



ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2025

COMPANY NUMBER: 00068835

RELIANCE BANK LIMITED

Annual Report and Accounts

For the Year Ended 31 March 2025

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Reliance Bank Limited ("Reliance Bank", "the Bank") is a company limited by shares, incorporated in England and Wales. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Reliance Bank is wholly owned by The Salvation Army International Trustee Company.

DIRECTORS, MANAGEMENT AND PROFESSIONAL ADVISORS

As at 22 July 2025

DIRECTORS

Justin Van Wijngaarden – Chair
Mike Anderson (appointed 1 May 2025)
Martyn Croft
Nikki Fenton*
Guy Herrington
Robert Lister
Commissioner E. Jane Paone
Megha Shah*
Jan Smith
George Stylianides

* Executive Directors

COMPANY SECRETARY

Kelly-Ann Witter

EXECUTIVE MANAGEMENT

Nikki Fenton, Chief Executive Officer
Morag Davies, Commercial Director
Tim Frankl, Chief Customer Officer
Grant Murray, IT Director
Jervis Rhodes, Chief Risk Officer
Megha Shah, Chief Financial Officer

REGISTERED OFFICE

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Website: www.reliancebankltd.com

COMPANY NUMBER

00068835

INDEPENDENT AUDITOR

Forvis Mazars LLP
30 Old Bailey
London EC4M 7AU

STATEMENT FROM THE CHAIR OF THE BOARD

Reliance Bank was founded in 1890 by Catherine and William Booth, the founders of the Salvation Army, and is wholly owned by the Salvation Army International Trustee Company. The Bank's founding purpose continues to apply today, 135 years later, namely to provide day to day banking services to its parent, international territories, the UK territory and other Salvation Army organisations.

The Bank's strategic priorities focus on providing excellent personal service to our customers, meeting the regulatory standards expected of a regulated bank in the UK and safely scaling the Bank to drive sustainable returns.

At Reliance Bank we give money meaning.

Business review

The Bank has again this year surpassed expectations and recorded over £1.4m in profit before taxation (2024: £1.9m). Despite reductions in interest rates in the year, the Bank has benefited from higher income streams on the back of a growing loan book. The Board was pleased to recommend a £0.1m Gift Aid payment to the parent company (2024: £0.1m), reflecting continued confidence in the Bank's position and future outlook.

After a strategic review, the Bank closed to new mortgages business in September, focussing instead on the core products of SME and Charity business banking and social impact lending. Lending growth aligned to our values and in our specialist sectors will drive the Bank's performance for the plan period 2025-2029.

Customers

We continue to invest in systems, people and processes, in particular, our empowered customer service team who can be reached directly without going through a 'call centre-style' menu. We are proud to again be the winner of the Charity Banking award from the Charity Finance Banking Survey, and we understand how our approach to service is valued by our customers.

We know there is still work to be done and our Digital Banking platform and Digital Onboarding continue to be a key focus to improve our customers' experience.

The Board

We extend our sincere gratitude to the directors who stepped down during the year –Paul Croucher – CEO, Claire Sunderland Hay – Chair of Board Conduct Risk and Compliance Committee and Robin Foale – Shareholder Appointee. Paul had served as CEO since 2018 and oversaw the complete transformation of the Bank during this time. We were pleased to be able to appoint Nikki Fenton as the new CEO, who was previously Deputy CEO, and before that CFO since joining in 2020.

We also welcomed two new directors Robert Lister – Shareholder Appointee and Mike Anderson as Chair of Audit Committee. These changes have helped to reinvigorate and balance the Board, ensuring a diverse mix of experience and leadership.

I am confident that the investment in people and resources over the last few years stand us in good stead for delivery of the four-year Strategic Plan.

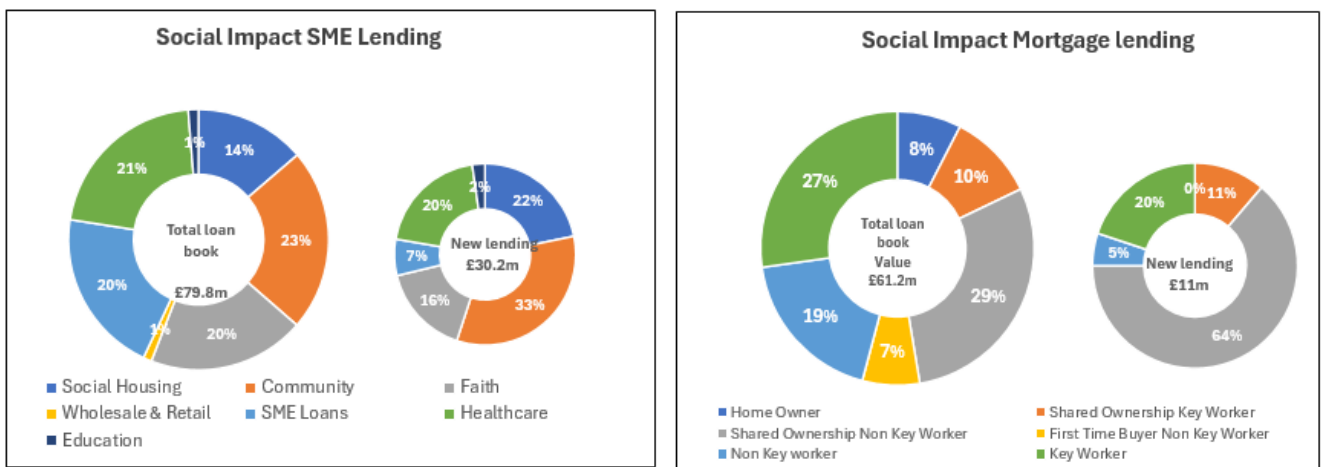
Justin Van Wijngaarden
Chair
22 July 2025

RELIANCE BANK LIMITED
STRATEGIC REPORT

The Bank completed its strategic review and approved a new four-year plan in 2025 for the period to 31 March 2029. Using input from staff, stakeholders and the external environment, we refreshed our strategy, reaffirmed our Mission and updated our goals. The strategy continues to be focussed on scaling the loan book with maximum social impact whilst continuing to diversify the deposit base in control of profitability, liquidity and capital requirements. The Bank is seeking new business and charity customers to increase deposits and reduce concentration on funding from The Salvation Army. This is wholly in line with The Salvation Army’s investment strategy and desire to build a broader based bank.

PERFORMANCE REVIEW FROM THE CHIEF EXECUTIVE OFFICER

The Bank aligns to the UN’s sustainable development goals for social impact reporting and publishes an annual social impact report. Below is the overview of our new social impact lending as of March 2025:



The Bank’s ethical approach means it only offers borrowing facilities to organisations who meet its social impact standards, for example by providing faith, education or community support services, healthcare or social housing accommodation. The organisations in our target market benefit from tailored financial support, as High Street banks may not always have the specialised understanding required to navigate the charity sector. The Bank’s main competitors are smaller specialist challenger banks. Through our sector expertise and niche focus the Bank can safely underwrite these loans and charge a margin indicative of the additional work involved. All lending is secured on property, usually at no more than 65% loan to the value of the property.

We are very proud that we were awarded first place overall in the Charity Finance Banking Survey. Reliance also achieved first place in four other categories: Telephone Services, Internet Services, ESG Credentials and Branch Services. We continued to enhance our Digital Banking service to help attract new customers looking for automated customer journeys, and we continue to invest in our customer experience team who provide the human interaction so many of our customers value.

As we build the infrastructure to support scaling the deposit book, our marketing team is conducting targeted campaigns to explore our target market and provide invaluable knowledge for when the systems are in place for a full business and charity banking launch in 2025.

As a result of the strategic review, the Bank decided to cease new mortgage lending as of September 2024, which resulted in a decline in the mortgage book by 4% to £61.4 million (2024: 5% increase to £63.9 million).

The Bank has continued to maintain a strong liquidity position and as of 31 March 2025, £68.2 million was deposited with the Bank of England (2024: £99.6million) as Customer Lending increased by

RELIANCE BANK LIMITED

STRATEGIC REPORT (continued)

£16million and Customer Deposits decreased by £12million (2025: £240million vs. 2024: £252million). This is a deliberate shift, in advance of the mortgage book running off, to optimise the available cash and balance sheet structure, manage the cost of funding whilst still ensuring the Liquidity Coverage Ratio (LCR) remains well above the regulatory requirements. Salvation Army entities provided around 63% (2024: 70%) of the Bank's funding with a decline from last year as non-Salvation Army deposits have increased by 19% compared to last year.

Loans to SMEs showed significant growth in the year, by 31% to £80.6 million (2024: 7% to £61.4 million). The social impact sectors in which we operate have generally been resilient against the continued high interest rates, wage costs and energy prices. We have seen some positive changes this year with increased broker engagement, fewer redemptions and a decrease in the volume of loans falling away during the approval process. Our pipeline of new transactions is growing, supporting our future growth plans with an increased focus on lending to social impact organisations and charities, aligned to the Strategic Review. However, we continue to be selective with our borrowers, in line with our credit risk appetite and aspiration to reach 100% social impact in the SME portfolio - supporting our communities, charities, churches, care providers and social housing services.

The 25% increase in loan loss provision in the year signifies the prudent approach taken by the Bank on specific provisions. Several factors like redemptions and increased collateral reduced the collective provision. The Bank continues to hold good levels of security against its loan exposures, on average the commercial book is 40% Loan to Value (LTV), (2024: 42%) and the mortgage book is 65% LTV (2024: 53%).

The Bank has experienced another successful year, recording a profit before tax and gift aid of £1.4 million (2024: £1.9 million) despite the challenges of market competition for deposits, the strategic decision to cease new mortgage lending, a building refurbishment project and on-going digitalisation endeavours. Gift aid donations of £0.1 million were made in the year (2024: £0.1 million). The retained profit boosts reserves as we prepare to scale the SME lending book. We anticipate that profit levels will moderate, as the interest rate environment adjusts downwards in line with Bank of England forecasts.

A premises review had been undertaken as part of the five-year strategic plan in 2023. As a result, a significant refurbishment of the Lovat Lane building was undertaken in April to June 2024 successfully, without any business disruptions, including during the move to a temporary office for 12 weeks and back again. As well as being necessary for the work to be completed safely, this was a helpful test of our operational resilience.

The Bank's continued profitability in line with its strategic plan, is part of the journey of sustainable growth supported by additional capital received from the Shareholder in 2023. The Bank delivers returns to its Shareholder through a triple-value scorecard measuring financial metrics, quality of banking service provision and social impact lending. Net asset value per £1 share owned has increased to £1.24 (2024: £1.16) in the year. The Bank has expanded available deposit products and strengthened customer servicing provision for all business and charity customers during the year. The ongoing investment in systems and people has also allowed us to better measure and report our social impact as part of our annual social impact report.

The Bank's CET1 ratio declined to 19.9% (2024: 21.2%) due to growth of SME lending. Although the Liquidity Coverage Ratio decreased to 247% (2024: 408%) due to reduction of HQLAs and diversification of funding to third party customers and lower funding from Salvation Army entities, it continues to be higher than regulatory requirements. The combination of lending growth, diversifying the funding to Non-Salvation Army customers in a declining interest rate environment has meant that the Bank's annual Net Interest Margin (NIM) declined to 3.68% (2024: 3.95%). The loan to deposit ratio increased to 59% (2024: 50%) driven by the increase in lending and the decrease in deposits from

STRATEGIC REPORT (continued)

Salvation Army customers by 15% to £150.8 million (2024: £176.2 million), mitigated by an increase in deposits from Non-Salvation Army customers by 19% to £89 million (2024: £75 million). The Bank's updated total capital requirement is now 11.74% of risk weighted assets.

Outlook

The main risk to the Bank's long-term viability is a significant fall in interest rates resulting in losses. Other key risks include failure to meet the standards required by the regulators and failure to keep up with customer expectations of an ethical, specialist bank. The strategy for 2025-29 is therefore focussed on scaling the business so that it can continue to be sustainably profitable when interest rates are lower and generate profits to support investment in people and systems when interest rates are higher.

The Bank's shareholder invested an additional £3 million of ordinary share capital in May 2025 and committed to a further £2 million ordinary share capital later in 2025. Regulatory standards mandate that the Bank holds a minimum level of capital against its assets, ensuring financial stability and resilience against shocks. The request for additional capital from the Shareholder was a proactive step to strengthen the capital base, ensure ongoing compliance and support future lending growth. In the last year, the Bank grew faster than forecast and would prefer to continue to accelerate this growth, to support income levels as rates fall.

OUR FOUNDATIONS

The Bank was founded in 1890 by Catherine and William Booth, to serve the Salvation Army's day-to-day banking needs and to attract investments to finance mortgages on property vital to the work of the movement. Whilst the Bank has developed in the last 135 years, its original purpose has not been lost and, through a gift aided share of allowable profits, over £4m has been returned to its owners in the past decade.

Today, the Bank continues to provide bespoke UK and international payment services for territories across the world, leveraging its understanding of the Army's structure and internal governance frameworks to efficiently process funding grants. Much of the Bank's operational focus is on services it provides to the Army which include the following:

- Safe haven for international project funds and grants for territories around the world, including in conflict zones
- Payment processing for International Headquarters (IHQ), UK Territory and its trading subsidiaries, bespoke cash collection and accounting reconciliation arrangements
- Bespoke accounts for Salvation Army Territories to hold funds (in USD & GBP) to fund local entities
- Personal current accounts provided to active and retired officers – opened within 2 weeks of arrival in the UK for new postings
- Borrowing facilities for Salvation Army Homes (Housing Association)
- Standby credit facilities for Salvation Army Trading Company Ltd. (SATCoL)

In order to attract customer deposits to fund lending growth the Bank also offers services and banking products to non-Salvation Army customers. Historically, the range of products offered by the Bank was very broad which impacted its ability to maintain all the specialist regulatory frameworks required, e.g. for Cash ISAs, personal current accounts, consumer credit including unsecured overdrafts and loans, staff loans and residential mortgages. Over the last few years, the Bank has chosen to specialise in a smaller product offering and to focus on where it can excel, in terms of specialist sector knowledge and technological capability.

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STRATEGIC REPORT (continued)

MISSION AND VALUES

Our Mission

To be a distinctive specialist bank delivering positive societal outcomes aligned to the mission of The Salvation Army.

Our Values

Our values drive how we operate: enabling us to give money meaning and support our Shareholder, Employees, Customers and Society.

- **Partnership**
 - We build strong relationships with The Salvation Army, our suppliers, our customers and each other.
- **Responsibility**
 - We care about our impact on people, their wellbeing, their environments and communities.
- **Integrity**
 - We are transparent and act with trust, openness and respect.
- **Compassion**
 - We show empathy and kindness in our dealings with others.
- **Equality**
 - We value all voices to enable opportunity and diversity of talent.

STRATEGY

The Salvation Army continues to remain the Bank's largest customer, and products and services are developed and improved keeping their needs in mind. Charities and Social Impact businesses are targeted for lending, banking and deposits. The Bank continues to deepen its knowledge and market size in line with lending and risk criteria set by the Board.

