue to be challenging to the Bank and our clients, with continued momentum in deposit and lending balances, there are reasons for optimism as we move into 2026. Having doubled our dividend in 2025, the Bank's financial performance has allowed the Board to propose an increased dividend for payment in 2026, subject to shareholder approval at the Annual General Meeting. This signals the Board's confidence in the Bank's performance trajectory and its recognition of the importance of providing returns to our shareholders.

From 2027, UK banks will assess their capital requirements under new Basel 3.1 rules. As a Small Domestic Deposit Taker, the Bank will apply a simplified Basel 3.1 framework. This change will result in a refreshed capital requirement for the Bank. As noted in the Going Concern section on page 37, the Bank is expected to continue to meet all of its regulatory capital requirements.

Jonathan Peake
Chief Financial Officer
31 March 2026

People and culture

People strategy

In 2025, the Bank made substantial strides in advancing its People & Culture agenda, underpinned by an updated People Strategy that is aligned with the Hampden 2.0 strategic themes. The People Strategy focused on strengthening our colleague offering, enhancing leadership capability and improving organisational effectiveness to support our vision of 'Helping our colleagues achieve their aspirations'. These efforts aimed to create a high-performance, values-driven culture aligned with our long-term goals.

The Bank remains committed to fostering a culture that enables exceptional client service, colleague development and sustainable growth.

Leadership and culture

The introduction of a new Leadership Framework defined the behaviours and standards expected of people leaders, ensuring alignment with our values and strategic themes. This framework also provides a strong foundation for succession planning and capability building across the Bank.

The Aspire Board, a diverse group of talented colleagues who are empowered to develop Bank-wide initiatives, was first established in late 2024, and made significant strides during 2025. Meeting regularly, its members worked collaboratively on a business project, presenting their findings to the Executive Management Committee and Board. They also participated in a series of targeted collective and individual development activities, including regular coaching sessions.



Learning, training and capability building

We accelerated capability development across the organisation, embedding a comprehensive Training & Competence Framework and rolled out enhanced product knowledge and Consumer Duty-aligned training. All client-facing colleagues received training on client vulnerability, while digital learning solutions were expanded to support people leaders with development and performance management.

Performance and development

The Bank undertook a significant update of its Performance & Development (P&D) processes. Key enhancements included a redesigned P&D form incorporating continuing professional development and goal setting, the launch of the 'My P&D Hub' intranet site and digital resource, and additional support for people leaders in holding high-quality performance discussions.

Organisation design

In support of sustainable growth and improved operational efficiency, the Bank continued to evolve its organisational structure. The year saw recruitment into several critical leadership positions, including Chief Operating Officer and Chief Banking Officer, as well as Head of Banking North & Midlands, and several well-deserved internal promotions.

Reward, recognition and benefits

Several enhancements were made to colleague reward and benefits over the course of the year. The Bank successfully migrated pension provider and increased both its employer pension contribution and colleagues' annual holiday allowance. The Zest reward portal was used effectively for benefits reselection, administration and communication.

The Bank remains committed to fostering a culture that enables exceptional client service, colleague development and sustainable growth.

At Hampden Bank, we are committed to building a diverse, inclusive, safe, and equitable workplace where every colleague can succeed and thrive.

We provide our colleagues with programmes and tools that help them to lead healthy and fulfilling lives. Our well-being initiatives focus on the physical, mental and financial health of our team members. We offer private medical insurance and health cash plan schemes to all colleagues, who can also extend these benefits to their partners and dependents, and staff banking and loan products. In 2025, we continued to provide free health checks, flu vaccinations and access to our Employee Assistance Programme.

Our eight qualified mental health first-aiders continue to provide support and offer opportunities for education and discussion with colleagues.

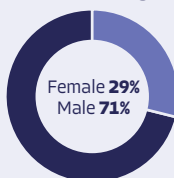
We also revised many of our People Policies during the year, and made significant enhancements to our maternity, parental, adoption and surrogacy and annual leave policies.

Diversity, equity and inclusion

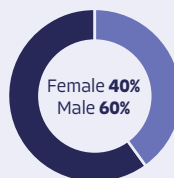
At Hampden Bank, we are committed to building a diverse, inclusive, safe, and equitable workplace where every colleague can succeed and thrive. We strive to create an environment that encourages collaboration and nurtures a culture valuing diverse perspectives, recognising this as essential to our interactions with colleagues and clients.

We want to create a diverse, inclusive, safe and fair workplace for everyone. At 31 December 2025 our gender diversity was:

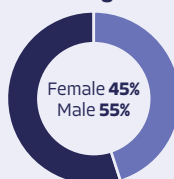
Executive management



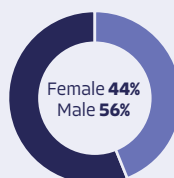
Non-Executives



Colleagues



All staff



Engagement and wellbeing

In October 2025 we conducted our seventh 'Great Place to Work' colleague engagement survey. Gathering feedback is part of our ongoing commitment to creating and maintaining a positive and engaging workplace. 95% (2024: 93%) of our colleagues responded to the survey, and we achieved an engagement score of 72% (2024: 85%). 73% (2024: 91%) of colleagues said that Hampden Bank is a great place to work. Although these results reflect a year-on-year fall, this is not unexpected in a year of structural change, and the scores remain very positive. We continue to be vigilant and committed to identifying areas for ongoing improvement and sustaining and building upon our successes. By maintaining our focus on continuous improvement and feedback, we can further enhance colleague engagement.

This commitment was reflected in the expansion of our summer internship programme, which attracted over 100 applications, and a new Diversity, Equity & Inclusion e-learning module. We also hosted two successful Women@Hampden events. Our ongoing community partnerships with Money Ready and Fields in Trust included colleague volunteering opportunities.

We remain committed to inclusivity across the Bank by continually educating ourselves and broadening our understanding of different experiences, which fosters a more inclusive culture and supports the Bank's ongoing success and sustainability.

Workplace environment

Significant investments were made in our workplace environment during 2025. We completed the relocation to new premises at 19 and 20/21 Charlotte Square in Edinburgh and St Martin's Le Grand in London, with excellent feedback from colleagues on their new working environments. This supports our ambition to create modern, collaborative workplaces that enhance both colleague wellbeing and client service.

Sustainability report

Hampden Bank is a socially responsible business, committed to reducing its impact on the environment and to making a positive contribution to the communities in which we live and work.

In line with targets set by the UK Government and the United Nations Net Zero Coalition, the Bank’s goal is to achieve net zero carbon by 2050. The Bank seeks to address the carbon footprint arising from its operations and so its contribution to the causes of global climate change. It also aims to support clients, staff and other stakeholders to identify and act on opportunities to reduce their footprint as the economy transitions to net zero carbon.

The Bank has appointed ClimatePartner, a specialist provider of measurement tools, to record and report on operational emissions and to identify and support efforts to achieve its net zero goal.

Environmental impact

The emissions that result from running the Bank are measured in tonnes of carbon dioxide equivalent (tCO₂e). A 2019 pre-Covid benchmark was established when emissions peaked, against which subsequent years have been compared. Emissions were not measured in 2020 due to the impact of Covid lockdowns.

The Bank’s carbon emissions in 2025 were 320.04 tCO₂e. Measured against the 2019 pre-Covid benchmark, when emissions totalled 348.26 tCO₂e, this is a reduction of 28.22 tCO₂e, a decrease of 8.1%.

While emissions remain below the 2019 benchmark, they have been rising year-on-year from 2021 onwards. This has been driven mainly by growth in colleague numbers, rising from 101 in 2019 to 162 in 2025. Per head, emissions have reduced significantly over the period, from 3.448 tCO₂e in 2019 to 1.976 tCO₂e in 2025.

Divided across scopes 1, 2, and 3, emissions in 2025 versus 2024 are set out below.

Scope 1 – All direct emissions:

Emissions from the activities under our control. This would include fuel used in offices, such as gas. Between 2024 and 2025, this reduced from 10.777 tCO₂e to zero. The moves to new offices in Edinburgh and London helped to reduce Scope 1 emissions, with neither office using gas energy.

Scope 2 – Indirect emissions:

Emissions created during the production of the energy used in offices, such as electricity. With all energy coming from renewable sources, this remained at zero.

Scope 3 – All other indirect emissions:

Emissions from operational sources we do not own or control occurring from our activities, such as business travel and commuting, and procurement of consumables such as paper, plastics and water. This increased in 2025, up from 226.932 tCO₂e to 320.04 tCO₂e.

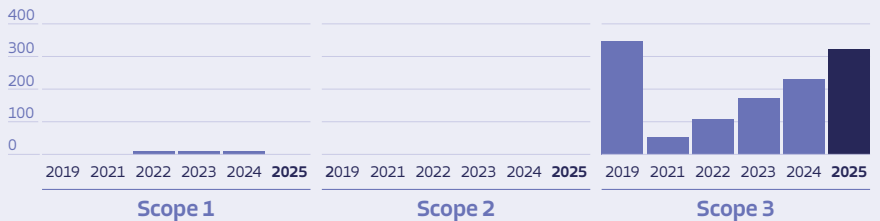
Our colleagues and clients are increasingly geographically spread. The importance that the Bank places on meeting clients in person and on facilitating close collaboration between colleagues, mean that travel has increased. The most significant contribution to Scope 3 emissions was from business travel, primarily air travel, which accounted for 201.59 tCO₂e.

The combined impact of employees commuting and working from home resulted in emissions of 114.53 tCO₂e. The provision of new facilities following the office moves, including lockers, showers and secure bike storage, aim to encourage colleagues to adopt more environmentally-friendly commuting practices.

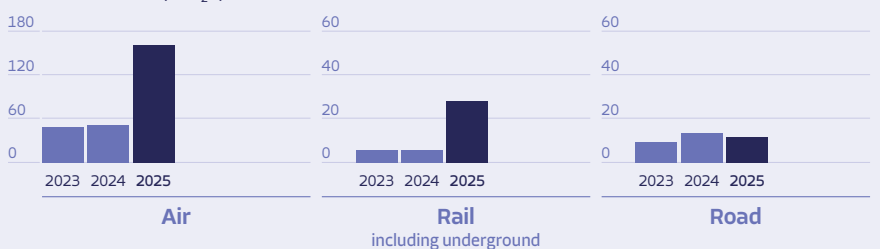
Analysis of emissions by scope

Scope	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Movement
Scope 1	10.777	0.00	-10.777
Scope 2	0.00	0.00	N/A
Scope 3	226.932	320.040	+93.108
All scopes	237.709	320.040	+82.331

Emissions disaggregated by scope (tCO₂e)



Business travel (tCO₂e)



Supporting good causes

The Bank continued to support two worthy charity partners. Both Money Ready (formerly MyBnk) and Fields In Trust make meaningful changes to the lives of people based across the UK and reflect the Bank's environmental and social priorities. As well as financial contributions made by the Bank to these charities, colleagues were able to volunteer their time and to apply their skills and expertise for the benefit of the charities and their beneficiaries.

The Bank continues to offer paid volunteering days and matched funding to colleagues, to support charity partners or any UK registered charity of their choosing. Those who are raising funds can apply for funding to match the money they raise, up to £350 per colleague. Each colleague can also request one paid personal volunteering day and one paid day for a corporate volunteering opportunity working with other colleagues.

The Bank works with Charities Trust, a donations management organisation, to support colleagues to raise money directly from their salary. It has been awarded a Platinum Quality Mark Award for its commitment to charitable giving.

About our charity partners



Money Ready

Money Ready's vision is to create a financially fluent population. Working with young people, they create and deliver innovative, high-impact and high-energy financial education programmes. Their experts help to build young people's money knowledge, skills, mindsets and habits at key transitional moments in their lives. Two thirds of Money Ready's work is with young adults in vulnerable circumstances, focusing on 'survival' money skills for independent living. Many of their programmes are fully funded and can be delivered either directly in-person, virtually via secure video link or as online courses.

Working with the team at Money Ready, colleagues from across the Bank have volunteered at sessions in local schools where they have used their expertise as banking professionals to engage the young people, support them to answer questions, complete learning activities and learn from those with real life experience.

More information about Money Ready is available at www.moneyready.org.



Fields in Trust

Fields In Trust's impact on the environment and the health of local communities has been unique and long-lasting.

The charity works to harness the power of parks and green spaces to create happy, healthy, and greener futures for everyone. They do this by working with landowners and by lobbying policymakers to legally protect individual parks and green spaces. By doing so, they ensure they can never be sold for development and that these spaces remain available for the benefit of local communities, now and for the future.

More information about their work and the parks they have secured is available at www.fieldsintrust.org. The charity celebrated its centenary in 2025.

Hampden Bank is a socially responsible business, committed to reducing its impact on the environment and to making a positive contribution to the communities in which we live and work.

Climate-related financial disclosures

The Bank is committed to ensuring that the measurement, monitoring and reporting of climate-related financial information remains appropriate to the risk posed by climate change to its operations.

Governance

The Bank has a robust and well-established Governance Framework (as set out on page 29). The Executive Management Committee is responsible for ensuring that the Bank delivers on its strategic aim of being a successful private bank over the long-term, which includes considering environment and sustainability risk.

The senior policy-making body is the Board, which sets and oversees sustainability strategy.

The Bank has assigned the Chief Executive Officer as the Executive Sponsor for climate risk issues. The Executive Sponsor is responsible for recommending to the Board the Bank's strategy for addressing the risks that climate change poses to its objectives and for overseeing implementation of sustainability strategy.

To support its responsibilities for implementing the Risk Management Framework, in relation to climate change, the Board receives recommendations from the Board Risk Committee through oversight of the annual Internal Capital Adequacy Assessment Process (ICAAP) and reporting; Executive Risk Committee reporting to Board Risk Committee of climate change metrics that fall outside of risk appetite, and; from the Board Audit Committee through oversight of climate-related financial disclosures.

Climate-related financial risks are considered at the Credit Risk Committee as part of the ICAAP process. Climate-related risk appetite metrics are monitored by the Executive Risk Committee.

Managing climate-related risks

The Bank identifies, measures, and manages the impacts of climate-related risks on its business model. It considers that the risks arising from climate change do not currently present a material threat.

Analysis of the Bank's business model and balance sheet identified credit risk as the most significant risk arising from climate change exposure. The Bank continues to embed climate change risk management into its credit process and policies to identify and assess climate-related risks within its loan book, principally the risk that climate change adversely impacts collateral values. Stress testing to simulate the impact on the Bank's lending portfolio is assessed in the Bank's ICAAP.

The Bank collects climate-related information from key suppliers, to assess their climate credentials and ensure that they have adequately considered and mitigated their exposure to climate-related risk.

Risk management

The risks from climate change manifest across the Bank's principal risks. The Bank continues to evolve its approach and develop methodologies as its understanding of climate-related risks progresses.

Principal risk: credit risk

	Identifying and assessing climate-related risks	Managing climate-related risks
Collateral/security protection	The Bank accepts a wide range of collateral through its lending operations. For new lending, credit application due diligence assesses the extent to which proposed lending is susceptible to climate change risks. This assessment includes Energy Performance Certificate (EPC) grades and future flood risk ratings.	The Bank uses credit assessments, risk committees (Credit Committee, Credit Risk Committee and Executive Risk Committee) and a limit and threshold framework to keep its exposures within agreed risk tolerance limits. The Bank continues to refine its risk management methodologies to incorporate relevant climate related risk information.
Counterparty	<p>As a result of placing surplus funds with third party financial institutions, the Bank is indirectly exposed to climate-related risks that these institutions face.</p> <p>This risk includes factors such as the extent to which climate-related risks are factored into counterparty business models and the impact of geographical and sector concentrations on counterparties' long-term loan books.</p>	Information provided by the financial institutions assists the Bank in understanding the climate change credentials of these third-parties. The Bank uses Your Treasurer, a third-party Treasury services provider, to provide benchmark analysis that is used to inform investment decisions.

Principal risk: funding and liquidity risk

	Identifying and assessing climate-related risks	Managing climate-related risks
Funding and liquidity	The Bank relies on retail depositors to fund lending activities. A client, or group of clients, representing a significant deposit balance may be required to withdraw funds because of exposure to climate-related financial risk.	The Bank prepares stress scenarios that model potential outflows of deposits to ensure that it maintains sufficient high-quality liquid assets to meet the outflow demands under these scenarios.

Principal risk: operational risk

	Identifying and assessing climate-related risks	Managing climate-related risks
Third party	The Bank could be exposed to climate-related risks from its external suppliers for equipment, software and facilities. To identify these potential risks, the Bank will collect climate-related information from key suppliers, such as evidence of having considered their exposure to climate-related risk (physical and transition risks).	<p>The Bank has climate-risk related questions in its supplier due diligence process.</p> <p>The Bank may consider excluding suppliers from its procurement process or exiting an existing relationship based on due diligence results.</p>

Climate-related financial disclosures (continued)

Principal risk: strategic and business risk

	Identifying and assessing climate-related risks	Managing climate-related risks
Client activity	The Bank could be exposed to reputational risk and consequent financial risk through any business relationships with clients and investors whose activities may have, or be perceived to have, a negative impact on climate change.	The Bank's credit policy framework assesses financial risks associated with new and existing lending commitments. Reputational risk is considered along with other risk factors when establishing client relationships.
Property	The Bank's office premises are in areas with a low exposure to climate-related risk.	The Bank is committed to being supplied with 100% renewable energy (electricity and gas) across all of its offices. The Bank moved to new Edinburgh and London premises in 2025. Both premises have an A EPC rating.

