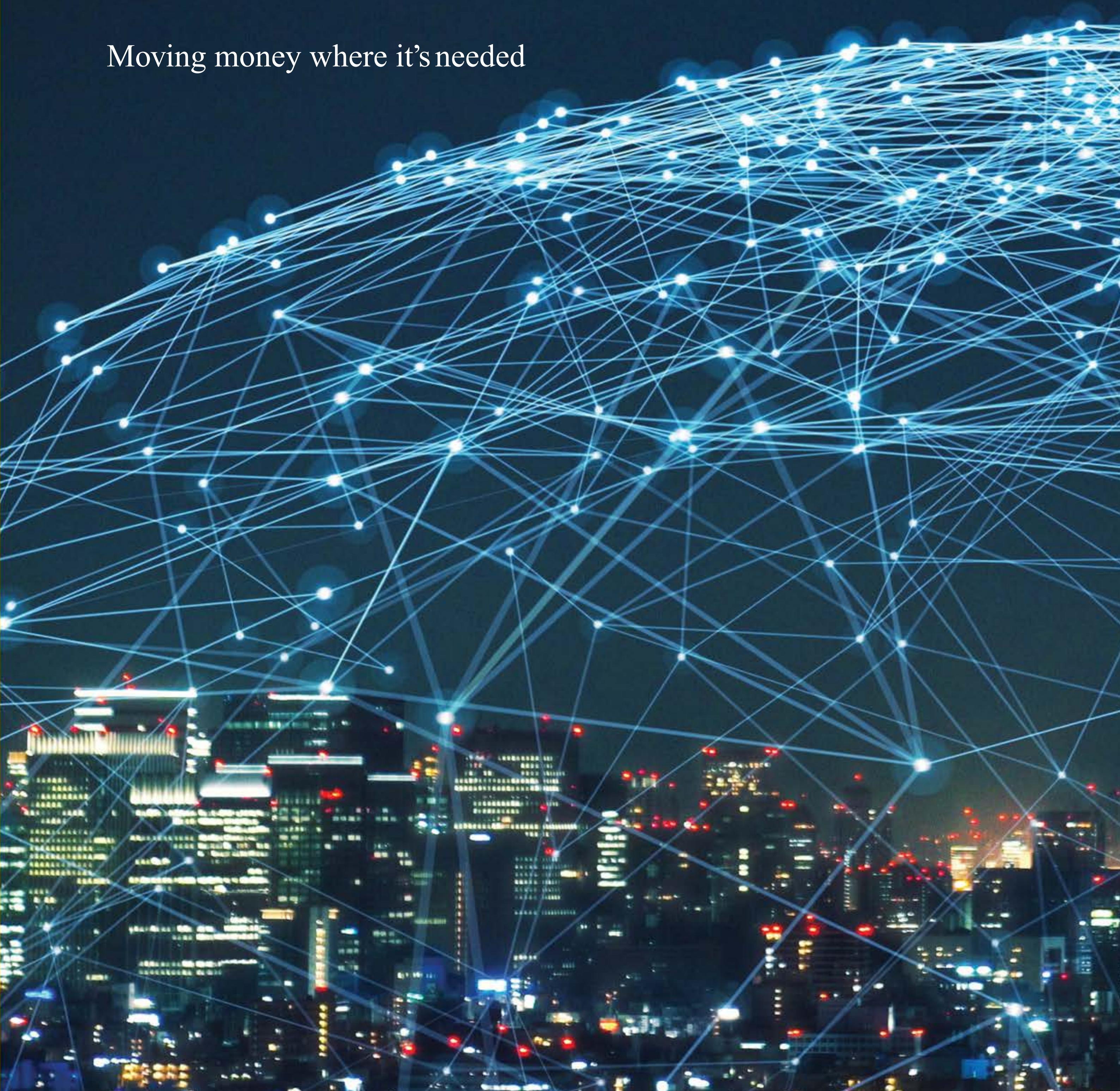
CAB | PAYMENTS

CAB Payments Holdings plc

Annual Report and Accounts

2024

Moving money where it's needed



A specialist in FX, cross-border Payments and Banking services for hard-to-reach markets.

Our Mission

We work harder to unlock the potential, opportunities, and long-term prosperity of the communities we serve by growing and nurturing our network that connects hard-to-reach markets to the global economy and move money where it's needed.

Our Vision

To use the power of FX and cross-border payments to improve liquidity, support local markets and foster an inclusive global economy.

Our Priorities

Network

Clients

Platform

Invest & Innovate

Our Values

Passionate

Trustworthy

Ambitious

Reassuring

What's inside…

Overview

Strategic report

Governance report

For the latest investor relations /
www.cabpayments.com/#investors

Financial statements

Appendix

CAB Payments at a Glance

CAB Payments uses its strength of network, technology and banking capabilities to seamlessly move money to, from and across hard-to-reach markets.

The numbers…

Financials

From debt repayments, and development funds to remittance provision, we facilitate structured cross-border transactions across the globe.

Wholesale FX and payment FX volumes 2024
£37.2bn

Growth rate of volumes annually
7%

Adjusted EBITDA
£30.8m

Gross income
£105.5m

See alternative performance measures for definition / Page 203

Our market

We specialise in the world's traditionally hard-to-reach markets.

150+
Countries

120
Currencies

Expanding our on the ground presence

28
Central banks

140
Local accounts

390
FX, pricing and liquidity partners

c.200
Years of integrity and trust

Our business lines

CAB Payments Holdings plc and its subsidiaries (CAB Payments or the Group) operate three principal business lines, addressing various combinations of client groups, distribution networks and services:

FX

Our FX capability gives clients access to extensive liquidity and competitive real-time pricing across hard-to-reach markets and G10 market currencies.

We provide our clients access to 120 markets and offer 700 currency pairs available for 24/5 trading.

Clients can trade in a way that suits their business needs, via web app, GUI or FIX API for a seamless execution experience.

Payments

Our payment solutions are tailored for our client's exact needs. These solutions are designed to facilitate secure, efficient, and transparent cross-border transactions.

Our payment solution is designed to deliver:

- Reliability: Proven expertise in delivering payments even in the most challenging environments.
- Transparency: Clear and upfront pricing with real-time payment tracking.
- Security: Regulated, industry-leading measures to protect transactions and data.
- Access: To our extensive network of correspondent banks and payment corridors.

Banking Services

The Group is uniquely placed to improve liquidity, manage risk and build new market connections, creating opportunities for businesses, and economies around the world.

Our wholesale banking and treasury solutions are designed to help organisations and institutions move money where it's needed – securely, rapidly and efficiently.

We offer transaction and deposit accounts, in addition to trade finance solutions earning a net interest margin between the rate we pay deposit holders and the interest we earn from the predominantly high quality liquid assets and trade finance receivable balances.

FX accounts for around
40%
of our income

Payments accounts around
25%
Income is derived from payment services

Banking contributes around
35%
of our income

Discover more in Our Business Model / **Page 14**

Who we serve

We provide our services to four key client segments:

Non-Bank Financial Institutions (NBFIs)

Fintechs and other licensed financial services companies, including high street and online remittance companies, payroll providers and pension administrators.

International Development Organisations (IDOs)

Multilateral, Government and Non-Governmental Organisations (NGOs) who send aid and run development programmes in the world's most challenging environments.

Emerging Market Financial Institutions (EMFIs)

Banks headquartered in non-G20 markets who provide cross-border payments to corporations and people in these markets.

Major Market Banks (MMBs)

Banks headquartered in G20 markets who provide cross-border payments to corporations and people in these markets.

Our income is well diversified with our top 20 clients representing
44%
of total income

Discover more in our Strategic Progress section / **Page 18**

Investment Case

Compelling investment opportunity.

We provide FX and Payments services to B2B clients, specialising in flows into and out of emerging markets. We are trusted by blue chip clients around the world for our fast, safe and reliable services, enabled by technology, the strength of our local networks, and relationships with central banks.

As a regulated bank, our structure gives us a differentiated proposition to support clients, helping them to move their money where it is needed and we are one of the first UK banking institutions to be awarded B-Corporation™ status showing our commitment to sustainability and economic development.

We operate in growth markets allowing us to deliver long-term sustainable and diversified growth.

Serving large growth markets

- Structural shifts from major banks to specialist players.
- Estimated c.$2 trillion core FX and Payments market.
- Operating in economies with >4% GDP growth.

Differentiated service proposition

- Regulated banking platform allows for a wider service provision while reinforcing customer trust and ability to work with larger corporate clients.
- Trade finance and working capital facilitates larger payment flows with attractive economics.

Diverse and growing B2B client base

- Trusted by a global ecosystem of B2B Clients, including: EMFIs: local and central banks, IDOs: international development organisations, MMBs: major market banks and NBFIs: fintechs, corporates and multilateral agencies – to deliver cross-border services.

£37.2bn
Billion of cross-border volume processed

546
Active B2B clients (71 new in FY24)

390
Local and regional bank accounts, FX settlement partners and liquidity providers

Leading emerging markets FX infrastructure

- Differentiated access to liquidity and payments infrastructure in hard-to-reach markets through well-established network.
- Recent partnership with VISA gives access to more than 8.5 billion end points including accounts, digital wallets and cards across more than 190 countries.
- 390 local and regional bank accounts, FX settlement partners and liquidity providers.

Strong opportunity for growth and operational leverage

- Strong revenue growth drivers – new markets, new client types and products.
- Highly scalable and cash generative business model generating operating leverage.
- Capital light income streams combined with banking structure drives high returns on equity.

Driving social change in emerging markets

- One of the first UK banks to be certified by B-Corp.
- Strengthens local economies by facilitating cost-effective transactions for development banks, businesses and charities.
- Provided over £2.7bn in development aid flows in 2024 and approximately £9.0bn in payment flows into low and middle-income countries.

Discover more / Page 16

1 See alternative performance measures for definition / Page 203.

Chair's Statement

Embarking upon sustainable growth following a year of reset

See Ann's biography / **Page 56**

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

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

> Our impact is evident in everything we do, while trust and transparency remain at the heart of our business."

With respect to the donor community, CAB Payments moved £13.5bn to emerging markets to support humanitarian and development aid despite challenges to aid budgets. In 2025, it's likely that aid donors will change in terms of mix and geography but we will remain a partner of choice for humanitarian organisations around the world.

Our financial results for 2024 were disappointing relative to expectations. We delivered £106m of revenue for the full year and 29% Adjusted EBITDA margin. Both lower than we hoped, but the business is now better placed to deliver sustainable growth. Looking forward, we expect our client engagement to translate into higher levels of revenues, supported by greater efficiency and improved EBITDA margins. From a balance sheet perspective, CAB Payments continues to generate capital, holds ample liquidity and has no leverage.

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

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

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

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

Our capital allocation policy remains focused on growth. We have been reinvesting our free capital for innovation, efficiency and market expansion. As a regulated bank, our free capital is a small proportion of our total capital. We will, however, consider buyback and dividends when we can execute these sustainably. No dividend is proposed for the 2024 financial year.

I truly believe there is tremendous potential for upside in this business, and it is clear we have a lot to do in 2025. The board will represent our shareholders by holding the Executive Team accountable for executing our strategy, building our competitive position and continuing to be the partner of choice, delivering stronger financial results. Finally, I would like to thank you, our shareholders, for your continued support.

Ann Cairns
Chair

12 March 2025

“I am pleased to see our CEO leading from the front, as clients and partnerships are the most important part of our business.”

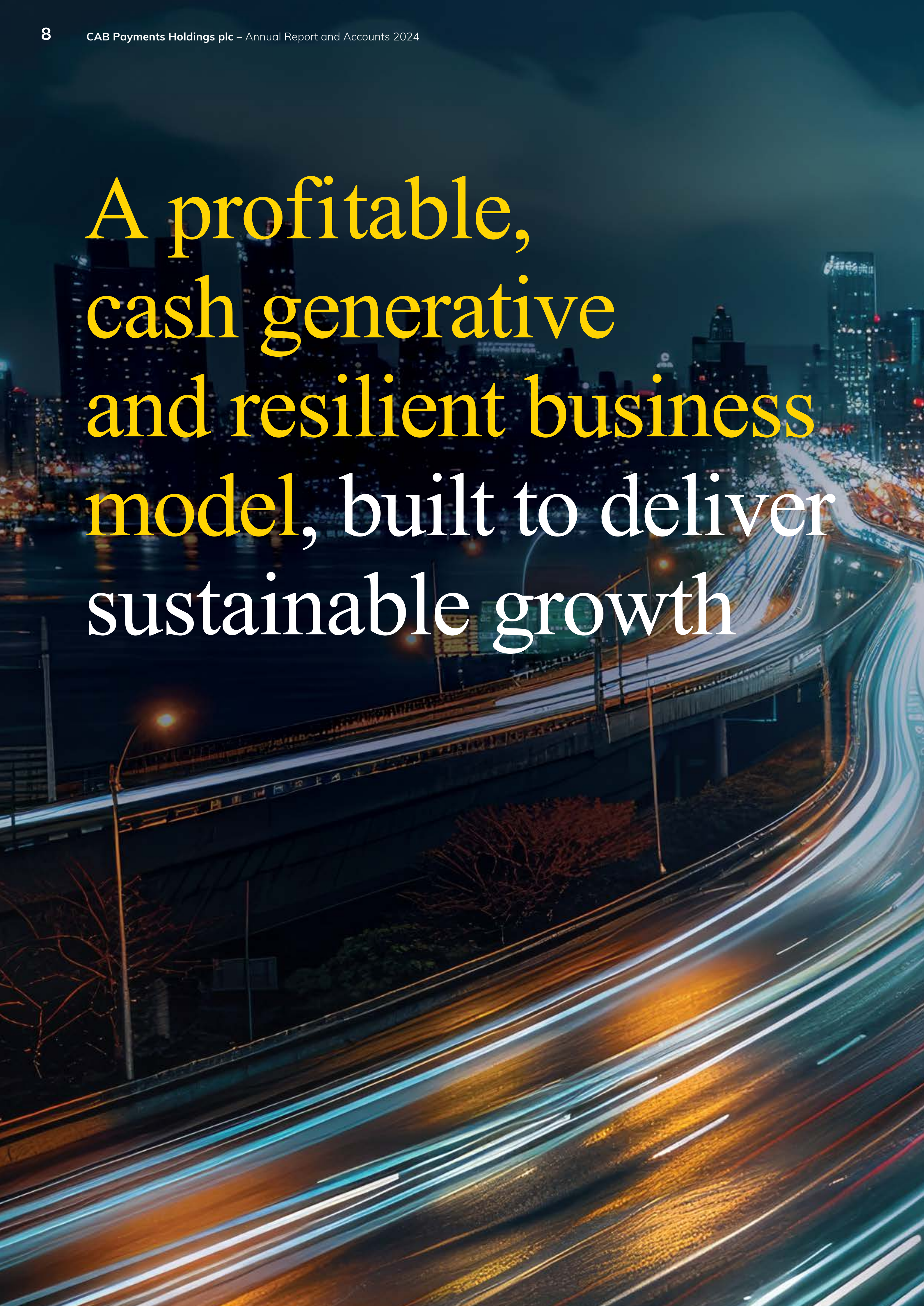
Further Reading

For more on our ESG journey and Governance please see further sections below

Discover more in our ESG section / **Page 22**

Discover more in our Governance section / **Page 53**

A profitable, cash generative and resilient business model, built to deliver sustainable growth



Strategic report

Chief Executive Officer's Review

Foundations laid to deliver medium-term growth

Neeraj Kapur
Chief Executive Officer

See Neeraj's Biography / **Page 56**

A mission to create long term shareholder value

In June 2024, I was delighted to be appointed as CEO of CAB Payments and Crown Agents Bank (CAB) and this is my first set of annual results since being appointed. The performance of the business in 2024 was below expectations, and did not contain any of the specific currency tailwinds that existed in the prior year. Despite this, we still have a business with fundamental strengths: a highly differentiated offering for clients with great margins and profitability, good cash generation and a strong balance sheet. This, combined with our unique relationship with central banks and local banks, supports our loyal client base and competitive moat.

"I strongly believe that we have a distinct and powerful FX and cross-border payment offering for the market. Our strength of network and deep expertise means we can move money into and out of the world's most complex financial markets."

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

With that said, strategic change was needed in order to create a more diverse business that is capable of creating sustained growth in profitability, cash flow and ultimately shareholder value. I announced this at our half year results in September 2024 and it builds on our existing strengths and focuses on the quality of execution across four pillars:

Our four strategic pillars

Network
Strengthen the breadth and depth of network

Clients
Deepen existing relationships and expand the client base

Platform
Leverage the banking licence to accelerate FX and Payments growth

Invest & Innovate
Disciplined capital management to drive growth

Discover more about our strategic pillars / **pages 16 to 19**

We are well into our journey of preparing the business for the future.

The business has moved quickly to strengthen the quality and capabilities of leadership within our business, bringing in diversified and relevant experience to deliver on the next phase of growth. Key hires have been made in significant areas such as operations, sales, payments and banking as well as a new Group CFO. This is part of our updated, more execution focused, strategy that was introduced in the latter half of 2024.

In September 2024, we hired a new Global Head of Sales, who brings significant sales experience in emerging markets and in leading large teams. The sales team has been reorganised to focus on specific segments and geographies to deliver on go-to-market strategies in each of our target markets. As part of the restructure, we are adding teams to focus specifically on Central Banks and Corporates. We have also invested in our payment products and network development teams with experienced leaders from those sectors.

We expanded our business into the EU with our office in Amsterdam now able to service clients across 28 passported jurisdictions. We still await our licence authorisation in the USA. We have also commenced our licence application in Abu Dhabi as our Middle East & North Africa hub as we seek to leverage the growth in capital flows between the Gulf and Sub-Saharan Africa. This is driving new and improved relationships with Central Banks allowing us to gain superior access to local liquidity. As an example, we recently received our licence to act as an International Money Transfer Operator (IMTO) in Nigeria, which unlocks significant potential as we are able to work with the Nigerian Central Bank on large scale Naira transactions.

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

Strategic vision – good early progress

We now have a business model which puts us firmly on a path to sustainable growth. This results in our business being: 1) relationship led, 2) technology driven and 3) having a wider geographic reach. This is a long-term vision, designed to drive sustainable growth and mitigate concentration risk underpinned by our four-pillar strategy.

Our moat is based on driving stronger relationships both across our clients and network. Building relationships at the right level accompanied by offering a wider product set that we can do as a bank, makes us a stand-out partner. We have a right to win in our markets.

> We now have the right team in place for our growth journey.”

> We now have an enhanced business model which puts us firmly on a path to sustainable growth. This results in our business being: relationship driven, technology enabled and having a wider geographic reach. This is a long-term vision, designed to drive sustainable growth and mitigate concentration risk underpinned by our four-pillar strategy.”

Technology is the engine of our growth. We understand that our clients need the most seamless, secure and efficient services possible which is why our ongoing capex plans drive this agenda. Automation and AI-driven compliance solutions will enable us to scale while ensuring we meet the highest regulatory standards across multiple jurisdictions. Real-time payment solutions will enhance the speed and reliability of our transactions, particularly in emerging markets where instant settlement is becoming the norm. Data-driven insights will allow us to better understand our clients' needs and tailor solutions that add real value.

Our operations will no longer be defined as a single-branch offering, centrally controlled from London, but moving towards a global business with strategic locations in London, Amsterdam, New York and Abu Dhabi. This drives deeper relationships with our clients, partners, regulators and stakeholders. London remains our core operations and innovation hub, continuing to drive our technological edge. Amsterdam strengthens our European presence and gives us better access to EU financial institutions and regulatory frameworks. New York will connect us to the heart of global banking and expands our reach in the Americas specifically LATAM. Abu Dhabi cements our role in the Middle East and provides a strategic gateway to North Africa and South Asia.

Our strategic indicators show progress. We have increased our network counterparties by 18% to 390. Active (revenue generating) clients numbers are up 7% to 546. We have also been targeting flows in key regions outside of Africa such as LATAM, MENA and Asia-Pacific which now account for 7% of Group volumes, up 2% on 2023.

Chief Executive Officer's Review continued

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

We believe that our banking activities brings us a distinct tactical advantage to our core FX and Payments business. Trade Finance, for example, is a distinct service that many of our competitors cannot offer. Not only does it drive client loyalty by offering an integrated service, it also facilitates significant FX & Payment flows. In H2 2024, we increased limits on our Trade Finance facilities, with our lending book standing at £180m at the end of 2024 (2023: £59m), a 2.1x increase. Trade finance facilities are principally used by banking and liquidity partners which helps facilitate tighter relationships and thus better FX pricing and liquidity. This business can be scaled up beyond our own balance sheet through asset sales, syndications and third-party funding driving even more FX & Payment flow onto our platform. In February 2025, we conducted our first asset sale.

To support this vision, in late 2024, the difficult decision was taken to reshape the organisation to reflect better our renewed strategy and growth ambitions. This is expected to result in a reduction in the workforce of approximately 20% of full-time equivalents. However we will continue to hire at the right levels throughout 2025 to get the right quality of talent, especially in revenue generating functions. We will continue to monitor and control costs carefully as part of our focus on improving the Group's adjusted EBITDA margin.

Business Performance

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

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

Excluding the effects of Nigerian Naira, Central African Franc and West African Franc (NXX), our Wholesale FX and Payments FX revenue fell 7% to £41.8m (2023: £45.0m), which is not an unexpected result given the contracting market in 2024 and lack of currency-specific tailwinds. In addition, our currency concentration reduced significantly with our Top 5 corridors accounting for 29% of Gross Income versus 45% for 2023, which is the right direction as we create a more diversified business.

2.1x

Increase in trade finance balances

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

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

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

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

The Group operates a relatively fixed cost base which accommodates the scalability of the business model and drives good operational leverage. However, as we operated in a declining revenue environment, this has resulted in significant compression in our Adjusted EBITDA margin to 29% from 47% in 2023. Whilst we remain significantly profitable, we consider this to be disappointing and it will need to be improved from 2025.

Cash generation was lower than last year given the lower Adjusted EBITDA margin. Our model in itself remains highly cash generative given the majority of our revenues are capital light. Due to the relatively high level of capex and lower level of profitability versus last year, cash conversion stood at 50% vs 88% in 2023.

Above all, we remain well capitalised. At the end of 2024 we had total capital of £116.0m (2023: £107.5m) of which £10m is considered excess over our regulatory and internal capital requirements (2023: £34m). We are committing this capital to return to growth as our renewed strategy demands.

Number of partners in our Network

390

2023: 331

Looking forward

We have taken meaningful action from H2 2024 to prepare the business for future success. The Board and executive team are wholly aligned on the vision and strategy for the business. There are exciting market opportunities available that can drive significant growth.

There is still much work to be done in 2025, a year of transition for the business where we expect to launch new revenue initiatives to clients, begin to deliver from our international offices and, later in the year, begin to reap the benefits of our strategic realignment. That said, I am confident that we will begin to see the benefits of our actions. Whilst the macro-environment in 2025 remains uncertain given the narrative coming out of developed markets with respect to trade tariffs and significant cuts to development aid, the year has started well and we are optimistic of driving growth in 2025 but with more meaningful growth in 2026.

Neeraj Kapur
Group Chief Executive Officer

12 March 2025

"We have taken meaningful action from H2 2024 to prepare the business for future success. The Board and executive team are wholly aligned on the vision and strategy for the business"

Our Business Model

We enable critical payment flows into emerging economies…

What we do and how we do it

Overview

CAB Payments specialises in FX, cross-border payments and banking services for hard-to-reach markets. Its strength of network and expertise mean it can move money in and out of complex market environments and regions.

Discover more in our Strategic progress section / **Page 18**

Our key resources and relationships

- We have a wide range of clients who send money to emerging markets – banks. supranationals, fintechs and governments.
- We have an extensive network allowing us to send money quickly, cheaply and reliably.
- Our transaction network connects our clients to underserved geographies, giving them access to 100+ currencies across 700+ currency pairs.

We enable critical payment flows into emerging economies...

TRADITIONAL SWIFT

Traditional – multiple hops based on regional bilateral arrangements

CAB | PAYMENTS

We use a single hop leveraging our dedicated emerging market infrastructure

Key differentiators:

- UK regulated Bank
- B2B emerging markets specialism
- Integrated throughout the payment lifecycle

…through our leading FX and Payments platform

Creating value for our stakeholders and delivering positive social impact

Delivering for our clients

Cost : competitively priced

Speed : faster payments

Reliability : professional and extensive emerging markets network

Trust : UK-regulated bank with strong heritage

Ease : can instruct through API, file transfer or SWIFT

Transparency : ability to track payments throughout journey

Delivering for our investors

The business is profitable…

£30.8m

Adjusted EBITDA[1]

…and is cash generative

£15.5m

Operating free cash flow

Delivering for our employees

43%

Ethnically diverse employees

38%

Female employees

We continue to scale the business to drive future long-term growth

For more details, see our strategy / **Page 16** and our KPIs / **Page 20**

Providing clearing backbone

to make financial services accessible and formalise financial markets.

£13.5bn

Emerging Market volumes

Strengthening local economies and driving financial inclusion

by allowing remittance and aid flows to be more reliable and cost-effective.

£2.7bn

Development aid flows

£1.8bn

Remittance flows

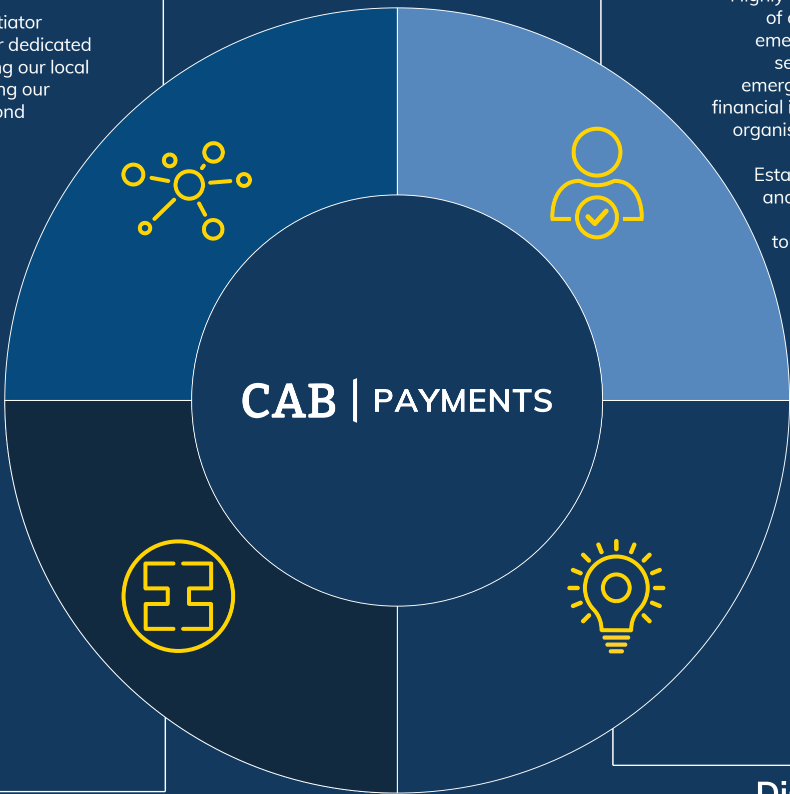
For more details, see ESG section / **Page 22**

1 See alternative performance measures for definition / Page 203.

Our Strategy

Delivery of our strategic pillars will drive our future performance…

Our four strategic aims



Network

Strengthen breadth and depth of network

Our global payments and FX infrastructure is a key differentiator and driver of the business. Our dedicated team are focused on expanding our local market presence and enhancing our transactional capabilities beyond our traditional sub-Saharan African focus.

