

# **NEDBANK PRIVATE WEALTH LIMITED**

Directors' report and Abridged financial statements

For the year ended 31 December 2025

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## DIRECTORS AND OFFICERS

### Directors

Name		Appointed	Resigned
C Blenkinsop		14 October 2011	
I Ruggiero	a,b	12 August 2015	Effective 31 March 2025
S Cummins		20 March 2018	
E M Kruger <sup>1</sup>	e	20 March 2018	Effective 26 April 2025
J R Harris	c,b	16 July 2019	
A J Corlett <sup>2,3,4</sup>	a,d,e	17 March 2020	
J J O Wilson	b	17 March 2020	
N A Duggan <sup>3</sup>	a,b,d	01 November 2021	
M H Davis		13 November 2025	
C J Thomas	b	13 November 2025	
P M Moore	a,b	27 January 2026	

Key:

a.	Member of Audit, Risk and Compliance Committee
b.	Member of Remuneration Committee
c.	Chairman of Audit, Risk and Compliance Committee
d.	Chairman of Remuneration Committee
e.	Chairman of the Board

### Registered agent

ILS Fiduciaries (IOM) Limited  
 First Floor  
 Millennium House  
 Victoria Road  
 Douglas  
 Isle of Man  
 IM2 4RW

### Auditors

KPMG Audit LLP  
 Heritage Court  
 41 Athol Street  
 Douglas  
 Isle of Man  
 IM1 1LA

### Registered office

St Mary's Court  
 20 Hill Street  
 Douglas  
 Isle of Man  
 IM1 1EU

<sup>1</sup> Mr E M Kruger served as Chairman of the Board until his passing on 26 April 2025.

<sup>2</sup> Mr A J Corlett served as interim Chairman of the Board from 17th July 2025 and was appointed as Chairman on 13th November 2025.

<sup>3</sup> Mr A J Corlett resigned as Chair and member of the Remuneration Committee on 13th November 2025, Mr N A Duggan was appointed to the role on the same date.

<sup>4</sup> Mr A J Corlett resigned as a member of the Audit, Risk and Compliance Committee on 13th November 2025.

## DIRECTORS' REPORT

The Directors submit their report and the audited abridged consolidated financial statements for the year ended 31 December 2025.

### Principal activities

Nedbank Private Wealth Limited (the "Company") and together with its subsidiaries (together the "Group") undertake the following principal activities:

The Company is a licensed bank incorporated in the Isle of Man, whose operations are regulated by the Isle of Man Financial Services Authority, Jersey Financial Services Commission, United Kingdom Financial Conduct Authority, United Kingdom Prudential Regulation Authority and the South African Reserve Bank.

The Company carries on the business of banking in all its aspects including the management of clients' investments and the acceptance of Great Britain Pound sterling ("sterling") and foreign currency deposits. The wholly owned subsidiaries of the Company are listed in note 8 of these financial statements.

### Results

The loss for the year after tax amounted to £2,515,000 (2024: profit of £13,223,000). The loss of £2,515,000 has been transferred to retained earnings (2024: profit of £13,223,000).

The loss for the year was heavily influenced by the impairment of intangible assets necessitated by the termination of the contract with the supplier previously appointed to implement a replacement Wealth Management platform. Post-this termination, the Company will no longer use a single supplier to provide the bulk of the platform and will instead seek to implement more modular 'best of breed' solutions. Without this impairment the Group would otherwise have generated retained profits of £10,141,000. This is lower than in the prior year, due partially to the lower interest rate environment and reduced client deposits, but also to the continuing significant investment into anti-fraud and Cybersecurity measures which is now an industry feature.

### Dividend

In the year under review, the Company has declared and paid dividends of £7,500,000, 68.2 pence per share (2024: £32,500,000, 295.5 pence per share). The higher dividend level in the prior year included the proceeds of the sale of Nedgroup Trust Limited, previously a subsidiary of the Company, which concluded in April 2022.

### Inflation, Interest rates and growth

2025 saw economies continue to navigate through geopolitical tensions, while striving to generate growth. The UK economy showed modest GDP growth and falling inflation with heightened levels of uncertainty concerning potential new taxation and other measures creating a 'wait and see' environment for many clients in the run up to the November 2025 budget.