Metrics and targets

The Bank's carbon footprint

The Bank is working to reduce its own operational emissions and has set a goal of becoming net-zero carbon by 2050.

An assessment of the Bank's environmental impact and the steps being taken to achieve this goal are set out in the Sustainability Report on pages 16 and 17.

Engaging with our stakeholders (Section 172 statement)

Under section 172 of the Companies Act 2006, the Directors, both collectively and individually, have a duty to promote the long-term success of the Bank.

In doing so, they have reference to the long term consequences of their decisions, the interests of clients and employees, relationships with key stakeholders, the impact on the environment and community, and the need to maintain high standards of conduct and fairness between shareholders. This statement describes how the Directors have had regard to these matters over the reporting period.

a. The likely consequences of any decision in the long-term

The Bank is a growing business and the Board is focused on prioritising its long-term success. Material decisions taken during 2025 in this regard included:

Strategy update

The Board approved an updated strategy in February 2025, held a further strategy offsite meeting in September 2025 and approved the 2026 Business Plan. Various initiatives were debated and agreed in these strategy meetings, including the recruitment of a team based in Manchester to serve clients in the North and Midlands. In doing so, it considered how best to scale the Bank to deliver long-term success, reviewing both detailed internal business reporting and external presentations on trends such as technological developments, economic outlook and evolving client needs.

Dividend

The Bank paid a dividend of 3.2p per share in 2025 (2024: 1.6p per share). In making the decision to table this proposal for shareholder approval, the Board considered the interests of shareholders and balanced these against the need to retain sufficient capital to meet regulatory requirements, remain within its internal risk appetite, and grow the balance sheet.

b. Employee engagement

The Board recognises that the Bank's people are its greatest asset in providing the level of service our clients expect. The Bank employs 162 colleagues across offices in Edinburgh and London (2024: 168).

The Bank's seventh 'Great Place to Work' colleague engagement survey was conducted in 2025, with the 95% response rate (2024: 93%) an improvement on prior years. Overall, 73% (2024: 91%) of colleagues responded positively to the statement 'Taking everything into account, I would say that this is a great place to work'. While this was lower than prior years, the results continue to reflect the collective engagement, dedication and collaboration of our colleagues, to the ultimate benefit of our clients. The results and accompanying colleague feedback were discussed by the Board and they are kept updated on actions arising from the survey results.

The People & Remuneration Committee continued to lead the Board's oversight of people strategy, which is central to the Bank's success. Caroline Taylor, as its Chair, meets periodically with small groups of colleagues and provides an update to the Board on emerging themes. Other Board members also meet informally with colleagues.

Our first 'Aspire Board' concluded its term in 2025, providing an opportunity for colleagues from across the Bank to contribute to and learn about strategic and governance matters, deliver strategically important projects as well as engage in activities supporting personal and career development. The Aspire Board met with the Board collectively and individually and members had the chance to observe Board and Committee meetings.

The Bank is committed to supporting colleagues' health and wellbeing. In 2025, wellbeing initiatives included free health checks and flu vaccinations for all colleagues.

c. Fostering the Bank's business relationships with clients, suppliers and others

Clients

Client relationships are at the core of the Bank's purpose. Each client has a nominated banker who provides a tailored service and works collaboratively with other advisers to deliver a superior banking experience and develop long-term, valued relationships.

Client satisfaction surveys are conducted periodically. A client survey was undertaken during the year and returned a positive Net Promoter Score of 79 (2022: 73). Client survey results are reviewed by the Board to consider how the Bank's services could be further improved. Another client survey is planned in 2026 and the Board will review the results and proposed management actions.

The Board was pleased to approve the Bank's Consumer Duty report in August 2025, which provides a useful lens for ensuring that we continue to deliver excellent outcomes for our clients and opportunities to improve client experience are identified and addressed.

Suppliers

The Bank works responsibly with its suppliers in accordance with its Supplier Management Framework. Designated colleagues are responsible for building and maintaining relationships with suppliers, ensuring that contractual obligations are met, including timely supplier payments. These colleagues work with suppliers to improve quality, reduce costs and mitigate risks.

New suppliers are subject to suitability and due diligence checks. Critical suppliers are subject to periodic performance and risk reviews, including assessment of their approach to sustainability. A report on material supplier relationships is provided to the Board annually, with issues escalated as required in the interim. The Board considered a report on material third party relationships in the period, discussing the Bank's most important relationships as well as the overall third-party oversight and risk management approach.

Engaging with our stakeholders (Section 172 statement) (continued)

c. Fostering the Bank's business relationships with clients, suppliers and others (continued)

Others

The Bank develops collaborative relationships with relevant professional services firms to provide seamless client service and support the growth and development of its client base and wider network.

d. The impact of the Bank's operations on the community and the environment

Community

The Bank is a socially responsible business and encourages all colleagues to support our society and local communities as described on pages 16 and 17. In 2025, the Bank continued partnerships with the charities Money Ready (formally MyBnk) and Fields in Trust, supporting financial education for school-age children and the preservation of community parks and green spaces respectively.

Environment

The Bank has a relatively small environmental footprint but continues to work to reduce operational carbon emissions, primarily from premises, business travel and commuting. In updating the Bank's long-term strategy and in line with many peers, the Board approved re-setting the Bank's Net Zero ambition to 2050, reflecting the significant developments at national and industry level which will be required to deliver a meaningful net zero target. Further details are provided in the Sustainability Report on pages 16 and 17.

e. Maintaining the Bank's reputation for high standards of business conduct

The Bank relies on its reputation to build its business, and adherence to high standards of business conduct is of paramount importance. The results from the monitoring of client outcomes and other conduct risk indicators are reported to the Executive Risk Committee and the Board. All staff are required to comply with an internal Code of Conduct and regulatory conduct rules, which require the highest standards of integrity and ethical behaviour towards the business, colleagues, clients, suppliers and regulators. In addition, a whistleblowing process is in place should staff require to escalate an issue outside of the normal management processes and reporting lines.

f. The need to act fairly as between shareholders of the Bank

The Board is conscious of the need to act fairly between all shareholders. The Bank continues to engage with shareholders through regular communications and in recent years has facilitated the purchase and sale of shares by shareholders on a fair and equitable basis where the opportunity has arisen.

A section of our website is dedicated to investors and accessible to everyone. The latest information and documents can be found at www.hampdenbank.com/investors.

Principal risks and uncertainties

The Board has identified 13 principal risks and uncertainties which could threaten the successful delivery of the Bank's strategy and business plan. Risk appetite and risk metrics for all principal risks are reviewed by the Board Risk Committee and, if thought fit for purpose, are recommended for approval by the Board. Compliance with risk appetite is monitored and reported to the Board Risk Committee and the Board to ensure action is taken if performance has, or is close to, moving outside of risk appetite. Risk management disclosures are set out in note 21 to the financial statements. Executive Management and Board Governance is set out on page 29.

Strategic and business risk

Risk and impact

Strategic and business risk is the failure to deliver planned financial performance and/or risks arising from any potential changes to strategy, the business model, target markets or the wider external business and political environment.

Climate change potentially has significant implications for clients, suppliers, partners, and employees.

Mitigation

The political and geopolitical landscape is monitored to evaluate potential risk to the Bank. Global conflicts, the impact of US tariffs, and the implementation of economic policy from the UK government are the types of development monitored to evaluate the impact on the Bank's risk profile. No material change in the Bank's risk profile has been identified.

The Bank monitors risks associated with climate change, including measurement of the Bank's exposure to the physical and transition risks that may arise. Further details are set out in the Sustainability Report. No material financial risk exposure from climate change has been identified to date.

Capital risk

Risk and impact

Capital risk is the risk that the Bank does not have sufficient capital to meet the requirements of the business including under stressed conditions.

Mitigation

The Bank's capital, and capital adequacy, is monitored to ensure this exceeds regulatory requirements. Early Warning Indicators are used to identify emerging capital concerns, so that mitigating action can be taken. The Bank's capital adequacy is assessed at least annually through consideration and approval of the ICAAP.

Credit risk

Risk and impact

Credit risk is the risk of loss arising from the failure of clients, or third-parties with credit-related obligations to the Bank, to meet their obligations in full or in a timely manner, whether such obligations are direct, indirect, or contingent.

Mitigation

The Bank manages credit risk from loan origination, with controls in place to ensure credit decisions are in line with risk appetite. Credit quality is proactively managed over the lifetime of lending to identify when intervention may be required to protect the Bank's credit exposure and to assist clients that may be experiencing financial difficulties.

Funding and liquidity risk

Risk and impact

Funding risk is the risk that the Bank does not have stable sources of funding in the medium and long-term to enable it to meet its planned commitments or to do so only at excessive cost.

Liquidity risk is the risk that the Bank does not have sufficient financial resources available to enable it to meet its obligations as they fall due.

Mitigation

The Board accepts a limited level of risk to achieve the Bank's strategic goals and sets its risk appetite and liquidity requirement measures accordingly. The Treasury function seeks to manage liquidity risk within risk appetite, with liquidity and funding positions reviewed daily.

Principal risks and uncertainties (continued)

Market risk

Risk and impact

Market risk is the risk that the Bank's earnings and economic value may be volatile due to changes in the value of financial market prices. This includes interest rate risk in the banking book (IRRBB) and foreign exchange (FX) risk.

IRRBB is the risk that arises from the volatility in interest rates.

FX risk is the risk that arises due to volatility in FX rates.

Mitigation

The Bank's exposure to interest rate risk arises only from banking activity – the Bank does not operate a trading book. Sensitivity to interest rate changes is managed within set limits.

The Bank's FX risk is managed using natural hedges and FX forward contracts, and through adherence to agreed FX exposure limits.

Change risk

Risk and impact

Change risk is the failure to identify the changes required to deliver business priorities and plan, and to execute and deliver the agreed change portfolio which could result in an inability to meet client, colleague, regulatory and business expectations. Change risk arises when the Bank undertakes activities which require changes to existing, or the introduction of new, products, processes, systems, suppliers or controls.

Mitigation

The Bank applies a Change Management Framework to limit negative impacts on clients, colleagues and stakeholders as a result of change activity.

Conduct risk

Risk and impact

Conduct risk is the failure to achieve good outcomes for clients through poor design and delivery of client services, internal culture or behaviours.

Mitigation

The Bank manages this risk by putting clients' interests at the heart of the business, seeking to develop and maintain long-term relationships with its clients and by being focused on providing products and services relevant to their needs.

Data risk

Risk and impact

Data risk is the risk of the Bank failing to govern, manage and protect its data effectively, including data processed by third-parties, which can lead to unethical decision-making, poor client outcomes and financial loss.

Mitigation

The Bank applies controls to ensure client data is protected and retained in line with regulatory requirements. Controls are in place to support good client outcomes and to ensure data quality is maintained.

Financial crime risk

Risk and impact

Financial crime risk is the risk that the Bank fails to prevent money laundering, terrorist financing, proliferation financing, tax evasion, sanction violations, bribery, corruption, and fraud (external and internal).

Mitigation

The Bank maintains financial crime policies, procedures and controls which align with our commitment to undertake business that complies with regulations and laws, and to prevent products and services being exploited for illicit purposes.

Operational risk

Risk and impact

Operational risk is the risk the Bank sustains losses and/or reputational damage through inadequate or failed internal processes, people, systems, or external events. The principal sources of operational risk for the Bank stem from operational resilience, client account management and third-party management.

Mitigation

The Bank operates systems and controls to ensure that services remain available for clients, including ongoing management and oversight of its third-parties. Process controls are in place to ensure error rates on key operational processes are minimised.

Cyber risk

Risk and impact

The risk of financial loss, disruption or damage to the reputation of the Bank from failure of security controls, or unauthorised, or erroneous use of its information technology systems.

Mitigation

The Bank has established security controls to minimise cyber threat. These include regular penetration testing, vulnerability scanning and the update of software and hardware. Controls mitigating cyber risk are enhanced on an ongoing basis to protect clients and the Bank, and to minimise the risk of service disruption.

People risk

Risk and impact

People risk is the risk that the Bank fails to adequately manage people resources, leading to poor client outcomes and low levels of staff satisfaction.

Mitigation

The Bank ensures that it has sufficient people with the required skills to deliver growth and good client outcomes. Colleague engagement is monitored through regular surveys, and colleague contribution is subject to an established performance management review process.

Regulatory and legal risk

Risk and impact

Regulatory and legal risk is the risk of financial loss, regulatory censure, criminal or civil enforcement and litigation action, or client detriment caused by a failure to comply with applicable law, regulations, standards and codes of conduct.

Mitigation

The Bank undertakes horizon scanning to identify new and changing requirements, and conducts regular assurance and oversight activity, to test the effectiveness of controls which support continued regulatory and legal compliance.

Board of Directors



Left to right:
Angus Macpherson
Gordon Syme (Company Secretary)
Caroline Taylor
Tracey Davidson
Kaushalya Somasundaram
David Huntley
Finlay Williamson
Jonathan Peake

Committee membership key

- A** Audit Committee
- N** Nominations Committee
- P** People & Remuneration Committee
- R** Risk Committee
- Denotes Chair of Committee

David HuntleyNon-Executive Chair **N P****Appointed:** 1 October 2020, Chair of the Nominations Committee.**Key areas of experience:** Risk, financial services, insurance and operations.**Current external appointments:** Huntley Consulting Limited and FIL Platform Solutions (UK) Limited.**Previous experience:** Chair of Scottish Friendly Limited, Chair of FIL Insurance Limited, Chair of FIL Insurance (Ireland) DAC, Managing Director of Pearl Life Limited, Chief Executive Officer of Scottish Re Limited and Chief Executive Officer of Swiss Re Life and Health Australia.**Tracey Davidson**

Executive Director – Chief Executive Officer

Appointed: 2 October 2024.**Key areas of experience:** Banking industry, financial services sector and wealth management.**Current external appointments:** Director of the Personal Investment Management & Financial Advice Association and Chair of the Chartered Institute for Securities and Investment (CISI) Integrity & Ethics Committee.**Previous experience:** Tracey started her career at Barclays where she worked in a variety of senior roles in the corporate and wealth management divisions. She joined Handelsbanken Plc in 2003, expanding the Swedish bank's UK operations and leading the acquisition of Heartwood, an investment and wealth management business. In 2019, Tracey was appointed Deputy CEO of Handelsbanken Plc and Chair of Handelsbanken Wealth & Asset Management.**Jonathan Peake**

Executive Director – Chief Financial Officer

Appointed: 25 April 2022.**Key areas of experience:** Finance, risk, banking industry and financial services sector.**Current external appointments:** None.**Previous experience:** A qualified Chartered Accountant and the former Chief Financial Officer of Standard Bank International, Head of Risk for Standard Bank International and Deutsche Bank International and Senior Manager at KPMG Forensic.**Caroline Taylor**Non-Executive Director **P N****Appointed:** 8 February 2021, Chair of the People & Remuneration Committee.**Key areas of experience:** Remuneration, financial services, investment management, operations and compliance.**Current external appointments:** Non-Executive Director of RBC Europe Limited.**Previous experience:** Director of Brewin Dolphin, Director of Goldman Sachs Asset Management International, Director of GS Luxembourg and Dublin Mutual Funds and Non-Executive Director of Ecclesiastical Insurance Office plc.**Finlay Williamson**Non-Executive Director **A R N****Appointed:** 26 May 2020, Chair of the Audit and Risk Committees and Senior Independent Director.**Key areas of experience:** Audit, financial services, banking industry, finance and operations.**Current external appointments:** Non-Executive Director of Secure Trust Bank PLC and member of the Audit, Risk and Nomination Committees.**Previous experience:** A qualified Chartered Accountant, Finlay was formerly Chief Financial Officer of Virgin Money plc and a former Divisional Finance Director, Head of Internal Audit, and Head of Mergers and Acquisitions at RBS Group. He also served as a Non-Executive Director and Chair of Risk Committee at Paragon Banking Group PLC and Paragon Bank PLC.**Angus Macpherson**Non-Executive Director **A R P****Appointed:** 18 October 2021.**Key areas of experience:** Financial services, including corporate finance, capital markets and investment banking.**Current external appointments:** Chair of Noble & Company (UK) Limited, Non-Executive Director of the Schroder Japan Growth Fund PLC, Chair of Templeton Emerging Markets Investment Trust PLC and a Non-Executive Director of The Scottish American Investment Company plc. Angus also holds various government advisory roles.**Previous experience:** Lazard Brothers, Merrill Lynch and Smith New Court.**Kaushalya Somasundaram**Non-Executive Director **A R****Appointed:** 25 April 2023.**Key areas of experience:** Banking, finance, audit, digital and FinTech.**Current external appointments:** Director of Singer Capital Markets Securities Limited and Beazley Furlong Limited.**Previous experience:** Managing Director, HSBC FinTech Partnerships and Strategic Innovation Investments. Executive Director of Square UK, a subsidiary of Block Inc. and Executive at UK FinTech Growth Partners LLP. Served in Director, consultancy and advisory roles at various leading financial services firms. A qualified Chartered Certified Accountant and MBA.