Managing and enhancing the existing control environment and technology foundations programme has been a key focus. Additionally, loan book growth and treasury earnings have driven healthy operating profits in the 2024/25 financial year. A key plank of the previous 5-year strategic plan was the exit from the mortgage market, which followed the exit from personal current account banking and ISAs in 2023.

The strategic financial objectives are to:

- retain low interest rates payable whilst growing customer deposits
- apply lending rates that reflect a low credit risk appetite but account for the specialist knowledge / underwriting approach
- manage costs well.

The focus for the year 2024/ 2025 remained:

Develop, Empower & Retain our people

We want our People to live our Values, with the common goal of delivering the Bank's strategy. We will support them to become the best version of themselves

Grow our Customer Base

We want to become famous in our niche sectors and for our mantra of "Giving Money Meaning" and to create a customer following who shout about our distinctive customer experience

STRATEGIC REPORT (continued)

Accelerate Digital Transformation

We want to close out our resilience building foundations to focus on our ambition of a modern infrastructure that will support our growth plans

Strengthen our Control Framework

We want to build robust data and processes that drive effective risk management, governance, reporting and forecasting

STRATEGIC PILLARS

Aligning with the Salvation Army

Our mission is to continue our contribution to social purposes through our products, thus extending The Salvation Army's charitable work and adopting a truly socially responsible operating model. The Bank Board strategy review in February 2025 re-confirmed the Bank's purpose to serve the needs of the Salvation Army and considered options to ensure that the Bank remains financially viable throughout the economic cycle. To do this, the Bank's net assets must generate sufficient income levels to cover its mainly fixed cost base. The main driver of income for the Bank is its loan book and the Board supported strategic options presented, to grow the book organically and by acquisition if the right fit of loan book was available for sale.

Measuring Societal Impact

During the year, the Bank published its second Annual Social Impact report capturing the lives transformed and lending case studies. The Bank also updated its ethical policy, available on our website and increased the number of case studies published.

Sharpening Marketing and Product delivery

The Bank continues to attract customers, industry advocates and staff, that help promote the Bank through multiple channels and reinforce our brand and values. The Bank continues to redefine its customer experience, with deeper focus on specialised segments.

Diversifying and growing deposits and fee income

The primary focus of the Bank remains on charity and small to medium sized (SME) markets driving business banking, deposits and fee income. In the year, the Bank partnered with two deposit aggregators to diversify and grow its funding portfolio. It continues to work on improving its deposit product range including 1- and 2-year fixed rates.

Enabling Strategic Partnerships

As the Bank matures, it continues to identify and leverage partnerships with peer group banks, social finance funds and charities. There are projects ongoing in this area for each of the Bank's specialist products.

Operating platform transition

In the year, the Bank has accelerated its efforts on the digital and operational transformation to modernise its systems and processes. The investment in enhancing its technology and change function was the first step of this journey. The Bank has invested significantly in recent years to enhance its IT to bring its operations to the expected standards, with further investment in IT planned for 2026-28.

Maintaining a resilient business model

Steadily growing the loan book, prioritising safe, well controlled lending through diversified sectors and products. The Bank continues to build capability by ensuring we have a clearly stated target operating model for every area of the business along with mapped future resources. Operational resilience is embedded within its business model.

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STRATEGIC REPORT (continued)

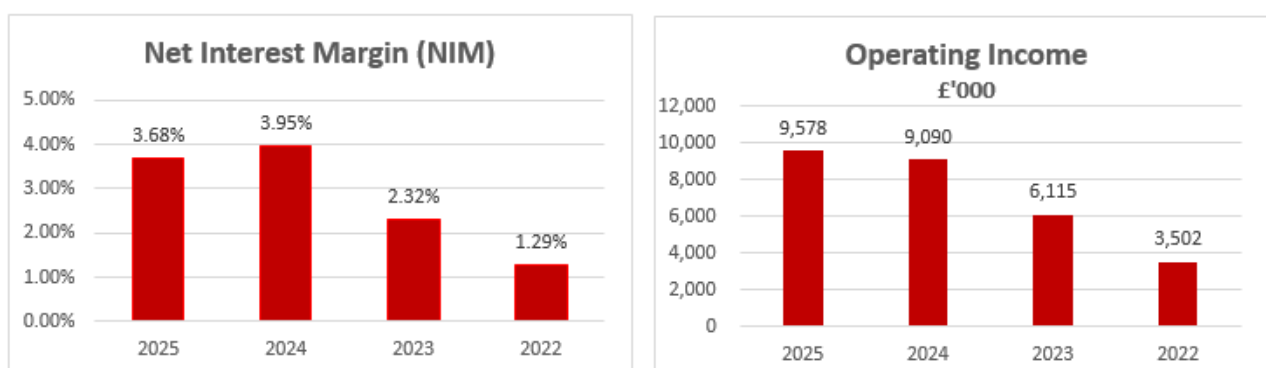
As the Bank is dependent on using NatWest for its branch network to connect into the UK payments system, banking services to the Bank customers are charged at cost plus a diminutive margin to cover internal costs and generally breaks even. Personal customers do not pay banking fees. There are also significant fixed costs related to infrastructure around current account debit cards, open banking and international payments. The Bank's strategy is to increase the volume of current account customers and achieve improved recovery rates against these fixed costs; the current account services provision is likely to remain sub-scale in the medium term.

To meet banking regulations and ensure that the Bank is not seen as high risk by its regulators, the Bank must maintain a satisfactory risk management framework comprising adequate people resources with specialist skills, robust systems and controls, and strong financial ratios. Maintaining the framework at a good standard requires a certain level of mainly fixed costs. Failure to do so results in the high costs of remediation projects. The Bank has invested significantly (£0.2m) in recent years to enhance its risk framework.

FINANCIAL REVIEW

Below are the highlights of our performance against the key performance indicators critical to our success:

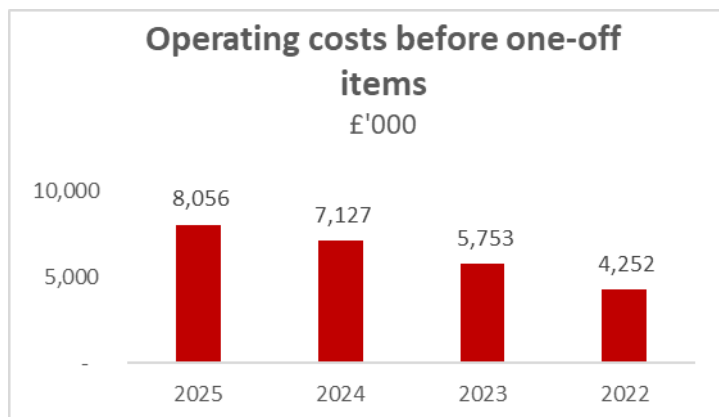
Net Interest Margin (NIM) and Operating Income



- Net Interest margin represents net Interest receivable as a percentage of average total assets. For 2025, this decreased to 3.68% (2024: 3.95%). Average total assets are the arithmetic average of all interest-bearing assets on balance sheet over the last 12 months.
- Operating Income refers to Net Interest Income net of any fees and commissions receivable or payable. For 2025, the Bank saw an increase in Operating income to £9.6m (2024: £9.1m).
- The increase in the Net Interest Income was driven by strong business margins across the SME lending portfolio as well as an increase in interest income driven by Treasury investments, curtailed by the rising funding costs driven by prior base rate increases.

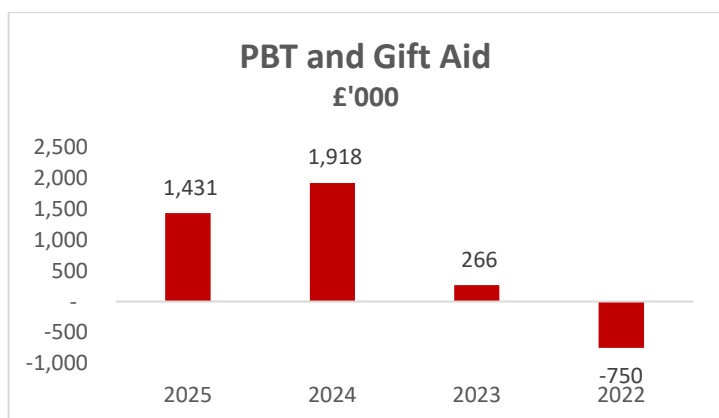
RELIANCE BANK LIMITED
STRATEGIC REPORT (continued)

Operating Costs (before one off items)



- Operating costs are primarily made up of Employee expenses (including organisational change), Information Technology (IT) costs, premises (refurbishment related costs) and other costs associated with running the business.
- The costs are higher in 2025; the cost income ratio has increased to 84 % (2024: 77%).
- Increase in costs reflects the amount of investment to facilitate regulatory expectations, in addition to the significant investment in people, risk frameworks and IT.

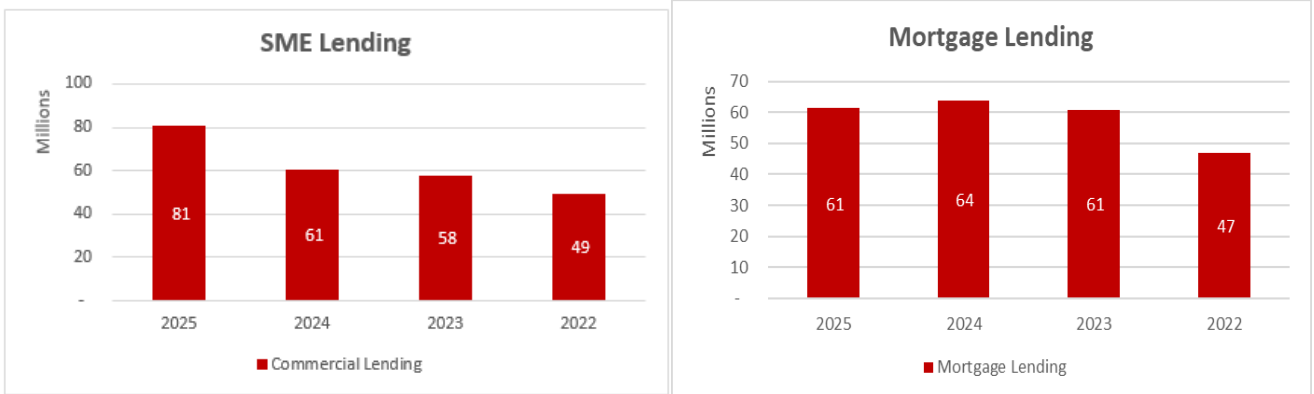
Profit Before Tax and Gift Aid



- In 2025, the Bank generated Profit before Tax (PBT) of £1.4 m (2024: £1.9m).
- Driven by the growth in the lending portfolio whilst challenged by an increased cost of funding and managing administrative expenses.
- The Bank continues to grow its profits sustainably and in line with its mission to deliver positive societal outcomes aligned to the mission of The Salvation Army.
- A gift aid donation of £0.1m was paid to the shareholder in 2025 (2024: £0.1m).

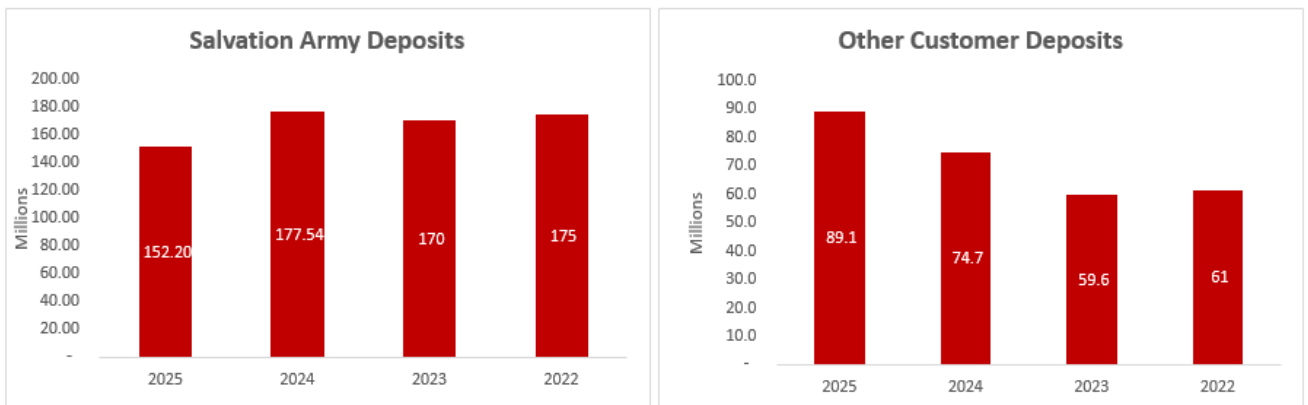
RELIANCE BANK LIMITED
STRATEGIC REPORT (continued)

Lending – SME Lending and Mortgages



- Total lending for the year was £142m, expanding positive social impact with lending to businesses and organisations who meet the Bank’s criteria.
- Commercial new lending in the year was £30.1m bringing the total commercial lending book to £80.6m (2024: £61.4m) despite the redemptions in response to higher interest rates.
- Mortgages saw new lending of £11m, however together with redemptions and the decision to cease new mortgages the book declined to £61.4m (2024: £63.9m)
- Whilst redemptions have remained high in the year across the lending portfolio, the mix of the book is changing with reduced large exposures, more social impact and improved fees and margins.
- Lending pipeline remains resilient despite a highly competitive market.

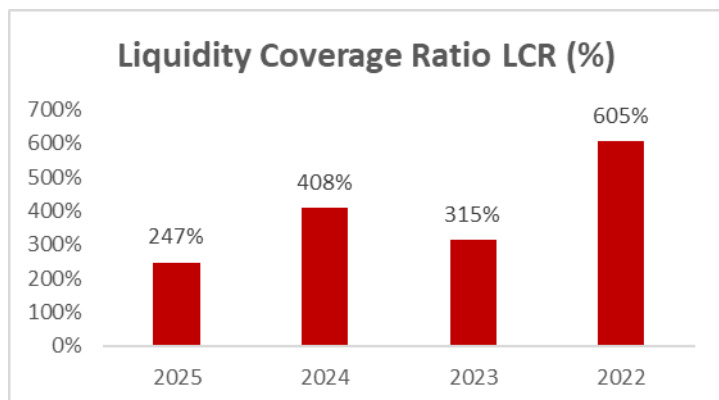
Savings and Deposit Balances



- Total deposits decreased to £240m from £252m in 2024. The decline was due to Salvation Army funding decrease, partially offset by an increase in Non-Salvation Army deposits.
- Non-Salvation Army deposits increased, driven by the fixed term and notice account launches in the prior year, supported by growing partnership with deposit aggregators.

