Crown Agents Bank

Moving money where it's needed

Crown Agents Bank Limited (2334687)

Annual Report and Financial Statements

For the year ended 31 December 2024

Table of Contents

Chair's Report for the year ended 31 December 2024

2024 saw us reset as a company with a strong new executive team, strategic new hires across geographies and products, considered organisation reshaping and renewed energy in engaging with both our traditional and new markets. While disappointed at the financial outcomes for 2024, I am equally excited about our prospects as we start the year with new leadership, new engagements and a strong balance sheet.

2024 was both our first full year as a listed company and a year of global disruption. We remain committed to our specialist markets and our many clients who have demonstrated their loyalty to Crown Agents Bank. While other large financial institutions continued to "de-risk" and leave challenging geographies, our passion and commitment for our traditional client base has never waned. Our relationships with emerging market banks and central banks span decades and continents, and this trust and transparency remain at the heart of our business.

With respect to the donor community, Crown Agents Bank Limited ("CAB" or "the Company") moved £13.5bn to emerging markets to support humanitarian and development aid. In 2025, it's likely that aid donors will change in terms of mix and geography but we will remain a partner of choice for humanitarian organisations around the world.

Our financial results for 2024 were disappointing relative to expectations. We delivered £105.6m of revenue for the full year and 31% Adjusted EBITDA margin. Both lower than we hoped, but the business is now better placed to deliver sustainable growth. Looking forward, we expect our client engagement to translate into higher levels of revenues, supported by greater efficiency and improved EBITDA margins. From a balance sheet perspective, CAB continues to generate capital, holds ample liquidity and has no leverage.

Our new CEO, Neeraj Kapur began leading the business in June. Since then, he has renewed his executive team and recruited a number of senior talented people across payments, international FX and treasury. Neeraj has been shaping our strategy to drive more predictable and sustainable revenue flows through diversification of geographies and products and has been on the front foot in building high level relationships with central banks and commercial counterparts to recharge our engagements. Our business' success depends on powering up and extending the amazing network we have built to get money where it is needed most. I am pleased to see our CEO leading from the front, as the clients and partnerships are the most important part of our business.

Our clients value our sustainability credentials. We are often singled out by international development organizations, as one of the few emerging market-focused banks that share their values. This goes a long way to attracting and inspiring talented individuals who join us to make a positive impact.

Like many companies we are reshaping our workforce and at the time of this report, it is almost complete. Looking forward, we are planning for more resources on the ground in our key markets. As we build for growth, and expand our international licenses, we will deepen our reach around the world.

In 2024, our board undertook an independent effectiveness review. We were pleased with the stability at the non executive level. We had one change during the year when Mario Shiliashki stepped down to focus on his new role as CEO of myPOS. We hope to replace him with another industry specialist in due course. Recently, we welcomed our new CFO, James Hopkinson, which completes the renewal of the Executive Team.

Our capital allocation policy remains focused on growth. We have been reinvesting our free capital for innovation, efficiency and market expansion. As a regulated bank, our free capital is a small proportion of our total capital. No dividend is proposed for the 2024 financial year.

I truly believe there is tremendous potential for upside in this business. Our unsolicited bid from a strategic buyer in 2024 confirmed to us that there is plenty of opportunity to grow on a stand-alone basis. It is clear that we have a lot to do in 2025. The board will represent our shareholder by holding the Executive Team accountable for executing our strategy, building our competitive position and continuing to be the partner of choice, delivering stronger financial results. Finally, I would like to thank you, our shareholders, for your continued support.

Ann Cairns
Chair
12 March 2025

Strategic Report for the year ended 31 December 2024

Chief Executive Officer's Report

In June 2024, I was delighted to take up the position as CEO of CAB, making this my first set of annual results since being appointed. At the half-year I outlined a refreshed strategy to drive a diverse business that grows sustainably for the medium and long-term. It builds our existing strengths and focuses on the quality of execution across four pillars:

- Network – strengthen the breadth and depth of network
- Clients – deepen existing relationships, expand the client base
- Platform – leverage the banking licence to accelerate FX and Payments growth
- Invest and innovate – disciplined capital management to drive growth

We are well into our journey of preparing the business for the future. The 2024 results show the extent of the work that is required to realise its full potential and my immediate priority is to create a stable foundation from which this can happen.

I strongly believe that we have a distinct and powerful FX and cross-border payment offering for the market. Our strength of network and deep expertise means we can move money into and out of the world's most complex financial markets. We are trusted by a global ecosystem of leading institutions across the public, private and development sectors to support their desire to ensure that the global south economies are better connected and served by the international currency markets. All of this is underpinned by the fact that we are a fully regulated banking institution in the UK, which is an important unique selling point when establishing and building trust as well as client loyalty.

I have made a rapid push to strengthen the quality and capabilities of leadership within our business. I have restructured my executive team bringing in diversified and relevant experience to deliver on the next phase of growth. We have boosted our sales capabilities, payment products and network development teams with experienced leaders from those sectors.

Our B Corp Certification has been a cornerstone of our sustainability journey, establishing a strong foundation and driving meaningful value for our key stakeholders, including clients, investors and regulators. Sustainability remains at the heart of our strategy, and we are resolutely focused on the future especially as we play a key part in opening up emerging markets to help their economies thrive.

Business performance and key performance indicators

2024 was a challenging year for CAB. The impact on our performance was two-fold; first, the removal of extraordinary revenue performance from certain corridors, and secondly, macro-economic headwinds such as a stronger US dollar and reduced commitments to aid from developed nations.

It is also important to contextualise our performance against some broader market trends, principally that there was a drop of 4% in global market payment volumes according to management analysis, and a 2% drop in flows into our core Sub-Saharan Africa markets. We see this market contraction as short-term and in spite of this, our overall volumes grew 7%. In Emerging markets our volumes fell 1%.

Excluding the effects of Nigerian Naira, Central African Franc and West African Franc ("NXX"), our Wholesale FX and Payments FX revenue fell 8% to £41.8m (2023: £45.3m increase), which is not an unexpected result given the contracting market in 2024 and lack of currency-specific tailwinds. In addition, our currency concentration reduced significantly with our Top 5 corridors accounting for 29% of Gross Income versus 45% for 2023, which is the right direction as we create a more diversified business.

We had expected Wholesale FX and Payments FX revenues to demonstrate their normal increase in the second half of the year. Disappointingly, this did not transpire. This was for a number of reasons, not least that International Development Organisation ("IDO") volumes, continued to be suppressed from the first half owing to budget constraints driven by political factors. IDO activity going into 2025 again remains uncertain given the significant spending review being undertaken in the US.

The strong dollar also impacts this significantly having the effect of lowering average transaction values. Moving forward, our approach of integrating banking solutions with FX and payments will help us drive more predictable volume low among our client base.

CAB positively managed its net interest income during the year which stood at £30.9m (2023: £31.7m) a decrease of 3% as near-term market interest rates peaked and then started to fall. In June we extended the limits of both our Trade Finance and Working Capital facilities (previously known as"Liquidity as a Service"or "LaaS") facilities to £200m and £75m respectively and we saw a commensurate increase in utilisation of these facilities.

On the investment side we are seeking higher returns by investing our assets into a wider pool of high quality securities that produce higher yield with little to no extra incremental risk.

CAB operates a relatively fixed cost base which accommodates the scalability of the business model and drives good operational leverage. However, as we operated in a declining revenue environment, this has resulted in significant compression in our Adjusted EBITDA margin to 31% from 48% in 2023. We consider this to be disappointing and it will need to be improved in 2025.

Cash generation was lower than last year given the lower Adjusted EBITDA margin. Our model in itself remains highly cash generative given the majority of our revenues are capital light. Due to the relatively high level of capex and lower level of profitability versus last year, cash conversion stood at 55% vs 89% in 2023.

Above all we remain well capitalised. At the end of 2024 we had total capital of £126.3m (2023: £115.4m) of which £15m is considered excess over our external and internal capital requirements. We are committing this capital to return to growth as our renewed strategy demands.

Strategic execution – good early progress

We now have the right senior team for our growth journey where I have made some key hires in significant areas such as operations, sales, payments and banking as well as a new Group CFO. This part of our updated, more execution focused, strategy that was introduced in the latter half of 2024.

The future of CAB needs to build on our strengths in Wholesale FX and Payments FX. Using our trade finance capabilities to facilitate trade inflows and outflows is just one way we can begin to build. Our new corporate solutions team will create bespoke financial structures spanning wholesale FX and payments enabled by trade finance.

Under new leadership we continued to expand the network with 27 new nostro providers and 32 new liquidity providers onboarded. We will continuously assess the quality of our network which is largely determined by loyalty and the quality of FX pricing we are getting.

In September we hired a new Global Head of Sales, who brings significant sales experience in emerging markets and in leading large teams. The sales team has been re-organised to focus on specific segments and geographies to deliver on go-to-market strategies in each of our target markets. As part of the restructure, we are adding teams to focus specifically on Central Banks and Corporates.

Trade finance and working capital products have been an existing, but modest part of CAB's suite of solutions for a number of years. There is significant untapped potential in providing more of these services to clients which come with an attractive margin. After increasing limits Trade Finance draw downs stood at £180m at the end of 2024 (2023: £59m) a 2.1x increase while Working Capital facilities stood at £33m (2023: £8m), a 3.0x increase. Trade finance facilities are principally used by banking and liquidity partners which helps facilitate tighter relationship and thus better FX pricing and liquidity.

In late 2024 we took the difficult decision to reshape the organisation to better reflect our renewed strategy and growth ambitions. This is expected to result in a reduction in the workforce of approximately 20% of FTE, however we will continue to hire at the right levels throughout 2025 to get the right quality of talent, especially in revenue generating functions. We will continue to monitor and control costs carefully as part of our focus on improving the Adjusted EBITDA margin

We are also making good progress in balance sheet optimisation, efficiently allocating resources towards higher-margin Trade Finance and Working Capital facilities while offsetting some of the effects of a falling rate environment.

We continue to invest in our products and efficiency initiatives. In the year we delivered our new FX derivatives capability and more efficient FX settlement (Payment vs Payment or "PVP"). The integration with the VISA network is progressing well, with approximately six currencies integrated into our platform with more expected during 2025. This partnership with VISA significantly expands our payments reach. In 2025 we will be allocating more of our Capex towards product build and revenue generating activities.

We are continuing to automate more of our business leveraging artificial intelligence capabilities where possible. For example, enhanced artificial intelligence screening and Know Your Client / Anti Money Laundering is reducing processing times and resources while maintaining quality.

Looking forward

There are key learnings coming out of 2023 and 2024. We have taken meaningful action from H2 2024 to prepare the business for future success . I am clear on my vision for the business and the exciting market opportunities, which once executed, presents attractive and material growth prospects. The Board is fully supportive of our strategy and our approach.

There is still work to be done in 2025 to align our strategic and operational plans. That said, I am confident that we will start to see the benefits of our actions. The macro-environment in 2025 remains uncertain given the narrative coming out of developed markets with respect to trade tariffs and potentially significant cuts to development aid.

We expect there to be meaningful growth over the medium term but we need to see evidence of delivery before committing to a longer-term outlook.

Neeraj Kapur
Chief Executive Officer
12 March 2025

Our business model

CAB specialises in FX and cross-border payments for hard-to-reach markets. Its strength of network and expertise means it can move money in and out of complex market environments and region.

Our four strategic aims are as follows:

NETWORK Strengthen breadth and depth of network	**CLIENTS** Deepen existing relationships and expand the client base
Our global payments and FX infrastructure is a key differentiator and driver of the business. Our dedicated team are focused on expanding our local market presence and enhancing our transactional capabilities beyond our traditional Sub-Saharan African focus.	Highly diversified international base of clients who move money into emerging markets. We have four segments, including major and emerging market banks, banking financial institutions and development organisations, including multilateral organisations and NGOs. Establishing deeper relationships and culture alignment, delivered through more “in-country” touchpoints and a establishment of a decentralised sales model remains a key focus of the Group.
PLATFORM Leverage the banking licence to accelerate Wholesale FX and Payments FX volume growth	**INVEST AND INNOVATE** Disciplined capital management to drive growth
Leveraging our strong banking balance sheet, capital light configuration and low credit loss performance, we are seeking to further expand our use of the trade finance and liquidity credit products to service customers’ cross-border and Treasury management needs.	CAB’s capital allocation will be prioritised to technology enhancement and balance sheet deployment focused on accelerating transactional volume, Given the capital light nature of CAB’s business model, CAB’s capital requirements, particularly capital held against operational risk is heavily linked to revenue growth.

NETWORK - (Strengthen breadth and depth of network)

Our global payments and FX infrastructure remains a key differentiator and growth driver.In 2024 we made significant progress in expanding our emerging market network and strengthening partnerships:

- **Strengthened our network** through global partnerships, including our VISA relationship, whilst adding eighteen new partners in Africa, five in the Caribbean, two in Eastern Europe and two in Asia-Pacific.
- **Our high-tech payment gateway** now supports over 60 currencies with API volumes have doubled vs 2023.
- **Enhanced our automation and scalability** with 80% of FX transactions now fully automated, enabling increased capacity and efficiency.
- **Expanded our** offering to 700+ currency pairs, boosting south-south flows.

Future Priorities:

- **Expanding global sales functions**, in the US and MENA post-licencing.
- **Enhancing our Network team structure** by increasing our local presence in key target markets.
- **Expanding our Latin American footprint,** leveraging our strong Central American aid flow business.
- **Reducing liquidity provider concentration** in key markets and leveraging strategic relationships, such as our partnership with VISA, to improve cost efficiency and enhance transaction margins.

CLIENTS - (Deepen existing relationships and expand the client base)

2024 was a year of consolidation as we continued to diversify our client base and strengthen key relationships:

- **Increased our client base to 500+** active clients using our products and services.
- **Established our European presence** with a new sales office in Amsterdam, enabling direct sales into 28 EEA countries.
- **Launched a local currency debt repayment solution** in partnership with Central Banks.
- **Scaled our Trade Finance business**, in partnership with many of our existing correspondent banking providers.

Future Priorities:

- **Building a high-calibre sales** team in Europe, with planned offices in the US and UAE to drive sales in new geographies.
- **Focusing sales capability on new NBFI segments**, including Asset Management and Insurance, while delivering **tailored solutions** to selected corporate clients.
- **Developing our MENA and US footprint (**pending licence approval).

PLATFORM - (Leverage the banking license to accelerate FX and payments volume growth)

We continued to enhance our FX, mobile, and banking payments platforms while strengthening our banking products in 2024:

- **Accelerated our Trade Finance lendin**g, driving loan balance growth by 206% to £180m as at year end.
- **Increased customer deposits** by 3% to £1.59bn as at year end driving increases in net interest income.
- **Strengthened systems integration** between our FX module and core banking system, enhancing scalability and risk controls.
- **Rolled out interest-bearing deposit accounts** for NBFI clients, safeguarding client funds

Future Priorities:

- **Launching a guaranteed deposit product** for clients.
- **Expanding FX liquidity** and distribution through deeper engagement with prime brokers and electronic currency networks.
- **Enhancing integration** between FX and payments platforms, enabling new API-driven client workflows.
- **Developing off-balance structures** for trade finance products, including asset sales and syndications.

INVEST & INNOVATE - (Disciplined capital management to drive growth)

Our capital allocation during 2024 prioritised transaction growth capacity, coupled with balance sheet deployment to accelerate transactional volumes:

- **Technology investments** have enhanced real time data analytics, built more resilience and enhanced cyber-security.
- **Developed derivative capability** to expand our product offering to our client base.
- **Implemented an active balance sheet** management strategy to maximise returns while maintaining a low-risk profile (e.g., AAA covered bonds).
- **Significantly grew** Trade and working capital customer receivables balances increased by 217% to £212m at 31 December 2024.

Future Priorities:

- **Technology investments** supporting new products and client solutions expanding our client offering.
- **Expansion of international payment capabilities** to drive broader market penetration.
- **Geographic expansion,** increasing our footprint in key growth markets.
- **Enhanced data and technological innovation** to improve efficiency and decision-making.

Financial Review and Key Performance Indicators ("KPIs")

Financial Performance:

£m unless stated otherwise	Twelve Months Ended 31 December		YoY growth	YoY growth excl. NGN, XAF and XOF
	2024	2023	%	%
Gross Income	105.6	137.4	(23)%	(0.4)%
Operating expenses (excluding depreciation & amortisation)	74.1	70.9	5%	
Profit After Tax	15.4	42.8	(64)%	667%
Adjusted EBITDA	32.8	66.1	(50)%	(8)%
Adjusted EBITDA margin	31%	48%	(35)%	(8)%
Operating Free Cash flow	18.0	58.6	(69)%	(61)%
Operating Free Cash flow Conversion (%)	55%	89%	(38)%	(57)%

Gross Income

Gross Income in 2024 was £105.6m (2023: £137.4m) reflecting (23)% contraction year-on-year (2023: 25% growth). This income reduction was principally due to Wholesale FX and Payments FX take rate declines which contributed to £34.9m lower income in 2024, particularly through the NGN, XOF, and XAF currencies ('NXX'). Gross income excluding NXX was broadly in line with 2023 at 93.6m in 2024 (2023: £94.0m).

A reallocation of liquidity resources from cash management to higher margin Trade Finance and Working Capital facilities offset the impact of Bank of England and US Federal interest rates peaking and subsequently falling towards the end of 2024, with Banking Services and Other Income increasing to £37.0m (2023: £34.2m).

Wholesale FX and Payment FX Income

Income reduced year on year by £34.9m driven by NXX performance. Volumes grew by 7.5%, with a mix shift between lower take rate developed markets and higher take rate emerging markets. Excluding the NGN, XOF, and XAF currencies, Emerging Market volumes grew by £0.5bn, contributing a net £1.4m income versus 2023. Our developed markets volumes grew while take rates remained stable contributing an additional £2.0m income year on year.

	Income (£m)				Volume (£bn)				Take rate (%)			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Developed markets	5.5	11.6	13.2	15.3	12.8	20.7	21.0	23.7	0.04	0.06	0.06	0.06
Emerging markets	33.6	71.1	75.5	38.5	10.3	14.3	13.6	13.5	0.33	0.50	0.56	0.29
Total	39.1	82.7	88.7	53.8	23.1	35.0	34.6	37.2	0.17	0.24	0.26	0.14
Memo:												
Emerging Markets (excl. NXX)	12.0	27.8	32.1	26.5	5.4	8.3	8.4	8.9	0.22	0.33	0.38	0.30

One of our key focus areas has been to grow our client base in order to diversify, and in 2024 we onboarded 71 new clients, of which 53 clients generated income in year, while 18 clients are expected to trade early in 2025. We also saw the clients onboarded at the end of 2023 begin to monetise.

We continue to push on our geographical expansion, with the EU licence confirmed earlier in 2024 and pending licences approvals in the United States. Additionally, at the end of 2024 work has commenced on our plan to establish a payments company in the Middle East.

Other Payments Income

This represents income from providing access to USD, GBP and EUR payment and clearing services, and Pension payments, and has grown 3% to £14.8m (2023: £14.4m). This is the result of adding additional EMFIs to our clearing facilities.

Banking Services and Other Income

Income grew to £37.0m, up from £34.2m in 2023, through a reallocation of some of the the capital and liquidity resources towardrs higher-margin Trade Finance loans and Working Capital facilities which are are a key enabler for our transactional and structured transaction products. We have also begun further diversifying our liquidity portfolio by investing some surplus liquidity in AAA-rated floating rate securities.

Client Performance

£m	Twelve Months Ended 31 December		Year on Year
	2024	2023	%
Emerging Markets Financial Institutions (EMFI)	59.5	59.8	(1)%
International Development Organisation (IDO)	15.0	29.0	(48)%
Major Market Banks (MMB)	2.4	5.7	(58)%
NBFI and Fintechs	28.7	42.9	(33)%
TOTAL	**105.6**	137.4	(23)%

- EMFIs: stable performance demonstrates the strength of our relationships with local and Central Banks within emerging markets. Income sustained by increasing Trade Finance facilities and deposit taking to offset reducing income mainly from NXX.
- IDOs: reduction in income driven by NXX, with underlying performance down 11% year on year reflecting the negative business impact of the strong dollar and political uncertainty.
- MMBs: revenue broadly in line excluding the material impact of NXX.
- NBFIs: year-on-year reduction driven by NXX. Excluding these currencies income is down 17% reflective of broader take rate compression in a highly competitive segment.

Cost Base Development

£m	Twelve Months Ended 31 December		Year on Year
	2024	2023	%
Staff expenses	43.3	43.3	– %
Other operating expenses	30.8	27.6	12 %
Total operating expenses (excluding depreciation and amortisation)	**74.1**	**70.9**	**5 %**
Depreciation and amortisation	9.1	6.3	44 %
Total recurring operating expenses	**83.2**	**77.2**	**8 %**
Adjusting items	2.8	2.3	22 %
Total operating expenses	**86.0**	**79.5**	**8 %**

Total operating expenses decreased by 8% to £86.0m, driven by:

- **Staff expenses:** unchanged (£43.3m vs £43.3m in 2023) notwithstanding a rise in headcount to support strategic initiatives particularly in IT, sales and compliance. In 2024, CAB's headcount averaged 364 Full-Time Equivalent (FTE) (2023: 310 FTE)

- **Other operating expenses** increased 12% to £30.8m vs £27.6m in 2023, due to higher recruitment fees, professional services and technology investments linked to US and EU licensing efforts.

- **Depreciation and amortisation** increased 44% year on year, primarily as a result of the recognition and amortisation of the 3 London Bridge right of use asset, which will further increase in 2025 as a result of annualisation and as a result of the ongoing investment in technology and products. As a result of higher capital investment in 2024 versus 2023, depreciation and amortisation are expected to increase in 2025.

- **Adjusting items (formerly non-recurring expenses):** £2.8m (2023: £2.3m) of one-off expenses were incurred, primarily related to costs of transitioning senior management, professional costs in relation to review of strategic options and bonuses paid to staff to settle loans re the 2017 LTIP scheme. (see Note 7a)

The organisation positioned itself for expected future business flows, which have not materialised in a way expected. As a result, the business is currently in the process of undertaking a c. 20% FTE redundancy programme, which is anticipated to save c. £7.1m of operational costs during 2025 and a further c. £5.3m of capitalised costs. This programme is to reshape the organisational design for future strategic requirements.

Profitability and Cash Generation

As a result of contracting income, and despite a good control over costs, Adjusted EBITDA declined by £33.3m to £32.8m (2023: £66.1m) and although Profit After Tax also reduced by £27.4m to £15.4m. The reduction in Profit After tax were not felt as keenly as Adjusted EBITDA as it benefited lower Adjusting items.

Operating free cash flow was impacted by the reduced adjusted EBITDA and higher capital investment last year, leading to a reduction to £18.0m in 2024 from £58.6m over the same period in 2023, whilst the operating free cash flow conversion fell to 55% in 2024 from 89% in 2023.

Taxation

The effective tax rate for the year was 23%, reflecting adjustments for disallowable costs associated with restructuring and compliance together with adjustments for prior year tax. CAB incurred a total tax charge of £4.7m, compared to £14.7m in 2023, largely based on the decline in profitability. Continued efforts to optimise tax efficiency remain a priority.

Capital Allocation

CAB deploys capital into two main categories - investment expenditure with a view to driving long term growth, and lending assets which generate a strong yield and enhance the franchise by deepening relationships with clients and liquidity providers.

Capital Investment Expenditure
Capital expenditure for the year ended 31 December 2024 was £14.5m (2023: £7.1m), representing a 104% increase. This investment focused on:

- *Technology Development*: Enhancements to the core banking and FX systems, including greater automation for scalability and risk control.
- *Infrastructure Expansion*: Building out offices and operational capabilities in anticipation of the US and EU licences.
- *Product Development: I*nnovative solutions such as derivatives and Trade Finance development.

These investments align with our strategic objectives to expand market reach and enhance client service capabilities. In 2025, it is anticipated that capital expenditure will be lower resulting from the redundancy programme. The emphasis of 2025 expenditure will be on revenue-enhancing Product Development.

Balance Sheet

As at 31 December 2024, customer deposits totalled c £1.6bn of which c £0.9bn was on fixed term deposit with the remainder being instant access. The vast majority of depositors transact other business with CAB demonstrating the strength of the relationships that we have with clients.

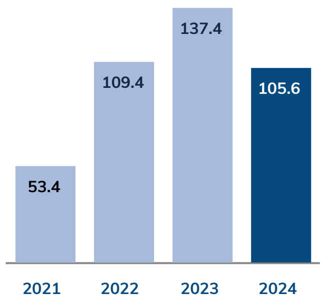
As at 31 December 2024, our High Quality Liquid Assets ("HQLA") stood at £1.27bn (2023: £1.26bn) providing deep liquidity access to the business to support our ongoing growth, far exceeding our minimum prudential requirements with our Liquidity Coverage Ratio ("LCR") now standing at 138%(2023: 152%). The reduction in total volume of HQLA and in our LCR has been driven by a decision CAB has taken to better utilise its balance sheet to help increase yield by deploying funds into franchise enhancing, short dated trade finance assets (£200m for Trade Finance at 31 December 2024 vs £75m for Working Capital Facilities at 31 December 2023) and investing in floating rate notes as part of its HQLA (£44m at 31 December 2024 vs £nil at 31 December 2023) and investing in floating rate notes as part of its HQLA buffer. The growth in the trade finance book has been achieved whilst still maintaining healthy surpluses across all prudential liquidity metrics.

CAB's high level of HQLAs will continue allow us to continue to deploy funds to take advantage of further opportunities to invest in yield and franchise enhancing assets and to fully exploit the opportunities presented to us by holding a banking licence. We have continued to reinvest our profits into the long-term growth prospects of CAB whilst simultaneously growing our capital base with Core Equity Tier 1 ("CET1") capital now standing at £126.3m (2023: £115.4m). CAB's CET1 ratio has trended down across the course of the year (20% 2024, 26% 2023) primarily as a result of deploying its surplus capital into yield and franchise enhancing trade finance assets. As the Group has been investing surplus capital generated into the business, it will not be paying a dividend.

During the year we made reversal/(provisions) for credit losses of £0.4m (2023: £(0.5)m) with impairment provisions at 31 December 2024 of £0.5m (2023: £0.9m). The reversal of provision for credit losses in the current year is attributable to a change in our recognition of the behavioural life of Working Capital facilities.

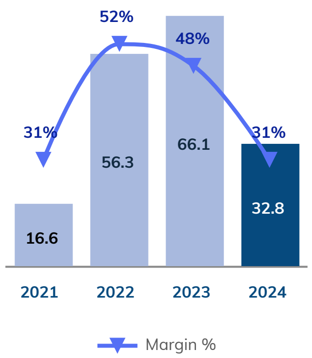
Key Performance Indicators

GROSS INCOME (£m)



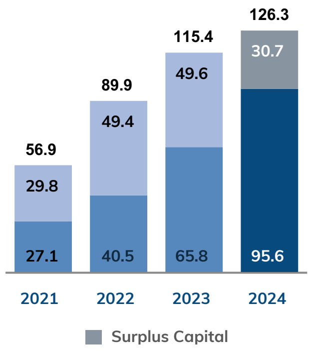
Following a period of growth, 2024 experienced a contraction of c.23% year on year, primarily due to reductions in the Wholesale and Payment FX. However, Banking Services maintained positive momentum, driven by a reallocation of liquidity and capital to Trade Finance.

ADJUSTED EBITDA AND MARGIN (£m)



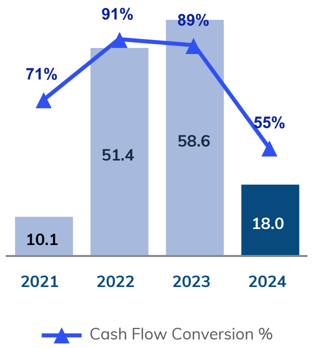
Adjusted EBITDA has fallen 50% in 2024, driven by lower income and controlled cost growth. This reflects the business's reset period and continued investment in its four pillars to support sustainable revenue growth in the future.