Corporate governance

Board and Committee attendance record

Member	Non-Executive	Board	Audit	Risk	People & Remuneration	Nominations
Simon Miller ¹	Y	4/4	n/a	n/a	5/5	3/3
Tracey Davidson	N	7/7	n/a	n/a	n/a	n/a
David Huntley	Y	7/7	2/2 ²	4/4 ²	3/3 ²	3/3 ²
Angus Macpherson	Y	7/7	2/2 ²	6/6	8/8	n/a
Jonathan Peake	N	7/7	n/a	n/a	n/a	n/a
Kaushalya Somasundaram	Y	7/7	4/4	2/2 ²	n/a	n/a
Caroline Taylor	Y	7/7	n/a	n/a	8/8	6/6
Finlay Williamson	Y	7/7	4/4	6/6	n/a	6/6

1. Simon Miller resigned from the Board on 31 August 2025 and attended all Board meetings up to his date of resignation.

2. Member for part year only.

Board and Committee roles

Chair

- Provides leadership to the Board, promoting constructive debate and challenge between the Executive and Non-Executive Directors.
- Ensures that there is a good information flow to the Board, and from the Board to its key stakeholders.
- Supports and advises the Chief Executive Officer, particularly on the development of strategy and culture.
- Builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.

Chief Executive Officer

- Provides leadership to the Bank.
- Develops strategy proposals for recommendation to the Board and is accountable for business performance.
- Maintains a dialogue with the Chair on all important matters and strategic issues facing the Bank.
- Ensures that there is an effective framework of internal controls, including risk management, covering all business activities.
- Ensures that the Board is fully informed of all key matters.

Chief Financial Officer

- Supports the Chief Executive Officer in developing and implementing strategy.
- Oversees the financial delivery and performance of the Bank and provides insightful financial analysis that informs key decision making.
- Ensures that all aspects of financial regulation are complied with, including fiscal and regulatory reporting.
- Works with the Chief Executive Officer to develop budgets and medium-term plans to support the agreed strategy.

Independent Non-Executive Directors

- Constructively challenge management and decisions taken at Board level.
- Oversee the performance of management in meeting agreed goals.
- Support the Chair and Executive Directors in instilling appropriate culture, values and behaviours in the boardroom and across the Bank.

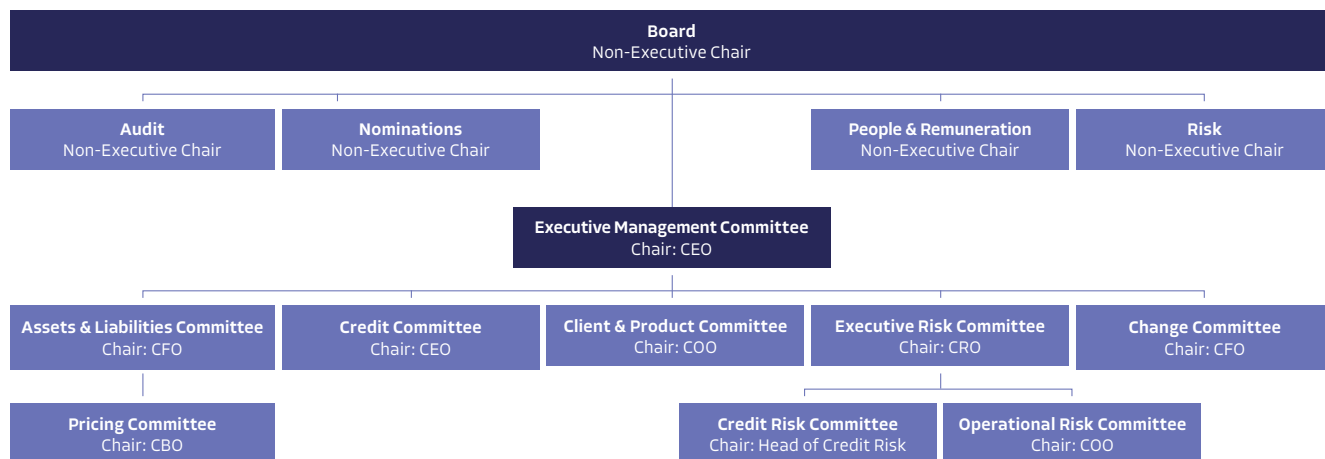
Board Committees

The Board has established a number of standing committees consisting of specific Directors and Executives to oversee the operation of the Bank. The governance structure is shown on the next page and is designed to provide independent oversight of decision making and risk appetite across the organisation.

The Board has four standing committees to support proper discharge of its responsibilities.

- **Audit Committee**, to provide the Board with focused support and advice on audit matters and in particular:
 - to monitor the integrity of the financial statements and any other public statement regarding the Bank's financial performance;
 - to oversee the Bank's external auditor; and
 - to oversee the Bank's internal audit function.
- **Nominations Committee**, to review the structure, size, composition and succession plans of the Board and to make recommendations to the Board as required.
- **People & Remuneration Committee**, has oversight of People Strategy, Executive succession planning and Whistleblowing; and provides independent oversight and recommendations on executive remuneration policies, including an independent review and assessment of any reward schemes.
- **Risk Committee**, to provide the Board with focused oversight, challenge and advice on risk governance, supporting a forward-looking, resilient and sustainably successful organisation. It advises the Board on the appropriateness of the risk strategy and risk appetite in light of the Bank's purpose, goals, strategy and risk culture expectations.

Governance framework



Executive Committees

- **Executive Management Committee** operates under delegated authority from the Board to manage the day-to-day operations of the Bank. Its purpose is to assist the Chief Executive Officer in the performance of their duties.
- **Executive Risk Committee** is chaired by the Chief Risk Officer and facilitates executives and Senior Management Function holders in discharging their responsibilities for the Bank's risk profile and adherence to risk appetite.
 - **Credit Risk Committee**, a sub-committee of the Executive Risk Committee, is chaired by the Head of Credit Risk, and responsible for providing structured oversight of all client lending activities. It ensures that lending decisions and exposures remain aligned with the risk appetite parameters approved by the Board, and it safeguards prudent credit practices whilst supporting the organisation's strategic objectives.
 - **Operational Risk Committee**, a sub-committee of the Executive Risk Committee, is chaired by the Chief Operating Officer and has responsibility for oversight of the Bank's Operations and Technology functions and for maintenance of Operational Resilience across the Bank.
 - **Assets & Liabilities Committee** is chaired by the Chief Financial Officer and has responsibility for managing balance sheet risk (capital, liquidity & market) within the limits set by the Board together with establishing and reviewing the measurement and performance of the Bank's assets and liabilities.
 - **Pricing Committee**, a sub-committee of the Assets & Liabilities Committee, is chaired by the Chief Banking Officer and oversees the Bank's pricing of its products and services, including ensuring that pricing decisions appropriately consider Consumer Duty.
- **Client & Product Committee** is chaired by the Chief Operating Officer and has responsibility for the delivery of consistently good client outcomes across all of the Bank's products, services and activities.
- **Credit Committee** is chaired by the Chief Executive Officer and has responsibility for credit-related activities within the Banking Team. Its remit encompasses credit decision-making, the origination of lending, ongoing portfolio management and the oversight of client lending activities, ensuring lending remains prudent and aligned with organisational goals.
- **Change Committee** is chaired by the Chief Financial Officer and has responsibility for the development and implementation of the Bank's Change Portfolio in line with direction from the Executive Management Committee in order to develop a forward-looking, resilient and successful organisation.

Committee reports



Audit Committee

Finlay Williamson (left)

Non-Executive Director – Chair of the Committee

David Huntley (to 31 August 2025)

Non-Executive Director

Kaushalya Somasundaram

Non-Executive Director

Angus Macpherson (from 1 September 2025)

Non-Executive Director

I am pleased to present the report of the Audit Committee for the year ended 31 December 2025.

During the year, the Bank continued to operate in a challenging economic environment, with persistent inflationary pressures easing only gradually and interest rates stabilising and falling gently over the course of the year. In addition, the Bank has seen further change over the year as the new Executive Team began to implement its growth strategy. All of these factors present new considerations for the Committee as it assesses the appropriateness of the various accounting judgments required to compile these financial statements.

As a Committee, our responsibility is to ensure that the financial position published by the Bank properly represents its activities to all stakeholders in a way that is fair, balanced and understandable, as well as overseeing the effective delivery of both internal and external audit services. The Committee met four times during the year and invited appropriate executives, management and representatives of both the internal and external audit functions to assist in our deliberations. The Committee reserves the right to request any of these individuals to withdraw and considers the need to meet privately with both internal and external audit at each meeting.

During the year the Committee's principal activities were:

- review of the annual financial statements and any other financial information published by the Bank to ensure these properly represent the Bank's activities in accordance with law, accounting standards, regulation and market practice;
- consideration of the appropriateness and application of the Bank's accounting policies and management judgements, in particular for recognition of loan impairment;
- assessment of the effectiveness of the system of internal controls over financial reporting;
- review of the terms of reference of the Committee and approval of updates;
- approval of the Bank's internal audit plan and monitoring its delivery;
- consideration of the annual report of the internal auditor on the Bank;
- review of the Internal Audit Charter;
- review the performance of external audit;
- receiving and considering reports on internal audit reviews conducted across the Bank; and
- monitoring the effectiveness of the internal audit function within the Bank.

From a financial accounting perspective, the Committee carried out a comprehensive review of the draft Annual Report and Financial Statements and was provided with papers prepared by management and reviewed by the external auditor discussing the position shown in the financial statements, the underlying market conditions and the methodology adopted for the judgments made. These were reviewed in detail and discussed fully with both management and the external auditor to enable the Committee to reach satisfactory conclusions on all aspects of the financial statements and to therefore resolve to recommend them to the Board for approval.

During the year, the Committee also carried out its role in assessing the independence and effectiveness of both the external and internal audit functions currently carried out by Deloitte LLP, and Grant Thornton UK LLP, respectively. Deloitte LLP were reappointed by the shareholders at the Annual General Meeting in 2025 following a thorough external tender process which the Committee reported on last year. From discussion with management and both sets of auditors the Committee was able to conclude that both the external audit and the internal audit function were effective during the year.

In recognition of the continued growth and maturity of the Bank, the Committee, in conjunction with the Executive, decided that the time was right to move to a co-sourced model for the internal audit function. As a result, a Head of Internal Audit has been appointed recently and, over the course of 2026, will transition responsibility for the function from Grant Thornton UK LLP. The Committee would like to express our thanks to Grant Thornton UK LLP for the service they have provided from the formation of the Bank and look forward to their continued support for the new Head of Internal Audit.

In the coming year the Committee's main priorities will include:

- continued monitoring of any potential impact of the developing economic and political situation on the Bank's accounting, particularly in relation to loan impairment;
- considering ongoing developments in accounting, financial reporting, regulation and auditing to ensure that the Bank is well-positioned to respond appropriately;
- ensuring the Bank's control processes and internal audit capabilities continue to evolve as the Bank matures; and
- assessing the impact on the Bank of proposed reforms to the UK's audit and corporate governance framework.

With David Huntley's appointment as Chair of the Bank from 1 September 2025 he stood down from the Audit Committee and was replaced by Angus Macpherson who kindly agreed to rejoin us to bolster the Committee's ranks. I would like to thank David, in particular, for his service on the Committee and my other colleagues for their support and diligence during the course of this year. I would also like to record the Committee's sincere appreciation for the work done by management and the external and internal auditors to facilitate our deliberations.

I recommend this report to the shareholders and ask you to support the resolutions concerning the reappointment of Deloitte LLP as auditors and their remuneration at the upcoming Annual General Meeting.

Finlay Williamson
Chair of the Audit Committee
31 March 2026

Committee reports (continued)



Risk Committee

Finlay Williamson (left)

Non-Executive Director
Chair of the Committee (from 1 September 2025)

David Huntley (to 31 August 2025)

Non-Executive Director – Chair of the Committee

Angus Macpherson

Non-Executive Director

Kaushalya Somasundaram (from 1 September 2025)

Non-Executive Director

I am pleased to present my first report as Chair of the Risk Committee.

Following David Huntley's appointment as Chair of the Board on 1 September 2025, I assumed the role of Chair of the Committee, having been on the Committee since I joined the Board in 2020. I am delighted to have been joined on the Committee at the same time by Kaushalya Somasundaram.

The Committee's purpose is to provide the Board with focused support and advice on risk governance, to develop a forward-looking, resilient and sustainably successful organisation. It advises the Board on the appropriateness of risk strategy and risk appetite in light of the Bank's purpose, goals, strategy and risk culture expectations.

During 2025 the Committee met six times.

The primary points of focus for the Committee during the past 12 months have, again, been as follows:

- provision of oversight and challenge to the design and content of the ICAAP, the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Bank's Recovery Plan to meet the requirements of the Board and the regulator. In particular, specific focus on compliance with regulatory requirements, risks inherent in the strategy, the assessment of overall capital and liquidity requirements and the adequacy of stress and scenario testing;
- review, challenge and continued enhancement of the Risk Framework, Risk Appetite and Policy Management Framework;
- scrutiny and challenge of regular reports from the 2nd line Risk and Compliance team covering the Bank's principal risks and key controls;
- oversight of the Financial Crime Framework;
- oversight of the Bank's compliance with the Consumer Duty rules;
- consideration of current and emerging risks; and
- review and approval, where appropriate, of credit risks beyond the authority of the Credit Risk Committee.

Key priorities for the Committee for the year ahead include providing oversight and challenge to:

- Risk Management and Policy Management Frameworks;
- Risk Appetite;
- Financial Crime Framework;
- ICAAP, ILAAP and Recovery Plan;
- Consumer Duty; and
- Operational Resilience.

I would like to thank David for his excellent chairing of the Committee, my colleagues on the Committee and the Bank's management for their hard work, diligence and support throughout the year.

Finlay Williamson
Chair of the Risk Committee
31 March 2026



People & Remuneration Committee

Caroline Taylor (left)

Non-Executive Director – Chair of the Committee

David Huntley (from 1 September 2025)

Non-Executive Board Chair

Simon Miller (to 31 August 2025)

Non-Executive Board Chair

Angus Macpherson

Non-Executive Director

As noted in the 2024 Annual Report, the Committee's Terms of Reference were updated to include people-related matters in addition to remuneration. As a result, in 2025 the Committee met eight times and additional topics were discussed.

The Committee operates under delegated authority from the Board to provide independent oversight and recommendations on the remuneration and people principles and policies of the Bank, including any independent review undertaken and any assessment of incentive schemes.

The Chief Executive Officer and the Chief People Officer are standing attendees at Committee meetings. They exclude themselves from discussions relating to their respective positions.

During 2025, the main areas of focus for the Committee were:

- review of the 2025 salary and 2024 variable pay proposals, for recommendation to the Board;
- approval of the implementation of the Annual Variable Pay Plan for the Executive Management Committee based on financial and non-financial measures;
- formulating the offer and terms for the appointment of new Executives and Code Staff;

- approval of the Long-Term Incentive Plan Awards for the Executive Management Committee, a three-year plan linked to cumulative adjusted profitability, subject to hurdle assessments for regulatory breaches;
- a session with the People Team to review progress implementing the People Strategy and discuss future focus areas and initiatives;
- reviewed succession plans for each of the Executive Management Committee roles;
- reviewed the results of the colleague engagement 'Great Place to Work' survey;
- reviewed and approved the People Risk and Whistleblowing policies;
- initiated a review of the current pension scheme and provider and approved the moving of the pension scheme to a new provider in 2025;
- approved increasing employer pension contributions in 2025 on a matching basis;
- review of Reward Benefits roadmap;
- annual review of the Malus and Clawback Policy;
- annual review and approval of Senior Management Functions, Code Staff and Material Risk Takers list and their remunerations;
- annual review and update of the Committee's Terms of Reference;
- annual review of the Remuneration Policy; and
- reviewed and considered the impact of changes in regulatory remuneration frameworks.

In the coming year the Committee will continue to focus on linking remuneration to individual and corporate performance based on financial and non-financial measures, and other people-related matters including diversity & inclusion and learning & development.

I would like to thank members of the Committee and our advisors for their support and advice this year.

Caroline Taylor

Chair of the People & Remuneration Committee

31 March 2026

Committee reports (continued)



Nominations Committee

David Huntley (left) (from 1 September 2025)
Non-Executive Board Chair – Chair of the Committee

Simon Miller (to 31 August 2025)
Non-Executive Board Chair – Chair of the Committee

Finlay Williamson
Non-Executive Director

Caroline Taylor
Non-Executive Director

The Committee's principal tasks are to recommend Director appointments, to review the effectiveness and composition of the Board and to consider Board succession plans.

The Committee held six meetings during the year. The primary focus in the first half of the year was on the selection of a new Board Chair. This process was led by Finlay Williamson as Senior Independent Director. Following selection, the Committee recommended resulting changes to the composition and Chair of other Board sub-committees. Board succession plans were considered and revised Terms of Reference were approved in December.

Simon Miller retired as Board Chair and Chair of the Committee on 31 August 2025. The Board are highly appreciative of Simon's contribution over his five-year term. I took over as Board and Committee Chair with effect from 1 September 2025.

An internal Board Effectiveness Review reported to the Board in December 2025. This found the Board to be effective and provided useful recommendations for further improvements, which will be implemented.

David Huntley
Chair of the Nominations Committee
31 March 2026

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2025. Information regarding future developments and risk management as required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Accounting Regulations) to be contained in the Directors' Report has been included in the Strategic Report and Chair's Statement in accordance with section 414C(11) of the Companies Act 2006.

Governance structure

The Bank is led by its Board, comprising of a majority of Non-Executive Directors including the Chair. The Board has established four standing committees to support proper discharge of its responsibilities: the Audit Committee, the Risk Committee, the People & Remuneration Committee and the Nominations Committee. Further details of the governance structure are set out in the Governance section on page 29.

Directors

Details of the Directors who held office during the year are shown in the Company Information section at the end of this document and in the Governance section on pages 26 and 27.