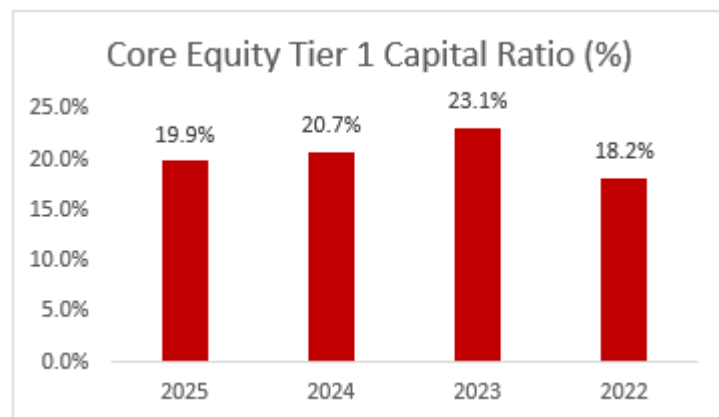
RELIANCE BANK LIMITED
STRATEGIC REPORT (continued)

Liquidity



- LCR is high quality liquid assets as a % of expected net cash outflows (expected cash outflows less capped expected cash inflows) over a 30-day stressed period. LCR for 2025 was 247% (2024: 408%) reflecting the decrease in its deposit balances but remained well above minimum regulatory requirements.
- The Bank has a simple liquid asset holdings structure, reflecting its low-risk appetite for treasury counterparty credit risk
- The Bank's high quality liquid assets currently comprise balances held at the Bank of England and Regulated Covered Bonds. Bank of England balance declined by 32% in 2025 compared to 2024.
- The Bank has utilised surplus liquidity to fund its loan growth this year and a key strategic goal from 2025 onwards is to drive customer acquisition in its target markets.
- Total advances to customers are capped at 75% of total customer deposits i.e. 25% of customer deposits / reserves should be held in treasury investments and in other assets to repay customers as and when they wish to withdraw their funds

Capital



- CET1 ratio for the year was 19.9% (2024: 20.7%) comfortably exceeding regulatory requirements. The decline is attributable to growth in SME and Charity Lending outweighing the growth in Capital Resources.
- The Bank has a simple capital structure, and all capital resources qualify as Common Equity Tier 1 (CET1). There are small amounts of regulatory adjustments to capital in Tier 2 relating to the add back of general provisions and deduction of intangible assets. The Bank has not issued any AT1 or T2 capital instruments.

STRATEGIC REPORT (continued)

As at 31 March 2025, the Bank's Leverage Ratio (excluding claims on central banks) increased slightly to 11% (2024: 10.8%) as the capital base increase was outweighed by the total assets' growth year on year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for risk management and ensuring the Bank's policies, procedures and conduct are consistent with its risk appetite, business strategy and objectives.

The Bank has a low-risk appetite across the whole business consistent with being wholly owned by a Christian charitable organisation and being itself founded on ethical principles. The Board sets the risk appetite, and reviews it at least annually, which is then embedded in risk policies. The management and monitoring of the business in line with those policies evidences the low-risk nature of the business. The low-risk appetite, and its embedding in our business decisions, have helped protect the Bank during periods of uncertainty and when financial markets were challenging.

The Board approve a Risk Management Framework for identifying and monitoring the risks of the Bank. This identifies nine core risk categories as shown below which are identified within the Enterprise risk register:

- Credit risk (including concentration risk)
- Operational risk
- Information Systems (IS) risk
- Compliance & Regulatory risk
- Conduct risk (including Consumer Duty)
- Financial Crime risk
- Financial risk (including liquidity risk, interest rate risk, other market risk and pension risk)
- People risk
- Strategic risk (including financial risk from climate change and reputational risk)

The Enterprise risk register identifies and monitors individual risks at a lower level and these are ranked according to inherent and residual impact. These are risks which impact across the whole business. Separately, the Bank maintains Risk Control Self Assessments ("RCSA") at a function level which consider operating risks within functions in both the first line and second line of defence.

The Bank fosters a culture of risk awareness and ownership across all levels of the organisation, ensuring that every employee understands their role in maintaining the Bank's financial stability and integrity. This proactive approach is integral to the Bank's strategy and operations, ensuring long term sustainability and compliance with regulatory standards.

The Bank maintains a formal Recovery Plan, a Business Continuity Plan and a Disaster Recovery Plan. These Plans are updated regularly and are shared with regulators as required. All risks and related key risk indicators are monitored regularly at the Board Conduct, Risk & Compliance Committee (BCRC).

Ongoing geopolitical tensions and global economic uncertainty may impact customer behaviour, funding stability and lending demand, posing indirect risks to our strategic priorities and risks. We continue to closely monitor these developments and proactively adjust our practices and offerings to help mitigate potential impacts.

RELIANCE BANK LIMITED

STRATEGIC REPORT (continued)

The principal risks affecting the Bank and are outlined below:

Credit Risk

The risk that borrowers will default on their loan obligations, or the treasury counterparties fail to meet their obligations to repay, leading to financial losses.

Credit risk is principally controlled by:

- Implementing robust credit assessment and clear underwriting standards. Credit policies establish authorisation limits, target sectors and underwriting approach.
- Regular monitoring of exposures identifies where payments have been missed, if facility limits are exceeded or if there is a concern that the quality of the counterparty has deteriorated
- Effective RCSAs
- Regular reporting of the credit portfolio is provided to BCRC and the Board.
- Loan Loss provisions are assessed by the Finance Department in accordance with the Provisions Policy
- Treasury counterparty deposits are placed with financial institutions of high credit quality as assessed by leading credit rating agencies.

Operational Risk (includes Compliance, Operational Resilience, Regulatory and Conduct Risk)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, people or external events. It includes customer management, outsourcing, physical security, change management, supplier and external and regulatory reporting risks. Operational risks are identified on a current and an emerging basis, as well as at gross and net (after the application of controls) levels in accordance with the Risk Management Framework.

Operational risks are mitigated by:

- Identifying operational risks and implementing effective internal controls
- The Executive Management and function heads are responsible for identifying potential risks and ensuring that adequate controls are in place to mitigate risks.
- Day-to-day management of operational risk carried out as an integral part of conducting the Bank's business by the relevant functional heads and risk owners.
- Regular audits and reviews of the processes and systems are conducted.
- The RCSAs are monitored and reviewed on a regular basis by the Executive Risk and Compliance Committee (RCC) and BCRC, who receive reports from the business.
- A compliance monitoring programme undertaken by the Second Line Compliance function
- Providing ongoing training to all employees on risk awareness and management.

RCC meets at least monthly, and reviews reports which are provided to BCRC. The Bank has outsourced its internal audit function to Grant Thornton to benefit from a broader and deeper skill set than it could employ internally. Their wider industry exposure also helps ensure that the Bank is meeting its regulatory requirements, and they report at least quarterly to Board Audit Committee (BAC).

The Bank continues to enhance its risk management systems capability to better capture controls effectiveness and to facilitate Risk Owner sign off. During the year the Bank has implemented an enhanced Governance Risk Control ("GRC") software system replacing a more basic system.

Information Systems (IS) Risk

IS risk may be considered a sub-category of operational risk but is sufficiently material to the Bank's operations that it is a core risk. Individual risks include cyber security, resiliency of systems, network

STRATEGIC REPORT (continued)

integrity. IS risks are managed and mitigated through the review and implementation of policies, real time monitoring of systems, supplier management, and mandatory staff e-learning.

Performance against IS operational indicators is reported and monitored by RCC and by BCRC. Controls include:

- third party independent reviews,
- third party monitoring of security perimeters and
- penetration testing.

Strategic Risk (including Capital Risk)

The risk of adverse business decision, or the failure to implement appropriate business decisions, affecting the bank's strategic objectives and goals or the sufficient capital available to absorb losses and meet regulatory requirements.

The Bank has a clear business model which focuses on simple products and a limited target range of customers. The strategic planning assumptions are reviewed periodically to ensure these continue to focus on risks which could become threats to the business model over the planning period and beyond.

Mitigants include:

- Monitoring the performance against the strategic plan closely by the Executive Committee and Board.
- Conducting stress tests and scenario analysis to evaluate the impact of adverse conditions on the bank's capital position.
- Maintaining a capital buffer and setting a board risk appetite that is above the minimum regulatory requirements and allows to absorb any unforeseen losses.
- Management is held to account against objectives by the Remuneration Committee.
- The Bank manages strategic risk by regularly updating and analysing strategic plans to align with market conditions, business model, the Bank's values, culture and future aspiration, shareholder alignment.

Total Loss Absorbing Capital (TLAC) and Minimum Requirement for Eligible Liabilities (MREL) regulations became effective from 1 January 2019. The Bank is in the lowest resolution risk level category where MREL requirements are set to equal the level of Pillar 1 and Pillar 2 requirements also known as the Total Capital Requirement (TCR). The Bank's TCR as of 31 March 2025 is 13.1% (2024: 13.1%). On 5 July 2023 the Bank of England's Financial Policy Committee increased the UK Countercyclical Buffer (CcyB) rate from 1% to 2%, meaning that the Overall Capital Requirement (OCR) stands at 18.4% (2023: 18.4%).

Liquidity and Interest Rate Risk

The risk that the bank may not have sufficient liquid assets to meet its obligations and the risks that the risk of loss due to fluctuations in interest rate affecting the bank's earnings and economic value.

The Bank adopts a conservative approach to the management of its liquid assets and treasury investments. The Bank can only invest in simple products, approved by the Board and is generally focused on instant access liquidity funds, short term fixed rate certificates of deposit (USD) and floating rate covered bonds (GBP) with a maturity of less than five years. The Bank conducts cashflow forecasts for operational purposes and a significant proportion of total balances are committed to remain with the Bank subject to three months' formal notice.

RELIANCE BANK LIMITED

STRATEGIC REPORT (continued)

Mitigants of these Risks include:

- The Bank's policy sets out the wide range of processes and controls that the Bank uses to monitor and control liquidity and interest rate risk.
- Reporting includes a dashboard of financial risk information including the maturity of assets and liabilities between time periods, to the Executive Asset and Liability Committee (ALCO).
- Regular stress testing to ensure that it holds adequate liquid assets to protect customers in the case of a severe but plausible stress scenario.
- An annual Internal Liquidity Adequacy Assessment Process (ILAAP) is completed, which also details the liquidity systems and controls in place to ensure the Bank maintains adequate liquidity resources.
- The Bank maintains a Liquidity Contingency Plan to cover unforeseen adverse stresses.

- The Bank's liquidity position is monitored periodically in line with financial risk policy against targets and limits set by the Board in line with the PRA's parameters. Capital adequacy is regularly monitored on an actual and forecast basis against an early warning indicator set above a minimum regulatory threshold.

Pension Obligation Risk

The multi-employer defined benefit pension scheme has been closed to new members and in 2023 members voted to close the scheme to future accrual from May 2023. However, there is still a risk that fund assets will not meet liabilities as they fall due for remaining members. A number of assumptions are made in valuing the scheme including assumptions on discount rates, inflation, mortality rates and salary increases. The scheme is subject to triennial valuations, and the Bank makes commitments to pay up its share of any shortfalls arising. Note 21 provides more information on this.

Climate Change Risk

The risk of financial loss and operational disruption due to climate-related factors, including physical risks (for example extreme weather events) and transition risks (for example policy changes, market shifts).

The financial implications for the Bank are most likely to manifest in the damage, destruction or impairment of assets or collateral in climate vulnerable areas. This affects the loan repayment capacity and / or increased costs and compliance burdens due to new environmental regulations. There may also be a change in market demand and asset values as the economy transitions to a lower carbon basis.

The Bank has no direct funding links to carbon-emitting industries, so has no exposure to high-risk sectors for the direct impacts of climate change (coal-fired power stations etc). The indirect financial risks of climate change, however, are wider and the Board has categorised these risks as high, medium and low.

The highest risk elements mainly focus on the impact of flooding on property security held by the Bank, and also the increased costs of insurance for the Bank in relation to its own property and its supply chain.

RELIANCE BANK LIMITED

STRATEGIC REPORT (continued)

Other mitigants for managing climate risk include:

- Conducting climate risk assessments to identify and manage vulnerabilities
- Diversifying the loan portfolio to reduce concentration in high-risk areas
- Monitoring and adapting to evolving regulatory requirements related to climate change
- Assessing the risks of climate change on annual facility reviews.

The Bank is committed to support more community climate schemes and organisations which actively drive low carbon initiatives.

The Bank reports its own impact on climate change to its shareholder, measured through its carbon footprint, including electricity and water usage, waste flows and travel (split between public transport and car mileage). The Bank very rarely uses flights for business trips. Almost all employees commute to the office by public transport, bike, or on foot.

Reliance Bank, like its Shareholder, is committed to reducing its environmental impact and the Bank works closely with its Parent company in this regard. For the year of this report, carbon emissions were calculated using the same scope and methodology as for the Shareholder, and on this basis, its emissions were a total of 30 tonnes CO₂e (tCO₂e), made up as follows: scope 1: zero, scope 2: 25 tCO₂e, scope 3 (part): 5 tCO₂e. Energy actions undertaken in this reporting year included a full switch to LED lighting as part of a head office refurbishment project, adding lighting sensors to refurbished floors, and then reviewing the building energy operating times and settings to minimise energy consumed.

Reputational Risk - Social Impact Banking

The risk of damage to the Bank's reputation, leading to loss of customer trust and business.

Owing to the Bank's ethical focus, reputational risk is of particular relevance. Undertaking business with integrity is crucial to the Bank in building trust with customers and has seen the Bank benefit from many new business introductions from existing customers. Providing products that meet customers' needs, together with delivering excellent customer service in a fair and transparent manner has been engrained in the Bank's culture for many years and continues to be the focus of our attention.

Statement in compliance with Section 172(1) of CA 2006

The directors have a duty to act in good faith to promote the success of the Bank for the benefit of its shareholders and in pursuit of its purpose whilst having regard to factors (a) to (f) in section 172 of the Companies Act 2006.

The Board values regular engagement with stakeholders as a way to assess how the Bank's activities affect them and to incorporate diverse perspectives into its decision making. It promotes constructive relationships across the stakeholder landscape including with customers, suppliers, regulators and communities. Insights are gathered through direct conversation, management reports and structured updates, enabling the Board to stay attuned to emerging issues and to meet its legal and governance responsibilities.

Stakeholder Engagement

The Board places great importance on active and ongoing engagement with its key stakeholders — including customers, employees, regulators, the shareholder, and the wider community. Insights gathered from these groups inform both strategic planning and operational decision making.

STRATEGIC REPORT (continued)

Over the past year:

- Employees were engaged through town halls, feedback surveys and channels during the CEO transition to provide clarity and stability.
- Customers' views helped shape our approach to service delivery as we pursue a more growth-oriented strategy.
- Regulatory engagement remained a priority, with continued dialogue on key remediation programmes and the new Small Deposit Takers regime.
- Interactions with the shareholder have been positive including speaking at the Bank events and Christmas celebrations.

Key Developments During the Year

The Board's decision-making this year was shaped by several material developments:

- A change in executive leadership, with the appointment of a new CEO, which brought renewed focus and direction. The transition was carefully managed to ensure continuity and alignment with long-term objectives.
- A strategic pivot toward sustainable growth, particularly within the lending book, reflecting the Board's belief in the Bank's capacity to grow responsibly in a changing market.
- Completion and remediation of several key regulatory projects and documents, enhancing our control environment and risk governance framework.
- Economic uncertainty and interest rate volatility, which required the Board to reassess risk appetite and maintain a strong capital position.
- Operational challenges, particularly around system upgrades and customer service levels, with mitigation plans implemented and progress monitored regularly.