Clients

Deepen existing relationships and expand the client base

Highly diversified international base of clients who move money into emerging markets. We have four segments, including major and emerging market banks, non-bank financial institutions and development organisations, including multilateral organisations and NGOs. Establishing deeper relationships and culture alignment, delivered through more "in-country" touchpoints and establishment of a decentralised sales model remains a key focus of the Group.

Platform

Leverage the banking licence to accelerate FX and Payments volume growth

Leveraging our strong banking balance sheet, capital light configuration and low credit loss performance, we are seeking to further expand our use of the trade finance and working capital products to service customers' cross-border and Treasury management needs.

Invest & Innovate

Disciplined capital management to drive growth

Group capital allocation will be prioritised to technology enhancement and balance sheet deployment focused on accelerating transactional volume. We will continue to prioritise the development of capital light solutions for our customer base to ensure maximum leverage of capital resources.

…and are positioned to deliver at scale going forward.

I have spent most of my ~25 year career in the financial services industry focused on connecting capital with investment opportunities, particularly in Emerging Markets. This passion, coupled with a desire to take on a new challenge utilising my ability to build sustainable businesses, led me to CAB. The team and I are energised by the clients and communities that we serve, and the social purpose served by our activities is clear. We have deep and strong relationships with our clients, in some of the world's hardest-to-reach markets. From these solid foundations, we are well equipped to bring diversity and strong growth to our business by serving more clients, in more products, across more geographies."

Kirsty Garrett, Global Head of Sales

I've joined CAB to bring together a solid business with a long history of building solutions for emerging market clients, with technology investment with operational excellence to deliver and accelerate growth. Our values and commitment to sustainably delivering FX and cross-border payment solutions to markets that have been traditionally underserved are what drew me to CAB. My focus is on leveraging our recent investment in our operational capabilities to service new clients and expand our international reach, also bringing innovative corporate solutions to help solve real client issues."

Stuart Houlston, Chief Operating Officer

CAB's ability to use its banking resources to support our client's activities is so important – I feel very honoured to be able to apply my experiences over the last decade as Group Treasurer and to assist with the establishment of new business lines to support our work in Emerging Markets. By enabling greater utilisation of our balance sheet via our banking licence for our clients, we get closer to them in a way that many of our competitors cannot. We are committed to unlocking the potential in both our business and that of our clients, and that is a tremendously compelling and motivating combination."

Matthew Talty, Group Head of Banking

Moving money into hard to reach markets is a bold statement and it's that challenge that brought me to Crown Agents Bank. A business that is the payment gateway into and out of Africa, combined with the global macro conditions challenging these markets on a daily basis, requires a very deliberate payment strategy, one that I believe after my 30 years of building payment solutions globally, I can do. Where payments for many developed markets have become somewhat ubiquitous, in the key regions/markets where we operate, being able to make efficient business to business payments is anything but straightforward. This creates the need for demanding and creative solutions which are commercially relevant and technologically advanced but still simple to ingest – an environment I love to operate in and with the exceptional Board and leadership team, I know CAB will continue to own this space."

Claire Gates, Head of Payments

Strategic Progress

Network

Strengthen breadth and depth of network.

We strengthened our networks

including establishing our global partnership with VISA.

while adding eighteen new partners in Africa.

Five in the Caribbean, two in Eastern Europe and two in Asia-Pacific.

Our high-tech payment gateway now supports over

60+ currencies

with API volumes doubling vs 2023.

Platform

Leverage the banking license to accelerate FX & payments volume growth.

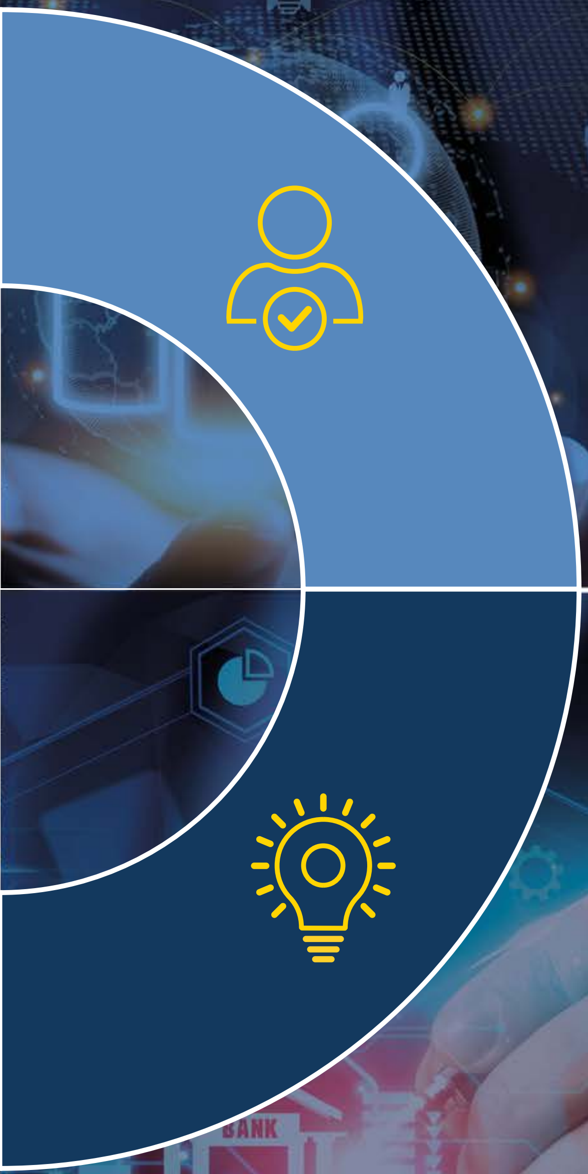
We created a more integrated banking model

Generating increased client loyalty to our core FX & Payments business.
Client deposits rose to:

£1,585m

and accelerated our trade finance lending offering.

Facilitating better local relationships and better FX pricing for our clients.



Clients

Deepen existing relationships and expand the client base.

We have increased our client base

+7% to 546

including establishing our global partnership with VISA.

while adding eighteen new partners in Africa.

Establishing European Office to serve 28 EEA countries;
Licences planned for New York and Abu Dhabi.

Invest & Innovate

Disciplined capital management to drive growth.

We have invested in our ecosystem

delivering enhanced real time data analysis, improved cyber-security and resilience .

and adding to our product offering.

With FX Derivatives and new payment capabilities .

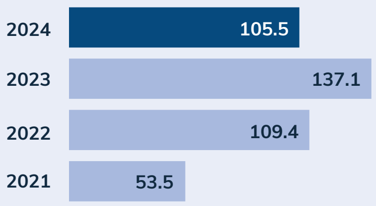
Key Performance Indicators (KPIs)[1]

In 2024, we reviewed our Key Performance Indicators (KPIs) to ensure they align with the Group's strategic priorities and provide stakeholders with more meaningful insights. As part of this review, we removed 'Remittance Flows' and 'Flows into Lower Income Countries,' as we identified a significant overlap in their underlying drivers and outcomes with 'Development Aid Flows' and 'Emerging Market Volumes,' which remain as KPIs.

Gross income

£105.5m

2023: £137.1m

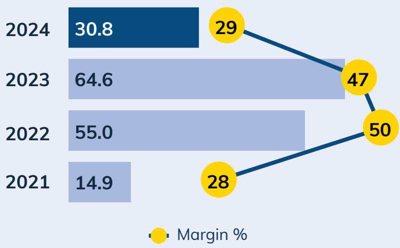


After a period of consistent growth, income contracted by approximately c.23% year-on-year in 2024, primarily due to declines in Wholesale and Payment FX. However, Banking Services maintained positive momentum, driven by a reallocation of liquidity and capital to Trade Finance.

Adjusted EBITDA and margin

£30.8m

2023: £64.6m

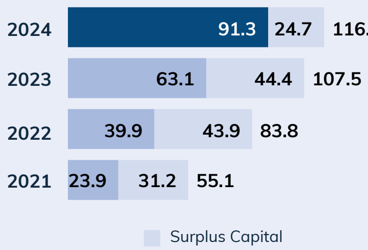


Adjusted EBITDA has fallen 52% in 2024, driven by lower income and controlled cost growth. This reflects the business's reset period and continued investment in its four pillars to support sustainable revenue growth in the future.

Capital and surplus

£116.0m

2023: £107.5m

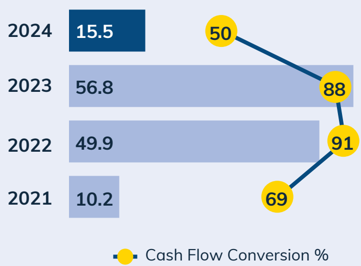


Total Capital increased by £8.5m in 2024, with the Group's PAT in the year of £16m demonstrating the cash generative nature of the business. However, capital surpluses declined as capital was allocated to investment programme and balance sheet utilisation to deliver positive returns for investors.

Operating free cash flow and conversion

£15.5m

2023: £56.8m

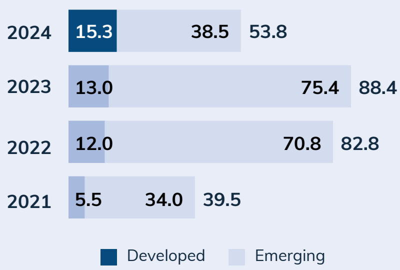


Operating Free Cash Flow declined significantly due to lower revenue and continued business investment, including costs associated with establishing the new London head office.

Wholesale FX and payments FX income

£53.8m

2023: £88.4m

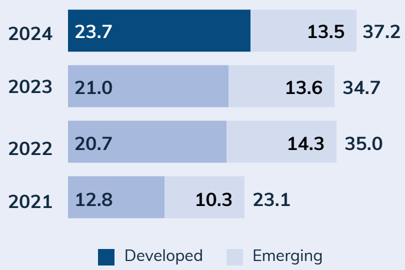


Wholesale and Payment FX contracted 39%, primarily as a result of take rate pressures in particular corridors, including NGN (for which Q1 2023 included the remaining take rate dislocation), XOF and XAF.

Wholesale FX and payments FX volumes

£37.2bn

2023: £34.7bn



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

1 For definitions and calculations please see the Alternative Performance Measures on page 203.

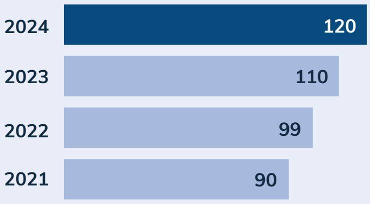
To enhance our focus on client profitability and capital efficiency, we introduced 'Capital and Surplus Capital' and 'Income per Client' as new KPIs replacing 'Remittance flows and Flows into Lower Income Countries'. These metrics reflect our strategic emphasis on sustainable revenue growth and efficient capital allocation across our client base.

While these changes improve the relevance of our performance reporting, we recognise the importance of consistency. We have assessed the impact on comparability and provided appropriate context within our disclosures to aid stakeholders in understanding performance trends over time.

Number of currencies offered

120

2023: 110

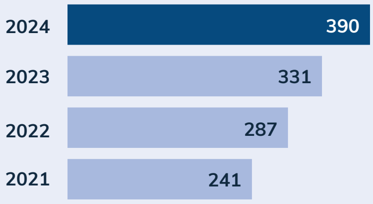


We continue to build the organisation capability, demonstrable through increased number of currencies that we can deliver through our network, which was enhanced by 2024 with the strategic partnership of Visa.

Number of banking partners

390

2023: 331

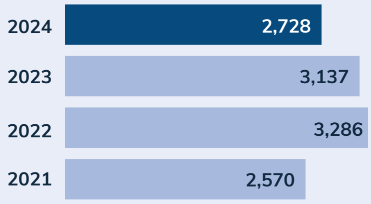


To fortify our global offering we have added 149 banking partners over the last three years. The addition of these partners enables us to continue to offer competitive solutions to our clients.

Development aid flows

£2,728m

2023: £3,137m

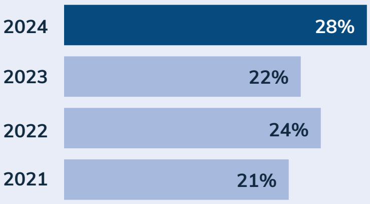


All major development clients continued to use our services in 2024 but as a result of the strengthening dollar and funding reductions, there was a lower total processed volume. Notably reduced flows in XAF accounted for approximately half of the year-on-year reduction.

Gender diversity in management

28%

2023: 22%

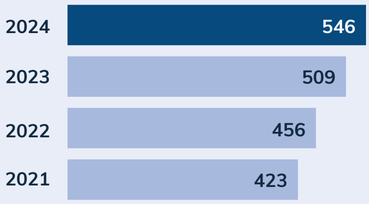


In 2024, we have achieved 28% of female representation in Senior management roles. Our recruitment processes are becoming more embedded, driving continued progress in gender balance within candidate pools and the recruitment of senior females into ExCo and the Senior leadership team. Additionally, we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

Number of unique active clients

546

2023: 509

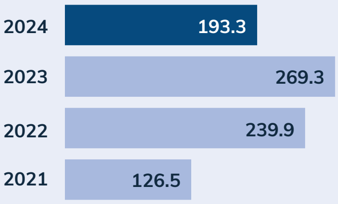


In 2024, there has been a net increase of 37 active clients, driven by 71 new clients offset by actively disengaging with 44 clients. There are a further 18 new clients onboarded in 2024 who have yet to start trading, but are expecting to do so early in 2025.

Income per client

£193.3k

2023: £269.3k



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

ESG Report

Governance and culture

> We have strengthened CAB Payments' commitment to embedding sustainability within our governance framework in 2024."

ESG in the Boardroom

As Chair of the ESG Board Sub-committee, I am proud to highlight how we have strengthened CAB Payments' commitment to embedding sustainability within our governance framework in 2024. The Sub-committee plays a pivotal role in ensuring robust accountability, driving innovation, and aligning ESG with our strategic and commercial priorities, setting the foundation for long-term value creation.

This year, we delivered significant milestones, including Climate Change training in the Board room, equipping leadership to address global challenges while identifying opportunities for competitive advantage. The completion of our Double Materiality Assessment and progress on our Net Zero Roadmap further demonstrate our proactive approach to meeting regulatory requirements and the growing expectations of our stakeholders and clients.

Looking to 2025, our efforts will remain focused on embedding sustainability deeper into governance and strategic direction, enhancing the commercial impact of our ESG initiatives, and strengthening collaboration across the industry. By aligning ESG with our commercial objectives, CAB Payments is well-positioned to capture growth opportunities, build resilience, and deliver lasting value to clients, stakeholders, and communities.

Susanne Chishti
Chair of ESG Board Sub-committee

The ESG Governance team:

* Following the departure of outgoing CRO, Chris Green, Clare Davies assumed the role of CRO in 2025.

The ESG Board Sub-committee is not an official committee of the Board but a designated assignment consisting of two CPH Board members: Susanne Chishti, serving as the Chair, and Karen Jordan, as Non-executive Board Members, with Chris Green, the Chief Risk Officer (CRO) and senior management team, and Charlie Bronks, Head of Sustainability, as standing attendees from CAB Payments.

ESG highlights

Highlights

£2.7bn
Cross Currency Payments for Development Aid Flows

124%
Increase in CSR contributions in 2024 (compared to 2023)

230%
Increase in reported volunteering hours in 2024 (compared to 2023)

£13.5bn
Global commercial flows into low and lower-middle-income countries

Charity partnerships

The Royal Marsden Cancer Charity

Street Child

Tommy's – Together, for every baby

mary's meals – a simple solution to world hunger

Diversity

Female Colleagues
38%

Ethnically Diverse Employees
43%

Board Female Composition
67%

Gender Diversity in Management
28%

Ratings and certifications

Certified B Corporation

ecovadis – GOLD | Top 5% Sustainability Rating FEB 2024

Environmental

30tCO_2e
saved during office move (0% landfill)

Reduced tracked GHG emissions by
10.5%

ESG Report continued

ESG Overview

> Embedding sustainability further into our strategy during our first full year as a certified B Corp."

Overview

2024 has been a landmark year for CAB Payments, embedding sustainability further into our strategy during our first full year as a certified B Corp. This milestone underscores our commitment to integrating Environmental, Social, and Governance (ESG) principles into our business.

CAB Payments continues to demonstrate leadership by serving as a board trustee for the UN Global Compact Network UK and co-chair of the Payments Association ESG Working Group; driving critical discussions and advancing sustainability practises that benefit clients and stakeholders.

In 2025, we will focus on enhancing the commercial and client value of sustainability through 'Our work', 'Our world' and 'Our organisation' pillars. A high level overview of this work can be found below. By aligning ESG with strategic goals, we aim to strengthen our market position, unlock new growth opportunities, and deliver lasting value for all stakeholders. To learn more, please explore our Sustainability Report which will be available from 27 March 2025 on the following link. **www.cabpayments.com/#sustainability**

Charlie Bronks
Head of Sustainability

Our work

We continue to collaborate with suppliers and have enhanced our supplier selection and onboarding process to include ESG requirements. To build on this, we are joining the UN Global Compact Network UK's Sustainable Supplier Programme in 2025 to elevate sustainability standards across our participating vendors, amplifying our impact beyond immediate operations. In our trade finance operations, we have been expanding impact to underserved, hard-to-reach, parts of the world, supporting financial inclusion and delivering tangible benefits to global communities. This is exemplified by our work in Mozambique, see page 25.

Our world

We have once again published third-party verified greenhouse gas emissions data and reported to SECR and TCFD standard requirements. In 2024, we invested in carbon removal solutions, rather than traditional offsets, for our tracked emissions. This progress reflects our ambition to achieve best practice, particularly in climate. Beyond data, we remain committed to achieving Net Zero by 2050. We have advanced our net zero strategy and adopted enterprise-wide interim targets, embedding progress throughout CAB.

Our organisation

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

As we build on the progress of 2024, we are amplifying our efforts to embed sustainability across every facet of our organisation.

Trade Finance Case Study

Crown Agents Bank plays a vital role at the intersection of global trade, economic growth, and sustainable development. As an institution with deep expertise in emerging markets, we are uniquely positioned to drive impact where it is needed most. Our trade finance activities align with the United Nations Sustainable Development Goals (SDGs), promoting financial inclusion, economic resilience, and sustainable global growth.

This case study exemplifies how we contribute to our mission.

During 2024, the Group has focused on growing business value and improving client and commercial successes through a sustainability focused lens. An example of this is through our trade finance products, empowering smaller entities to participate in the global economy, cultivating economic diversification, stimulating growth and value. Please read the following case study to find out more:

Trade Finance fuels Mozambique's Grain Imports

Ten percent of Mozambique's population face acute food insecurity – meaning they are unaware where their next meal will come from. A collaborative partnership between FCB Mozambique, local industry and global grain exporters sought the support of Crown Agents Bank trade finance solutions to facilitate the financing of grain imports, aiming to elevate significantly more Mozambicans out of food insecurity and expand trade finance opportunities.

Facilitating Grain Importation

Over the previous year, Crown Agents Bank Trade Finance successfully provided financing that helped over 380,000 more people in Mozambique have sufficient grain to meet their daily dietary requirements – creating a substantial, positive social impact. More than 60,000MT of grain, imported from all over the world was sourced to support communities to alleviate shortages faced in the region.

This achievement is significant given the global instability in grain transactions, largely due to ongoing conflict in Eastern Europe, creating an increasingly risk averse operating environment.

Crown Agents Bank Value

Through direct relationships in the market, Crown Agents Bank has the network, knowledge, language skills and experience to operate successfully in Mozambique and other African markets. This capability is what enables successful trade flows, and delivers direct positive impact in communities, through more than $22m USD in credit provided.

Strengthening Trade Finance Partnerships

Crown Agents Bank has cultivated trade finance partnerships that empower smaller groups to participate in trade finance. These efforts have created opportunities for more Mozambican communities to engage with the global economy. By enabling economic diversification in an emerging market, Crown Agents Bank is helping to reduce single product dependency and deliver mass social benefit.

Crown Agents Bank takes pride in supporting communities in Mozambique by providing essential grain needed to feed families and facilitate trade finance partnerships to enable increased opportunity for the community to connect into the global economy.

Double Materiality Assessment

In 2024 we developed a Double Materiality Assessment. This updated assessment builds on our previous ESG materiality work, reflecting our evolving understanding of environmental, social and governance impacts. By incorporating both financial and impact materiality, we aim to provide a more comprehensive view of the risks and opportunities that matter most to our stakeholders. This approach is in line with CSRD recommended global best practice, reflecting our dedication to managing our financial performance and addressing our responsibility to the environment and society. For more detail please visit our dedicated Sustainability Report.

ESG Report continued

Environment

Net Zero 2050 Statement

This year, we are proud to announce the development of our comprehensive strategy and targets to achieve net zero greenhouse gas emissions by 2050. Our commitment is in alignment with UK regulatory requirements and reflects our dedication to sustainable growth and environmental stewardship.

We have engaged with key stakeholders, conducted thorough assessments, and laid out a clear roadmap to reduce our carbon footprint across all operations. This includes investments in energy efficiency, renewable energy sources, and utilising innovative technologies that will drive our transition towards a low-carbon future.

Our targets are as follows:

a) The Group is committed to achieving Net Zero emissions by 2050.
b) By 2030, the Group will reduce actual scope 1 and 2 emissions by 46%, from a 2019 base year.
c) The Group has set a GHG reduction target of 5% reduction of total (scope 1, 2 and tracked 3) GHG emissions per £1m of revenue per year in line with expectations.
d) By 2030, the Group will procure at least 75% of energy from renewable sources where possible.
e) In 2030, the Group will review short-term targets and commit to another five-year goal (to 2035).

Our targets are ambitious yet attainable, and we have established robust mechanisms to monitor and report our progress. We believe that by taking decisive action today, we are not only safeguarding our environment but also ensuring long-term value for our stakeholders.

We look forward to sharing more updates on our journey to net zero and invite our partners, customers, and community to join us in this critical mission.

Streamlined Energy and Carbon Reporting (SECR) Disclosures

The GHG emissions have been assessed following the GHG Protocol Corporate Standard and the 2024 emission conversion factors published by the Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Energy Security and Net Zero (DESNZ). The assessment follows the GHG Protocol dual reporting approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

SECR Disclosure

Element	2023	2024
Direct emissions (Scope 1) – Natural gas (tCO_2e)	42.9	**109.5**
Indirect emissions (Scope 2) – Purchased electricity (tCO_2e)	62.3	**72.9**
Other indirect emissions (Scope 3) – Hire car travel (tCO_2e)	0.6	**1.1**
Total energy consumed (kWh)	533,088	**926,486**
Intensity ratio SECR tCO_2e (location-based per £m revenue)	0.8	**1.7**
Intensity ratio: SECR tCO_2e (location-based per employee)	0.3	**0.5**
Total gross location-based emissions (tCO_2e)	**105.7**	**183.5**

Overview of our GHG Emissions

Summary of location-based results (tCO_2e)	2019	2020	2021	2022	2023	2024
Scope 1 (tCO_2e)	64.7	13.9	25.3	27.2	42.9	**109.5**
Scope 2 (tCO_2e)	85.1	29.5	61.9	57.8	62.3	**72.9**
Scope 3 (tCO_2e)*	1016.1	39.1	127.8	905.2	1616.3	**1358.9**
Total tCO_2e	**1166.0**	**82.5**	**215**	**990.2**	**1721.5**	**1541.2**
Target (5% reduction from 2019 baseline – tCO_2e per £m turnover)	—	32.4	30.8	29.2	27.8	**26.4**
Actual tCO_2e per £m turnover	34.1	1.5	3.8	9.1	12.6	**14.6**
% difference between actual and target	—	**95.40**	**87.80**	**68.90**	**54.70**	**44.70**

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

* Excluding SIC code supply chain emissions.

GHG Scope	Emissions 2024
Scope 1	**109.5**
Scope 2	**72.9**
Scope 3:	
3.1 (Water)	**1.2**
3.2 (Computing Equipment)	**48.3**
3.3 (WTT + T&D for Scope 1 and 2)	**37.4**
3.5 (Waste)	**1.1**
3.6 (Flights)	**999.4**
3.6 (Rail)	**3.4**
3.6 (Hotels)	**41**
3.6 (Taxi + Bus)	**12.7**
3.6 (Car Hire + Fuel Reimbursement)	**1.1**
3.7 (Commuting)	**156.5**
3.7 (Home-Working)	**56.7**

CAB Payments' GHG emissions have been externally verified to reasonable assurance by Carbon Footprint Ltd.

Diversity and inclusion data as at 31 December 2024

This table highlights our Diversity, Equity, and Inclusion (DE&I) performance for 2024, reflecting progress on key initiatives to build a more inclusive workplace. As a signatory to the HM Treasury Women in Finance Charter, the Group remains committed to improving female representation at senior management and director levels. Additional information related to FCA UK Listing Rule 6.6.6(9) and UK Listing Rule 6 Annex 1R can be found in the Nomination Committee Report (page 66). These disclosures are also cross-referenced with the People section of our 2024 Sustainability Report, detailing our approach to diversity, employee engagement, and well-being.

As of 31 December 2024, the representation of women and men in the Group's workplace is as follows:

	Total	No of women	% women	No of men	% men
Board	**9**	6	66.7%	3	33.3%
Executive Management[1]	**8**	3	37.5%	5	62.5%
General workforce	**384**	146	38.0%	238	62.0%

Note
1 The Executive Committee including the Company Secretary but excluding administrative and support staff.

ESG Report continued

Task Force on Climate-related Financial Disclosures (TCFD)

Governance

CAB Payments has developed a strong governance framework to address climate-related risks and opportunities, aligning with the TCFD recommendations. The Board acknowledges the financial implications of climate change and has added consideration of ESG factors as an agenda item at least twice per financial year. An ESG Board Sub-committee, chaired by independent Non-executive Director (NED) Susanne Chishti, was formed in 2023 to advise the Board specifically on ESG matters. The Board oversees the long-term impact of climate-related risks and opportunities on the organisation's strategy and risk appetite.