Risk management

Strong risk management is fundamental to achieving the Bank's strategic objectives and to delivering long-term shareholder value. The Board is responsible for ensuring that the Bank's Risk Management and Governance Frameworks identify and manage the Bank's principal risks in line with its risk appetite and regulatory expectations.

The Board sets its risk appetite recognising the Bank's capacity for risk and its low-risk private banking business model. Risk appetite is reviewed and updated at least annually, and in response to material business, market or regulatory changes.

The Bank is UK-focused, does not undertake proprietary trading, manages capital and liquidity in a controlled manner and seeks to deliver good client outcomes.

The Board considers the Risk Management and Governance Frameworks to be effective and commensurate with the size, scale, and complexity of the business.

Risk governance

The Board Risk Committee meets at least six times per annum and advises the Board on the appropriateness of the Bank's Risk Management Framework, strategy and risk appetite in alignment to its purpose, goals, strategy, and desired risk culture. The Board Risk Committee is chaired by an independent Non-Executive Director and provides the Board with support and advice on risk governance.

The Board delegates the day-to-day management of risk to Executive Management. Accountable executives are supported, where required, by a governance committee structure, which is designed to facilitate effective risk-based decision-making and to ensure effective management of the Bank's principal risks.

Executive owner	Principal risk	Executive governance committee	Escalation pathway
Chief Operating Officer	Data risk	Operational Risk Committee	Board Risk Committee
	Operational risk		
	Cyber risk		
	Change risk	Change Committee	
	Conduct risk	Client & Product Committee	
Chief Executive Officer	Strategic and business risk	Executive Management Committee	
Chief Financial Officer	Capital risk	Assets & Liabilities Committee	
	Funding and liquidity risk		
	Market risk		
Chief Banking Officer	Credit risk	Credit Committee	
		Credit Risk Committee	
Chief Risk Officer	Financial crime risk	Executive Risk Committee	
General Counsel	Regulatory and legal risk		
			Chief People Officer

Directors' report (continued)

Risk Management is implemented through a 'Three Lines of Defence' (3LoD) model which defines clear responsibilities and accountabilities and ensures that effective independent oversight and assurance activities take place covering key decisions.

- The **First Line of Defence (1LoD)** are the business areas that have primary responsibility for identifying, assessing, accepting, mitigating, monitoring and reporting on risks within their areas of accountability. They must establish effective governance and controls that evidence compliance with Risk Management Framework requirements and operate within risk appetite.
- The **Second Line of Defence (2LoD)** is the Risk and Compliance team, headed by the Chief Risk Officer. The 2LoD is responsible for ownership and management of the Risk Management Framework, Policy Management Framework, reporting on the risk profile of the Bank and for providing oversight and constructive challenge as to the effectiveness of risk decisions taken by Executive Management (1LoD) and their teams.

The 2LoD supports the Board to promote the implementation of a risk strategy consistent with the Bank's risk appetite and Risk Management Framework. This includes provision of guidance and advice to the Board and Executive Management on horizon scanning, strategic risk and the development of risk appetite.

The 2LoD provides risk management training and education across the Bank to support the efficient, effective and consistent application of the Risk Management Framework.

- The **Third Line of Defence (3LoD)** is Internal Audit, which, during 2025, was outsourced in full to Grant Thornton UK LLP. The 3LoD provides independent assurance to the Board via the Board Audit Committee and is independent of Executive Management (1LoD and 2LoD). Independent assurance is delivered via completion of risk-based audits which consider the design and operating effectiveness of internal controls across the control framework. The final reports for these

audits are communicated to Executive Management and the Board Audit Committee. An annual risk-based audit plan considering the Bank's material risk exposure must be presented and approved by the Board Audit Committee, which monitors completion of the plan and receives audit reports over the course of the year. The principles through which 3LoD activity is executed are agreed annually, and published in the Internal Audit Charter, and approved by the Board Audit Committee.

To allow Executive Management and the Board to execute their responsibilities, regular risk reporting is provided to the Governance Committees detailed above.

Risk management framework

The Bank's Risk Management Framework outlines its approach to the management of risk. It enables proactive identification, management, and monitoring of the Bank's risks. It provides a mechanism for developing and embedding risk policies, risk appetite, risk management strategies, and supports commercial risk-taking by ensuring risk is understood and appropriate risk mitigation is established and maintained.

Policy management framework

The Bank maintains a Policy Management Framework which is a subset of the Risk Management Framework and outlines the Bank's approach for the approval, implementation, publication, and review frequency of risk policy documentation. A policy is a high-level document which sets policy objectives through which the Board and Executive Management expect the Bank to be controlled.

Implementation of the Policy Management Framework drives consistency, making policy requirements easier for colleagues to understand and apply, and supports Board and Executive Management to align Bank policies with risk appetite and the effectiveness of the Bank's control environment.

All principal risks must have an associated policy which is subject to annual approval at a Board committee.

Risk culture

The Board and Executive Management set the 'tone at the top' and play a key role in shaping and embedding risk culture by establishing a strong focus on building and sustaining long-term relationships with clients. The Bank aims to build a positive risk culture by designing and embedding risk management through communication and training regarding the Bank's strategy and activities.

Developing a positive risk culture is key in supporting the effective operation of the Risk Management Framework and to enable informed risk-based decision-making across the Bank. A positive risk culture is one in which everyone understands the organisation's approach to risk, takes personal responsibility to manage risk, and encourages others to follow their example.

The Bank seeks to instill a positive risk culture which:

- Supports effective management of risk and embraces open and constructive challenge.
- Seeks to understand root cause when things go wrong and takes action to learn and reduce the likelihood of recurrence.
- Is forward-looking, considering the potential impact of emerging and horizon risks.
- Ensures clear accountability for the ownership of risks and controls.
- Is reflected by 1LoD and 2LoD maintaining operational independence but working together to manage the Bank's risks within agreed risk appetite.
- Encourages all colleagues to escalate matters without fear of any adverse consequences.
- Ensures colleagues are aware of, and operate within, agreed risk appetite and delegated authorities.
- Champions good client outcomes and focuses on developing deep, sustainable long-term client relationships.
- Promotes a robust governance culture, ensuring appropriate segregation of duties and avoiding conflicts of interest.
- Sees colleagues rewarded for demonstrating the right behaviours and culture, aligned to proactive risk management and creation of a long-term sustainable business.

- Leads to a learning organisation where all colleagues are encouraged and supported in their personal development, including risk awareness training at induction and regularly thereafter.

To support delivery of business and risk strategy, Executive Management and their teams are required to understand and manage the risks which could threaten the achievement of business objectives. The business follows a continuous risk lifecycle approach, from identification to reporting, which drives consistency and is intended to manage and mitigate the risks impacting the Bank and to support Executive Management in making informed risk decisions. Details of risks and key controls are maintained on the Bank's risk management system.

Capital structure

Details of the Bank's share capital, together with movements in the Bank's issued share capital are shown in notes 24 and 31.

The Bank did not raise any additional capital during 2025.

The shareholders in the table below have interests of 3% or more in the voting rights of the Bank.

Dividend

The dividend recommended by the Directors is covered in the Chair's Statement on page 5.

Going concern

The Directors, having made such enquiries as they considered appropriate and having reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future, consider the preparation of the financial statements using the going concern basis of accounting to be appropriate.

In making this assessment the Directors considered:

- business projections;
- the level of capital requirements set by the Prudential Regulation Authority (PRA), including the change in rules to Basel 3.1 from 2027;
- their evaluation of the Bank's principal risks and uncertainties, including those that could threaten the Bank's business model, its future performance or solvency;
- the ICAAP; and
- the ILAAP.

The Bank's business projections provide the basis for the Bank's financial forecasts which include a detailed annual budget for year one (2026) and forecasts for years two to five (2027-2030). These form an integral part of the assessment of the capital and funding required.

In making this assessment of going concern, the Directors have conducted a review of the business projections and relevant sensitivity analysis and stress scenarios. Key considerations when making this assessment include the sufficiency of capital, client deposit and lending growth, judgements regarding the level of capital requirements set by the PRA, the necessary investment in operational capability and the resultant impact on profitability.

The sensitivity analysis performed demonstrates that throughout the going concern period the Bank would remain above Total Capital Requirements. As a result of these assessments, the Directors have a reasonable expectation that, for a period of at least 12 months from the date that the financial statements have been authorised for issue, the Bank will generate sufficient capital, continue in operation and meet its liabilities as they fall due.

Financial instruments

Information about the use of financial instruments by the Bank is given in notes 19 and 21 to the financial statements.

Research and development

During 2025 the Bank continued to invest in systems and processes which protect the Bank and its clients. This reflects the Bank's commitment to operating with secure and efficient IT systems which meet the demands of our business.

Leveraging the potential of technology to improve the Bank's service to clients also continued, with more clients adopting the Bank's new digital platform first launched in late 2024.

Statement of disclosure to auditor

The Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Bank's auditor is unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

Indemnity insurance

The Bank has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Post balance sheet events

Significant events which have arisen between 31 December 2025 and the date of this report are disclosed in note 35.

On behalf of the Board

Tracey Davidson
Chief Executive Officer

31 March 2026

Shareholder	Number of shares at 31 December 2025	% of voting rights
Drake Enterprises AG	18,870,357	19.96%
Euripides Investments Limited	13,025,984	13.78%
Miamoo Investments Pty Limited	12,984,442	13.74%
Hampden Holdings Limited	12,604,247	13.34%
XL Bermuda Limited	11,557,435	12.23%

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 Bank and of the profit or loss of the Bank for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Bank's ability to continue as a going concern.

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

Independent auditor's report to the members of Hampden & Co plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Hampden & Co plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB.

2. Basis for opinion

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 Financial Reporting Council's (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 confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

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

3. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none"> • The measurement of expected credit losses on loans and advances to clients. <p>Within this report, key audit matters are identified as follows:</p> <p>⌚ Similar level of risk</p>
Materiality	The materiality that we used in the current year was €920k which was determined on the basis of 1% of the total equity balance as at 31 December 2025.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4. Conclusions relating to going concern

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:

- obtaining an understanding of relevant controls around management's going concern assessment;
- evaluating the reliability of management's financial forecasts with reference to historic performance, the specific growth rate strategies that management has put in place, the performance of the company post year-end and forecasts regarding the future macroeconomic environment and how this may affect the company's performance;
- with involvement of prudential regulatory specialists, assessing and challenging the analysis prepared by management to support the going concern assumption, including the company's Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP'); and
- assessing the appropriateness of the going concern disclosures in the financial statements.

Independent auditor's report to the members of Hampden & Co plc (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. The measurement of expected credit losses on loans and advances to clients

Key audit matter description	<p>The company has recorded an impairment provision of £212k (31 December 2024: £315k) on loans and advances to clients of £639,793k (31 December 2024: £586,208k).</p> <p>The company measures the impairment provision on loans and advances to clients using an expected credit losses model. Determining expected credit losses is a judgemental area which requires the formulation of assumptions including the probability of default, the exposure at default and the loss given default ('LGD'), all of which should incorporate forward-looking information. Given the degree of judgement involved, we consider that there is a potential for fraud through possible manipulation of this balance.</p> <p>We have determined the most significant areas of management judgement in the measurement of expected credit losses to be:</p> <ul style="list-style-type: none"> • The calibration of the LGD assumption for loans with a loan to value of over 65% and secured by a first charge over commercial property or undeveloped land, given the additional judgement required to determine the realisable values of such collateral for which management use an external expert; and • The incorporation of forward-looking macroeconomic information, such as UK House Price Index and Commercial Real Estate, into the measurement of expected credit losses. Management incorporates four macroeconomic scenarios into the measurement of expected credit losses. The determination of the probability weightings applied to each scenario and the related adjustments to the key model inputs under each scenario requires significant judgement, particularly in light of the current uncertain macroeconomic environment. <p>We have therefore identified a key audit matter in relation to these specific judgements.</p> <p>Impairment provisions on loans and advances to clients are detailed within note 13. The Directors' associated accounting policies are detailed on pages 50 to 55.</p>
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How the scope of our audit responded to the key audit matter	<p>We performed the following procedures to evaluate significant areas of management judgement identified in the measurement of expected credit losses on loans and advances to clients:</p> <p>Risk assessment</p> <p>We obtained an understanding of the overall expected credit losses process and an understanding of the relevant controls over the loss given default assumption and the selection of different macroeconomic scenarios, their probability weightings and the adjustments to the key model inputs under each scenario.</p> <p>LGD calibration</p> <p>For a sample of loans, we assessed relevant documentation to confirm that the company had first charge over the collateral.</p> <p>We obtained the collateral valuation reports which the company had commissioned from an external expert, for exposures with a loan to value of over 65% and secured by commercial property or undeveloped land. With the involvement of our real estate specialists, we challenged the valuation of the collateral that was used as the basis of the LGD calibration, with reference to similar market transactions and other relevant information; and have challenged the collateral haircuts applied by management to assess whether they capture appropriate forced sale discounts, time to sell and the costs to sell. We have also evaluated the competence, capabilities and objectivity of the external expert.</p> <p>Incorporation of forward-looking macroeconomic information into the measurement of expected credit losses</p> <p>We challenged the macroeconomic scenarios selected by management which impact LGD, namely the economic variables of UK House Price Index and Commercial Real Estate which inform the haircuts that impact LGD, including the related probability weightings, with involvement of our internal economic specialists. This included comparison of the appropriateness of selected macroeconomic variables and weightings to those used in the market for the macroeconomic forecasts, the probability weightings, and the adjustments to the key model inputs under each scenario.</p> <p>We also assessed whether there was sufficient downside risk in the modelled approach given the heightened economic uncertainty.</p> <p>We assessed the performance of the macroeconomic model to assess whether the economic variables previously selected were still appropriate in light of the uncertain economic environment through considering the modelled macroeconomic results relative to those observed in historical recessions and tested their arithmetical accuracy.</p>
Key observations	Based on the work performed, we concluded that the company's expected credit losses on loans and advances to clients were reasonably stated.

6. Our application of materiality

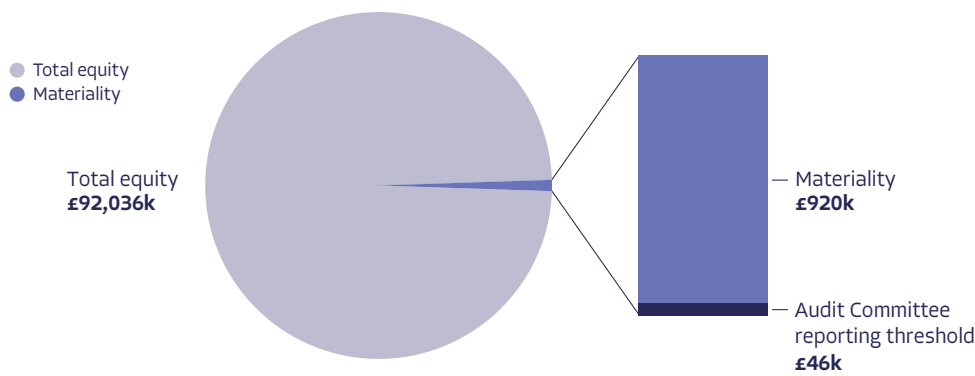
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£920k (2024: £901k)
Basis for determining materiality	1% on the basis of the total equity balance as at 31 December 2025 (2024: 1% of the total equity as at 31 December 2024).
Rationale for the benchmark applied	In our professional judgement, the equity balance was determined as the appropriate measure as income statement results could be volatile given the early stages of the company's profitability, and equity is considered to be the key benchmark assessed by stakeholders at this stage of the development of the company.

Independent auditor's report to the members of Hampden & Co plc (continued)



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit (2024: 70%).

In determining performance materiality, we considered the results of our risk assessment, including assessment of the company's overall control environment and the low number of uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £46k (2024: £45k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the company and its environment, including controls, and assessing the risks of material misstatement. Audit work to respond to the risk of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The IT system relevant to our audit is the combined general ledger and banking platform. This is provided to the company by a third party service organisation. This IT system supports the processing of all transactions related to loans and advances to clients and deposits from clients.

We obtained an understanding of and tested relevant general IT controls and automated controls associated with the above mentioned system, and we assessed the System and Organisation Controls 1 ('SOC1') report prepared by the independent service auditor of the service organisation.

We tested relevant controls and adopted a controls reliance strategy over the following business cycles for the company:

- loans and advances to clients;
- deposits from clients; and
- administrative expenses.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the company's business and its financial statements.

The company continues to develop its assessment of the potential impacts of climate change and its related risk management. As stated in the strategic report on page 18, the most material climate-related risks to which the company is exposed are financial risks relating to financial assets. The initial assessment is that the company's exposure to climate-related financial risks is low, due to the nature of its lending activity. We also note that for new lending, an assessment of climate change risk forms part of the underwriting process. This considers the potential impact of climate change on the client's business or income as well as the susceptibility of any property held as security to environmental factors such as flooding. The company will continue to evolve its approach and develop methodologies as its understanding of climate-related risks progresses.

Based on enquiries with management to understand their process for identifying and assessing climate-related risks, their process for managing the identified risks and their determination of mitigating actions as well as the impact on the company's financial statements, we did not identify any additional risks of material misstatement. Our procedures also included reading disclosures included in the strategic report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

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

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

10. 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.

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

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team and relevant internal specialists, including prudential regulatory, tax, IT, financial instrument, property and economic modelling specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent auditor's report to the members of Hampden & Co plc (continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the measurement of expected credit losses on loans and advances to clients. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the requirements of the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA').