The Headline Consumer Prices Index recorded inflation of 3.4% in the 12 months to December 2025 and the Bank of England reduced the UK Bank Rate four times in 2025 from 4.75% at the start of the year to 3.75% by December, its lowest rate since early 2023.

### Geopolitical tensions

The continuing Russia / Ukraine conflict creates significant and persistent geopolitical risk for the global banking industry, affecting many banks through direct exposures or, as is the case for the Group, indirect exposures including macroeconomic effects, regulatory challenges and generally heightened uncertainty.

The extensive international sanctions attaching to Russia, brought additional compliance burdens for banks, including enhanced sanctions screening processes for new and existing clients, for transaction monitoring and for client investment activity. There has also been an increased cyber threat, with banks strengthening cybersecurity defences and business continuity planning to mitigate the risk of service disruption or data compromise.

## DIRECTORS' REPORT (CONTINUED)

As reported in the prior year, the Directors have undertaken a risk assessment of the Group's position in relation to the conflict and evaluated its relationship with certain clients, concluding that direct exposure to Russian clients and clients or counterparties with a nexus to Russia continues to be minimal.

The Group maintains an embargo on new Russian-nexus clients, investments and payment activity. Where indirect exposure exists, the Directors are satisfied that the risk is limited and well mitigated by risk management procedures in place such as: dealing with financial institutions of reputable standing; ongoing monitoring of counterparties by the Nedbank Sovereign and Financial Institutions Credit Unit and; the regular review of the macroeconomic and microeconomic environment by the Group's Treasury Risk Asset and Liability Committee. The Group's assessment also included a review of resilience with respect to Cybersecurity threat given the elevated risk of State sponsored attacks.

During 2025 the Middle East remained highly unstable with overlapping conflicts and flashpoints and the conflict between Israel and Hamas continuing to dominate the regional headlines. Whilst a ceasefire in Gaza was in place by the year end, peace in the region remains fragile.

In late February 2026, Middle East regional tensions escalated sharply following coordinated US and Israeli military strikes on Iran, which targeted senior leadership figures and strategic military infrastructure. Iran responded with widespread missile and drone attacks across the Gulf and neighbouring states, significantly heightening geopolitical risk and contributing to renewed instability across the broader Middle East.

This deterioration in the regional security environment has increased uncertainty in global markets and continues to pose potential implications for energy prices, supply chains, and investor sentiment.

Conflicts aside, a major global feature was the impact of the threat of widespread US trade tariffs becoming a reality, with sharp contractions in global trade volumes and major disruption to global supply chains. This increased input costs for businesses and fuelled market volatility, creating falls in investment markets and weakening the US dollar in the first half of the year. This was followed by a recovery with global investment markets finishing 2025 at, or near, record highs, albeit trade tariffs seem likely to remain a significant market feature into 2026.

As noted in the going-concern section of this report, these economic factors and geopolitical tensions have been taken into consideration as part of the going-concern process.

### **Wealth Management Platform**

In mid-2023, the Company entered into an agreement with a leading wealth management technology provider and commenced a programme of work to replace the Company's current wealth management platform. The programme of work continues, albeit the Company has terminated its contract with the supplier appointed to implement the major part of the platform, resulting in an impairment to the intangible asset that was previously recognised. The revised programme of work, post-termination, will likely involve capital expenditure with different suppliers over the next three-year period, for which assumptions have been built into forecasts reviewed by the Directors as part of the going-concern review. This impairment has not materially reduced the Company's Tier 1 Capital ratio or impacted negatively on its liquidity position.

### **Fraud Risk**

The Directors recognise the increased incidence of fraud attempts being experienced by UK and International banks. The speed of technological advancements is fuelling new fraud threat vectors, from 'lone wolf' to global organised crime groups with access to high grade technology. The Group continues to be very proactive in mitigating this risk, working in collaboration with industry bodies such as UK Finance and the Isle of Man Bankers Association to maintain high levels of awareness on new threats, ensuring the Company is well placed to address matters as they arise.

### **Climate Change**

The Directors consider that the Group has an important role to play in support of the Nedbank Group Limited Energy Policy in combatting climate change. The Group supports The Nedbank Sustainability Approach for which the latest information can be found here:

<https://group.nedbank.co.za/sustainability.html>

## DIRECTORS' REPORT (CONTINUED)

The Directors recognise the importance of understanding the key risks and challenges posed by climate change and have taken steps to address and mitigate related risks, including the recognition of Physical and Transition risks associated with climate change. These risks also form part of the Going-Concern Assessment.