The CRO plays a central role in providing updates to the Risk Committee and the Board on events and stakeholder impacts as well as ensuring the inclusion of climate impacts in the Group's business strategy (where applicable). Regular reporting mechanisms are in place to escalate relevant ESG and climate-related events to the Board and its committees, increasing transparency and accountability.

The CRO is the Executive Committee ESG Champion and has been delegated overall responsibility for managing climate-related financial risks, with day-to-day responsibilities delegated to the Head of Sustainability, Charlie Bronks. Relevant updates are provided to the Executive Risk Committee. This comprehensive approach reflects our commitment to addressing climate-related issues across all facets of our operations and strategic planning.

A formal ESG Working Group, chaired by Charlie Bronks, meets at least four times per financial year and has representation across the organisation to ensure ESG is considered, integrated, and actioned throughout the Group.

The Group has met all TCFD requirements related to the governance, risk management, and metrics and targets pillars. Additionally, the Group has fulfilled parts 'a' and 'b' of the strategy disclosure requirements. The Group has not provided the recommended disclosures with part 'c' of the strategy pillar, which is the completion of a 2°C scenario analysis. This is attributed to the fact that the identified risks do not have a financially material impact on the Group. CAB Payments will undertake a 2°C scenario analysis when impact exceeds the materiality threshold, in accordance with best practice.

Strategy

The Group has conducted assessments of climate-related risks, identifying actual and potential risks such as liquidity and capital risk, and physical risks such as floods, tropical storms and hurricanes. The Group's risk assessment strategy considers a 12-month period when considering short-term risk assessment, however the Internal Capital Adequacy Assessment Process (ICAAP) under stressed conditions considers five, 25 and 100 years. The Group acknowledges the importance of monitoring and managing these risks to ensure financial resilience and operational continuity in conjunction with increasing climate-related events.

The Group has assessed the impact of climate change on capital within the pillar 2B assessment for prudential risk. This evaluation considers climate stress in conjunction with broader market stress, ensuring a holistic understanding of potential impacts. The conclusion is that climate change represents a negligible impact and that these risks are not material. The potential impacts of climate change on the prudential risk profile (including capital adequacy and liquidity) are viewed as being absorbed within the Risk Appetite Statement.

We consider physical risks will have the most likely impact on the Group and its clients but have determined that the impact will remain low due to the nature, size, and complexity of the business.

We have considered transition risks and determined that there is no material impact on the business. However, we recognise the dynamic nature of climate-related risks and will continue to assess this status.

The Group is aware of its potential positive impact on those affected by physical climate-related events. By leveraging established relationships with IDOs, NGOs and charities, the Group aims to support the allocation of resources where they are most needed. The potential financial benefits the Group may accrue as a result of increasing severity and frequency of physical climatic events has not been assessed. However, it is likely that both FX services and international remittances will see increased volumes with no significant incremental cost.

The impacts of climate-related risks have been assessed during 2024 and have not been identified as sufficiently material to require investment in a separate 2°C scenario analysis at this stage of the Group's ESG journey.

All climate change risks will continue to be monitored and scenario assessments completed through the annual ICAAP and Internal Liquidity Adequacy Assessment Process (ILAAP) analysis.

Risk Management

The Group has implemented a comprehensive ESG risk management approach, aligning with the Group materiality matrix, outlined in the Group's Enterprise Risk Management Framework (ERMF). Climate Risk is considered as part of Business Risk in the Board approved ERMF.

The responsibility for identifying top and emerging risks is shared among all stakeholders, with clear accountability designated to the respective risk owners. This inclusive process is integrated into all business development and execution projects, ensuring a holistic and dynamic approach to risk management.

The Group places a particular emphasis on climate change risks as a critical component of its risk management strategy. The climate change risk assessment is subject to review and updated at least once per calendar year. The findings of this assessment are presented to the Executive Risk Committee for review and challenge. This commitment to transparency and accountability in the risk management process underscores the Group's dedication to effectively addressing climate-related risks.

The CRO is responsible for overseeing the management of the Financial Risks from Climate Change and is assisted by the Head of Sustainability in exercising this responsibility.

During 2024, there were no material physical climate events that impacted the organisation's liquidity or capital.

In our strategic approach to managing risk, we align our strategy to address the diverse nature and timeline of different impacts. As part of our scenario analysis, for ICAAP purposes, climate change risks are considered, however, if they are not considered severe and plausible then these are discounted. We incorporated geographic impacts as part of our Risk Control Self Assessments, employing horizon scanning on a 12-month cycle to identify trigger events, alongside an ICAAP scenario that considers severe yet plausible risks through long-term analysis and stress testing.

Metrics and Targets

Liquidity

Liquidity stresses are, by their nature, sudden and extreme and therefore physical climate change risks are deemed more relevant than transition risks.

The Group has modelled the impact of a severe physical climate change event on the top 20 nations who are most susceptible to a climate change event (this list of nations is taken from the Notre Dame Country Climate Change Vulnerability Index). The Group holds deposits from counterparties resident in 12 of these nations. Deposits from entities resident in these countries are deemed to be withdrawn immediately, irrespective of the term structure of deposit.

The impact on CAB Payments' Liquidity Coverage Ratio (LCR) as at 31 March 2024 (relating to when the last ILAAP was undertaken in FY24) was then modelled.

When this analysis was performed c. £170m of deposits were withdrawn; however, as the majority of these were from financial institution clients, the LCR only decreased by 3.2%. As the composition of the depositor base and the continued highly liquid nature of the balance sheet as at year end, management believe that the Group is and will be highly resilient to a stress of this nature.

Capital

As the Group does not write long-term client loans, the business is resilient to transitional climate change risks. All trade finance loans have an original maturity of less than one year with the vast majority having an original maturity of less than six months. Consequently, any deterioration in credit quality of a counterparty due to transitional climate change risks is unlikely to be material during the duration of the loan.

To understand the impact to CAB Payments of a standalone climate-related stress, the following scenario was modelled:

- Trade finance counterparties resident in geographies materially at risk of being detrimentally impacted by climate change default; and
- Revenue increase of 10% in FX and payment revenue up to December 2027 to reflect increases in IDO and remittance activity as a result of heightened climate change related disaster relief efforts: on a pre-management actions basis, the low point CET1 ratio remains materially above the Group's internal risk appetite, before rising in outer years when the impacts of higher revenue are recognised in the capital base.

In short, the climate change impact of the stress is relatively muted due to the timing of the stress and because a loss is not generated. The credit loss assumed to be suffered is relatively immaterial due to the construct of the balance sheet at the assumed start date of the stress (30 June 2024) with relatively low levels of credit exposure to counterparties resident in the most vulnerable geographies. The higher revenues drive the capital ratio higher when recognised in the capital base in the outer years, whilst the capital deduction due to late settling FX spot deals is reversed in the subsequent month due to an assumed re-establishment of the relevant banking infrastructure. Management have re-assessed the aggregate exposures to those geographies deemed to be most susceptible to climate change as at the end of December 2024 and whilst they have increased, the magnitude of them is still lower than the surplus capital held by the Group to its TCR.

This analysis concludes that prior to any management actions, the Group comfortably meets risk appetite under the modelled climate scenarios. We continue to monitor our capital position in relation to the Financial Risks from Climate Change and any significant changes are reported to the relevant governance committee for appropriate challenge and review.

GHG emissions

The Group uses scope 1, scope 2 and scope 3 (travel and commute) GHG emissions to assess climate impact. Energy consumption metrics and a breakdown of energy sources are disclosed on page 27, aligning with our dedication to sustainable practices and SECR requirements.

The energy and carbon emissions disclosed in this statement are for the duration of the reporting year – 1 January to 31 December 2024, from facilities over which the Group has financial control and is in line with GHG Protocol corporate standard.

The Group has not identified any material risks within scope 1, scope 2 or tracked scope 3 of our carbon footprint.

The Group has set a GHG reduction target of 5% reduction of total tracked GHG emissions per £1m of revenue, this aligns with the overarching target to reach net zero by 2050.

Stakeholder Engagement and s172 Statement

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

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

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

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

Decisions Made During the Year

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

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

A summary of Board activities and key decisions taken by the Board during 2024 is set out in the Corporate Governance Statement on page 62 of this Annual Report.

Directors' key engagements with stakeholders in 2024

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

Financial Review

A year of challenges but with renewed strategic direction to deliver enhanced financial returns

> The trust placed in CAB Payments to deliver ever-increasing value across the globe has never been stronger – our financial strength and innovation to find solutions provides a solid foundation for further growth."

Overall

2024 was a year of challenges and recalibration for CAB Payments. As we exited 2023, the Group faced headwinds that would continue to shape our financial performance in the current year. These included significant macro-economic pressures and central bank interventions, which particularly impacted income streams from key currency corridors. Despite these challenges, we continued to demonstrate the resilience of our business model by remaining profitable and cash generative, while maintaining confidence in our long-term strategy.

Macro-Economic and Market Conditions

The Central Bank interventions that defined 2023 continued to be of focus in 2024, directly affecting our key income streams in Nigeria (NGN), West Africa (XOF) and Central Africa (XAF) in particular (collectively 'NXX').

Our business was also impacted by the strengthening of the US dollar against emerging markets reducing average transaction values, and political uncertainty in a number of jurisdictions in which we operate. This had a telling effect particularly on the volume flow of our International Development Organisation clients (IDOs).

In this inflationary environment pervading the global economy, the trust in CAB as a PRA and FCA regulated bank and its ability to deploy its banking licence came to the fore with our clients increasingly placing their funds with us for both operational and investment purposes. As market interest rates were projected to fall, we invested more of our surplus capital and liquidity into higher yielding Trade Finance lending for increased net interest income. This business is frequently accompanied by FX & Payments activity, providing a healthy return on capital while further diversifying our income streams.

Our international operations offer further cause for optimism in diversifying our income streams. In Europe we have a developing pipeline of clients offering opportunities for market expansion, and we are also awaiting permissions to begin operating from offices in the US and Abu Dhabi, giving us future access to significant new markets.

Performance Highlights and Operational Resilience

The Group's continued investments in its product capabilities, infrastructure and resilience contributed to continued increased client activity and profitability:

- Financial Strength: We maintained healthy capital surpluses with CET1 ratio of 19.2% and £1.6bn client deposits.
- Client Growth: The Group successfully onboarded an additional 71 clients in 2024 (2023: 83), of which 53 monetised during 2024, taking the total number of active clients to 546 (2023: 509).
- Network Size and Strength: We continue to develop our network, which we see as a key differentiator, growing 18% year on year to 390 counterparties.
- Adjusted EBITDA and Margin: We remained profitable and cash generative with an Adjusted EBITDA of £30.8m (2023: £64.6m), and a margin of 29.1% (2023: 47.2%). Our cost control and lower capital expenditure plans will support both profitability and free cash flow through 2025.

Strategic Focus, Investment and 2025 Outlook

2024 marked the beginning of a strategic reset for the business through its four pillar strategy to deliver shareholder value. As we enter 2025 the Group is well-positioned to return to growth, supported by:

- Expanding Market Reach (Network): Continued efforts to deepen penetration in our core markets, with increased local presence to build and develop relationships with central banks and liquidity providers.
- Disciplined Capital Allocation (Invest and Innovate): Continuation of strategic investment to ensure operational resilience and efficiency. We are now in a position to enhance our product and technological capabilities for greater innovation and enhanced revenue.
- Client-Centric Growth (Client): Onboarding of new clients in existing jurisdictions while developing a pipeline of new business in Europe alongside licensing applications in the US and UAE.
- Developing Infrastructure and offerings (Platform): By leveraging our banking licence, the Group is increasing its focus on Central and Regional Bank relationships to be a trusted banking partner, solidifying our FX and Payment income streams.

Risks and Opportunities

The Central Bank interventions that defined performance year-on-year highlighted both the challenges and opportunities inherent in our markets. While interventions reduced income from key corridors, they also underscored the need for geographic diversification. The Group remains focused on expanding its footprint in LATAM, APAC, and MENA, which will help mitigate concentration risks and create more stable revenue streams.

Our ongoing investments in technology and compliance further bolster our ability to navigate regulatory complexities, ensuring long-term operational resilience.

Financial Performance:

£m unless stated otherwise	Twelve Months Ended 31 December		YoY growth	YoY growth excl. NGN, XAF and XOF
	2024	2023	%	%
Gross Income[1]	**105.5**	137.1	(23)%	(0.2)%
Operating expenses (excluding Depreciation and Amortisation)	**76.2**	72.1	6 %	
Profit After Tax	**14.2**	23.9	(41)%	111 %
Adjusted EBITDA[1]	**30.8**	64.6	(52)%	(11)%
Adjusted EBITDA margin[1]	**29 %**	47 %	(38)%	(13)%
Operating Free Cashflow[1]	**15.5**	56.8	(73)%	(74)%
Operating Free Cashflow Conversion (%)[1]	**50 %**	88 %	(43)%	(70)%
Earnings Per Share (pence)[1]	**6**	10	(40)%	(113)%
Adjusted Earnings Per Share (pence)[1]	**6**	18	(67)%	100 %

£30.8m
Adjusted EBITDA[1]

29%
Adjusted EBITDA margin[1]

£15.5m
Operating free cash flow[1]

6p
Adjusted EPS[1]

1 See alternative performance measures for definition / Page 203.

Financial Review continued

Gross Income

Gross Income in 2024 was £105.5m (2023: £137.1m) reflecting (23)% contraction year-on-year. This reduction was principally due to Wholesale FX and Payment FX take rate declines which contributed to £34.6m lower income in 2024, particularly through the NGN, XOF and XAF currencies ('NXX'). Gross Income excluding NXX was broadly in line with 2023 at £93.5m in 2024 (2023: £93.7m).

A reallocation of liquidity resources from cash management to higher margin Trade Finance and Working Capital facilities offset the impact of Bank of England and US Federal interest rates peaking and subsequently falling towards the end of 2024, with Banking Services and Other Income increasing to £37.0m (2023: £34.3m).

Wholesale FX and Payment FX Income

Income reduced year-on-year by £34.6m driven by NXX declines of £31.4m. Volumes grew by 7.2% year on year, with a mix shift between lower take rate developed markets and higher take rate emerging markets. Excluding NXX, Emerging Market volumes grew by £0.5bn, contributing a net £1.4m income versus 2023. This is despite the impact of the strengthening dollar against emerging market currencies, which resulted in lower average transaction values. Our developed markets volumes grew while take rates remained stable, contributing an additional £2.1m income year-on-year.

	Income (£m)				Volume (£bn)				Take rate (%)			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Developed Markets	5.5	12.0	13.0	**15.3**	12.8	20.7	21.0	**23.7**	0.04	0.06	0.06	**0.06**
Emerging Markets	34.0	70.8	75.4	**38.5**	10.3	14.3	13.6	**13.5**	0.33	0.50	0.55	**0.29**
Total	**39.5**	**82.8**	**88.4**	**53.8**	**23.1**	**35.0**	**34.7**	**37.2**	**0.17**	**0.24**	**0.25**	**0.14**
Memo: Emerging Markets (excl. NXX)	12.0	27.8	31.8	**26.5**	5.4	8.3	8.4	**8.9**	0.22	0.34	0.38	**0.30**

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

We continue to progress with our geographical expansion, with the EU licence confirmed earlier in 2024 and licences pending in the United States and through our application in Abu Dhabi, as our Middle East hub.

Other Payments Income

This represents income from providing access to USD, GBP and EUR payment and clearing services, and Pension payments, and has grown 3% to £14.7m (2023: £14.3m). This is the result of adding additional EMFIs to our clearing facilities.

Banking Services and Other Income

Income grew to £37.0m, up from £34.3m in 2023 through the reallocation of some of the Group's capital and liquidity resources towards higher-margin Trade Finance and Working Capital facilities. These facilities are a key enabler of our transactional products.

We have also begun further diversifying our liquidity portfolio by investing some surplus liquidity in AAA-rated floating rate securities.

Client Performance

£m	Twelve Months Ended 31 December		Year on year
	2024	2023	%
Emerging Markets Financial Institutions (EMFI)	**59.4**	59.6	– %
International Development Organisations (IDO)	**15.0**	28.9	(48)%
Major Market Banks (MMB)	**2.4**	5.8	(59)%
NBFI and Fintechs	**28.7**	42.8	(33)%
TOTAL	**105.5**	**137.1**	**(23)%**

- EMFIs: stable performance demonstrates the strength of our relationships with local and central banks within emerging markets. Income sustained by increasing Trade Finance facilities and deposit taking to offset reducing income mainly from NXX.
- IDOs: reduction in income driven by NXX, with underlying performance excluding NXX down 11% year on year reflecting the negative business impact of the strong dollar and political uncertainty.
- MMBs: revenue broadly in line excluding the material impact of NXX.
- NBFIs: year on year reduction driven by NXX. Excluding NXX, income is down 16% reflective of broader take rate compression in a highly competitive segment.

Cost Base Development

£m	Twelve Months Ended 31 December 2024	2023	Year on year %
Staff expenses	**45.7**	45.6	0.2%
Other operating expenses	**30.5**	26.5	15%
Total operating expenses (excluding depreciation and amortisation)	**76.2**	**72.1**	**6%**
Depreciation and amortisation	**8.5**	5.8	47%
Total operating expenses before adjusting items	**84.7**	**77.9**	**9%**
Adjusting items	**3.7**	21.1	(82%)
Total operating expenses after adjusting items	**88.4**	**99.0**	**(11%)**

Total operating expenses decreased by 11% to £88.4m, with:

- **Staff expenses:** broadly in line year on year (£45.7m vs £45.6m in 2023) despite the Group's average headcount growing to 378 Full-Time Equivalent (FTE) (2023: 310 FTE), which reflected investment, particularly in IT, to support strategic initiatives reflective in higher capitalisation in 2024.
- **Other operating expenses** increased 15% to £30.5m vs £26.5m in 2023, due to higher recruitment fees, professional services and technology investments linked to EU, US and Abu Dhabi licensing efforts.
- **Depreciation and amortisation** increased 47% year on year, primarily due to the initial recognition in April and subsequent amortisation of the right of use asset associated with 3 London Bridge, along with increased depreciation of capital investment in 2024.
- **Adjusting items (formerly referred to as non-recurring expenses):** £3.7m (2023: £21.1m) of one-off expenses were incurred, primarily related to due diligence work associated with the third-party acquisition bid, costs of transitioning senior management, professional costs in relation to review of strategic options and bonuses paid to staff to settle loans re the 2017 LTIP scheme (see Note 8a).

The organisation had positioned itself for increased revenue, which has not materialised in the expected way. As a result, the business is currently in the process of undertaking a c. 20% FTE redundancy programme, which is anticipated to save c. £7m of operational costs during 2025 and a further c. £5m of capitalised costs. This programme is to reshape the organisational design for future strategic requirements.

Profitability and Cash Generation

As a result of contracting income and despite a good control over costs, Adjusted EBITDA declined by £33.9m to £30.8m (2023: £64.6m) and Profit After Tax by £9.7m to £14.2m (2023: £23.9m). The reduction year on year on Profit After Tax was not as severe due to lower Adjusting items. EPS fell from 10p to 6p, a decline of 40%.

Operating free cash flow was impacted by the reduced Adjusted EBITDA and higher capital investment in 2024 leading to a reduction to £15.5m in 2024 from £56.8m in 2023. Operating Free Cash Flow Conversion fell to 50% in 2024 from 88% in 2023.

Taxation

The effective tax rate for the year was 19%, reflecting adjustments for disallowable costs associated with restructuring and compliance with the UK banking surcharge. The Group incurred a total tax charge of £3.4m compared to £13.7m in 2023, reflecting the decline in profitability.

Capital Allocation

The Group deploys capital into two main categories – capital investment expenditure with a view to driving long-term growth, and lending assets which generate a strong return on capital and enhance the franchise by deepening relationships with clients and liquidity providers. As the Group has been investing surplus capital generated into the business, it will not be paying a dividend.

Financial Review continued

Capital Investment Expenditure

Capital expenditure for the year ended 31 December 2024 was £15m (2023: £7.4m), representing a 102% increase. This investment focused on:

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

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

Balance Sheet

19.2%
Core equity Tier 1 (CET1) ratio

70%
HQLA as % assets

138%
LCR

£nil
Corporate debt in issue

As at 31 December 2024, customer deposits totalled c. £1.6bn of which c. £0.9bn was on fixed term deposit (including overnight) with the remainder being easy access in line with clients' operational requirements. The vast majority of depositors transact other business with the Group demonstrating the strength of the relationships that we have with clients.

As at 31 December 2024, our portfolio of High-Quality Liquid Assets (HQLA) stood at £1.3bn (2023: £1.3bn) providing deep liquidity access to the business to support our ongoing growth, comfortably exceeding our minimum prudential requirements with Liquidity Coverage Ratio (LCR) standing at 138% (2023: 152%). The reduction in our LCR has been driven by a decision the Group has taken to better utilise its balance sheet to help increase yield by deploying funds into franchise enhancing, short dated Trade Finance assets and Working Capital (£212m at 31 December 2024 vs £67m at 31 December 2023) and investing in floating rate notes as part of its HQLA buffer (£44m at 31 December 2024 vs £nil at 31 December 2023). The growth in the Trade Finance book has been achieved whilst still maintaining healthy surpluses across all prudential liquidity and capital metrics.

The Group's strong levels of liquidity will continue to allow us to deploy funds to take advantage of further opportunities to invest in yield and franchise enhancing assets, and to fully exploit the opportunities presented to us by holding a banking licence. We have continued to reinvest our profits into the long-term growth prospects of the Group whilst simultaneously growing our capital base with CET1 now standing at £116.0m (2023: £107.5m). The Group's CET1 ratio has trended down across the course of the year (19.2% 2024, 25.5% 2023) primarily as a result of the Group deploying its surplus capital into Trade Finance assets and higher operational risk charges required, as a result of higher average 3-year revenue.

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

Income Statement (£m) for Continuing Operations

	Twelve Months Ended 31 December		Year on year
	2024	2023	%
FX income	**41.2**	68.5	(40)%
Payment FX	**12.6**	19.9	(37)%
Banking and other payments	**14.7**	14.3	3 %
Total payments income	**27.3**	34.2	(20)%
Net interest income from cash management	**30.9**	31.7	(3)%
Trade finance and other income	**6.1**	2.6	135 %
Total banking services income	**37.0**	34.3	8 %
Gross income	**105.5**	137.1	(23)%
Staff costs	**(45.7)**	(45.6)	— %
Other operating expenses	**(30.5)**	(26.5)	15 %
Depreciation and amortisation	**(8.5)**	(5.8)	47 %
Total operating expenses before impairment and adjusting items	**(84.7)**	(77.9)	9 %
Impairment provision[1]	**0.5**	(0.4)	(225)%
Adjusting items	**(3.7)**	(21.1)	(82)%
Profit before tax	**17.6**	37.6	(53)%
Tax	**(3.4)**	(13.7)	(75)%
Profit after tax	**14.2**	23.9	(41)%

1 Includes movements in the Expected Credit Losses (ECL) provision reported as reversal/impairment (loss) on financial assets at amortised cost on the consolidated statement of profit or loss and other comprehensive income.

Balance Sheet (£m)

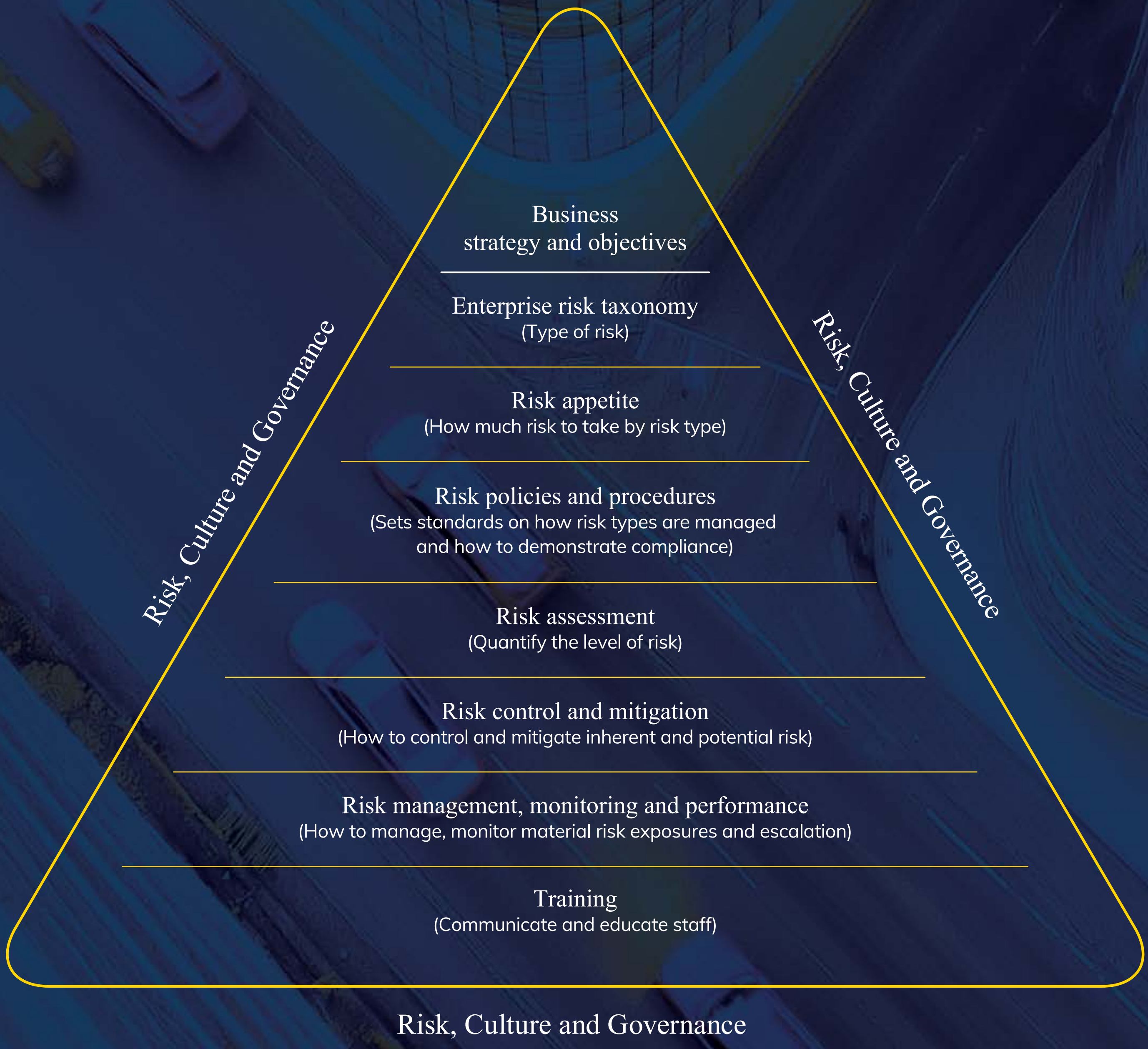
	Twelve Months Ended 31 December		Year on year
	2024	2023	%
Cash and balances at central banks	**584.7**	529.8	10 %
Money market funds	**488.2**	518.8	(6)%
Investment in debt securities	**246.0**	353.0	(30)%
Loans and advances	**398.2**	279.5	42 %
PP&E	**2.8**	1.2	133 %
Right of use assets	**17.8**	0.7	2,443 %
Intangible assets	**30.6**	24.3	26 %
Other assets	**36.6**	25.2	45 %
Total assets	**1,804.9**	1,732.4	4 %
Customer accounts	**1,585.0**	1,542.9	3 %
Derivative financial liabilities	**0.5**	9.7	(95)%
Lease liabilities	**18.1**	0.9	1,911 %
Other liabilities	**54.7**	47.5	15 %
Total liabilities	**1,658.3**	1,601.0	4 %
Total equity	**146.6**	131.4	12 %

Risk Management

Risk environment

Our approach to risk

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



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

The taxonomy allows the Group to construct and calibrate its Risk Appetite Statement (RAS) and tolerance limits (TLs) that quantify, by risk type, how much risk it is willing to accept under business as usual and stress conditions, in order to achieve the Group's business strategy and objectives. These are constructed with due regard to the organisation's risk appetites, to align both strategy and risk.