11.2. Audit response to risks identified

As a result of performing the above, we identified the measurement of expected credit losses on loans and advances to clients as a key audit matter related to the potential risk of fraud. key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, the PRA and FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

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 the Directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the Directors' report.

13. Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given in note 34 to the financial statements for the financial year ended 31 December 2025 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or 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.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. Other matters which we are required to address

15.1. Auditor tenure

We were appointed by the company at its annual general meeting on 9 March 2015 to audit the financial statements of the company for the period ending 31 December 2015 and subsequent financial periods.

Our total uninterrupted period of engagement is 11 years, covering periods from our initial appointment through to the period ending 31 December 2025.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. 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.

Kevin Johnson CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Edinburgh

31 March 2026

Statement of comprehensive income

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interest receivable and similar income		54,016	53,961
Interest payable and similar charges		(24,738)	(25,613)
Net interest income	4	29,278	28,348
Non-interest income	5	1,152	1,055
Income from currency operations		1,144	1,124
Net losses from derivatives and hedge accounting	6	(111)	(203)
Total income		31,463	30,324
Administrative expenses		(21,945)	(20,873)
Depreciation and amortisation		(2,672)	(1,258)
Operating expenses	7	(24,617)	(22,131)
Operating profit before impairment losses		6,846	8,193
Impairment credit/(charge) on loans and advances to clients	13	107	(12)
Profit before tax	7	6,953	8,181
Tax (expense)/income	9	(1,964)	930
Profit for the year from continuing operations (attributable to equity holders) and total comprehensive profit		4,989	9,111

The notes on pages 50 to 79 form an integral part of these financial statements.

Statement of financial position

	Note	2025 £'000	2024 £'000
Assets			
Cash and balances at central banks	19	60,397	52,771
Loans and advances to banks	19	137,120	203,664
Debt securities	19	362,399	224,751
Loans and advances to clients	13	639,581	585,893
Fair value adjustment for hedged risk on loans and advances to clients		607	(175)
Derivative financial instruments	22	413	1,016
Deferred tax asset	17	3,823	5,605
Prepayments and accrued income		2,334	1,063
Other assets		558	508
Property, plant and equipment	14	1,370	570
Right-of-use assets	15	8,051	4,439
Intangible assets	16	10,396	9,197
Total assets		1,227,049	1,089,302
Liabilities			
Deposits from clients	19	1,123,743	990,720
Derivative financial instruments	22	788	436
Current tax liabilities		72	22
Accruals and deferred income	18	2,530	3,472
Lease liabilities	15	7,565	3,940
Other liabilities		24	87
Provisions	29	291	517
Total liabilities		1,135,013	999,194
Equity			
Share capital	24	4,726	4,726
Share premium account	24	25,865	25,865
Retained earnings	25	61,445	59,517
Total equity		92,036	90,108
Total liabilities and equity		1,227,049	1,089,302

The financial statements on pages 46 to 79 were approved by the Board of Directors and authorised for issue on 31 March 2026 and were signed on its behalf by:

Tracey Davidson
Chief Executive Officer

Jonathan Peake
Chief Financial Officer

Company Registration No. SC386922

Statement of changes in equity

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024		4,726	25,865	51,833	82,424
Profit for the year and total comprehensive profit		-	-	9,111	9,111
Dividends	25	-	-	(1,512)	(1,512)
Equity settled share-based payments	12	-	-	176	176
Dividend equivalent on share options	12	-	-	(91)	(91)
At 31 December 2024		4,726	25,865	59,517	90,108
Profit for the year and total comprehensive profit		-	-	4,989	4,989
Dividends	25	-	-	(3,024)	(3,024)
Equity settled share-based payments	12	-	-	145	145
Dividend equivalent on share options	12	-	-	(182)	(182)
At 31 December 2025		4,726	25,865	61,445	92,036

Statement of cash flows

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Cash flows from operating activities		
Profit before tax	6,953	8,181
Reconciliation from profit before tax to net cash flows from operating activities:		
Net losses from derivatives and hedge accounting	111	203
Depreciation and amortisation	2,672	1,258
Equity settled share-based payments	145	176
Dividend equivalent on share options	(182)	(91)
Impairment (credit)/charge for the year	(107)	12
Cash generated from operations	9,592	9,739
Changes in operating assets and liabilities:		
Increase in prepayments and accrued income	(1,271)	(441)
(Decrease)/increase in accruals and deferred income	(942)	25
Decrease/(increase) in loans and advances to clients and banks	34,430	(57,243)
Increase in deposits from clients	133,690	134,544
(Increase)/decrease in other assets	(49)	5
(Decrease)/increase in other liabilities and provisions	(285)	117
Cash generated from operating activities	175,165	86,746
Tax paid	(131)	(870)
Net cash inflow from operating activities	175,034	85,876
Cash flows from investing activities		
Purchase of debt securities	(853,557)	(414,862)
Sales and maturities of debt securities	715,908	257,177
Purchase of property, plant and equipment	(1,848)	(902)
Purchases/development of intangible assets	(2,736)	(5,995)
Net cash outflow from investing activities	(142,233)	(164,582)
Cash flows from financing activities		
Repayment of lease liabilities	(74)	(500)
Equity dividends paid	(3,024)	(1,512)
Net cash outflow from financing activities	(3,098)	(2,012)
Net increase/(decrease) in cash and cash equivalents	29,703	(80,718)
Cash and cash equivalents at beginning of year	125,315	207,363
Effects of foreign exchange rate changes on cash and cash equivalents	(667)	(1,330)
Cash and cash equivalents at end of year	154,351	125,315
Analysis of cash and cash equivalents at end of year		
Cash and balances at central banks	60,397	52,771
Loans and advances to banks repayable on demand	93,954	72,544
	154,351	125,315

Notes to the financial statements

For the year ended 31 December 2025

1. General information

Hampden & Co plc (the Bank) is a bank incorporated in Scotland under the Companies Act 2006. The address of the registered office is 20/21 Charlotte Square, Edinburgh, EH2 4DF. The nature of the Bank and its principal activities are the provision of bespoke banking services to high-net-worth clients, their families and associated businesses, delivered through personal service by expert bankers.

1.1 Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and adopted by the United Kingdom, including interpretations issued by the IFRS Interpretations Committee, and in conformity with the requirements of the Companies Act 2006. The impact of IFRSs and interpretations issued but not yet effective is summarised in note 33. The financial statements are presented in pounds sterling.

1.2 Going concern

The Directors have assessed the outlook of the Bank over a period longer than 12 months and therefore consider the Bank to be sufficiently capital generative to support planned business growth, whilst also meeting its regulatory capital requirements for a period of not less than 12 months following the date of signing the accounts. The Directors, having made such enquiries as they considered appropriate and having reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future, consider the going concern basis of preparation to be appropriate.

2. Summary of significant accounting policies

The financial statements have been prepared on the historical cost basis, except for the valuation of derivative financial assets and liabilities held at fair value through profit or loss. The principal accounting policies adopted are set out below.

2.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	10 years
Computer equipment	5 years

The residual values, useful lives and methods of depreciation are reviewed at each financial period end and adjusted prospectively, if appropriate. Property, plant and equipment are reviewed annually for indicators of impairment. If there are any indicators of impairment the recoverable amount is determined and compared to the carrying amount to identify whether an impairment loss should be recognised. The recoverable amount is the greater of the fair value less cost to sell and value in use. Any impairment losses are recognised immediately in profit or loss.

2.2 Intangible assets

Intangible assets, which represent developed software specific to the Bank and perpetual software licences, are measured on initial recognition at cost. Staff and development costs in relation to the development of software are capitalised at cost and are recognised when it is deemed probable that the future economic benefits that are attributable to the asset will flow to the Bank. Intangible assets arising from development are recognised when it is demonstrated that the asset can be identified and will be available for use or sale, it is probable that the asset will generate future economic benefit and the expenditure attributable to the intangible asset during its development can be reliably measured.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation commences on development assets when the intangible asset is available for use.

Intangible assets are deemed to have a finite life and are amortised over 5 to 7 years using the straight-line method and are reviewed for indicators of impairment annually. If there are any indicators of impairment the recoverable amount is determined and compared to the carrying amount to identify whether an impairment loss should be recognised. The recoverable amount is the greater of the net realisable value of the asset and the amount recoverable from its future use. Any impairment losses are recognised immediately in profit or loss.

2.3 Cash and balances at central banks

Cash and balances at central banks represent balances held with the Bank of England and any cash holdings. These are stated at amortised cost, which is equivalent to their fair values.

2.4 Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition.

2.5 Equity

Equity is recorded at the proceeds received. Direct incremental costs relating to the issue of shares and other equity transactions are charged to equity through the share premium account.

2.6 Leases

At the inception of a contract, the Bank assesses whether it is, or contains, a lease. A right-of-use asset and a corresponding lease liability are recognised for all lease arrangements where the Bank is the lessee, except for short-term leases (12 months or less) and leases of low value assets (typically office equipment). For these leases the Bank recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The lease liability is initially recognised based on the present value of the future lease payments, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate, determined as the market swap rate for the lease term plus a margin based on the Bank's size and credit rating and any lease-specific adjustment as deemed appropriate, estimated at the inception of the lease contract. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount for the lease payments made. The Bank has used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The right-of-use asset comprises the initial measurement of the corresponding lease liability plus, where appropriate, direct incremental costs incurred in obtaining the lease. It is depreciated on a straight-line basis over the shorter of the lease term or the asset's useful life. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Impairment losses are assessed and accounted for as described in note 2.1 Property, plant and equipment.

When the Bank incurs an obligation for costs to restore a leased asset to the condition required by the terms and conditions of the lease, a liability is recognised and, where appropriate, the costs are included in the related right-of-use asset.

2.7 Taxes

Current tax

Current tax assets and liabilities for the current period are measured at the amount that it is expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the United Kingdom.

Deferred tax

Deferred tax assets are recognised only to the extent that it is probable that losses carried forward will be recoverable against future taxable profits. The recognition of deferred tax requires management to make estimates and judgements about future conditions and events, changes in which could have a material impact on the Bank's reported financial position or performance.

Deferred tax assets are measured on a non-discounted basis at the tax rates that are expected to apply when the related asset is realised.

2.8 Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Bank operates (its functional currency).

Transactions in currencies other than the Bank's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains or losses on translation are recognised in the statement of comprehensive income in the period in which they arise.

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Bank's statement of financial position when the Bank becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.9 Financial instruments (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value, plus transaction costs.

From a classification and measurement perspective IFRS 9 requires all financial assets except equity instruments and derivatives to be assessed based on the Bank's business model for managing assets and the instruments' contractual cash flow characteristics. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at fair value through profit and loss, are classified and subsequently measured at amortised cost. The carrying value of these financial assets is adjusted by expected credit losses (ECLs). All financial assets are measured at amortised cost as the Bank's business model is to hold the assets to collect the contractual cash flows and those cash flows meet the SPPI condition.

For the purposes of the SPPI assessment, 'principal' is defined as the fair value of the financial asset at initial recognition, and 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basis lending risks and costs (e.g. liquidity risk and administrative costs) as well as profit margin. In assessing whether the contractual cash flows meet the SPPI condition, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset has a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the condition. In making this assessment the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claims to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rate).

Effective interest rate method

The effective interest rate (EIR) method is a way of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the initial carrying amount. Interest income is calculated on the gross carrying amount unless the financial asset is credit impaired, in which case interest income is calculated on the net carrying amount, after allowance for ECLs.

In order to determine the EIR an estimate must be made of the expected life of the underlying financial asset. These estimates are based on historical experience and expected future client behaviour and are reviewed regularly. The accuracy of the EIR will be affected if actual client behaviour differs from expectations, for example as the result of unexpected market movements.

Impairment of financial assets

The Bank assesses ECLs associated with its financial assets, including the exposures arising from loan commitments, on a case-by-case basis and does not measure ECLs on an overall portfolio basis.

The measurement of ECLs reflects reasonable and supportable information that is available without undue cost or effort at the reporting date.

All loan commitments provided by the Bank are contracts that include a loan and an undrawn committed facility. The ECLs on undrawn loan commitments are recognised as a loss provision.

The carrying amount of financial assets are reduced by the impairment loss. The low credit risk exemption has not been applied.

Determining significant increase in credit risk since origination

ECLs are calculated in line with the requirements of IFRS 9 using a three-stage impairment model which assesses significant changes in credit risk since origination of financial assets. The measurement of ECLs is dependent on the classification stage of the assets.

Stage 1: For assets that are not credit impaired and have not had a significant increase in credit risk since initial recognition, 12 months ECLs are recognised.

Stage 2: For assets that have experienced a significant increase in credit risk since initial recognition but are not credit impaired at the reporting date, lifetime ECLs are recognised.

Stage 3: For financial assets that are credit impaired at the reporting date, lifetime ECLs are recognised.

The Bank uses a credit scorecard methodology for assessing significant increase in credit risk based on a number of quantitative, qualitative and backstop measures.

Quantitative criteria:

For each financial asset, if the credit score, determined by the credit scorecard methodology, has increased by more than a predetermined threshold relative to the origination score.

Qualitative criteria:

A number of qualitative criteria are also used to assess significant increase in credit risk:

- bankruptcy;
- forbearance;
- borrowers who are placed on watch list; and
- pre-delinquency information.

Backstops:

As defined within IFRS 9, the following backstops have been factored into the Bank's credit scorecard:

1. The Bank considers that if an asset's contractual payments are more than 30 days past due then a significant increase in credit risk has taken place;
2. If a position is greater than 90 days past due it is considered to be in default.

Definition of default

At each reporting date the Bank assesses whether or not any financial assets carried at amortised cost are credit impaired (stage 3); the Bank's definition of credit impaired is aligned with the definition of default. A position is defined as in default when it meets one of the following criteria:

- A facility's contractual payment is more than 90 days past due;
- It is considered that the client is unlikely to pay their credit obligation to the Bank in full, without recourse actions such as the realisation of security (if held). Evidence that a financial asset is credit impaired may include events such as:
 - bankruptcy;
 - bereavement, divorce or separation; and
 - a material covenant breach.

An instrument is considered to be no longer credit impaired when it no longer meets the above default criteria and has returned to being up to date on its contractual repayments.

This definition of default is aligned with that used for regulatory reporting purposes.

Write-off policy

In situations where it is evident that a non-performing loan/debt is not going to be repaid or there is a shortfall following realisation of security then the Bank may take the decision to write-off the residual debt but may still pursue the client for recovery of the debt.

Assets written-off during the year ended 31 December 2025 were £nil (2024: £nil).

Model inputs and assumptions

The ECLs are measured on a 12 month or lifetime basis depending on whether or not a significant increase in credit risk has occurred since initial recognition. The IFRS 9 model developed by the Bank has a number of inputs and assumptions:

- ECLs are determined by assessing the probability of default (PD), loss given default (LGD), exposure at default (EAD) and discount factor for each individual exposure. The four components are multiplied together in order to derive expected ECLs for the relevant period.
- PD represents the likelihood of a borrower defaulting on their financial obligation either over the next 12 months or over the remaining lifetime of the obligation, depending on what stage the financial asset is in at the reporting date. The Bank uses an external consultant to provide PD data that has been profiled against the Bank's lending book. As the Bank historically has limited instances of default it is not possible to use internally collected data to derive PD rates. PD rates remain under constant review and are adjusted to reflect the potential impact of differing future economic scenarios.
- LGD is based on collateral recovery value to give an expected loss at default, defined as a percentage of EAD. The model uses the market value less a defined haircut to work out the value of collateral for calculating LGD. The haircuts typically vary between 20-50% and are assessed on a case-by-case basis depending on the type, location, size and nature of the collateral. The haircut to the market value of the collateral includes assumptions to reflect the cost of liquidating collateral in a forced sale, legal costs and the time value of money. Haircut percentages and values remain under constant review with the option to increase or decrease to reflect any market movements or forward-looking macro-dependencies of LGD. If the expected proceeds from the collateral exceeds the amount loaned, the entity may have an LGD of 0% and hence an ECL of zero.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.9 Financial instruments (continued)

- EAD – the model predicts EAD as the expected principal balance outstanding plus three months interest at the time of default. Partial prepayment is excluded from the modelling of EAD as the Bank does not have sufficient prepayment information to accurately predict prepayment rates.
- Discount factor – IFRS 9 expects credit losses to reflect the time value of money, which is achieved by discounting the estimated losses at the reporting date. The Bank has applied an operational simplification to use the interest rate at the time of origination as the basis for the discount rate as an approximation of the EIR. This operational simplification of using the interest rate at origination rather than the EIR is deemed to have an immaterial impact on the ECLs. ECLs are discounted to the reporting date.
- Lifetime ECLs – Lifetime ECLs are the ECLs that result from all possible default events over the contractual life of the financial instrument. For revolving credit facilities, such as overdrafts, the contractual term is 12 months. The lifetime of the overdraft facility is therefore taken to be 12 months.
- Forward-looking macroeconomic judgements – IFRS 9 requires ECLs to reflect a range of possible outcomes and consider possible future economic conditions. The Bank has addressed these requirements using several economic scenarios to represent a range of possible outcomes. These economic scenarios are described in note 13, which also sets out their impact on the measurement of ECLs.

The Bank continues to enhance its credit risk assessment of the potential impact of climate change on underlying collateral values, refinance risk, clients' ability to repay and ECLs in different economic scenarios.

Derecognition of financial assets

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 entity. 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. A financial asset that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the EIR method, with interest expense recognised on an effective yield basis.

The EIR method is a way of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented within the statement of financial position if, and only if, there is a legally enforceable right to offset the amounts and there is an intention either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Bank applies the hedge accounting standards in IAS 39, as permitted by IFRS 9.