CAPITAL AND SURPLUS (£m)



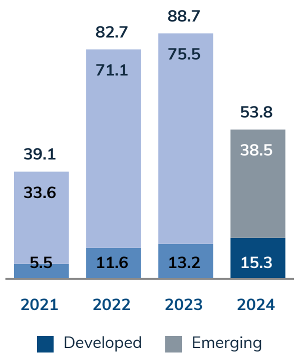
Total Capital increased by £11m in 2024, with CAB's PAT in the year of £16m demonstrating the cash generative nature of the business. However, capital surpluses declined as capital was allocated to investment programme and balance sheet utilisation to deliver returns for investors.

OPERATING FREE CASH FLOW AND CONVERSION (£m)



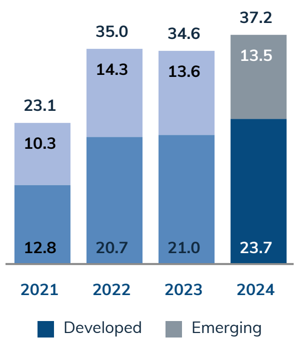
Operating Free Cash Flow declined significantly due to lower revenue and continued business investment, including costs associated with establishing the new London head office.

WHOLESALE FX AND PAYMENTS FX INCOME (£m)



Wholesale and Payment FX contracted 39% , primarily as a result of combined take rate and volume pressures over particular corridors, including NGN (for which Q1 2023 included the remaining take rate dislocation), XOF and XAF.

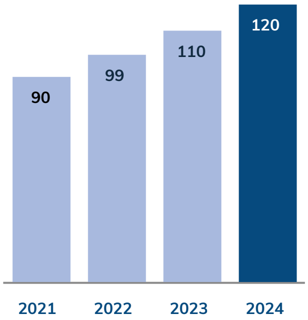
WHOLESALE FX AND PAYMENTS FX VOLUMES (£bn)



Volumes grew by 7% year-on-year, driven by Developed Markets partially offset by a fall in Emerging Markets. This Emerging Market contraction was primarily due to the ongoing impact of central bank actions communicated in Q3 2023, which continued to affect flows across multiple currencies in 2024, alongside lower IDO flow.

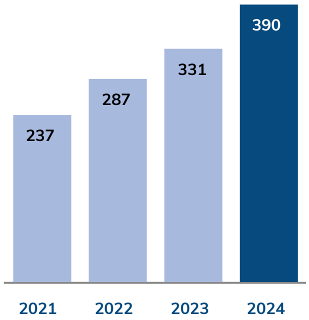
Key Performance Indicators

NUMBER OF CURRENCIES OFFERED



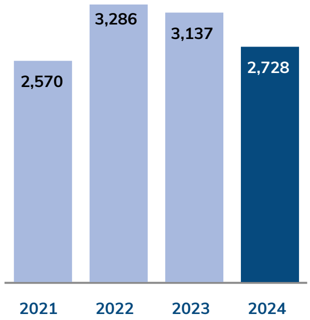
We continue to build the organisation capability, demonstrable through increased number of currencies that we can deliver through our network, which was enhanced in 2024 by the strategic partnership of Visa.

NUMBER OF BANKING PARTNERS



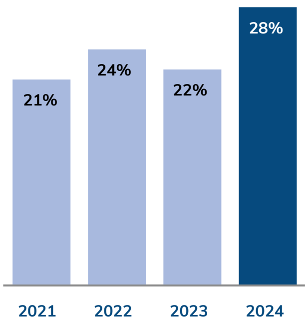
To fortify our global offering we have added 149 banking partners over the last three years. The addition of these partners enables us to continue to offer competitive solutions to our clients.

DEVELOPMENT AID FLOWS (£m)



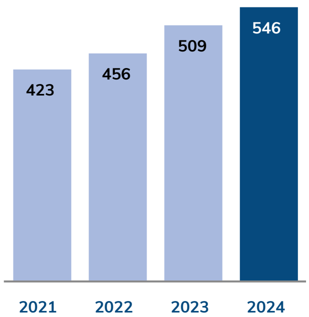
All major development clients continued to use our services in 2024 but some of their aid flows varied, driving a lower total processed volume. Notably reduced flows into XAF accounted for half of the year-on-year reduction.

GENDER DIVERSITY IN MANAGEMENT



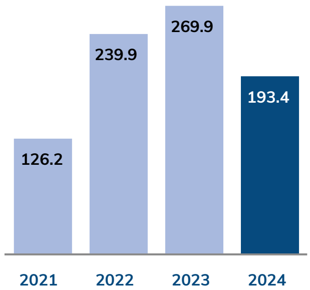
In 2024, we have achieved 28% of female representation in Senior management roles. Our recruitment processes are becoming more embedded, driving continued progress in gender balance within candidate pools and the recruitment of senior females into ExCo and the Senior leadership team. Additionally, we see an increase % in gender balance of promotions from AVP to VP corporate grades.

NUMBER OF UNIQUE ACTIVE CLIENTS



In 2024, there has been a net increase of 37 active clients, driven by 71 new clients offset by actively disengaging with 44 clients. There is a further 18 new clients onboarded in 2024 who have yet to start trading, but are expecting to do so early in 2025.

INCOME PER CLIENT (£'000)



Revenue per client has decreased in 2024 as a result of previously beneficial take rate dislocations, such as NGN across H1 2021 to Q2 2023 coupled with contractions experienced in 2024 across a number of key currency corridors.

Environmental, Social and Governance ("ESG") impact

2024 has been a pivotal year for CAB as we continue to integrate sustainability into every aspect of our operations, marking our first complete year as a certified B Corp. We have delivered meaningful progress that reflects our values and reinforces our mission to move money where it's needed. Key milestones include completing a Double Materiality Assessment, establishing a robust framework for identifying and addressing key focus areas. We have also taken important steps to align with B Corp version 7 compliance in 2025, ensuring our strategy meets stakeholder expectations.

Our work, we continue to strengthen supplier selection and onboarding to incorporate ESG requirements in collaboration with our value chain. To build on this, we are joining the UN Global Compact Network UK's Sustainable Supplier Programme in 2025 to elevate sustainability standards across our participating vendors, further amplifying our impact. In our trade finance operations, we are expanding our reach to the underserved, and hard to reach regions, driving financial inclusion and delivering tangible benefits to global communities. This commitment is exemplified by our work in Mozambique, please read more in our sustainability report for a detailed case study.

Our world, in our environmental efforts, we have published third party verified greenhouse gas emissions data, reporting in line with Streamlined Energy and Carbon Reporting (SECR) framework (refer to Directors report). In 2024, we shifted our carbon offset investments from traditional reduction methods to Carbon Removal solutions, reinforcing our commitment to more effective and impactful climate action. Beyond data, we remain dedicated to achieving Net Zero by 2050. We have advanced our net zero strategy and adopted enterprise-wide interim targets, embedding progress throughout CAB.

Our organisation, in 2021, we set ambitious gender diversity targets: 45% female representation across the Group and 30% in senior management by 2024. While we have made significant progress, we reached 38% female representation across the Group and 28% in senior management.. We remain dedicated to cultivating a best-practice DEI culture. Our commitment to community engagement has also grown stronger, with an increase of 230% in reported volunteering hours in 2024 compared to 2023.

While we have made strong progress, we know there is still work to do to meet all of our ambitious targets, and we remain focused on closing these gaps. For a comprehensive view of our achievements and areas for further improvement, please explore our dedicated Sustainability report which will be available from 27 March 2025 on the following link.

https://www.crownagentsbank.com/sustainability/

S172 Companies Act 2006

The relationship between CAB and our stakeholders is fundamental to the strategy, purpose and values of our business and drives our decision-making.

The Board is required by section 172(1) of the Companies Act 2006 to act in a way that would be most likely to promote the long-term success of the Company and take into account all of our stakeholders when making decisions. The Board directly and indirectly seeks to understand the interests and priorities of these stakeholders on an ongoing basis.

The following table includes instances where the Directors have had regard to section 172(1) factors (which are not mutually exclusive) when discussing certain matters in Board meetings and taking decisions where relevant. Some of these instances are explained in more detail elsewhere in the Strategic Report and the Directors' Report

Section 172(1) factor		Where section 172(1) factor featured in Board considerations
a	Likely consequences of any decision in the long term	– CAB strategy – setting and monitoring – Budget planning
b	Interests of employees	– Workforce engagement programme – Annual employee survey
c	Need to foster our business relationships with suppliers, customers and others	– Annual statement under the UK Modern Slavery Act – Directors' stakeholder engagement activities – Regular reports to Board from Directors and executives – Network enhancement and senior relationship building
d	Impact of our operations on the community and the environment	– Engagement with community initiatives – Net zero transition plan – Support for employees participating in events such as the London Marathon and volunteering at local charities
e	Our desire to maintain a reputation for high standards of business conduct	– Mandatory training programmes – Regular engagement with global regulators including Prudential Regulation Authority and Financial Conduct Authority – Annual statement under the UK Modern Slavery Act
f	Acting fairly between members of the company	– Annual General Meeting – Shareholder engagement activities – Directors' engagement with institutional investors

Directors' key engagements with stakeholders in 2024

Stakeholder	Engagement	Impact and outcomes
Employees We want to continue to be a positive place to work and build careers, with the success of the Group's strategy dependent upon having motivated people with the expertise and skills required to deliver it	– Employee events, including leadership forums, webcasts, townhalls, as well as events forming part of the Board's workforce engagement programme – Annual engagement survey for all employees	– Meetings with colleagues allow the Board to hear first-hand the employee voice on important issues in addition to analysis and response to the feedback received through the annual engagement survey – These interactions help to ensure continued connection between the Board and workforce and inform the Board's decision-making around people-specific matters.
Investors We seek to understand investor needs and sentiment through ongoing dialogue and a variety of engagements with both retail and institutional investors	– Numerous meetings held by the Chair, CEO and CFO with analysts and several investor roadshows to discuss full year and half year results – Remuneration Committee Chair meetings and correspondence with institutional investors – Accessible retail investor events such as the AGM – Board meeting review of investor feedback	– Regular interactions with institutional and retail investors through the year helped the Board to understand investor sentiment on material matters, such as strategy delivery, and gauge investors' continued support for the Group
Communities We seek to play an important role in supporting the communities in which we operate through our corporate social responsibility and broader engagement activities	– Volunteering and donation-matching opportunities for employees – Engagement with B Corp, EcoVadis and various ratings agencies	– Engagement with EcoVadis resulted in the Group maintaining our Gold Sustainability rating for a third year – Support for employees in their volunteering efforts continues to grow, making a real impact in the communities in which we live
Regulators and governments Maintaining constructive dialogue and relations with the relevant authorities in the markets in which we operate helps support the achievement of our strategic aims	– Meetings across our key markets with government officials and representatives – Regular meetings with regulators in the UK, Netherlands and US	– Frequent and varied engagements with governmental representatives in key markets and regulators provide an opportunity for open dialogue and is critical in ensuring that the Board understands and continues to meet its regulatory obligations
Suppliers We engage with suppliers, which helps us operate our business effectively and execute our strategy	– Regular reports and updates to the Board – Full and transparent engagement with due diligence processes for new suppliers	– The Board's understanding of the Group's supply chain and how suppliers' operations align to our purpose and values remains key. Such reporting and engagement supports the Board when approving the annual statement under the Modern Slavery Act

Decisions Made During the Year

The Board operates having regard to the duties of the Directors, including the relevant matters set out in section 172(1)(a)-(f) of the Companies Act 2006. A key focus for the Board is setting, and monitoring execution against CAB's strategy. Principal decisions taken by the Board consider how the decision furthers CAB's purpose and aligns with one or all of its' strategic pillars: Network, Clients, Platform and Invest and innovate.

All decisions made by the Board are subject to the submission of quality, appropriate information by way of Board papers, provided to the Board in a timely manner. Our Board meetings are structured in such a way to allow sufficient time to dedicate to all topics. When making decisions, each Director ensures that they act in a way they consider, in good faith, would most likely promote the Company's success for the benefit of its shareholders, and has due regard (among other matters) to the factors set out above.

Key Board decision

Strategy

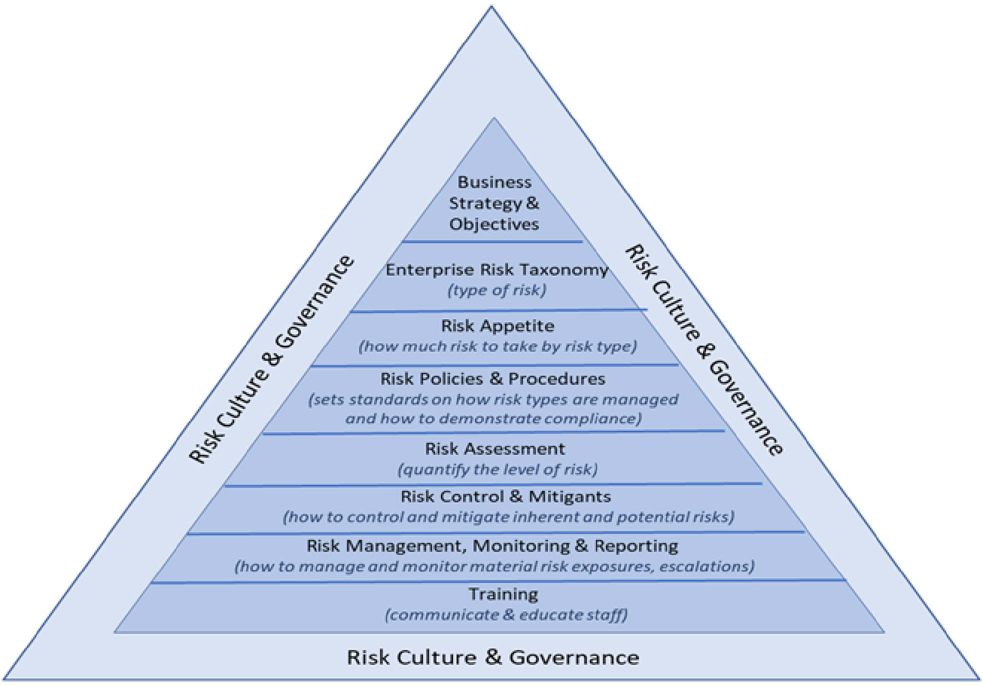
During the period, the Board undertook an in-depth review of strategy, considering where CAB is today, its key differentiators, and where it should be going next: working to ensure that the business has a long-term sustainable future that safeguards the interests of all stakeholders.

A strategy review is never an isolated, one-off review. The discussions of the Board and its Committees during the previous 12 months provide important context and insight to the deliberations, with this in-depth review a culmination of the work undertaken by the Board and executive management throughout the year.

The Company's principal risks were also factored into the Board's discussions, with consideration given to whether there had been any material changes in the Company's risk profile that might impact the Company's strategy. Alongside this, the evolving regulatory landscape was considered.

Principal risks and uncertainties

The following diagram outlines the key components of the CAB's risk framework.



The foundation of the CAB's risk management is the Groups's Enterprise Risk Management Framework ("ERMF"). In concert with the relevant architecture (e.g. risk taxonomy, risk appetite, etc.) it ensures that risk is suitably identified, assessed, monitored, managed, and mitigated within CAB.

The taxonomy allows CAB to construct and calibrate its Risk Appetite Statements ("RAS") and tolerance limits ("TL") that quantify, by risk type, how much risk CAB is willing to accept under Business as Usual ("BAU") and stress conditions, in order to achieve CAB's business strategy and objectives. These are constructed with due regard to the organisation's risk appetite, to align both strategy and risk.

CAB's risk team has created a broad suite of policies and procedures to link the operating standards and practices with the business strategy and risk appetite. These tools include assurance activities, risk mitigation, controls, and robust reporting and governance, based on the risk framework of identification, assessment, management, and reporting of risk.

The outcomes of the team's regular risk assessments and monitoring form a feedback loop, against which to gauge our risk appetite thresholds, and whether they are still applicable or need adjustment. At least once per calendar year, the team reviews the business strategy, risk framework and its associated component parts, refining them where needed and ensuring a timely assessment of current and emerging risks.

Risk Culture

The Board and the executive management is responsible for establishing and embedding a culture of risk awareness and a strong internal control environment.

We achieve this with leaders who set the tone from the top, strongly supported by governance structures, clear definitions of responsibilities, performance management and regular communications that reinforce appropriate behaviours and corporate values.

Equally, all employees have a role to play in driving a positive risk culture through their overall vigilance and motivation, and an innate desire to identify, manage and communicate risk-related issues, including escalation and resolution as appropriate.

All our people need to:

- understand the risks relating to their role and activities, including any relevant policies, processes and procedure documents;
- take on board how successfully managed risks can help them achieve their objectives;
- be accountable for particular risks and how they can manage them; and
- report systematically and in a timely manner on emerging risks, near-misses, incidents, control failures and improved business practices.

Our risk culture is further reinforced by the responsibility of the business to own and manage risk in accordance with the 'three lines of defence' principle, and the ERMF.

Governance of Risk

The Company's risk governance structure is outlined below:

The Board

The Board is responsible for setting the strategy, corporate objectives, and risk appetite. The Board reviews Group's ERMF annually to ensure that it remains fit for purpose and complies with relevant laws and regulations including the UK Corporate Governance Code.

Board Committee

Risk Committee

Responsible for assisting the Board in approving and overseeing the Group ERMF. Provides the Board with recommendations and advice on key matters relating to risk and compliance. It receives risk reporting and escalations from the Executive Risk Committee.

Management Committees

Executive Committee

The Executive Committee is chaired by the CEO and is responsible for developing, proposing and implementing Board approved strategy.

Executive Risk Committee

The Executive Risk Committee is chaired by the CRO with members being the Executive Committee and the Money Laundering Reporting Officer ("MLRO"). It provides Executive level enterprise-wide risk management oversight and escalates key risks issues and recommendations to the Risk Committee in line with the approved ERMF. It also receives escalation from its five risk sub-committees

Operational Risk Committee	**Asset & Liability Risk Committee**	**Credit Risk Committee**	**Financial Crime Risk Committee**	**Lifecycle Committee**
	Treasury Committee		**Financial Crime Systems Committee**	

Each risk sub-committee has representatives from the second line of defence providing oversight and challenge, as required:

Risk sub-committees	Risk type covered
Asset & Liabilities Risk Committee	Capital adequacy, liquidity, funding and market risk
Credit Risk Committee	Credit risk
Operational Risk Committee	Operational ((excluding people risk which is addressed at ERC))
Financial Crime Risk Committee	Financial crime risk
Lifecycle Committee	Reputational and client risk

Three lines of defence

CAB operates a tripartite risk governance framework, generally known as the three lines of defence model, which distinguishes between risk management and oversight. The approach provides clear and concise separation of duties, roles and responsibilities.

FIRST LINE OF DEFENCE	SECOND LINE OF DEFENCE	THIRD LINE OF DEFENCE
Risk and control management	**Risk and control oversight**	**Internal Audit**
The business and senior managers, both across CAB and at local entity level, are responsible and accountable for the identification, assessment and management of individual risks, as well as associated controls within their respective areas of responsibility.	Risk and Compliance develops the frameworks and tools, and provides independent oversight and challenge with respect to the first line's management of their risks and controls. They provide assurance that CAB's and local entity level's regulated activities are undertaken in accordance with regulatory requirements.	Internal audit is an independent provider of assurance over the effectiveness of CAB's, and local entity level's, processes and governance, with regards to risk and internal controls.

Risk Appetite

Aligned to the enterprise risk taxonomy, the CAB's risk appetite articulates for each risk a qualitative risk appetite statement and quantified maximum level of risk that the Bank is prepared to accept in achieving its strategic objectives and business plan.

In doing so, the interests of the CAB's clients, shareholders, capital and other regulatory requirements are all considered. This assessment requires input from subject matter experts and management to define the appetite statement and threshold for each material risk. These are supported, where appropriate, by a suite of quantitative metrics to help monitor performance against its set appetite.

At a headline level, CAB's Risk Appetite Statements are as follows

Business Risk
CAB will actively seek business opportunities that generate longer term shareholder value. These opportunities must be in line with our strategic, commercial, and regulatory objectives and be delivered in line with risk appetite and organisational control processes.
Financial Crime Risk
There is no appetite to operate in an environment where systems and controls do not enable the identification, assessment, monitoring, management, and mitigation of financial crime risk. There is no appetite for employees to fail to have an appropriate understanding of financial crime risks and their responsibilities to mitigate them. There is no tolerance to breach relevant financial crime regulations and laws.
Operational Risk
CAB acknowledges and accepts that for it to conduct its business, operational risk will be inherent in its business activities. CAB strives to maintain a robust control environment cognisant of costs and other factors and as a result CAB takes a balanced approach to Operational Risk.
Credit Risk
CAB maintains an active appetite towards credit risk, indicating its intention to seek credit opportunities that align with its strategic objectives, while ensuring adherence to internal guidelines and regulatory standards, such as large exposure limits. Consequently, robust credit risk management is essential for CAB's stability, growth, and compliance with regulatory requirements.
Market Risk
CAB takes a balanced approach to market risk, recognising that its day-to-day operations, involve exposure to market risk principally in the form of FX risk, through its FX trading/cross currency payment activities, and interest rate risk in the banking book (IRRBB). CAB will ensure that, under severe changes in interest rates or currency FX rates, any capital or earnings at risk remains within pre-approved limits and for which capital is held.
Capital Adequacy Risk
CAB acknowledges and accepts that capital adequacy risk will be undertaken as part of business activities and ensures that it maintains sufficient capital both in quantity and quality to meet regulatory requirements and hold a management buffer as agreed with the Board.
Liquidity and Funding Risk
CAB seeks to ensure that adequate liquidity, both in terms of quantity and quality, is held to meet liabilities as they fall due, whether in normal or stress conditions while also meeting regulatory and internal requirements. Additionally, CAB seeks to ensure that operations are maintained, with sufficient access to stable funding sources in business as usual and stress conditions such that no reliance is placed on overnight wholesale funding markets.
Conduct Risk
CAB seeks to reduce the risk as much as possible by developing and maintaining long-term relationships with our clients, based on openness, trust and fairness in everything we do. CAB has no appetite for reputational risk arising from the way in which we behave.
Regulatory and Compliance Risk
CAB acknowledges and accepts that it operates in a highly regulated industry and environment which are fundamental to our business and sector and our appetite reflects the need to comply with these regulations. CAB aims to minimise the risk to the greatest extent possible by continuing to develop staff competency through appropriate training to ensure its staff are aware of and comply with the regulatory and compliance requirements relevant to their role and responsibilities. Any market expansion and new product introduction considers the regulatory compliance risks.

Horizon Scanning

Emerging risks

The strategic risk register assesses the material risks to the organisation, over a forward looking 12 month time horizon, based on the enterprise risk taxonomy. Nascent and established risks are identified and classified to their respective principal risk sections and monitored through the enterprise risk management process.

Climate risk

When reflecting on the financial risks from climate change, CAB considers both physical and transition risks. We believe the most likely impact on CAB and its customers will come from physical risks such as floods, tropical storms and hurricanes. But we also project that their impact will be low due to the nature, size and complexity of the business. For the same reasons, we also believe transition risks to a greener economy will not present an impact.

CAB has incorporated the most likely impacts and scenarios as part of the annual Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") analysis review. Both these documents are submitted to the Boards for review and approval.

CAB has a positive impact on those affected by climate-related events, by moving money where it is most needed through our established relationships with international development organisations ("IDO"s), non-governmental organisations ("NGO"s) and charities.

There were no specific climate-related events that required a report to the Boards and its committees in 2024.

We acknowledge the significance of environmental, social and governance ("ESG") factors in shaping the landscape of our operations and the financial industry. We understand that the responsible management of ESG risks is paramount to our long-term sustainability and value creation for our stakeholders.

At CAB we remain committed to embedding ESG principles into our core business practices, enhancing transparency, and building trust among our investors, customers and the communities we serve. We believe that effective ESG risk management not only safeguards our institution against emerging threats but also positions us for sustainable growth in a rapidly changing world.

Our achievement of B Corp Certification in 2024, and our Gold EcoVadis Global Sustainability Rating for two consecutive years, is a further endorsement of how sustainability sits at the heart of our strategy at CAB.

Overview of Principal Risks

Effective risk management is critical to realising our strategy. We have an established risk management framework to manage and mitigate the various risks that we face.

As at 31 December 2024 our principal risks consisted of:

<table>
<tr><th></th><th>Current context</th><th>Mitigants and other considerations</th></tr>
<tr><td colspan="3">1. Business risk 1,2,3,4</td></tr>
<tr><td>Risk Description:
The risks to CAB arising from:
• The business model or strategy proving inappropriate due to macroeconomics, geopolitical, industry, regulatory or other factors.
• Adverse events and media coverage that could negatively impact the CAB's name and reputation thereby impacting its ability to achieve its strategic objectives.</td><td>• CAB is highly reliant on established relationships with a small number of key banks for clearing USD, GBP and EUR.
• CAB provides access to emerging markets, with a level of concentration to sub-Saharan Africa. Significant changes to our partner network or key markets (e.g. the risk of market dislocations, general access, regulatory, economic, or geopolitical conditions) would have a corresponding impact on the Group's business, operations, financial performance and reputation. CAB's business model and operations rely on the continued relationships with a diversified network of counterparties and partners including liquidity providers.
• Potential events may include:
– Adjustments in the nature of our partner networks impacting access to local liquidity or clearing services.
– Structural changes to markers that result in the removal or narrowing of margins and/or access to preferential local market currency rates.
– Changes to local economies including market structure (e.g. regulatory/central bank monetary actions);
– Economic or political events (e.g. changes in government).
– Translation risk associated with significant strengthening in GBP relative to USD.</td><td>• The Board and Management periodically:
– review and update the strategic plan, budgets, targets, emerging opportunities and threats.
– track and manage, through governance, a range of metrics and early warning indicators to highlight emerging risks to performance, these continue to be developed and enhanced.
• CAB has a dedicated Network and Partnerships Function, who develop and manage our key local relationships; actions continue to be taken to ensure these are adequately diversified including key currencies such as USD and GBP. This function also tracks and reports regulatory changes and geo-political issues in these markets.
• CAB has a strategic risk register which tracks the top risks and the corresponding actions planned and underway to mitigate these. This is reported periodically to the Risk Committee and Executive Risk Committee.
• CAB has a medium-term strategy in place to continue diversifying revenues across geographies, clients and products whilst investing in its sales team.</td></tr>
</table>

	Current context	**Mitigants and other considerations**
2. Financial crime risk		**1,2,4**
Risk Descriptions: The risk associated with criminal activity in the form of money laundering, terrorist financing, bribery and corruption, sanctions, tax evasion and fraud.	• FX is the leading product, used by over 90% of all clients, however, one of CAB's core offerings is correspondent banking and payments services. AML and Sanctions risk remains higher in Correspondent Banking and Trade Finance with both accounting for most Suspicious Activity Reports to the the NCA. • CAB provides its services to clients based in global jurisdictions, including across Africa, the Americas and Caribbean, the Middle East, the USA, Canada and Europe. CAB's historic client concentration was on customers in higher-risk countries, and recently a shift is seeing more payments from low-Risk into Higher- Risk countries. Despite this general trend, new clients located in Higher- Risk countries, primarily in Africa have been onboarded in 2024, and CAB started expansion into the Americas to lessen its reliance on African markets. • In 2024 There was no significant change in the distribution of Client types within CAB's portfolio and Financial Institutions remain the largest segment of CAB's Client portfolio. • CAB specializes in higher-risk client types including, NBFIs, Money Service Businesses ("MSB"), and charities, but also includes lower client risk segments such as financial institutions, Central Banks and supranational organizations. • A Notable AML/CTF high-risk factor that has been considered is Organisation risk. CAB's Organisation risk is assessed as low due to no legacy financial crime issues, no major control failures and the fact that CAB's subsidiaries operate in a simple, non-complex structure and are physically located in low-risk jurisdictions with leading regulatory standards. • There is generally a lower level of regulatory oversight and scrutiny of many NBFIs and MSBs. Trends of recent sanctions relating to deficiencies in controls of MSBs have been indicative of problems in mitigating financial crime risk in the sector, hence their assessment as higher risk. Meanwhile financial institutions in higher risk jurisdictions tend to be classified as higher risk due to their countries of operation.	• To mitigate risks effectively, CAB has implemented strict onboarding and correspondent banking due diligence processes and procedures, as well as strong governance and client approval committees. • A robust country risk framework mitigates CAB's exposure to high-risk countries. This framework includes complete prohibitions of some countries and detailed restrictions on others. • Screening and monitoring controls enforce the framework, and CAB's employees have a strong awareness and understanding of the legal and regulatory environment in which they operate, including the relevant financial crime prevention provisions. • On-going programme of investment in anti-financial crime technology and optimisation of system rule-sets. A new transaction monitoring system was implemented in 2024 along with an upgrade to the transactions screening system. CAB is focused on phase 2 of the transaction monitoring system delivery. • Regular training is delivered to ensure standards are continuously maintained. • A dedicated Risk and Compliance Function provides oversight and undertakes thematic assurance activity to identify potential gaps and issues.