Balancing Short-Term Priorities and Long-Term Objectives

While addressing near-term challenges, the Board has remained focused on delivering long-term value. Investments have been made in people, digital capabilities, and strategic lending areas, aligned with our refreshed 4-year strategy. At the same time, cost discipline and risk oversight have been maintained.

Forward Outlook

As we embed our new 4-year plan, the Board is committed to enhancing how stakeholder considerations are captured and reflected in Board decisions. There is a continued focus to strengthen the Board reporting to provide better visibility of the outcomes of ongoing management actions, particularly in relation to regulatory engagement and customer experience.

The Directors are confident that the decisions taken during the year, and the governance processes supporting them, reflect their obligations under Section 172 and position the Bank well for sustainable growth.

BY ORDER OF THE BOARD

Nikki Fenton
Chief Executive Officer
22 July 2025

RELIANCE BANK LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report, together with the accounts of the Bank, for the year ended 31 March 2025.

BUSINESS REVIEW AND OBJECTIVES

A review of the Bank's business, its objectives, activities, and future strategy is covered in the accompanying Statement from the Chair of the Board and the Strategic Report. The Strategic Report also contains the Bank's key performance indicators for the year and other important information relating to its business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Strategic Report identifies the Bank's principal risks and uncertainties and the key actions taken to mitigate them. In addition to the description in the Strategic Report, note 27 contains information relevant to the Bank's financial risk management policies and objectives.

ETHICAL POLICY

The Bank's ethical stance is driven by its shared principles with our shareholder and at 31 March 2025 77% (2024: 65%) of the loan book is classified as social impact. The Bank uses a positive approach to lending decisions, guided by what it wants to achieve and the impact it wants to have.

The customer exclusions below follow on from this positive approach, outlining clearly sectors and activities which do not fit with our values: alcohol, gambling, pornography, tobacco, weapons, conflict minerals, human rights failures and lack of labour rights, as these have a negative impact on people; animal testing, factory farming / fisheries, fur and specialty leather, deforestation, fossil fuel energy, genetic engineering, hazardous substances and mining as these have a negative impact on the environment; and also those who demonstrate poor ethics including corruption, poor accounting practices, tax evasion or violation of laws, codes and conventions. This list is not exhaustive, as each application is considered on its merits to ensure that it is compatible with the ethics of the Bank's ownership.

Day-to-day banking operations, liquidity management and credit risk management require the Bank to hold deposits with a range of banking counterparties with a strong credit rating. It is recognised that the Bank's ethical position is unlikely to be mirrored by all financial institutions. The Bank does not make political donations.

The Bank's ethical policy is published on its website.

DIVIDEND POLICY

All profits made by the Bank go to support the on-going work of The Salvation Army; either in the form of gift aid donations made to the Bank's shareholder or by increasing the value of the shareholder's investment in the Bank through retained earnings. The Directors therefore do not recommend the payment of a dividend for the year ended 31 March 2025.

CUSTOMER COMMITMENT

The Bank's focus is to provide banking customers a socially responsible choice that is competitive – offering banking products and services with the assurance that they will not be taken advantage of, that their assets will be looked after responsibly and with the knowledge that the return made on those assets by the Bank will ultimately go to support the work of The Salvation Army.

The Bank deals fairly with customers at all times and takes complaints very seriously. Feedback is also invited from new customers in respect of onboarding processes.

DIRECTORS' REPORT (continued)

The Bank holds regular staff training workshops and has a system to record all cases where the customer is not satisfied with its service for whatever reason. The first reviews under the new Consumer Duty rules were completed during the year and in July 2024, the Bank reviewed all on and off sale products to ensure they are being monitored for good outcomes and that they demonstrate fair value for customers.

DIRECTORS AND THEIR INTERESTS

No Directors hold any beneficial interests in the share capital of the Bank. The Directors serving during the year and up to the date of this report were as follows:

Justin van Wijngaarden Chair
Mike Anderson (appointed 1 May 2025)
Martyn Croft
Paul Croucher* – Chief Executive Officer (resigned 1 September 2024)
Nikki Fenton* – Chief Executive Officer (appointed as CEO 1 September 2024)
Robin Foale (resigned 28 February 2025)
Malcolm Hayes (resigned 7 May 2024)
Guy Herrington
Robert Lister (appointed 1 March 2025)
Commissioner E. Jane Paone
Megha Shah* (appointed as Executive Director 4 September 2024)
Jan Smith
George Stylianides
Claire Sunderland Hay (appointed 4 May 2024, resigned 28 February 2025)
**Executive Directors*

Aggregate remuneration information for executive management during the year, those whose actions could potentially have a material impact on the risk profile of the Bank was:

Aggregate Remuneration of Code Staff (#)	Fixed Remuneration (Inc Pension)
Executives (8)	£867,854

Executives do not receive variable remuneration.

During the year, one Executive Director resigned and due to the restructuring of the team, there are six ongoing Executives at the end of the year. The highest paid Director received emoluments of £177,501 including benefits and pension contributions. During the year, the Bank made the decision to start remunerating its non-executive directors. The Bank does not contribute to the pension scheme on behalf of the non-executive directors.

Further details and breakdown of the Director's emoluments can be found in Note 5.

COMPANY SECRETARY

Kelly-Ann Witter was appointed as Company Secretary on 1 September 2024, at which date Nikki Fenton ceased to be Company Secretary.

SUBSTANTIAL SHAREHOLDER

The Salvation Army International Trustee Company holds 100% of the issued share capital of Reliance Bank Limited as corporate trustee for The Salvation Army International Trust. The Bank conducts business with its Shareholder on commercial terms.

DIRECTORS' REPORT (continued)

SECR (Streamlined Energy and Carbon Reporting)

The Bank is exempt from Streamlined Energy and Carbon Reporting (SECR) requirements for the year ending 31 March 2025, in accordance with the relevant regulations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors confirm that, in the case of each of the persons who are Directors at the date of this report, the following applies:

- So far as each Director is aware there is no relevant audit information (information needed by the Bank's auditor in connection with preparing their report) of which the Bank's auditor is unaware; and
- Each Director has taken all the steps necessary to make them aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

All Directors have been issued a Qualifying Third-Party Indemnity, and all Qualifying Third-Party Indemnities were in force at the date of approval of the financial statements.

POST BALANCE SHEET EVENTS

On 16th May 2025, the Salvation Army International Trustee Company approved subscription of additional ordinary share capital in Reliance Bank Limited for the sum of £5 million as a capital injection to strengthen the Bank's balance sheet and support future growth. £3 million of the funds were received on 31 May 2025, with a further £2 million expected later in 2025*.

DIRECTORS' REPORT (continued)

In July 2025, the Board approved an additional gift aid payment of £0.4 million to the shareholder in line with Bank's above forecast performance for a second consecutive year. With this additional payment, the total gift payment for the financial year 2024/2025 for taxable purposes is £0.5 million.

**At the date of signing, these funds remain pending.*

GOING CONCERN

In accordance with their responsibilities, the Board has considered carefully the going concern assumption and believes that the Bank's business model, together with its conservative, robust risk management policies, place the Bank in a position where it can continue to generate positive returns and grow its business despite the challenging market conditions that the industry currently faces.

The Bank's assets consist of well-diversified loan and treasury investments. The quality of the assets is supported by low levels of non-performing loans (NPLs), favourable loan to value (LTVs) ratios and high-quality liquidity assets along with other investments. The Bank's liabilities are mainly customer deposits, which include instant access savings, notice, and term deposits. These are managed within the financial risk policies set by the Board ensuring the Bank's liquidity remains strong.

Stressed scenario analysis is undertaken by the Bank to model potential downside in both idiosyncratic, market wide and combined scenarios, applying different degrees of severity. In line with its risk management framework, the Bank continues to enhance its Stress testing approach to include new scenarios, granular analysis and additional time horizons considering current and anticipated stressed scenarios. The results of this modelling have been taken into account in an assessment of the adequacy of financial resources to meet regulatory requirements. The Bank's shareholder invested £3 million of ordinary share capital in May 2025 and committed to a further £2 million ordinary share capital later in 2025. This investment is to support the Bank's loan growth and overall scale, increasing the sustainability of financial returns.

The Board is satisfied that the business has adequate financial resources to continue as a going concern for the foreseeable future on the basis that it has sufficient capital and liquidity to meet regulatory requirements for a period of 12 months from the date of signing the accounts.

BY ORDER OF THE BOARD

Kelly-Ann Witter
Company Secretary
22 July 2025

CORPORATE GOVERNANCE REPORT

Although the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council, does not directly apply to the Bank, the Board has regard to its principles and provisions on a proportionate basis. The Code has been written with UK Main Market publicly quoted companies in mind, and some of its provisions are not necessarily consistent with the structure of a small bank.

The Board believes that the disclosures set out in the Statement from the Chair of the Board and the Strategic Report provide the information necessary for our Shareholder to assess the Bank's position and performance, business model and strategy. In addition, the Shareholder appoints representatives to the Bank's Board and management provide regular performance updates throughout the year.

Board and management

The principal way the Directors reference regard to the Code, is through the work of the Board and its committees. The Bank has oversight provided by a Board comprising Executive and Non-Executive Directors. There are two Director roles where appointments are recommended by the Shareholder to represent their interests on the Board. The Board is chaired by a Non-Executive Director who was independent on appointment.

The Board meets at least six times a year, holds an annual strategic planning day and receives regular management information. All members of the Bank's Executive Committee attend the Board meetings and provide an update to the Directors on progress against the strategic and operational goals. The Board's principal responsibilities consist of determining the business strategy of the Bank, setting risk appetite, reviewing the financial performance and providing oversight of management as they deliver the strategic plan.

At the start of the financial year, the Board comprised eight Non-Executive Directors. The Chair of the Board Conduct Risk and Compliance Committee (BCRC) was approaching the end of their term and following a robust search process, a new Non-Executive Director was appointed as BCRC Chair on 4 May 2024. Unfortunately, due to conflicts with a new Executive position, this Chair subsequently resigned effective 28 February 2025. Having regard to the Bank's succession planning, the Chair of the Board Audit Committee transitioned to Chair BCRC.

Following the resignation of a Shareholder Appointee effective 28 February 2025, a new appointee was confirmed on 1 March 2025. Additionally, after a comprehensive search process, a new Non-Executive Director was appointed to strengthen Board capacity with the intention for them to Chair BAC. The Board has determined that the following are designated as independent Non-Executive Directors: Mike Anderson, Martyn Croft, Guy Herrington, Jan Smith and George Stylianides. The Board considers that Justin van Wijngaarden met the independence criteria at the time of his appointment as Chair of the Bank in November 2021.

During the year, the Chief Executive Officer stepped down and the Deputy CEO was appointed as CEO effective 1 September 2024. The Chief Financial Officer was appointed as a Director of the Board. The Executive Directors, the Chair of the Board and the Chairs of Board Committees are designated as 'Approved Persons' under the rules of the Prudential Regulation Authority and the Financial Conduct Authority (the Bank's regulators). Each Approved Person has a Statement of Responsibilities clearly defining the areas and activities of the Bank's affairs for which they take individual responsibility and for which they are accountable.

New Board members undergo induction training, and all directors are expected to participate in relevant training courses and otherwise maintain an appropriate level of knowledge, particularly with regard to regulatory matters as they affect the Bank. The Board reviews its performance by means of a formal

CORPORATE GOVERNANCE REPORT (continued)

annual self-appraisal questionnaire. Actions are agreed to take forward any identified improvements and their implementation is subsequently monitored by the Board.

The Board delegates some of its powers to the following committees, the membership of which is shown below, alongside attendance figures at main committee meetings:

Directors serving during the year were members of:	Board	Board Conduct, Risk & Compliance Committee	Remuneration Committee	Audit Committee	Nominations Committee
Martyn Croft	4 (6)	5 (5)	3 (3)		
Paul Croucher	3 (3)				
Nikki Fenton	6 (6)				
Robin Foale	6 (6)				
Malcolm Hayes	1 (1)	1 (1)		1 (1)	
Guy Herrington	6 (6)	4 (5)		5 (5)	
Commissioner E. Jane Paone	5 (6)		3 (3)		
Megha Shah	3 (3)				
Jan Smith	5 (6)	3 (5)	3 (3)	4 (5)	1 (1)
Claire Sunderland Hay	4 (5)	2 (3)		2 (4)	0 (1)
George Stylianides	5 (6)	4 (5)		5 (5)	1 (1)
Justin van Wijngaarden	6 (6)		3 (3)		1 (1)

Board Conduct, Risk & Compliance Committee (BCRC)

The Committee, which met to discuss a full agenda on five occasions during the year, was chaired by Malcolm Hayes and then by Claire Sunderland Hay. The Committee also met three times during the year to discuss specific subject areas.

BCRC has responsibility to oversee the Bank’s risk management framework which covers all the risks the Bank is exposed to, across all business lines, customer types and product areas. The Committee recommends to the Board an appropriate level of risk appetite and monitors management information of sufficient regularity and quality to ensure that the risk management framework is effective in managing, minimising or mitigating those risks within appetite. BCRC also approves credit transactions above the authority of the Executive Credit Committee.

During the year the Committee oversaw the identification, assessment, mitigation, monitoring and management of risks, reviewed the outcomes of the compliance monitoring plan and internal audits, and monitored the actions taken by management. It reviewed the adequacy and effectiveness of risk control by management.

The Committee is chaired by an experienced NED and must meet at least four times a year. The Executives are invited to attend BCRC meetings. The Directors meet annually with the CRO independently. The Chair of the Board is not a member of the Committee but is invited to attend.

Remuneration Committee (RemCo)

The Remuneration Committee, which met to discuss a full agenda on three occasions during the year, was chaired by Jan Smith. It has authority delegated by the Board to approve the Bank’s remuneration policy and oversee decisions that are governed by that policy. The Committee is responsible for ensuring that remuneration processes are fair and appropriate and do not encourage excessive risk

CORPORATE GOVERNANCE REPORT (continued)

taking. Performance against the strategic plan is monitored closely by the Board. Management is held to account against objectives by this Committee.

The Committee reviews and approves the remuneration proposals for Directors, the Executive and the general level of pay awards across the Bank. During the year the Committee agreed management's proposals to begin remunerating Non-Executive Directors. This will support recruitment of future candidates, reflects the professionalism of the Bank as it matures and reflects the complexities of being a director of a regulated entity. Fees were agreed having benchmarked charity banks, NHS and other public sector bodies, and small building societies and are payable effective 1 September 2024. The Committee reviews and approves non-standard remuneration awards to ensure proposed terms are in line with the remuneration policy, including diversity. The Committee engages with advisers as required to ensure that salaries are benchmarked externally and that the benefits framework remains attractive in the market.

The Committee is chaired by an experienced NED and meets at least twice annually. Additional meetings are held as the work of the Committee demands.

Nominations Committee (NomCo)

The Nominations Committee met twice during the year and has authority delegated by the Board to evaluate the skills and experience of the Board and consider succession planning, in conjunction with the Remuneration Committee. It recommends to the Board, the appointment of directors, the CEO and oversees Executive Management appointments. The Committee is chaired by the Chair of the Board and meets at least once annually. Additional meetings are held as the work of the Committee demands.