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

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

Risk Culture

The Group, together with local legal entity boards and the executive management, is responsible for establishing and embedding a culture of risk awareness and a strong internal control environment.

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

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

All our people need to:

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

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

Risk Management continued

Governance of Risk

The Company's risk governance structure is outlined below:

The Board

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

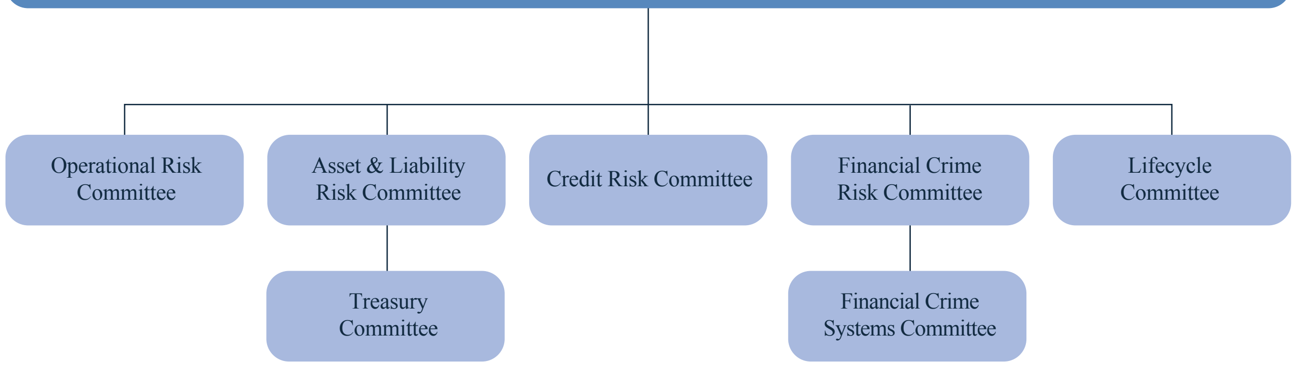
Board Committee

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

Management Committees

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

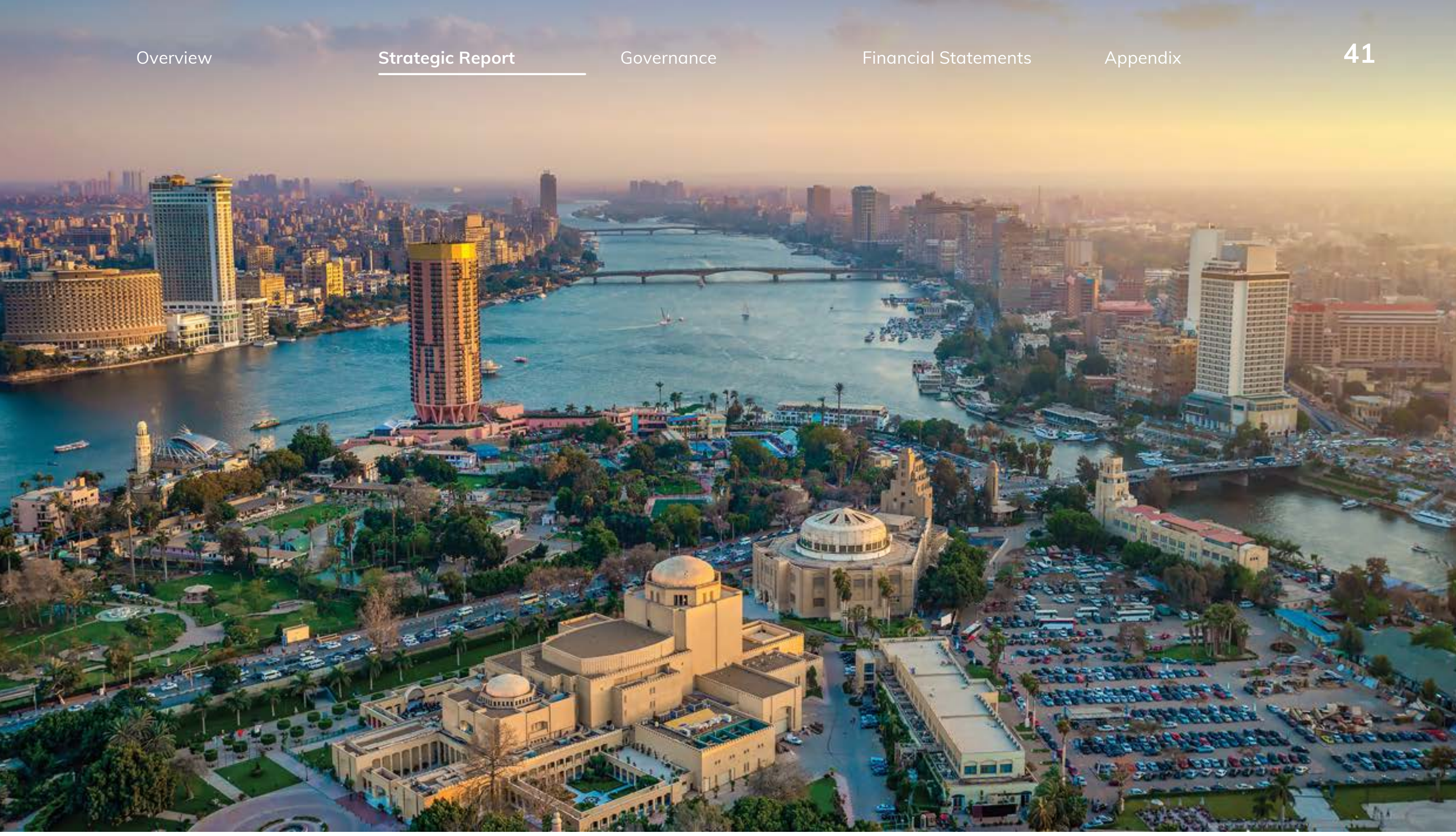
Executive Risk Committee
The Executive Risk Committee is chaired by the Group CRO with members being the Executive Committee and the Money Laundering Reporting Officer (MLRO). It provides Executive level enterprise-wide risk management oversight and escalates key risks issues and recommendations to the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



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

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

It is to be noted that Business, Regulatory Compliance and Conduct (level 1 risks) are within the remit of ERC and not the sub-committees.



Three lines of defence

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

First line of defence

Risk and control management

The business and senior managers, both across the Group and at local entity level, are responsible and accountable for the identification, assessment and management of individual risks, as well as associated controls within their respective areas of responsibility.

Second line of defence

Risk and control oversight

Risk and Compliance develops the frameworks and tools, and provides independent oversight and challenge with respect to the first line's management of their risks and controls. They provide assurance that the Group's and local entity levels regulated activities are undertaken in accordance with regulatory requirements.

Third line of defence

Internal Audit

Internal audit is an independent provider of assurance over the effectiveness of the Group's, and local entity levels, processes and governance, with regards to risk and internal controls.

Horizon Scanning

Emerging risks

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

Risk Management continued

Risk Appetite

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

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

At a headline level, the Group's Risk Appetite Statements are as follows:

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

Principal Risks and Uncertainties

Overview of Principal Risks

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

As at 31 December 2024 our principal risks consisted of:

1. Business risk

Change from last year ▲

Risk Description

The risks to the Group arising from:

- The business model or strategy proving inappropriate due to macroeconomics, geopolitical, industry, regulatory or other factors.
- Adverse events and media coverage that could negatively impact the Group's name and reputation thereby impacting its ability to achieve its strategic objectives.

Relevant KPIs

Financial:

- Gross Income
- Adjusted EBITDA & Margin
- Income per Client
- Number of Unique Active Clients

Link to Strategy

Current context

- The Group is highly reliant on established relationships with a small number of key banks for clearing USD, GBP and EUR.
- The Group provides access to emerging markets, with a level of concentration to Sub-Saharan Africa. Significant changes to our partner network or key markets (e.g. the risk of market dislocations, general access, regulatory, economic, or geopolitical conditions) would have a corresponding impact on the Group's business, operations, financial performance and reputation.
- The Group's business model and operations rely on the continued relationships with a diversified network of counterparties and partners including liquidity providers.

Potential events may include:

- Adjustments in the nature of our partner networks impacting access to local liquidity or clearing services. Structural changes to markers that result in the removal or narrowing of margins and/or access to preferential local market currency rates.
- Changes to local economies including market structure (e.g. regulatory/central bank monetary actions);
  - Economic or political events (e.g. changes in government)
  - Translation risk associated with significant strengthening in GBP relative to USD.

Mitigants and other considerations

- The Board and Management periodically:
  - review and update the strategic plan, budgets, targets, emerging opportunities, and threats.
  - track and manage, through governance, a range of metrics and early warning indicators to highlight emerging risks to performance; these continue to be developed and enhanced.
- The Group has a dedicated Network and Partnerships Function, who develop and manage our key local relationships; actions continue to be taken to ensure these are adequately diversified including key currencies such as USD and GBP. This function also tracks and reports regulatory changes and geo-political issues in these markets.
- The Group has a strategic risk register which tracks the top risks and the corresponding actions planned and underway to mitigate these. This is reported periodically to the Risk Committee and Executive Risk Committee.
- The Group has a medium-term strategy in place to continue diversifying revenues across geographies, clients and products whilst investing in its sales team.

Risk Appetite: Neutral

Key to Strategy: Network | Clients | Platform | Invest & Innovate

Principal Risks and Uncertainties continued

2. Financial crime risk

Change from last year

Risk Descriptions

The risk associated with criminal activity in the form of money laundering, terrorist financing, bribery and corruption, sanctions, tax evasion and fraud.

Current context

- FX is the leading product, used by over 90% of all clients, however, one of the Group's core offerings is correspondent banking and payments services. AML and Sanctions risk remains higher in Correspondent Banking and Trade Finance with both accounting for most Suspicious Activity Reports to the NCA.
- The Group provides its services to clients based in global jurisdictions, including across Africa, the Americas and Caribbean, the Middle East, the USA, Canada and Europe. The Group's historic client concentration was on customers in higher-risk countries, and recently a shift is seeing more payments from Low-Risk into Higher-Risk countries. Despite this general trend, new clients located in Higher-Risk countries, primarily in Africa have been onboarded in 2024, and the Group started expansion into the Americas to lessen its reliance on African markets.
- In 2024 there was no significant change in the distribution of Client types within CAB's portfolio and Financial Institutions remain the largest segment of CAB's Client portfolio.
- CAB specialises in segments including Non-Bank Financial Institutions (NBFI), Money Service Businesses (MSB), and charities, but also includes segments such as financial institutions, Central Banks and supranational organisations.
- A Notable AML/CTF high-risk factor that has been considered is Organisation risk. The Group's Organisation risk is assessed as low due to no legacy financial crime issues, no major control failures and the fact that the Group's subsidiaries operate in a simple, non-complex structure and are physically located in low-risk jurisdictions with leading regulatory standards.
- There is generally a lower level of regulatory oversight and scrutiny of many NBFIs and MSBs. Trends of recent sanctions relating to deficiencies in controls of MSBs have been indicative of problems in mitigating financial crime risk in the sector, hence their assessment as higher risk. Meanwhile financial institutions in higher risk jurisdictions tend to be classified as higher risk due to their countries of operation.

Mitigants and other considerations

- To mitigate risks effectively, the Group has implemented strict onboarding and correspondent banking due diligence processes and procedures, as well as strong governance and client approval committees.
- A robust country risk framework mitigates the Group's exposure to high-risk countries. This framework includes complete prohibitions of some countries and detailed restrictions on others.
- Screening and monitoring controls enforce the framework, and the Group's employees have a strong awareness and understanding of the legal and regulatory environment in which they operate, including the relevant financial crime prevention provisions.
- Ongoing programme of investment in anti-financial crime technology and optimisation of system rule-sets. A new transaction monitoring system was implemented in 2024 along with an upgrade to the transactions screening system. The Group is focused on phase 2 of the transaction monitoring system delivery.
- Regular training is delivered to ensure standards are continuously maintained.
- A dedicated Risk and Compliance Function provides oversight and undertakes thematic assurance activity to identify potential gaps and issues.

Link to Strategy

Risk Appetite Minimal

Key to Strategy Network Clients Platform Invest & Innovate

3. Operational risk

Change from last year

Risk Description

The risk of loss or other non-financial impact, resulting from inadequate or failed internal processes, people and systems, or from external events.

Link to Strategy

Current context

- The Group relies extensively on the use of technology, including the inter-relationship between multiple third-party services, which is central to the processing and its operating environment. System resiliency coupled with the growing sophistication of cyber-attacks is consistently under review.
- Resource capacity and capability impact all risk types, these are monitored frequently to ensure staffing levels reflect the size and complexity of the Group.
- The Group relies on a combination of manual and automated processes. Specific clients have bespoke processes that are more prone to human errors. The Group is acutely aware that a technology incident could result in manual intervention as part of its recovery efforts.

Mitigants and other considerations

- The Group is Cyber Essentials accredited. ISO27001 accreditation remains a key priority. Additionally, the Group continues to enhance its operational resilience efforts with a key focus on critical third-party resilience testing.
- The Group deploys several attraction and retention strategies throughout the employee lifecycle, including hybrid-working and competitive employee benefits.
- Process and control automation is proactively considered across the Group, acknowledging that not all processes can be automated but regular process review cycles support in ensuring processes and procedures are consistently updated and maintained.

Risk Appetite: Neutral

4. Credit risk

Change from last year

Risk Description

The risk of financial loss arising from a borrower's or counterparty's failure or inability to meet their financial obligations in accordance with contractual terms.

Relevant KPIs

Financial:

- Development Aid Flows
- Income per Client

Link to Strategy

Current context

- Credit risk is inherently generated through the Group's banking and financing activities. For example, through trade finance products, working capital overdrafts, Nostro balances etc.
- Counterparty credit risk arises due to FX/Payment-related trading and derivatives activities where counterparties may be unable or unwilling to meet their financial obligations, including collateral obligations, as they fall due.
- Treasury-related activities also generate an element of credit risk through their day-to-day placement of funds i.e. money market funds, HQLA portfolio etc.

Mitigants and other considerations

- Credit Risk remains a key focus for the Group.
- Risk appetite thresholds are constructed with regard to regulatory requirements and internal assessments included within the ICAAP.
- An established credit policy is in place with portfolio levels exposure limits and a maximum individual counterparty exposure limit framework. The Credit Risk Committee provides individual counterparty approvals and portfolio level oversight.
- Robust individual credit assessment and monitoring frameworks ensure that credit risk is managed and mitigated in line with credit management objectives and risk frameworks.
- Counterparty FX and derivatives transaction risk is mitigated via ISDA master agreements and credit support annexes, where suitable.

Risk Appetite: Active

Principal Risks and Uncertainties continued

5. Market risk

Change from last year

Risk Description

The risk of losses occurring from adverse value movements of the Group's assets and liabilities; principally relating to FX and interest rates.

Relevant KPIs
Financial:

- Wholesale FX and Payments FX Income
- Wholesale FX and Payments FX Volumes
- Number of Currencies Offered

Link to Strategy

Current context

- The Group's market risk exposure occurs primarily through FX volatility and IRRBB.
- The economic and financial market uncertainties remain elevated. Disruptive adjustment to interest rate levels, deteriorating trade or geopolitical tensions could have implications for FX rates and the value of the Group's Nostro balances. Alternatively, a decline in interest rates may compress net interest margin across the business.
- Adverse changes in FX rates can impact capital ratios given elements of the risk-weighted assets exposures are denominated in foreign currencies.
- Failure to account for foreign currency movements could result in an adverse impact on the Group's regulatory capital and leverage ratios.

Mitigants and other considerations

- An assessment of market risk drivers is conducted as part of the ICAAP, and to assess BAU and stressed market risk.
- Market Risk exposure limits are staggered, to constrain typical market risk exposure. The Group primarily trades in the FX spot market and risk appetite limits are set and monitored at both an aggregate and currency level.
- Defensive positions are typically taken to the extent that markets exhibit increased market risk events, such as during national elections.
- Interest rate risk in the banking book (IRRBB) is primarily driven by mismatches between the profile of client deposits, capital, investments for cash management purposes, and lending. The Group manages IRRBB through strategies employed to mitigate risks to net interest income and economic value.

Risk Appetite Neutral

6. Regulatory and compliance risk

Change from last year

Risk Description

The risk arising from non-compliance with laws and regulations governing financial services institutions in the markets in which we operate.

Link to Strategy

Current context

- As the Group continues to grow in terms of increasing size and complexity it brings with it an increasingly diverse legislative and regulatory landscape and potentially increasing the risks of legal or regulatory sanctions, material financial loss and/or reputational damage in the markets in which we operate.

Mitigants and other considerations

- Horizon-scanning is conducted to monitor upcoming UK regulatory changes.
- Responding to any regulatory request promptly.
- Ensuring that we have adequate permissions to operate in certain markets.
- CAB Payments partners with local providers that are typically regulated entities or locally licensed.
- The Group consults third-party legal counsel for new territorial expansions to ensure compliance with local regulations.

Risk Appetite Minimal

Key to Strategy: Network, Clients, Platform, Invest & Innovate

7. Capital adequacy risk

Change from last year

Risk Description

The risk of the Group having insufficient quality or quantity of capital, to meet its regulatory capital requirements and internal thresholds to cover risk exposures and withstand a severe stress as identified as part of the ICAAP.

Current context

- The Group's capital ratios can be affected by various business activities and the failure to meet prudential capital requirements, internal targets and/or to support the Group's strategic plans.
- The key risk drivers with capital implications are credit risk, market risk and operational risk, each of which is addressed within its relevant section.

Mitigants and other considerations

- The Group has robustly defined capital adequacy thresholds, constructed in reference to regulatory requirements and maintains capital ratios in excess of these.
- The Group produces an ICAAP at least once each calendar year. Challenge and oversight of the ICAAP occurs at the Asset & Liability Risk Committee and the Risk Committee before approval by the Board.
- Day-to-day capital risk exposure is managed by the Treasury function with oversight from the Asset & Liability Risk Committee and the Group Treasury Committee, who monitor and manage capital risk in line with the Group's capital management objectives, capital plan and risk frameworks.
- If the Group were to encounter a significant stress on capital resources, a Recovery Plan is maintained which includes options to ensure it can remain sufficiently capitalised to remain viable. Recovery Plan metrics are regularly monitored and reported against. The Group's Pillar 3 disclosures contain a comprehensive assessment of its capital requirements and resources and are published separately on the Group's website.

Relevant KPIs

Financial:

- Capital and Surplus
- Adjusted EBITDA & Margin

Link to Strategy

Risk Appetite Neutral

Principal Risks and Uncertainties continued

	Current context	Mitigants and other considerations
8. Liquidity and funding risk		Change from last year
Risk Description The risk the Group cannot meet its contractual or contingent obligations in a timely manner as they fall due. Funding risk is the risk that the Group cannot maintain access to a sufficient stable funding base to maintain its liquidity. **Relevant KPIs** Financial: • Wholesale FX and Payments FX Volumes **Link to Strategy**	• The Group's liquidity ratios (i.e. LCR and Net Stable Funding Ratio (NSFR)) can be affected by various business activities, either idiosyncratic or market-wide, that could impact prudential liquidity requirements and corresponding business activities, and investor or depositor confidence. • The key liquidity risk drivers are depositor outflows, and intraday liquidity requirements.	• Funding and liquidity risks are managed within a comprehensive risk framework in reference to regulatory requirements and internal thresholds to ensure there is no significant risk that liabilities cannot be met as they fall due. • The Group produces an ILAAP at least once per calendar year. Challenge and oversight of the ILAAP occurs at the Asset & Liability Risk Committee and the Risk Committee before approval by the Board. • The primary metrics used to monitor and assess the adequacy of liquidity are the Overall Liquidity Adequacy Rule (OLAR), the LCR and NSFR. • Day-to-day liquidity risk exposure is managed by the Treasury function with oversight from the Asset & Liability Risk Committee and the Group Treasury Committee. • Treasury conducts regular and comprehensive liquidity stress testing, including reverse stress testing, to ensure that the liquidity position remains within the Board's appetite.
Risk Appetite	Minimal	

	Current context	Mitigants and other considerations
9. Conduct risk		Change from last year
Risk Description The risk that the conduct of the Group and its staff, towards clients (or in the markets in which it operates), leads to unfair or inappropriate client outcomes and results in reputational damage and/or financial loss. **Relevant KPIs** Financial: • Gender Diversity in Management **Link to Strategy**	• Clients may suffer detriment due to actions, processes or products which originate from within the Group. • Conduct risk can arise through: – the design of products that do not meet client needs; – mishandling complaints where the Group has behaved inappropriately towards its clients; – inappropriate sales processes; and – behaviour that does not meet market or regulatory standards.	• Conduct risk is incorporated into the product approval process. • Complaints are formally registered, investigated and responses provided. • The Group has a Gifts and Hospitality Policy with an approval and logging process. • All staff receive annual online training on conduct, ethics and culture.
Risk Appetite	Minimal	

Discover more in Our Strategy section
Page 16

Key to Strategy: Network, Clients, Platform, Invest & Innovate

Going Concern and Viability Statements

Time Horizon

The Directors have an obligation under Provision 31 of the Code to confirm that they believe the Group will be able to continue in operation, and to meet its liabilities as they fall due.

The Code requires the Directors to articulate in the Annual Report and Accounts how the health of the Group has been assessed, over what time period this assessment considers, and why this time horizon is considered to be appropriate.

The Directors have determined that the three years to 31 December 2027 is an appropriate period over which to perform the assessment. This is the period over which the Group prepares detailed corporate plans that articulate financial performance and key regulatory metrics such as CET1 ratio, LCR and Net Stable Funding Ratio (NSFR). Financial forecasts over longer durations would decrease accuracy and are therefore of limited value in conducting assessments of this nature.

Consideration of Key Risks

As described in the Risk Report on page 38 the Directors actively monitor the Group's risk management and internal control systems. The Directors have performed a robust assessment of the principal risks that the Group is exposed to as well as an assessment of emerging risks. These risks and the policies and procedures for managing them are described in more detail in the Risk Report on page 38.

The Directors have also considered recent policy statements from the UK and US Governments concerning substantial reductions in overseas aid budgets going forwards. Following a detailed review of the effects of the policy changes on the Group's forecasts, the Directors are satisfied that they will have no bearing on the conclusions reached below.

Planning

The Group's Corporate Plan was approved by the Board in December 2024. In preparing the Corporate Plan, due consideration was given to the Group's strategy as articulated on page 8.

The process for preparation of the Corporate Plan starts with the strategic objectives of the Group and considers the risk appetite limits in place to ensure that these are adhered to over the course of the planning period. Assumptions with regards to key macro-economic conditions are then assessed and underpin the forecast financial performance.

Key prudential regulatory metrics are forecast to ensure that these do not fall below risk appetite over the planning horizon. The metrics which are forecast as part of the Corporate Plan are:

- CET1 ratio;
- Total Capital Ratio;
- Leverage Ratio;
- LCR;
- Surplus HQLA over LCR minimum;
- NSFR.

Stress Testing – Capital

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

All stresses are calibrated to those risks which the Board believes are most relevant for the Group, taking into consideration all the principal risks identified on page 43 and any wider macro-economic factors that the Group may be exposed to. In accordance with the guidelines from the PRA, the stresses are intended to be severe, yet plausible.

As part of these stresses, forecasts of Revenue, Profit & Loss (P&L), CET1 ratio and Leverage Ratio are assessed, on both a pre and post management action basis, in comparison to internal risk appetites and minimum regulatory requirements. An assessment of any additional capital that has to be held is then made based on the output of these stresses.

The stresses modelled the impact on financial performance and key regulatory metrics over the period to 31 December 2027. The table below indicates the impact that the most severe stress had on revenue and profit before tax post management actions. These figures compare the revenue and profit before tax modelled under the stress (on a post management actions basis) compared to the equivalent period in the base case Corporate Plan.

	The Group		
Percentage Reduction	FY 25	FY 26	FY 27
Revenue	(39)%	(38)%	(42)%
PBT	(108)%	(81)%	(81)%

The PBT in 2025 declines by more than 100% as the Group is modelled to be loss-making in the stress scenario in this year. This was not deemed to be a concern as the Group still maintained capital surpluses to its regulatory minima during this period of loss.

Going Concern and Viability Statements continued

Stress Testing – Liquidity

The Group is regulated for liquidity by the PRA, but in practice the Group does not have any meaningful liquidity risk outside of CAB.

CAB must adhere to key regulatory liquidity metrics (the LCR and the NSFR) as well as conduct an ILAAP on an annual basis. As part of the ILAAP, CAB must demonstrate how it meets the Overall Liquidity Adequacy Rule (OLAR) which states that a bank must be able to meet its liabilities as they fall due.

Within the ILAAP, CAB demonstrates that it meets the OLAR, in part, by modelling the impact of a wide variety of liquidity stresses which focus on specific liquidity risks that are relevant to its business model. The most comprehensive of these, the OLAR stress, models a severe deposit outflow as well as a variety of other factors which have a detrimental liquidity impact. The OLAR stress assesses whether CAB has sufficient liquidity to meet these outflows over a 90-day period. To ensure continued robustness from a liquidity perspective, the OLAR stress is prepared monthly and forms part of CAB's liquidity risk appetite.