	Current context	**Mitigants and other considerations**
3. Operational risk		**1,2,3,4**
Risk Description: The risk of loss or other non-financial impact, resulting from inadequate or failed internal processes, people and systems, or from external events.	• CAB relies extensively on the use of technology, including the inter-relationship between multiple third-party services, which is central to the processing and its operating environment. System resiliency coupled with the growing sophistication of cyber-attacks is consistently under-review. • Resource capacity and capability impact all risk types, these are monitored frequently to ensure staffing level reflect the size and complexity of CAB. • CAB relies on a combination of manual and automated processes. Specific clients have bespoke processes that are inherently prone to human errors. CAB is acutely aware that a technology incident could result in manual intervention as part of its recovery efforts.	• CAB is Cyber Essentials accredited. ISO27001 accreditation remains a key priority. Additionally, CAB continues to enhance its operational resilience efforts with a key focus on critical third-party resilience testing. • CAB deploys several attraction and retention strategies throughout the employee lifecycle, including hybrid-working and competitive employee benefits. • Process and control automation is proactively considered across CAB, acknowledging that not all processes can be automated but regular process review cycles support in ensuring processes and procedures are consistently updated and maintained.
4. Credit risk		**1,2,4**
Risk Description: The risk of financial loss arising from a borrower's or counterparty's failure or inability to meet their financial obligations in accordance with contractual terms.	• Credit risk is inherently generated through CAB's banking and financing activities; i.e. through trade finance products, working capital overdrafts, Nostro balances etc. • Counterparty credit risk arises due to FX/ Payment related trading and derivatives activities where counterparties may be unable or unwilling to meet their financial obligations, including collateral obligations, as they fall due. • Treasury related activities generate an element of credit risk through its day-to-day placement of funds i.e.money market funds, HQLA portfolio etc.	• Credit Risk remains a key focus for CAB given the current macroeconomic environment. • Risk appetite thresholds are constructed with regard to regulatory requirements and internal assessments included within the Internal Capital Adequacy Assessment Policy ("ICAAP"). • An established credit policy is in place with portfolio levels exposure limits and a maximum individual counterparty exposure limit framework. The Credit Risk Committee provides individual counterparty approvals and portfolio level oversight. • Robust individual credit assessment and monitoring frameworks ensure that credit risk is managed and mitigated in line with credit management objectives and risk frameworks. • Counterparty FX and derivatives transaction risk is mitigated via ISDA master agreements and credit support annexes, where suitable.

	Current context	Mitigants and other considerations
5. Market risk		**1,2,4**
Risk Description: The risk of losses occurring from adverse value movements of the Group's assets and liabilities; principally relating to FX and interest rates.	• CAB's market risk exposure occurs primarily through FX volatility and Interest Rate Risk In The Banking Book ("IRRBB"). • The economic and financial market uncertainties remain elevated, driven by elevated inflation and tightening monetary policy. Disruptive adjustment to higher interest rate levels, deteriorating trade or geopolitical tensions could have implications for FX rates and the value of the CAB's nostro balances. Alternatively, a decline in interest rates may compress net interest margin across the business • Adverse changes in FX rates can impact capital ratios given elements of the risk-weighted assets exposures are denominated in foreign currencies. • Failure to account for foreign currency movements could result in an adverse impact on the CAB's regulatory capital and leverage ratios	• An assessment of market risk drivers is conducted as part of the ICAAP, and to assess BAU and stressed market risk. • Market Risk exposure limits are staggered, to constrain typical market risk exposure. CAB primarily trades in the FX spot market and risk appetite limits are set and monitored at both an aggregate and currency level. • Defensive positions are typically taken to the extent that markets exhibit increased market risk events, such as during national elections. • Interest rate risk in the banking book (''IRRBB'') is driven by customer deposit-taking, investments in the liquid asset portfolio and funding activities. CAB executes hedging strategies and thereby mitigate elements of IRRBB by predominantly matching the balance sheet term profile.
6. Regulatory and compliance risk		**1,2,3,4**
Risk Description: The risk arising from non-compliance with laws and regulations governing financial services institutions in the markets in which we operate.	• As CAB continues to grow in terms of increasing size and complexity it brings with it a complex legislative and regulatory landscape thus increasing the risks of legal or regulatory sanctions, material financial loss and/or reputational damage in the markets in which we operate.	• Horizon-scanning is conducted to monitor upcoming UK regulatory changes. • Responding to any regulatory request promptly. • Ensuring that we have adequate permissions to operate in certain markets. • CAB partners with local providers that are typically regulated entities or locally licensed. • CAB consults third-party legal counsel for new territorial expansions to ensure compliance with local regulations

	Current context	Mitigants and other considerations
7. Capital adequacy risk		**1,2,3,4**
Risk Description: The risk of CAB having insufficient quality or quantity of capital, to meet its regulatory capital requirements and internal thresholds to cover risk exposures and withstand a severe stress as identified as part of the ICAAP.	• CAB capital ratios can be affected by various business activities and the failure to meet prudential capital requirements, internal targets and/or to support CAB's strategic plans. • The key risk drivers with capital implications are credit risk, market risk and operational risk, each of which is addressed within its relevant section.	• CAB has robustly defined capital adequacy thresholds, constructed in reference to regulatory requirements and maintain capital ratios in excess of these. • CAB produces an ICAAP at least once each calendar year. Challenge and oversight of the ICAAP occurs at Asset and Liability Committee ("ALCO") and Risk Committee before approval by the Board. • Day-to-day capital risk exposure is managed by the Treasury function with oversight from ALCO and the Treasury Committee, who monitor and manage capital risk in line with CAB's capital management objectives, capital plan and risk frameworks. • If CAB was to encounter a significant stress on capital resources, a Recovery Plan is maintained which includes options to ensure they can remain sufficiently capitalised to remain viable. Recovery Plan metrics are regularly monitored and reported against. CAB's Pillar 3 disclosures contain a comprehensive assessment of its capital requirements and resources and are published.

	Current context	Mitigants and other considerations
8. Liquidity and funding risk		**1,2,4**
Risk Description: The risk that CAB cannot meet its contractual or contingent obligations in a timely manner as they fall due. Funding risk is the risk that CAB cannot maintain access to a sufficient stable funding base to maintain its liquidity.	• CAB's liquidity ratios (i.e. LCR and Net Stable Funding Ratio ("NSFR") can be affected by various business activities, either idiosyncratic or market wide, that could impact prudential liquidity requirements and corresponding business activities, and investor or depositor confidence. • The key liquidity risk drivers are depositor outflows, and intraday liquidity requirements.	• Funding and liquidity risks are managed within a comprehensive risk framework in reference to regulatory requirements and internal thresholds to ensure there is no significant risk that liabilities cannot be met as they fall due. • CAB produces an ILAAP at least once per calendar year. Challenge and oversight of the ILAAP occurs at the Asset & Liability Risk Committee and the Risk Committee before approval by the Board. • The primary metrics used to monitor and assess the adequacy of liquidity are the Overall Liquidity Adequacy rule ("OLAR"), the LCR and NSFR. • Day-to-day liquidity risk exposure is managed by the Treasury function with oversight from ALCO and the Group Treasury Committee. • Treasury conducts regular and comprehensive liquidity stress testing, including reverse stress testing, to ensure that the liquidity position remains within the Board's appetite
9. Conduct risk		**2,4**
Risk Description: The risk that the conduct of CAB and its staff, towards clients (or in the markets in which it operates), leads to unfair or inappropriate client outcomes and results in reputational damage and/or financial loss	• Customers may suffer detriment due to actions, processes or products which originate from within the Bank. Conduct risk can arise through: • the design of products that do not meet client needs; • mishandling complaints where the CAB has behaved inappropriately towards its clients; • Inappropriate sales processes; and • behaviour that does not meet market or regulatory standards.	• Conduct risk is incorporated into the product approval process. • Complaints are formally registered, investigated and responses provided. • CAB has a Gifts and Hospitality Policy with an approval and logging process. • All staff receive annual online training on conduct, ethics and culture.

Going Concern

The Directors have considered the financial position of CAB, including the net current asset position, regulatory capital requirements and estimated future cash flows and have concluded that there is reasonable expectation that CAB has adequate resources to continue in operational existence for a period of 12 months from when these financial statements are authorised for issue and that CAB will be able to meet its obligations as they fall due. Furthermore, the Directors are of the view that:

- there are no material uncertainties relating to events or conditions that cast significant doubt on CAB's ability to continue as a going concern;
- there are no significant judgements made by management in determining whether or not the adoption of the going concern is appropriate; and
- there are no material uncertainties to disclose in respect of going concern.

Accordingly, the financial statements have been prepared on a going concern basis.

Post year-end events

Restructuring

As announced during Q1 2025, in line with the refreshed strategy, CAB has commenced a programme to reduce its head count by approximately 20%. Furthermore, CAB will continue to reinvest in front-line sales teams on a global scale to drive revenue growth. As a result, staff costs in 2025 are expected to be broadly flat year-on-year. The redundancy program will cost c.£2.0m.

Approval by the Board

The report was approved by the Board and signed on its behalf by:

Neeraj Kapur
Chief Executive Officer
12 March 2025

Directors

Ann Cairns – Chairperson and Non-Executive Director

Ann has held board positions with ICE, AstraZeneca, Charity Bank and UK Government's BEIS. Until 2022, Ann was executive Vice Chair of Mastercard, after being President of International Markets. Ann led the London Financial Services Group at Alvarez & Marsal, after 20 years in payments and FX at ABN-AMRO and Citi. Ann has a Pure Mathematics degree, honorary Doctorate from Sheffield University and MSc and honorary Doctorate from Newcastle University. She is a fellow of London Business School.

Ann is on the board of Lightrock, a global private equity platform investing in sustainable businesses. She is Chair of Financial Alliance for Women and TMF Group.

Neeraj Kapur – Chief Executive Officer (Appointed 20 June 2024)

Neeraj Kapur is an experienced banker and bank CFO, with more than 20 years of experience in senior leadership roles in retail, corporate and SME banking. He also held main Board and Executive Director roles in Secure Trust Bank plc, which was listed on the LSE in 2016, and most recently was CFO of Vanquis Banking Group plc (previously named Provident Financial plc). He is a qualified Chartered Banker and Chartered Accountant, qualifying with Arthur Andersen 30 years ago. Neeraj has a wealth of experience in M&A, transformation and integration, as well as building businesses. Neeraj started his career as an RAF fighter pilot, after attaining his degree in aeronautical engineering from Imperial College London.

Susanne Chishti - Independent Non-Executive Director

Susanne has over 25 years of expertise on organisational governance in the SME market, holding senior positions at Deutsche Bank, Lloyds Banking Group, Morgan Stanley and Accenture. Susanne co-edited 'The FINTECH Book' series and was recognised in the Evening Standard's 'Top 10 global fintech influencers' in 2022, the "Fintech Champion of the Year" in 2019 (Women in Finance) and in the European Digital Financial Services 'Power 50' in 2015. Susanne holds an MBA from Vienna University of Economics and Business.

Susanne is Chair of FINTECH Circle, Europe's first Angel Network focused on fintech innovation and sits on the Advisory Board of Elevator Ventures by Raiffeisen Bank International.

Jennifer Johnson-Calari - Independent Non-Executive Director

Jennifer Johnson-Calari brings over 40 years experience in international financial markets. At the World Bank, she was directly responsible for the management of substantial foreign currency portfolios and worked with Central Banks and sovereign wealth funds in emerging and frontier markets in building their own foreign currency reserves investment capacity. She began her career at the Federal Reserve Board in international bank supervision later with the Comptroller of the Currency as a specialist in market risk management.

Jennifer is Non-executive Director of MGIM, London and CAIM, London and an independent Non-Executive Director of Clubhouse International in New York.

Karen Jordan – Independent Non-Executive Director

A specialist in banking and asset management, Karen has worked with PwC, Barclays and State Street. In her executive career she advised on global and cross-border regulatory and law enforcement matters on a range of complex governance, regulatory and reputational challenges, taking the lead role in ensuring that projects to provide redress to clients due to mis-selling or wrongdoing were well-managed and produced fair outcomes. Karen has an auditing background and is a qualified Chartered Certified Accountant.

Karen holds a small number of non-executive roles with private companies. These roles include financial services companies and the whistleblower protection charity, Protect.

Simon Poole – Non-Executive Director

Simon has a range of international finance and administration experience. He was Operating Partner for Helios Investment Partners from 2011 to 2024, serving on the boards of Helios Towers Africa, Vivo Energy, Interswitch and Fawry. Previously he was CFO of Intela Global Ltd and Celtel International (in Burkina Faso, Chad and DRC), after roles with Price Waterhouse, Bank of America and BT. Simon qualified as a Chartered Accountant with Price Waterhouse and is a member of the Institute of Chartered Accountants in England & Wales.

Simon serves on the board of Eolas Insight Limited.

Caroline Brown – Independent Non-Executive Director

Dr Brown's experience includes 15 years in corporate finance with BAML (New York), UBS and HSBC; 15 years as an operating CFO in technology and engineering businesses and over 20 years chairing audit and risk committees of listed entities including Earthport plc prior to its acquisition by VISA International. Caroline holds an MA and PhD from the University of Cambridge, an MBA from the University of London and is a Fellow of the Chartered Institute of Management Accountants.

Caroline is a director of IP Group plc, Ceres Power Holdings plc and Luceco plc. She also sits on the Global Partnership Council of Clifford Chance.

Elizabeth Noël Harwerth: Independent Non-Executive Director

Noël has wide experience in banking and financial services, with prior roles at Standard Life, London Metals Exchange, Bank of England, GE Capital Bank Europe, and Sumitomo Mitsui Bank. She also worked with Dominion Diamond, Avocet and Sirius Minerals, as well as Alent, Corus, Logica, Impellam Group, RSA Insurance Group and the British Horseracing Authority, the London Underground (Transport for London), and Tote. Noël has a JD Degree from the University of Texas Law School.

Noël is a non-executive director at OSB Group plc. She is liveryman of the WCIB, Chair of the UK chapter of Woman Corporate Directors and a member of the IWF.

Board Changes

Bhairav Trivedi resigned as a Director of the Company on 20 June 2024.
Mario Shiliashki resigned as a Non-executive Director of the Company on 3 September 2024.
Christopher Green resigned as a Director of the Company on 29 November 2024.
Richard Hallett resigned as a Director of the Company on 10 February 2025.
James Hopkinson joined the Company on 10 March 2025 and will be appointed as a Director of the Company when regulatory approval is received.

Directors' Report for the year ended 31 December 2024

The Directors submit their report and the audited financial statements of CAB for the year ended 31 December 2024.

Principal Activity

CAB is a regulated bank providing banking services particularly as a digital foreign exchange and payment partner for a globally diversified wholesale client base wishing to make payments in local currency across emerging markets. CAB is authorised by the Prudential Regulation Authority (PRA), and regulated by the PRA and the Financial Conduct Authority (FCA).

Business Review and Future Developments

The business review and future developments are discussed in the Strategic Report.

Research and Development

The Company has been involved in research and development during the year largely enhancing its electronic payment platform which is fundamental to its business.

Results and Dividends

The profit for the year after taxation amounted to £15.4m (2023: £42.8m). A dividend of £nil was declared during 2024 (2023: £19.5m).

Political Donations

No political donations were made in 2024 (2023: nil).

Going Concern

Refer to page 33 on strategic report.

Future Developments

Refer to CEO report.

Financial Instruments

Refer to the notes to the financial statements.

Directors Remuneration

Refer to Note 30 for the directors remuneration disclosures.

Risk Management

CAB's Board determines overall strategy, the markets in which it will operate and the levels of risk acceptable to CAB. Management, as part of its PRA Pillar 3 Capital Adequacy disclosure requirements, has performed an assessment of these requirements and the information, including remuneration, can be found on CAB website https://www.crownagentsbank.com/regulatory-and-financial-information/.

CAB complies with the regulators' minimum capital requirement as at 31 December 2024. CAB's regulatory capital is entirely CET1 capital as follows:

	2024	2023
	£'000	£'000
Shareholders' funds	**150,598**	134,204
Less: intangible assets	**(24,398)**	(19,084)
Regulatory capital	**126,200**	115,120
CET 1 ratio	**20.6%**	26.4%

Details of the principal risks and risk management arrangements are set out in the Strategic Report.

Energy and Carbon Report

CAB recognises that the risks associated with climate change are subject to rapidly increasing prudential, regulatory, political, and societal focus both in the UK and internationally.

As the nature of our business model is relatively short-term, we consider that climate change is unlikely to have any significant medium to long term impact on the business.

As part of our enhanced approach we:

- have allocated overall responsibility for managing the financial risks associated with climate change to the Chief Operating Officer (SMF4) who is responsible for reporting to the Board and relevant committees;
- will continue to use the industry guidance and publicly available indices to assess our exposure against countries that are vulnerable to climate change;
- undertook Climate-related scenario analysis of our capital and liquidity risk profile as part of the 2024 Board approved ILAAP and ICAAP documents; and
- consider the potential impacts of climate change on our prudential risk profile, including capital adequacy and liquidity are viewed as being absorbed within our existing risk appetite threshold statements.

In addition, through our continued work with IDOs, NGOs, governments, and others, in countries vulnerable to Climate-related events, we can have a positive impact on the people most affected by helping move funds where they are most needed. This may have a short-term benefit to CAB in terms of a potential increase in revenues. CAB is however fully aware of the fact that it has exposures in a number of countries in Africa which are heavily reliant on the petro-chemical industry.

Reporting period

The reporting period for the data in this report is 1 January 2024 to 31 December 2024 with 2023 comparatives.

Measurement Methodology

CAB has assessed their GHG emissions following the ISO 14064-1:2018 standard and has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs ("Defra") and the Department for Energy Security and Net Zero (DESNZ). The assessment follows the GHG protocol and has dual reported both their market and location-based emissions for assessing Scope 2. The operational control approach has been used.

Environmental Management System

2024 has been a transformative year for ESG at CAB. As our department continues to develop, we have taken steps to ensure our progress is in line with industry best practice. In 2023, this included the initial development of our first Environmental Management Policy ("GEMP"), which included our chosen Environmental Management System ("EMS"). Our EMS outlines our continued 5% YoY reduction per £million revenue (2019 as a baseline year), and the utilisation of EcoVadis and our B Corp certification as our measurements to ensure we continue to develop.

In addition to our GEMP, we have also incorporated ESG within our supplier code of conduct and is now a complete section in CAB's Vendor Registration for all suppliers. We have built a scoring system around this function, which we will be able to use to assess our supplier's ESG risk.

In 2023 we continued to successfully keep below our 5% reduction target. Please see the breakdown below of our emissions, target, stretch target, and % difference between actual and 5% target:

CAB's Streamlined Energy and Carbon Reporting disclosures are as follows:

Summary of location-based results (tCO2e)	**2024**	**2023**
Scope 1 (tCO2e)	**109.5**	42.9
Scope 2 (tCO2e)	**72.9**	62.3
Scope 3 (tCO2e)	**1,358.9**	1,616.3
Total tCO2e	**1,541.2**	**1,721.5**
Target (5% reduction from 2019 baseline – tCO2e per £m turnover)	**26.4**	27.8
Actual tCO2e per £m turnover	**14.6**	12.6
% difference between actual and target	**44.70 %**	**(54.65)%**

*Natural gas consumption only.
**Electricity generation only – Does not include transmission and distribution or WTT.

COVID-19 was the primary driver of the sharp emissions decrease in March 2020, coinciding with improved ESG provisions and mitigation measures. The pandemic made 2020 and 2021 anomalous years, with significantly lower emissions. To establish more accurate pre-pandemic benchmarks, 2019 data was used as the reference point. Since then, CAB Payments has targeted a 5% annual reduction in emissions per £m income. While fluctuations were largely pandemic-driven, a more consistent downward trend is expected moving forward.

	2024	**2023**
Direct emissions (Scope 1) – Natural gas (tCO2e)	**109.5**	42.9
Indirect emissions (Scope 2) – Purchased electricity (tCO2e)*	**72.9**	62.3
Other indirect emissions (Scope 3) – Hire car travel (tCO2e)**	**1.1**	0.6
Total energy consumed (kWh)***	**926,486.0**	533,088.0
Intensity ratio tCO2e (gross Scope 1,2 &3, location-based per £m revenue)*	**1.7**	0.8
Intensity ratio: tCO2e (gross Scope 1, 2 & 3, location-based per employee)*	**0.5**	0.3
Total gross location-based emissions (tCO2e)	**183.5**	105.7

Employees engagement

Diversity

The Board has approved a policy on diversity and inclusion. In our commitment to diversity and inclusion, CAB values the unique contributions of our diverse workforce, fostering a culture of openness, mutual respect, and collaboration. CAB prioritises equal opportunities, ensuring fairness and inclusivity in all aspects of employment with policies prohibiting discrimination based on various factors, including race, gender, disability, and age, and emphasising abilities and aptitudes regardless of disabilities, and offers retraining opportunities for employees who become disabled during their tenure.

Details of CAB's policy for giving full and fair consideration to applications for employment of disabled persons, continuing employment of and appropriate training for employees who become disabled, training, career development, promotion of disabled employees can be found on our website - https://www.crownagentsbank.com/careers/

Directors

The directors of CAB who were in office during the year and, except as indicated, up to the date of signing the financial statements were:

Director	Gender	Committees			
		Remuneration	Audit	Nomination	Risk
A Cairns* (Chairman)	F	X	-	X	-
S Chishti*	F	X	-	X	-
J Johnson-Calari*	F	-	X	-	X
K Jordan*	F	-	X	-	X
Neeraj Kapur (CEO - appointed 20 June 2024)	M	-	-	-	-
S Poole**	M	-	-	-	-
B Trivedi (former CEO - resigned 20 June 2024)	M	-	-	-	-
R Hallett (former CFO) - resigned 10 February2025)	M	-	-	-	-
C Green (former CRO - resigned 29 November 2024)	M	-	-	-	-
C Brown*	F	X	X	-	X
N Harwerth*	F	X	X	X	X
M Shiliashki* (resigned 3 September 2024)	M	X	-	X	-

*independent non-executive director
** non-executive director

Note: James Hopkinson joined the Company on 10 March 2025 and will be appointed as a Director of the Company when regulatory approval is received.

Lesley Martin is the Company Secretary.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards and with the requirements of Companies Act 2006.

Under company law, 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 CAB and of the profit or loss of CAB for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that CAB will continue in business.

The directors are also responsible for safeguarding the assets of CAB and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain CAB's transactions and disclose with reasonable accuracy at any time the financial position of CAB and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of CAB's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of CAB; and
- the strategic report includes a fair review of the development and performance of the business and the position of CAB together with a description of the principal risks and uncertainties that they face.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

so far as the director is aware, there is no relevant audit information of which CAB's auditors are unaware; and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that CAB's auditors are aware of that information.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. CAB also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Shareholders Matters

As laid out in its Articles of Association, CAB has dispensed with holding annual general meetings and with the laying of financial statements before shareholders in general meeting.

Independent auditors

In December 2024, the Board Audit Committee completed a competitive tender process which resulted in a recommendation to the Board for the appointment of PwC as our external auditor for the financial year ending 31 December 2025.

By order of the Board,

Neeraj Kapur
Director
12 March 2025

Independent auditor's report to the members of Crown Agents Bank Limited

Opinion

We have audited the financial statements of Crown Agents Bank Limited (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Profit or Loss, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 ('FRC') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 audit procedures to evaluate the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Reviewing the directors' going concern assessment to determine that it appropriately considers an assessment of key business risks including assessing the sufficiency of the Company's capital and liquidity taking into consideration the most recent Board-approved Internal Capital Adequacy Assessment Process ('ICAAP'), Internal Liquidity Adequacy Assessment Process ('ILAAP') and recovery plan documents. This included assessing the Company's most recent capital stress testing developed subsequently to the ICAAP document and related management actions;

- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Company's future financial performance;
- Challenging the appropriateness and reasonableness of the directors' key assumptions in their forecasts, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of stress and reverse stress testing on the Company's capital and liquidity and their consideration of severe but plausible scenarios. This included assessing the viability of mitigating actions within the directors' control and assessment of the directors' considerations of the implications of the macroeconomic environment and geopolitical risk;
- Engaging our prudential regulatory experts to assess the results of management's stress testing and the impact on liquidity and regulatory capital;
- Assessing the reasonableness and testing arithmetical accuracy of the forecasts prepared by the directors, including evaluating the historical accuracy of past forecasts;
- Inspecting regulatory correspondence with the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA') and holding bilateral discussions with the PRA;
- Inspecting Board of Directors' meeting minutes to identify events or conditions that may impact the Company's ability to continue as a going concern;
- Considering whether there were events subsequent to the balance sheet date which could have a bearing on the going concern conclusion;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

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 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.

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) we identified, including 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.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td>
Occurrence, completeness and accuracy of net foreign exchange gain
The Company recognised a net foreign exchange gain of £53,797,000 in the year ended 31 December 2024 (2023: £88,742,000).
Refer to material accounting policy information (Note 1) and to Note 5 of the financial statements.
Net foreign exchange gain is a focus of internal and external stakeholders.
The output of net foreign exchange gain is predominately system generated with certain manual interventions.
The Company's net foreign exchange gain transactions are recorded in a core banking system which is integrated with front office and payments applications. The occurrence, completeness and accuracy of net foreign exchange gain is highly dependent on the design and operating effectiveness of information technology general controls ('ITGCs') over the systems relating to the recording and calculation of foreign exchange transactions, and the settlement of associated payments.
The occurrence, completeness and accuracy of net foreign exchange gain is also dependant on the information technology application controls ('ITACs'), which include:

The interfaces between the core banking system and the front office and payments applications;
Enforcing maker-checker controls on the input of transactions in the core banking system;

</td><td>
Our audit procedures included, but were not limited to:
In relation to the IT controls, we have:

Performed end-to-end walkthroughs and tested the design and implementation of controls on the key processes for initiating foreign exchange trade and payments transactions in the front office applications, automated calculation of gains or losses, processing of payments and settlements through the payment applications, matching process between the core banking system and payment platforms and the manual interventions involved in these processes.
With assistance of our information technology audit specialists, we tested:

The ITGCs that support the relevant ITACs to confirm that relevant business process level ITGCs operated effectively and consistently throughout the audit period. Our ITGC testing covered user access, change management, and segregation of duties. On systems or controls managed by third-party service providers, we reviewed the relevant Service Organisation Controls ('SOC') reports and obtained the respective bridging letters where relevant. Where there were no SOC reports available, we tested the relevant controls directly with the service providers.
ITACs including controls over initiation, processing and recording of transactions relating to net foreign exchange gain, automated calculations, system integrations and system-enforced segregation of duties controls.
The automated authorisation and settlement of payments relating to net foreign exchange transactions and the automated matching of net foreign exchange gain transactions on payment platforms and customer statements, as well as the clearing of unreconciled transactions on a sample basis.

In relation to manual controls relevant for the calculation and recording of net foreign exchange gains, we have:

Assessed the design and implementation of key controls relating to the net foreign exchange gain transactions;
Tested the operating effectiveness of management's key control over the calculations made to adjust automated revaluations of balances in illiquid currencies; and

</td></tr>
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<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td>

Automated calculation of realised and unrealised foreign exchange gains and losses; and
Automated matching of transactions passing through the payments and settlement applications and customer statements.