Board Audit Committee (BAC)

The Audit Committee, which met to discuss a full agenda on five occasions during the year, was chaired by George Stylianides. The Committee oversees the adequacy, extent and effectiveness of the system and processes of internal control and the control environment. It reviews the form and content of the Bank's statutory accounts and other externally facing disclosures, reviewing / challenging the Bank's key accounting policies and regulatory return assumptions. The Committee oversees the external audit relationship including discussing with the external auditor their independence, the nature and scope of the external audit and it approves the audit fee.

The committee oversees the work of the Internal Audit function, the External Auditors, and management's responsiveness to audit findings and recommendations to ensure timely and appropriate action is taken. It works closely with the Board Conduct, Risk & Compliance Committee to ensure robust internal controls are in place, and that there is effective coordination between Internal and External Audit functions and the second line of defence Risk Function.

At least once annually, the committee meets privately with the Internal Auditors, without Executive Management or other employees present, to review progress and any concerns raised. The committee meets at least four times a year, or more frequently if required.

Executive Management team (ExCo)

Day to day management of the Bank is delegated by the Board to the Chief Executive Officer who is supported by the Executive Management team through the operation of an Executive Committee that meets at least monthly to review the Bank's performance against strategic and financial objectives.

The Executive Committee is also supported by a sub-committee structure comprising:

Executive Risk and Compliance Committee - chaired by the Chief Risk Officer, meets monthly to undertake a detailed review of the Bank's identified and emerging conduct, risk and compliance issues.

CORPORATE GOVERNANCE REPORT (continued)

Executive Credit Committee - chaired by the Chief Risk Officer, meets weekly, to consider and approve lending applications within approved authority, review credit policy, review monthly credit MI and provide oversight for watch list accounts and any forbearance considerations.

Executive Assets and Liabilities Committee - chaired by the Chief Financial Officer, meets at least six times a year to provide financial risk management oversight including on capital, interest rate, funding and liquidity risks and provide approval of all product structures and pricing within a Board approved product development policy framework.

Programme Board – chaired by the Business Transformation Director, meets at least monthly to review projects and business change and is a standing committee that assesses, approves and prioritises initiatives, while ensuring the alignment with the Strategic and Operational Plans.

RE-ELECTION OF THE BOARD

All Non-Executive Directors submit themselves for re-election at least once every three years. The Board's policy is that these Directors serve a maximum term of nine years.

BY ORDER OF THE BOARD

Kelly-Ann Witter
Company Secretary
22 July 2025

Independent auditor's report to the members of Reliance Bank Limited

Opinion

We have audited the financial statements of Reliance Bank Limited (the 'Bank') for the year ended 31 March 2025 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, and Notes to the Accounts, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Bank's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ('FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Bank'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 Bank's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Engaging our internal regulatory experts to assess and challenge the adequacy of the key assumptions modelled in the most recent Board-approved Internal Capital Adequacy Assessment Process ('ICAAP');
- Assessing and reviewing the directors' going concern assessment to determine whether it appropriately considers an assessment of key business risks including assessing the sufficiency of the Bank's capital and liquidity taking into consideration the most recent Board-approved Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP') documents;
- 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 Bank's future financial performance;
- Challenging the appropriateness of the directors' key assumptions used in their forecasts, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of stress testing on the Bank's capital and liquidity and their

RELIANCE BANK LIMITED

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;

- Assessing the reasonableness of the forecasts prepared by the directors, including testing the historical accuracy of their forecasts;
- Inspecting correspondence with the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA') and holding bilateral discussions with the PRA;
- Inspecting minutes of meetings of the board risk and compliance committee, the board audit committee, the board credit committee and the board of directors to identify events or conditions that may impact the Bank'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; 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 Bank's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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, we do not provide a separate opinion on these matters.

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

This matter, together with our findings, was communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
<p>Credit risk – Allowance for impairment losses on loans and advances to customers £462k (2024: £368k) <i>Refer to significant accounting policies (note 1) and notes 10(a) and 10(b) of the financial statements.</i></p> <p>Credit risk is an inherently judgement area due to the use of subjective assumptions and high degree of estimation in arriving at the year-end provisions.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation, and testing the operating effectiveness of the key controls in relation to the credit process (loans origination and approval, loan redemptions, arrears monitoring and approval of key impairment assumptions); • Critically assessing how management has performed the accounting estimate relating to the specific and collective provisions including the reasonableness of external and internal data used, and consider whether this is

RELIANCE BANK LIMITED

Under FRS 102 the Bank applies an 'Incurred loss' model based on objective evidence of past loss events.

The Bank has limited actual loss experience on which to base its impairment assessment across all its loan portfolios, resulting in management judgement being required in deriving assumptions to be applied in the assessment for each of its relevant segmentations.

The total impairment provision of the Bank consists of a collective provision and specific individual provisions on loans secured against residential and commercial properties.

The collective impairment provision, which is applied at a portfolio level, aims to capture the risk inherent in portfolios of loans with similar characteristics. It is derived from a combination of management judgement, qualitative assessments, economic indicators and sector benchmarking. In particular, the collective impairment assessment is most sensitive to the equity haircuts/forced sales discounts ('FSD'), indexation of property valuations, and the probabilities of default ('PD') assumptions which are used for each segmentation.

A specific provision is recognised for loans where there is an observable loss event (e.g. 3 months in arrears) at the individual loan level. Management judgement is applied in estimating the individual provisions. In particular, judgement is required over the loss given default, which is driven by estimates of the collateral value following repossession less sale costs and expected timings.

consistent with our understanding of the Bank's portfolio;

- Developing an auditor's range estimate of the collective provision using internal and external data relevant to the Bank's portfolio;
- Testing the completeness and accuracy of the data inputs such as original collateral valuation and external indices applied to the original collateral valuation into the impairment model;
- Performing a stand-back assessment of the resulting specific and collective impairment assumptions such as PD and FSD to assess their appropriateness taking into consideration the overall credit risk profile of the portfolio including collateralisation;
- With the assistance of our internal property expert, testing the reasonableness of the underlying collateral valuations assigned to loan facilities, on a sample basis, which will include:
 - Assessing the appropriateness of certain third-party valuation reports at the origination of the loan;
 - Assessing the independence, objectivity and competence of the third-party valuers used by the Bank at loan origination;
 - Assessing the appropriateness of the year end valuation for certain properties held as collateral to determine that the valuations are reasonable; and
 - Benchmarking valuations to external data sources to assess whether property valuations are appropriately adjusted to reflect changes in change in the property prices subsequent to the original valuation report.
- Independently challenging the appropriateness of specific provisions for the customers in arrears and performing recalculations using the internal and external data relevant; and
- Assessing the adequacy of the disclosures relating to provisions for impairment losses on loans and advances to customers.

Our observations

Based on the procedures performed, we found that the allowance for impairment losses on loans and advances to customers is not materially misstated as of 31 March 2025 and is materially consistent with the requirements of FRS 102.

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	£240,000
How we determined it	1% of net assets
Rationale for benchmark applied	We determined that net assets was the most appropriate benchmark considering the different stakeholders and this is considered to be the measure which closely corresponds to regulatory capital. Regulatory stability is considered to be a main driver for the Bank as well as the purpose of the Bank which is to optimise the use of capital and resources with a focus on long-term sustainability, rather than maximise profits. There have been no revisions in the benchmark applied in the current year as net assets remained a suitable benchmark.
Performance materiality	<p>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.</p> <p>We set performance materiality at £144,000, which represents 60% of overall materiality.</p> <p>In determining performance materiality, we considered several factors, including the level and nature of uncorrected and corrected misstatements identified in the prior year, the effectiveness of the control environment, and the fact that this is a first-year audit. Based on these considerations, we concluded that an amount towards the middle point of our normal range was appropriate.</p>
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £7,200 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 Bank, 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 Accounts 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 Bank 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 Bank, or returns adequate for our audit have not been received from branches not visited by us; or
- the Bank 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 directors' responsibilities statement set out on page 22, 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 Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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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 Bank 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.

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 Bank and the industry in which it operates, and considering the risk of acts by the Bank 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 Bank is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant regulatory authorities including 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; 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 the Companies Act 2006 and UK tax legislation.

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
- Being sceptical to the potential of management bias through judgements and assumptions in significant accounting estimates.

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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 remains 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 4 October 2024 to audit the financial statements for the year ended 31 March 2025 and subsequent financial periods. This engagement represents our initial appointment, and the total uninterrupted period of engagement is one year, covering the financial year ended 31 March 2025.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Bank and we remain independent of the Bank 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 Bank’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 Bank’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 Bank and the Bank’s members as a body for our audit work, for this report, or for the opinions we have formed.

Michael Davidson (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey, London, EC4M 7AU
22 July 2025

RELIANCE BANK LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025	2024
		£	£
Interest Income			
- On Debt Securities		616,711	906,012
- On Loans and Advances to Customers		8,061,008	6,720,038
- Other		5,673,987	4,004,050
	2	<u>14,351,706</u>	<u>11,630,100</u>
Interest Expense	3	<u>(4,871,055)</u>	<u>(2,908,023)</u>
Net Interest Income		9,480,651	8,722,077
Fees and Commissions Income		617,013	844,088
Other Operating Income		-	30,214
		<u>617,013</u>	<u>874,302</u>
Fees and Commissions Expense		<u>(519,874)</u>	<u>(506,137)</u>
		97,139	368,165
Operating Income		9,577,790	9,090,242
Administrative Expenses	4	(7,563,544)	(6,724,210)
Amortisation	12	(116,162)	(175,719)
Depreciation	13	(373,648)	(262,446)
Impairment Charge on Loans and Advances	10	(93,310)	(9,455)
Operating Expenses		<u>(8,146,664)</u>	<u>(7,171,830)</u>
Profit before Tax	5	1,431,126	1,918,412
Taxation Charge	6	<u>(209,982)</u>	<u>(67,671)</u>
Profit on Activities after Tax		<u>1,221,144</u>	<u>1,850,741</u>
 STATEMENT OF COMPREHENSIVE INCOME			
Profit on activities after tax		1,221,144	1,850,741
Revaluation of tangible fixed assets, net of deferred tax	13, 18	<u>600,816</u>	-
Total Comprehensive Profit for the year		<u>1,821,960</u>	<u>1,850,741</u>

The accounting policies and notes on pages 39 to 62 form part of these financial statements.

RELIANCE BANK LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
ASSETS			
Cash and Balances at Central Bank	7	68,150,991	99,657,428
Loans and Advances to Banks	8	5,729,293	9,342,232
Other Assets	9	14,247,232	11,959,308
Loans and Advances to Customers	10	142,039,997	125,748,749
Debt Securities	11	31,152,108	25,735,400
Intangible Fixed Assets	12	175,064	147,533
Tangible Fixed Assets	13	4,745,873	4,035,112
Prepayments and Accrued Income	14	410,388	267,423
Total Assets		266,650,946	276,893,185
LIABILITIES			
Customer Accounts	15	241,237,545	252,228,935
Other Liabilities	16	689,476	681,122
Accruals and Deferred Income	17	-	915,795
Deferred Tax Liability	18	2,303	67,671
Total Liabilities		241,929,324	253,893,523
Called Up Share Capital	19	20,000,000	20,000,000
Revaluation Reserve		1,412,663	811,847
Profit and Loss Account		3,308,959	2,187,815
Equity Shareholder's Funds		24,721,622	22,999,662
Total Liabilities and Equity		266,650,946	276,893,185
MEMORANDUM ITEMS			
<i>Contingent Liabilities</i>			
Financial Guarantees	21	-	7,693,614
Commitments	21	9,105,562	8,198,708

The accounting policies and notes on pages 39 to 62 form part of these financial statements. These accounts were approved by the Board of Directors and authorised for issue on 22 July 2025.

Nikki Fenton
Chief Executive Officer

Megha Shah
Chief Financial Officer
Company Registration Number: 00068835

RELIANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up Share Capital	Revaluation Reserve	Profit and Loss Reserve	Total Shareholder Funds
	£	£	£	£
At 31 March 2023	20,000,000	811,847	437,806	21,249,653
Profit for the year	-	-	1,850,741	1,850,741
Distributions to Salvation Army	-	-	(100,000)	(100,000)
Adjustment	-	-	(732)	(732)
At 31 March 2024	20,000,000	811,847	2,187,815	22,999,662
Revaluation of property, net of deferred tax		600,816		600,816
Profit for the year	-	-	1,221,144	1,221,144
Distributions to Salvation Army	-	-	(100,000)	(100,000)
At 31 March 2025	20,000,000	1,412,663	3,308,959	24,721,622

The accounting policies and notes on pages 39 to 62 form part of these financial statements.

RELIANCE BANK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Net cash (outflow)/inflow from operating activities	22	(26,050,380)	18,698,728
Net cash (outflow)/inflow from investing activities	23	(6,687,324)	6,724,219
Net cash (outflow)/inflow from financing activities	24	(100,000)	(100,000)
(Decrease)/Increase in cash and cash equivalents		(32,837,704)	25,322,947
Cash and cash equivalents at the beginning of the reporting period		119,918,074	94,595,127
Cash and cash equivalents at the end of the reporting period		87,080,370	119,918,074

	2025 £	Cash flows £	2024 £
Analysis of cash balances			
Cash in hand and balances with the Bank of England	68,150,991	(31,506,437)	99,657,428
Balances with Banks	8 4,702,072	(3,608,040)	8,310,112
Other Assets – Monetary Market Funds	9 14,227,307	2,276,773	11,950,534
	87,080,370	(32,837,704)	119,918,074

Cash and cash equivalent meet the definition of a cash equivalent defined in FRS 102 7.2

The accounting policies and notes on pages 39 to 62 form part of these financial statements.

RELIANCE BANK LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Statement of compliance

Reliance Bank Limited is a limited liability company incorporated in England. The Registered Office is Faith House, 23-24 Lovat Lane, London EC3R 8EB. The Bank's financial statements have been prepared in compliance with FRS 102 and Companies Act 2006 as it applies to the financial statements for the year ended 31 March 2025. The Bank is applying the provisions of FRS 102 sections 11 and 12 and has not elected to apply the recognition and measurement provisions of IAS 39.

Basis of preparation

The financial statements of the Bank were approved for issue by the Board of Directors on 22 July 2025.

The Directors considered the Bank's financial position, the capital requirements laid out in its forecasts, its access to funding, the assumptions underlying the forecasts and the potential risks affecting them, including those arising from geopolitical instability. Scenario planning considers impacts to inflation, interest income and loan impairment, due to UK and macro-economic factors. A range of different plausible scenarios have been modelled and mitigating management actions considered. After performing this assessment, the Directors have a reasonable expectation that the Bank has adequate resources to remain in operation for at least 12 months from the signing date of the Financial Statements and therefore consider it appropriate to continue to adopt the going concern basis.

The Bank makes use of reasonable and supportable information to make accounting judgments and estimates. This includes information about the observable effects of the physical and transition risks of climate change on the current creditworthiness of borrowers, asset values and market indicators, where relevant. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgments and estimates for the current period. Some physical and transition risks can manifest in the shorter term. The items which represent the most significant effects are the use of market indicators (fair value is assumed to include current information and knowledge regarding the effect of climate risk) and the measurement of loan loss provision (valuation of collateral is assumed to include current information and knowledge regarding the effect of climate risk).