Reverse Stress Testing

Reverse Stress Testing (RST) also forms part of the Group's wider stress testing framework and is conducted as part of the ILAAP and ICAAP. The purpose of the RSTs is to define scenarios which threaten the viability of CAB and the Group, assess whether these scenarios are plausible and to, where practical, build contingency plans to mitigate the likelihood of such scenarios occurring.

The RSTs considered a variety of scenarios to determine which would threaten the viability of CAB and the Group from a capital and liquidity perspective. The Group's most recent ICAAP was agreed by the Board in early 2024 and thus its conclusions were based on a version of the corporate plan agreed by the Board during December 2023. As such, as part of this Going Concern assessment, RSTs were applied to the Group Corporate Plan which was Board approved during December 2024.

Assessment

The Group has a strong business franchise and a robust financial position as at 31 December 2024. All key regulatory metrics are forecast to remain above Risk Appetite over the duration of the Corporate Plan.

The Stress Testing activities conducted as part of the Going Concern assessment, the ILAAP and the ICAAP on an ongoing basis give the Directors comfort with regards to the Group's ability to withstand stress events and meet liabilities as they fall due.

Furthermore, none of the RST scenarios identified are deemed by the Directors to be plausible based on current forecasts.

Based upon this, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and will be able to meet its liabilities as they fall due over the period to 31 December 2027.

Furthermore, there is no information contained within the outer years of the Corporate Plan which the Directors consider would threaten the longer-term viability of the Group.

Going Concern

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

In order to satisfy themselves that the Group has sufficient resources to operate, the Directors have reviewed both the Group's Corporate Plan as well as the outputs of the stress testing and the RST conducted as part of this Going Concern Assessment and the ILAAP. In addition, the Directors have also taken into consideration all of the key risks articulated under the principal risks (page 43) and any wider macro-economic factors the Group may be exposed to.

Non-financial and Sustainability Information

This section of the Strategic Report constitutes the Non-financial and Sustainability Information Statement of the Company, produced to comply with Sections 414(C)(A) and 414(C)(B) of the Companies Act 2006. The information listed in the table below is incorporated by cross-reference.

Reporting requirement	Policies and standards which govern our approach	Additional information and risk management
Environmental matters	Employee Travel Handbook ESG Strategy Vendor Code of Conduct Sustainable Procurement Policy	ESG (pages 22 to 29) TCFD (pages 28 to 29)
Employees	Anti-Bribery & Corruption Policy Anti-Harassment & Bullying Policy Employee Code of Conduct Flexible Working Policy Health & Safety Policy Inclusive Workplace Policy Political Activity at Work Policy Whistleblowing Policy	s172 Statement (pages 30 to 31) ESG (pages 22 to 29) Audit Committee Report (pages 70 to 76) Nomination Committee Report (pages 66 to 69) Directors' Report (pages 100 to 104)
Social matters	Anti-Harassment & Bullying Policy Inclusive Workplace Policy Political Activity at Work Policy Vendor Code of Conduct Sustainable Procurement Policy Whistleblowing Policy	s172 Statement (pages 30 to 31) ESG (pages 22 to 29) Audit Committee Report (pages 70 to 76) Directors' Report (pages 100 to 104)
Respect for human rights	Anti-Harassment & Bullying Policy Employee Code of Conduct Inclusive Workplace Policy Modern Slavery Statement Political Activity at Work Policy	s172 Statement (pages 30 to 31) ESG (pages 22 to 29) Audit Committee Report (pages 70 to 76)
Anti-corruption and bribery	Anti-Bribery & Corruption Policy Conflicts of Interest Policy Employee Code of Conduct Gifts & Hospitality Policy Personal Account Dealing Policy Political Activity at Work Policy Vendor Code of Conduct Whistleblowing Policy	s172 Statement (pages 30 to 31) ESG (pages 22 to 29) Audit Committee Report (pages 70 to 76) Directors' Report (pages 100 to 104)
Description of the business model		Business Model (pages 14 to 15)
Description of principal risks and impact of business activity		Business Model (pages 14 to 15) Principal Risks and Uncertainties (pages 43 to 48) TCFD (pages 28 to 29)
Non-financial KPIs		Strategic Report (pages 8 to 51) KPIs (pages 20 to 21)

The documents mentioned above form part of the Group's policies, which act as the strategic link between our purpose and values and how we manage our day-to-day business. The Board has determined that the policies remain appropriate, are consistent with the Group's values and support its long-term sustainable success.

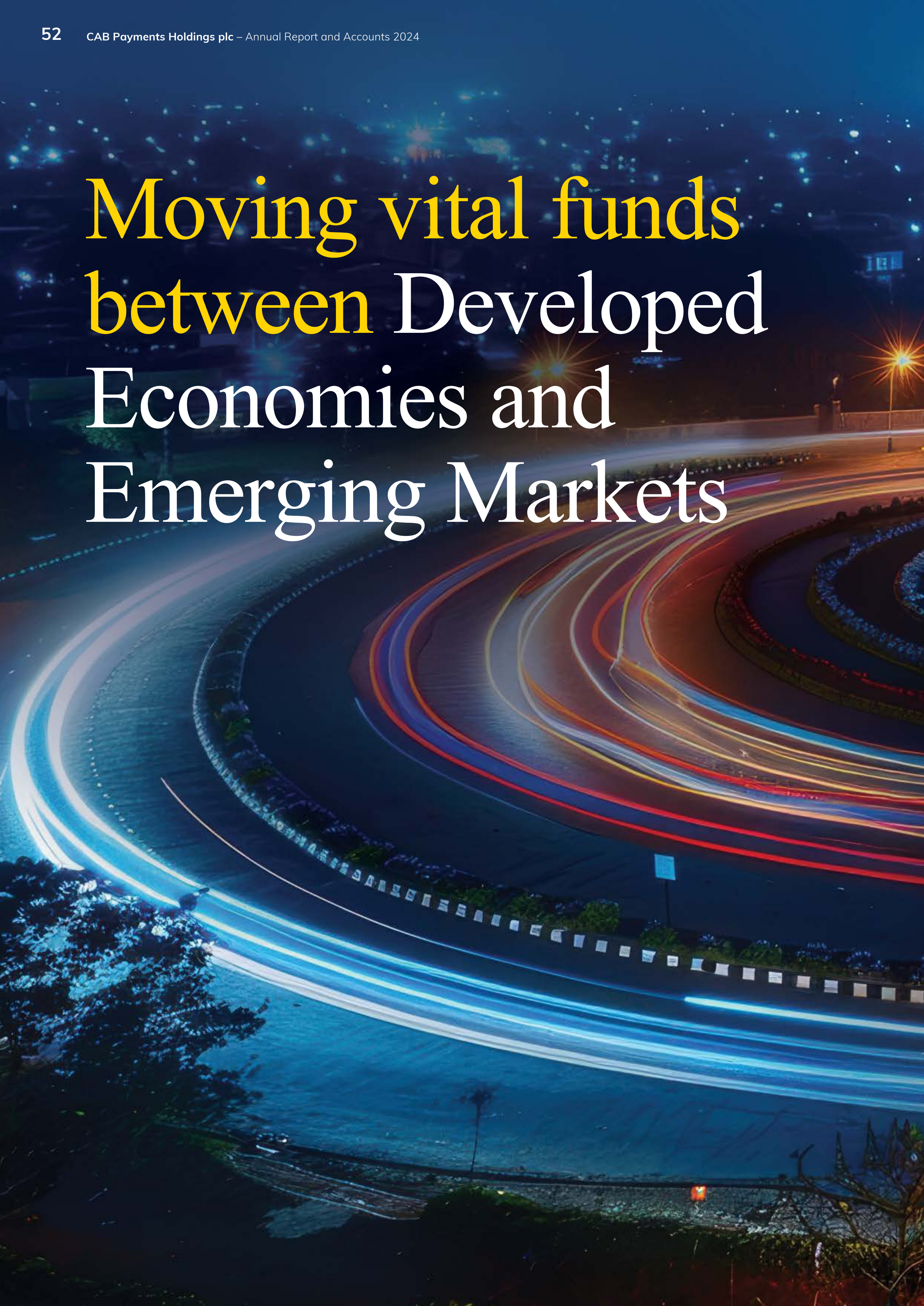
Approval

Pages 8 to 51 form part of the Strategic Report, which has been reviewed and approved by the Board.

Neeraj Kapur
Chief Executive Officer

12 March 2025

Moving vital funds between Developed Economies and Emerging Markets



Governance report

Chair's Introduction to Governance

On behalf of the Board, I am pleased to introduce our Governance Report for the year ended 31 December 2024.

Good governance is central to the success of any business. Good processes married with a good culture adds value to, and is supportive of, a value-creating business strategy.

This Report sets out our approach to effective corporate governance and how it contributes to the development and delivery of our strategy and protects stakeholder value.

Board composition and succession

The Board, together with the Nomination Committee, continued to monitor the Board composition, skills matrix and broader aspects of diversity, with a focus on maintaining a balanced Board and executive management. The Nomination Committee and Board approved the appointment of our new CEO, Neeraj Kapur, at the start of 2024, with regulatory formalities being completed to allow him to take up the position in June 2024. More details of the recruitment process are on page 67.

Mario Shiliashki stepped down from the Board in September 2024 to focus on his new role as CEO of myPOS. I would like to pass on my thanks and the thanks of the whole Board to Mario for the value and experience he brought to CAB Payments.

In February 2025 Richard Hallett, our CFO since 2016, announced his decision to step down from the Board and leave the business and we wish him all the best for the future; We were delighted to announce on 5 March 2025 the appointment of James Hopkinson as our new CFO. James joined the Company on 10 March 2025 and will be appointed to the Boards of CAB Payments Holdings plc and Crown Agents Bank Limited, subject to receiving the appropriate regulatory approvals. The Board is looking forward to working with him.

I am pleased to confirm the Board continues to meet the Parker Review targets with regard to ethnic diversity at Board level and the FTSE Women Leaders Review targets with regard to gender diversity at Board level. More detailed data can be found on page 69.

Purpose, culture and engagement

Our purpose is at the core of our strategy, to move money where it is needed. It is at the forefront of our decision-making and strategy development which is championed by the Board, who consider how initiatives progressed by management through the year have advanced our progress.

The Board plays a leading role in shaping the culture of the Company by promoting growth-focused and values-based conduct and ensuring that the long-term sustainable success of our business remains connected to the interests of our stakeholders. We believe that in order to progress our strategy, the Board must consider all stakeholders relevant to a decision and satisfy themselves that any decision upholds our culture and values.

Starting in November 2024, the Board underwent an externally led Board performance review, partly to comply with the requirements of the UK Corporate Governance Code, but more importantly to give us an opportunity to reflect on how we work together for the good of the Group and to identify what we can develop to enhance that contribution. Details of the process and results can be found on page 61.

At the start of the year, Susanne Chishti agreed to take on the role of Designated Workforce Engagement NED and has been busy leading the development of our employee engagement programme, presenting the Board with excellent insight into colleague sentiment and views, with several tools used to monitor the culture across the workforce. More information on the programme can be found on page 64.

Annual General Meeting

The Company's Annual General Meeting (AGM) will take place at 2.00pm on Wednesday 30 April 2025 at the offices of FTI Consulting at 200 Aldersgate, Aldersgate Street, London EC1A 4HD. This event will provide an opportunity for shareholders to hear more about our performance and to ask questions of the Board. I look forward to meeting any shareholders who can join us at our AGM, either in person at the meeting venue or via the Lumi shareholder meeting platform and extend my thanks to you all for your continued support.

Finally, I would like to thank the Board and all of the Group's employees who have continued to work tirelessly for their dedication and endeavours. I look forward to continuing to work with them during the coming year to create value for all our stakeholders.

Ann Cairns
Chair

12 March 2025

Our Governance framework

Shareholders

Our shareholders are the ultimate owners of the Company and play an important part in shaping our governance.

More information about shareholder engagement can be found on / **Pages 30 and 31**

Board of CAB Payments Holdings plc

The Board provides entrepreneurial leadership setting the Company's purpose, strategy and values. Collectively, the Board is responsible for the strategic direction of the Group and oversees the alignment with its culture, ensuring the long-term success of the Company for the benefit of all CAB Payments stakeholders and wider society. This responsibility includes ensuring that workforce policies and practices are consistent with the Company's values and support its long-term sustainable vision.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting and external audits. Its role includes reviewing and monitoring the integrity of the Group's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by the external auditor, advising on the appointment of and relationship with the external auditor, and reviewing the effectiveness of the external audit process. It also manages the outsourced internal auditor.

See / **Page 70**

Risk Committee

The Risk Committee assists the Board with regard to managing the Group's risk framework (including key recommendations on financial, operational and reputational risk), internal controls and risk reporting. Its role includes assisting the Board with risk appetite, tolerance and strategy, and with the monitoring of internal controls and risk systems and annual review of the effectiveness of the internal control system.

See / **Page 77**

Remuneration Committee

The Remuneration Committee assists the Board in relation to Directors' remuneration including making recommendations to the Board on the Company's policy on executive remuneration, setting the overarching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors, executive managers and the Company Secretary.

See / **Page 79**

Nomination Committee

The Nomination Committee assists the Board in relation to the composition and membership of the Board and its Committees. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and its Committees. It also monitors the independent status of the Independent Non-executive Directors and is responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members.

See / **Page 66**

Disclosure Committee

The Disclosure Committee assists the Board in the accurate and timely disclosure of price-sensitive information to meet the legal and regulatory obligations and requirements of a company listed on the London Stock Exchange.

See / **Page 59**

Board of Directors

Ann Cairns
Chair

N R B

Date of appointment:
23 February 2023, as a Director and 26 May 2023 as Chair

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

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

Neeraj Kapur
Chief Executive Officer

B T

Date of appointment:
20 June 2024

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

Noël Harwerth OBE
Senior Independent Director

A K N R B

Date of appointment:
23 February 2023

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

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

Simon Poole
Non-executive Director

B T

Date of appointment:
19 April 2016

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

External appointments:
Simon serves on the board of Eolas Insight Limited.

Dr Caroline Brown
Independent Non-executive Director

N A K R B

Date of appointment:
26 April 2023

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

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

Board changes
During the period and to the date of this Annual Report the following changes to the composition of the Board took place:
- Bhairav Trivedi resigned from the Board and from his position as CEO on 20 June 2024
- Mario Shiliashki resigned as a Non-executive Director, effective 3 September 2024
- Richard Hallett resigned from the Board and from his position as CFO on 7 February 2025
- James Hopkinson joined the Company on 10 March 2025 and will be appointed to the Board in due course, subject to regulatory approval

Jennifer Johnson-Calari

Independent Non-executive Director

A K B T

Date of appointment:
26 April 2023

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

External appointments:
Jennifer is Non-executive Director of Momentum Global Investment Management, London and CAIM, London and an independent Non-Executive Director of Clubhouse International in New York.

Karen Jordan

Independent Non-executive Director

A K B T

Date of appointment:
26 April 2023

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

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

Susanne Chishti

Independent Non-executive Director

N R B T

Date of appointment:
26 April 2023

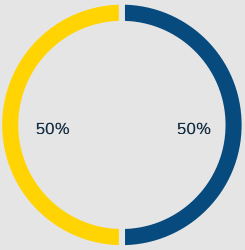
Experience:
Susanne has over 25 years of expertise on organisational governance in the SME market, holding senior positions at Deutsche Bank, Lloyds Banking Group, Morgan Stanley and Accenture. Susanne co-edited 'The FINTECH Book' series and was recognised in the Evening Standard's 'Top 10 global fintech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

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

Key Board Metrics (at 31 December 2024)

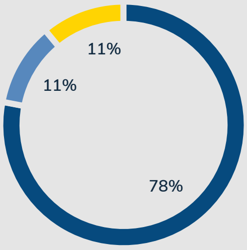
Key Roles (Chair, CEO, CFO and SID)

Male	50 %
Female	50 %



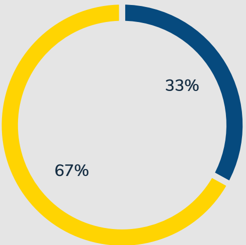
Length of service

0–3 Years	78 %
3–6 Years	11 %
6–9 Years	11 %



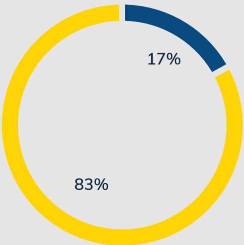
Gender

Male	33 %
Female	67 %



Independence of Non-executives

Non-independent	17 %
Independent	83 %



Key

- A Audit Committee
- K Risk Committee
- R Remuneration Committee
- N Nomination Committee
- B Director, Crown Agents Bank Limited
- T Director, CAB Tech Holdco Limited
- Chair

For further details on our Board of Directors please visit **https://cabpayments.com/investors**

Corporate Governance Statement

Statement of Compliance with the 2018 UK Corporate Governance Code

As a company in the Equity Shares (Commercial Companies) (ESCC) listing category on the London Stock Exchange, the Company is reporting in accordance with the UK Corporate Governance Code published in July 2018 (the 2018 Code). The 2018 Code sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

The Board confirms that the Company has fully complied with the 2018 Code throughout the period under review.

The Board is mindful of the updated UK Corporate Governance Code published by the UK Financial Reporting Council (FRC) in January 2024 (the 2024 Code) and is fully committed to remain in compliance with the 2024 Code for the reporting period beginning on 1 January 2025 with the exception of Provision 29, which will become effective for the reporting period beginning on 1 January 2026.

Copies of the 2018 Code and 2024 Code are available from the FRC website at **www.frc.org.uk**.

Board Leadership and Company Purpose

The Board of Directors

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Group and to oversee the performance of the Company's business in order to promote long-term, sustainable success. The Board is the principal decision-making body for all matters that are significant to the Group, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of shareholders by law or by the Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Group;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- determining the remuneration policies of the Company;
- ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

Division of Responsibilities

There is a clear division of responsibilities between leadership of the Board and executive management leadership of the Company's business. Ann Cairns was appointed as Chair on 26 May 2023 and was independent on her appointment to the role.

Neeraj Kapur was appointed as CEO on 20 June 2024, and, therefore, the roles of Chair and CEO are held by different people. Noël Harwerth, Senior Independent Director, was appointed on 23 February 2023.

The key responsibilities of the Board and its Committees are set out in writing and are available on the Company's website at https://cabpayments.com/investors/ where the following documents are published:

- Schedule of Matters Reserved for the Board
- Terms of Reference for each Committee of the Board
- Responsibilities of Chair, CEO and Senior Independent Director

Each of these documents was reviewed and approved by the Board during the period under review. In addition to the eight scheduled meetings of the full Board during 2024, the Chair and Non-executive Directors held discussions without the Executive Directors present at the end of Board meetings whenever possible. This ensures a free and frank exchange of views on the effectiveness of the Executive Directors and executive management and provides an opportunity to discuss any other matters as necessary.

In December 2024, the Senior Independent Director held a separate meeting with the Non-executive Directors, without the Chair present, to evaluate the performance of the Chair as part of the Board's annual performance review. Further details of this review are set out on page 61.

Committees of the Board

Certain specific responsibilities are delegated to the Committees of the Board, notably the Audit, Nomination, Risk and Remuneration Committees, which operate within clearly defined terms of reference and report regularly to the Board. Further details are set out in the reports of each Committee that follow this Statement.

A Disclosure Committee of the Board is also in place, to ensure that adequate procedures, systems and controls are maintained and operated to enable the Company to comply fully with its obligations regarding the timely and accurate identification and disclosure of all information to meet the legal and regulatory obligations and requirements arising from the Companies Act 2006, the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the UK Market Abuse Regulation. The Board notes, however, that the existence of this Disclosure Committee does not absolve the Board from its obligations in this area. This Committee comprises the CEO, the CFO, the Chair of the Board, the Senior Independent Non-executive Director and the Chair of the Audit Committee. By its nature, the Disclosure Committee meets on an ad-hoc basis, when circumstances require.

Membership of each Committee of the Board is reviewed annually and minutes of Committee meetings are made available to all Directors on a timely basis. The written terms of reference for the Audit, Risk, Disclosure, Nomination and Remuneration Committees, all of which were reviewed, updated where necessary and approved during the year, are available on the Company's website at https://cabpayments.com/investors. The Chairs of the Audit, Nomination, Risk and Remuneration Committees intend to be available at the AGM to answer questions on the work of their respective Committees.

Company Secretary

All Directors have direct access to the Company Secretary, Lesley Martin, who is responsible for advising the Board on all governance matters. The appointment and removal of the Company Secretary is a reserved matter for the whole Board.

Corporate Governance Statement continued

Summary of Roles

Chair

Facilitates effective Board decision-making and governance by ensuring effective information flows and sufficient time for agenda item discussion

Facilitates constructive Board relations and discussions

Oversees Director induction and training

Oversees Board and Committee performance evaluation process

Oversees succession planning process as Chair of Nomination Committee

Oversees engagement with key stakeholders, including shareholders

Chief Executive Officer

Manages the Group on a day-to-day basis with the support of executive management

Develops and implements Group strategy, plans and commercial objectives

Manages and mitigates Group principal and emerging risks

Oversees development needs for Executive Directors and senior management

Oversees succession planning for key personnel

Senior Independent Director

Leads the review of the performance of the Chair of the Board

Acts as a sounding board for shareholder queries where inappropriate to raise with the Chair of the Board or Executive Directors

Provides a sounding board for the Chair of the Board

Chairs the Nomination Committee in instances where succession plans for the Chair of the Board are considered

Chief Financial Officer

Leads, directs and oversees all aspects of the finance and accounting functions of the Group

Manages relationships with the external auditor and key financial institutions and advisers

Leads, directs and oversees the Group's Finance, Treasury and Tax functions

Ensures effective internal controls are in place and compliance with appropriate accounting regulations for financial, regulatory and tax reporting

Non-executive Directors

Monitor and oversee Group performance against objectives

Approve and oversee strategic direction

Serve on Committees

Company Secretary

Supports the Board to ensure efficient and effective functioning

Supports the Directors in receiving information in a timely manner

Available to Directors individually and collectively for advice on governance matters

Independence

The Nomination Committee, on behalf of the Board, has considered the independence of its Non-executive Directors and confirms that all of the Non-executive Directors designated as being 'independent' within the meaning of the 2018 Code are free from any business or other relationship that could materially interfere with the exercise of their independent judgement with the exception of Simon Poole, who represents the Company's significant shareholder. The Board therefore consists of five independent Non-executive Directors, two Executive Directors and one non-independent Non-executive Director as well as the Chair, who was considered to be independent on appointment.

Board Development

New Directors participate in an induction programme on the operations and activities of the Group, the role of the Board and the matters reserved for its decision, the Group's corporate governance practices and procedures and their duties, responsibilities and obligations as Directors of a listed public company. This programme is supplemented by meetings with, and presentations by, senior executives and the Group's advisers.

Conflicts of Interests and Directors' Concerns

The Group has procedures in place, which are reviewed on an annual basis, to deal with the situation where a Director has a conflict of interest.

At the beginning of each Board meeting, Directors are reminded of their duties under sections 175, 177 and 182 of the Companies Act 2006 which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. Directors also notify the Board of any other new board and other appointments that they have or are about to take on so that they can be recorded and reviewed by the other Directors.

A procedure is in place for Directors to raise concerns about the operation of the Board or the management that cannot be resolved through the Senior Independent Director.

Board attendance

Members during the period under review	Attendance
Ann Cairns (Chair)	8/8
Caroline Brown	8/8
Susanne Chishti	8/8
Richard Hallett	8/8
Noël Harwerth	8/8
Jennifer Johnson-Calari	8/8
Karen Jordan	8/8
Neeraj Kapur[1]	4/4
Simon Poole	8/8
Mario Shiliashki[2]	2/6
Bhairav Trivedi[3]	4/4

Notes
1 Neeraj Kapur joined the Board on 20 June 2024.
2 Mario Shiliashki was unable to attend four meetings at the start of the year but received all papers relating to the business of the meeting and had the opportunity to discuss any issues arising with the Chair before the meeting. He then stepped down from the Board on 3 September 2024.
3 Bhairav Trivedi stepped down from the Board on 20 June 2024.

Board Performance Review

The effectiveness of the Board and its Committees is regularly reviewed with a full externally facilitated review of the Board having been undertaken in November and December 2024.

Review process

A review of the performance of the Board, its Committees, the Board Chair and individual Directors takes place annually and is led by the Board Chair with support from the Company Secretary.

The annual review is an opportunity to identify ways to improve the effectiveness of the Board by maximising strengths and highlighting areas for development as part of the Board's commitment to continuously improve its performance. The 2024 review was externally facilitated by Odgers Berndtson, who have no other connection with the Company or individual Directors other than in the context of prior performance reviews.

The 2024 Review approach was focused on identifying the strengths in how the Board currently operates and changes which would enhance the delivery of its responsibilities and performance:

a) Establish the future context
b) Data gathering
   i. Review Board and Committee Frameworks and Papers
   ii. Review Board Secretarial support
   iii. Undertake Board Effectiveness Survey
c) Validate and analyse data
   i. 1:1 Board member meetings
   ii. Observed Board and Committee meetings
   iii. Analysed data, findings and changes
d) Provide feedback

Review findings

Based on responses to the Performance Review undertaken by the Board and its Committees in Q4 of 2024 in the form of a survey and individual interviews by Odgers Berndtson, the Board was satisfied with its performance since the last review. The Review identified the following strengths:

a) Committed to delivering shareholder value and market expectations post the IPO, the Board and executives united to:
   i. reposition the medium-term strategy to leverage the core FX expertise, in frontier markets and strong balance sheet; and
   ii. secure delivery of an enhanced EBITDA which matches market expectations and strengthens the EPS for shareholders.
b) Independent Non-executive Directors remain highly engaged, despite performance setbacks, with open and honest exchanges in the Board and Committees, providing challenge and support to executives as they deliver through a transitional and challenging period.
c) The heavy lifting by the Audit and Risk Committees underpins the assurance that financial accounting and statutory, listing and regulators' requirements are effectively executed.

Action plans arising from Review

The Review highlighted the following as areas for potential enhancements:

a) The Board continues to focus on evaluating the detailed business activities and financial model and monthly reporting on critical KPIs to initially secure shareholder expectations early in 2025, as well as validate the medium-term outlook.
b) The Board and Risk Committee continue to test the strategic priorities, the new business mix risk profile and the operational model's resilience to deliver to the PRA's ORSA requirements and the medium-term growth outlook.
c) The Nomination and Risk Committees oversee the development of plans that assure the PRA as to the capability to deliver the strategic goals and elevate CPH's risk maturity from level 3 to 4 by embedding 1LOD risk mitigation.