Management relies on IT-dependent manual controls for the matching of subsequent payments and settlements related to net foreign exchange gains which clear post transaction date.
Management performs manual calculations to adjust automated revaluations of balances in illiquid currencies. The reliance on manual processes increases the risk of error.
There is an enhanced risk of material misstatement due to error related to the occurrence, completeness and accuracy of net foreign exchange gain and it has been designated as a key audit matter.
</td><td>

Tested the operating effectiveness of key controls around manual clearing of unreconciled transactions from the automated bank reconciliation process.

We have performed the following substantive procedures:

Tested the accuracy of exchange rates applied in the core banking system by comparing them to independent market sources;
On a sample basis, tested transactions by agreeing to third-party confirmations;
On a sample basis, performed subsequent settlement testing of the outstanding items on the ageing report of unsettled positions at year-end relating to revenue transactions;
With the assistance of our in-house data analytics specialists, tested the accuracy of the net foreign exchange gain through independent re-computation;
Reperformed management's manual calculation relating to revaluation adjustments made to balances in illiquid currencies, including comparing the exchange rates used to independent market sources; and
Tested the reconciliation of the net foreign exchange gain recorded in the general ledger to the core banking system.

We assessed the adequacy and appropriateness of the disclosures in the financial statements in relation to net foreign exchange gain and assessed for compliance with the requirement of UK-adopted international accounting standards.
Our observations
We found the net foreign exchange gain to be materially correct for the year ended 31 December 2024 and in accordance with UK-adopted international accounting standards.
</td></tr>
</table>

Key Audit Matter	How our scope addressed this matter
Impairment assessment of intangible assets As at 31 December 2024, the Company’s intangible assets amounted to £24,398,000 (2023: £19,084,000). The balance comprises core accounting software, other software and brand name Refer to material accounting policy information (Note 1) and to Note 20 of the financial statements. The Company is required to perform an impairment assessment of intangible assets whenever there are events or changes in circumstances which indicate that their carrying amounts may be irrecoverable. Management have assessed the fall in the market capitalisation of the Company’s ultimate parent company and the Company’s financial performance in 2024 as potential impairment indicators. Intangible assets have been allocated to a cash generating unit (‘CGU’) which management considers to be the Company. The impairment review performed by management determine the recoverable amount of the CGU by calculating a value in use (‘VIU’). Management’s assessment results in the recoverable amount exceeding the carrying value of the CGU, concluding there is no impairment. This calculation of the VIU requires judgement when estimating future free cashflows. Estimation risk has this year increased considering: • The significant reduction in the discount rate applied to the VIU calculation; and • The Company is in the process of executing new strategic initiatives with the objective of diversifying and increasing sources of revenue and to improve efficiencies. IAS 36.45(b) requires that future cash outflows that will improve or enhance the asset’s performance or the related cash inflows that are expected to arise from such outflows be excluded from the VIU calculation. We have therefore considered this impairment assessment to give rise to an enhanced risk of error and it has been designated as a key audit matter.	Our audit procedures included, but were not limited to: • Evaluated the design and implementation of key controls over the impairment assessment process; • Evaluated the appropriateness of the methodology used in the impairment assessment, including management’s determination of the CGU, with reference to the requirements of IAS 36 Impairment of Assets; • Evaluated management’s paper on impairment assessment for completeness of potential impairment trigger events; • Tested the arithmetical accuracy of the VIU calculation; • Assessed the accuracy of the forecasts through review of the data inputs on a sample basis; • Evaluated the quality of management’s forecasting process, considering historical forecasts and actual results achieved; • Assessed consistency of free cash flow estimates and related assumptions with Board-approved budgets, other financial and regulatory reporting, and our knowledge of the Company; • Evaluated the competency and objectivity of management experts involved in the estimation of discount rates; • Challenged the appropriateness and reasonableness of management’s assumptions that underpin key judgments in the VIU calculation. These include expected levels of revenue and completeness of costs of the CGU; • With the assistance from our in-house valuations experts, we: – Challenged the appropriateness of the discount rate determined by management expert, – Assessed assumptions used in the determination of the discount rates, including the appropriateness and relevance of the comparable companies used in the estimate; and – Assessed the appropriateness of the long-term growth rate. • Performed benchmarking of the terminal growth rate against market available information; • Challenged management’s sensitivity analysis on key variables namely future free cash flows, terminal growth rate and discount rate, including performing stress scenario analysis; • Evaluated the reasonableness of management’s impairment assessment, including verification for a sample of IT projects, the existence of any impairment indicators and their expected future economic benefits; • Performed a stand-back assessment on management’s assumptions and judgements based on our understanding of the Company’s operations and business environment; and • Assessed the appropriateness of disclosures included in the notes to the financial statements. **Our observations** We found the judgements and assumptions used by management in the impairment assessment of the Company’s intangible assets to be supportable and the related disclosures in the financial statements appropriate.

In the prior year, our auditor's report included a KAM in relation to the completeness and accuracy of expected credit losses on loans and advances including undrawn commitments. Following our risk assessment in the current year, this is no longer considered a KAM.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£1,142,000 (2023: £2,988,000)
How we determined it	5% of Profit before tax ('PBT') excluding adjusting items (2023: 5% of Profit before tax excluding adjusting items).
Rationale for benchmark applied	PBT is the benchmark typically used for profit-oriented banks. Adjusting items have been excluded from PBT in determining materiality. We believe that adjusted PBT provides the most appropriate measure for the users of the financial statements, given that the Company is a profit-making entity and it is consistent with the wider industry.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £685,000 (2023: £1,793,000), which represents 60% (2023: 60%) of overall materiality. We considered several factors in determining performance materiality, including the level and nature of uncorrected and corrected misstatements in the prior year and the robustness of the control environment, and concluded that an amount towards the middle of our normal range was appropriate.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £34,000 (2023: £90,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Company, its environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

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

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: regulatory and supervisory requirements of the PRA and of the FCA and financial crime regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considering the risk of acts by the Company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with the PRA and FCA and holding bilateral discussions with the PRA;
- Inspecting minutes of meetings of directors held during the year and up until the date of approval of the financial statements;
- Attending Board Audit Committee and Board Risk Committee meetings held during the year and up until the date of approval of the financial statements and inspecting minutes of those meetings; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing and testing significant one-off transactions; and
- Being skeptical to the potential of management bias through judgements and assumptions in significant accounting estimates.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the FRC's website at www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Board Audit Committee, we were appointed by the Board of Directors on 28 June 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2021 to 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with our additional report to the Board Audit Committee.

Use of the audit 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.

Maximiliano Bark (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey

London

EC4M 7AU

12 March 2025

Statement of Profit or Loss for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Interest income	3	**58,831**	52,309
Interest expense	3	**(39,279)**	(30,854)
Net interest income		**19,552**	21,455
Gains on money market funds		**16,070**	11,034
Net (loss)/gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss		**(247)**	1,232
Fees and commission income	4	**15,835**	14,647
Net foreign exchange gain	5	**53,797**	88,742
Revenue, net of interest expense		**105,007**	137,110
Other operating income	6	**616**	313
Total income, net of interest expense		**105,623**	137,423
Operating expenses before adjusting items	7	**(83,159)**	(77,218)
Adjusting items	7	**(2,772)**	(2,254)
Operating expenses after adjusting items		**(85,931)**	(79,472)
Impairment reversal/(loss) on financial assets at amortised cost	32	**377**	(454)
Profit before tax		**20,069**	57,497
Tax expense	8	**(4,678)**	(14,708)
Profit for the year		**15,391**	42,789

Statement of Other Comprehensive Income for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit for the year		**15,391**	42,789
Other comprehensive income for the year:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on equity instruments at fair value through other comprehensive income('FVTOCI')	27	**20**	27
Income tax relating to these items	21	**(5)**	(12)
Other comprehensive income net of tax		**15**	15
Total comprehensive income		**15,406**	42,804

Company registration number 2334687

The notes on pages 56 to 133 form part of these financial statements.

Statement of Financial Position as at 31 December 2024

	Note	As at 31 December 2024 £'000	Restated [1] As at 31 December 2023 £'000
Assets			
Cash and balances at central banks [1]	9	**584,679**	529,835
Money market funds	10	**488,197**	518,764
Loans and advances on demand to banks	11	**184,683**	132,447
Investments in debt securities	13	**246,021**	353,028
Other loans and advances to banks [1]	11	**180,095**	136,130
Other loans and advances to non-banks	11	**32,564**	8,216
Unsettled transactions	16	**10,866**	8,417
Derivative financial assets	12	**4,884**	3,829
Investments in equity securities	14	**553**	495
Other assets	16	**38,738**	34,023
Investments in subsidiary undertakings	17	**1,899**	630
Accrued income	15	**925**	1,217
Property, plant and equipment	18	**2,679**	1,177
Right of use assets	19	**16,830**	689
Intangible assets	20	**24,398**	19,084
Total assets		**1,818,011**	1,747,981
Liabilities			
Customer accounts	22	**1,589,481**	1,546,632
Derivative financial liabilities	12	**539**	9,679
Unsettled transactions	23	**35,173**	20,081
Other liabilities	23	**12,818**	18,255
Accruals	23	**9,160**	17,315
Lease liabilities	19	**17,076**	884
Deferred tax liability	21	**1,217**	695
Provisions	24	**1,949**	236
Total liabilities		**1,667,413**	1,613,777
Equity			
Called up share capital	25	**41,200**	41,200
Retained earnings	26	**109,264**	92,885
Investment revaluation reserve	27	**134**	119
Shareholders' funds		**150,598**	134,204
Total liabilities and equity		**1,818,011**	1,747,981

[1] Prior year restatement note is disclosed in Note 9.

Company registration number - 2334687

The notes on pages 56 to 133 form part of these financial statements.

The Board of Directors approved the Company's financial statements on 12 March 2025.

N Kapur
Group Chief Executive Officer

Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Retained earnings	Investment revaluation reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2024	**41,200**	**92,885**	**119**	**134,204**
Profit for the year (Note 26)	–	**15,391**	–	**15,391**
Other comprehensive income:				
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income (Note 27)	–	–	**20**	**20**
Income tax relating to these items (Note 21)	–	–	**(5)**	**(5)**
Other comprehensive income net of tax	–	–	**15**	**15**
Total comprehensive income	–	**15,391**	**15**	**15,406**
Transactions with owners in their capacity as owners:				
Share-based payment expense (Note 28)	–	**988**	–	**988**
Dividends declared and paid (Note 26)	–	–	–	–
Balance at 31 December 2024	**41,200**	**109,264**	**134**	**150,598**
Balance at 1 January 2023	41,200	68,624	104	109,928
Profit for the year (Note 26)	–	42,789	–	42,789
Other comprehensive income:				
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income (Note 27)	–	–	27	27
Income tax relating to these items (Note 21)			(12)	(12)
Other comprehensive income net of tax	–	–	15	15
Total comprehensive income	–	42,789	15	42,804
Transactions with owners in their capacity as owners:				
Share-based payment expense (Note 28)	–	972	–	972
Dividends declared (Note 26)	–	(19,500)	–	(19,500)
Balance at 31 December 2023	41,200	92,885	119	134,204

Company registration number - 2334687

The notes on pages 56 to 133 form part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 £'000	Restated [1] 2023 £'000
Cash inflow from operating activities [1]	29	**99,180**	310,351
Tax paid		**(11,766)**	(14,084)
Payments for interest on lease liabilities		**(33)**	(65)
Net cash generated from operating activities [1]		**87,381**	296,202
Cash flow used in investing activities			
Purchase of property, plant and equipment	18	**(2,334)**	(416)
Purchase of intangible assets	20	**(12,141)**	(6,642)
Purchase of equity investments		**(53)**	–
Purchase of investments in subsidiary undertakings		**(1,269)**	(543)
Net cash used in investing activities		**(15,797)**	(7,601)
Cash flow used in financing activities			
Repayment of principal portion of the lease liability		**(257)**	(462)
Net cash used in financing activities		**(257)**	(462)
Net increase in cash and cash equivalents [1]		**71,327**	288,139
Cash and cash equivalents at the beginning of the year [1]		**1,181,046**	906,801
Effect of exchange rate changes on cash and cash equivalents		**5,186**	(13,894)
Cash and cash equivalents at the end of the year		**1,257,559**	1,181,046
Analysed as follows:			
Cash and balances at central banks [1]	9	**584,679**	529,835
Money market funds	10	**488,197**	518,764
Loans and advances on demand to banks	11	**184,683**	132,447

[1] Prior year restatement note is disclosed on Note 29.

Company registration number - 2334687

The notes on pages 56 to 133 form part of these consolidated financial statements.

Notes to the Financial Statements for the year ended 31 December 2024

1. Statement of Accounting Policies

a) General information

Crown Agents Bank Limited (''CAB'', also referred to as the "Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office as at 31 December 2024 is 3 London Bridge St, London SE1 9SG, England.

CAB provides regulated banking services that connect emerging and frontier markets to the rest of the world, using foreign exchange ("FX") and payments technology. CAB is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA").

b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies set out within these financial statements, and in accordance with the UK adopted International Accounting Standards (UK adopted International Financial Reporting Standards ("IFRSs")) in conformity with the applicable legal requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out in this note. These accounting policies have been consistently applied to all the years presented unless otherwise stated. The balance sheet has been presented in order of liquidity.

Comparatives have been restated due to prior period errors as set out in Note 9 and Note 29. This restatement was not as a result of a change of accounting policies and there is no impact to profit or loss and equity.

The nomenclature in the prior year for non-recurring expenses has been changed to Adjusting items for consistency with current year financial statements.

The preparation of financial statements in conformity with IFRS as adopted by the UK requires the use of certain critical accounting estimates which have been disclosed in Note 2. The financial statements are presented in British pounds sterling ("£"). All values are rounded to the nearest thousand ("£'000"), except where otherwise indicated.

CAB has adopted the following new or amended IFRSs and interpretations that are effective from 1 January 2024, none of which had any material impact on the Company's the financial statements.

Accounting standard	Amendment/interpretation
Amendments to IAS 1	Classification of Liabilities as Current or Non-current: clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.
Amendments to IFRS 16, Leases	Lease Liability in a Sale-and-Leaseback requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows. – On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction. – After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognised.
Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures (Amendment)	Supplier Finance Arrangements: requires an entity to disclose qualitative and quantitative information about its supplier finance programmes, such as terms and conditions – including, for example, extended payment terms and security or guarantees provided.

As permitted, CAB has taken advantage of the disclosure exemptions as set out in section 400 of the Companies Act 2006, as well as the exemptions set out in IFRS 10 to not prepare consolidated group accounts. Where required, equivalent disclosures are given in the group financial statements of CAB Payments Holdings plc ("CAB Payments"), which are available to the public and can be obtained as set out in Note 30.

c) Going concern

The Directors have assessed the ability of CAB to continue as a going concern based on the net current asset position, regulatory capital requirements and estimated future cash flows. The Directors have formed the view that CAB has adequate resources to continue in existence for a period of 12 months from when these financial statements are authorised for issuance. Accordingly, the financial statements of CAB have been prepared on a going concern basis.

Critical to reaching this view were:

- The output of internal stress assessments modelled the impact of severe yet plausible stresses which underpinned the Going concern assessment.
- The output of the Reverse Stress Testing assessment which modelled the scenarios that would have to occur in order for CAB to fall below its Total Capital Requirement (being the aggregate of Pillar 1 and Pillar 2A capital requirements).

In reaching their conclusions, the Directors also considered the outputs of the 2024 Internal Liquidity Adequacy Assessment Process ("ILAAP"), the 2024 Going Concern assessment and the 2024 Recovery Plan.

(i) Internal stress assessments

In total, three stresses were considered:

- Market & Climate Change Stress which modelled the impacts of a severe global recession which leads to increased credit defaults and widespread credit rating downgrades, a low interest rate environment detrimentally impacting Net Interest Income and £ sharply depreciating against USD which led to material increases in USD denominated Credit Risk Weighted Assets ("CRWA").

- Idiosyncratic Stress which modelled the impact of a material reduction in revenue driven by idiosyncratic events; and

- A Combined Stress which modelled the impact of the Market & Climate Stress occurring concurrently with the Idiosyncratic Stress.

CAB's most recent ICAAP was approved by the Board in early 2024 and thus its conclusions were based on a version of the corporate plan agreed by the Board during December 2023. As part of this Going Concern assessment, severe, but plausible Idiosyncratic, Market and Climate, and Combined stresses similar to those applied in the ICAAP are applied to the Corporate Plan which was Board approved during December 2024.

In all the stresses noted above the Company maintained a sizeable surplus to its Total Capital Requirement.

(ii) Reverse stress tests

The Reverse Stress tests are used to assess vulnerabilities of CAB and determine what extreme adverse events would cause the business to fail. Where any of these events are deemed to be plausible, the Company will adopt measures to mitigate the impact of such events where plausible.

CAB did not identify reasonably possible scenarios which could result in failure to continue in operational existence for a period of 12 months from when these financial statements are authorised for issuance.

(iii) Conclusion

The Directors are of the view that:

- There are no material uncertainties relating to events or conditions that cast significant doubt on CAB's ability to continue as a going concern; and
- The significant judgements and estimates made by management in determining whether or not the adoption of the going concern is appropriate are disclosed in Note 2.1. The forecasts and assumptions used for impairment assessments were the same used for the going concern assessment.

Accordingly, the financial statements have been prepared on a going concern basis.

d) Interest income and interest expense

i. Net interest income

Interest income and interest expense for all interest-bearing financial instruments, including interest accruals on related foreign exchange contracts, are recognised within Net interest income in the statements of profit or loss and other comprehensive income. The interest expense on financial liabilities and interest income on assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, is recognised using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

ii. Net (loss)/gain on financial instruments measured at fair value through profit or loss

This balance comprises the interest income or interest expense on the FX derivatives. It is measured at the contractual interest rate.

e) Fees and commission income

Fees and commissions receivable which are not an integral part of the effective interest rate are recognised as income as CAB fulfils its performance obligations. Fee and commission income include the following key revenue streams:

- **Account management and payment services**: CAB performance obligation in relation to account management services is to provide management or maintenance services to its current account holders. The revenue for these services is recognised over the life of the contract on a monthly basis as fees are received and CAB provides the service. No significant element of financing is deemed present as the management fee is recoverable after a credit term of 30 days and is settled on a monthly basis, which is consistent with market practice. Payment services fees relate to services offered by CAB to its clients by executing payment transactions. Revenue from providing services is recognised at a point in time when the services are rendered i.e., when the payments are executed. Payment of the transaction price is due immediately when the payment transaction takes place.

- **Pension payment fees**: pension payment fees are charged to pension companies for making payment to pension beneficiaries on their behalf. CAB acts as a principal in rendering these services to its customers. Revenue from providing services is recognised at a point in time when the services are rendered i.e., when the payments are executed. Payment of the transaction price is due immediately when the pension payments are executed.

- **Trade finance income**

  - Financial guarantee income: includes fixed fees earned by CAB for issuing financial guarantee contracts. The performance obligation of CAB is to provide financial assurance to the recipient of the guarantee in case of payment default. Revenue is recognised over the period across the contract term. The fees for providing financial guarantee services are charged and collected upfront.

  - Income from letters of credit: CAB also receives fees in respect of the issue of letters of credit where the performance obligations are typically fulfilled towards the end of the client contract. Where it is unlikely that the letter of credit will be drawn down, it is recognised in fee and commission income over the life of the facility, rather than as an adjustment to the effective interest rate for loans expected to be drawn as they are short term facilities. The fees for acceptance of letters of credits include fees and are charged and collected upfront. Other charges include advising fees, confirming bank fees and bank charges, all of which are collected on the completion of the term of the letter of credit.

- **Electronic platform fees:** Fees for services provided by CAB using its electronic platform to facilitate bulk payments to its customers. Revenue is recognised at a point in time when the services are rendered i.e., when the payments are executed.

- **Risk assessment fees:** fees for enhanced due diligence services provided by CAB under fixed price contracts. Revenue is recognised over the period the actual service provided. As the contracts are time-based contracts, revenue is determined based on the time elapsed relative to the total time as per the contract period. Fees are invoiced on the completion of services or on a quarterly basis. No significant element of financing is deemed present as the contract allows a credit term of 30 days.

- **FX Payment fees:** this is commission earned by CAB for introducing a new client to a third party to facilitate cash payment transactions. Revenue is recognised at a point in time when the services are rendered by the third party.

f) Net foreign exchange gain

Net FX gain comprises the following:

- **Profit on settlement of FX contract**s: these profits arise on FX settlements involving the transfer of client funds to specified recipients. Under the Company's FX and payment services, clients agree to terms and conditions for all transactions at the time of signing a contract with the Company. On trade date the Company measures these transactions at fair value, with further changes in fair value being recognised in profit or loss until the settlement of the contract. This balance includes both realised and unrealised FX income at year-end.

- **Remeasurement of non-sterling balances**: Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated to the functional currency using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. FX gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss except for FX gains and losses in relation to instruments measured at fair value through other comprehensive income ("FVTOCI") which are recognised in other comprehensive income ("OCI").

- **Fair value gains or losses on derivatives:** this comprises the profits and losses on remeasurement of forward FX derivatives carried at fair value through profit and loss ("FVTPL").

- **FX gain on payment transaction revenue**: a FX gain or loss on payment transactions is the difference between the spot exchange rate between the functional currency and the foreign currency at the date of the payment transaction.

g) Foreign currency

(i) Functional and presentational currency

The Company's functional and presentational currency is British Pound Sterling (''£'').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates on the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss except for foreign exchange gains and losses in relation to instruments measured at FVTOCI which are recognised in OCI.

(iii) Lack of exchangeability on currencies

If a currency becomes exchangeable either for purposes of translating foreign currency transactions during the year or foreign operations and FX balance sheet balances to GBP at reporting date, management estimates the spot exchange rates for such currencies in line with IAS 21 requirements by using either:

- an observable exchange rate without adjustment. (e.g exchange rates from the market sources or independent providers like Reuters); and
- an estimation technique e.g. first subsequent available exchange rate from official independent sources.

The impact of this amendment has been assessed as not material to CAB at year-end.

h) Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. If current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current or deferred tax assets or liabilities are not discounted.

Current tax

Current tax is the tax expected to be payable on the taxable profit for the year and on any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. CAB's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the reasonable estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. The residual value of such intangible assets is amortised, using the straight-line method, over their estimated useful lives, which are as follows:

Core accounting software – 12.5 years;

Other software – 5 years (subject to regular management assessment of the economic benefit of the asset); and

Brand/name – 50 years (acquired).

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by CAB are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Long term software-as-a-service type contracts that do not meet the definition of an asset (rental of software) are expensed to profit and loss over the period of the contract in line with the benefits received.

j) Property, plant and equipment and depreciation

Property, plant and equipment are stated in the statement of financial position at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Depreciation commences when an asset becomes available for use and is calculated to write down assets to their residual value in equal instalments, on a straight line basis over their estimated useful lives, as follows:

Leasehold improvements	Life of lease
Computer equipment	5 years
Fixtures and fittings	5 years
Artwork	20 years

k) Impairment of non-financial assets and disposal assets held for sale

At each statement of financial position date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired such as, a decline in operational performance, geopolitical uncertainty, economic uncertainty i.e. rising interest rates and inflation, changes in the outlook of future profitability among other potential indicators. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax resulting from the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss unless the asset has been revalued then the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with commercial or central banks and exposures to money market funds (transacted via open-ended investment companies). Cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

m) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when CAB 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 (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. The trade date is the date of the commitment to buy or sell the financial asset.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Despite the foregoing, CAB may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if equity instruments are held as a strategic investment and not held with the intention to realise a profit.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

CAB's financial assets measured at amortised cost comprise primarily of:

- Cash and balances at central banks;
- Loans and advances on demand to banks;
- Other loans and advances to banks;
- Other loans and advances to non-banks;
- Investment in debt securities;
- Accrued income
- Unsettled transaction and
- Other assets

The nature of all financial items included in a given balance sheet line item is as shown in the respective note breakdown. CAB's financial assets measured at FVTPL consists of money market funds and derivative financial instruments.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined in the manner described in Note 38.

CAB's financial assets designated at FVTOCI consists of its investments in equity securities, which are not held for trading, (see Note 14). The equity securities are held as a strategic investment and not held with the intention to realise a profit.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity securities, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other operating income' line item (Note 6) in the statement of profit or loss and other comprehensive income.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost (Note 1(d)) above. Interest income is recognised in the statement of profit or loss and other comprehensive income in the "Net interest income" line item (Note 3).

Derecognition of financial assets

CAB 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.

On derecognition of a financial asset the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the contractual substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Classification of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit and loss.

Financial liabilities at fair value through profit and loss

CAB's financial liabilities at fair value through profit and loss comprise primarily of derivative liabilities (see below for policy on derivative financial instruments).

Financial liabilities at fair value through profit and loss are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

Financial liabilities at amortised cost

CAB's financial liabilities at amortised cost comprise primarily of client accounts, unsettled transactions and other liabilities such as trade creditors, funds received in advance, transactions credited by third party nostro providers and other creditors.

Financial liabilities at amortised cost are measured subsequently at amortised cost using the effective interest method (see Note 1(d) above).

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, CAB's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iii) Derivative financial instruments

CAB's derivatives policy only permits dealing in forward FX contracts to hedge or provide services to clients.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the reporting date.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Hedge accounting is not applied.

(iv) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Repurchase of the CAB's own equity instruments is recognised and deducted directly from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the CAB's own equity instruments.

(vi) Financial guarantee contracts and letter of credit confirmations/bill acceptances – provisions

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Letters of credit confirmations/bill acceptances

Letters of credit confirmation/acceptance is a letter from an issuing bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount. CAB confirms/accepts the letters of credit issued by an issuing bank and charges fixed fees which are received either in advance or at a later date.

Fees relating to financial guarantee contracts and letter of credit confirmations / bill acceptances issued by CAB, are amortised on a straight-line basis to income over the year. The receivable increases over the life of the contract as the service is performed with the corresponding recognition of income in the statement of profit or loss.

All financial guarantee contracts issued by CAB are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with CAB's revenue recognition policies.

Such amounts are presented as provisions on the statement of financial position and the remeasurement is included within the reversal of impairment/(impairment loss) on financial assets at amortised cost.

(vii) Impairment of financial assets

CAB recognises loss allowances for Expected Credit Loss ("ECL") in accordance with IFRS 9 on financial assets.

Equity investments are not subject to impairment, consistent with IFRS 9.

ECLs are measured through a loss allowance at an amount equal to:

- 12 month ECL (referred to as Stage 1); or
- full lifetime ECL (referred to as Stage 2 and Stage 3).

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. For these financial assets, CAB recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, CAB measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.
Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

CAB monitors all financial assets and financial guarantee contracts and letter of credit confirmations/bill acceptances that are subject to the impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk CAB will measure the loss allowance based on the lifetime ECL rather than the 12 month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, CAB compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, CAB considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which CAB's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to CAB's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- economic uncertainty i.e., inflation and rising interest rates;
- geopolitical uncertainty;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, CAB presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless CAB has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, CAB assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

CAB considers a financial asset to have low credit risk when the asset has a credit rating of 'investment grade' in accordance with the globally understood definition, and a high credit risk when the asset has a credit rating of 'sub-investment grade'. Throughout the lifetime of the account, CAB monitors the behaviour of the asset to based on its financial position and assesses whether the asset has any amounts past due. CAB assigns a "performing" status when the counterparty has a strong financial position and there is no past due amounts, and a "non-performing" status when there is a degradation in the financial position and subsequent arrears.

For financial guarantee contracts and letter of credit confirmations/bill acceptances, the date that CAB becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, CAB considers the changes in the risk that the specified debtor will default on the contract.

CAB regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

CAB considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet the earlier of either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including CAB, in full.

Irrespective of the above analysis, CAB considers that default has occurred when a financial asset is more than 90 days past due unless CAB has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

CAB writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under CAB's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses ECLs

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to CAB under the contract and the cash flows that CAB expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's Effective Interest Rate ("EIR").