The presentation currency of these annual accounts is sterling. All amounts in the annual accounts have been rounded to the nearest whole number unless otherwise indicated.

Going Concern

The financial statements have been prepared on a historical cost convention modified to include land and buildings at fair value in accordance with FRS102 and using a going concern basis. Accounting standards require the Directors to assess the Bank's ability to continue to adopt the going concern basis of accounting. In performing this assessment, the Directors consider all available information about the future, the possible outcomes of events and changes in conditions and the realistically possible responses to such events and conditions that would be available to them.

The Bank also considered additional stresses on Interest rate decline by 2%, delays and issues implementation of the Core Banking Platform, Cyber Security. All led the Bank to confirm going concern in terms capital requirements.

Judgement and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Apart from those involving estimates, no judgements are deemed to have had a significant effect on amounts recognised in the financial statements. There are no new accounting estimates in the year.

The main source of estimation relates to impairment of financial assets, where reviews are undertaken, both on an individual and a collective basis. They are assessed for indicators of impairment at the end of each reporting period, there is uncertainty to the key sources of estimation, however valuation data is only available one quarter in arrears. A post balance sheet check is completed to determine if the actual quarter end valuation is within the +10/-10% range of the estimate valuation used in the provision calculation. Loans and advances to customers are considered on a case-by-case basis and are provided against in the financial year in which it is anticipated that they may not be recoverable in full (which in practice means when they become non-performing, unless the Bank considers that it has adequate security to cover all balances outstanding plus a margin). See note 10(b) for more details.

The calculation of an effective interest rate requires an estimate of the expected life of the underlying loan assets which is derived using a combination of historical data and management judgement. Any changes to the expected life would result in an adjustment to the carrying value of the loans and the income recognised in the Income Statement. Whilst this is not currently a critical estimate for the Bank, the loan book is likely to grow in the future and the expected life may become a critical estimate.

The Bank adopts the revaluation method of accounting for freehold property. The method and significant assumptions of the valuation include an estimation for which the property would be exchanged between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The method of valuation used is based on current rents and capitalisation yields in the area where the property is located. It assumes that the property is free from structural or other defects that would materially affect the market value.

Gift Aid

Where the Bank has generated profits, it may make a discretionary Gift Aid payment to its parent company. Such payments are accounted for as distributions and recognised as a reduction in retained earnings.

Gift Aid payments are only accrued where there is a demonstrable obligation at the balance sheet date (i.e. board approval and intention to pay), in line with the principles of constructive obligations under FRS 102.

As a subsidiary trading company, that donates their profit to the parent charity, the distributable profits are limited to an amount close to the profits for the last financial year. Gift Aid does not exceed the distributable profits.

Revenue recognition

Revenue is recognised on an accruals basis in accordance with the substance of the underlying transactions.

- Interest receivable is recognised using the effective interest method, which incorporates all directly attributable fees, costs, and transaction premiums or discounts.
- Fees and commissions receivable are recognised as the related services are performed, or when the entity becomes entitled to the income.

Intangible fixed assets

Intangible fixed assets are stated at cost, less amortisation and any provisions for impairment. These assets principally consist of computer software and are amortised on a straight-line basis over their estimated useful life of two to six years, consistent with the pattern to which they contribute to future cashflows. The Banking system licenses are reviewed annually for indications of impairment.

Tangible fixed assets and depreciation

The Bank opts to follow the revaluation approach to its freehold property, under FRS102 section 17. A revaluation was completed as in the year ended March 23. This provided an up-to-date value of the Bank’s tangible property assets.

For the current financial year, the value of the Head Office freehold property is based on a triennial market valuation (last conducted in 2023) which is carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the property being valued. The basis of the market valuation was an estimation for which the property would be exchanged between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This assumes that the property is free from structural or other defects that would materially affect the market value. The method of valuation used was based on capitalisation yields in the area. An external valuation was not obtained during the current year.

Property, fixtures and fittings and equipment are stated at cost or revaluation less accumulated depreciation and accumulated impairment losses, except where they are classed as Investment Property.

Cost includes costs directly attributable to making the asset capable of operating as intended. No depreciation is provided on freehold land or Investment Property.

Depreciation has been provided on a straight-line basis, so as to write off the cost of tangible fixed assets over their estimated useful lives. The principal rates adopted per annum are 2% for freehold buildings, 20% for subsequent refurbishment costs, 33% for computer hardware and varying rates of between 10% and 20% for fixtures, fittings, and other equipment.

Asset Description	Life (months)	Rate (p.a.)
Building	600	2%
Fixtures & Fittings	60	20%
Office Furnishing	60	20%
IT - Hardware	36	33%

Investment Property

In the previous financial year, Investment property was reclassified to fixed assets, as the lease of the top floor of Head office to the shareholder, was not renewed and transferred to freehold building assets.

The depreciation charge for the period following the cessation of the lease for the freehold building had been charged to Profit and Loss reserve. There is no disclosure for Investment Property for the year ended 31 March 2025.

Provisions for liabilities

A provision is recognised when the Bank has a legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is not material, the provisions are not discounted.

Loan Loss Provision

Background

Collective provision, that is commonly used in the banking and financial services industry refers to credit losses on a portfolio basis rather than on an individual loan basis. The collective provisions are sometimes referred to as "incurred but not reported" provisions. The calculation of collective provisions aims to use historical data analysis to make informed decisions. However, since the Bank does not have any crystallised losses in its secured portfolio, this is largely based on a combination of expert judgement, qualitative assessments, economic indicators, and industry benchmarks. The approach for the Collective provision for the Bank as agreed by the management aims to capture the risk inherent in portfolios of loans with similar characteristics. It helps ensure that the provisions are more accurately aligned with the underlying credit risk of the overall loan portfolio, enhancing transparency and reliability in financial reporting.

Segmentation

Given the absence of historical crystallised credit loss data in the Bank's secured book, and following the assessment of various risk factors, management has applied a prudent and structured approach to calibrate the key risk drivers of the loan portfolio:

- PDs are segmented by borrower behaviour. The PD segmentation helps assess the likelihood of default for individual loans and reflects varying levels of default risk in the portfolio.
- LGDs are segmented by collateral position.

Probability of Default (PD)

Portfolio Trend Analysis as Quantitative Support: Internal trend analysis conducted over recent reporting periods shows that on average, 9-12% of the loan book is in either medium or higher-risk state (i.e., arrears over one month, default, or forbearance). This observation validates the segmentation applied and demonstrates that:

- The 90% of loans that remain current are reasonably assumed to have a lower PD (10%).
- The 10% of loans classified as higher-risk are appropriately assigned elevated PDs (20–30%) based on risk level and arrears age.

This approach embeds a data-driven calibration into the qualitative assumptions, improving the reasonableness and audit defensibility of the PD model.

Loan Segment	Credit Risk Indicator	Average % of loan Book (from trend last 24 months)
Performing Loans	No arrears, not on watchlist or forbearance	~88 - 91%
Stage 2 – Elevated Risk	Arrears > £0, forbearance, watchlist	
Stage 3 – Default/ High Risk	Arrears >=2 months, In probation* for 6m	
Total Higher risk exposure (Stage 2 + 3)	Includes all arrears > 1 month and forbearance loans	~9 - 12%

- 30% PD for SME loans / 1.61% for Mortgages with arrears over 2 months is applied to reflect significantly increased default risk in line with common default triggers.
- 20% PD for SME loans / 1.18% for Mortgages in early arrears, under forbearance or on watchlist reflects early-stage credit deterioration. These loans require monitoring or intervention and are more likely to experience default than the performance segment.
- 10% PD for performing SME Loans / 1.07% for Mortgages is considered reasonable and prudent, acknowledging that while these loans show no current signs of distress, external and macroeconomic risk factors still exist.

Loss Given Default (LGD)

- Judgment-Based Segmentation: In the absence of historical loss severity data, management has used its understanding of collateral values, credit practices, and property market norms to establish a rational LGD framework.
- LTV justification:
 - LTV ratios reflect the relationship between the loan amount and the value of the underlying collateral. Since loans with high LTVs have less equity cushion, increasing the likelihood of loss in foreclosure or asset disposal. Segmenting LGD based on LTV allows for a more granular analysis of the collateral’s impact on potential loss severity.
 - A higher LTV ratio indicates a greater reliance on collateral, making the loan more susceptible to loss severity in the event of default. At a lower LTV, there is typically more likelihood to be an alignment between borrower and lender to resolve through a consensual sale, repayment plan whereas at higher LTVs there can be a disincentive for borrower collaboration and historically more likely to see default.
 - Finally, the regulator (PRA) also requires LTV ratios to be considered in assessing credit risk and determining capital adequacy. Segmenting on LTV ensures compliance with regulatory guidelines and enhances the transparency of risk assessment practices.
- Coverage Logic: For loans with LTVs <75%, a 25% LGD implies the potential for full recovery even in the event of moderate asset value decline—i.e., 25% LGD = 75% recovery, which means even at 100% PD, the asset value can absorb 4 times the loss estimate.
- Incremental Scaling: Higher LGDs are assigned to riskier segments to reflect the shrinking collateral cushion and greater likelihood of partial recovery.

Based on the criteria above, the PD and LGD percentages are applied to each loan in the portfolio, and the estimated loss is calculated as PD x LGD (after costs) x loan balance.

Specific provisions

The Bank's policy on loan losses requires that if a review of loans identifies that it may be impaired, the PD is assumed to be 100% and hence the estimated loss is calculated as LGD x loan balance (including costs).

The Credit committee reviews the mortgage and commercial loan watchlists each month and assesses whether it is likely that the loan will fall into default, defined as greater than or equal to 3 months-in-arrears and if so, to what extent there may be a loss if the Bank had to release the property security.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated and not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date. Deferred tax is calculated at the tax rates that are substantively enacted in the year when the liability is settled or the asset is realised. Deferred tax provisions are not discounted.

A net tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more probable than not, that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

A deferred tax liability represents future tax obligations arising from temporary differences between the book value and tax base of assets and liabilities, where the book value exceeds the tax base for assets or the tax base exceeds the book value for liabilities.

During the year, the Bank has updated its approach to estimating deferred tax liabilities associated with revalued non-depreciable property assets. The change reflects the use of indexation allowance when determining the tax base of these properties, in accordance with relevant tax legislation. This revision indicates that the taxable value of the properties is significantly higher than its fair value as reported in the financial statements. As a result, no timing difference exists between accounting and tax valuation, and accordingly, the deferred tax liability previously recognised has been derecognised.

The impact of this change totalled an increase in £275,350, which has been recognised through Revaluation Reserve as part of the Other Comprehensive Income (OCI) reflected in the Statement of Changes in Equity (SOCE). There was also a corresponding derecognition of the same amount in the Deferred Tax Liability as detailed in note 18. This change is considered a change in accounting estimate under FRS 102 Section 29.15 and has been applied prospectively.

Financial instruments

The Bank's financial instruments are all basic financial instruments and comprise cash and cash equivalents and at the central bank, loans and advances, debt securities and customer accounts. The Bank does not hold derivative financial instruments.

Financial assets and liabilities are recognised initially at fair value which are typically the transaction price.

Effective Interest Rate

The EIR is accounted for via an accounting adjustment outside the core banking system which records the amount of the timing difference between the banking system and the EIR approach.

The calculation of the effective interest rate includes costs and arrangement fees paid or received that are an integral part of the effective interest and considers the contractual cash flows of each loan agreement or Mortgage.

Management's approach is to spread fees and costs related to the fixed rate mortgages on an EIR basis (or good approximation to EIR) over the period of the fixed rate, and not to try and predict and account for future ERC income, that is estimated to be even more unlikely considering the Bank's decision to cease new lending.

For commercial loans, previously an average life of 4 years was applied. At the end of March 2025, only 37 of the 141 loans are beyond this term with the remainder within their behavioural life.

Other financial assets and liabilities

Other financial assets and liabilities held at amortised cost are:

- Cash and investments: these are recorded at net cost on inception (including fees and charges) and interest is accrued at the EIR (i.e. the rate which amortises any discount / premium over the life of the asset)
- Financial liabilities include trade creditors (held at cost) and customer deposits (held at cost plus interest accrued at the product rate)

Leasing commitments

No assets are held under finance leases.

Pension benefits

The Bank is an employer within The Salvation Army Employees' Pension Fund – a defined benefit funded scheme – which was closed to new members on 31 December 2011 and closed to future service accrual from 1 May 2023. The scheme is a multi-employer scheme, and the actuary has confirmed that it is not practical to allocate the assets of the scheme between participating employers. As such, in accordance with FRS 102, the scheme is accounted for as a defined contribution plan.

Pension costs are therefore reflected in the accounts when payments to the pension scheme fall due. While the Bank may recognise a liability for any past service deficit agreed with the Pension Scheme Trustees, no such liability has been recognised in the current year. Any resulting expense is reflected through the Income Statement. Employees wishing to join the Bank's pension scheme are now only eligible to join a defined contribution scheme. Pension costs for this scheme are also accounted for when payments fall due.

Set-off

The Bank does have a legal right of set-off established in respect of some customer accounts (as confirmed by legal opinion). However, set-off positions would only be disclosed in the accounts where there is an intention to ordinarily settle on a net basis or to realise the asset and settle the liability simultaneously. There were no set-off position adjustments made in the accounts.

Contingent liabilities

Contingent liabilities are disclosed as memorandum items below the Balance Sheet and further analysed in note 21 at their contract amounts unless the possibility of any transfer on settlement is remote. As at March 25, there were no contingent liabilities recognised.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Transactions on foreign currency accounts are recorded in the ledgers in the currencies concerned and are also translated at the year-end rates for the purpose of drafting the financial statements. Any gains or losses arising on translation are reflected in the Income Statement.

Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value as per FRS 101.7.2 and all our cash and cash equivalents satisfy this requirement.

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity (or from date of acquisition) of less than three months.

Other Assets

To ensure compliance with the presentation requirements of the Companies Act, the Bank has classified balances held in money market funds (MMFs) as 'Other assets', consistent with the treatment adopted in the 2024 financial statements. These MMF holdings form part of the Bank's liquidity management arrangements and are available for withdrawal at short notice without penalty. As such, they do not meet the criteria for classification as loans and advances under the applicable accounting framework.

2. INTEREST INCOME

	2025	2024
	£	£
Interest receivable on Debt Securities		
- Other Debt Instruments	616,711	906,012
Interest receivable on Loans and Advances to Customers	8,051,635	6,720,038
Interest receivable on Bank and Discount Market Deposits	5,683,360	4,004,050
	<u>14,351,706</u>	<u>11,630,100</u>

All interest income arises within the UK from the conduct of retail and commercial banking activities. No loans or advances were made to the Bank's parent company during the year. Interest income from loans against which a specific provision has been made amounted to £243,447 (2024: £163,107).