The Directors have developed and approved the Group's Climate Risk Management Framework which covers, Strategic commitment, Regulatory compliance, Stakeholder expectations and operational resilience.

The Group also takes all reasonable steps to limit the impact of its business on the planet; by reducing its' carbon footprint and acting sustainably; whilst also trying to influence others to do the same. To this end, the Company has a Sustainability Committee which supports the Senior Leadership Team in developing and implementing the Company's sustainability and climate strategy, goals and standards.

### Going concern

The Directors are of the opinion that the use of the going-concern basis of accounting is appropriate because there are no known material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group and Company to continue as a going-concern. The Group and Company is not dependent on external finance and projected cash flows indicate adequate financial resources to meet liabilities as they fall due.

The Directors assessment of adopting the going-concern basis of accounting took into account both current performance and the Group's outlook, which included considerations of the potential impact of each of the matters referred to above, impact of bank failures, and the economic pressures of the continuing geopolitical tension on the Group's capital and funding position as well as the Group's operational resilience. As part of this assessment, the Board considered a variety of scenarios, taking into account:

- the possible impacts on profit due to recent and forecast interest and inflation rate changes, movements in customer deposits and loan balances, potential reductions in revenues derived from assets under management and administration during highly stressed and falling markets, and potential increases in loan loss provisions arising from stressed collateral values during volatile economic periods;
- the sufficiency of the Group's capital base throughout the going-concern period, including by reference to the results of stress testing which is performed as an integral part of the ICAAP;
- the adequacy of the Group's liquidity;
- the status of the parent Nedbank Group and the financial and operational linkages that exist with the Company given current exposures to the parent and ability to request for parental financial support; and
- the operational resilience of the Group's priority business functions, dependencies on suppliers, and the ability to provide continuity of service to its customers.

Based on the current financial forecasts and stress test analysis, the Group's capital, funding, and operational capabilities support the Board's assessment that they have a reasonable expectation that the continuing activities of the Group will continue in operational existence for the foreseeable future

### Directors

The present Board and those Directors who served during the year are shown on page 1.

On behalf of the Board



**Stuart Cummins**  
Chief Executive Officer - Director  
23 March 2026

St Mary's Court  
20 Hill Street  
Douglas  
Isle of Man  
IM1 1EU

## REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED FINANCIAL STATEMENTS TO THE MEMBER OF NEDBANK PRIVATE WEALTH LIMITED

### Opinion

The abridged financial statements, which comprise the abridged consolidated and company statement of financial position as at 31 December 2025 and selected explanatory notes, are derived from the audited financial statements of Nedbank Private Wealth Limited for the year ended 31 December 2025.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the audited financial statements prepared in accordance with rule 2.22(4) of the Isle of Man Financial Services Rulebook 2016.

### Abridged Financial Statements

The abridged financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The abridged financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 March 2026.

### Director's Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the abridged financial statements in accordance with rule 2.22(4) of the Isle of Man Financial Services Rulebook 2016.

### Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

### Use of our Report

This report is made solely to the company's members, as a body, in accordance with Section 2.22(4) of the Isle of Man Financial Services Rulebook 2016. Our 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 on the abridged financial statements 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 work, for this report, or for the opinions we have formed.

*KPMG Audit LLC*

KPMG Audit LLC  
Chartered Accountants  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man IM1 1LA

23 March 2026

**REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED FINANCIAL STATEMENTS TO THE MEMBER OF NEDBANK PRIVATE WEALTH LIMITED (CONTINUED)**

**Notes:**

- (a) The maintenance and integrity of the Nedbank Private Wealth Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the abridged financial statements since they were initially presented on the website.
- (b) Legislation in the Isle of Man governing the preparation and dissemination of abridged financial statements (Rule 2.22(4) of the Isle of Man Financial Services Rulebook 2016) may differ from legislation in other jurisdictions.

## ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Notes	2025 £'000	2024 £'000
<b>Assets</b>			
Cash and cash equivalents		25,612	31,903
Government treasury bills		152,293	218,878
Certificates of deposit		351,722	338,789
Floating rate notes		212,813	216,548
Loans and advances to other banks		84,217	57,977
Loans and advances to related parties		66,911	83,809
Derivatives and forward exchange contracts		1,687	4,578
Loans and advances to customers		347,336	328,716
Accrued interest receivable		6,762	10,644
Other assets		9,386	16,578
Deferred tax assets		871	8
Investments		334	282
Property and equipment		918	594
Intangible assets		-	7,061
Right of use asset		3,582	4,178
Pension scheme asset		3,114	2,408
<b>Total assets</b>		<b>1,267,558</b>	<b>1,322,951</b>
<b>Liabilities</b>			
Derivatives and forward exchange contracts		1,297	1,773
Deposits from customers		1,139,989	1,179,213
Deposits from related parties		5,603	4,123
Accrued interest payable		2,468	3,402
Other liabilities		11,307	18,156
Current tax liability		1,426	1,544
Deferred tax liability		516	447
Provisions	12	-	-
Right of use lease liability	11	4,517	4,881
<b>Total liabilities</b>		<b>1,167,123</b>	<b>1,213,539</b>
<b>Shareholder's equity</b>			
Issued capital	7	11,000	11,000
Fair value reserve		1,917	1,439
Retained earnings		87,518	96,973
<b>Total shareholder's equity</b>		<b>100,435</b>	<b>109,412</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,267,558</b>	<b>1,322,951</b>

The notes on pages 9 to 13 form part of the financial statements.

These financial statements were approved by the Board of Directors on 19 March 2026 and were signed on their behalf by:



**Stuart Cummins**  
Chief Executive Officer - Director  
23 March 2026



**Craig Blenkinsop**  
Chief Financial Officer - Director  
23 March 2026

ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Notes	2025 £'000	2024 £'000
<b>Assets</b>			
Cash and cash equivalents		25,612	31,903
Government treasury bills		152,293	218,878
Certificates of deposit		351,722	338,789
Floating rate notes		212,813	216,548
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Derivatives and forward exchange contracts		1,687	4,578
Loans and advances to customers		347,336	328,716
Accrued interest receivable		6,762	10,644
Other assets		9,386	16,578
Deferred tax assets		871	8
Investments		334	282
Investments in subsidiaries	9	4	4
Property and equipment		918	594
Intangible assets		-	7,061
Right of use asset		3,582	4,178
Pension scheme asset		3,114	2,408
<b>Total assets</b>		<b>1,267,562</b>	<b>1,322,955</b>
<b>Liabilities</b>			
Derivatives and forward exchange contracts		1,297	1,773
Deposits from customers		1,139,989	1,179,213
Deposits from related parties		5,603	4,123
Due to subsidiary companies		4	4
Accrued interest payable		2,468	3,402
Other liabilities		11,307	18,156
Current tax liability		1,426	1,544
Deferred tax liability		516	447
Provisions	12	-	-
Right of use lease liability	11	4,517	4,881
<b>Total liabilities</b>		<b>1,167,127</b>	<b>1,213,543</b>
<b>Shareholder's equity</b>			
Issued capital	7	11,000	11,000
Fair value reserve		1,917	1,439
Retained earnings		87,518	96,973
<b>Total shareholder's equity</b>		<b>100,435</b>	<b>109,412</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,267,562</b>	<b>1,322,955</b>

The notes on pages 9 to 13 form part of the financial statements.

These financial statements were approved by the Board of Directors on 19 March 2026 and were signed on their behalf by:



**Stuart Cummins**  
Chief Executive Officer - Director  
23 March 2026



**Craig Blenkinsop**  
Chief Financial Officer - Director  
23 March 2026

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

(forming part of the abridged financial statements for the year ended 31 December 2025)

### 1 Basis of preparation

These abridged financial statements are prepared in a manner required by Rule 2.22(4) of the Isle of Man Financial Services Rulebook 2016 ("The Rule"). This Rule requires the preparation of abridged financial statements which contain the Consolidated and Company Statements of Financial Position and selected explanatory notes as derived from the audited financial statements for the year ended 31 December 2025.

The Group financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) and the Company financial statements in accordance with IFRSs with the exclusion of the Statement of Profit and Loss or a Company Statement of Other Comprehensive Income as permitted by the Isle of Man Companies Act 2006.