The Bank uses derivative financial instruments for economic hedging purposes, to manage its exposures to foreign exchange and interest rate risks as they arise from operating activities. It does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised as they arise.

Where the documentation, eligibility and testing criteria for hedge accounting as set out in IAS 39 are met, the Bank applies hedge accounting on a portfolio basis and designates the derivatives into hedge accounting relationships, either fair value hedges or cash flow hedges.

Fair value hedges are used to hedge changes in the fair value of financial assets and liabilities, such as fixed rate loans and deposits. Changes in the fair value of derivatives that are designated in fair value hedge relationships are recorded in the income statement under net gains/(losses) from derivatives and hedge accounting together with the change in fair value of the hedged asset or liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the relationship is de-designated and the adjustment to the carrying value of the hedged item is amortised in the income statement over the period to maturity.

The Bank had no cash flow hedge relationships in the current or prior year.

If derivatives are not designated in hedge accounting relationships then changes in fair value are recognised immediately in the income statement.

2.10 Non-interest income

Non-interest income is recognised on an accruals basis when the underlying performance obligation has been satisfied.

2.11 Interest receivable and payable

Interest income is recognised when it is probable that the economic benefits will flow to the Bank and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the EIR applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Pension costs

As part of the Workplace pension law, the Bank has organised that an independent specialist pension provider offers members of staff a defined contribution pension scheme. Payments to the defined contribution pension scheme are recognised as an expense when employees have rendered service entitling them to the contributions. The assets of the scheme are administered separately from those of the Bank in independently administered funds.

2.13 Share-based payments

Employees have the opportunity to receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for options in the Bank's shares. The fair value of share options at the grant date is recognised as an employee expense in the statement of comprehensive income over the vesting period on a straight-line basis, based on the Bank's estimate of equity instruments that will eventually vest. The overall cost of the award is calculated using the number of options expected to vest and the fair value of the options at the grant date.

The fair value of the share option plan is calculated at the grant date using either a Binomial valuation model or Black Scholes valuation model, depending on the rules of the scheme. Inputs into the valuation model include the risk-free interest rate and volatility assumptions. Further details regarding the determination of the fair value of equity settled share-based transactions are set out in note 12. The fair value includes the effect of non-vesting conditions and any market-based performance conditions.

2.14 Provisions

Provisions are liabilities that are uncertain in timing or amount. A provision is recognised when the Bank has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. If appropriate, the Bank makes provisions with respect to potential client redress and legal claims and at 31 December 2025 the amount provided was £250k (2024: £250k). The Bank informs the Regulator of any such matters within its regular engagement.

2.15 Contingent liabilities

Contingent liabilities can occur during the ordinary course of business where the Bank may be subject to threatened or actual legal proceedings, which may result in a cash outflow.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Bank's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty which the Directors consider to be significant are those relating to deferred tax and loan impairment provisions, as follows.

Notes to the financial statements (continued)

For the year ended 31 December 2025

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Deferred tax

The Bank has recognised a deferred tax asset of £3.8m representing all unutilised historical tax losses which, based on the latest financial forecasts approved by the Board, will be fully utilised to reduce future tax charges within the next two years. The forecast is inherently sensitive to the assumptions used, particularly those relating to the macroeconomic environment, and is dependent on successful execution of the Bank's strategy. As such, the actual future utilisation of the deferred tax asset may be significantly different.

Using a two-year forecast period to set the deferred tax asset is a significant judgement. If the estimation period was shortened by a year, the deferred tax asset would reduce to £1.9m.

Impairment: Forward-looking macroeconomic scenarios

The Bank has used a number of probability-weighted forward-looking macroeconomic scenarios to reflect a range of possible outcomes. These scenarios have been used to model impacts on ECLs based on the estimated effect of economic variables on key risk inputs, assessed using long term historical data and expert judgement. Particular attention is given to the calibration of LGD assumptions for loans with a loan to value of over 65% and secured by commercial property or undeveloped land. The scenarios and probability weightings as set out in note 13.4 were approved by Credit Committee but it is recognised that there is considerable uncertainty about the actual outcome. Further details regarding the range of possible outcomes are provided in the Economic Conditions section of note 13.5.

4. Net interest income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interest receivable on instruments held at amortised cost:		
Interest income and receivables from banks and central banks	8,739	14,529
Interest income on debt securities	9,243	5,274
Interest income on loans and receivables to clients	35,806	33,238
	53,788	53,041
Interest receivable on instruments held at fair value through profit or loss	228	920
Interest receivable	54,016	53,961
Interest payable on instruments held at amortised cost:		
Interest expense on deposits from clients	(24,320)	(25,579)
Interest expense on lease liabilities	(418)	(34)
	(24,738)	(25,613)
Interest payable on instruments held at fair value through profit or loss	-	-
Interest payable	(24,738)	(25,613)
Net interest income	29,278	28,348

5. Net non-interest income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Banking income	1,152	1,055
Net non-interest income	1,152	1,055

6. Net losses from derivatives and hedge accounting

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Derivatives designated as fair value hedges		
(Losses)/gains on derivatives designated as fair value hedges	(912)	776
Movement in fair value of hedged items attributable to hedged risk	782	(934)
	(130)	(158)
Gains/(losses) on other derivatives	19	(45)
Net losses from derivatives and hedge accounting	(111)	(203)

Gains and losses on other derivatives include derivatives used for economic hedges but which are not currently in a hedge accounting relationship.

7. Profit before tax

Profit before tax is stated after charging:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Staff costs and Directors' remuneration	15,305	14,328
Depreciation of property, plant and equipment (note 14)	206	52
Depreciation of right-of-use assets (note 15)	929	472
Amortisation of intangible assets (note 16)	1,537	734
Other property-related expenses	525	635
Other administrative expenses	6,115	5,910
Operating expenses	24,617	22,131

8. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Fees payable to the Bank's auditor and its associates for:		
Audit of the Bank's annual financial statements*	307	272
Total audit fees	307	272
Review of interim net profit verification	-	36
Total audit-related assurance services	307	36
Total non-audit fees	-	-
Total fees	307	308

* The fees for 2025 include £12k in respect of the audit of the 2024 financial statements that was billed in 2025.

All of the amounts in the table above include VAT.

Notes to the financial statements (continued)

For the year ended 31 December 2025

9. Taxation

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Current tax		
Corporation tax charge on profit for the year	(149)	(359)
Prior year adjustment charge	(33)	(1)
Total current tax	(182)	(360)
Deferred tax		
Current year (charge)/credit	(1,739)	1,290
Prior year adjustment charge	(43)	-
Total deferred tax	(1,782)	1,290
Total tax (charge)/credit for the year	(1,964)	930

The differences between the total tax (charge)/credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Profit before tax	6,953	8,181
Tax on profit before tax at UK corporation tax rate of 25 percent (2024: 25 percent)	1,738	2,045
Effects of:		
- Expenses not deductible for tax purposes	114	30
- Prior year adjustment charge	76	1
- Recognition of a deferred tax asset on losses generated in prior periods	-	(2,748)
- Recognition of a deferred tax asset on other temporary differences	-	(302)
- Impact of expense for share-based payment awards	36	-
- Increase in unrecognised deferred tax assets	-	44
Total tax charge/(credit) for the year	1,964	(930)

10. Employees

The monthly average Full Time Equivalent number of employees (including Directors) was 155 (2024: 157). Aggregate remuneration for the year comprised:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Wages and salaries	11,529	11,075
Social security costs	2,054	1,751
Pension costs	1,577	1,326
Share-based payments	145	176
	15,305	14,328

11. Directors' remuneration

The aggregate remuneration of the Directors is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Short-term employee benefits	1,592	1,698
Share-based payment benefits	-	29
Post-employment benefits	17	13
	1,609	1,740

The total amount of Directors' remuneration in accordance with Schedule 5 to the Accounting Regulations was £1,592k (2024: £1,727k) relating to salary and variable pay and £17k of contributions to a money purchase pension scheme (2024: £13k).

One Director has retirement benefits accruing under a defined contribution scheme (2024: one). No Directors exercised share options during the year.

Remuneration of the highest paid Director in respect of qualifying services was £743k (2024: £420k). The Bank does not have a defined benefit pension scheme so there are no defined benefit pension arrangements for the highest paid Director.

12. Share-based payments

The Bank operates a share option scheme with two parts, the details of which are set out below. No options were granted under either part of the scheme during 2025 (2024: Part 2).

Part 1 – Share Option Plan

The Share Option Plan (SOP) is for the Executive Management Team and was launched during 2017 to replace the previous share-based management incentive scheme. The options have a five-year vesting period and, if they remain unexercised after a period of twenty years from the grant date, the options expire. All options are equity settled and have non-market performance conditions. Some of the options also include non-vesting conditions. It is expected that, at the end of the five-year vesting period, all of the share options will vest. Option-holders are entitled to receive a cash payment equivalent to dividends declared by the Bank on a one-for-one basis as if each share under option was an ordinary share held by the option-holder, provided that this will be scaled down if the number of options held by an option-holder exceeds the number of B and C shares they held previously.

During 2025 option-holders received a dividend equivalent total cash payment of £182k (2024: £91k). As the options are equity-settled, the total payment made to the option-holders has been accounted for as a deduction from equity.

Part 2 – Company Share Option Plan

A HMRC approved Company Share Option Plan (CSOP) was introduced during 2018 and offered to all employees including Executive Directors. Each employee share option converts into one ordinary share on exercise and no amounts were payable by the recipient on receipt of the option. Options may be exercised at any time from the date of vesting to the date of their expiry. The vesting period is five years and, if they remain unexercised after a period of ten years from the date of grant, the options will expire. There are no performance conditions or vesting conditions other than a five-year service condition. Options are forfeited if the employee leaves the Bank before the options vest, except for retirements where the options may be exercised within six months of the date of retirement. It is expected that, at the end of the five-year vesting period, 69 per cent of the share options will vest.

Notes to the financial statements (continued)

For the year ended 31 December 2025

12. Share-based payments (continued)

Part 2 - Company Share Option Plan (continued)

The movement in share options outstanding during the year was as follows:

	2025		2024	
	SOP	CSOP	SOP	CSOP
At 1 January	7,179,500	3,417,361	7,179,500	2,570,140
Granted during the year	-	-	-	955,221
Exercised during the year	-	-	-	-
Forfeited during the year	-	(263,450)	-	(108,000)
Expired during the year	-	(221,000)	-	-
At 31 December	7,179,500	2,932,911	7,179,500	3,417,361
Exercisable at the end of the year	6,250,000	765,669	6,250,000	480,712
Weighted average remaining contractual life	12.2 years	6.4 years	13.2 years	7.4 years
Weighted average exercise price (pence)	126.1	104.2	126.1	104.2
Fair value of options awarded (pence)	-	-	-	30.7

The fair value of options awarded was estimated on the grant date using a Black Scholes option-pricing model based on the following inputs:

	2025		2024	
	SOP	CSOP	SOP	CSOP
Weighted average share price (pence)	-	-	-	100.0
Weighted average exercise price (pence)	-	-	-	100.0
Expected volatility	-	-	-	38%
Expected life	-	-	-	5 years
Risk-free rate	-	-	-	3.77%

As an unlisted entity, the expected volatility was determined by considering the expected volatility of publicly quoted companies that have private banking/wealth management operations in the UK, and also of recently listed companies with banking operations. The expected life used in the fair value models has been adjusted, based on management's best estimates, for the effects of exercise restrictions and behavioural considerations.

During 2025 the Bank recognised a total expense of £145k related to equity settled share-based payments transactions (2024: £176k).

13. Impairment of loans and advances to clients

This note sets out information on the Bank's impairment provisioning under IFRS 9 for loans and advances to clients which are all held at amortised cost.

13.1 Impairments by stage

Total impairment allowances

An analysis of the Bank's loan portfolio and impairment allowances by IFRS 9 stage is set out below.

As at 31 December 2025	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Gross loans and advances to clients	609,002	12,202	18,589	639,793
Impairment allowances	(115)	(56)	(41)	(212)
Net loans and advances to clients	608,887	12,146	18,548	639,581
Coverage ratio	0.019%	0.459%	0.221%	0.033%

As at 31 December 2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Gross loans and advances to clients	562,580	17,094	6,534	586,208
Impairment allowances	(102)	(164)	(49)	(315)
Net loans and advances to clients	562,478	16,930	6,485	585,893
Coverage ratio	0.018%	0.959%	0.750%	0.054%

Under the Bank's credit management processes, stage 1 and stage 2 accounts are handled within the client servicing function with those in stage 2 subject to specific account management arrangements where appropriate. Stage 3 will include any cases subject to recovery or similar processes together with those which are being managed on a long-term basis. All cases in stage 3 are classified as defaulted accounts for regulatory reporting purposes.

Analysis of stage 2 loans

The table below analyses the accounts in stage 2 between those not more than 30 days past due where a significant increase in credit risk has nonetheless been identified from other information, and accounts more than 30 days past due which, under the backstop, are defined as having a significant increase in credit risk.

As at 31 December 2025	< 30 days past due £'000	>30 <= 90 days past due £'000	Total £'000
Gross loans and advances to clients	12,146	56	12,202
Impairment allowances	(53)	(3)	(56)
Net loans and advances to clients	12,093	53	12,146
Coverage ratio	0.436%	5.357%	0.459%

As at 31 December 2024	< 30 days past due £'000	>30 <= 90 days past due £'000	Total £'000
Gross loans and advances to clients	14,064	3,030	17,094
Impairment allowances	(164)	-	(164)
Net loans and advances to clients	13,900	3,030	16,930
Coverage ratio	1.166%	-	0.959%

Notes to the financial statements (continued)

For the year ended 31 December 2025

13. Impairment of loans and advances to clients (continued)

13.1 Impairments by stage (continued)

Analysis of stage 3 loans

The table below analyses the accounts in stage 3 between those greater than 90 days past due, where full recovery is possible but which are considered in default for regulatory purposes, and those in the process of realisation.

As at 31 December 2025	> 90 days past due £'000	Realisations £'000	Total £'000
Gross loans and advances to clients	-	18,589	18,589
Impairment allowances	-	(41)	(41)
Net loans and advances to clients	-	18,548	18,548
Coverage ratio	-	0.221%	0.221%

As at 31 December 2024	> 90 days past due £'000	Realisations £'000	Total £'000
Gross loans and advances to clients	6,534	-	6,534
Impairment allowances	(49)	-	(49)
Net loans and advances to clients	6,485	-	6,485
Coverage ratio	0.750%	-	0.750%

13.2 Movements in impairment allowances

Year ended 31 December 2025	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Loss allowance as at 1 January 2025	102	164	49	315
Changes in the loss allowance				
- (Decrease)/increase in credit risk due to transfers between stages	(3)	(115)	118	-
- Increase/(decrease) due to change in risk parameters	17	3	(126)	(106)
New financial assets originated or purchased	12	4	-	16
Financial assets that have been derecognised due to repayment	(13)	-	-	(13)
Loss allowance as at 31 December 2025	115	56	41	212

Year ended 31 December 2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Loss allowance as at 1 January 2024	67	218	20	305
Changes in the loss allowance				
- (Decrease)/increase in credit risk due to transfers between stages	(2)	1	1	-
- Increase/(decrease) due to change in risk parameters	21	(18)	28	31
New financial assets originated or purchased	47	40	-	87
Financial assets that have been derecognised due to repayment	(31)	(77)	-	(108)
Loss allowance as at 31 December 2024	102	164	49	315

There were no modifications or renegotiations that resulted in derecognition of financial assets. Information about significant changes in gross carrying amount of loans and advances to clients during the year that contributed to changes in the loss allowance is provided in the table below:

Year ended 31 December 2025	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Gross carrying amount as at 1 January 2025	562,580	17,094	6,534	586,208
Changes in the gross carrying amount				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(3,986)	4,730	(744)	-
- Transfer to stage 3	(6,353)	(8,266)	14,619	-
New financial assets originated or purchased	165,345	229	-	165,574
Financial assets that have been derecognised due to repayment	(98,747)	(2,040)	(2,026)	(102,813)
Other changes	(9,837)	455	206	(9,176)
Gross carrying amount as at 31 December 2025	609,002	12,202	18,589	639,793
Year ended 31 December 2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Gross carrying amount as at 1 January 2024	471,836	13,154	2,939	487,929
Changes in the gross carrying amount				
- Transfer to stage 1	653	(653)	-	-
- Transfer to stage 2	(9,028)	9,812	(784)	-
- Transfer to stage 3	(4,651)	-	4,651	-
New financial assets originated or purchased	203,677	3,066	428	207,171
Financial assets that have been derecognised due to repayment	(86,610)	(6,721)	-	(93,331)
Other changes	(13,297)	(1,564)	(700)	(15,561)
Gross carrying amount as at 31 December 2024	562,580	17,094	6,534	586,208

13.3 Impairments charged to income

The amounts charged to the income statement in the period are analysed as follows:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Impairment (credit)/charge on loans and advances to clients	(103)	10
Impairment (credit)/charge on loan commitments	(4)	2
Total impairment (credit)/charge	(107)	12

Notes to the financial statements (continued)

For the year ended 31 December 2025

13. Impairment of loans and advances to clients (continued)

13.4 Forward-looking macroeconomic scenarios

IFRS 9 requires that ECLs reflect a range of possible outcomes and consider possible future economic conditions. The Bank has addressed these requirements using four distinct economic scenarios, chosen to represent a range of possible outcomes (2024: four).