3. INTEREST EXPENSE

	2025	2024
Payable to:		
	£	£
Parent Undertaking	<u>421,047</u>	<u>195,414</u>
Third Parties	<u>4,450,008</u>	<u>2,712,609</u>
	<u><u>4,871,055</u></u>	<u><u>2,908,023</u></u>

4. OPERATING EXPENSES

	2025	2024
Employee Costs (including directors) (i)	£	£
Wages and Salaries	3,678,385	3,230,739
Social Security Costs	422,864	384,286
Pension Costs (i)	309,931	249,619
Health Benefits	<u>55,302</u>	<u>31,077</u>
	4,466,482	3,895,721
Depreciation and Amortisation	489,810	438,165
Impairment Charge / (Credit) on Loans and Advances	93,310	9,455
Other Administrative Expenses	<u>3,097,061</u>	<u>2,828,489</u>
	3,680,181	3,276,109
Operating Expenses	<u><u>8,146,663</u></u>	<u><u>7,171,830</u></u>

The average number of employees in the current year was 65 (2024: 63).

(i) No employer contributions were made to the defined benefit scheme in the current year (2024: £752). Employer contributions to the defined contribution scheme totalled £309,931 (2024: £249,619). No fees were incurred in relation to the defined contribution scheme in the current year (2024: £Nil).

Other Administrative Expenses

	2025	2024
Professional Costs	1,076,271	1,078,845
Premise Costs	378,041	261,663
Computer Expenses	1,045,493	784,436
Postage	64,344	69,245
Marketing	157,001	130,278
Other Operational	53,214	89,534
Staff / Recruitment	<u>322,697</u>	<u>414,488</u>
	<u><u>3,097,061</u></u>	<u><u>2,828,489</u></u>

5. PROFIT BEFORE TAXATION

	2025	2024
	£	£
This is stated after charging / (crediting):		
Directors' remuneration	425,870	373,024
Bankers' comprehensive crime insurance	55,173	51,420
Auditor's remuneration - statutory audit (incl. VAT)	378,000	352,566
Rental income receivable	-	(30,214)

Three Executive Directors received emoluments from the Bank during the year, their remuneration in aggregate is disclosed above and this includes pension contributions of £45,275 (2024: £37,695). During the year, one Executive Director resigned. The highest paid Director received emoluments of £177,501 (2024: £203,426) including salary, benefits and pension contributions of £18,705 (2024: £21,600). During the year, the Bank made the decision to start remunerating its non-executive directors. The total remuneration paid amounted to £52,917 (2024: Nil). The Bank does not contribute to pension schemes on behalf of the non-executive directors. Executive Directors are eligible to apply for loans on the same terms available to all Bank employees, with details of any such loans disclosed in note 26.

6. TAXATION

	2025	2024
	£	£
Current tax		
UK Corporation Tax	-	-
Current year – Corporation Tax	-	-
	-	-
Deferred tax note (Note 18)		
Current year	209,982	67,671
Tax charge	209,982	67,671

A reconciliation from the expense / (credit) implied by the standard rate to the actual tax expense is as follows:

Profit / (loss) on ordinary activities before tax	1,431,128	1,918,412
Tax charge / (credit) based on the standard rate of Corporation Tax in the UK of 25% (2024: 25%)	357,782	479,603
<i>Effects of:</i>		
Fixed asset differences	33,920	-
Expenses not deductible for tax purposes	1,618	45,135
Deduction on charitable donation	(25,000)	(25,000)
Reversal of unrecognised deferred tax asset	-	(432,067)
Reversal of deferred tax liability on investment property	(158,338)	-
Tax charge / (credit)	209,982	67,671

7. CASH AND BALANCES AT CENTRAL BANK

	2025	2024
	£	£
Cash in Hand	105	105
Balances at Central Bank	<u>68,150,886</u>	<u>99,657,323</u>
	<u>68,150,991</u>	<u>99,657,428</u>

The Bank does not have any physical branches; customers have access to cash facilities through existing agency bank arrangements.

The Bank of England Reserve account forms part of the Bank's pool of High-Quality Liquid Assets that could be accessed in times of liquidity stress within the Bank's investment strategy. Whilst the Bank maintains a low-risk liquidity policy considering agreements in place with some of the Bank's larger depositors, maintenance of sufficient High Quality Liquid Assets to cover net cash outflows over a 30-day period is a regulatory requirement, monitored through the calculation of a Liquidity Coverage Ratio.

8. LOANS AND ADVANCES TO BANKS

	2025	2024
	£	£
<u>Bank Balances</u>		
Recoverable on Demand	4,702,072	8,310,112
<u>Bank Deposits</u>		
Recoverable in three months or less	-	-
Recoverable between three and six months	1,027,221	1,032,120
Recoverable between six months and one year	-	-
	<u>5,729,293</u>	<u>9,342,232</u>

Balances held with the Bank of England are included in note 7.

All the loans and advances to banks represent deposits with banks and building societies. No provision against these balances is deemed necessary as these are high credit quality. The Bank accounts for these financial instruments as basic financial instruments in accordance with FRS 102 as they are debt instruments that are not of derivative nature and only facilitate liquidity requirements. None of these loans and advances were extended to related parties and none are secured.

Interbank deposits with high credit quality counterparties play an important role in the Bank's investment strategy and the day-to-day liquidity management of the Bank. Together with debt securities, instant access bank deposits are held at a sufficient level to meet expected funding requirements with a comfortable margin. Term deposits and debt securities have maturities matching maturing funds. Some interbank term deposits and debt securities are used to broadly match significant customer term deposits in terms of both interest rate risk and liquidity.

9. OTHER ASSETS

	2025	2024
	£	£
Money Market Funds	14,227,307	11,950,534
Other Receivables	19,925	8,774
	<u>14,247,232</u>	<u>11,959,308</u>

As part of its liquidity management, the Bank holds balances with (Money Market Funds) MMFs that allow withdrawals at a short notice without any penalties, as they can be redeemed at par value or at an insignificant loss to overall value.

10.(a) LOANS AND ADVANCES TO CUSTOMERS

The role of loans and advances to customers in the Bank's investment and operating strategy is to grow the Bank's profit margins whilst maintaining a conservative lending policy and ensuring the Bank's liquidity and overall maturity profile are not compromised.

No loans have been made to our parent undertaking.

	2025	2024
	£	£
Recoverable on Demand:		
Overdrafts	<u>1,591</u>	<u>446,798</u>
Other Loans and Advances:		
Mortgages	61,413,123	63,859,773
Loans	<u>80,625,283</u>	<u>61,442,178</u>
	<u>142,038,406</u>	<u>125,301,951</u>
	<u>142,039,997</u>	<u>125,748,749</u>

Loans and advances to customers analysed by periods outstanding to maturity:

Recoverable: On demand	843,688	829,658
In 3 months or less	7,253,222	6,668,170
In 1 year or less but more than 3 months	19,591,760	6,878,445
In 2 years or less but more than one year	36,097,417	1,607,567
In 5 years or less but more than 2 years	64,606,096	37,231,046
Over 5 years	14,109,578	72,902,317
Impairment provision	<u>(461,764)</u>	<u>(368,454)</u>
	142,039,997	125,748,749

Non-Performing Loans and Advances to Customers

Before Provisions	614,575	2,153,227
Specific provision applied	<u>(361,305)</u>	<u>(168,000)</u>
After Provisions	<u>253,270</u>	<u>1,985,227</u>

The Bank's policy on loan losses requires that if a review of loans identifies that it may be impaired, the Probability of Default (PD) is assumed to be 100% and hence the estimated loss is calculated as Loss Given Default (LGD) x loan balance (including costs). The Credit committee reviews the mortgage and commercial loan watchlists each month and assesses whether it is likely that the loan will fall into default, defined as greater than or equal to 3 MIA and if so, to what extent there may be a loss if the Bank had to release the property security.

Provisions are made to the extent that the property value, if the property were sold (net of forced sale discount and sale costs) would be insufficient to meet the outstanding debt and related costs of sale.

10. (b) LOAN LOSS PROVISIONING

	2025	2024
	Total	Total
	£	£
As at 1 April	368,454	358,999
Increase in impairment provision	93,310	9,455
	<u>461,764</u>	<u>368,454</u>
As at 31 March 2025		

As indicated in accounting policies (note 1), following the assessment of various risk factors, management consider appropriate to segment both the Probability of Default (PD) and Loss Given Default (LGD). In devising the segmentation and agreeing an approach to the calculation, management has used judgement along with qualitative assessment. The PD segmentation helps assess the likelihood of default for individual loans and reflects varying levels of default risk in the portfolio. The segmentation criteria include factors such as arrears status, watchlist designations, and any forbearance arrangements. The loans are categorised as follows:

- High PD segment – Loans exhibiting high risk indicators, such as financial distress, significant payment delays fall into this segment. These loans require heightened provisioning to account for the elevated likelihood of default and potential losses.
- Medium PD segment – Loans in this segment may display moderate risk indicators such as minor payment delays or exhibit other indicators of heightened risk. While the default probability is deemed lower compared to the high PD segment, these loans still warrant increase provisioning to mitigate potential losses.
- Low PD segment – Loans in this segment pose relatively lower default risk with no significant arrears or other adverse indicators. All new loans will automatically be included in this segment along with any commitments.

In addition to the PD segmentation, LGD segmentation is utilised to assess the potential severity of losses in the event of fault. For both the mortgage and commercial lending portfolio, the management deems Loan to value (LTV) ratios appropriate basis for segmentation.

As for the specific provision, the Bank's policy on loan losses requires that if a review of loans identifies that it may be impaired, the PD is assumed to be 100% and hence the estimated loss is calculated as LGD x loan balance (including costs). The Credit committee reviews the mortgage and commercial loan watchlists each month and assesses whether it is likely that the loan will fall into default, defined as greater than or equal to 3 MIA (months-in-arrears) and if so, to what extent there may be a loss if the Bank had to release the property security.

11. DEBT SECURITIES

	2025 £	2024 £
Securities Issued by Banks/ Building Societies	31,152,108	25,735,400

Maturity Profile

	2025 £	2024 £
Debt securities <3 mths	17,038,467	17,817,515
Debt securities 3-6 mths	-	-
Debt securities 6-12 mths	3,012,355	7,917,885
Debt securities 1-2 yrs	11,101,286	-
	31,152,108	25,735,400

The role of debt securities in the Bank's investment strategy is to provide a sufficient balance of realisable assets with high credit quality counterparties. Fixed rate debt securities are used to broadly match significant customer term deposits in terms of both currency and interest rate risk. A spread of maturities also helps to manage the Bank's overall maturity profile.

12. INTANGIBLE FIXED ASSETS

	Computer Software £	Total £
Cost:		
Brought Forward	1,060,486	1,060,486
Additions	138,194	138,194
	<u>1,198,680</u>	<u>1,198,680</u>
Amortisation:		
Brought Forward	907,454	907,454
Charge for the year	116,162	116,162
	<u>1,023,616</u>	<u>1,023,616</u>
Net Book Value at 31 March 2025	175,064	175,064
Net Book Value at 31 March 2024	147,533	147,533

13. TANGIBLE FIXED ASSETS

	Office Furniture, Fixtures & Fittings £	Land & Buildings £	Total £
Cost:			
Brought Forward	809,337	5,149,514	5,958,851
Additions	65,700	693,443	759,143
Revaluation of building	-	325,466	325,466

	<u>875,037</u>	<u>6,168,423</u>	<u>7,043,460</u>
Depreciation:			
Brought Forward	605,279	1,318,660	1,923,939
Charge for the year	104,574	269,074	373,648
	<u>709,853</u>	<u>1,587,734</u>	<u>2,297,587</u>
Net Book Value at 31 March 2025	165,184	4,580,689	4,745,873
Net Book Value at 31 March 2024	204,258	3,830,854	4,035,112

The Bank applies the revaluation model to its freehold property, which was externally valued at £4.0 million in March 2023. As at 31 March 2025, the property's value remains £4.0 million. This valuation excluded subsequent refurbishment costs of £0.7 million that have been capitalised separately. The carrying amount of the revalued property is £3.7 million after depreciation, with refurbishments recorded as distinct assets.

If the cost model had been applied, the carrying amount of land and buildings at 31 March 2025 would have been £3,674,534 (2024: £3,830,854), excluding the impact of refurbishment costs.

14. PREPAYMENTS AND ACCRUED INCOME

	2025	2024
	£	£
Prepayments	334,828	185,957
Accrued Income Receivable	75,560	81,466
	<u>410,388</u>	<u>267,423</u>

15. CUSTOMER ACCOUNTS

	2025	2024
	£	£ (restated)
Current Accounts	73,164,377	130,936,528
Deposit Accounts *)	168,073,168	121,292,407
	<u>241,237,545</u>	<u>252,228,935</u>

With agreed maturity dates or periods of notice by remaining maturity:

Repayable on demand	167,820,728	185,302,280
3 months or less but not repayable on demand	27,700,328	12,534,369
1 year or less but over 3 months	44,346,717	44,600,876
More than 1 year	1,369,772	9,791,409
	<u>241,237,545</u>	<u>252,228,935</u>
Analysis of Connected Deposits:		
Due to Parent Undertakings	<u>45,160,461</u>	<u>38,695,142</u>

*) Includes accrued interest payable of £0.9 million – see Note 17 for further details.

The total balance with connected parties is £150.8m (2024: £176.2m)

The Bank has continued its overarching minimum credit balance agreement with a key customer. These agreements have been adjusted during the year as agreed by the Bank and during the year committed total credit balances with the Bank to £75,000,000 subject to 6 months' written notice, this committed credit balance has been revised as £60,000,000 from 1 April 2025 onwards.

The maturity analysis for customer accounts has been amended for the prior reporting period ended 31 March 2024. The restatement relates solely to the reclassification of £9,791,410, previously included in the "1 year or less but over 3 months" maturity bucket, which has been reallocated to the "More than 1 year" category. This adjustment reflects a more accurate classification based on the contractual maturity of the deposits. There is no impact on total customer accounts or the overall financial position.

16. OTHER LIABILITIES

	2025	2024
	£	£
Sundry Creditors	130,259	117,843
Other payables	559,217	563,279
	<u>689,476</u>	<u>681,122</u>

Sundry creditors include operational and payment timing differences. Other payables accrued administrative expenses.

17. ACCRUALS AND DEFERRED INCOME

	2025	2024
	£	£
Accrued interest	-	915,795
	<u>-</u>	<u>915,795</u>

Accrued interest relates to the interest accrued on customer deposits, and this has been represented to form part of the customer accounts balance as at year end (Note 15). No change has been made to the comparatives, as this is a mere presentational change.

18. DEFERRED TAX LIABILITY

	2025	2024
Asset/(Liability)	£	£
Fixed assets	(109,763)	(76,747)
Tax losses	107,460	442,764
Revaluation of investment property	-	(158,338)
Revaluation of property – OCI	-	(275,350)
Net Deferred Tax Liability Recognised	<u>(2,303)</u>	<u>(67,671)</u>

Due to change in estimating deferred tax liabilities associated with revalued non-depreciable property assets as note in Deferred Tax section in Note 1, there was a derecognition of £275,350 in the year.

The Bank has unutilised trading losses totalling £429,842 (2024: £1,771,055) which are available for carry forward indefinitely.

19. CALLED UP SHARE CAPITAL

	2025	2024
	£	£
Allotted, Called Up and Fully Paid: Ordinary Shares	20,000,000	20,000,000
Number of £1 Ordinary Shares	20,000,000	20,000,000

The share capital of the Bank is held by The Salvation Army International Trustee Company for the benefit of The Salvation Army International Trust.