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described in Note 32. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts and letter of credit confirmations / bill acceptances, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, CAB's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to CAB in accordance with the contract and all the cash flows that CAB expects to receive, discounted at the original effective interest rate.

For financial guarantee contracts and letter of credit confirmations / bill acceptances, as CAB is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payment necessary to reimburse the holder for a credit loss that it incurs less any amounts that CAB expects to receive from the holder, the debtor or any other party.

If CAB has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, CAB measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

CAB measures ECL on an individual basis, or on a collective basis for a small number of sundry exposures such as intercompany loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Presentation of ECL

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- financial guarantee contracts: as a provision.

CAB recognises an increase or decrease in impairment in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

n) Employee benefits

CAB provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, medical insurance, life insurance and defined contribution pension plans. CAB also provides Long-Term Incentive Plans ("LTIPs") to executive directors and certain other key employees or senior management. CAB has implemented a one-off Free Share Scheme following the 2023 listing and a Matching/Partnership Share Scheme, both schemes for all employees. All share incentive schemes are equity settled share-based transactions. The Company has no cash-settled arrangements.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pension Contributions

All pension contributions are accounted for as defined contributions and paid over on a monthly basis. No liability for pension entitlement accrues to CAB.

Share-based payment arrangements
CAB provides share-based payment arrangements to certain employees (as noted above).

The awards are equity-settled arrangements and are measured at fair value of the equity instruments at the grant date. The fair value is expensed on a straight-line basis over the vesting period. The fair value of the employee services received in exchange for the grant of the awards is recognised in employee benefit expenses together with a corresponding increase in equity (retained earnings), over the period in which the service and the performance conditions are fulfilled (the vesting period). The grant date fair value is not adjusted for subsequent changes in the fair value of the equity instruments.

LTIP awards are subject to performance conditions. LTIP awards granted in 2024 and 2023 are subject to both market performance conditions ((relating to total shareholder returns) and non-market performance conditions (relating to earnings per share).

Service conditions are not taken into account when determining the grant date and for fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award. Share awards vest when service conditions are met.

Where the equity-settled arrangements are modified before the vesting date, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to the date of vesting. If modified after vesting, it is recognised immediately. Where a modification is not beneficial to the employee there is no change to the charge for the share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the statements of profit or loss and other comprehensive income. Free shares are also accounted for in the same manner.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 28.

o) Provisions and contingent liabilities
Provisions are recognised in respect of present obligations arising from past events where it is probable that outflows of resources will be required to settle the obligations and they can be reliably estimated. Provisions also comprises dilapidation provision on the leased office space and an ECL provision in relation to off balance sheet assets (i.e financial guarantees, Working Capital commitments and letters of credit confirmations / bill acceptances).

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the consolidated and company financial statements but are disclosed unless they are remote.

p) Share capital
On issue of ordinary shares, any consideration received is included in equity, net of any directly attributable transaction costs.

q) Leases (CAB as lessee)
CAB assesses whether a contract is or contains a lease, at inception of the contract. CAB recognises a right ofuse asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as small items of fixtures and equipment less than £10k). For these leases, CAB recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of CAB.

Lease payments included in the measurement of CAB's lease liabilities are fixed lease payments less any lease incentives receivable. The lease liabilities are presented as a separate line in the statement of financial position.

The lease liabilities are 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 to reflect the lease payments made. Lease liabilities are derecognised when the Company has been legally released from the obligations by the creditors.

The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs and estimations of any dilapidation obligations. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

CAB applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of non-financial assets' policy.

In line with IFRS 9, a liability is derecognised when the obligation in the contract is extinguished or cancelled, which in the context of the lease liabilities, they are derecognised when the Company has been legally released from the obligations by the creditors.

The dilapidation provision is recognized in accordance with IAS 37 when a present obligation exists due to a lease agreement requiring restoration of premises. It is initially measured at the best estimate of the expected costs to settle the obligation, discounted to present value if the time value of money is material. Subsequently, the provision is reviewed at each reporting date and adjusted for changes in estimates, such as cost revisions or discount rate changes. If initially discounted, the unwinding of the discount is recognized as a interest expense in profit or loss.

r) Investments in subsidiaries

Investments in subsidiaries are non-monetary assets measured at cost less impairment. Refer to Note 2 for the judgements and estimates involved in the impairment assessment.

s) Dividends

Dividends are recognised in the financial statements when they are declared and paid.

t) New and revised IFRS accounting standards in issue but not yet effective

At the date of authorisation of these financial statements, CAB has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Accounting standard	Details of amendment
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates:	Lack of Exchangeability (Issued August 2023). The standard is effective 1 January 2025.
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective 1 January 2026	The amendments provide guidance related to: • Financial assets with ESG-linked features; • Settlement of financial liabilities by electronic payments
New sustainability standards issued by the International Sustainability Standards Board (ISSB) effective 1 January 2026 in the UK	The ISSB issued its first two sustainability reporting standards on 26 June 2023. This included: • General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. • Climate-related Disclosures (IFRS S2), the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.
IFRS 18 Presentation and Disclosure in Financial Statements effective 1 January 2027	IFRS 18 affects all companies, bringing significant changes to how companies present their income and what information companies need to disclose, and making certain 'non-GAAP' measures part of audited financial statements for the first time. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.
IFRS 19 Reduced disclosures for subsidiaries	To simplify and reduce the cost of financial reporting by subsidiaries while maintaining the usefulness of their financial statements. This standard is not applicable to the Company's financial statements.

*Anything not mentioned in the above table is not relevant.

CAB does not expect that the adoption of the Standards listed above will have a material impact on the Financial Statements of the Company in future periods, with the exception of IFRS 18 where the impact has yet to be determined.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying CAB's accounting policies, which are described in Note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

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.

The critical judgements, apart from those involving estimation, made by management in applying the accounting policies in these financial statements and the key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year , which together are considered critical to CAB's results and financial position, are as follows:

2.1 Key judgements and estimates in impairment and going concern assessment

The assessment for impairment of intangible assets (Note 20) and assessment of appropriateness of going concern (Note 1(c)) reflects management's best estimate of the future cash flows of CAB and the rates used to discount these cash flows, both of which are subject to uncertain factors as follows:

Judgements	Estimates
The accuracy of forecast cash flows is subject to a high degree of uncertainty in volatile market conditions. Where such circumstances are determined to exist, management re-tests goodwill, intangible assets and investments in subsidiaries for impairment more frequently than once a year when indicators of impairment exist. Judgement was involved in calculating the cash flow forecasts and it involved consideration of past business performance, current market conditions and our macroeconomic outlook to estimate future earnings. Key assumptions underlying cash flow projections reflect management's outlook on interest rates and inflation, as well as business strategy, including the scale of investment in technology and automation.	**Cashflows forecasts** The future cash flows of the cash generating units ("CGU"s) are the cash flows projected for a three year period for which detailed forecasts are available and utilise assumptions regarding the long-term pattern of sustainable cash flows thereafter. Forecasts are compared with actual performance and verifiable economic data, but they reflect management's view of future business prospects at the time of the assessment. **Discount rates (Weighted Average Cost of Capital ("WACC"))** The rates used to discount future expected cash flows can have a significant effect on their valuation, and are based on the costs of equity and debt assigned to individual CGUs. The cost of equity percentage is generally derived from a capital asset pricing model and market implied cost of equity, which incorporates inputs reflecting a number of financial and economic variables, including the risk-free interest rate in the country concerned and a premium for the risk of the business being evaluated. These variables are subject to fluctuations in external market rates and economic conditions beyond management's control. **Terminal growth rates** The terminal growth rate is used to extrapolate the cash flows in perpetuity because of the long-term perspective of the business units making up the CGUs. Refer to sensitivity analysis in Note 20.

2.2 Key judgements and estimates concerning impairment of financial assets and certain off balance sheet balances

The calculation of CAB's ECL under IFRS 9 requires CAB to make a number of judgements, assumptions and estimates. The most significant are set out below:

Judgements	Estimates
– Defining what is considered to be a significant increase in credit risk – Selecting and calibrating the Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure At Default ("EAD") models, which support the calculations, including making reasonable and supportable judgements about how models react to current and future economic conditions – Selecting model inputs and economic forecasts, including determining whether sufficient and appropriately weighted economic forecasts are incorporated to calculate unbiased expected loss – Making management adjustments to account for late-breaking events, model and data limitations and deficiencies, and expert credit judgements (none were noted).	Note 32 – Credit Risk sets out the assumptions used in determining ECL, and provides an indication of the sensitivity of the result to the application of different weightings being applied to different economic assumptions.

The quantitative disclosures, range of outcomes and sensitivities applied are disclosed in Note 32.

2.3 Key judgements on classification of Adjusting items

Some of the expenses accounted for by CAB have been separately identified as Adjusting items in the Statement of Profit or Loss and Other comprehensive income on the basis that such presentation enhances the transparency and understanding of CAB's financial performance. Judgement has been applied in determining whether an item of expense is adjusting in accordance with CAB's accounting policy. Based on an assessment of the nature, timing, and frequency of the events giving rise to certain expenses the following items have been presented as Adjusting items:

- Professional costs incurred in connection with review and implementation of strategic exit options;
- Staff bonuses related to strategic operating options and to take on commitments (applicable to 2023 only); and
- Senior management transitioning costs.

2.4 Key judgements on Incremental Borrowing Rate ("IBR")

CAB signed a lease agreement and the office space became available for use during the year resulting in recognition of a right of use ("ROU") asset and a lease liability. There was no interest rate implicit in the lease agreements. Management therefore considered the guidance within IFRS 16 and calculated an IBR by determining:

- an appropriate corporate bond yield being the average of specific corporate bonds which (i) had a tenor similar to the weighted tenor of the leases and (ii) had a credit rating similar to CAB's BB credit rating and with a maturity date close to that of the weighted tenor of the lease agreements.
- an asset specific adjustment (for lease term above 5 years) which relates particularly to the asset being leased and is based on prime vs secondary office properties margins data published by the CASS Business School UK Commercial Property Lending Report.

This key Judgement is not considered to have a significant source of estimation uncertainty. Refer to Note 19 for the IBR rates and related sensitivities.

2.5 Key judgement on estimation of Research and Development Expenditure Costs

CAB recognises the research and development tax rebate (an HMRC tax claim) as income in the accounts as it is highly probable that the claim will result in a future economic benefit and can be reliably measured. The amount of the research and development tax rebate recognised in the financial statements is based on the management's best estimate of the probable amount that will be received.

3. Net Interest Income

	2024	2023
Interest income:	**£'000**	**£'000**
Interest on cash and balances at central banks	**29,894**	28,147
Interest on loans and advances	**12,967**	7,632
Interest on letters of credit	**1,347**	599
Interest on investment in debt securities	**14,428**	15,802
Other interest income and similar income [1]	**195**	129
Interest income	**58,831**	**52,309**
Interest expense:		
Interest on financial liabilities at amortised cost	**(38,232)**	(30,685)
Interest expense on lease liabilities	**(876)**	(65)
Other interest expense [1]	**(171)**	(104)
Interest expense	**(39,279)**	**(30,854)**
Total net interest income	**19,552**	**21,455**

[1] Other interest income and similar income and other interest expense are interest received, interest accrued or interest paid on the collateral balances paid to or received from our FX Swap Counterparties.

4. Fees and Commissions Income

	2024	2023
	£'000	**£'000**
Fees and commissions income:		
Account management and payments	**12,868**	11,750
Pension payment fees	**1,556**	1,467
Trade finance	**972**	725
Electronic platform fees	**254**	686
FX Payment Fees	**185**	19
Total fees and commission income	**15,835**	14,647

At 31 December 2024, CAB held on its statement of financial position £567k (2023: £546k) of accrued income in respect of services provided to clients and £17k (2023: £75k) of deferred income (entirely recognised within one year) in respect of amounts received from clients for services to be provided after the year end.

5. Net Foreign Exchange Gain

	2024 £'000	2023 £'000
Profit on settlement of FX contracts and remeasurement of non-sterling balances	**31,004**	76,727
Fair value gains/(losses) on derivatives[1]	**10,205**	(7,884)
FX gain on payment transaction revenue	**12,588**	19,899
Total	**53,797**	88,742

[1] Foreign exchange derivative financial instruments are mandatorily held at fair value through profit or loss and this balance relates to unrealised gain/(loss) during the period. As noted in Note 12 the derivatives have been transacted to to i) economically hedge assets and liabilities in foreign currencies and ii) trade on behalf of clients.

6. Other Operating Income

	2024 £'000	2023 £'000
Other operating income	**616**	313

Other operating income relates to estimated tax credits receivable from HMRC under the UK Research and Development Expenditure Credit ("RDEC") scheme.

7. Operating Expenses

	2024 £'000	2023 £'000
Staff costs and directors' emoluments		
Salaries and bonuses	**34,979**	35,704
Share-based payments	**991**	972
Social security costs	**4,681**	4,449
Pension costs	**2,617**	2,151
Fees payable to the auditor		
Audit [1]	**731**	974
Audit related services	**62**	37
Depreciation and amortisation		
Amortisation of intangible assets (Note 20)	**6,827**	5,054
Depreciation of property, plant, and equipment (Note 18)	**762**	795
Depreciation of right-of-use assets (Note 19)	**1,482**	445
Other expenses		
Low-value lease expenses	**59**	47
Bank charges	**3,086**	2,860
Clearing costs	**2,441**	2,314
Process automation costs	**2,115**	2,000
Software licenses	**7,388**	5,734
Professional fees	**1,872**	2,265
Transfer pricing (intragroup)	**3,967**	4,073
Irrecoverable VAT	**1,095**	1,206
Other operating expenses	**8,004**	6,138
Total operating expenses before adjusting items	**83,159**	77,218
Adjusting items [2]	**2,772**	2,254
Total operating expenses after adjusting items	**85,931**	79,472

1 Includes prior year fees of £nil (2023: £254k).

2 Adjusting items consist of material non-recurring items that are considered exceptional in nature by virtue of their size and/or incidence and as a result of arising outside of the normal trading of CAB. In determining whether a cost is non-recurring, CAB considers the nature and frequency of similar events or transactions that have occurred in the past, as well as the likelihood of similar events or transactions in the future. Adjusting items were referred to as non-recurring items in the prior year.

a) Adjusting items can be analysed as follows:

	2024 £'000	2023 £'000
Professional costs incurred in connection with review of strategic options	**698**	–
Strategic consultants	**698**	–
Bonuses relating to take-on commitments	–	2,254
Transition costs relating to the new executive committee	**2,074**	–
Redundancies	**202**	–
Dual running, recruitment and settlement agreements	**1,852**	–
Other	**20**	–
Total adjusting items	**2,772**	2,254

b) Number of employees

The monthly average number of full-time equivalent staff employed within CAB, including Executive Directors, was 364 (2023: 303) and the number of employees at year end was 406 (2023: 333). All employees are in the UK.

8. Tax Expense

a) Analysis of tax expense for the year

i. Tax expense

	2024	2023
Current tax	**£'000**	**£'000**
Corporation tax based on the taxable profit for the year	**4,432**	14,060
Adjustment in respect of prior years	**(271)**	316
	4,161	14,376
Deferred tax		
Adjustment in respect of prior years	**–**	–
Impact of tax rate changes	**–**	–
Origination and reversal of temporary differences	**517**	332
Deferred tax charge in profit or loss (Note 21b)	**517**	332
Total tax expense for the year	**4,678**	14,708
Effective tax %	**23%**	26%

ii. Amounts recognised directly in other comprehensive income

	2024 £'000	2023 £'000
Aggregate deferred tax arising in the year and not recognised in net profit or loss and recognised in other comprehensive income:		
Current year	**5**	6
Adjustment in respect of prior years	–	6
Deferred tax charge (Note 21b)	**5**	12

b) Factors affecting tax expense for the year

The tax assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK.

	2024 £'000	2023 £'000
Profit before taxation	**20,069**	57,497
Standard rate corporation tax of 25% on profit before taxation (see note below) (2023: 25%/)	**5,017**	13,524
19%	–	2,694
25%	**5,017**	10,830
Effect of:		
Fixed asset differences	**(342)**	(19)
Expenses not deductible for tax	**274**	257
Adjustment in respect of prior years	**(271)**	316
Permanent difference due to banking surcharge levy	–	630
Total tax expense for the year	**4,678**	14,708

This main corporation tax is 25% and this rate has been in place since 1 April 2023 (19% previously). In addition, from 1 April 2023, there has been a permanent difference due to the banking surcharge levy of 3% (8% previously) in relation to taxable profits of banks in excess of £100m (£25m previously). The effects of this increase are reflected in the consolidated financial statements. The figures above incorporate the increased tax rate in respect of timing differences expected to reverse after that date

9. Cash and Balances at Central Banks

	2024 £'000	Restated[1] 2023 £'000
Cash and balances at central banks[1]	**584,679**	529,835
Less: Impairment loss allowance	**–**	–
	584,679	529,835
Component of cash and balances included in cash flow under:		
Cash and balances at central banks	**584,679**	529,835

Cash and balances at central banks include no encumbered assets (2023: £nil).

There are no restricted cash and balances at central banks. The cash and bank balance at central banks are measured at amortised cost as they meet the Solely Payment of Principal and Interest ("SPPI") criterion and are held to collect the contractual cash flows.

The carrying amount of these assets is approximately equal to their fair value.

Refer to Note 32 on Credit risk for further details on impairment loss allowance.

[1] Prior period restatement
A prior period adjustment has been made to record a reclassification of interest receivable from Cash and balances with central banks which was incorrectly recognised in Other loans and advances to banks instead of Cash and balances from central banks. There was no impact to profit or loss and equity. The Statement of Financial Position as at 31 December 2023 has been restated as follows:

Consolidated financial statements as at 31 December 2023	**Other loans and advances to banks £'000**	**Cash and balance to central banks £'000**
Year ended 31 December 2023 (as previously reported)	137,570	528,396
Prior period adjustment	(1,439)	1,439
Year ended 31 December 2023 (as restated)	136,131	529,835

The Cash and balances at central banks and Other loans and advances to banks balances on Note 11, Note 29, Note 32, Note 33, Note 35, Note 37 and Note 38 have been impacted by the same prior period adjustment amount and have been restated accordingly.

10. Money Market Funds

	2024	2023
	£'000	**£'000**
Open Ended Investment Companies		
Goldman Sachs USD Treasury Liquid Reserves Fund	**402,594**	380,805
Black Rock ICS USD Liquidity Fund	**11,971**	98,566
JP Morgan USD Liquidity LVNAV Fund	**7,981**	39,393
Morgan Stanley Euro Liquidity Fund	**25,747**	–
BlackRock ICS US Treasury Fund Class Premier Distributing USD	**39,904**	–
	488,197	518,764
Component of Money Market Funds included in consolidated statement of cash flows under:		
Cash and cash equivalent balances	**488,197**	518,764

Money Market Funds are mandatorily held at fair value through profit or loss as they do not satisfy the SPPI criterion set out in IFRS 9. The funds are all rated AAA (in 2023 and 2024) based on a basket of credit ratings agencies, all approved by the Financial Conduct Authority.
Refer to Note 38 on fair value measurements for further details.

11. Loans and Advances

Loans and advances are measured at amortised cost as they meet the SPPI criterion and are held to collect the contractual cash flows.

	2024 £'000	Restated 2023 £'000
Loans and advances (gross)		
Loans and advances on demand to banks	**184,686**	132,457
Other loans and advances to banks[1]	**180,126**	136,157
Other loans and advances to non-banks	**32,835**	8,721
Total[1]	**397,647**	277,335
Less: Impairment loss allowance		
Loans and advances on demand to banks	**(3)**	(10)
Other loans and advances to banks	**(31)**	(27)
Other loans and advances to non-banks	**(271)**	(505)
Total	**(305)**	(542)
Net Loans and advances on demand to banks	**184,683**	132,447
Net Other loans and advances to banks[1]	**180,095**	136,130
Net Other loans and advances to non-banks	**32,564**	8,216
Net loans and advances[1]	**397,342**	276,793
Component of loans and advances included in the consolidated statement of cash flows under:		
Cash and cash equivalents	**184,683**	132,447
Total	**184,683**	132,447

CAB's other loans and advances to banks include £411k of encumbered assets (2023: £8,264k) in relation to derivative contracts with other financial institutions. None of these balances are overdue.

Refer to Note 32 on Credit Risk for further details on impairment loss allowance.

12. Derivative Financial Instruments

At 31 December, the derivative assets and liabilities are set out below, these are held to manage foreign currency exposure and are not designated in hedge accounting relationships for risk management purposes:

	2024			2023		
	Notional principal	Assets	Liabilities	Notional principal	Assets	Liabilities
FX Forwards:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Total derivative assets/(liabilities) held for risk management	**652,297**	**4,877**	**(539)**	709,889	3,823	(9,650)
Total derivative assets/(liabilities) held for trading	**733**	**7**	**—**	1,209	6	(29)
Total derivative assets/(liabilities)	**653,030**	**4,884**	**(539)**	711,098	3,829	(9,679)

The forward foreign exchange contracts have been transacted to economically hedge assets and liabilities in foreign currencies and trading on behalf of clients. The net unrealised gain (2023: loss) at the statement of financial position date is £5,416k (2023: unrealised loss £(5,850)k). These derivative financial instruments and the underlying transactions they hedge will mature during 2025 (2024: mature during 2025).

Offsetting derivatives assets and derivative liabilities

The 'Net amounts' presented are not intended to represent CAB's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

2024	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Amounts subject to enforceable netting arrangements [1]	Net amount
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets					
Derivative assets	4,884	–	4,884	4,690	194
Financial liabilities					
Derivative liabilities	(539)	–	(539)	(408)	(131)

2023	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Amounts subject to enforceable netting arrangements [1]	Net amount
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets					
Derivative assets	3,829	–	3,829	736	3,093
Financial liabilities					
Derivative liabilities	(9,679)	–	(9,679)	(8,387)	(1,292)

[1] Agreements with derivative counterparties are based on an ISDA Master Agreement and other similar master netting arrangement with other counterparties. Under the terms of these arrangements, only where certain credit events occur (such as termination of the contract or default of the other party), will the net position owing/ receivable to a single counterparty in the same currency be taken as owing and all the relevant arrangements terminated. As CAB does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

13. Investment in Debt Securities

CAB's investment in debt securities consist of fixed rate bonds issued (or guaranteed) by central and private banks and floating rate notes. These are measured at amortised cost as they meet the SPPI criterion and are held to collect the contractual cash flows.

	2024 £'000	2023 £'000
Investment in debt securities at amortised cost		
Balance at the beginning of the period	**353,028**	414,061
Purchases	**211,209**	484,208
Redemptions	**(321,926)**	(521,161)
Exchange gains	**(314)**	(19,776)
Movement in discount/premium and accrued Interest receivable	**4,031**	(4,290)
	246,028	353,042
Less: Impairment loss allowance	**(7)**	(14)
Balance at the end of the period	**246,021**	353,028

The amortised cost approximates the fair value.

Refer to Note 32 on Credit risk for further details on impairment loss allowance.

14. Investment in Equity Securities

Investment securities designated at FVTOCI are as follows:

	2024 £'000	2023 £'000
Shares in The Society for Worldwide Interbank Financial Telecommunication (SWIFT)	**553**	495
	553	495

	2024 £'000	2023 £'000
At 1 January	**495**	488
Exchange loss	**(15)**	(20)
Fair value gain	**20**	27
Additions	**53**	–
At 31 December	**553**	495

With the exception of the above, CAB's policy is not to invest in equities. However, in order to undertake its business, CAB utilises the Swift payment system, the conditions of which oblige participants to invest in the shares of Swift, in proportion to participants' financial contributions to Swift. Due to the nature of the investment, this equity security has been designated at FVTOCI.

No dividend income was recognised from these shares (2023: £nil). There was no sale of these equity investments (2023: £nil).

Refer to Note 38 on fair value measurements for further details.

15. Accrued Income

	2024 £'000	2023 £'000
Financial assets:		
Accrued income	**927**	547
Less: Impairment loss allowance	**(2)**	(1)
Total	**925**	546
Non-financial assets:		
Research and development tax rebate	**–**	671
Total	**925**	1,217

Accrued income relates to balances which are owed to CAB for services rendered or products provided that have not yet been paid. The balance includes income relating to management fees, pension fees, and other revenues. For 2023, the balance also included the amount due relating to an estimate of the RDEC tax rebate from HMRC for qualifying research and development activities undertaken by CAB. In 2024 the amount was netted off the underlying corporation tax liability.

A lifetime ECL has been recognised in relation to accrued income. Further details of the expected credit loss on that accrued income are disclosed in Note 32.

16. Other Assets and Unsettled Transactions

A. Other assets

	2024 £'000	2023 £'000
Financial assets:		
Balances with mobile network operators[1]	**196**	446
Staff loans	**349**	330
Amounts due from group companies	**21,691**	25,960
Transactions debited by third party Nostro provider[2]	**566**	1,996
Other assets	**779**	148
Less: impairment loss	**(92)**	(70)
Total	**23,489**	28,810
Non-financial assets:		
Corporation tax receivable	**9,386**	–
VAT refund	**2,465**	1,820
Prepayments	**3,363**	3,358
Deferred tax	**35**	35
Total	**15,249**	5,213
Total other assets	**38,738**	34,023

1 Balances with mobile network operators ("MNO"s) are due to CAB in respect of mobile money transfer. CAB charges fees for services it provides to aid transfer of funds by its clients to beneficiaries via mobile money using MNOs. These balances are funds with the MNO which have yet to be transferred to beneficiaries.
2 These balances represent amounts that are debited in advance by third party nostro providers at year end.

Financial assets are measured at amortised cost as they meet the SPPI criterion and are held to collect the contractual cash flows.

B. Unsettled transactions

	2024	2023
	£'000	£'000
Unsettled transaction	10,870	8,417
Less: impairment loss	(4)	—
Unsettled transactions [3]	**10,866**	8,417

[3] Unsettled foreign currency transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The arising balances are short-term in nature (typically less than four days) and are settled early in the following year.

17. Investments in Subsidiary Undertakings

Investments in subsidiary undertakings [1] were as follows:

	2024	2023
Reconciliation	**£'000**	**£'000**
At 1 January	**630**	86
Additions	**1,269**	544
Impairments	**–**	–
Stamp duty refund	**–**	–
At 31 December	**1,899**	630

[1] Investment in CAB Europe BV ("CABE") is the investment that CAB has in CABE. CAB holds 100% of CABE's share capital which consists of a single class of ordinary shares. Investments in subsidiaries are measured at cost less impairment. The investment increased by £1,269k (2023: £544k) during the year. There was no impairment recognised in the current year (2023: £nil).

18. Property, Plant and Equipment

2024	Leasehold improvements [1] £'000	Computer equipment £'000	Fixtures & fittings [2] £'000	Total £'000
Cost				
At 1 January 2024	**122**	**2,772**	**2,272**	**5,166**
Additions	**947**	**1,356**	**31**	**2,334**
Disposals	**(131)**	**(146)**	**(13)**	**(290)**
At 31 December 2024	**938**	**3,982**	**2,290**	**7,210**
Accumulated depreciation and impairment				
At 1 January 2024	**112**	**1,902**	**1,975**	**3,989**
Charge to profit or loss	**248**	**495**	**19**	**762**
Disposals	**(126)**	**(89)**	**(5)**	**(220)**
At 31 December 2024	**234**	**2,308**	**1,989**	**4,531**
Net book value				
As 1 January 2024	**10**	**870**	**297**	**1,177**
At 31 December 2024	**704**	**1,674**	**301**	**2,679**

[1] Includes office fit out costs reclassified from Fixtures and fittings.
[2] Includes artwork.

2023	Leasehold improvements £'000	Computer equipment £'000	Fixtures & fittings [1] £'000	Total £'000
Cost				
At 1 January 2023	122	2,506	2,205	4,833
Additions	–	347	69	416
Disposals	–	(81)	(2)	(83)
At 31 December 2023	122	2,772	2,272	5,166
Accumulated depreciation				
At 1 January 2023	90	1,603	1,572	3,265
Charge to profit or loss	22	368	405	795
Disposals	–	(69)	(2)	(71)
At 31 December 2023	112	1,902	1,975	3,989
Net book value				
At 1 January 2023	32	903	633	1,568
At 31 December 2023	10	870	297	1,177

[1] Includes artwork.