### 2 Accounting policies

These abridged financial statements incorporate accounting policies that are consistent with those adopted in the Group and Company financial statements for the year ended 31 December 2025 and with those of previous years. Where reference is made to Group it also means Company unless the context otherwise suggests.

### 3 Changes in accounting policies

There are no changes in accounting policies effective from 1st January 2025 which have a material impact on these abridged financial statements.

### 4 Audited Financial Statements

A copy of the audited financial statements of Nedbank Private Wealth Limited for the year ended 31 December 2025 is available on request at the Company's registered office, at no charge.

### 5 Dividend

Dividends of £7,500,000 being 68.19 pence per share (2024: £32,500,000, being 295.5 pence per share) were declared and paid during the year. The higher dividend level in the prior year included the proceeds of the sale of Nedgroup Trust Limited, previously a subsidiary of the Company, which concluded in April 2022.

### 6 Company profit

The loss after tax within the financial statements of the Company amounts to £2,515,000 (2024: profit of £13,223,000). Excluding the intangible impairment and related tax recognised during the year, profit after tax of the Company amounted to £10,141,000 (2024: operating profit; £13,223,000).

### 7 Share capital

	Issued and fully paid	
	2025	2024
	£'000	£'000
11,000,000 Authorised ordinary equity shares of £1 each	<b>11,000</b>	11,000

The Company has one class of ordinary shares which carry no right to fixed income.

### 8 Capital management

Regulatory capital

The Company's lead regulator, the Isle of Man Financial Services Authority, sets and monitors capital requirements for the parent company. The individual subsidiary and branch operations are directly supervised by their local regulators.

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

(forming part of the abridged financial statements for the year ended 31 December 2025)

### 8 Capital management (continued)

Regulatory capital (continued)

The Company had regulatory capital as at the 31 December 2025 of £84,889,000 (2024: £85,406,000). The Company holds regulatory capital in the form of Common Equity Tier 1 capital and Regulatory adjustment Tier 2 capital. As at 31 December 2025 Tier 1 capital represented £84,397,000 and Tier 2 represented £492,000 (2024: Tier 1 £84,738,000 & Tier 2 £668,000).

The Company's policy is to maintain a ratio of total capital to total risk weighted assets in excess of that prescribed by the lead regulator. As at 31 December 2025 the Company was required to hold minimum capital of £51,592,000 (2024: £53,605,000). The policy has been complied with throughout.

The Company has complied with all externally imposed capital requirements throughout the year and there have been no material changes in the Company's management of capital during the year. The impairment recognised during the period (see note 6) has not materially reduced the Company's Tier 1 Capital ratio or impacted negatively on its liquidity position.

### 9 Subsidiary undertakings

Name	Activity	Holding	Place of incorporation	Cost £'000 2025	Cost £'000 2024
Nedgroup Private Wealth Nominees (Jersey) Limited	Nominee	100%	Jersey	-	-
Nedgroup Private Wealth Nominees (IOM) Limited	Nominee	100%	Isle of Man	2	2
Nedgroup Private Wealth Nominees (UK) Limited	Nominee	100%	Isle of Man	2	2
NPW Pension Trustees Limited	Pension Trustee	100%	Isle of Man	-	-
				4	4

Investments in subsidiary undertakings are accounted for at cost. The risks associated with the subsidiary undertakings are managed in line with the Nedbank Group Enterprise-wide Risk Management framework. In relation to the nominee companies these are vehicles to hold Client Assets on behalf of the Company in regard to its investment business. The Company would accept liability for all acts and omissions of these companies and does not identify any material risk in relation to their operation over and above that identified in its normal course of business. The principal risk associated with the NPW Pension Trustees Limited is the risk of litigation.

### 10 Ultimate holding company and controlling party

As at 31 December 2025, Nedbank Private Wealth Limited was a wholly-owned subsidiary of Nedgroup International Holdings Limited which is incorporated in the Isle of Man. The controlling party of Nedbank Private Wealth Limited is Nedbank Group Limited.

### 11 Commitments

Funds to meet capital expenditure commitments will be provided from the Group's resources, in the current period there are no capital expenditure commitments outstanding (2024: £5,422,000). The other commitments outstanding relate to unutilised client loan facilities of £8,710,000 (2024: £6,733,000). These have been entered into during the normal course of business.