Corporate Governance Statement continued

Core activities and key decisions considered by the Board during 2024:

	Governance / compliance	Finance	Business / strategy
February	• Conflicts of Interest Policy review • Board and Committee Performance review results • Committee reports • CRO update • 2024 UK Corporate Governance Code review	• CFO update • Year end process update	• CEO update • Operations report • Technology report
March	• 2023 Full year compliance and Annual Report review • Modern Slavery Statement review	• 2023 Full year results review • Receive Audit Committee and Risk Committee reports on internal controls, risk management and viability statement	
April	• Risk appetite tolerance limits review • Employee Engagement review results • CRO update • MLRO Annual Report	• CFO update	• CEO update • Initiatives update
May	• AGM voting review		• Product update
June	• Resignation of CEO and appointment of successor • Whistleblowing Report and Policy review • Group Enterprise Risk Management Framework review • Levels of Authority review • Committee reports • Recovery Plan for approval • CRO update • Change of Registered Office	• Tax update • CFO update	
July		• 2024 Half year pre-close statement review	
August	• 2024 Half year corporate governance and compliance review	• CFO update • 2024 Half year results review	
September			• Strategy review
October	• CRO update	• CFO update	• Review of open actions from Strategy review • Net Zero Roadmap review • CEO update • COO update
December	• Annual review of Governance policies and terms of reference • Recommendation of appointment of External Auditor • CRO update • Committee reports • Risk appetite tolerance limits review • Board performance review update	• 2025 Budget and 3-Year Plan	• CEO update • People update • CAB Europe update • CAB Middle East proposal

Key Board decisions

Strategy

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

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

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

More detail on the Group's strategy and business model can be found in the Strategic Report on pages 8 to 51 of this Annual Report.

Proposal from StoneX, Inc

In October 2024 the Board announced that it had received a revised unsolicited non-binding proposal from StoneX Group Inc. (StoneX) relating to a possible offer for the entire issued share capital of the Company. This followed a series of approaches from StoneX beginning in July 2024, which the Board had evaluated with the support of its financial and legal advisers and concluded were not in the best interests of the Company and its shareholders. Discussions with StoneX continued through October, however on 7 November 2024, StoneX announced that it did not intend to make an offer.

The Board sought and received independent legal, commercial and financial advice throughout the engagement, in particular with regard to the interests of investors and employees and with close attention to the Company's relationship with the relevant regulatory authorities.

CEO succession

The appointment of a new CEO has an impact on all stakeholder groups, given their responsibility for leading the business and implementing strategy for the long-term success of the Company. The Board was conscious of this throughout the appointment process, further details of which can be found in the Nomination Committee Report on pages 66 to 69.

Financial and Business Reporting

The Board is responsible for ensuring that the necessary resources are in place for the Group to meet its objectives and measure performance against them. Review and approval of the annual budget forms part of this assessment, in addition to the Board's ongoing assessment of the Executive Directors' implementation of the approved strategy. The Board has reviewed the Budget and Business Plan for 2025 which provides the basis for the allocation of resources and capital expenditure for the year.

Audit, Risk and Internal Control

The Board is ultimately responsible for the Group's financial reporting, risk management framework, compliance with regulatory requirements and the quality of its internal controls systems. In fulfilling these responsibilities, it is supported by the Audit and Risk Committees. The terms of reference of each of the Committees were reviewed and upgraded prior to the Company's Admission to Listing in 2023 to ensure that they clearly reflected the full range of responsibilities that audit and risk committees in listed companies would be expected to undertake, and were aligned and coordinated with each other's terms of reference and the terms of reference of other Board Committees with a relevant involvement in matters relating to risks and controls. These terms of reference were again reviewed by the Board in December 2024, found to be fit for purpose and are available on the Company's website https://cabpayments.com/investors/. Having the same members on both Committees ensures that the level of overlap in the discussions and decision-making of each Committee is minimised and coordination is optimised.

The experience of the Committee members is as follows:

- Karen Jordan has an auditing background and executive experience in banking and asset management. She qualified as a Chartered Certified Accountant in 1992.
- Jennifer Johnson-Calari brings over 38 years of financial services experience across governance, central banking, portfolio and risk management and bank supervision.
- Noël Harwerth has experience on audit committees of several multinational boards, including governmental agencies and listed companies.
- Caroline Brown has over 20 years' experience of chairing audit and risk committees of listed businesses. She is a Fellow of the Chartered Institute of Management Accounting.

Risk and Internal Controls

The Group confirms its adherence to the principles of the Corporate Governance Code throughout 2024, ensuring compliance with all relevant provisions.

In anticipation of the updated Code published by the Financial Reporting Council on 22 January 2024, which will apply to financial years commencing on or after 1 January 2025, the Group will report against the new requirements in future.

Corporate Governance Statement continued

The Group's risk assessment process and the way in which significant business risks and controls are managed is the collective responsibility of the Board. Activity is driven primarily by the Group's assessment of its principal risks and uncertainties, as set out on pages 43 to 48.

The Group's risk management process comprises the following key stages that enable the Board to fulfil its obligations under the Corporate Governance Code 2024:

a. Identification of the risks the Group is exposed to at various levels, making use of the Bank's established Risk Taxonomy
b. Assessment or measurement of the identified risks using suitable risk management tools
c. Response to the risk exposures, applying and operating appropriate controls to mitigate the risks to acceptable levels
d. Monitoring and reporting of these risks to ensure they remain within risk appetite

The Group's control environment is based on a robust framework that ensures the integrity and transparency of financial reporting, operational efficiency, and compliance with regulatory requirements.

During the year, the Board undertook a thorough review of the Group's Enterprise Risk Management Framework (ERMF) and internal control systems, as mandated by the 2024 Corporate Governance Code, specifically Provision 29 and is pleased to report that this assessment did not identify any significant weaknesses or failings within the Group's internal control systems or risk management processes.

The Board remains committed to upholding a robust governance framework, aligning with the Group's strategic objectives and protecting the interests of stakeholders. This framework underpins the Group's long-term success, and the Board will continue to monitor and refine governance practices to ensure they remain effective and fit for purpose.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the 12 months from the date of approval of this Annual Report. Accordingly, and consistent with the guidance contained in the document titled 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the FRC, they continue to adopt the going concern basis in preparing the annual financial statements.

Purpose, values, strategy and culture

Strategy and Business Model

Following an in-depth review of the Group's strategy during the period under review, an updated strategy was approved to build upon the existing foundations and drive the business forward to the next phase of growth to deliver a more diversified, sustainably growing business with strong operating leverage.

A renewed focus on strategic execution, delivering a diversified business with sustainable growth through four key pillars:

- Network – Strengthen the breadth and depth of the Group's network
- Clients – Deepen existing relationships, expand client base
- Platform – Leverage the banking licence to accelerate FX and payment volume growth
- Invest & Innovate – Disciplined capital allocation to drive growth via technology and balance sheet management

More detail on the Group's strategy and business model can be found in the Strategic Report on pages 8 to 51 of this Annual Report.

Operational Performance

Mechanisms for Monitoring and Assessing Culture

The Board is responsible for monitoring and assessing culture and ensuring that policy, practices and behaviours throughout the business are aligned with the Group's purpose, values and strategy. The Board monitors employee morale and the Group culture through Glassdoor reviews and employee surveys which are regularly discussed with the Board by the Group Head of HR.

New joiners to the Group, including new Directors, complete a suite of courses as a part of their induction which not only provide up-to-date guidance on regulatory requirements but also includes sessions on fostering and maintaining the right culture for the business. This continues to be supported for continuing employees and Directors with regular updates and training reviews.

Workforce Policies and Practice

The Board is responsible for ensuring workforce policies and practices are consistent with the Group's values and support its long-term sustainable success. The Board is responsible for approving (including any changes to) the Group's major policies, including those relating to the conduct of business, regulatory compliance and conduct, whistleblowing, modern slavery and human trafficking, code of ethics, financial crime prevention and conflicts of interest, which will continue to be reviewed on an annual basis going forward.

Workforce Engagement

The Board and executive management engage with employees through a wide range of channels including regular anonymous workforce surveys and regular townhall meetings accessible to all employees, with smaller focus groups on specific issues.

The Directors understand the importance of providing opportunities for the workforce to engage with them directly to provide feedback on the employee experience. In January 2024, the Board launched a programme enabling direct engagement with the workforce through face-to-face meetings for employee groups with a nominated Non-executive Director.

Susanne Chishti was appointed as Workforce Engagement Director by the Board in January 2024 and leads the development of our employee engagement programme. Her primary focus is to provide the Board with valuable insights, perspectives and feedback from the workforce. She has engaged with employees from across various business areas and levels across the Company by attending townhall meetings and employee breakfast sessions.

Together with Noël Harwerth, our Senior Independent Director and Chair of the Remuneration Committee, Susanne met with a diverse group of employees in November 2024 to discuss the Remuneration Committee's role in setting executive pay and ensuring fairness in compensation across the Group. Employees were encouraged to ask questions and share their views on topics such as pay and benefits, the gender pay gap and the recruitment process. Feedback indicated that employees found the session both informative and valuable.

These interactions are intended to strengthen the connection between the Board and the workforce, providing essential input that informs the Board's decision-making on key people-related matters.

Whistleblowing

The Board places great importance on having arrangements in place which mean that all employees have confidence in speaking up if they identify concerns, safe in the knowledge that they will be listened to and will suffer no reprisals for raising those concerns and that their concerns will be taken seriously. The Board has delegated oversight of the Group's whistleblowing policies and procedures to the Risk Committee, with Karen Jordan as the Board's appointed Whistleblowing Champion. The Group operates a Whistleblowing reporting service, which provides an anonymous, secure and easy way for colleagues to raise any concerns through a number of confidential channels, including an independent external whistleblowing hotline, available 24/7. Robust structures are in place to process whistleblower reports that include a dedicated team that receives reports and ensures a thorough, independent, and confidential investigation is undertaken. Upon receipt of a report the team assesses the concerns and appoints an appropriate manager to undertake an investigation on a confidential and anonymous basis, and ensure any remedial action is taken.

Employees receive regular training on whistleblowing procedures, with regular reminders of the availability of the confidential helpline and other reporting channels.

Stakeholder Engagement

During 2025 the Board will continue to develop its approach to the evaluation of stakeholder considerations within the Board's decision-making process. Details of how the Board has engaged with stakeholder groups through 2024 can be found in the s172 Statement on pages 30 to 31.

Shareholders

Since Admission to the Main Market of the London Stock Exchange in July 2023, a formal programme of engagement with shareholders has been developing. The Company now has an established Investor Relations function to facilitate engagement between the Board and existing and potential shareholders.

When appropriate under UK MAR, the Executive Directors are in regular contact with the largest investors, meeting with shareholders following the release of the Company's 2023 full-year and 2024 half-year announcements and the updates published in May and October 2024 to discuss concerns and receive feedback. The Chair is available to speak with shareholders on governance matters, as is the Senior Independent Director.

Relationship Agreement

The Company's principal shareholders, Helios Investors III, LP and Helios Investors III (A), LP (together, the 'Helios Funds'), each acting by its general partner Helios Investors GENPAR III, LP, have entered into a relationship agreement with the Company (the 'Relationship Agreement'). The Relationship Agreement will for such time as the individual or combined shareholdings of the Helios Funds are greater than or equal to 10%, regulate the ongoing relationship between the Company and the Helios Funds, in particular arrangements to ensure that the Company is capable of carrying on its business independently of Helios and that transactions and arrangements with the Helios Funds are conducted at arm's length and on normal commercial terms. The Board has also agreed procedures for monitoring related party transactions under Chapters 6 to 10 of the UK Listing Rules.

Any new contract with the Helios Funds will require Board approval. The Helios Funds have also undertaken not to exercise their voting rights to amend the Articles of Association in a way which would be inconsistent with the provisions of the Relationship Agreement and to abstain from voting on any resolution to approve a related party transaction (as defined in the UK Listing Rule 8.1.7R) in which the Helios Funds are interested.

The Independent Non-executive Directors review the Relationship Agreement annually to ensure that they are satisfied that the Company has complied with the independence provisions included in the Relationship Agreement during the relevant financial year. The 2024 review was completed in December 2024.

As far as the Company is aware, Helios Funds have complied with these provisions during the financial year ended 31 December 2024.

Remuneration

The Directors' Remuneration Report is set out on pages 79 to 99 and provides details of our Remuneration Policy and how it has been implemented, together with the activities of the Remuneration Committee.

AGM

The Company's 2025 AGM will be held at 2.00pm on Wednesday 30 April 2025 at the offices of FTI Consulting at 200 Aldersgate, Aldersgate Street, London EC1A 4HD.

The Board views the AGM as a valuable opportunity to communicate with private shareholders in particular, for whom it provides the opportunity to ask questions of the Chair and, through her, the Chairs of the key Committees and other Directors.

To ensure transparent representation of shareholder views, resolutions at the 2025 AGM will be subject to poll voting. This gives shareholders the ability to vote directly on the resolutions either in person at the meeting, or by submitting their proxy instructions to the Company's Registrar, Equiniti, in advance of the meeting.

As in 2024, shareholders will be able to attend the 2025 AGM virtually via the Lumi shareholder meeting platform.

Full details of how to access the 2025 AGM via the Lumi shareholder meeting platform are set out in the Notice of 2025 Annual General Meeting, available at / **https://cabpayments.com/investors/**

Nomination Committee Report

A focus on succession planning

Ann Cairns
Chair, Nomination Committee

Committee membership and meeting attendance during the period under review

Members during the period under review	Attendance
Ann Cairns (Chair)	5/5
Caroline Brown[1]	0/1
Susanne Chishti[2]	3/5
Noël Harwerth	5/5
Mario Shiliashki[3]	1/3

Note
1 Caroline Brown was appointed to the Nomination Committee in October 2024. She was unable to attend the Nomination Committee meeting in December 2024 but received all papers related to the meeting and had the opportunity to discuss issues arising directly with the Committee Chair before the meeting.
2 Susanne Chishti did not attend the Nomination Committee meeting in October 2024 as it dealt with her own appointment to the Remuneration Committee. She was unable to attend the Nomination Committee meeting in December 2024 but received all papers related to the meeting and had the opportunity to discuss issues arising directly with the Committee Chair before the meeting.
3 Mario Shiliashki was unable to attend Nomination Committee meetings in February and March 2024 but received all papers relating to the meeting and had the opportunity to discuss issues arising directly with the Committee Chair before the meeting. He stepped down from the Board and its Committees on 3 September 2024.

Role and Responsibilities

The role of the Nomination Committee is to keep under review the characteristics and skills required of the Company's Board of Directors and executive management and to ensure that the right people are identified to fill those positions at the right time.

Key Duties

In accordance with its terms of reference (which are available to view on the Company's website at https://cabpayments.com/investors/), the Nomination Committee's key duties include:

- regularly reviewing the Board structure, size and composition (taking into consideration skills, knowledge, independence, experience and diversity) and making recommendations to the Board about suitable candidates for the role of Senior Independent Director, and, in consultation with Committee Chairs, membership of Committees;
- considering plans for orderly succession on the Board and in the Group's senior leadership with a view to ensuring the continued ability of the organisation to grow and compete in the marketplace; and
- leading the search process and making recommendations to the Board for the appointment of new Directors.

Board Composition and Succession

A description of the skills and experience of all of the Directors is set out on pages 56 to 57 of the Annual Report, demonstrating the comprehensive range of collective experience in the fintech and payments sector that they bring to Board discussions. The Board members also bring practical knowledge and understanding of central banks and the legal and regulatory frameworks within which the Group operates.

Following Richard Hallett's recent announcement of his decision to leave the business, the Committee revisited its existing succession planning materials and conducted a robust search and assessment process with the assistance of executive search firm Sapphire Partners. This resulted in the appointment of James Hopkinson as our new CFO, subject to regulatory approval. Further details of this search process will be disclosed in the 2025 Annual Report in due course.

The Committee will keep the leadership needs of the organisation, both the Executive and Non-executive Directors, under review to underpin the growth of the business.

At a glance: the process and principles the Committee follows when appointing new Directors

1. Engage a Search Agency	2. Specification	3. Search
The Committee only engages experienced external search agencies which specialise in Board roles and are recognised for their commitment to diversity and inclusion.	The Committee, assisted by our appointed search agency, discusses and compiles a specification of the skills, knowledge and experience required for the role.	The executive search agency conducts a search to identify a diverse pool of candidates, whether internal or external, with attributes that meet the role specification.
4. Assessment	**5. Interview**	**6. Selection**
The executive search agency conducts a detailed assessment of the available candidates and reviews an initial longlist with Committee members, following which a shortlist is compiled.	The shortlisted candidates meet with the Committee for a series of interviews and, where appropriate, other forms of assessment.	The Committee reflects on the experience of all candidates, and makes a recommendation to the Board as to which candidate to appoint.

7. Induction

All new Directors joining the Board undertake a formal and personalised induction programme, designed to provide an understanding of the Company's business, strategy, culture, environmental and social matters, governance, management, and stakeholders. This covers the operation and activities of the Company, such as site visits, meeting members of the executive and senior management team across our key business areas and operations, the Company's principal strategic risks, the role of the Board, the decision-making matters reserved to the Board, and the responsibilities of the Board Committees. This is tailored to take into account a Director's previous experience and responsibilities. The Company Secretary assists the Chair in designing and facilitating an induction programme for new Directors and ongoing training.

Directors are also briefed on their roles and responsibilities as a director of a listed company. Directors are offered follow-up sessions in any areas in which they want to increase their knowledge. We also offer ongoing bespoke development for Directors and Committee Chairs. Directors are encouraged to continue to meet with management after their induction on an ongoing basis to support them and pass on their experience.

CEO Appointment

1. Engage a Search Agency	2. Specification	3. Search
Responsibility: Nomination Committee	**Responsibility:** Sapphire Partners, Nomination Committee	**Responsibility:** Sapphire Partners
Appointment of Sapphire Partners The Committee considered which search agencies should assist them with the search and identification of a new CEO. Following this, Sapphire Partners were engaged by the Committee. Sapphire Partners is an external and independent board consultancy firm which specialises in building board capability. Sapphire Partners are signatories of the Voluntary Code of Conduct for executive search firms and are committed to ESG, diversity and inclusion. Sapphire Partners has no connection with the Company or the individual Directors.	Sapphire Partners facilitated discussions between the Chair and the members of the Committee, including the specification for the role. The key skills and experience required for the role included excellent judgement, banking expertise, customer centricity, strong operational focus, ability to constructively challenge while maintaining a highly collaborative approach, successful leadership in a listed company with good familiarity of corporate governance requirements and a deep understanding of ESG, diversity and inclusion and stakeholder interests.	Sapphire Partners identified potential internal candidates as well as conducting an extensive parallel search process to identify external candidates. Sapphire Partners' commitment to identifying the most qualified and inclusive candidates for roles resulted in a strong and diverse shortlist for the CEO appointment.
4. Assessment	**5. Interview**	**6. Selection**
Responsibility: Sapphire Partners, Chair, Senior Independent Director	**Responsibility:** Nomination Committee, Group Head of HR	**Responsibility:** Nomination Committee, Board
Sapphire Partners conducted a detailed and rigorous assessment of the available candidates. An initial list of candidates was reviewed by the Chair and the Senior Independent Director against the specification agreed for the role. Following this, a shortlist of candidates was compiled.	The preferred candidates then met with members of the Committee and Group Head of HR in December 2023 and January 2024 for a series of interviews and presentations. Following this, the Committee reflected on the experience and skills of the candidates, and sought extensive references from former colleagues of the preferred candidate, consulting with appropriate stakeholders to support their decision-making.	After careful deliberation, the Committee unanimously recommended the appointment of Neeraj Kapur as CEO given his more than 20 years of experience in senior operational and finance leadership roles in retail, corporate and SME banking; most recently as Group Chief Financial Officer of Vanquis Banking Group plc (formerly Provident Financial plc) where he helped guide the company through a period of significant industry and business change. The Board agreed with the recommendation of the Committee and news of Neeraj's appointment was announced on 23 February 2024 and, following regulatory approval, he joined the Board on 20 June 2024.

Nomination Committee Report continued

Induction and Development

When appointed to the Board, Directors are briefed on the Group's operations and provided with opportunities for individual briefings with each of the members of the Executive Committee. In addition, the Group's legal advisers provide briefings for the Directors on their legal duties and responsibilities as Directors of a Main Market listed company. The Company Secretary will also supply regular updates to the Directors on relevant legal and corporate governance developments.

Election and Re-election of Directors

Directors stand for election in accordance with the provision of the Articles of Association of the Company at the AGM and will be subject to annual re-election in future years in compliance with the Code. The Nomination Committee is satisfied that the contributions made by the Directors offering themselves for election and re-election at the AGM continue to benefit the Board and shareholders will therefore be invited to support their election and re-election.

The recent appointment of James Hopkinson currently remains subject to regulatory approval; following approval, his election to the Board will be brought to shareholders for approval at the 2026 AGM.

External Directorships and Directors' Time Commitments

Significant time commitments of potential Directors are considered before an appointment is formalised.

The Board believes, in principle, in the benefit of Executive Directors accepting non-executive directorships at other companies in order to widen their skills and knowledge for the benefit of the Group. All such appointments require the prior approval of the Board and the number of public company appointments is limited to one. The Executive Directors have not held any such appointments during the period under review or to the date of this Report.

The external time commitments of Non-executive Directors have also been considered and the Committee is confident that they each have sufficient time available to meet their Board responsibilities.

Performance Review

A review of the performance of the Committee formed part of the Board and Committee Performance Review undertaken by Odgers Berndtson in November and December 2024.

Based on responses to the Performance Review in the form of a survey and individual interviews by Odgers Berndtson, the Committee was satisfied with its performance since the last review. The Performance Review highlighted senior management succession planning and diversity in talent pipeline development as areas of focus for 2025.

Part of the Performance Review took the form of a comprehensive assessment of the experience, expertise and perspective of each Director, to ensure that the Board has the skills and experience required to effectively discharge its duties and to support succession planning discussions.

Succession Planning for Senior Executives

The 2018 Code places an emphasis on succession planning and the Committee continues to build on its existing processes to strengthen its focus in this area. The development of the Group's Executive Committee is also monitored to ensure that there is an appropriate pipeline of senior executives and potential future Executive Directors with the required skills and experience.

During 2024, the Committee received updates on changes to the Executive Committee and, due to the impact of those changes on the existing succession planning, the Committee agreed to revisit development plans in 2025.

Internal talent development and the expansion of a pipeline of potential future leaders remains an area of focus for the Committee. The Committee also considers initiatives to enhance, strengthen and diversify the talent pipeline across the wider Group and members of the Committee remain involved in various initiatives, including internal mentoring programmes with senior leaders and external projects such as the Financial Alliance for Women.

Board Diversity Policy

The Committee, the Board of Directors, and the Group as a whole continue to pay full regard to the benefits of diversity, including gender and ethnic diversity, when searching for candidates for the Board, the executive management team and all other appointments. The Board believes that better business decisions can be made by having representation from different genders and cultural backgrounds with differing skill sets, experience and knowledge which reflect our client base and the wider population.

Diversity of Board members is important to provide the necessary range of background experience, values and diversity of thinking and perspectives to optimise the decision-making process. Gender and ethnicity are important aspects of diversity which the Chair and the Committee will consider when deciding upon the most appropriate composition of the Board and its Committees.

This policy and its effectiveness is reviewed annually by the Nomination Committee with any changes recommended to the Board for its approval. If necessary, this policy will also be reviewed on an ad-hoc basis in consideration of any regulatory or governance developments in relation to Board diversity. At 31 December 2024, the Committee reports the Group's performance against the diversity targets set out in FCA UK Listing Rule 6.6.6(9) and UK Listing Rule 6 Annex 1R:

Gender Identity or Sex[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management[2]	Number in general workforce	Percentage of general workforce
Men	3	33.3%	2	5	62.5%	238	62.0%
Women	6	66.7%	2	3	37.5%	146	38.0%
Not specified/ prefer not to say	–	–	–	–	–	–	–

Note
1 This is based on employees' self-declared gender.

Ethnic Background[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[2]	Number in executive management[3]	Percentage of executive management[2]	Number in general workforce	Percentage of general workforce
White British or other White (including minority White groups)	7	77.8%	3	6	75.0%	195	50.8%
Mixed/multiple ethnic groups	–	–	–	–	–	18	4.7%
Asian/Asian British	1	11.1%	1	–	–	89	23.2%
Black/African/Caribbean/ Black British	–	–	–	1	12.5%	52	13.5%
Other ethnic group	1	11.1%	–	–	–	8	2.1%
Not specified/prefer not to say	–	–	–	1	12.5%	22	5.7%

Note
1 This is based on employees' self-declared ethnicity.
2 Chair, CEO, CFO and Senior Independent Director.
3 The Executive Committee including the Company Secretary but excluding administrative and support staff.

The Committee notes that the Group has achieved each of the targets set out in the relevant Listing Rules relating to the Board, but not for Executive management.

The Board believes an inclusive and diverse membership results in optimal decision-making and assists in the development and execution of a strategy which promotes the success of the Group in line with its overall cultural expectations and for the benefit of its stakeholders and will continue to work towards more diverse representation at all levels within the Group when opportunities arise.

Ann Cairns
Chair, Nomination Committee

12 March 2025

Audit Committee Report

Strengthening compliance and governance

Karen Jordan
Chair, Audit Committee

Committee membership and meeting attendance during the period under review

Members during the period under review	Attendance
Karen Jordan (Chair)	7/7
Caroline Brown	7/7
Noël Harwerth[1]	6/7
Jennifer Johnson-Calari	7/7

Note
1 Noël Harwerth was unable to attend one meeting but received all papers relating to the business of the meeting and had the opportunity to discuss any issues arising with the Committee Chair before the meeting.

I am pleased to present the Audit Committee Report for the period ended 31 December 2024. This Report aims to provide a comprehensive picture of the work we have undertaken as a Committee during the year.

The Committee's core duties remain unchanged: reviewing the integrity and quality of the Group's published financial information; reviewing the strength and effectiveness of the Bank's regulatory reporting framework; and maintaining focus on evaluating the effectiveness of the Group's controls environment.

The Committee continued to challenge and scrutinise financial reporting throughout the year, fulfilling our role of assisting the Board in determining the appropriateness of financial reporting.

The Committee is kept abreast of UK audit and governance reforms to ensure we are implementing any necessary or desirable changes to our audit and governance frameworks. Formal training and briefing sessions were provided during the year by several of the Group's advisers.