The Directors consider property and plant for indicators of impairment at least annually, or when there is an indicator of impairment. There are no physically visible impairment indicators at year-end. Management have considered the decline in the market capitalisation and the 2024 financial performance as impairment indicators and have therefore performed an impairment assessment of the value of the business which included property, plant and equipment ('PPE'). Refer to Note 20 for the review of other impairment indicators e.g market capitalisation decline.

An impairment loss is recognised when the recoverable amount of the business, (i.e. the value in use ("VIU") calculation of the CGUs), is lower than the carrying amount of the net assets of CAB. Refer to Note 20 for the determination of the VIU calculation and a comparison against the net assets of CAB. No impairment charge was taken in the period (2023: £nil).

19. Leases (CAB as a Lessee)

CAB has recognised a right of use asset (''ROU'') and lease liabilities for its property leases which are for an average lease term of five-year and ten-month period. The discount rate is used as the incremental borrowing rate (''IBR'') for the existing lease with an IBR of 7.06%. (2023: range between 2 leases of 2.14% – 8.99%). The lease liability and right of use assets carrying values would be as follows if the IBR was sensitised by increasing or decreasing it by 100 basis points.:

	Right of use assets		Lease liability	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Percentage				
+1%	**16,093**	698	**16,350**	753
(1)%	**17,617**	723	**17,849**	774

CAB makes fixed payments on a quarterly basis, in advance, to the lessors for the use of the properties and there are no variable payments. The property leases have a lease incentive, with the lease incentive receivable being deducted from the future lease payments.

The services provided by the Lessors, such as cleaning, security, maintenance, and utilities as part of the contract, are non-service components which are not included in the ROU and have been expensed in 'Other operating expenses' line item in Note 7. These expenses amount to £860k (2023: £397k).

Dilapidation costs (ie restoration costs) of £1,800k (2023: nil) were added to the ROU at initial recognition. The dilapidation provision as at 31 December 2024 amounted to £1,885k (2023: £nil) with £85k interest recognised in the statement in of profit or loss and other comprehensive income.

CAB leases of low value fixtures and equipment are expensed in 'Other operating expenses' line item in Note 7 on a straight-line basis (see accounting policy in Note 1 for leases). These amounted to £59k (2023: £47k).

There were no short-term leases during the year (2023:nil).

The lease terms covers only the non-cancellable lease term. There are no purchase, extension, or termination options and residual guarantees in the leases.

There are also no restrictions or covenants imposed within the lease agreements by the lessors.

The lease interest payments charged as an expense for the year totalled £792k (2023: £65k).

There were no leases entered into but which had not commenced as at the year-end.

a) Right of use assets

All CAB's ROU assets are non-current assets. A reconciliation of the CAB's ROU assets as at 31 December 2024 and 31 December 2023 are shown below:

	Leasehold property
	£'000
Cost	
As 1 January 2024	**1,760**
Additions [2]	**18,065**
Lease assignment [3]	**(695)**
At 31 December 2024	**19,130**
Accumulated depreciation	
As 1 January 2024	**1,071**
Charge to profit or loss [1]	**1,482**
Lease assignment [3]	**(253)**
At 31 December 2024	**2,300**
Net book value	
At 31 December 2024	**16,830**
Cost	
At 1 January 2023	1,760
Additions	–
As 31 December 2023	1,760
Accumulated depreciation	
At 1 January 2023	626
Charge to profit or loss [1]	445
At 31 December 2023	1,071
Net book value	
As 31 December 2023	689

[1] There is only one class of right-of-use assets which are the property leases.
[2] This relates to the lease of office space at 3 London Bridge, SE1 9SG, London which commenced during the year (2023: there were no new leases).
[3] The lease agreement for office space at Tower 42 Building was assigned to a third party with the landlord's consent and in line with IFRS 9:3.3.1, the lease liability and related right-of-use asset were derecognised at the date of assignment as CAB's obligations under the lease are considered to have fully transferred. CAB paid £67k for the assignment of the lease and advanced £72k to the third party to pay the deposit to the Landlord.

Please note the lease agreement for Quadrant House office space expired 25 June 2024. The RoU asset was fully depreciated and the lease liability settled in full.

The Directors consider ROU assets for indicators of impairment at least annually, or when there is an indicator of impairment. There are no physically visible impairment indicators on the leased properties at year-end. Management view the decline in market capitalisation as an impairment indicator and therefore performed an impairment assessment of the value of the business which included the ROU assets. See Note 20 for the comparison between the recoverable amount (the value in use of CAB) and the carrying amount of the net assets and assessment of other impairment indicators.

No impairment charge was taken in the period (2023: £nil).

b) Lease liabilities

A reconciliation of CAB's remaining operating lease payments as at 31 December 2024 and 31 December 2023 are shown below:

	Leasehold property
	£'000
Lease liabilities as at 1 January 2024	**884**
Additions during the year	**16,317**
Payments during the year [1]	**(290)**
Lease assignment	**(627)**
Add: interest on lease liabilities	**792**
At 31 December 2024	**17,076**
Lease liabilities as at 1 January 2023	1,281
Additions during the year	–
Payments during the year	(462)
Add: interest on lease liabilities	65
At 31 December 2023	884

[1] Payments during the year include payments for interest on lease liabilities and the repayment of principal portion of the lease liability.

There were no variable lease payments expenses in the reporting period (2023: £nil).

CAB's lease liabilities as at 31 December 2024 and 31 December 2023 are split into current and non-current portions as follows:

	2024	**2023**
	£'000	**£'000**
Non-current	**15,870**	512
Current	**1,206**	372
Lease liabilities	**17,076**	884

The maturity analysis of lease liabilities is disclosed in Note 31.

c) Impact on the profit and loss

The following are the amounts recognised in profit or loss:

	2024	**2023**
	£'000	**£'000**
Depreciation expense of right-of-use assets (Note 7)	**1,482**	445
Interest expense on lease liabilities (Note 3)	**792**	65
Impact of lease assignment	**(21)**	–
Expense relating to leases of low-value assets (Note 7)	**59**	47
Total amount recognised in profit or loss	**2,312**	557

CAB had total cash outflows for all leases of £290k (2023: £462k).

20. Intangible Assets

	Brand/name	Core accounting software	Other software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2024	**1,464**	**5,383**	**33,673**	**40,520**
Additions	**–**	**855**	**11,286**	**12,141**
Reclassification of software from core to non-core	**–**	**(316)**	**316**	**–**
At 31 December 2024	**1,464**	**5,922**	**45,275**	**52,661**
Accumulated amortisation and impairment				
At 1 January 2024	**168**	**4,313**	**16,955**	**21,436**
Charged for the year	**49**	**438**	**6,340**	**6,827**
Reclassification of software from core to non-core	**–**	**(194)**	**194**	**–**
At 31 December 2024	**217**	**4,557**	**23,489**	**28,263**
Net book value				
At 1 January 2024	**1,296**	**1,070**	**16,718**	**19,084**
At 31 December 2024	**1,247**	**1,365**	**21,786**	**24,398**

	Brand/name	Core accounting software	Other software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2023	1,427	5,328	27,150	33,905
Additions	37	82	6,523	6,642
Exchange differences	–	(27)	–	(27)
At 31 December 2023	1,464	5,383	33,673	40,520
Accumulated amortisation				
At 1 January 2023	123	4,031	12,228	16,382
Charged for the year	45	309	4,727	5,081
Exchange differences	–	(27)	–	(27)
At 31 December 2023	168	4,313	16,955	21,436
Net book value				
At 1 January 2023	1,304	1,297	14,922	17,523
At 31 December 2023	1,296	1,070	16,718	19,084

Software that does not result in an intangible asset (right to receive access to the supplier's application software in the future is a service contract) of CAB are expensed. Software expensed in the period amounts to £3,583k (2023: £2,758k).

Internally generated assets include payment-related

software that is created and utilised in CAB's operation. All intangible assets have finite lives - see Note 1 for accounting policies on the amortisation method and useful lives.

The Directors treat the business as a single cash-generating unit for the purposes of testing intangible assets for impairment. The recoverable amount of intangible assets was calculated by reference to the business estimated value-in-use. The inputs and assumptions used in the calculation of the value in use at year-end were assessed as reasonable and appropriate for the purposes of year-end financial reporting, because there were no significant changes impacting the business negatively. Therefore, no impairment charge was taken during the period.

CAB tests intangible assets annually for impairment, or more frequently if there are indications that the assets might be impaired. The value in use that has been used for the impairment assessment of Intangible Assets also applies to PPE (Note 18), ROU Assets (Note 19), and the parent's Investments in Subsidiary Undertakings (Note 17).

Value in use

The recoverable amounts of the cash-generating units are based on value in use calculations which use cash flow projections based on financial budgets approved by the Board of Directors covering a three-year period ending 31 December 2027, with the terminal growth rate applied from the start of 2028. The forecasts were adjusted by the removal of new products. Key inputs used by CAB were as follows:

(i) Discount rate:

	2024	**2023**
Discount rate pre tax	**11 %**	20 %
Discount rate post tax	**9 %**	15 %
Terminal value growth rate	**2 %**	2 %

CAB uses a post-tax (2023: pre-tax) discount rate based on the WACC in line with requirements of IAS 36. The post-tax WACC of 9% used in 2024 equates to a pre tax WACC of 11%. The discount rate has fallen significantly the main reason for which being a change in the approach to the debt / equity funding mix of comparator companies.

(ii) Cash flows

The future cash flows of the CGU are the cash flows projected for a three-year period for which detailed forecasts are available and utilise assumptions regarding the long-term pattern of sustainable cash flows thereafter. The forecasts have been adjusted to strip out the effect of new business lines. Forecasts are compared with actual performance and verifiable economic data, but they reflect management's view of future business prospects at the time of the assessment.

(iii) Terminal growth rate

The terminal growth rate has remained at 2% being an industry realistic benchmark based on the UK's long term inflation rate.

(iv) Sensitivity analysis of key assumptions in calculating value in use

CAB has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions (i.e cash flows, growth rate and the WACC) used to determine the recoverable amount for each CGU to which goodwill and intangible assets are allocated. CAB believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not cause the aggregate carrying amount of goodwill and intangible assets to exceed the aggregate recoverable amount of the related CGUs. The changes (in isolation) required to these three inputs before the headroom is breached are as follows:

Key Input	Required Before Headroom Is Breached CAB
Fall in forecast profit after tax for all 3 years of forecast	(65)%
Terminal growth rate	(10)%
WACC (post tax)	18 %

(v) Other impairment indicators

The fall in the market capitalisation of CAB Payments, the listed holding company and CAB's financial performance in 2024 were assessed as potential impairment indicators. However, the resulting impairment review (discussed above) concluded that no impairment was required for Intangible assets, PPE, Investments in subsidiary undertakings and ROU assets (2023: nil).

21. Deferred Tax Liability

a) Deferred tax liability

The deferred tax liability recognised in the financial statements is as follows:

	2024 £'000	2023 £'000
Deferred tax liability	**1,217**	695

	Property, plant and equipment	Investment in equity	Intangible assets	ECL Provision	Total
Deferred tax liability (2024)					
At 1 January 2024	**115**	**36**	**544**	–	**695**
Charge/(Credit) to profit and loss 2024	**3**	–	**514**	–	**517**
Charge to other comprehensive income 2024	–	**5**	–	–	**5**
At 31 December 2024	**118**	**41**	**1,058**	–	**1,217**
Deferred tax liability (2023)					
At 1 January 2023	3	24	245	44	316
Charge/(Credit) to profit and loss 2023	112	–	299	(44)	367
Charge to other comprehensive income 2023	–	12	–	–	12
At 31 December 2023	115	36	544	–	695

The deferred tax liability can be further analysed as follows:

	2024	2023
	£'000	£'000
Liability reversing at 25%	**1,217**	695
At 31 December at 25% (2023: 25%)	**1,217**	695

b) Deferred tax recognised in the year

	2024	2023
	£'000	£'000
Accelerated tax depreciation on property, plant and equipment	**3**	112
Intangible assets	**514**	299
Expected credit loss provision	–	(80)
Total tax expense/(credit) to profit or loss	**517**	331
Charged to other comprehensive income:		
Deferred tax expense on investment on equity securities	**5**	12
Total deferred tax charge/(credit) for the year	**522**	343

c) Unrecognised deferred tax assets and deferred tax liability

At the reporting date, CAB had £nil (2023: £nil) unused tax losses available for offset against future profits.

22. Customer Accounts

	2024 £'000	2023 £'000
Repayable on demand	**674,220**	789,057
Other customers' accounts with agreed maturity dates or periods of notice by residual maturity repayable:		
3 months or less	**852,062**	670,895
1 year or less but over 3 months	**63,199**	81,028
2 years or less but over 1 year	–	5,652
	1,589,481	1,546,632

Customer accounts are deposits that customers hold with CAB. CAB is transaction led and does not borrow to finance lending. A substantial proportion of customer accounts are current accounts that, although repayable on demand, have historically formed a stable deposit base.

Customer accounts also include cash cash collateral amounting to £17,806k (2023: £44,588k) held by CAB in respect of the assets' underlying financial guarantees and letters of credit noted Note 24. These are not restricted cash and are available for use.

23. Other Liabilities and Unsettled Transactions and Accruals

A. Other liabilities

	2024 £'000	2023 £'000
Financial liabilities		
Trade creditors	**831**	1,688
Funds received in advance	**891**	3,327
Transactions credited by third party nostro providers [1]	**1,437**	159
Amounts due to group companies	**6,950**	11,034
Other Liabilities	**33**	283
	10,142	16,491
Non-financial liabilities		
Tax liabilities	**1,944**	1,680
Deferred income [2]	**732**	84
	2,676	1,764
Total other liabilities	**12,818**	18,255

[1] These balances represent amounts that are credited incorrectly by third party nostro providers at year-end.
[2] Deferred income relates to payments that are received from customers before the services are provided to customers.

B. Unsettled transactions

	2024 £'000	2023 £'000
Unsettled transactions [3]	**35,173**	20,081

[3] Unsettled transactions result from foreign exchange transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The arising balances are short-term in nature (typically less than four days) and were settled shortly after the balance sheet date.

C. Accruals

	2024 £'000	2023 £'000
Accruals [4]	**9,160**	17,315

[4] Accruals comprise various balances which have not yet been invoiced for services provided e.g audit fees, bank charges, professional fees and payroll accruals.

24. Provisions

	2024 £'000	2023 £'000
Expected credit loss:		
Financial guarantee liability	**1**	2
Liability for letter of credit confirmations/bill acceptances	**2**	6
Working capital facilities – undrawn commitments	**62**	228
ECL for off balance sheet balances (Note 32)	**65**	236
Dilapidation provision for the London Bridge Lease (Note 19)	**1,884**	–
Additions	**1,800**	—
Interest on dilapidation provision	**85**	—
Total provisions	**1,949**	236

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. CAB provides financial guarantees to multiple counterparties. Please refer to Note 32 for the maximum exposure of financial guarantee contracts. CAB received premiums of £4k (2023: £73k) in respect of such contracts.

(ii) Letter of credit confirmations/bill acceptances

A letter of credit confirmation/bill acceptance is a letter from an issuing bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount. CAB confirms the letters of credits issued by an issuing bank and charged fixed fees which are received either in advance or at a later date. CAB provides these acceptances to multiple counterparties. Please refer to Note 32 for the maximum exposure of letter of credit confirmations / bill acceptances. CAB received premiums of £984k (2023: £754k) in respect of such contracts.

The uncertainties relating to the amount or timing of any outflow are those inherent within the products concerned, notably that the relevant counterparty will not carry out its obligations. Cash collateral of £17,806k (2023: £44,588k) was held by CAB in respect of the assets underlying the financial guarantees and letter of credits noted above. These are not restricted cash and are available for use by CAB.

(iii) Working Capital facilities – undrawn commitments

Working Capital is a credit facility offered by CAB to its customers which allows customers to draw down on the facility depending on the terms of this facility. CAB charges facility fees for providing this facility. During the year CAB provides this facility to multiple counterparties. Please refer to Note 32 for the maximum exposure of Working capital commitments. CAB received facility fees of £40k (2023: £47k) in respect of such contracts.

25. Called up Share Capital

	2024 £'000	2023 £'000
Authorised, allotted, issued, and fully paid (£1 Ordinary shares)		
As at 1 January	**41,200**	41,200
New capital	–	–
As at 31 December	**41,200**	41,200

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

26. Retained Earnings

	2024 £'000
Balance at beginning of year	**92,885**
Profit for the year	**15,391**
Dividends declared and paid [1]	–
Share-based payment expense (Note 28)	**988**
Balance at end of year	**109,264**

	2023 £'000
Balance at beginning of year	68,624
Profit for the year	42,789
Dividends declared and paid	(19,500)
Share-based payment expense (Note 28)	972
Balance at end of year	92,885

[1] During the year, CAB declared a dividend to its shareholder amounting to £nil (2023: £19,500k).

27. Investment Revaluation Reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain / loss transferred to retained earnings upon disposal.

	£'000
Balance at 1 January 2024	**119**
Fair value gain on investments in equity instruments designated as at FVTOCI	**20**
Income tax relating to above	**(5)**
Balance at 31 December 2024	**134**
Balance at 1 January 2023	104
Fair value gain on investments in equity instruments designated as at FVTOCI	27
Income tax relating to above	(12)
Balance at 31 December 2023	119

28. Share-Based Payments

CAB operates a number of employee equity-settled schemes as part of its strategy. The fair value of the employee services received in exchange for the grant of the awards is recognised in employee benefit expenses together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and the performance conditions are fulfilled (the vesting period). Movements during the year were as follows:

	2024	**2023**
	£'000	**£'000**
Share-based payments expenses recognised in statement of profit or loss and other comprehensive income	**988**	972
Share-based scheme 1 - 2017 LTIP Scheme	–	665
Share-based scheme 2 - 2023 LTIP Scheme	**660**	307
Share-based scheme 3 - 2024 LTIP Scheme	**162**	–
Share-based scheme 4 - Free shares scheme	**166**	–
Expense arising from equity settled share-based payment transactions	**988**	972

a) Share-Based Scheme 1 - 2017 LTIP Scheme

Description and vesting

In 2017 an equity settled share-based payment scheme was put in place to incentivise senior management. Legal ownership of the shares lies with the Employee Benefit Trust ("EBT"). Employees received the equitable interest in the shares for which they paid the nominal value of the shares.

In July 2023 the parent company, CAB Payments Holdings plc shares were admitted to the London Stock Exchange, and this triggered an "exit" event. As a result, all vesting conditions were accelerated, as follows:

Share-based payments scheme 1	**Number of awards**
Outstanding at 1 January 2023	10,000
Granted during the year	–
Released during the year	(10,000)
Cancelled during the year	–
Forfeited during the year	–
Outstanding at 31 December 2023	–
Vested and exercisable at 31 December 2023	–
Outstanding at 1 January 2024	–
Granted during the year	–
Released during the year	–
Cancelled during the year	–
Forfeited during the year	–
Outstanding at 31 December 2024	–
Vested and exercisable at 31 December 2024	–

The scheme is now closed. Given the accelerated vesting and release of the awards in the current year and prior year, the provision of vesting details provided in previous years is now irrelevant and not disclosed.

Valuation and inputs to the model
There were no allocations in 2023 or 2024 for this scheme and therefore no valuations were required.

b) Share based scheme 2 - 2023 LTIP Scheme

Description and vesting requirements

The 2023 LTIP awards are share awards subject to service and performance conditions and were granted to incentivise senior management on 11 July 2023. The vesting conditions are subject to performance measures relating to relative total shareholder return ("TSR") market condition and earnings per share ("EPS") non-market condition. Each measure is assessed independently over the vesting period. The 2023 LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met. The scheme includes a clawback condition for a minimum period of three years.

The reconciliation of the 2023 LTIP award movements for the year to 31 December 2024 is as follows:

	Two-year awards		Three-year awards	
	Holding period	**Non-holding period**	**Holding period**	**Non-holding period**
Share-based payments scheme 2	**Number of awards**			
Outstanding at 1 January 2024	**629,851**	**758,463**	**1,106,713**	**758,451**
Granted during the year	–	–	–	–
Released during the year	–	–	–	–
Cancelled during the year	–	–	–	–
Forfeited during the year	**(148,679)**	**(89,719)**	**(228,326)**	**(97,519)**
Outstanding at 31 December 2024	**481,172**	**668,744**	**878,387**	**660,932**
Vested and exercisable at 31 December 2024	–	–	–	–
Outstanding at 1 January 2023	–	–	–	–
Granted during the year	629,851	792,492	1,106,713	792,480
Released during the year	–	–	–	–
Cancelled during the year	–	(34,029)	–	(34,029)
Forfeited during the year	–	–	–	–
Outstanding at 31 December 2023	629,851	758,463	1,106,713	758,451
Vested and exercisable at 31 December 2023	–	–	–	–

Modification of the 2023 LTIP Scheme

On 4 June 2024, the Remuneration Committee resolved to amend the performance conditions by (i) withdrawing the TSR condition and (ii) reducing the EPS metrics, which became applicable to all outstanding awards. The changes were for the outstanding awards held by all participants other than Executive Directors.

In line with requirements of IFRS 2:26-27, this change has been accounted for as a modification of the scheme. The incremental fair value, as a result of the modification, was measured as the difference between the fair value before and after the modification date. The impact of the modification was £nil.

Inputs to the model

The calculation of the LTIP expense take into account the following key inputs at grant date and modification date:

	Key inputs at grant date		Key inputs at modification date	
	Two year awards	**Three year awards**	**Two year awards**	**Three year awards**
Grant date	11 July 2023	11 July 2023	n/a	n/a
Modification date	n/a	n/a	4 June 2024	4 June 2024
Share price at grant date (£)	£3.10	£3.10	n/a	n/a
Share price at modification date (£)	n/a	n/a	£1.52	£1.52
Actual leavers	34,029	34,029	–	–
Vesting period	11 July 2025	11 July 2026	11 July 2025	11 July 2026
Earnings per share minimum level	Minimum 25.5p	Minimum 33.4p	Minimum 13.9.p	Minimum 16.7p
Total shareholder return discount	45%	39%		
Holding period discount	8%	9%	8%	9%
Leavers lapse provision (holding/non-holding period)	0%/22%	0%/31%	0%/12%	0%/21%
Clawback condition – effect on valuation	0%	0%	0%	0%
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo

The incremental expense at the modification date was recognised in the statement of profit or loss over the vesting period of the scheme. However, this incremental expense in 2024 was reversed at year-end because the modified non-market condition was assessed as unachievable with the result that the awards would not vest and the impact of the modification was £nil.

c) Share-based scheme 3 – 2024 LTIP Scheme

Description and Vesting requirements

The 2024 Long Term Incentive Plan awards are share awards subject to service and performance conditions and were granted to incentivise senior management on 19 June 2024 and 11 November 2024. The vesting conditions are subject to performance measures relating to TSR and EPS conditions. Each measure is assessed independently over the vesting period. The LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met. The scheme includes a clawback condition for a minimum period of three years.

The 2024 LTIP award movements for the year to 31 December 2024 are as follows:

	Senior Management		Executive Directors	
	Holding period	**Non-holding period**	**Holding period**	**Non-holding period**
	Number of awards			
Outstanding at 1 January 2024	–	–	–	–
Granted during the year	**1,838,117**	**2,329,001**	**1,448,629**	–
Released during the year	–	–	–	–
Cancelled during the year	–	–	–	–
Forfeited during the year	**(771,052)**	–	–	–
Outstanding at 31 December 2024	**1,067,065**	**2,329,001** –	**1,448,629**	–
Vested and exercisable at 31 December 2024	–	–	–	–

Inputs to the models

The calculation of the LTIP expense takes into account the following key inputs:

	Key inputs		
	Senior Management	**Senior Management**	**Executive Directors**
Grant date	19/6/2024	11/11/2024	11/11/2024
Share price at grant date (£)	1.244	0.75	0.75
Actual leavers	771,052	–	–
Vesting period	'April 2027	'April 2027	'November 2027
Minimum earnings per share	14.2p	14.2p	14.2p
Total shareholder return discount	37 %	26 %	26 %
Holding period discount	9 %	18 %	18 %
Leavers lapse provision (holding/non-holding period)	0%/31%	0%/25%	0%/n/a
Clawback condition – effect on valuation	– %	– %	– %
Model used	Monte Carlo	Monte Carlo	Monte Carlo

The resulting value is expensed to the consolidated statement of profit and loss and other comprehensive income over the vesting period in line with the vesting of the interests concerned.

29. Notes to the Statement of Cash Flows

A. Reconciliation of profit before taxation to net cash outflow from operating activities

	2024 £'000	Restated 2023 £'000
Profit before taxation	**20,069**	57,497
Adjusted for non-cash items:		
Effect of currency exchange rate change	**(1,301)**	(14,922)
Effect of other mark to market revaluations	–	–
Amortisation	**6,827**	5,081
Depreciation		
– Right of use of assets	**1,482**	445
– Property, plant and equipment	**762**	795
Share-based payment charge	**988**	972
Effective interest rates	**(89)**	–
(Profit)/loss on write-off of:		
– Property, plant and equipment	**70**	12
– Right Of Use Asset	**(184)**	–
Other non-cash expenses	–	1,045
Interest accrued on lease liabilities	**792**	65
	29,416	50,990
Changes in working capital:		
Net increase in loans and advances to banks other than on demand	**(44,361)**	(54,409)
Net increase in customer accounts	**28,372**	294,432
Net decrease in investment in debt securities	**107,553**	41,410
Net (increase)/decrease in other loans and advances to non-banks	**(23,999)**	4,226
Net decrease in unsettled transactions	**12,643**	1,952
Investments in subsidiaries	**(1,269)**	(630)
Net increase in other assets	**3,642**	(12,567)
Net decrease in other liabilities	**(4,954)**	(13,640)
(Net (increase)/decrease in accrued income	**292**	(360)
Net decrease in accruals	**(8,155)**	(1,053)
Net cash generated from operating activities [1]	**99,180**	310,351

[1] Cash flows from operating activities include interest received of £59,556k (restated 2023: £50,852k - £53,606k previously) and interest paid of £47,146k (restated 2023: £23,826k - £21,869k previously).

B. Non-cash transactions

Non-cash transactions from investing activities for CAB during the year include acquisition of right of use assets amounting to £18,065k (2023: £nil).

C. Changes in liabilities arising from financing activities

CAB's changes in lease liabilities are in Note 19. There are no other changes in liabilities from financing activities.

D. Restatement of prior year balances

Certain 2023 cash flow balances have been restated as follows:

	2023		
	Previously reported	Adjustment [1]	Restated
Notes to the statement of cash flows	**£'000**	**£'000**	**£'000**
Changes in working capital			
Net increase in advances to banks other than on demand	(55,848)	1,439	(54,409)
Net cash generated from operating activities	308,912	1,439	310,351
Consolidated statement of cash flows for the year ended 31 December 2023			
Net cash generated from operating activities	308,912	1,439	310,351
Net cash used in operating activities	294,763	1,439	296,202
Net decrease in cash and cash equivalents	286,700	1,439	288,139
Cash and cash equivalents at the end of the year	1,179,607	1,439	1,181,046
Cash and balances at central banks	528,396	1,439	529,835

[1] Refer to Note 9 for further details on the adjustment.

30. Related Party Transactions

Controlling parties

The immediate parent is CAB Tech Holdco Limited whose parent, CAB Payments Holdings plc, is the only group to consolidate these financial statements as at 31 December 2024 and 31 December 2023. No company is required to consolidate CAB Payments Holdings plc financial statements this year (2023: no company consolidated the CAB Payments Holdings plc). Copies of the financial statements of CAB Payments Holdings plc may be obtained from 3 London Bridge Road, SE1 9SG London, England.