The Group has not issued any guarantees during the year (2024: £nil).

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

(forming part of the abridged financial statements for the year ended 31 December 2025)

## 11 Commitments (continued)

## Lease liabilities reconciliation

	Group	
	2025	2024
	£'000	£'000
<b>Balance as at 1 January</b>	<b>4,881</b>	5,678
Interest Expense	175	201
Lease modifications	76	-
Lease payments	<b>(615)</b>	(998)
<b>Balance as at 31 December</b>	<b>4,517</b>	4,881

## Lease liabilities: Current vs Non-Current

	Group	
	2025	2024
	£'000	£'000
Current	834	803
Non-current	<b>3,683</b>	4,078
Total	<b>4,517</b>	4,881

## 12 Provisions

	Group	
	2025	2024
	£'000	£'000
Opening balance	-	367
Utilised in the year	-	-
Released in the year	-	(367)
Legal provision	-	-
Closing balance	-	-

A new provision of £367,000 was raised at the end of 2023 representing an estimate of the expected outflow of resources where an obligating event had been identified. A probability-weighted approach was used to assess the quantum of the provision, and address the uncertainties therein, with the assessment that the quantum of outflow of resources required to resolve this matter in full was likely to be £1,000,000. It was noted that the Company believed that the full costs of settlement would be recovered through run-off insurance but due to the timing and uncertainty of the future claim, no asset was realised in the prior year financial statements.

During 2024 the Company received Gross claims from the acquiring company of £1,038,000 in respect of the matter above and a related matter covered by the run-off insurance arrangements. Consequently, the Company paid the acquirer £584,000 following adjustments relating to the insurance excess and other deductions. This amount of £584,000 has been recovered in full by the Company from its run-off insurer. The provision of £367,000 raised at the end of 2023 was utilised in full in the prior year.

In line with the treatment during 2024, in 2025 the Company received Gross claims of £710,000 in respect of the matter, the Company has paid the acquirer £378,000 and recovered £378,000 in full from the run-off insurer.

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

(forming part of the abridged financial statements for the year ended 31 December 2025)

### 12 Provisions (continued)

Following a review by the Directors of all known matters in relation to the warranties claim and run-off insurance matters at the end of 2025, it has been concluded that the requirements of "IAS 37 Provisions, Contingent Liabilities and Contingent Assets" for a further provision have not been met. In respect of the warranty claim, there is no reliable estimate of what the amount of the obligation might be since there is no specific amount claimed against the acquirer. In relation to the other run-off Insurance matters, the Group has no present obligation (legal or constructive) in excess of the amounts paid to date. Consequently, the IAS37 requirements are not met, and no new provision has been made in 2025.

The Group strives to operate to the highest of standards, undertaking remedial actions to address any relevant self or externally identified matters brought to the attention of management. The financial services industry is a highly regulated environment, and such actions include those to ensure compliance with the regulations of all jurisdictions in which the Group operates.

In accordance with the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, management has undertaken a thorough review of all potential obligations as of 31 December 2025. Based on the information currently available and having assessed the likelihood and reliability of any possible outflows of economic resources, no obligations were identified that meet the recognition criteria for a provision. Furthermore, any matters considered during the review were determined to represent contingent liabilities only, for which disclosure is provided where required. As a result, no provisions have been recognised in the financial statements for the year ended 31 December 2025.

### 13 Contingent liability

#### Claims in the Normal Course of Business

The Group, in the ordinary course of business, enters into transactions that expose it to taxation, legal and business risks that could result in litigation matters. Based on internal investigations and consultations with the group's legal counsel, the Group does not expect the ultimate resolution of any of these matters to have a material adverse effect on the Groups consolidated financial position. Provisions are made for known liabilities that are expected to materialise (see note 12). Possible obligations and known liabilities, where no reliable estimate can be made or it is considered improbable that an outflow would result, are reported as a contingent liability.

#### Share Purchase Agreement warranty claim

The Directors judge that a Contingent Liability exists in respect of the Share Purchase Agreement warranty claim disclosed in note 12 and the associated insurance excess deduction as both are subject to future possible legal action, the outcome of which is unknown.

There is no reliable estimate of the financial impact of the first matter, as there is no specific amount claimed against the acquirer. This matter is covered by run-off insurance, but no asset is being raised as there is no provision for a current obligation.