Key Responsibilities

In summary, the Committee's responsibilities include the following:

- monitoring and assessing the integrity of the financial statements, formal announcements and regulatory information in relation to the Group's financial performance, as well as significant accounting judgements
- reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting
- reviewing management's arrangements for compliance with the PRA's regulatory financial reporting
- reviewing and monitoring the relationship with the external auditor and overseeing its appointment, tenure, rotation, remuneration, independence, and engagement for non-audit services
- overseeing the work of the outsourced Internal Audit provision, monitoring and assessing the effectiveness, performance, resourcing, independence, and standing of the function

The terms of reference for the Audit Committee are available on the Company's website
https://cabpayments.com/investors/

The Committee's priorities in 2024 were:

- Overseeing the production of CAB Payments' first Annual Report as a listed entity.
- Monitoring the transition of outsourced Internal Audit arrangements from BDO to Grant Thornton.
- Receiving expert briefings on Consumer Duty, the new Failure to Prevent Fraud legislation and updates on the 2024 UK Corporate Governance Code and other financial reporting changes.
- Considering FRC feedback following their review of the Forvis Mazars 2023 year end audit of Crown Agents Bank Limited.
- Considering FRC Corporate Reporting Review of the 2023 CAB Payments Holdings plc Annual Report and Accounts.
- Reviewing preparations to comply with Provision 29 of the 2024 UK Corporate Governance Code dealing with the effectiveness of Internal Controls.
- Considering the control and oversight arrangements for the Group's Dutch subsidiary including internal audit arrangements.

After each Committee meeting, which take place approximately once every two months, I update the Board on the Committee's activities and raise any issues that require the Board's attention. I also have regular meetings with the CFO, the external auditors and the lead partner for our outsourced internal audit function.

Audit Rotation

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

Shareholder approval for PwC's appointment will be sought at the 2025 AGM and Forvis Mazars will resign as auditor after four years in position.

Karen Jordan
Chair, Audit Committee

12 March 2025

Fair, Balanced, and Understandable

The Audit Committee has undertaken a careful review to ensure that the Annual Report is fair, balanced, and understandable, and provides the necessary information for shareholders to assess the Group's consolidated position, performance, business model, and strategy.

The Committee and other Board members were consulted at various stages of the drafting of the Annual Report, as well as having the opportunity to review the Annual Report as a whole. In forming its opinion and recommendation to the Board in respect of the above matters, we assessed the following:

- A qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Accounts
- A review by the Committee of all material matters, as reported elsewhere in this Annual Report and Accounts
- A review of the ESG disclosures
- A risk comparison review, which assesses the consistency of the presentation of risks, and significant judgements throughout the main areas of risk disclosure in this Annual Report and Accounts
- Ensuring it correctly reflects:
  - the Group's position and performance as described on pages 8 to 13 and 32 to 37
  - the Group's business model, as described on pages 14 to 15
  - the Group's strategy, as described on pages 16 to 19

On the basis of this work, the Committee recommended, and in turn the Board confirmed, that it could make the required statement that the Annual Report is fair, balanced, and understandable.

Audit Committee Report continued

Significant Issues and Other Accounting Judgements

The critical accounting assumptions and key sources of estimation uncertainty considered by the Audit Committee in relation to the Annual Report and Accounts 2024 are outlined below and in more detail in Note 2 to the Financial Statements. Furthermore, the Audit Committee also considered the going concern statement set out on page 49 and discussed these with the external auditor during the year and, where appropriate, these have been addressed as areas of audit focus as outlined in the Independent Auditor's Report starting on page 108.

Management Override of Controls

The Audit Committee is aware of the risk that management overrides the control environment that is in place in order to misrepresent performance of the business. The effectiveness of internal controls is monitored by the Audit Committee both directly and through the continuing internal audit work undertaken by Grant Thornton during the period.

The Committee is aware that Professional Standards require the external auditor to communicate the fraud risk from management override of controls as significant; the independent assessments undertaken by Forvis Mazars and reported to the Committee supports ongoing work by management and the internal audit team to manage this risk.

Additional Areas of Financial Statement Risk

Completeness and Accuracy of Expected Credit Losses (ECL)

The Audit Committee understands that the impairment provision relating to the Group's loans and advances portfolio, including undrawn commitments, requires management to make judgements over the ability of the Group's debtors to make future repayments.

In conjunction with the Risk Committee, the Committee received reports from management and challenged the approach to provisioning for ECLs and provided oversight of the IFRS 9 framework including the Group's development of models to assess economic impacts. The Committee reviewed the key assumptions and judgements to ensure that these appropriately reflect the economic environment.

Impairment Reviews

The Committee receives regular updates on the assessment of goodwill, intangible assets, investments in subsidiaries for impairment and challenges the appropriateness of going concern insofar as the assessments reflect management's best estimate of the future cash flows of the business and the rates used to discount the cash flows, both of which are subject to uncertainty factors.

Right-of-use Asset and Related Lease Liabilities

The Committee understands that IFRS 16 requires lessees to recognise a right-of-use asset and a lease liability arising from a lease contract on its statement of financial position. The Committee has monitored the approach taken by management when assessing the relevant assumptions and estimates made when accounting for the two new leases that the Group has entered into during the period under review, in particular when considering the estimation of discount rates and dilapidation provisions. The Committee has ensured that appropriate independent advice has been taken by management to support their approach and provided robust challenge to the resulting accounting judgements applied.

Share-based Payments

The Committee is aware that the process of calculating share-based payments involves estimation and judgements which may result in the risk of material misstatement and maintains oversight of this process and the use of external specialists. Particular attention and challenge has been given to a modification applied to the 2023 LTIP award during the period under review, to ensure appropriate movements have been applied to the share-based payment reserve and expenses.

Internal Audit

The Audit Committee is responsible for reviewing and approving the role and mandate of the Group's internal audit function, and monitoring and reviewing the effectiveness of its work. Grant Thornton replaced BDO as the provider of internal audit services at the start of 2024. The 2024 Internal Audit Plan was approved in November 2023 and monitored and updated throughout the year. A high-level plan for 2025 was approved in November 2024.

The Audit Committee reviewed Grant Thornton's planned scope for each of its reviews and its reports on the outcomes of each review as well as monitoring progress in the implementation of the internal audit findings.

Going Concern and Viability Statements

The Audit Committee reviewed the Group's longer-term viability statement, set out on page 49. To do this, it ensured that the financial model used was consistent with the approved three-year Corporate Plan and that scenario and sensitivity testing aligned clearly with the Principal Risks and Uncertainties of the Group as described on pages 43 to 48.

Committee members challenged the underlying assumptions used and reviewed the results of the detailed work performed. As a result, the Audit Committee members were satisfied that the analysis supporting the viability statement had been prepared on an appropriate basis.

The Audit Committee also reviewed the going concern statement, set out on page 49 and confirmed its satisfaction with the testing methodology.

ESG and Climate Change Disclosures

The Committee, supported by the ESG Board Sub-committee, provided oversight of the disclosure risks in relation to ESG and climate reporting. The Committee monitored developments from a number of prominent consultations and considered them when reviewing the climate disclosures in this Annual Report, requesting further details on the pipeline of mandatory regulatory and externally committed ESG and climate-related disclosures over the short and medium term, including the delivery status. This allowed the Committee to consider management's development of a Group-specific framework to fulfil external disclosure requirements and commitments.

ESG reporting continues to evolve with few globally consistent reporting standards and a high reliance on external data. By aligning the Group's ESG targets and reporting with the UN Sustainable Development Goals, attaining B Corp status and seeking the external verification of greenhouse gas disclosures, the Committee receives external assurance from Carbon Footprint Limited that greenhouse gas disclosures were materially accurate, consistent, fair, and balanced during the year.

Committee Effectiveness

The Audit Committee evaluates its performance on an annual basis. This year, the assessment formed part of the wider Board and Committee Performance Review, undertaken by Odgers Berndtson. The results of the review were discussed by the Committee and reported to the Board.

Based on responses to the Performance Review in the form of a survey and individual interviews by Odgers Berndtson, the Committee was satisfied with its performance since the last review. The Review highlighted enhancing capability of Committee members in the areas of Trade Finance and Financial Services Technology as areas of focus for 2025.

External Audit

The Audit Committee oversees the Company's relationship with, and the performance of, the external auditor. This includes responsibility for monitoring its independence, objectivity and compliance with the relevant regulatory requirements.

Appointment and Tenure

Forvis Mazars LLP has been the Group's external auditor for four years. The Company's standard approach is for no external auditor to stay in post for longer than 20 years and for tender exercises to be undertaken at least every ten years. However, as described below, a competitive tender was held during the period under review. Full details of how the tender was undertaken can be found on pages 75 and 76.

The Committee notes and confirms compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order') in respect of statutory audit services for FTSE 350 companies.

There are no contractual obligations in existence that restrict the Company's choice of external auditor.

Effectiveness

The Audit Committee assessed the performance of Forvis Mazars LLP on an ongoing basis, with particular attention to the mindset and culture, skills, character and knowledge, quality control and judgement in its handling of key judgements, its responsiveness to the Committee, and its commentary, where appropriate, on the systems of internal control. The Committee can confirm that, in its view, the external auditor performed effectively in 2024. However, as detailed on pages 75 and 76, the Committee has taken the decision to appoint PwC as external auditors for 2025, subject to approval by shareholders at the 2025 AGM.

The Audit Committee holds private sessions with both the internal and external auditor on a regular basis during the year, without Executive Directors or senior management in attendance. This facilitates the ability of the auditors to raise any issues of concern.

Independence and Objectivity

The Audit Committee ensures adequate safeguards are in place to ensure the independence of the external auditor.

These include:

- non-audit work is subject to the policy detailed below and the non-audit team does not prepare anything which would be relied upon in the Group audit;
- work performed is subject to an independent professional standards review and Engagement Quality Control Review process;
- the Audit Committee considers the reappointment of the external auditor, including the rotation of the audit partner, annually; and
- the external auditor attests its independence and objectivity to the Audit Committee on an annual basis.

As part of the engagement process for the 2024 external audit, Forvis Mazars LLP has confirmed that its engagement team and others in the firm as appropriate are independent and comply with relevant professional ethical requirements. In giving its approval for all non-audit services, including audit-related services, provided by Forvis Mazars LLP to the Company during the year, the Audit Committee satisfied itself that the provision of such services was not a concern and that appropriate safeguards were in place to preserve the auditor's independence and objectivity.

Review of Audit Quality by the Financial Reporting Council (FRC)

In September 2024, the FRC provided the Committee with a report on their findings following an inspection of the quality of Forvis Mazars LLP's audit of the financial statements of Crown Agents Bank Limited for the year ended 31 December 2023. The FRC noted that there were no key or significant findings identified. The Committee has reviewed the report received from the FRC and discussed with the audit partner the two other findings that were identified as part of the inspection. The Committee is satisfied with the enhanced procedures that were undertaken by Forvis Mazars LLP to address the other findings as part of the 2024 audit.

Audit Committee Report continued

Corporate Reporting Review by the FRC

The Corporate Reporting Review team at the FRC notified the Committee Chair in November 2024 that they carried out a review of the CAB Payments Holdings plc Annual Report for the year ended 31 December 2023 and had no questions to raise, although they noted two areas for improvement in the 2024 accounts:

- Adjusting items (formerly Non-recurring costs) – it was noted that further information was expected to be provided in the annual report as to what these costs comprised and this is now provided through Note 8a) to the Financial Statements which begins on on page 143.
- Dividend accounting policy – for additional clarity, Note 1v) to the Financial Statements on page 136 has been expanded to confirm that dividends are recognised in the financial statements in the period they are paid.

The Committee notes that the scope of this review is inherently limited, as noted in the FRC's operating procedures for corporate reporting reviews.

Non-audit Work

The Group has a formal policy on the use of the external auditor for non-audit work, which is reviewed annually. The policy stipulates that non-audit work should only be awarded to the external auditor when there is clear reason to prefer it over alternative suppliers, following a rigorous procurement process. All awards of non-audit work to the external auditor are monitored to ensure that their independence, and perceived independence, are not compromised.

The Audit Committee must approve in advance any award of non-audit work with an aggregate value in excess of £50,000. The Chair of the Audit Committee must approve any non-audit work with an aggregate value of £25,001 to £50,000.

During 2024, Forvis Mazars LLP provided the following non-audit services to the Group, which were considered to be permissible non-audit services:

Service	Fees (£000)
H1 review	225
Profit verification for CPH and CAB for period to 30 June 2024	50
Limited assurance review in respect of CAB claim not to hold client money or custody assets	35
Total	310

Forvis Mazars LLP's fees for non-audit work during the year were £0.31m (2023: £1.57m). In addition to the fees noted here, Forvis Mazars charged an additional 3% to cover administration costs of the services provided.

External Audit Tender

Compliance Statement
During 2024, the Audit Committee, Executive Directors and members of senior management have been involved in conducting a rigorous and detailed external audit tender for the 2025 year end audit.

The Committee confirms that for the year ended 31 December 2024, it has complied with the Audit Committees and the External Audit: Minimum Standard and that the external audit tender was conducted free from third-party influence, and consistently applied the key principles.

Preparation
Ongoing and transparent dialogue with our shareholders is important to us and informs the Board's decision-making.

We announced the tender in our H1 Trading Update on 25 July 2024.

In advance of the tender the following tasks were performed by the Committee:

- Reviewed best practice guidelines on external audit tenders
- Agreed the tender process timetable
- Discussed the key attributes required from our External Auditor and the Lead Audit Partner
- Identified suitable firms for tender process

Process
The Committee carefully tailored a long list of candidate firms to ensure that they had the experience, track record and capacity to perform a robust audit. The long list included the current incumbent firm, Forvis Mazars, as well as three firms from the 'Big 4'.

Documentation was provided to all firms in August 2024, setting out the planned timetable for the process and providing details about our Group, supplemented by information in a secure data room. The process was driven by the Audit Committee with support from the CEO, the CFO, and the Finance and Procurement functions.

One of the 'Big 4' firms declined to participate primarily due to their existing commitments in the timeframe of the tender process. The original timeframe for a decision was October but this was delayed at the Group's request due to the Board's receipt of the unsolicited proposal from StoneX. The remaining three firms provided written responses within the deadline set and were given the opportunity to meet with members of senior management and the Chair of the Committee to help them to understand the Group's requirements when preparing their proposals.

Presentations by all firms to the Audit Committee were held in October and November, with a scorecard template being used to assess each firm based on the selection criteria outlined in the tender documentation.

The Committee remained consistently involved throughout the tender process. The presentations were attended by members of the Committee and senior managers from the Finance team.

Approach to Fees
Throughout the tender process the primary focus of the Committee has been on securing a firm who will provide a robust and independent audit.

Although the approach to fees was outlined by each firm in advance, consideration of fees only became a focus when the Committee prepared to make its final recommendation to the Board.

Audit Committee Report continued

Audit firm selection criteria:

Capability and competence (including reputation)
- Knowledge and experience, particularly on payments audits
- Team skillset and expertise in the financial services industry and with listed companies
- The firm's independence, internal quality processes and performance assessed by the Audit Quality Review
- ESG assurance capability

Audit approach
- Clear audit plan based on transparent risk assessment of the business
- Ability to demonstrate independence and challenge
- Approach to systems and controls reliance and ability to deliver insights and added value
- Plans to use technology to drive efficiency and insight
- Approach to judgemental issues, including timing, use of experts and communication to the Audit Committee
- Clarity on fees, time spent and staffing mix

Alignment with the Group's values
- Culture of the audit firm
- Approach to diversity and inclusion within the firm and audit team
- Ability to build a practical working relationship with management and the Audit Committee

Quality of deliverables
- Clarity and conciseness of proposal document and presentation
- Behaviour of team: quality of interaction, organisation and preparation
- Ability to demonstrate independence and challenge

Approach to transition
- A clear and well thought out transition plan

Recommendation to the Board
On 2 December 2024, a robust discussion was held by the Committee to agree its recommendations for the Board. The Committee took into consideration the feedback from individual Committee members, Executive Directors and members of the Finance team. It was agreed that all three shortlisted firms were appointable candidates who had performed well throughout the tender; however, careful consideration was given to the set criteria on audit expectations.

At the Board meeting on 12 December 2024, the Audit Committee recommended two of the shortlisted firms. After a detailed discussion, the Board agreed to appoint PwC LLP as the External Auditor for the 2025 year end audit, subject to shareholder approval at the 2025 AGM.

Risk Committee Report

Reviewing internal controls and risk management

Jennifer Johnson-Calari
Chair, Risk Committee

Committee membership and attendance during the period under review

Members during the period under review	Attendance
Jennifer Johnson-Calari (Chair)	6/6
Caroline Brown	6/6
Noël Harwerth[1]	5/6
Karen Jordan	6/6

Note
1 Noël Harwerth was unable to attend one meeting but received all papers relating to the business of the meeting and had the opportunity to discuss any issues arising with the Committee Chair before the meeting.

The Risk Committee provides key governance oversight of the Group's activities, working to ensure that the Group's strategic, emerging and evolving risks are understood and well managed.

Continued volatility in global markets, along with ongoing political and macro-economic upheaval combine to form a challenging backdrop against which the Committee has discharged its duties. The Committee has responded positively to these challenges while remaining mindful of the increasing regulation and supervision.

The Committee remains focused on the risks to the Group's strategic, business and regulatory agenda based on the Board-approved risk appetite. During the period under review, the Committee continued to monitor closely the Group's capital and liquidity and recommended the ICAAP and ILAAP to the Board for approval. Regulatory capital management continues to be a focus for the Committee and the Group's capital strength will continue to be monitored regularly.

I have been encouraged by the discussions held at Committee meetings led by a strong set of Committee members and attendees who continue to drive the monitoring of the key risks facing the Group and are able to challenge views and input to proposals as required. I report to the Board after each Committee meeting on the main issues discussed and matters for recommendation to the Board and, as Chair, I interact regularly with the Chief Risk Officer and other members of management as appropriate, to discuss key items in focus.

Looking forward, our refreshed strategy will require us to continue to monitor closely strategic performance risk and credit risk, in tandem with maintaining the stability of the Group's overall risk profile through the coming year.

Jennifer Johnson-Calari
Chair, Risk Committee

12 March 2025

The CEO, CFO and CRO attend each Committee meeting, along with the Head of Operational Risk, Head of Prudential Risk, Head of Credit Risk and Money Laundering Reporting Officer. The External Auditor is also invited to be represented at all meetings.

Key Responsibilities

The role of the Risk Committee is to advise the Board (which retains overall responsibility for risk management) on, among other things:

- the overall risk appetite, tolerance, and strategy, and the principal and emerging risks the Group is willing to take in order to achieve its long-term strategic objectives
- seeking assurance on the risks the Group has identified as those to which the business may be exposed
- the likelihood and the impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact
- overseeing the Group's policies, procedures, and arrangements for capturing and responding to whistleblower concerns and ensuring they are operating effectively
- the risk aspects of proposed changes to strategy, strategic transactions, and new products, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on implications for the risk appetite, tolerance, and strategy of the Group, and taking independent external advice where appropriate and available

Risk Committee Report continued

Committee Effectiveness

The Risk Committee evaluates its performance on an annual basis. This year, the assessment was facilitated as part of the wider Board and Committee Performance Review, undertaken by Odgers Berndtson. The results of the review were discussed by the Committee and reported to the Board.

Based on responses to the Performance Review in the form of a survey and individual interviews by Odgers Berndtson, the Committee was satisfied with its performance since the last review. The Review highlighted identification of emerging risks and preparations for reporting under Provision 29 of the 2024 Corporate Governance Code as areas of focus for 2025.

Activities During the Year

Information on the risk management activities undertaken by the Group and the Committee can be found in the Risk Management section of the Strategic Report on pages 38 to 48.

Emerging and Evolving Risks

The Committee also maintained oversight of emerging and evolving risks that could potentially impact the Group. Further details on the emerging and evolving risks, along with additional information on the Group's principal risks and uncertainties, can be found in the Strategic Report on pages 43 to 48, and more detailed information on the Group's approach to risk appetite, risk culture, and risk management framework can be found on pages 38 to 39.

Whistleblowing

The Committee oversees the operation of the Group's Whistleblowing Policy, with Committee member (and Chair of the Audit Committee) Karen Jordan acting as the Whistleblower's Champion for the Group.

The Group operates a Whistleblowing reporting service, which provides an anonymous, secure and easy way for colleagues to raise any concerns through a number of confidential channels, including an independent external whistleblowing hotline, available 24/7. Robust structures are in place to process whistleblower reports that include a dedicated team that receives reports and ensures a thorough, independent, and confidential investigation is undertaken. Upon receipt of a report the team assesses the concerns and appoints an appropriate manager to undertake an investigation on a confidential and anonymous basis, and ensure any remedial action is taken.

Employees receive regular training on whistleblowing procedures, with regular reminders of the availability of the confidential helpline and other reporting channels.

> The terms of reference for the Risk Committee are available on the Company's website **https://cabpayments.com/investors/**

Directors' Remuneration Report

Aligning reward with performance

> As Chair of the Remuneration Committee of CAB Payments, I am pleased to present our Directors' Remuneration Report (DRR)."

Noël Harwerth
Chair, Remuneration Committee

Committee membership and attendance

Current members	Attendance
Noël Harwerth (Chair)	6/6
Caroline Brown	6/6
Ann Cairns	6/6
Susanne Chishti [1]	1/1

Former members	Attendance
Mario Shiliashki [2]	2/4

Notes
1 Susanne Chishti joined the Committee effective 4 November 2024.
2 Mario Shiliashki was unable to attend the Committee meetings held on 22 January 2024 and 2 February 2024 but received all papers relating to the business of the meeting and had the opportunity to discuss any issues arising with the Chair before the meeting. Mario stepped down from the Committee when he stepped down as a Director of the Company on 3 September 2024.

The Remuneration Committee will ensure that pay is closely linked to the business strategy and generates a strong alignment of interest with all our stakeholders.

This report is divided into three sections:

- This Annual Statement, which summarises the work of the Committee, our approach to Directors' remuneration in the context of the Group's performance and our wider workforce policies;
- The Directors' Remuneration Policy (the 'Policy') section, which details the framework under which Directors' pay is set and how it links to strategy; and
- The Annual Report on Remuneration, which sets out the remuneration outcomes for 2024 and how the Committee intends to implement the Policy in 2025.

Background and Role of the Remuneration Committee

The Committee comprises Noël Harwerth (Chair), Caroline Brown and Susanne Chishti, all of whom are independent Non-executive Directors and Ann Cairns, the Chair of the Board. Mario Shiliashki stepped down from the Committee effective 3 September 2024. Susanne Chishti joined the Committee effective 4 November 2024.

The full terms of reference of the Committee are available on the Company's corporate website at https://cabpayments.com/investors/. In summary, the Committee's responsibilities are as follows:

- To develop the Group's policy on executive remuneration and monitor its ongoing appropriateness and effectiveness;
- To determine the levels of remuneration for the Executive Directors, senior management, and the Chair of the Board (ensuring that no individual is involved in any decisions relating to their own remuneration outcome);
- Oversee the remuneration policies and practices of our wider workforce and ensure that our policy for the senior team is consistently structured;
- Ensure that any applicable regulations, whether connected to our status as a regulated bank or as a listed company more generally are followed proportionately; and
- Oversee the operation of the Company's share schemes.

Directors' Remuneration Report continued

Market Context

At set out in the Strategic Report on page 12, 2024 has been a challenging year for business performance. In addition, a possible offer for the Company fell away in November (see page 63).

Our new Chief Executive Officer (CEO), Neeraj Kapur, received regulatory approval on 13 June 2024 and took over the role of Group CEO from Bhairav Trivedi on 20 June 2024. Neeraj joined on 23 February 2024 as CEO designate and worked with Bhairav Trivedi on a smooth transition of responsibilities until Neeraj received regulatory approval and was appointed as CEO.

In September, we announced a new execution focused strategy for the Group based on four areas: our network, our clients, our platform, while continuing to invest and innovate. Further details on our new strategy can be found on page 16. Under this new strategy, we will position ourselves to deliver at scale going forward.

It is in this context the Remuneration Committee has assessed remuneration outcomes for FY24 and considered the operation of the Policy for FY25.

Board Changes

Bhairav Trivedi stepped down as Group CEO on 20 June 2024 but remains with the Group as a Senior Adviser to the Board. It was agreed that he would not participate in the 2024 annual bonus plan. As a 'Good Leaver' under the rules of the Long-term Incentive Plan (LTIP) his FY23 LTIP award has been retained and will continue on its original terms, pro-rated for his service in employment during the vesting period. He did not receive an LTIP award for FY24. The post-cessation shareholding requirement, which requires Bhairav to hold shares to the value of 200% of salary for two years post-cessation of employment, will apply from his employment termination date. Bhairav remains subject to malus and clawback provisions under the Policy. After Bhairav stepped down as Group CEO, he continued to receive his salary and benefits and was eligible to participate in an incentive plan for his service in 2024 in his new role as a Senior Adviser to the Board.

Richard Hallett ceased employment and stepped down as Group Chief Finance Officer (CFO) on 10 February 2025. Richard receives a payment in lieu of notice relating to 12 months' salary, pension allowance and annual leave. He also receives a payment of £35,000 in lieu of benefits, including a contribution towards the cost of specialist careers coaching and advice, and a contribution up to the value of £20,000 plus VAT towards the reasonable legal fees incurred by him in connection with his cessation of employment. As a 'Good Leaver' under the LTIP, his FY23 LTIP and FY24 awards have been retained and will continue on their original terms, pro-rated in each case for service during the vesting period. He is required to hold shares to the value of 200% salary for two years post-cessation of employment. Richard's discretionary bonus award for 2024 shall be nil. Richard is eligible to receive a discretionary bonus award for 2025, pro-rated for his service during the 2025 financial year. Richard will not be eligible for any further discretionary bonus with respect to 2026 or any other period after cessation of employment with the Company. He remains subject to malus and clawback provisions under the Policy.

On 5 March 2025 we announced James Hopkinson will join as CFO, subject to regulatory approval.

Remuneration Payable in Respect of FY24

The base salary of the CEO of £675,000 remained unchanged since the confirmation of his appointment as our CEO on 13 June 2024. The base salary of the Chief Financial Officer (CFO) remained unchanged from that set at the time of Admission on 6 July 2023.

When considering the annual bonus outcome for the Executive Directors, the Committee uses a scorecard of measures which reflects financial and non-financial performance and aligns with the interests of our stakeholders. Each measure has a threshold, target and maximum defined, with payout calculated on a straight-line basis between these points.

The 2024 bonus scorecard outcome for Neeraj is set out on page 92. Although the targets for the financial performance measures were not met, good progress was made against the targets for the non-financial performance measures: the Company reduced its reliance on the top five currencies, received an EEA Payment Service Provider Licence in March 2024, and retained its B Corp status and Ecovadis Gold rating. This performance results in a moderate bonus pay-out of 18.75% of the maximum opportunity.