In developing its economic scenarios, the Bank considers analysis from reputable external sources to form a general market consensus which informs its central (base case) scenario. For 2025 these sources included forecasts produced by the Office of Budget Responsibility (OBR) and the Bank of England as well as private sector economic research bodies.

The four economic scenarios comprise a base case, which carries the highest probability weighting, an upside case and two downside cases. The severe downside case is based on the severe global aggregate supply shock scenario published by the Bank of England in March 2025 as part of the 2025 Bank Capital Stress Test.

There are no post-model adjustments as the impact of the different assumptions are fully reflected in the modelled ECL for each economic scenario.

Base case	The most likely scenario, based on the Economic and Fiscal Outlook published by the OBR in November 2025. The economy is expected to experience slow to moderate growth with ongoing fiscal challenges and rising debt as a share of GDP, despite recent budget measures. It remains vulnerable to economic shocks.
Upside	A more positive scenario where inflationary pressures decrease faster than anticipated, which increases real incomes and boosts consumer spending. Business investment increases.
Downside	A difficult, low-growth scenario in 2026. Whilst not necessarily a recession, the consequences of lower and slower growth include a weak labour market and rising insolvencies.
Severe downside	A severe global aggregate supply shock leads to deep recession across countries and global trading relationships fragment. The UK experiences a large fall in GDP and an increase in unemployment. Together these shocks lead to a sharp rise in inflation and higher interest rates, with a sharp fall in UK house and commercial real estate prices.

The economic variables and their projected average values over the first three years of the forecast period are set out below:

2025	Weighting	Annual growth in GDP	Bank of England bank rate	Annual house price inflation	Unemployment
Base case	65%	1.5%	3.70%	0.9%	4.6%
Upside	10%	1.9%	2.83%	1.8%	4.1%
Downside	20%	0.5%	3.95%	-1.3%	6.8%
Severe downside	5%	-1.0%	5.56%	-3.2%	8.4%

2024	Weighting	Annual growth in GDP	Bank of England bank rate	Annual house price inflation	Unemployment
Base case	65%	1.8%	3.92%	2.1%	4.1%
Upside	10%	2.4%	3.17%	2.4%	3.9%
Demand shock	15%	1.2%	0.30%	-9.1%	8.3%
Supply shock	10%	0.3%	7.07%	-9.1%	8.3%

The asymmetry in the scenarios is demonstrated by comparing the probability-weighted impairment allowance at 31 December 2025 with the impairment allowance from the base case scenario.

	2025 £'000	2024 £'000
Probability-weighted impairment allowance	213	320
Base case scenario impairment allowance (100% weighted)	124	230
Effect of multiple economic scenarios	89	90

13.5 Sensitivities

The calculation of impairment allowances is subject to a variety of uncertainties arising from assumptions and forecasts of future conditions. To illustrate the impact of these uncertainties, sensitivity calculations have been performed for those which have the most significant effect.

Economic conditions

The table below shows the potential impact of differing future economic scenarios, by comparing the impairment allowance which would arise if each of the economic scenarios were 100% weighted with the probability-weighted impairment allowance of £213k (2024: £320k):

2025	Impairment allowance £'000	Difference £'000
Base case	124	(89)
Upside	14	(199)
Downside	372	159
Severe downside	1,126	913

2024	Impairment allowance £'000	Difference £'000
Base case	230	(90)
Upside	6	(314)
Demand shock	597	277
Supply shock	799	479

Loss given default

The principal assumptions impacting on LGD are the estimated security values. If the market value reductions in residential and commercial property values assumed in the ECL model were increased by a factor of 1.5, which is a reasonably possible movement based on historic data, then the impairment allowance under the base case scenario would increase by £4k (2024: £5k).

Significant increase in credit risk

The model incorporates a roll rate for accounts moving from stage 1 to stage 2 and from stage 2 to stage 3. If the roll rates of accounts from stage 1 to stage 2 and from stage 2 to stage 3 assumed in the model were increased by 50%, then the impairment allowance under the base case scenario would increase by £22k (2024: £57k).

Notes to the financial statements (continued)

For the year ended 31 December 2025

14. Property, plant and equipment

	Leasehold improvements £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2025	317	736	1,053
Additions	76	988	1,064
Disposals	(23)	(153)	(176)
At 31 December 2025	370	1,571	1,941
Depreciation			
At 1 January 2025	224	259	483
Charge for the year	22	184	206
Eliminated on disposals	(22)	(96)	(118)
At 31 December 2025	224	347	571
Net book value			
At 31 December 2025	146	1,224	1,370

	Leasehold improvements £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2024	305	302	607
Additions	12	434	446
At 31 December 2024	317	736	1,053
Depreciation			
At 1 January 2024	204	227	431
Charge for the year	20	32	52
At 31 December 2024	224	259	483
Net book value			
At 31 December 2024	93	477	570

15. Leases

Right-of-use assets

	2025 £'000	2024 £'000
Cost		
At 1 January	7,090	2,768
Additions	4,541	4,322
At 31 December	11,631	7,090
Depreciation		
At 1 January	2,651	2,179
Charge for the year	929	472
At 31 December	3,580	2,651
Carrying amount		
At 31 December	8,051	4,439

The Bank leases three offices, two in Edinburgh and one in London. The lease of the Bank's new office in London and of a second new office in Edinburgh both commenced in 2025. The average original lease term is 9 years 10 months, and the average remaining lease term at 31 December 2025 was 9 years 1 month (2024: 3 years 4 months).

There were no leases to which the Bank is committed but which had not yet commenced at 31 December 2025 (2024: nil).

Amounts recognised in the statement of comprehensive income

	2025 £'000	2024 £'000
Depreciation expense on right-of-use assets	929	472
Interest expense on lease liabilities	418	34
Expense relating to leases of low-value assets	12	-

Total cash outflow for leases during the year ended 31 December 2025 was £504k (2024: £534k).

Lease liabilities

	2025			2024		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Lease liabilities – property	319	7,246	7,565	207	3,733	3,940

None of the leases have variable lease payments not included in the measurement of lease liabilities. The weighted average incremental borrowing rate at 31 December 2025 was 6.54% (2024: 6.63%).

A maturity analysis of lease liabilities is included within note 21.

Notes to the financial statements (continued)

For the year ended 31 December 2025

16. Intangible assets

	Developed software £'000	Software licences £'000	Total £'000
Cost			
At 1 January 2025	12,401	2,741	15,142
Additions	2,619	117	2,736
Disposals	-	(9)	(9)
At 31 December 2025	15,020	2,849	17,869
Amortisation			
At 1 January 2025	4,852	1,093	5,945
Charge for the year	1,222	315	1,537
Eliminated on disposals	-	(9)	(9)
At 31 December 2025	6,074	1,399	7,473
Net book value			
At 31 December 2025	8,946	1,450	10,396

The total carrying value of intangible assets whereby amortisation had not yet commenced was £1,153k at 31 December 2025 (2024: £1,712k).

	Developed software £'000	Software licences £'000	Total £'000
Cost			
At 1 January 2024	7,101	2,046	9,147
Additions	5,300	695	5,995
At 31 December 2024	12,401	2,741	15,142
Amortisation			
At 1 January 2024	4,229	982	5,211
Charge for the year	623	111	734
At 31 December 2024	4,852	1,093	5,945
Net book value			
At 31 December 2024	7,549	1,648	9,197

17. Deferred tax

2025	Tax losses carried forward £'000	Fixed assets £'000	Employee benefits £'000	IFRS 9 and IFRS 16 transitional adjustments £'000	Total deferred tax asset £'000
At 1 January	5,205	213	186	1	5,605
Charged to the income statement	(1,441)	(175)	(166)	-	(1,782)
At 31 December	3,764	38	20	1	3,823

2024	Tax losses carried forward £'000	Fixed assets £'000	Employee benefits £'000	IFRS 9 and IFRS 16 transitional adjustments £'000	Total deferred tax asset £'000
At 1 January	4,067	131	114	3	4,315
Credited/(charged) to the income statement	1,138	82	72	(2)	1,290
At 31 December	5,205	213	186	1	5,605

The Bank has recognised a deferred tax asset of £3,823k (2024: £5,605k), most significantly in respect of tax losses carried forward that it expects to utilise over 2026-2027. Of the total deferred tax asset of £3,823k, £1,910k is expected to be recovered after more than 12 months.

The Bank has used a two-year forecast period to set the deferred tax asset. All tax losses carried forward are expected to be utilised within two years and, as such, there is no unrecognised deferred tax asset on tax losses carried forward at 31 December 2025.

18. Accruals and deferred income

	2025 £'000	2024 £'000
Deferred fee income	132	142
Expense accruals	2,398	3,330
	2,530	3,472

19. Financial instruments

Categories of financial instruments

	2025			2024		
	Amortised cost £'000	Fair value through profit or loss £'000	Total £'000	Amortised cost £'000	Fair value through profit or loss £'000	Total £'000
Financial assets						
Cash and balances at central banks	60,397	-	60,397	52,771	-	52,771
Loans and advances to banks	137,120	-	137,120	203,664	-	203,664
Debt securities	362,399	-	362,399	224,751	-	224,751
Loans and advances to clients	639,581	-	639,581	585,893	-	585,893
Derivative financial instruments	-	413	413	-	1,016	1,016
Total financial assets	1,199,497	413	1,199,910	1,067,079	1,016	1,068,095
Financial liabilities						
Deposits from clients	1,123,743	-	1,123,743	990,720	-	990,720
Derivative financial instruments	-	788	788	-	436	436
Lease liabilities	7,565	-	7,565	3,940	-	3,940
Total financial liabilities	1,131,308	788	1,132,096	994,660	436	995,096

All debt securities held are issued by the UK, US and Australian governments and, as such, meet the criteria for classification as high quality liquid assets. As set out in note 21, all debt securities have a residual maturity of less than five years. At 31 December 2025 none were pledged as collateral under sale and repurchase agreements (2024: none).

Notes to the financial statements (continued)

For the year ended 31 December 2025

20. Fair value

Fair value measurements

The information set out below provides information about how the Bank determines fair values of various financial assets and financial liabilities.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- 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).

Fair value measurements recognised in the statement of financial position

Debt securities are held at amortised cost and valued using quoted market prices (classified as Level 1). Their fair value is not materially different from their carrying value.

For other financial assets and liabilities held at amortised cost, as the majority are at variable rates of interest, the fair value (classified as Level 3) is not materially different from the carrying value.

Derivative financial instruments are interest rate swaps and are measured at fair value via a discounted cash flow model which uses interest yield curves derived from publicly quoted rates (classified as Level 2).

There were no transfers between levels during the current or prior year.

21. Financial risk management

Financial risk management objectives

The Bank's Treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Bank through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), counterparty credit risk and liquidity risk.

The Bank seeks to minimise the effects of these risks by using both natural hedging and derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Bank's policy principles (approved by the Board of Directors), which provide written principles on foreign exchange risk, interest rate risk, counterparty credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Bank does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Treasury function reports monthly to the Assets and Liabilities Committee (ALCo) and appropriate metrics are reported monthly to the Board and the Executive Risk Committee. Metrics are also presented quarterly to the Board Risk Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

Foreign currency risk management

The Bank undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts where required.

The Bank does not maintain any material open currency positions, and as such has no material exposure to the effects of fluctuations in foreign exchange rates. No material open positions arose during 2025 and none existed at the year end (2024: nil). The Bank's foreign exchange rate risk is managed by natural hedges and/or FX Forward contracts to leave no material FX open positions.

Interest rate risk management

The Bank is exposed to interest rate risk because the Bank accepts deposits from clients and other counterparties at both fixed and floating rates and lends money at both fixed and floating rates. The risk is managed by the Bank by maintaining an appropriate mix between fixed and floating rate assets and liabilities, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with the defined risk appetite; ensuring the most cost-effective hedging strategies are applied. Details of interest rate swaps held at 31 December 2025 are included in note 22.

Interest rate sensitivity analysis

The Bank's interest rate exposure is shown in the interest rate repricing table below. The assets and liabilities are shown at the carrying amounts, categorised by the earlier of the next contractual interest repricing date and the maturity date.

Lease liabilities are classified as non-interest bearing as they are not sensitive to changes in market interest rates.

At 31 December 2025	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Non-interest bearing £'000	Total £'000
Assets							
Cash and balances at central banks	60,397	-	-	-	-	-	60,397
Loans and advances to banks	118,925	17,894	301	-	-	-	137,120
Debt securities	110,232	170,066	55,377	26,724	-	-	362,399
Loans and advances to clients	260,748	7,868	79,884	287,913	3,050	118	639,581
Non-interest bearing assets	-	-	-	-	-	27,552	27,552
Total assets	550,302	195,828	135,562	314,637	3,050	27,670	1,227,049
Liabilities							
Deposits from clients	760,413	184,864	175,883	2,583	-	-	1,123,743
Non-interest bearing liabilities	-	-	-	-	-	11,270	11,270
Total liabilities	760,413	184,864	175,883	2,583	-	11,270	1,135,013
Effect of derivatives	19,000	38,000	46,000	(103,000)	-	-	-
Interest rate sensitivity gap	(191,111)	48,964	5,679	209,054	3,050	16,400	
Cumulative gap	(191,111)	(142,147)	(136,468)	72,586	75,636	92,036	
At 31 December 2024	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Non-interest bearing £'000	Total £'000
Assets							
Cash and balances at central banks	52,771	-	-	-	-	-	52,771
Loans and advances to banks	126,244	57,565	19,855	-	-	-	203,664
Debt securities	84,812	79,012	60,927	-	-	-	224,751
Loans and advances to clients	234,688	8,581	45,624	294,381	2,534	85	585,893
Non-interest bearing assets	-	-	-	-	-	22,223	22,223
Total assets	498,515	145,158	126,406	294,381	2,534	22,308	1,089,302
Liabilities							
Deposits from clients	702,495	136,551	149,150	2,524	-	-	990,720
Non-interest bearing liabilities	-	-	-	-	-	8,474	8,474
Total liabilities	702,495	136,551	149,150	2,524	-	8,474	999,194
Effect of derivatives	10,000	13,000	47,000	(70,000)	-	-	-
Interest rate sensitivity gap	(193,980)	21,607	24,256	221,857	2,534	13,834	
Cumulative gap	(193,980)	(172,373)	(148,117)	73,740	76,274	90,108	

The Bank monitors its exposure to interest rate risk and reports this to ALCo. The position at the year end was such that an upward shift in rates of 200bps would result in an adverse impact on the economic value of £1,793k (2024: adverse impact of £1,631k), whilst a downward shift of 200bps would result in a positive impact of £1,999k (2024: positive impact of £1,780k).

Notes to the financial statements (continued)

For the year ended 31 December 2025

21. Financial risk management (continued)

Liquidity risk

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Bank's short, medium and long-term funding and liquidity management requirements. The Bank manages liquidity risk by maintaining a high-quality liquid assets buffer, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. It maintains access to the Bank of England's Sterling Monetary Framework, including a reserves account, and also has access to deposit aggregators as an additional funding stream, when required. The Bank's liquidity risk is monitored by ALCo.

Liquidity risk tables

The table below analyses the contractual undiscounted cash flows receivable and payable for non-derivative financial instruments, including future interest receipts and payments of interest, by contractual maturity. The amounts presented below differ from those in the statement of financial position due to the inclusion of contractual future interest flows.

At 31 December 2025	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Financial assets						
Cash and balances at central banks	60,397	-	-	-	-	60,397
Loans and advances to banks	118,945	17,960	303	-	-	137,208
Debt securities	110,365	171,344	57,056	30,698	-	369,463
Loans and advances to clients	23,425	16,910	69,326	452,744	270,246	832,651
Total financial assets	313,132	206,214	126,685	483,442	270,246	1,399,719
Financial liabilities						
Deposits from clients	760,424	185,939	178,764	2,631	-	1,127,758
Lease liabilities	-	71	735	4,035	5,556	10,397
Total financial liabilities	760,424	186,010	179,499	6,666	5,556	1,138,155
Maturity gap	(447,292)	20,204	(52,814)	476,776	264,690	
Cumulative gap	(447,292)	(427,088)	(479,902)	(3,126)	261,564	
At 31 December 2024	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Financial assets						
Cash and balances at central banks	52,771	-	-	-	-	52,771
Loans and advances to banks	126,299	57,937	20,299	-	-	204,535
Debt securities	84,990	79,565	61,918	-	-	226,473
Loans and advances to clients	24,042	13,670	53,960	416,628	299,615	807,915
Total financial assets	288,102	151,172	136,177	416,628	299,615	1,291,694
Financial liabilities						
Deposits from clients	702,833	137,375	151,991	2,554	-	994,753
Lease liabilities	73	130	260	2,326	2,940	5,729
Total financial liabilities	702,906	137,505	152,251	4,880	2,940	1,000,482
Maturity gap	(414,804)	13,667	(16,074)	411,748	296,675	
Cumulative gap	(414,804)	(401,137)	(417,211)	(5,463)	291,212	

Credit risk

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bank. The Bank has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from lending to clients, a mix of private individuals and SME business lending, and to treasury counterparties.

Credit policies, principles and risk appetite metrics aim to ensure the credit portfolio is of high quality, with a low overall percentage of unsecured lending and relatively low monetary limits for individual unsecured lending cases. Client lending propositions are subject to thorough credit assessment, including affordability and stress testing at increased rates at a percentage over the prevailing rate at loan origination.

In the event that a client faces financial difficulty, the Bank seeks to make early contact and to work with them in a responsible and reasonable way, usually via a bespoke solution. The early identification and management of clients in financial difficulty is one of the principal ways in which the Bank manages asset quality and improves the outcome for both the client and the Bank.