The related party transactions are as follows:

a) £49k (2023: £129k), payable to Helios Investors Genpar III LP. The amount relates to the outstanding balance of the director's fees payable by CAB to Helios until September 2024 when Simon Poole was still a director at Helios. He has been paid directors fees via the payroll from October 2024. No interest accrues on the outstanding amount; and

b) During the year CAB provided administration services (HR, finance etc) to CAB US Inc (formerly Segovia Technology Company), a Group company, for the whole year, without charge (2023: £nil) in line with the transfer pricing agreement.

c) CAB provided £nil (2023: £1k of Net foreign exchange gain) banking services to connected parties.

d) As at the year end, CAB had intercompany balances which are presented within other assets and other liabilities with a number of related entities as follows:

	2024	2023
	£'000	**£'000**
CAB Payments Holdings plc	**17,948**	19,406
CAB Tech HoldCo Limited	**(6,131)**	(10,428)
CAB US Inc (formerly Segovia Technology	**2,554**	2,767
Segovia Technology International Ltd	**(71)**	(82)
Segovia Technology Bangladesh Limited	–	–
Segovia Technology Congo SARL	–	1,173
Segovia Technology Cote d'Ivoire	**(13)**	6
Segovia Technology (Kenya) Co	**186**	200
Segovia Technology Liberia Corp	–	59
Segovia Technology 454 Ltd (Malawi)	**367**	805
Segovia Technology Nigeria Ltd	–	(3)
Segovia Pakistan Ltd	–	2
Segovia Technology Rwanda Corp Ltd	**332**	819
Segovia Technology Senegal	–	–
Segovia Technology (Tanzania) Co	**(312)**	(297)
Segovia Technology (Uganda) Co.Ltd	**(422)**	(224)
CAB Europe BV	**296**	721
Stichting CAB Payments Europe	**7**	2
	14,741	14,926
Total receivable (Note 16)	**21,691**	25,960
Total payable (Note 23)	**(6,950)**	(11,034)
	14,741	14,926

CAB held a bank account for CAB Payments with a year-end balance of £108k (2023: £658k) and for CAB Europe with a year-end balance of £881k (2023: £632k).

e) Directors and key management loans

CAB had a number of loans to Directors and key management as summarised as shown below:

	2024		2023	
	No.	**£'000**	**No.**	**£'000**
Directors				
As at 1 January	1	335	3	159
As at period end	–	–	1	335
Key Management				
As at 1 January	–	–	8	252
As at year end	–	–	–	–

The loans outstanding at the beginning of 2023 were all repaid during the year. The loans accrued interest at the HMRC stipulated interest rate but only on balances in excess of £10,000. The Directors loan advanced in 2023 was to the former CEO of the Group at the time, Bhairav Trivedi, and accrued interest at the HMRC stipulated rate on the entirety of the loan. Bhairav Trivedi resigned as a director in 2024 and the loan is therefore no longer classified as a related party transaction. However it remains a staff loan.

All loans were repayable on the occurrence of the earliest of a number of events. There was no impairment on loans in respect of the amounts owed by related parties (2023: £nil). The ECL for staff loans was assessed as immaterial as at 31 December 2024 and 31 December 2023.

f) Remuneration of key management personnel (including directors)

The remuneration of the Company's key management is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2024 £'000	2023 £'000
Short-term employee benefits (including bonuses and NICs Ers)	4,393	12,427
Post-employment benefits	141	241
Share-based payments	454	639
Total remuneration	4,988	13,307

Included in the balances above, are contributions of £57k (2023: £103k) made by the Company on behalf of three directors (2023: three) to a defined contribution pension scheme. No retirement benefits accrued for any director (2023: £nil) under a defined benefit pension scheme.

The aggregate emoluments (including share-based payment charge) and accrued pension contributions of the highest paid director in CAB were £578k (2023: £3,163k) and £nil (2023: £58k) per annum respectively.

The aggregate emoluments (Including pension contributions and exit compensation) of CAB's key management personnel (excluding Directors) were £2,591 (2023: £8,583k).

g) Expense recharges to CAB Payments Holdings plc

CAB recharged non-recurring expenses (including the associated irrecoverable VAT), relating to the dual track process, amounting to £nil (2023: £15,791k), to CAB Payments during the year.

An amount of £17,948k (2023: £19,406k) was receivable (net) from CAB Payments. The amount relates to payments made by CAB on behalf of, or recharged to, CAB Payments.

CAB Payments holds a bank account with CAB and the balance at year-end was £108k (2023: £657k).

h) Other related party transactions

CAB declared a dividend to its parent company, CTH, amounting to £nil (2023: £19,500k).

31. Contingent Liabilities, Commitments and Guarantees

a) Contingent liabilities

CAB does not have any contingent liabilities at the balance sheet date other than those disclosed in Note 24.

b) Commitments

(i) Capital commitments

CAB does not have any capital commitments at the balance sheet date (2023: £nil) nor any which have been approved but not contracted (2023: £nil).

(ii) Other commitments

Software license agreement

In 2020, CAB entered into a five-year contract to assist with the ongoing automation of manual processes. The following payments are due under the contract:

	2024	2023
Payment Due	**£'000**	**£'000**
Not later than one year	**1,883**	2,260
Later than one year and not later than five years	—	1,883
	1,883	4,143

The total of the amounts due under the contract are expensed to the statement of profit or loss over the life of the contract in line with the benefits received.

Further commitments are discussed in Note 24 and Note 19.

32. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to CAB. Credit risk is a principal risk, arising from financial assets i.e. loans and advances on demand to banks, other loans and advances to banks, other loans and advances to non-banks, investments in debt securities, unsettled transactions, accrued income and other asset exposures. In addition, CAB considers off-balance sheet exposures from financial guarantees, acceptances, confirmations, and Working Capital all subject to credit risk. CAB considers counterparty-specific risk, geographical risk, and sector risk for risk management purposes. Information about the credit risk management policy of CAB is contained in the strategic report.

a) Credit risk management

CAB monitors credit risk per class of financial instrument. CAB recognises expected credit losses on financial assets that are measured at amortised cost which includes cash and balances at central banks, loans and advances on demand to banks, other loans and advances to banks, other loans and advances to non-banks, unsettled transactions, accrued income, Investment in debt securities, other assets, as well as off-balance sheet account (undrawn commitments) such as financial guarantees, letter of acceptances, letter of confirmations and and Working Capital.

b) Exposure to credit risk by instrument

The table below outlines the classes identified, as well as the financial statement line item and the note. The related notes contain an analysis of the items included in the financial statement line for each class of financial instrument including how the exposure to credit risk arise. There are no changes to the exposures to risks on these financial instruments and how those exposures to risk arise compared to prior year.

Instrument	Description	Note
Cash and balances at central banks	These are balances with the Bank of England, which has AA-credit rating. Balances are available on demand and are located in the UK.	9
Loans and advances on demand to banks	These are nostro bank accounts that CAB holds with other commercial banks in support of client payment flows.	11
Other loans and advances to banks	Credit Support Annexes ("CSA") Loans represent collateral required from clients through a credit support annexe for initial and variation margin as part of derivative transactions. They are under a collateralised mark to market ("CTM") regime. A CTM model requires the out of the money party to post collateral with an amount equal to the cumulative mark to market value, either with the counterparty or with an exchange. Both initial and variation margin are refundable upon settlement of the derivative and is therefore accounted for as collateral. Discounted Letters of Credit are advanced letter of credit payments that CAB pays to counterparties before the completion of the sales and shipping process. The amount that CAB pays out is discounted by a discounted fee (interest rate) and as such, is lower that the principal expected to be received. They are essentially factoring transactions. Trade Finance loans are short-term working capital loans to banks operating in trade finance markets. They assist buyers and sellers to finance their trade commitments on a transactional basis. CAB receives interest payments in return.	11

32. Credit Risk *continued*

b) Exposure to credit risk by instrument *continued*

Instrument	Description	Note
Other loans and advances to non-banks	Working capitalis a type of overdraft facility where CAB agrees to provide customers with a facility for a set period with specific terms as set out in the Working capital facilities. The customers use the liquidity to undertake foreign exchange business with CAB. A flat facility fee is charged for the provision of services. CAB will lend money to customers solely for the purpose of assisting the customer with its specific liquidity requirements that arise from settlement timelines in its standard payment flows. The rate charged for the amount lent is the greater of (i). a fixed rate (e.g. 9%) or (ii). US Federal rate plus a spread (e.g. US Federal rate plus 1%).	11
Unsettled transactions	Unsettled transactions are unsettled balances resulting from foreign exchange transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The balances are short-term (typically less than four days).	16
Investment in Debt Securities	Fixed rate bonds (US Treasury bills) are US Treasury bills issued by the US government which offer a fixed rate of interest for a set period of time. Fixed rate bonds (other) are other fixed rate bonds issued by companies or G20 governments which offer a fixed rate of interest for a set period of time. Floating rate notes are investments in debt securities that pay a coupon determined by a reference rate which resets periodically. As such, the interest received is not fixed. Certificates of deposit ("CD"s) are Investments in debt securities that pay fixed interest for a fixed period of time. Unlike bonds, CDs are usually not tradable in a secondary market.	13
Other assets	Balances with mobile network operators are the payments from mobile network operators ("MNO"s) that are due to CAB in respect of mobile money accounts. In certain African countries, mobile money accounts are widely used, this service allows users to deposit money into an account stored on their mobile phones and to then send balances using a PIN-secured SMS text message to other users. One of the services that CAB provides is the transfer of funds by clients to beneficiaries via a mobile phone. Typically, a client will deposit funds in the CAB's controlled bank account. These funds are then transferred to an account held with a MNO. Clients submit a request for a payment to be made on the Payment Gateway. On receipt of the request, funds are remitted from the account held with the MNOs to the beneficiary with CAB simultaneously deducting a fee. MNOs therefore provide CAB with the equivalent of a bank account.	16

32. Credit Risk *continued*

b) Exposure to credit risk by instrument *continued*

Instrument	Description	Note
Accrued income	Accrued income is money owed to CAB for services rendered or provided that have not yet been invoiced. The balance arises from several components such as management fees, pension fee accruals, and other revenues.	15
Off-balance sheet accounts	These include trade finance guarantees, letter of acceptances and confirmation that are contingent liabilities and so require documented levels of performance to be achieved for settlement. Typically, CAB's counterparty is another bank and ordinarily the contract has a maximum tenor of six months. They also include the undrawn portion of Working capital facilities. These Working capital facilities are repayable on demand. Counterparties are able to draw down the facility up to agreed limit. As a result the undrawn portion of the facility does attracts an ECL provision.	24

c) Maximum exposure to credit risk

The maximum credit exposures (gross balance before ECL adjustment) distributed across each instrument are summarised in the table below.

		Restated
	2024	**2023**
	£'000	**£'000**
Cash and balances at central banks[1]	**584,679**	529,835
Loans and advances on demand to banks	**184,686**	132,457
Other loans and advances to banks[1]	**180,126**	136,157
Other loans and advances to non-banks	**32,835**	8,712
Unsettled transactions	**10,870**	8,417
Investment in debt securities	**246,028**	353,042
Other asset (measured at amortised cost)	**23,581**	28,880
Accrued income	**927**	1,218
Total on-balance sheet exposure	**1,263,732**	1,198,718

Refer to Note 32 (i.iv) for the financial assets carrying amounts tying to statement of financial assets. The carrying amounts of financial assets best represents their maximum exposure to credit risk. The total off-balance sheet exposure is summarised in the table below.

	2024	**2023**
	£'000	**£'000**
Financial guarantee contracts	**809**	1,911
Trade Finance – letter of credit confirmation / acceptance		
Letters of Acceptance	**1,698**	4,228
Letters of Confirmations	**23,246**	9,173
Working capital facilities	**14,555**	14,884
Total off-balance sheet exposure [1]	**40,308**	30,196

[1] The total off-balance sheet exposure consists of the following: financial guarantee contracts, which are contracts that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument, letter of credit confirmation / acceptance, which are letters from an issuing bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount and Working Capital facilities, which is a credit facility offered by CAB to its customers which allows customers to draw down on the facility on satisfaction of the terms of this facility.

d) Significant increase in credit risk

CAB uses a defined criteria to determine whether credit risk has increased significantly for each instrument. The criteria used are both quantitative (e.g. changes in PDs) and qualitative. The table below summarises the range above which an increase in lifetime PD is determined to be significant. CAB uses an internal rating system (from Rating 0 to 8) with Rating 8 representing default . The system does not cover NBFIs of International Development Organisations as they are counterparties which do not fit the Moody's risk rating model (RiskCalc). The table below represents the through-the-cycle ("TTC") PD range per rating and the exposure-weighted distribution for 2024. Furthermore, ratings 0 to 3 represent investment grade ratings whilst 4 to 7 represent sub-investment grade ratings. The range is unchanged from previous years.

Rating Type	Rating	TTC PD Range
Investment Grade	Rating 0	0%, 0.01%
	Rating 1	0.01%, 0.02%
	Rating 2	0.03%, 0.05%
	Rating 3	0.06%, 0.08%
Sub-Investment Grade	Rating 4	0.081%, 0.10%
	Rating 5	0.11%, 0.5%
	Rating 6	0.51%, 1.5%
	Rating 7	1.51%, 25%
	Rating 8 (Default)	100%

Irrespective of the outcome of the above rating assessment, CAB presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless CAB has reasonable and supportable information that demonstrates otherwise.

CAB has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit risk are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted. CAB performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

e) Incorporation of forward-looking information

CAB incorporates readily available forward-looking information in its computation of ECL and utilises external data to formulate a 'base case' scenario, projecting future economic variables and exploring a representative spectrum of alternative forecast scenarios. CAB assigns probabilities to the identified forecast scenarios, with the base case representing the singularly most probable outcome utilised for strategic planning and budgeting purposes.

Key drivers of credit risk and credit losses for each financial instrument class are meticulously identified and documented, and statistical analyses of historical data establish relationships between macro-economic variables and credit risk as well as credit losses. Throughout the reporting period, there have been no alterations to the estimation techniques or significant assumptions.

CAB's balance sheet is made from a simple product suite where the significant macro-economic variable is GDP growth rates.

The largest exposures on the Balance Sheet are the Bank of England balances held to maturity, US Treasuries and other HQLA that are not negatively affected by inflation, interest rates and unemployment in respective jurisdictions and are with low-risk institutions.

Whilst inflation, interest rates and unemployment could affect the economic cycle in some of the relevant 130+ countries of risk, the exposure is short-term and typically less than 10% of the CAB's balance sheet. The cost of providing detailed forecast macro-economic variables such as unemployment, inflation and interest rates would be onerous and potentially greater than the small exposure in such countries. Furthermore, in some jurisdictions such data may not be available.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 19 years.

CAB has performed a sensitivity analysis on how ECL on the main portfolio would change if the key assumptions used to calculate ECL change by macroeconomic scenario. The table below outlines the total ECL across the portfolio as of 31 December 2024, if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position) for each of the macroeconomic scenarios. The changes are applied in isolation for illustrative purposes and are applied to each probability weighted scenario used to develop the estimate of expected credit losses. Each economic scenario represents the average 12-month probability of default ("PD") and ECL, assuming a 100% weighting to that scenario. There will be interdependencies between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.

	2024			**2023**		
	Average	**ECL**	**ECL sensitivity from base case**	**Average**	**ECL**	**ECL sensitivity from base case**
	12m PD	**£'000**	**£'000**	**12m PD**	**£'000**	**£'000**
Base	**0.12%**	**473**	**0**	0.23%	814	—
Upside	**0.11%**	**466**	**-7.1**	0.22%	713	- 101
Mild upside	**0.12%**	**469**	**-4**	0.22%	750	- 64
Stagnation	**0.12%**	**480**	**6.4**	0.24%	889	+ 75
Downside	**0.12%**	**483**	**9.5**	0.24%	921	+ 107
Severe	**0.13%**	**488**	**16.2**	0.25%	1,004	+ 190

There are no changes to the estimation techniques for ECL at year-end and there are no significant changes to the GDP growth rate when compared to prior year. It can be noted above that the sensitivity analysis does not result in significant changes to the ECL balances.

The ECL is calculated using a weighted case from the macro-economic scenarios above. The probability of each scenario occurring in both 2024 and 2023 is based on the following:

Economic Scenario	Probability Weighting
1. Base	30%
2. Upside	10%
3. Mild upside	15%
4. Stagnation	10%
5. Downside	20%
6. Severe	15%

f) Measurement of expected credit losses

ECL is applicable to financial assets classified at amortised cost. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions, and forecasts of future economic conditions.

CAB applies the general model for measuring ECL which uses a three-stage approach in recognising the expected loss allowance to its financial assets measured at amortised cost. CAB considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. The key inputs used for measuring ECL are:

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

The ECL Model allocates accounts to three Stages and calculates the impairment as:

- 12 months Expected Loss for accounts in Stage 1; and
- Lifetime Expected Loss for accounts in Stage 2 and Stage 3.

CAB measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice.

The measurement of ECL is based on probability-weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items).

CAB has measured its ECL at a counterparty-level which is then aggregated to a product and segment level. In relation to the assessment of whether there has been a significant increase in credit risk it can be necessary to perform the assessment on a collective basis as noted below.

(i) Probability of Default

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. PDs are determined using the one-factor Merton-Vasicek model and transforms TTC PDs to a 1-month Forward-in-Time ("FiT") PD for each period of a loan's contractual life by decomposing the portfolio into systematic and idiosyncratic risk factors. The systematic factor captures risks relevant to the entire portfolio and is assumed to be correlated to the overall macroeconomy. The idiosyncratic factor captures counterparty-specific characteristics. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

CAB estimates the remaining lifetime PD of exposures and how these are expected to change over time. CAB uses the Moody's RiskCalc tool to assign a risk rating to each counterparty which represents the probability of default. The factors considered in this process include macro-economic data including GDP per region – UK, US, Europe, Asia, Africa, and Middle East. CAB generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. CAB then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

(ii) Loss Given Default

The LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD model for portfolio incorporates information on time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original effective interest rate ("EIR") of the loan.

(iii) Exposure at Default

The EAD is the estimated total value of CAB's exposures at the time of default. It includes all the outstanding amounts, including the account balance, interest, fees, and arrears as well as any default penalty and recovery fees associated with the defaulted account. For the balance sheet exposure the EAD specifically includes the committed but undrawn amount together with interest.

g) Groupings based on shared risks characteristics

When ECL is measured on a collective basis, (aggregating the results of each individual calculation) the financial instruments are grouped on the basis of shared risk characteristics, such as: instrument type, credit risk grade, and regional split.

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

h) Impairment of financial assets

CAB's impairment loss on financial assets, undrawn commitments and financial guarantees that are subject to the expected credit loss model are as shown below:

	2024 £'000	2023 £'000
Impairment recognised in profit or loss:		
Increase in ECL for Cash and balances at Central Banks	—	—
(Decrease)/Increase in ECL for Loans and advances on Demand to Banks	**(7)**	7
Increase in ECL for Loans and Advances to Banks	**4**	9
(Decrease)/Increase in ECL for other Loans and Advances to Non-Banks	**(225)**	215
Decrease in ECL for Unsettled Transactions	**(9)**	—
(Decrease)/Increase in ECL for Investment in debt securities	**(7)**	1
Increase in ECL for other assets exposures	**36**	69
Increase/(decrease) in ECL for accrued income	**1**	(5)
Total impairment (recovery)/loss recognised in profit or loss	**(207)**	296
Increase in ECL for Guarantees	—	1
(Decrease)/Increase in ECL for Acceptances	**(3)**	3
Decrease in ECL for Confirmations	**(1)**	(2)
(Decrease)/Increase in ECL for Working capital facilities	**(166)**	156
Total impairment (recovery)/loss recognised in profit or loss	**(377)**	454

i) Credit quality

An analysis of CAB's credit rating, maturity and credit risk concentrations per class of financial asset is provided in the following tables.

(i) Portfolio grading

The table below displays a breakdown of the portfolio in terms of credit quality. Instruments with strong credit characteristics are categorised as 'investment grade' (risk grades 0 to 3), while those with higher credit risk are categorised as 'sub-investment grade' (risk grades 4 to 7).

Exposure by grade	2024			Restated 2023		
	Investment grade	Sub-investment grade	Total	Investment grade	Sub-investment grade	Total
On-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks[1]	**584,679**	–	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**161,658**	**23,028**	**184,686**	114,493	17,964	132,457
Other loans and advances to banks[1]	**666**	**179,460**	**180,126**	76,814	59,343	136,157
Other loans and advances to non-banks	–	**32,835**	**32,835**	–	8,712	8,712
Unsettled transactions	**3,209**	**7,661**	**10,870**	1,609	6,808	8,417
Investment in debt securities	**246,028**	–	**246,028**	353,042	–	353,042
Other assets	**10**	**23,571**	**23,581**	2,690	26,190	28,880
Accrued income	–	**927**	**927**	670	548	1,218
Total on-balance sheet exposure	**996,250**	**267,482**	**1,263,732**	1,079,153	119,565	1,198,718

The table below summarises the total off-balance sheet exposure.

Exposure by grade	2024			2023		
	Investment grade	Sub-investment grade	Total	Investment grade	Sub-investment grade	Total
Off-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial guarantees	–	**809**	**809**	–	1,911	1,911
Acceptances	–	**1,698**	**1,698**	1,482	2,746	4,228
Confirmations	**228**	**23,018**	**23,246**	3,680	5,493	9,173
Working capital facilities	–	**14,555**	**14,555**	–	14,884	14,884
Total off-balance sheet exposure	**228**	**40,080**	**40,308**	5,162	25,034	30,196
Total exposure	**996,478**	**307,562**	**1,304,040**	1,084,315	144,599	1,228,914

(ii) Breakdown by country/region

The table below describes the gross carrying amount by location for each asset class.

2024										
Exposures by region	**Africa**	**China**	**Europe**	**Far East**	**Japan**	**Middle East**	**Other**	**UK**	**Americas**	**Total**
On-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks[1]	–	–	–	–	–	–	–	584,679	–	584,679
Loans and advances on demand to banks	21,248	3,011	96,821	866	6,751	2,529	–	30,260	23,200	184,686
Other loans and advances to banks[1]	134,380	–	–	9,290	–	–	–	26,482	9,974	180,126
Other loans and advances to non-banks	6,377	–	–	–	–	798	–	25,654	6	32,835
Unsettled transactions	7,642	–	–	–	–	–	–	11	3,217	10,870
Investment in debt securities	–	–	121,720	28,179	–	–	–	44,477	51,652	246,028
Other assets	200	–	–	–	–	–	–	23,381	–	23,581
Accrued income	–	–	–	–	–	–	–	927	–	927
Total on-balance sheet exposure	**169,847**	**3,011**	**218,541**	**38,335**	**6,751**	**3,327**	**–**	**735,871**	**88,049**	**1,263,732**

2023	**Restated**									
Exposures by region	**Africa**	**China**	**Europe**	**Far East**	**Japan**	**Middle East**	**Other**	**UK**	**Americas**	**Total**
On-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks[1]	–	–	–	–	–	–	–	529,835	–	529,835
Loans and advances on demand to banks	13,703	1,482	22,652	3,398	15,685	868	1,572	23,380	49,717	132,457
Other loans and advances to banks[1]	52,020	8,079	10,486	15,491	–	33,423	–	13,821	2,837	136,157
Other loans and advances to non-banks	5,544	–	351	–	–	–	–	2,817	–	8,712
Unsettled transactions	5,285	–	1,419	656	–	413	–	644	–	8,417
Investment in debt securities	–	–	194,873	65,036	–	–	29,923	–	63,210	353,042
Other assets	4,925	1,778	–	11	–	–	–	11,368	10,798	28,880
Accrued income	–	–	–	–	–	–	–	1,218	–	1,218
Total on-balance sheet exposure	81,477	11,339	229,781	84,592	15,685	34,704	31,495	583,083	126,562	1,198,718

The total off balance sheet exposure is broken down below.

2024 **Exposures by region**	**Africa**	**China**	**Europe**	**Far East**	**Japan**	**Middle East**	**Other**	**UK**	**Americas**	**Total**
Off-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial guarantees	**809**	–	–	–	–	–	–	–	–	**809**
Acceptances	**1,698**	–	–	–	–	–	–	–	–	**1,698**
Confirmations	**23,018**	–	–	–	–	–	–	–	**228**	**23,246**
Working capital facilities	**14,555**	–	–	–	–	–	–	–	–	**14,555**
Total off-balance sheet exposure	**40,080**	–	–	–	–	–	–	–	**228**	**40,308**

2023 **Exposures by region**	**Africa**	**China**	**Europe**	**Far East**	**Japan**	**Middle East**	**Other**	**UK**	**Americas**	**Total**
Off-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial guarantees	1,589	–	–	–	–			87	235	1,911
Acceptances	2,746	–	–	–	–	–	–	–	1,482	4,228
Confirmations	5,493	–	–	–	–	–	–	–	3,680	9,173
Working capital facilities	544	–	1,875	–	–	–	–	12,465	–	14,884
Total off-balance sheet exposure	10,372	–	1,875	–	–	–	–	12,552	5,397	30,196

(iii) Breakdown by maturity

The table below describes the gross carrying amount per maturity for each asset class.

Exposure by maturity				**Restated**		
	2024			**2023**		
	3 months or less	**More than 3 months**	**Total**	**3 months or less**	**More than 3 months**	**Total**
On-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks[1]	**584,679**	–	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**184,686**	–	**184,686**	132,457	–	132,457
Other loans and advances to banks[1]	**89,550**	**90,576**	**180,126**	136,157	–	136,157
Other loans and advances to non-banks	**32,835**	–	**32,835**	8,712	–	8,712
Unsettled transactions	**10,870**	–	**10,870**	8,417	–	8,417
Investment in debt securities	**38,561**	**207,467**	**246,028**	353,042	–	353,042
Other assets	**23,227**	**354**	**23,581**	28,880	–	28,880
Accrued income	**927**	–	**927**	1,218	–	1,218
Total on-balance sheet exposure	**965,335**	**298,397**	**1,263,732**	1,198,718	–	1,198,718

The total off balance sheet exposure is broken down below.

Exposure by maturity	**2024**			**2023**		
	3 months or less	**More than 3 months**	**Total**	**3 months or less**	**More than 3 months**	**Total**
Off-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial guarantees	**250**	**559**	**809**	1,911	–	1,911
Acceptances	**1,430**	**268**	**1,698**	4,228	–	4,228
Confirmations	**22,555**	**691**	**23,246**	9,173	–	9,173
Working capital facilities	–	**14,555**	**14,555**	14,884	–	14,884
Total off-balance sheet exposure	**24,235**	**16,073**	**40,308**	30,196	–	30,196
Total exposure	**989,570**	**314,470**	**1,304,040**	1,228,914	–	1,228,914

(iv) Loss allowance

The tables below describes gross carrying amount, loss allowance, and carrying amount after loss allowance per class of assets.

				Restated		
	2024			**2023**		
	Gross carrying	**Loss allowance**	**Total**	**Gross carrying**	**Loss allowance**	**Total**
On-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks[1]	**584,679**	–	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**184,686**	**(3)**	**184,683**	132,457	(10)	132,447
Other loans and advances to banks[1]	**180,126**	**(31)**	**180,095**	136,157	(27)	136,130
Other loans and advances to non-banks	**32,835**	**(271)**	**32,564**	8,712	(496)	8,216
Unsettled transactions	**10,870**	**(4)**	**10,866**	8,417	–	8,417
Investment in debt securities	**246,028**	**(7)**	**246,021**	353,042	(14)	353,028
Other assets	**23,581**	**(92)**	**23,489**	28,880	(70)	28,810
Accrued income	**927**	**(2)**	**925**	1,218	(1)	1,217
Total on-balance sheet exposure	**1,263,732**	**(410)**	**1,263,322**	1,198,718	(618)	1,198,100

The off-balance sheet exposure is broken down below.

	2024			**2023**		
	Gross carrying	**Loss allowance**	**Total**	**Gross carrying**	**Loss allowance**	**Total**
Off-balance sheet exposure	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial guarantees	**809**	**(1)**	**808**	1,911	(2)	1,909
Acceptances	**1,698**	–	**1,698**	4,228	(3)	4,225
Confirmations	**23,246**	**(2)**	**23,244**	9,173	(3)	9,170
Working capital facilities	**14,555**	**(62)**	**14,493**	14,884	(228)	14,656
Total off-balance sheet exposure	**40,308**	**(65)**	**40,243**	30,196	(236)	29,960
Total exposure	**1,304,040**	**(475)**	**1,303,565**	1,228,914	(854)	1,228,060

(v) Breakdown as a function of staging

An analysis of CAB's expected credit loss per class of financial asset, internal rating, and staging without taking into account the effects of any collateral or other credit enhancements is provided in the following tables.