Although The Salvation Army International Trustee Company is the principal shareholder and a related party, in accordance with the disclosure requirements of Section 33.5 of FRS 102, the Bank is consolidated into the group financial statements of The Salvation Army International Trust. These consolidated financial statements can be obtained from <https://www.salvationarmy.org/>. The immediate parent undertaking is The Salvation Army International Trustee Company, incorporated in England and Wales.

20. PENSION COSTS

The Bank is a participating employer of the Salvation Army Employees Pension Fund ("the Fund"), a defined benefit scheme, that is operated for five separate entities within The Salvation Army. It is administered and valued on an overall basis. Therefore, under FRS 102, the scheme is being accounted for as a defined contribution scheme, no change from prior year.

Full actuarial valuations of the scheme are performed every three years. The last valuation of the Fund was carried out by a qualified actuary as at 31 March 2024 and showed a surplus driven by the fair value of the Fund assets exceeding the present value of the funded Defined Benefit Obligation.

21. GUARANTEES AND COMMITMENTS

	2025	2024
	Contract	Contract
	Amount	Amount
	£	£
Commitments:		
Undrawn formal loan facilities	9,105,562	8,198,708
	<u>9,105,562</u>	<u>8,198,708</u>
Contingent Liabilities:		
Guarantees	-	7,693,614
	<u>9,105,562</u>	<u>15,892,322</u>

As a matter of course, the Bank takes counter indemnities to cover guarantees extended on behalf of customers. The Bank controls designated deposits sufficient to offset the guarantees extended. There were no guarantees at the end of year ended 31 March 2025.

Commitments reflect approved loan commitments awaiting drawdown.

22. RECONCILIATION OF PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Profit before tax	1,431,126	1,918,412
(Increase)/decrease in prepayments and accrued income	(142,965)	67,397
(Decrease)/increase in accruals and deferred income	(915,795)	722,273
Movement in provision for bad debts	83,855	9,455
Movement in value of debt securities	372,879	386,849
Amortisation of intangible fixed assets	116,162	175,719
Depreciation of tangible fixed assets	373,648	262,446
Increase/(decrease) in other liabilities	8,354	(13,969)
(Increase)/decrease in other assets	(11,150)	(524)
Tax (paid)/refunded	-	(67,671)
	<u>1,316,114</u>	<u>3,460,387</u>
Increase in loans and advances to customers	(16,375,104)	(6,940,602)
(Decrease)/increase in customer accounts	(10,991,390)	22,178,943
	<u>(26,050,380)</u>	<u>18,698,728</u>

The profit before tax includes cashflows related to interest received of £14,469,702 (2024: £12,030,309) and interest paid of £4,848,947 (2024: £3,550,276).

23. CASH FLOW FROM INVESTING ACTIVITIES

	2025	2024
	£	£
Sale and maturity of Debt Securities	74,717,939	54,372,721
Purchase of Debt Securities	(80,507,526)	(47,513,462)
Purchase of intangible fixed assets	(143,693)	(39,045)
Purchase of tangible fixed assets	(758,943)	(72,957)
Movement in interest on security deposit	4,899	(23,038)
	<u>(6,687,324)</u>	<u>6,724,219</u>

24. CASH FLOW FROM FINANCING ACTIVITIES

	2025	2024
	£	£
Distribution to Parent Company	(100,000)	(100,000)
	<u>(100,000)</u>	<u>(100,000)</u>

25. KEY MANAGEMENT PERSONNEL AND CONNECTED PERSONS' ACCOUNTS

	2025 £	2024*) £
Aggregate amounts due, as at 31 March, to		
- Directors	2,442	57,698
	2,442	57,698

*) Following the review of the comparatives, the prior year figure has been updated to reflect the actual outstanding balance as at year end. This change has no impact on any other financial statements line items.

FRS 102 defines key management personnel as those persons having responsibility for planning, directing and controlling the activities of the Bank directly or indirectly. The Bank's key management personnel are its Directors (Executive and Non-Executive) and other members of its Executive Committee.

Key management personnel and any person who may be expected to influence or be influenced by them are considered related parties. Any loans to key management personnel are extended in the normal course of business and at terms that are no more favourable than the terms available to other employees of the Bank. During the year there were none.

Any loans to Non-Executive Directors, employees and employees of the parent undertaking are extended in the normal course of business on non-preferential terms available to other customers.

No preferential credit interest rates are applied to the accounts of key management personnel or to accounts of Connected Persons. Connected Persons are defined by s.252 of the Companies Act 2006.

26. RELATED PARTY TRANSACTIONS

As indicated in note 19, The Salvation Army International Trustee Company holds 100% of the issued share capital of the Bank Limited as Trustee of The International Trust of The Salvation Army.

The Bank conducts business with its shareholder. In addition to ordinary banking service transactions, two floors of the Bank's premises were let to The Salvation Army at the start of the prior year. During the prior year, one last floor ceased to be let. Rental income and service charges ceased as of November 2023 as disclosed within other operating income. All transactions with group undertakings have been carried out on a commercial basis.

No other related party transactions were made during the year (2024: £Nil) therefore additional disclosure per FRS102 is not applicable.

The aggregate compensation paid to the Bank's key management personnel was £857,376 (2024: £837,892).

27. RISK MANAGEMENT POLICIES AND OBJECTIVES

The Board of Directors is responsible for determining the long-term strategy of the business and the level of risk acceptable in each area of the Bank's business.

The Risk and Compliance Committee recommends policies designed to mitigate risks to the Board and reviews risk assessments within the Bank's risk register.

The Bank's management of its principal risks is summarised within the Strategic Report. Further detail on the main financial risks arising from the Bank's activities follows below.

Credit Risk

The table below highlights the credit quality of the Bank's treasury assets. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates. The credit quality of financial assets that are neither past due nor impaired is as set out below.

	2025	2024
	£	£
Balances at Central Bank	68,150,991	99,657,323
Loans and advances to banks	5,729,293	21,292,765
Debt securities	31,152,108	25,735,400
Treasury Assets at 31 March	<u>105,032,392</u>	<u>146,685,488</u>
Treasury Assets by credit rating		
- AAA		18,106,718
- AA	84,341,840	116,235,532
- A	20,690,552	12,343,238
Treasury Assets at 31 March	<u>105,032,392</u>	<u>146,685,488</u>

All loan and overdraft applications are assessed with reference to the Bank's lending policy. The policy establishes set limits of authority. Transactions above such limits require Credit Committee approval and any changes to policy require Board approval, with recommendations sought from the Credit Committee. The Credit Committee also recommends treasury counterparty limits for Board approval. Monetary market funds are excluded from this disclosure as per the restatement in prior year, however they carry a rating of AAA.

The table below shows information on the Bank's loans and advances to customers by payment due status.

	2025	2024
	£	£
Neither past due nor impaired	141,887,186	123,963,976
Up to three months overdue but not impaired	-	-
More than three months overdue (non-performing)	614,575	2,153,227
	<u>142,501,761</u>	<u>126,117,203</u>
Specific loss provision	(361,305)	(168,000)
Collective impairment provision	(100,459)	(200,454)
Loans and advances to customers at 31 March	<u>142,039,997</u>	<u>125,748,749</u>

For loans and advances to customers totalling £142m (2024: £124.8m), the Bank has security in the form of property to an estimated value of £300.7m (2023: 271.9m) which can be called upon if the customer is in default under the terms of the agreement.

Specific impairment provisions are made in full when a loan becomes non-performing and is over 90 days past due. Provisions are made after assessing the adequacy of any security that is in place, factoring in potential costs of realising that security.

Analysis of loans, neither past due or impaired, by LTV:

	2025	2024
	£m	£m
< 50%	42.67	34.30
50% < 60%	22.70	17.21
60% < 70%	40.34	31.66
70% < 80%	16.44	21.62
80% < 90%	16.33	10.78
>90%	3.13	6.74
Not secured on property	0.28	1.66
	<u>141.89</u>	<u>123.96</u>

The below sensitivities are calculated on the collective model provision as opposed to the specific provision which is covered by different approach.

Sensitivities	Commercial	Mortgages	Total	Diff	%
Base	45,825.89	54,590.87	100,416.76		
LGD haircuts increased by 5% to High - 40%, Med - 3%	109,382.64	71,024.22	180,406.86	79,990.10	80%
PD - high risk - 100% and medium risk - 50%	106,005.34	136,627.32	242,632.66	142,215.90	142%

The model exhibits a higher sensitivity to variations in LGD haircuts compared to changes in PD. This indicates that fluctuations in LGD haircuts have a more pronounced impact on the model's outputs or predictions than equivalent variations in PD.

The Sensitivity on Loss Given Value haircuts increase by 5% result in an increase in collective provision by £79,990 and the sensitivity of increase in probability of default to 100% and 50% for High risk and Medium risk customers respectively, increases the provision by £142,215

Liquidity and Market Risk

The Bank maintains a high level of liquidity, holding £91.3m (2024: 121.3m) of High-Quality Liquid Assets at the yearend which equates to 34.3% of total assets (2024: 43.8%). The Bank's Liquidity Coverage Ratio at 31 March 2025 was 247% (2023: 408%), this has decreased vs. last year due to decrease in HQLA, mainly balances with Bank of England due to overall lower current accounts by Salvation Army and increased outflow balances expected in the next 30 days due to increased fixed term deposits maturing within 30 days on the Platforms.

Liquidity risk is the risk that the Bank may not be able to meet its payment obligations including those arising from customer deposits, borrowings, and off-balance sheet exposures such as commitments and guarantees, within the stipulated repayment frame and without significant additional cost. The Bank has a system in place to monitor contractual and residual maturity inflows and outflows and to manage liquidity gaps within pre-stipulated limits that are prescribed by the Board. The Bank holds sufficient high-quality liquid assets (HQLA) in approved securities to meet the regulatory obligations for 30 and 90 days under stressed conditions. As part of its liquidity management, the Bank holds balances with MMFs that allow withdrawals at a short notice without any penalties. The liquidity positions and gap analysis are periodically analysed and measured against Bank's risk appetite limits and reported monthly to ALCO and to the BCRC.

The following table analyses the Bank's liabilities (based on undiscounted cash flows) into relevant maturity groupings based on the remaining period to the contractual maturity date as at 31 March 2025. The below maturities are based on contractual flows including future interest rather than behavioural or stressed flows. In practice, contractual maturities are not always reflected in actual experience.

	On Demand	< 3 mths	3 - 6 mths	6 mths - 1 yr	1 yr - 5 yrs	> 5 yrs	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Year Ended 31 March 2025							
Liabilities:							
Customer Accounts	167,820,728	27,700,328	20,924,034	23,422,683	1,369,772		241,237,545
Accrued interest & Interest on maturity		572,797	343,313	1,228,915	78,251		2,223,276
Other Liabilities		689,476					689,476
Shareholder's Funds							0
Total	167,820,728	28,962,601	21,267,347	24,651,598	1,448,023	0	244,150,297

Part of the Bank's return on financial instruments is obtained from controlling the dates on which interest receivable on assets and interest payable on liabilities are contractually reset to market rates or, if earlier, the date on which the instruments mature. The following table summarises these re-pricing matches on the Bank's non-trading book as at 31 March 2025 (the Bank does not maintain a trading book). Items are allocated to time spans by reference to the earlier of the next contractual interest rate re-pricing date and the maturity date.

Interest Rate Sensitivity

	< 3 mths	3 - 6 mths	6 mths - 1 yr	1 yr - 5 yrs	> 5 yrs	Non-Interest Bearing	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Year Ended 31 March 2025							
Assets:							
Cash and Balances at Central Bank	68,151	-	-	-	-	-	68,151
Loans and Advances to Banks	4,702	-	1,027	-	-	-	5,729
Loans and Advances to Customers	67,214	28,923	14,396	31,506	-	-	142,040
Debt Securities	17,038	-	3,012	11,101	-	-	31,152
Other Assets	14,227	-	-	-	-	5,351	19,579
Total Assets	171,333	28,923	18,436	42,607	-	5,351	266,651
Liabilities:							
Customer Accounts	196,021	20,924	22,950	1,342	-	-	241,238
Accrued interest	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	691	691
Shareholder's Funds	-	-	-	-	-	24,722	24,722
Total Liabilities and Equity	196,021	20,924	22,950	1,342	-	25,413	266,651
Interest Rate							
Sensitivity Gap	(24,688)	7,999	(4,514)	41,265	-	(20,062)	-
Cumulative Gap	(24,688)	(16,688)	(21,203)	20,062	20,062	-	-
Year Ended 31 March 2024							
Interest Rate							
Sensitivity Gap	10,390	1,341	(20,643)	28,022	-	(19,290)	-
Cumulative Gap	10,390	11,731	(8,912)	19,110	19,110	-	-

The Bank manages interest rate risks by the methods outlined in the Risk Management summary within the Strategic Report. The Bank’s policy sets out the wide Interest Rate sensitivity range of processes and controls that the Bank uses to monitor and control liquidity and interest rate risk, including monitoring the maturity of assets and liabilities between time periods to ensure that mismatches do not exceed policy or trigger early warning indicators. The impact on Operating Income over the 12 months from the balance sheet date of an immediate 200 bps fall in rates is £(2,019k) or an immediate 200 bps rise in rates is £1,700k respectively (2024: £1,209k reduction and increase).

Foreign Exchange risk

The Bank has limited net exposure to exchange rate risk as it holds assets and liabilities denominated in foreign currency and converts any excess reserves on a regular basis.

The Bank’s foreign exchange exposures at the yearend were as follows:

	2025		2024	
	USD	EUR	USD	EUR
Monetary Assets	42,494,237	1,044,569	35,398,421	1,751,066
Monetary Liabilities	(42,494,237)	(1,044,569)	(35,398,421)	(1,751,066)
Net Asset / (Liability)	<u>\$0</u>	<u>€ 0</u>	<u>\$0</u>	<u>€ 0</u>
Translated At	<u>1.2953</u>	<u>1.1959</u>	<u>1.2628</u>	<u>1.1662</u>
Sterling Equivalent	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>

The only other foreign currency transactions undertaken are translations of sums on behalf of customers and in each instance the customer bears any currency risk involved.

Monetary assets are recoverable on demand money market funds and monetary as liabilities are customer deposits.

28. POST BALANCE SHEET EVENTS

Following the approval of the 4-year base case, the Bank made the decision to raise capital, driven by the growth of its loan book. The shareholder subsequently approved an increase in capital of £5m. £3m of the funds were received on 31 May 2025, with a further £2m expected later in 2025.

In July 2025, the Board approve an additional gift aid payment of £400k to the parent company in line with Bank’s year end performance for a second consecutive year. With this additional contribution, the total gift payment for the financial year 2024/2025 for taxable purposes will be £500k.

29. COUNTRY BY COUNTRY REPORTING

The Bank is located in the United Kingdom and has no other offices or establishments in other countries.

Name	Reliance Bank Limited
Activities	The Bank provides retail banking products and services to charities, businesses and personal customers within the UK. It also holds some deposits for overseas customers, chiefly with a connection to The Salvation Army.
Geographical location	United Kingdom
Turnover	£14,968,719
Staff numbers	63
Profit on activities after tax	£1,221,144
Tax paid	£Nil
Public subsidies received	£Nil