In accepting the payments made by the Company during 2024, the acquirer reserved its position in respect of the insurance excess of £106,000, noting that they were considering the SPA terms and whether this matter is covered as an insurance claim (in which case the figure is fully accepted) or by virtue of the express indemnity under the SPA (in which case no deduction would be applicable). This amount would not be recoverable by the Company under its run-off insurance arrangements and remains a contingent liability in 2025.

#### Depositors' Compensation Scheme

The Company is licensed by the Isle of Man Financial Services Authority ("IOMFSA") to conduct deposit-taking activities. All retail deposit-taking institutions in the Isle of Man are members of the statutory Isle of Man Depositors' Compensation Scheme under the Depositors' Compensation Scheme Regulations 2010.

The Scheme provides compensation to a maximum of 100% of the first £50,000 or currency equivalent of individual depositors and £20,000 in other cases, subject to a maximum of £100,000,000 from the Treasury and £100,000,000 from all participants, in the event of the failure of a participant institution to meet its obligations to depositors.

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

(forming part of the abridged financial statements for the year ended 31 December 2025)

### 13 Contingent liability (continued)

#### Depositors' Compensation Scheme (continued)

Such a failure triggers the payment of a levy by each participant calculated at 0.175% of average deposit liabilities over such period preceding the levying of the contribution as deemed appropriate by the Scheme Manager, with a minimum annual contribution of £50,000 and a maximum annual contribution of £500,000. During the year, the Company paid contributions of £nil (2024: £nil) to the Scheme.

The Jersey branch operation of the Company is licensed by the Jersey Financial Services Commission ('JFSC') to conduct deposit-taking activities. All retail deposit-taking institutions in Jersey are members of the statutory Jersey Depositors' Compensation Scheme under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009.

The Jersey Scheme provides compensation to a maximum of 100% of the first £50,000 or currency equivalent of individual depositors, subject to a maximum of £100,000,000 in any five-year period. During the year, the Company paid contributions of £17,700 (2024: £17,700) to the Scheme.

The London branch operation is licenced by the UKFCA and therefore participates in the Financial Services Compensation Scheme ('FSCS'). Eligible Deposits with the London branch are protected by the FSCS up to £120,000 per depositor from 1 December 2025 (previously £85,000). The FSCS has provided compensation to consumers following the collapse of a number of deposit takers. The compensation paid out to consumers is currently funded through loans from the Bank of England and HM Treasury. In order to repay the loan principal that is not expected to be recovered, the FSCS levies participating financial institutions.

In 2025, the Bank paid contributions of £69,438 (2024: £54,248) to the FSCS. The bank could be liable to pay a further proportion of the outstanding borrowings that the FSCS has borrowed from HM Treasury. The ultimate FSCS levy to the industry as a result of the collapses cannot currently be estimated reliably as it is dependent on various uncertain factors including the potential recoveries of assets by the FSCS and changes in the level of protected deposits and the population of FSCS members at the time.

### 14 Subsequent events

#### Geopolitical Developments in Iran and the Middle East

In late February 2026, Middle East regional tensions escalated sharply following coordinated US and Israeli military strikes on Iran, which targeted senior leadership figures and strategic military infrastructure. Iran responded with widespread missile and drone attacks across the Gulf and neighbouring states, significantly heightening geopolitical risk and contributing to renewed instability across the broader region.

This deterioration in the regional security environment increased uncertainty in global financial and commodity markets and poses potential implications for energy prices, supply chains, and investor sentiment.

Management has considered the potential implications of these developments on the Group's financial position and performance and, based on information available at the date of approval of these financial statements, no adjusting events under IAS 10 have been identified.

Consistent with prior periods, the Group's going concern assessment incorporates sensitivity analysis on key macroeconomic variables, including geopolitical risk, financial market volatility, inflation, and interest rate movements. It is management's assessment that the impacts of the conflict do not pose a threat to the Group's ability to continue as a going concern. The Group will continue to monitor and evaluate the situation as it evolves, responding proactively to material developments.

#### Wealth Management Platform

On 23 January 2026, the Company served notice to terminate its' contract with the supplier previously engaged to deliver a major component in the work to replace the current wealth management platform. This termination was considered as part of the impairment assessment of intangible assets.