				Restated		
	2024 £'000			2023 £'000		
ECL	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Cash and balances at central banks[1]	–	–	–	–	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	–	–	–	–	–	–
Loans and advances on demand to banks	**2**	**1**	–	10	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	**2**	**1**	–	10	–	–
Other loans and advances to banks[1]	**28**	**3**	–	27	–	–
Investment grade	–	–	–	1	–	–
Sub-investment grade	**28**	**3**	–	26	–	–
Other loans and advances to non-banks	**3**	**175**	**93**	14	450	32
Investment grade	–	–	–	14	–	–
Sub-investment grade	**3**	**175**	**93**	–	450	32
Unsettled transactions	**3**	**1**	–	–	–	–
Investment grade		–	–	–	–	–
Sub-investment grade	**3**	**1**	–	–	–	–
Investment in debt securities	**7**	–	–	14	–	–
Investment grade	**7**	–	–	14	–	–
Sub-investment grade	–	–	–	–	–	–
Other asset exposures	**92**	–	–	53	1	16
Investment grade	–	–	–	–	–	–
Sub-investment grade	**92**	–	–	53	1	16
Accrued income	**2**	–	–	1	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	**2**	–	–	1	–	–
Total on-balance sheet ECL	**137**	**180**	**93**	119	451	48
Total on-balance sheet ECL		**410**			618	

The off-balance sheet breakdown of ECL per instrument at each stage is shown below:

ECL	2024 £'000			2023 £'000		
Off-balance sheet items	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Financial guarantees	–	**1**	–	2	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	–	**1**	–	2	–	–
Acceptances	–	–	–	3	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	–	–	–	3	–	–
Confirmation	**2**	–	–	3	–	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	**2**	–	–	3	–	–
Working capital facilities	–	**62**	–	7	221	–
Investment grade	–	–	–	–	–	–
Sub-investment grade	–	**62**	–	7	221	–
Total off-balance sheet ECL	**2**	**63**	–	15	221	–
Total off-balance sheet ECL		**65**			236	
Total ECL		**475**			854	

The on balance sheet and off-balance sheet breakdown of maximum exposure per instrument at each stage is shown below.

Maximum exposure per staging	2024 £'000			Restated 2023 £'000		
On-balance sheet items	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Cash and balances at central banks[1]	**584,679**	–	–	529,835	–	–
Loans and advances on demand to banks	**183,782**	**904**	–	132,137	320	–
Other loans and advances to banks[1]	**171,011**	**9,115**	–	136,157	–	–
Other Loans and advances to non-banks	**731**	**32,010**	**94**	2,532	6,092	88
Unsettled Transactions	**9,509**	**1,361**	–	7,365	1,052	–
Investment in debt securities	**246,028**	–	–	353,042	–	–
Other asset exposures	**23,490**	**91**	–	25,426	3,358	96
Accrued income	**927**	–	–	1,218	–	–
Total on-balance sheet maximum exposure	**1,220,157**	**43,481**	**94**	1,187,712	10,822	184
Total on-balance sheet maximum exposure		**1,263,732**			1,198,718	
Off-balance sheet items						
Financial guarantees	**649**	**160**	–	1,899	12	–
Acceptances	**1,306**	**392**	–	4,228	–	–
Confirmation	**20,399**	**2,847**	–	9,173	–	–
Working capital facilities	–	**14,555**	–	685	14,199	–
Total off-balance sheet maximum exposure	**22,354**	**17,954**	–	15,985	14,211	–
Total off-balance sheet maximum exposure		**40,308**			30,196	
Total maximum exposure per stage	**1,242,511**	**61,435**	**94**	1,203,697	25,033	184
Total maximum exposure		**1,304,040**			1,228,914	

(vi) Coverage ratios table

The tables below analyse the coverage ratio.

Coverage ratios	2024 Gross carrying amount	2024 ECL	2024 Coverage	2023 Gross carrying amount	2023 ECL	2023 Coverage
On-balance sheet	**£'000**	**£'000**	**ratio %**	**£'000**	**£'000**	**ratio %**
Stage 1	**1,220,157**	**137**	**0.01 %**	1,187,712	119	0.01 %
Stage 2	**43,481**	**180**	**0.41 %**	10,822	451	4.16 %
Stage 3	**94**	**93**	**98.94 %**	184	48	26.09 %
Total on-balance sheet	**1,263,732**	**410**	**0.03 %**	1,198,718	618	0.05 %
Off–balance sheet						
Stage 1	**22,354**	**2**	**0.01 %**	15,985	15	0.09 %
Stage 2	**17,954**	**63**	**0.35 %**	14,211	221	1.56 %
Stage 3	**–**	**–**	**– %**	–	–	– %
Total off-balance sheet	**40,308**	**65**	**0.16 %**	30,196	236	0.78 %
Total	**1,304,040**	**475**	**0.04 %**	1,228,914	854	0.07 %

(vii) Movement in loss allowances across the stages

The tables below analyse the movement of the loss allowance during the year per class of assets with movements in stages.

	2024 £'000 Stage 1	2024 £'000 Stage 2	2024 £'000 Stage 3	2023 £'000 Stage 1	2023 £'000 Stage 2	2023 £'000 Stage 3
Loss allowance at beginning of period	**136**	**670**	**48**	397	1	–
Loans expired/closed from previous period	**(130)**	**(669)**	**(16)**	(392)	(1)	–
New loans Issued	**133**	**242**	**61**	843	6	–
Expected credit loss before changes in loss allowance	**139**	**243**	**93**	848	6	–
Change in loss allowance				(712)	664	48
Transfer to Stage 1	–	–	–	–	–	–
Transfer to Stage 2	–	–	–	(664)	–	–
Transfer to Stage 3	–	–	–	(48)	–	–
Transfers in	–	–	–	–	664	48
Adjustments in expected credit loss	–	–	–			
Loss allowance at end of period	**139**	**243**	**93**	136	670	48
Total loss allowance at end of period		**475**			854	

33. Liquidity Risk

Information relating to the liquidity risk policy is provided in the Strategic Report. The undiscounted liquidity cashflow profile of CAB's financial assets and financial liabilities (including interest receivable / payable on maturity) is as follows:

Assets 2024	Less than 1 month or on demand	1 month – 3 months	3 months – 1 year	1 year – 2 years	2 years – 5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks	583,618	1,061	–	–	–	–	584,679
Money market funds	488,197	–	–	–	–	–	488,197
Loans and advances on demand to banks	184,686	–	–	–	–	–	184,686
Other loans and advances to banks	32,166	50,902	99,839	–	–	–	182,907
Other loans and advances to non-banks	32,835	–	–	–	–	–	32,835
Derivative financial assets	4,863	–	21	–	–	–	4,884
Unsettled transactions	10,870	–	–	–	–	–	10,870
Investment in debt securities	12,870	26,366	80,268	81,872	53,708	–	255,084
Investment in equity securities	–	–	–	–	–	553	553
Other assets	23,581	–	–	–	–	–	23,581
Accrued income (others)	927	–	–	–	–	–	927
Total	1,374,613	78,329	180,128	81,872	53,708	553	1,769,203

Liabilities 2024	Less than 1 month or on demand	1 month – 3 months	3 months – 1 year	1 year – 2 years	2 years – 5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative liabilities							
Customer accounts	1,431,075	96,435	64,138	–	–	–	1,591,648
Unsettled transactions	35,115	–	–	–	–	–	35,115
Other liabilities	10,142	–	–	–	–	–	10,142
Accruals	9,160	–	–	–	–	–	9,160
Lease liabilities		51	116	3,235	9,242	11,656	24,300
Total	1,485,492	96,486	64,254	3,235	9,242	11,656	1,670,365
Derivative liabilities							
Derivative financial instruments	539	–	–	–	–	–	539

Assets 2023	Less than 1 month or on demand	1 month – 3 months	3 months – 1 year	1 year – 2 years	2 years – 5 years	More than 5 years	Total
Restated	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	**528,397**	**1,438**	–	–	–	–	**529,835**
Money market funds	**518,764**	–	–	–	–	–	**518,764**
Loans and advances on demand to banks	**132,508**	–	–	–	–	–	**132,508**
Other loans and advances to banks [1]	**38,274**	**35,142**	**65,011**	–	–	–	**138,427**
Loans and advances to non-banks	**8,216**	–	–	–	–	–	**8,216**
Derivative financial assets	**3,795**	–	**34**	–	–	–	**3,829**
Unsettled transactions	**8,417**	–	–	–	–	–	**8,417**
Investment in debt securities	**36,906**	**68,629**	**169,033**	**70,263**	**20,712**	–	**365,543**
Investment in equity securities	–	–	–	–	–	**495**	**495**
Other assets [1]	**28,810**	–	–	–	–	–	**28,810**
Accrued income (others)	**1,217**	–	–	–	–	–	**1,217**
Total	**1,305,304**	**105,209**	**234,078**	**70,263**	**20,712**	**495**	**1,736,061**

	Less than 1 month or on demand	1 month – 3 months	3 months – 1 year	1 year – 2 years	2 years – 5 years	More than 5 years	Total
Liabilities 2023	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-derivative liabilities							
Customer accounts	**1,362,058**	**98,939**	**83,136**	**6,051**	–	–	**1,550,184**
Unsettled transactions	**20,081**	–	–	–	–	–	**20,081**
Other liabilities [2]	**16,491**	–	–	–	–	–	**16,491**
Accruals	**17,315**	–	–	–	–	–	**17,315**
Lease liabilities	**83**	**51**	**238**	**181**	**331**	–	**884**
Total	**1,416,028**	**98,990**	**83,374**	**6,232**	**331**	–	**1,604,955**
Derivative liabilities							
Derivative financial instruments	**9,645**	–	**34**	–	–	–	**9,679**

[1] Excludes non-financial assets such as corporation tax refund and VAT refund.
[2] Excludes non-financial liabilities such as amounts due to HM Revenue & Customs.

34. Currency Risk

The table below shows CAB's net currency exposures that give rise to the net currency gains and losses recognised in the statements of profit or loss and other comprehensive income. Such exposures comprise the monetary assets and monetary liabilities of CAB that are not denominated in sterling. The Group has structural FX positions derived from non-GBP balances held within CAB US Inc and CAB Europe. Non-structural positions are driven by transactions to fund local currency nostro balances and unsettled spot FX transactions.

At 31 December, the net exposure of those financial instruments by currency were as follows:

	Net foreign currency monetary (liabilities)/assets in £'000					
2024 Currency	**US Dollar**	**Euro**	**KES**	**UGX**	**Other**	**Total**
(Liabilities)/assets	**(409,388)**	**(93,107)**	**714**	**154**	**(11,663)**	**(513,290)**
Net forward purchases/(sales)	**408,714**	**92,328**	**(199)**	**(79)**	**12,874**	**513,638**
	(674)	**(779)**	**515**	**75**	**1,211**	**348**
Change in assets/(liabilities) due to a change in currency value by						
+ 100 basis points	**(7)**	**(8)**	**5**	**1**	**12**	**3**
- 100 basis points	**7**	**8**	**(5)**	**(1)**	**(12)**	**(3)**

	Net foreign currency monetary (liabilities)/assets in £'000					
2023 Currency	**US Dollar**	**Euro**	**KES**	**UGX**	**Other**	**Total**
(Liabilities)/assets	(282,680)	(98,272)	360	(35)	10,665	(369,962)
Net forward purchases	282,402	97,077	(309)	(1)	(10,177)	368,992
	(278)	(1,195)	51	(36)	488	(970)
Change in assets/(liabilities) due to a change in currency value by						
+ 100 basis points	(3)	(12)	1	–	5	(9)
- 100 basis points	3	12	(1)	–	(5)	9

An analysis of the total financial instruments, split between GBP and other currencies, is as follows:

	2024 £'000	2023 £'000
Assets		
Denominated in other currencies	**996,423**	1,039,643
Liabilities and equity		
Denominated in other currencies	**1,507,681**	1,408,459

A 10% appreciation in the value of GBP against all other currencies would decrease CAB's profit or loss value by (£35k) (2023: £97k increase).

A 10% depreciation in the value of GBP against all other currencies would increase the CAB's profit or loss value by £35k (2023: £97k decrease).

35. Interest Rate Risk

a) Interest rate sensitivity

The table below summarises these re-pricing mismatches on CAB's book as at 31 December 2024. Items are allocated to time bands by reference to the earlier of the next contractual interest rate re-pricing date and the maturity date. The vast majority of the financial assets/financial liabilities are based on a fixed interest rate. The repricing table therefore is prepared on the basis that maturity date equals repricing date with the exception of a small quantum of floating rate bonds held in the Group's liquid asset buffer.

b) Interest rate repricing

Interest Rate Repricing 2024 assets	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks	583,618	–	–	–	–	583,618
Money market funds	488,197	–	–	–	–	488,197
Loans and advances on demand to banks	184,686	–	–	–	–	184,686
Other loans and advances to banks	81,204	87,437	9,501	–	–	178,142
Loans and advances to non-banks	32,835	–	–	–	–	32,835
Derivative financial assets	4,863	21	–	–	–	4,884
Unsettled transactions	–	–	–	–	10,870	10,870
Investment in debt securities	80,218	34,529	42,981	89,733	–	247,461
Investments in equity securities	–	–	–	–	553	553
Other assets [1]	–	–	–	–	23,581	23,581
Accrued income	–	–	–	–	927	927
Total assets	**1,455,621**	**121,987**	**52,482**	**89,733**	**35,931**	**1,755,754**

[1] Excludes non-financial assets such as corporation tax refund and VAT refund.

Interest Rate Repricing 2024 liabilities	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Customer accounts	1,525,239	44,052	17,838	–	–	1,587,129
Derivative financial liabilities	539	–	–	–	–	539
Unsettled transactions	–	–	–	–	35,115	35,115
Other liabilities [1]	–	–	–	–	34,442	34,442
Accruals	–	–	–	–	9,160	9,160
Shareholders' funds	–	–	–	–	150,598	150,598
Total liabilities	**1,525,778**	**44,052**	**17,838**	**–**	**229,315**	**1,816,983**
Interest rate sensitivity gap	**(70,157)**	**77,935**	**34,644**	**89,733**	**(193,384)**	**(61,229)**
Cumulative gap	**(70,157)**	**7,778**	**42,422**	**132,155**	**(61,229)**	

[1] Includes financial liabilities and lease liabilities.

35. Interest Rate Risk *continued*

Interest Rate Repricing 2023 assets (restated)	**Not more than three months**	**More than three months but not more than six months**	**More than six months but not more than one year**	**More than one year but not more than five years**	**Non-interest bearing**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	**528,396**	–	–	–	–	**528,396**
Money market funds	**518,764**	–	–	–	–	**518,764**
Loans and advances on demand to banks	**132,447**	–	–	–	–	**132,447**
Other loans and advances to banks [1]	**74,365**	**50,701**	**12,503**	–	–	**137,569**
Loans and advances to non-banks	**8,216**	–	–	–	–	**8,216**
Derivative financial assets	**3,795**	**15**	**19**	–	–	**3,829**
Unsettled transactions	–	–	–	–	**8,417**	**8,417**
Investment in debt securities	**104,424**	**56,322**	**110,547**	**89,336**	–	**360,629**
Investments in equity securities	–	–	–	–	495	495
Other assets [1]	**330**	–	–	–	**28,480**	**28,810**
Accrued income	–	–	–	–	**1,217**	**1,217**
Total assets	**1,370,737**	**107,038**	**123,069**	**89,336**	**38,609**	**1,728,789**

[1] Excludes non-financial assets such as corporation tax refund and VAT refund.

Interest Rate Repricing 2023 liabilities	**Not more than three months**	**More than three months but not more than six months**	**More than six months but not more than one year**	**More than one year but not more than five years**	**Non-interest bearing**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Customer accounts	**1,459,960**	**37,686**	**43,334**	**5,652**	–	**1,546,632**
Derivative financial liabilities	**9,645**	**15**	**19**	–	–	**9,679**
Unsettled transactions	–	–	–	–	**20,081**	**20,081**
Other liabilities [1]	–	–	–	–	**17,375**	**17,375**
Accruals	–	–	–	–	**17,315**	**17,315**
Shareholders' funds	–	–	–	–	**134,204**	**134,204**
Total liabilities	**1,469,605**	**37,701**	**43,353**	**5,652**	**188,975**	**1,745,286**
Interest rate sensitivity gap	**(98,868)**	**69,337**	**79,716**	**83,684**	**(150,366)**	**(16,497)**
Cumulative gap	**(98,868)**	**(29,531)**	**50,185**	**133,869**	**(16,497)**	

[1] Includes financial liabilities and lease liabilities.

Following a parallel shift in interest rates, CAB's net asset value would change as follows based on a contractual gap:

	2024	**2023**
Parallel Shift	**£'000**	**£'000**
+ 200bp	(134)	172
– 200bp	120	(196)

36. Capital Management

Capital risk is the risk that CAB has insufficient capital resources to meet the minimum regulatory requirements in all jurisdictions where regulated activities are undertaken, to support its credit rating and to support its growth and strategic options.

Capital risk management

In addition to the management of liquidity and market risks the ALCO is responsible for ensuring the effective management of CAB's capital risk. Specific levels of authority and responsibility in relation to capital risk management have been assigned to the appropriate committees.

Externally imposed capital requirements

CAB manages its capital on an entity basis with no consideration of other group companies.

Capital risk is measured and monitored using limits set in relation to capital all of which are calculated in accordance with relevant regulatory requirements.

CAB's regulatory capital consists solely of CET 1 capital which includes ordinary share capital, retained earnings and reserves after deductions for intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

CAB's capital plans are developed with the objective of maintaining capital that is adequate in quantity and quality to support CAB's risk profile, regulatory and business needs. Capital forecasts are continually monitored against relevant internal target capital ratios to ensure they remain appropriate and consider risks to the plan including possible future regulatory changes.

In order to do so, CAB calculates those capital requirements on a daily basis and, using a traffic light warning system based on an internal buffer, reports to ALCO, or, should the need arise, the Board.

CAB manages capital risk on an ongoing basis through other means such as:

- Stress testing: internal CAB specific stress testing is undertaken to quantify and understand the impact of sensitivities on the capital plan and capital ratios arising from stressed macroeconomic conditions. Reverse stress testing is also performed to identify the extent of stress that could be survived before limits are breached.

- Risk mitigation: as part of the stress testing process, actions are identified that should be taken to mitigate the risks that could arise in the event of material adverse changes in the current economic and business environment.

- Senior management awareness and transparency: Capital management information is readily available at all times to support CAB's executive management's strategic and day-to-day business decision making, as may be required.

Full details of the capital adequacy requirements for CAB are provided in its Pillar 3 disclosures which can be found on the website of Crown Agents Bank Limited (www.crownagentsbank.com). These Pillar 3 disclosures are not audited.

37. Classification of Financial Instruments

The carrying values of the financial assets and financial liabilities are summarised by category below:

Financial assets	2024 £'000	Restated 2023 £'000
Mandatorily measured at fair value through profit or loss		
Money market funds	**488,197**	518,764
Derivative financial instruments – foreign exchange related contracts	**4,884**	3,829
	493,081	522,593
Measured at amortised cost		
Cash and balances at central banks[1]	**584,679**	529,835
Loans and advances on demand to banks	**184,683**	132,447
Other loans and advances to banks [1]	**180,095**	136,130
Other loans and advances to non-banks	**32,564**	8,216
Investment in debt securities	**246,021**	353,028
Unsettled transactions	**10,866**	8,417
Other assets (excluding non-financial assets)	**23,489**	28,810
Accrued income	**925**	546
	1,263,322	1,197,429
Measured at fair value through other comprehensive income		
Investment in equity securities	**553**	495

Financial liabilities	2024 £'000	2023 £'000
Mandatorily measured at fair value through profit or loss		
Derivative financial instruments – FX related contracts	**539**	9,679
	539	9,679
Measured at amortised cost		
Client accounts	**1,589,481**	1,546,632
Unsettled transactions	**35,173**	20,081
Other liabilities (excluding non-financial liabilities)	**10,142**	16,491
Lease liabilities	**17,076**	884
Accruals	**9,160**	17,315
	1,661,032	1,601,403

38. Fair Value Measurements

a) Fair value methodology

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined at prices quoted in active markets, where available. In some instances, such price information is not available for all instruments and CAB applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases, management estimate unobservable market inputs within the valuation model. There is no standard model and different assumptions would generate different results. To provide an indication about the reliability of the inputs used in determining fair value, CAB has classified its financial instruments that are measured at fair value into the three levels of the fair value hierarchy explained further below, based on the lowest level input that is significant to the entire measurement of the instrument.

b) Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Inputs to Level 1 fair value are quoted prices (unadjusted) in active markets for identical assets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide pricing information on an on-going basis.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivative financial instruments) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value such an instrument are observable, the instrument is included in Level 2.

Fair values of derivative financial instruments (FX contracts), money market funds, investment in equity securities and investment in debt securities are included in Level 2.

Money market funds and exchange traded funds are valued at fair value based on the price a willing buyer would pay for the asset. Any gain or loss is taken through the profit and loss account. The money market funds include contractual terms such that they are traded at par until the total market value of the underlying instruments deviates from that par value by a certain amount (typically 20bps). The funds have each traded at par at all times since the initial investment by CAB.

The fair value of CAB's Investment in debt securities is determined by using discounted cash flow models that use market interest rates as at the end of the period.

Level 3 – Unobservable inputs for the asset or liability
Inputs to Level 3 fair values are based on unobservable inputs for the assets at the last measurement date. If all significant inputs required to fair value an instrument are observable then the instrument is included in Level 2, if not it is included in Level 3.

There were no transfers between fair value hierarchy level during the year (2023: £nil). There were no changes in valuation techniques used during the year (2023: £nil)

c) Financial instruments measured through FVTPL and FVTOCI are categorised at Level 2 fair value hierarchy

Financial assets and financial liabilities at fair value through profit or loss	Valuation techniques	Inputs
Derivative financial assets	The Mark-to-Market ("MTM") calculation for foreign currency forwards is performed within Core Banking System ("CBS") based on market inputs pulled from Reuters at the end of each trading day. CBS applies a straight-line interpolation calculation to derive the requisite forward points for each currency based on the maturity date of the transaction – these points are added to the spot rate to derive a revaluation rate.	Reuters quoted spot rates and forward points.
Money market funds	Net asset value based on the valuation of the underlying Level 1 investments.	Quoted market prices but not for identical assets.
Investment in equity securities	In order to undertake its business, CAB utilises the Swift payment system, the conditions of which oblige participants to invest in the shares of SWIFT, in proportion to participants' financial contributions to SWIFT.	The fair value is calculated annually based on price received from SWIFT and is approved annually at reporting period.
Derivative financial liabilities	The MTM calculation for FX forwards is performed within CBS based on market inputs pulled from Reuters at the end of each trading day. CBS applies a straight-line interpolation calculation to derive the requisite forward points for each currency based on the maturity date of the transaction – these points are added to the spot rate to derive a revaluation rate.	Reuters quoted spot rates and forward points.

d) Financial assets and financial liabilities at fair value through profit or loss

Forward foreign exchange contracts have been transacted to economically hedge assets and liabilities in foreign currencies with movements recognised at fair value through profit or loss.

Any gain or loss is taken through the statement of profit or loss and other comprehensive account.

e) Amounts recognised in profit or loss

The gains, losses and changes in fair values of financial assets at fair value through profit or loss recorded in the statement of profit or loss and other comprehensive income is as follows:

	2024 £'000	2023 £'000
Gain on money market funds (statement of profit or loss)	**16,070**	11,034
Net (loss)/ gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss (Statement of profit or loss)	**(247)**	1,232
Fair value gains/(losses) on derivatives (economically hedging non-GBP currencies on balance sheet) (Note 5)	**10,205**	(7,884)
	26,028	4,382

f) Fair values of financial assets that are measured at amortised cost

Apart from the fixed rate bonds, the carrying amounts of financial assets and liabilities measured at amortised cost are approximately the same as their fair values due to their short-term nature. The fair value of the fixed rate bonds is provided below.

g) Impairment and risk exposure

Information about the impairment of financial assets, their credit quality and CAB's exposure to credit risk can be found in the accounting policy note for financial instruments (Note 1(n)).

h) Financial liabilities measured at amortised cost

The carrying amounts of financial liabilities at amortised cost are approximately the same as their fair values due to their short-term nature.

i) Financial instruments measured at fair value

The valuation levels of the financial assets and financial liabilities accounted for at fair value are as follows:

Asset/(liability) type – 2024	Level 2 £'000	Stress	Sensitivity £'000
Financial assets at fair value			
– Money market funds	**488,197**	1% increase in interest rates	**(4,625)**
– Derivative financial assets	**4,884**	£ exchange-rate rise of 1%	**(4,184)**
– Investment in equity securities	**553**	Equity price +5%	**28**
Financial liabilities at fair value			
– Derivative financial liabilities	**(539)**	£ exchange-rate rise of 1%	**(901)**
	493,095		**(9,682)**

Asset/(liability) type – 2023	Level 2 £'000	Stress	Sensitivity £'000
Financial assets at fair value			
– Money market funds	518,764	1% increase in interest rates	(895)
– Derivative financial assets	3,829	£ exchange-rate rise of 1%	(299)
– Investment in equity securities	495	Equity price +5%	24
Financial liabilities at fair value			
– Derivative financial liabilities	(9,679)	£ exchange-rate rise of 1%	(3,390)
	513,409		(4,560)

These are all recurring fair value measurements. There were no financial assets classified as Level 1 and Level 3, and there were no movements between fair value levels.

j) Fair value and carrying amount of investment in debt securities

	2024 £'000		2023 £'000	
	Carrying value	Fair value	Carrying value	Fair value
Fixed rate bonds				
US Treasury Bills (excluding accrued interest)	–	–	7,845	7,775
Other fixed rate bonds (excluding accrued interest)	**243,847**	**243,796**	343,070	342,907
Accrued interest	**2,079**	**2,079**	2,113	2,113
At 31 December	**245,926**	**245,875**	353,028	352,795

Note: the fair values of the fixed rate bonds are based on market quoted prices. They are classified as level 1 fair values in the fair value hierarchy due to the liquid nature of the bond holdings, having observable and transparent secondary market pricing.

39. Consideration of Climate Change

The preparation of these Financial Statements includes the consideration of the impact of climate change. There has been no material impact identified on the financial reporting judgement and estimates. In particular, the Directors considered the impact of climate change in respect of the:

- Going concern for a period of at least 12months from the date of approval of the consolidated financial statements;
- Assessment of impairment of non-financial assets;
- Carrying value and useful economic lives of property, plant and equipment;
- Fair value of financial assets and liabilities. These are generally based on market indicators which include the market's assessment of climate risk;
- Economic scenarios used for measurement of expected credit losses and the behavioural lifetime of assets against the expected time horizons of when climate risks may materialise;
- Forecasting of CAB's future UK taxable profits, which impacts deferred tax recognition; and
- Impact on debtors within the next 12 months (stage 1) or lifetime (stage 2 and stage 3 facilities), for impact on the related ECL calculation.

Whilst there is currently no material short-term impact of climate change expected, CAB acknowledges the long-term nature of climate risk and continues to monitor and assess climate risks.

40. Events after the reporting period

Restructuring costs

As announced during Q1 2025, in line with the refreshed strategy, CAB has commenced a programme to reduce its head count by approximately 20%. Furthermore, CAB will continue to reinvest in front line sales teams on a global scale to drive revenue growth. The redundancy program will cost c.£2.0 million.

There were no other events after the reporting period requiring disclosure or further adjustments to the financial information.

41. Board Approval

The Financial Statements for the year ended 31 December 2024 were approved by the Board of Directors and authorised for issue on 12 March 2025.

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