The Bank only transacts with treasury counterparties that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Bank uses other publicly available financial information and its own trading records to rate its major clients. The Bank's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit exposure is controlled by counterparty limits that are reviewed and approved by ALCo annually.

The Bank structures its level of credit risk by placing limits on the amount of risk it takes by individual borrower, groups of borrowers, in addition to concentration risk by product, industry and geographical sectors. These limits are monitored monthly at Credit Risk Committee and Board. Credit Risk Committee is responsible for governance and oversight of changes in the key assumptions to the ECL model and the impact of forward-looking macroeconomic scenarios. Further details on the recognition and measurement of financial assets and liabilities can be found in note 2.9.

Maximum exposure to credit risk

The table below details the value of collateral held against the Bank's loans and advances to clients.

	2025 £'000	2024 £'000
Exposure	699,356	629,975
Collateral	1,616,974	1,488,890
Cover	231%	236%

Collateral held includes investment portfolios against which the Bank holds a charge, in addition to commercial and residential property.

Credit quality

Credit risk is also differentiated by credit ratings using a combination of the value of security held and utilising an external ratings agency. In addition, the Bank's credit policy requires that all mortgages, term loans, overdraft facilities and charge card facilities greater than £10k are reviewed on an annual basis with knowledge of the client's financial affairs being of paramount importance in the credit assessment process.

The internal credit grades (ICG) are based on the following ratings:

ICG 1: Very strong affordability, negligible risk of default and/or very low loan to security value

ICG 2: Strong affordability, minimal risk of default and/or low loan to security value

ICG 3: Good affordability, very unlikely to result in default and/or acceptable loan to security value

ICG 4: Satisfactory affordability, unlikely to result in default and/or either partially secured or unsecured

ICG 5: Affordability/repayment ability questionable, much greater risk of default and/or security may have deteriorated

No balances were in category ICG 5 in 2025 or 2024.

Debt securities are all issued by the UK, US and Australian governments and are considered to have low credit risk, as they have a low risk of default and the issuers all have a strong capacity to meet their contractual cash flow obligations in the near term. At 31 December 2025 the ECL recognised against debt securities was £nil (2024: £nil). Management consider 'low credit risk' for debt securities to be an investment grade credit rating.

Notes to the financial statements (continued)

For the year ended 31 December 2025

21. Financial risk management (continued)

Credit risk (continued)

The table below provides a summary of the Bank's asset quality analysed by ICG. At 31 December 2025 the ECL was £212k against loans and advances (2024: £315k) and £1k against commitments (2024: £5k).

The accruing past due category captures any exposures that are up to 90 days past due.

At 31 December 2025	ICG 1 £'000	ICG 2 £'000	ICG 3 £'000	ICG 4 £'000	Accruing past due £'000	Non- accrual £'000	Impairment allowance £'000	Total £'000
Cash and balances at central banks:								
- Stage 1	60,397	-	-	-	-	-	-	60,397
Loans and advances to banks:								
- Stage 1	137,120	-	-	-	-	-	-	137,120
Debt securities:								
- Stage 1	362,399	-	-	-	-	-	-	362,399
Loans and advances to clients:								
- Stage 1	497,641	13,741	94,854	2,766	-	-	(115)	608,887
- Stage 2	3,992	-	8,124	30	56	-	(56)	12,146
- Stage 3	7,228	-	5,391	-	5,970	-	(41)	18,548
Derivatives:								
- Stage 1	413	-	-	-	-	-	-	413
	1,069,190	13,741	108,369	2,796	6,026	-	(212)	1,199,910
Commitments:								
- Stage 1	49,174	48	4,812	5,725	-	-	(1)	59,758
- Stage 2	-	-	6	1	-	-	-	7
- Stage 3	10	-	-	-	-	-	-	10
	49,184	48	4,818	5,726	-	-	(1)	59,775

At 31 December 2024	ICG 1 £'000	ICG 2 £'000	ICG 3 £'000	ICG 4 £'000	Accruing past due £'000	Non- accrual £'000	Impairment allowance £'000	Total £'000
Cash and balances at central banks:								
- Stage 1	52,771	-	-	-	-	-	-	52,771
Loans and advances to banks:								
- Stage 1	203,664	-	-	-	-	-	-	203,664
Debt securities								
- Stage 1	224,751	-	-	-	-	-	-	224,751
Loans and advances to clients:								
- Stage 1	461,413	16,413	80,319	4,435	-	-	(102)	562,478
- Stage 2	3,721	5,235	5,106	2	3,030	-	(164)	16,930
- Stage 3	2,467	-	4,067	-	-	-	(49)	6,485
Derivatives:								
- Stage 1	1,016	-	-	-	-	-	-	1,016
	949,803	21,648	89,492	4,437	3,030	-	(315)	1,068,095
Commitments:								
- Stage 1	34,401	147	2,686	6,146	-	-	(4)	43,376
- Stage 2	-	5	7	5	-	-	-	17
- Stage 3	680	-	10	-	-	-	(1)	689
	35,081	152	2,703	6,151	-	-	(5)	44,082

Collateral

The Bank has £1,065k (2024: £541k) of financial assets which it has pledged as collateral in relation to payment settlement obligations and interest rate swap positions.

22. Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract, such as interest rates. The Bank enters into interest rate swap contracts to hedge interest rate risk on fixed rate loans and deposits. The Bank also uses cross currency swaps to hedge foreign exchange risk but none were held at the year end (2024: £nil).

All derivatives entered into by the Bank are for hedging purposes but not all are designated as such for accounting purposes. The table below shows the value of derivatives by type:

	2025			2024		
	Contract or underlying principal amount £'000	Positive fair value £'000	Negative fair value £'000	Contract or underlying principal amount £'000	Positive fair value £'000	Negative fair value £'000
Interest rate swaps						
Designated in fair value accounting hedges	115,000	359	786	70,000	991	418
Not designated in accounting hedges	151,000	54	2	50,000	25	18
Total derivatives held for hedging	266,000	413	788	120,000	1,016	436

The following table analyses derivatives by contractual and residual maturity:

	2025		2024	
	Notional principal amount £'000	Replacement cost £'000	Notional principal amount £'000	Replacement cost £'000
Under 1 year	163,000	54	50,000	25
1 to 5 years	103,000	359	70,000	991
Total derivatives	266,000	413	120,000	1,016

Hedge accounting

The Bank is exposed to interest rate risk through fixed rate loans and mitigates this risk via pay-fixed interest rate swaps.

The interest risk that arises from fixed rate loans is managed by entering into interest rate swaps on a periodic basis. The exposure from fixed rate loans fluctuates due to new loans, loan maturities and repayments and the Bank uses a dynamic hedging strategy to manage the exposure.

The Bank uses macro fair value hedges to recognise the change in fair value of the hedged items (fixed rate loans) due to changes in interest rates. This helps to offset the impact on the income statement that would arise if only the changes in fair value of the interest rate swaps was recognised.

The notional value of interest rate swaps designated into fair value hedge accounting relationships is as follows, analysed by maturity date:

	2025			2024		
	Under 1 year £'000	1 to 5 years £'000	Total £'000	Under 1 year £'000	1 to 5 years £'000	Total £'000
Macro hedge of loans and advances to clients						
Swap notional	12,000	103,000	115,000	-	70,000	70,000
Average fixed interest rate	4.82%	3.64%	3.76%	-	3.90%	3.90%

Notes to the financial statements (continued)

For the year ended 31 December 2025

22. Derivative financial instruments and hedge accounting (continued)

Hedge accounting (continued)

The tables below analyse the impacts of hedge accounting on the statement of financial position and the income statement:

2025	Notional amount £'000	Carrying amount		Line item in statement of financial position that includes the hedging instrument	Changes in fair value of hedging instrument used for recognising ineffectiveness in the year £'000	Total ineffectiveness recognised in income statement £'000	Line item in income statement that includes hedge ineffectiveness
		Assets £'000	Liabilities £'000				
Interest rate swaps							
Hedge of loans and advances to clients	115,000	359	(786)	Derivative financial instruments	(912)	147	(Losses)/gains on derivatives and hedge accounting

2024	Notional amount £'000	Carrying amount		Line item in statement of financial position that includes the hedging instrument	Changes in fair value of hedging instrument used for recognising ineffectiveness in the year £'000	Total ineffectiveness recognised in income statement £'000	Line item in income statement that includes hedge ineffectiveness
		Assets £'000	Liabilities £'000				
Interest rate swaps							
Hedge of loans and advances to clients	70,000	991	(418)	Derivative financial instruments	776	194	(Losses)/gains on derivatives and hedge accounting

2025	Carrying amount £'000	Accumulated amount of fair value adjustments on the hedged item		Line item in statement of financial position that includes the hedged item	Changes in fair value used to calculate ineffectiveness £'000	Accumulated amount of fair value adjustments remaining in statement of financial position due to items that have ceased to be adjusted for hedging gains or losses £'000
		Assets £'000	Liabilities £'000			
Hedged items						
Loans and advances to clients	105,222	1,709	-	Fair value adjustment for hedged risk on loans and advances to clients	1,059	(1,101)

2024	Carrying amount £'000	Accumulated amount of fair value adjustments on the hedged item		Line item in statement of financial position that includes the hedged item	Changes in fair value used to calculate ineffectiveness £'000	Accumulated amount of fair value adjustments remaining in statement of financial position due to items that have ceased to be adjusted for hedging gains or losses £'000
		Assets £'000	Liabilities £'000			
Hedged items						
Loans and advances to clients	69,123	650	-	Fair value adjustment for hedged risk on loans and advances to clients	(582)	(825)

23. Reconciliation of liabilities arising from financing activities

	At 1 January 2025 £'000	Financing cash flows £'000	Non-cash movements £'000	At 31 December 2025 £'000
Lease liabilities	3,940	(74)	3,699	7,565
Financing liabilities	3,940	(74)	3,699	7,565

	At 1 January 2024 £'000	Financing cash flows £'000	Non-cash movements £'000	At 31 December 2024 £'000
Lease liabilities	574	(500)	3,866	3,940
Financing liabilities	574	(500)	3,866	3,940

24. Share capital

Ordinary shares

	2025		2024	
	Number	£'000	Number	£'000
Allotted, called up and fully paid (£0.05 per share)	94,517,864	4,726	94,517,864	4,726

No ordinary shares were issued during 2025 (2024: nil).

At 31 December 2025 121,683,854 (2024: 121,683,854) ordinary shares were authorised with a par value of £0.05 (2024: £0.05).

There are currently no conditions or restrictions in respect of dividends, voting or repayment of capital. Ordinary shares cannot be issued at a discount to par.

Share premium account

	2025 £'000	2024 £'000
Premium arising on issue of equity shares	25,865	25,865

25. Retained earnings

	2025 £'000	2024 £'000
At 1 January	59,517	51,833
Profit for the year attributable to equity holders	4,989	9,111
Dividends paid during the year	(3,024)	(1,512)
Equity settled share-based payments	145	176
Dividend equivalent on share options	(182)	(91)
At 31 December	61,445	59,517

A dividend of 3.2p per ordinary share was paid in June 2025 (2024:1.6p). This dividend was recommended by the Directors and approved by shareholders at the Annual General Meeting on 14 May 2025.

26. Control

The Directors have assessed that there is no overall controlling party.

Notes to the financial statements (continued)

For the year ended 31 December 2025

27. Related parties

In accordance with IAS 24 Related Party Disclosures, the Bank's key management personnel, being those persons having responsibility for planning, directing and controlling the Bank's activities, are considered to be the Directors. Directors' remuneration for the year is disclosed in note 11.

Key management personnel and their close family members' aggregate deposits were £42,504 (2024: £545,721) and aggregate lending was £nil (2024: £nil) at year end. Committed loans at 31 December 2025 were £nil (2024: £nil).

Noble & Company (UK) Limited is a related party by virtue of the significant influence of a member of the Bank's key management personnel. During 2025 Noble & Company (UK) Limited charged fees of £nil (2024: £nil) and at 31 December 2025 the amount owed by the Bank to Noble & Company (UK) Limited was £nil (2024: £nil). Noble & Company (UK) Limited's aggregate deposits were £69,365 (2024: £303,676) at year end.

No impairment losses have been recognised in respect of amounts owed by related parties (2024: £nil). These transactions were made on terms equivalent to those that prevail in arm's length transactions.

28. Commitments

The commitments shown in the table below provide an indication of the business volume committed at the year end. Commitments to lend include loan commitments and unutilised overdraft facilities. The standard contractual maturity of loan commitments is 90 days.

	2025 £'000	2024 £'000
Commitments to lend	59,775	44,082

There was no committed spend on intangible assets at 31 December 2025 (2024: £nil).

29. Provisions

	2025			2024		
	Dilapidation provision £'000	Loss provision £'000	Other provision £'000	Dilapidation provision £'000	Loss provision £'000	Other provision £'000
At 1 January	262	5	250	212	3	250
Provided/(released) during the year	14	(4)	-	50	2	-
Utilised during the year	(236)	-	-	-	-	-
At 31 December	40	1	250	262	5	250

The dilapidation provision relates to the anticipated costs of restoring leased assets to their original condition. The remaining provision relates to a lease term that ended in 2025 and is expected to be utilised in 2026.

The loss provision represents ECLs on undrawn lending commitments.

The other provision is in respect of client redress and a potential legal claim on an individual client account.

30. Contingent liabilities

Contingent liabilities can occur during the ordinary course of business where the Bank may be subject to threatened or actual legal proceedings, which may result in a cash outflow. One such claim is outstanding at the year end. Based on analysis of the claim, no material adverse impact on the financial position of the Bank is expected to arise. The Bank has appropriate insurance arrangements in place to cover any such matters and therefore the Directors assess the net financial impact of all such liabilities as £nil (2024: £nil).

31. Capital management policy

The Bank's capital is measured using the regulatory framework defined by the Capital Requirements Directive and Capital Requirements Regulation (together CRD IV) as implemented and enforced in the UK by the PRA.

The framework consists of three pillars:

- Pillar 1 sets minimum capital requirements that firms must meet for credit, market and operational risk.
- Pillar 2 requires that firms undertake an overall assessment of their capital adequacy, taking into account all risks to which the firm is exposed and whether additional capital should be held to cover risks not adequately covered by Pillar 1 requirements.
- Pillar 3 complements Pillars 1 and 2 and improves market discipline by requiring firms to disclose information on their capital resources and requirements, risk exposures and their risk management framework.

The Bank's primary objective in managing capital is to ensure that it has capital which is permanent and meets the requirements of the regulator. The Bank monitors its capital regularly and ensures that its capital exceeds its regulatory requirements. This is in line with the Bank's Capital Management Policy to maintain a strong base that is comfortably above the minimum capital level set for it by the PRA.

The Bank's regulatory capital is all Common Equity Tier 1 capital, which is the highest-quality form of regulatory capital under CRD IV. It includes share capital and the share premium account (note 24) and audited retained earnings (note 25), net of any regulatory adjustments.

The Bank has not elected to take advantage of the IFRS 9 transitional arrangements set out in Article 473a of the Capital Requirements Regulation, which allows the impact of ECLs to be phased in over a five-year period.

32. Adoption of new and amended IFRSs

During the year the Bank did not adopt any new accounting standards or amendments to standards which became effective in the current year which had any significant impact on its accounting policies or reporting.

33. New accounting standards and interpretations not adopted

The International Accounting Standards Board (IASB) has issued a number of improvements and amendments to IFRSs effective from 1 January 2026, including amendments to IFRS 9 *Financial Instruments* (effective 1 January 2026) and amendments to IFRS 7 *Financial Instruments: Disclosures* (effective 1 January 2026). These improvements and amendments are not expected to have a significant impact on the Bank.

The IASB has also issued a number of new IFRSs effective from 1 January 2027. These include IFRS 18 *Presentation and Disclosure in Financial Statements* which is effective from 1 January 2027 and replaces IAS 1 *Presentation of Financial Statements*. While many of the existing requirements of IAS 1 are retained, IFRS 18 introduces additional disclosure obligations in relation to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information. The new standard will impact the presentation of the financial statements as it requires that operating, investing and financing activities are presented separately. In addition, the first line of the cash flow statement will change to operating profit rather than profit before tax. IFRS 18 does not affect recognition or measurement so there will be no impact on reported profit.

34. Country by country reporting

The following disclosures are made under the Capital Requirements (Country-by-Country Reporting) Regulations 2013:

a) Name, nature of activities and geographical location

This information is provided in note 1.

b) Turnover

Total income is set out in the statement of comprehensive income on page 46.

c) Average number of employees

The average number of employees on a full-time equivalent basis is disclosed in note 10.

d) Profit or loss before tax

Profit or loss before tax is set out in the statement of comprehensive income on page 46.

e) Corporation tax paid

Corporation tax paid is £131,000. Further information is provided in note 9.

f) Public subsidies received

The Bank does not receive public subsidies.

35. Post balance sheet events

The Directors recommend the payment of a dividend of 3.36p per share (2024: 3.2p). This dividend, if approved by members at the 2026 Annual General Meeting, will be paid in June 2026 to shareholders on the register at close of business on 8 May 2026.

Company information

Directors

D C Huntley*

T A Davidson (Chief Executive Officer)

J C N Peake (Chief Financial Officer)

C H Taylor*

F F Williamson*

R A Macpherson*

K J Somasundaram*

* Non-Executive Director

Secretary

G M Syme

Company number

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Registered office

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Auditor

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Statutory Auditor

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