Accordingly, the Remuneration Committee is satisfied that the remuneration payable to the CEO in relation to 2024 performance appropriately reflects the underlying performance of the business against our core strategic priorities over the period, balanced against the shareholder experience. One third of the bonus payable (net of tax) will be used to purchase shares in the Company which are required to be held for three years.

As noted above, it was agreed that the former CFO, Richard Hallett, would not be awarded a bonus in respect of 2024.

No LTIP award was eligible to vest in respect of FY24 as the first LTIP award was granted in 2023 following the Group's Admission.

FY24 LTIP Award Grant

In light of the refreshed strategy, the difficulty setting performance measures and targets for the new award and the subsequent proposed offer for the Group during the year, the grant of the FY24 LTIP awards was delayed until November 2024.

The LTIP grant level to our new CEO was 150% of salary. The LTIP grant level for our former CFO was scaled back from the normal level of 130% of salary by 20% to 104% of salary taking into account the fall in share price since Admission.

The performance conditions applying to the award are 67% adjusted EPS and 33% TSR relative to a bespoke group of peer companies.

The Committee reviewed the TSR peer group during the year and changed the peer group from the FTSE 250 to a bespoke group of companies operating primarily in the banks, consumer lending, mortgage finance, and transaction processing services sectors with market capitalisations under £2bn. This peer group is considered to be more relevant to the Group than a pan-sector index approach as it will reward for outperformance of our more direct UK listed competitors. The full peer group is set out on page 93. The target range for the TSR measure is median performance for threshold vesting and upper quartile performance for maximum vesting, which is unchanged.

For the 2024 award, the target range for adjusted EPS is 14.2p for threshold vesting and 21.2p for maximum vesting in the year ending 31 December 2026. The Committee considered these targets to be sufficiently stretching in line of consensus and internal forecasts at the time of grant.

Operation of the Policy in FY25

An overview of the remuneration arrangements for FY25 is set out below:

- There will be no increase to the CEO's salary for FY25. The CEO's salary was set at £675,000 on appointment. Our new CFO's salary was set at £450,000 on appointment.
- Pension provision for our Executive Directors is aligned to the rate applicable to the UK workforce (currently up to 10% of salary).
- The maximum annual bonus opportunity is 150% of salary for the CEO and 130% of salary for a CFO. One third of any bonus earned, post-tax, will be used to buy Company shares which must be held by the executive for three years. The performance conditions for FY25 will be based on a blend of financial metrics (60% of the total) and non-financial metrics (40%). More specifically, the financial metrics will be adjusted EBITDA margin (15%), gross income (15%), free cash flow conversion (10%), ex-London income (5%), trade finance income (5%), net interest income (5%), and customer deposits (5%). Our non-financial strategic metrics comprise risk management (15%), network (10%), employee engagement (10%), and ESG (5%).
- LTIP awards will be granted to Executive Directors in FY25. Vesting of the awards will be conditional on the achievement by 31 December 2027 of stretching Earnings Per Share targets (for 60% of the award), on cost-income ratio (for 20% of the award) and on adjusted EBITDA per average full-time equivalent headcount (for 20% of the award). In selecting the metrics applying to the LTIP, the Committee gave careful consideration to the measures which were felt to best align to our refreshed strategy. The measures chosen provide this alignment, through a combination of maintaining our core focus of strong EPS growth, whilst also introducing metrics to directly target cost and operational efficiencies.

Broader Workforce Arrangements Across CAB Payments and Engagement with the Workforce

All employees participate in the discretionary annual bonus plan.

The Remuneration Committee was delighted to approve the grant, on 26 March 2024, of an award of 1,000 free shares per participant under the Share Incentive Plan. In September, the Committee was pleased to offer eligible employees the opportunity to buy partnership shares under the Share Incentive Plan and receive one matching share for every four partnership shares so bought. The Share Incentive Plan gives eligible employees the opportunity to become shareholders in the Company and share in future success.

During the year Susanne Chishti, our NED responsible for workforce engagement, and I met with a focus group of employees from different business areas and of different seniorities across the Group. In this session we discussed the role of the Remuneration Committee and its responsibility in setting pay for senior employees and how this varies throughout the business. Employees had the opportunity to discuss their views on pay and benefits and ask wider remuneration questions, including in relation to our gender pay gap and our recruitment process. Employees fed back that they found this session informative.

UK regulations require companies with more than 250 UK employees to report their gender pay gap. This is the second year for which the Group has been required to report the gender pay gap and the Group will publish its report at the snapshot date of 5 April 2024 in full on the gender pay gap service website https://gender-pay-gap.service.gov.uk/ by 4 April 2025.

As part of our journey to create a truly inclusive culture, CAB has been a signatory of the HM Treasury's Women in Finance Charter since 2021. By signing up to the Charter we have an ongoing commitment to promote gender diversity and support the progression of women in our industry. Further details of our gender diversity and progress towards our Women in Finance targets are set out on page 69 of this Report.

On behalf of the Committee, thank you for reading this report and we hope that you will be supportive of the remuneration report resolutions at the AGM on 30 April 2025. During the year there were no remuneration-related matters that required the Committee to consult with our shareholders. However, we would encourage any shareholders wishing to discuss any remuneration-related matters to reach out to me and I will be delighted to engage with you.

Noël Harwerth
Chair, Remuneration Committee

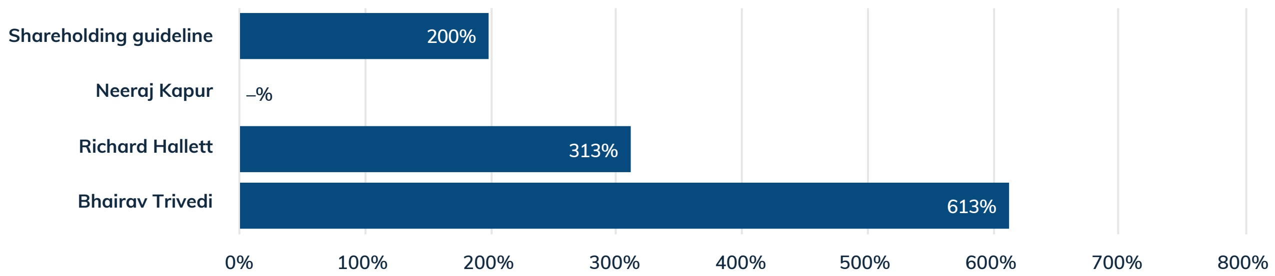
12 March 2025

Directors' Remuneration Report continued

Executive Director Remuneration at a Glance

Performance Snapshot

Share ownership[1]



Note:
1 Snapshot shown as at 31 December 2024. The closing share price on 31 December 2024 was 68.7 pence.

Overview of the Policy and Implementation for 2025

	CEO Neeraj Kapur	CFO James Hopkinson[1]
Base Salary	£675,000	£450,000
Pension and ancillary benefits	Pension contributions are in line with the wider workforce (currently up to 10% of base salary) which may be taken as a cash allowance in lieu of pension. Benefits comprise medical insurance, income protection and life assurance cover.	
Annual bonus plan	• Maximum: 150% of base salary • Target: 75% of base salary	• Maximum: 130% of base salary • Target: 65% of base salary
	Performance scorecard for 2025: • Financial performance conditions (60%), comprising adjusted EBITDA margin (15%), gross income (15%), free cash flow conversion (10%), ex-London income (5%), trade finance income (5%), net interest income (5%), and customer deposits (5%). Non-financial strategic performance conditions (40%), comprising risk management (15%), network (10%), people – employee engagement (10%), and ESG (5%). • Structure: one third of the post-tax bonus will be used to purchase shares which must be held for three years, the remaining two-thirds will be paid in cash.	
Long Term Incentive Plan	• Maximum grant level: 150% of base salary	• Maximum grant level: 130% of base salary
	• **Performance measures for 2025-27:** – Adjusted EPS (60%), cost:income ratio (20%) and adjusted EBITDA per head (20%). – Structure: three-year performance period and two-year holding period.	
Minimum shareholding requirement	• In-employment: 200% of base salary. • Post-employment: 200% of base salary to be held for two years.	

1 On 5 March 2025 we announced James Hopkinson will join as CFO, subject to regulatory approval. Richard Hallett ceased employment and stepped down as Group CFO on 10 February 2025. An explanation of Richard's remuneration for 2025 is set out on page 80.

Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by shareholders at the AGM on Thursday, 9 May 2024 and is intended to apply for a period of up to three years from that date. The Policy is set out in full in the Directors' Remuneration Report in the Company's annual report for 2023.

Decision-making Process for Implementation of Policy

The Policy was developed by the Committee prior to the Company's Admission to the London Stock Exchange, taking into account the following:

- strong alignment with financial and operational performance as well as the Group's strategy, purpose, culture, and KPIs;
- provision 40 of the Code as set out below;
- institutional shareholder and proxy adviser views, corporate governance, market best practice, and compliance with prevailing applicable regulations of the PRA and the FCA;
- promotion of long-term Executive Director share ownership to align the interests of shareholders and Executive Directors;
- the importance of attracting, retaining, and motivating high-calibre Executive Directors;
- the policies in place prior to IPO, with a focus on ensuring a smooth transition from our pre-IPO and post-IPO remuneration structures; and
- workforce remuneration arrangements, policies, and practices.

Note, where relevant regulatory requirements are more onerous than the provisions within the Policy, these will be adhered to.

The Committee takes into account the shareholders' feedback and the views of management and advice received from its independent remuneration consultants when reviewing the implementation of the Policy. No individual is involved in discussions about their own remuneration.

The implementation of the Policy is considered annually by the Committee for the year ahead in light of the strategic priorities. Incentive metrics and target scales are also reviewed based on a number of internal and external reference points to check if they remain appropriate or need to be recalibrated.

The Policy has been tested against the six factors listed in Provision 40 of the Code:

- **Clarity** – the Policy is clear and disclosed in full in the 2023 DRR. The Remuneration Committee will engage regularly with the Company's largest shareholders ahead of material changes to the Policy, and as necessary with regards its operation. Engagement with the workforce has been undertaken.
- **Simplicity** – the rationale for each element of the Policy is clearly set out in the Policy. Remuneration structures are simple and in line with standard market practice for UK listed companies. Prospective disclosure of annual bonus measures for the year ahead and the LTIP performance metrics and targets has been made in the description of the implementation of the Policy. Retrospective disclosure of outcomes against targets will be provided in the relevant DRR following the end of the performance period.
- **Risk** – the Policy has been shaped to discourage inappropriate risk taking through the inclusion of a broad scorecard of metrics (comprising both financial and non-financial measures for variable pay), deferral of part of the annual bonus, and the LTIP. The Remuneration Committee also has discretion to adjust the formulaic outcome of incentive awards and will monitor variable remuneration outcomes, and adjust them as necessary to take account of ex-post and ex-ante risk. In addition, clawback and malus provisions apply, and in-employment and post-employment shareholding requirements.
- **Predictability** – certain elements of the Policy are subject to overall caps and dilution limits. The potential pay-outs under different levels of performance have been illustrated in the scenario charts in the Policy. The circumstances in which the Remuneration Committee may exercise its discretion are clearly set out in the Policy.
- **Proportionality** – there is a sensible balance between fixed pay and variable pay that is appropriate to the sector, growth profile of the business and the Group's size and complexity. The annual bonus and LTIP are both subject to performance conditions that consider both financial and non-financial performance linked to strategy, the delivery of strong results, and superior returns to shareholders. The Remuneration Committee will ensure outcomes will not reward poor performance through Remuneration Committee discretion, malus and clawback provisions, and risk alignment.
- **Alignment to culture** – the Remuneration Committee reviews Group culture and wider workforce policies and practices when determining the remuneration policy for Executive Directors. In determining Executive Director remuneration outcomes and the operation of the Policy going forward, a key consideration of the Remuneration Committee will be on fairness and the remuneration outcomes across the workforce.

Directors’ Remuneration Report continued

Remuneration Policy Table

Remuneration element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Base Salary			
Provide a base level of remuneration to help us acquire, retain and motivate top talent.	Salaries are normally reviewed annually, and any changes are normally effective from the beginning of the financial year. The review will take into account several factors including (but not limited to): • The Director’s role, experience, and skills; • The Director’s performance; • The remuneration policies, practices, and philosophy of the Group; • Pay conditions in the Group; • Business performance; • Market data for similar roles and comparable companies; and • The economic environment.	Having been set based on relevant factors, base salaries will normally be increased no higher than the rate of increase for the wider workforce. Higher increases may be permitted where appropriate, for example where there is a change to role or there is additional responsibility or complexity.	None.
Benefits			
To provide a market competitive level of benefits based on the market in which the Executive is employed.	The Executive Directors receive benefits which include, but are not limited to, medical insurance, income protection, and life assurance cover, although any such reasonable benefits that the Committee deems appropriate may also be offered. The Remuneration Committee retains the discretion to be able to adopt other benefits including (but not limited to) relocation expenses, tax equalisation, and support in meeting specific costs incurred by Directors. Any reasonable business-related expenses can be reimbursed, including the tax thereon if determined to be a taxable benefit. The Remuneration Committee reviews benefit eligibility and cost periodically.	The maximum will be set at the cost of providing the benefits described.	None.
Pensions			
To provide market competitive retirement benefits.	Directors may elect to receive either a contribution to the Group pension scheme, or a cash equivalent.	Pension contribution rate in line with rate applicable for the UK workforce (currently up to 10% of base salary). Where a cash equivalent is taken, this will be at a consistent rate (i.e. currently 10% of base salary).	None.

Remuneration element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Annual Bonus Plan			
To reward annual performance against financial and non-financial KPIs and to encourage long-term sustainable growth and alignment with shareholders' interests through partial payment in shares.	The Remuneration Committee will determine the annual bonus payable after the year end, based on performance against targets. No more than two thirds of the annual bonus will be paid out in cash after the end of the financial year. The remaining amount (net of tax) will be used to purchase shares in the Company which the Executive is required to hold for three years. The holding period will normally continue to apply post cessation of employment. Shares purchased from bonus will be beneficially owned, and are not subject to forfeiture. Malus and clawback provisions will apply for a period of three years following any annual bonus payment.	The maximum annual bonus opportunity for the Executive Directors is as follows: • CEO – 150% of base salary • CFO – 130% of base salary	Annual bonus pay-outs are determined based on the satisfaction of a range of key financial and non-financial/ strategic objectives set by the Remuneration Committee. The majority of the performance measures will be based on financial performance. Performance measures and their respective weightings will be set each year in line with Company strategy. No more than 25% of the relevant portion of the annual bonus is payable for delivering a threshold level of performance, and no more than 50% is payable for delivering a target level of performance (where the nature of the performance metric allows such an approach). In determining the outcome, the Committee will engage with the Risk Committee to take into account relevant risk factors. The Remuneration Committee has the discretion to adjust the formulaic annual bonus outcome if the Remuneration Committee believes that such outcome is not a fair and accurate reflection of wider performance factors and/or stakeholder experience, including having the discretion to scale back the outcome (including to zero) if there has been a negative event.

Directors' Remuneration Report continued

Remuneration element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
LTIP			
To encourage long-term sustainable growth and to provide alignment with shareholders' interests.	Awards can be granted in the form of conditional shares or nil cost options. Awards will vest at the end of a performance period of at least three years, subject to the satisfaction of performance conditions and provided that the Executive remains employed by the Group. The net of tax number of shares that vest will be subject to an additional two-year holding period, during which the shares cannot be sold. The holding period will normally continue to apply post cessation of employment. Dividends or dividend equivalents may accrue on LTIP awards over the vesting period and, to the extent that the award vests, are paid on vesting. Malus and clawback provisions will apply for a period of three years post vesting.	The policy maximum is 150% of salary, with the normal maximum award level for the Executive Directors as follows: • CEO – 150% of base salary • CFO – 130% of base salary	Performance will be assessed against a range of financial, stock market-based and/or non-financial (including ESG) performance measures determined at the time of each grant and set by the Remuneration Committee taking into account business strategy. Threshold performance under each metric will result in no more than 25% of that portion of the award vesting. In determining the outcome, the Remuneration Committee will engage with the Risk Committee to take into account relevant risk factors. The Remuneration Committee has the discretion to adjust the formulaic outcome of the LTIP if the Committee believes that such outcome is not a fair and accurate reflection of wider performance factors and/or stakeholder experience, including having the discretion to scale back the outcome (including to zero) if there has been a negative event.
All-employee Share Plans			
To provide alignment with Group employees and to promote share ownership.	The Executive Directors may participate in any all-employee share plan operated by the Company.	Participation will be capped by the HMRC limits applying to the respective plan.	None.

Remuneration element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Shareholding Requirement			
To provide alignment with shareholders' interests.	**During employment** Executives are required to build up and retain a shareholding equivalent to 200% of their base salary. Until the shareholding requirement is met, Executive Directors will be required to retain 50% of the net of tax shares they receive under any incentive plan. **Post-employment** Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary for a period of two years.	200% of salary.	None.
Non-executive Directors			
To provide an appropriate fee level to attract and retain Non-executive Directors and to appropriately recognise the responsibilities and time commitment of the role.	Non-executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and as the Chair or member of Board Committees. Fees will typically be reviewed annually. Additional fees may be payable to reflect other additional responsibilities and/or additional/unforeseen time commitments. The Chair of the Board receives an all-inclusive fee. Neither the Chair of the Board nor the Non-executive Directors participate in any incentive plans.	The fee for the Chair of the Board is set by the Remuneration Committee, the Non-executive Directors' fees are set by the Chair of the Board and the Executive Directors. In general, fee level increases will be no higher than the salary increase awarded to the rest of the workforce. The Company will reimburse any reasonable expenses incurred (and related tax if applicable).	None.

Directors' Remuneration Report continued

Malus and Clawback

The Committee may, at any time within three years of LTIP awards vesting or the payment of the annual bonus, determine that malus or clawback provisions may apply in the following circumstances:

i. where the number of shares vesting to a participant or cash payout awarded was based on an error, or inaccurate or misleading information;
ii. fraud or gross misconduct by a participant;
iii. material financial misstatement;
iv. corporate failure of the Group;
v. significant reputational damage; or
vi. any other applicable circumstances prescribed or recommended by the Group's regulators.

To the extent that prevailing regulations require a stricter application of malus and clawback, the Policy will be based on the stricter requirements.

There are robust mechanisms in place to ensure that these provisions are enforceable, including provisions within Executive Directors' service contracts and the relevant incentive scheme rules.

Remuneration Scenarios for Executive Directors

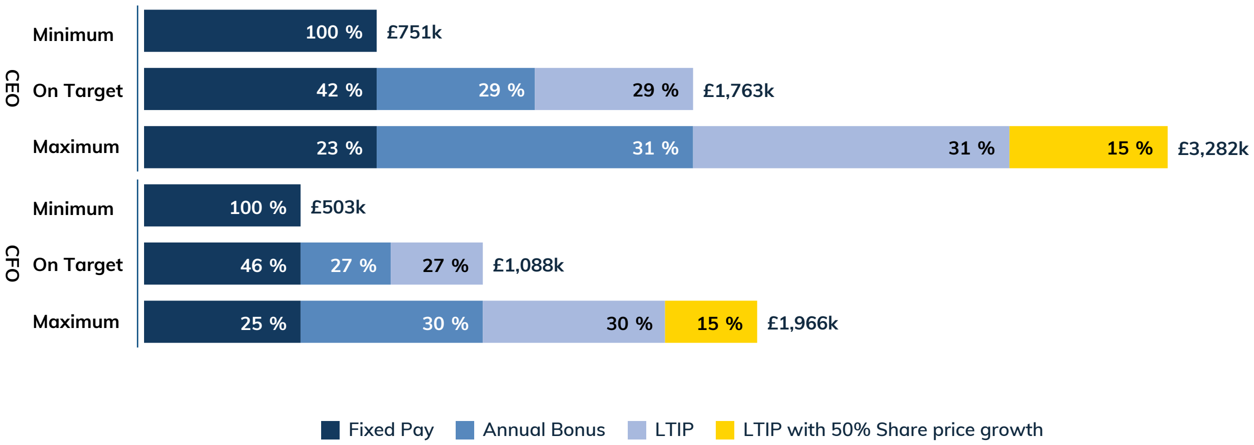
The chart below gives an indication of the level of total annual remuneration that would be received by each Executive Director in accordance with the Directors' Remuneration Policy (as it will apply for FY25) in respect of minimum pay (fixed pay), on-target and maximum performance based on assumptions set out below.

Minimum: Comprises fixed pay only using the salary for FY25, the value of benefits in FY24 and a Company pension contribution in line with policy.

On-Target: Fixed pay plus an annual bonus pay-out at 50% of maximum (75% of salary for the CEO and 65% of salary for the CFO) and LTIP vesting at 50% of face value (75% of salary for the CEO and 65% of salary for the CFO).

Maximum: Comprises fixed pay and assumes full pay-out under the annual bonus (150% of salary for the CEO and 130% for the CFO) and the LTIP grant vests in full (150% of salary for the CEO and 130% for the CFO). The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting.

Illustrative scenarios for total remuneration of Executive Directors in 2025 at minimum, on-target and maximum performance



Consideration of Employment Conditions Elsewhere in the Group

The Company provides a market competitive package to all employees with additional reward through incentive payments linked to the achievement of stretching performance targets. This reward philosophy applies to all levels of the business. In view of the greater potential remuneration, the Executive Directors have a greater proportion of their pay 'at risk' and subject to deferral and holding periods. The Remuneration Committee takes into account general workforce remuneration and related policies, and the alignment of incentives and rewards with culture when setting and operating the Policy for Executive Directors' remuneration. The Committee receives regular updates on any changes to wider Group Policy.

The Remuneration Committee Chair will engage with employees to explain the alignment of executive pay with that of the general workforce and in relation to any changes to the Policy applicable to Executive Directors.

Consideration of Shareholder Views

In considering the operation of the Policy each year, the Committee takes into account the published remuneration guidances alongside any applicable new guidance. The Committee will consult with the Company's largest shareholders, where considered appropriate, regarding changes to the operation of the Policy and when the Policy is being reviewed and brought to shareholders for approval.

Recruitment Policy

When setting remuneration packages for new Executive Directors, pay will be set in line with the Policy outlined above. The Remuneration Committee's policy is to pay no more than is necessary to recruit the desired candidate for the role. The full Recruitment Policy is set out in the 2023 annual report.

Policy on termination of service (loss of office)

In the event of termination for cause (e.g. gross misconduct) neither notice nor payment in lieu of notice will be given, and the Executive Director will cease to perform their services immediately.

Treatment of other elements of the Policy (including annual bonus and LTIP), will vary depending on whether a Director is defined as a Good or Bad Leaver. The full Termination Policy is set out in the 2023 annual report.

Service Agreements and Letters of Appointment

Executive Directors

The Executive Directors have a service contract requiring 12 months' notice of termination from either party as shown below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Neeraj Kapur	13 June 2024	26 February 2024	12 months	12 months	Rolling

Chair and Non-executive Directors

The Chair of the Board and Non-executive Directors have letters of appointment with the Company for an initial three-year term, subject to annual reappointment at the AGM. The appointment letters provide that no compensation is payable on termination, other than accrued fees and expenses.

The table below details the terms of the letters of appointment for the Chair and for each Non-executive Director.

Chair/Non-executive Directors	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual	Unexpired term
Ann Cairns (Chair)	23 February 2023	27 May 2023	12 months	6 months	17 months
Caroline Brown	26 April 2023	27 May 2023	3 months	3 months	17 months
Susanne Chishti	26 April 2023	27 May 2023	3 months	3 months	17 months
Noël Harwerth	23 February 2023	27 May 2023	3 months	3 months	17 months
Jennifer Johnson-Calari	26 April 2023	27 May 2023	3 months	3 months	17 months
Karen Jordan	26 April 2023	27 May 2023	3 months	3 months	17 months
Simon Poole	19 April 2016	16 June 2023	3 months	3 months	17 months

Directors' Remuneration Report continued

Annual Report on Remuneration

This section of the Annual Report describes the remuneration received for the 2024 financial year and the operation of the Policy for FY25.

Remuneration Committee Members and Meetings

The Committee currently comprises the three Non-executive Directors and the Chair of the Board as listed below. The Committee meets at least three times a year. The Committee met six times in 2024 as set out on page 88.

Committee Chair	Noël Harwerth
Committee Member	Ann Cairns
Committee Member	Caroline Brown
Committee Member	Susanne Chishti
Former Committee Member	Mario Shiliashki

Key Activities During the Year

The Committee has carried out the following activities:

- Considered the operation of the annual bonus and LTIP (for example the timing of awards under the LTIP, the measures, their weightings and targets applying) for FY25 and considered the approach to broader all-employee share plan participation.
- Noted the impact of regulatory requirements, and the views of shareholder and proxy agencies on the implementation of the Policy for 2025.
- Considered the out turn for the FY24 annual bonus.
- Considered and approved the remuneration for new joiners and leavers for current and former Executive Directors.
- Approved the offer of Free Shares under the Share Incentive Plan in March 2024.
- Approved the offer of Partnership Shares and Matching Shares under the Share Incentive Plan in September 2024.

External Advisers

The Remuneration Committee receives independent advice from Korn Ferry, who were appointed in December 2022 following a tender process. During the year under review, the Committee received advice on the implementation of the new Policy, its operation in 2024 and application for 2025 and the drafting of this report. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the Code of Conduct. The fees for the advice provided for the 2024 financial year to 31 December 2024 were £128,915. Korn Ferry provided no other advice or services to the Company during the year and has no connection with any individual Director.

Single Total Figure of Remuneration for 2024 (audited)

Executive and Non-executive Directors for the 2024 financial year to 31 December 2024:

All figures shown in £	Salary and fees	Benefits[1]	Pension[2]	Total fixed pay	Annual Bonus	LTIP	Total variable pay	Total Remuneration
Neeraj Kapur[3]	359,631	4,337	35,963	399,931	101,146	–	101,146	501,077
Bhairav Trivedi[4]	317,213	1,193	31,721	350,127	–	–	–	350,127
Richard Hallett[5]	450,000	7,605	41,625	499,230	–	–	–	499,230
Ann Cairns	325,000							325,000
Caroline Brown	82,500							82,500
Susanne Chishti[6]	70,833							70,833
Noël Harwerth	112,500							112,500
Jennifer Johnson-Calari	92,500							92,500
Karen Jordan	92,500							92,500
Simon Poole[7]	65,000							65,000
Mario Shiliashki[8]	67,583							67,583

Notes
1 Benefits comprise medical insurance, income protection and life assurance.
2 Pension figure shows total pension cash allowance and, where relevant, employer pension contributions to the workforce pension.
3 Neeraj Kapur joined the Group on 23 February 2024 and was appointed Group CEO on 20 June 2024 following regulatory approval on 13 June. Remuneration is shown for the period of the year since his appointment as CEO. For the period as CEO designate, Neeraj received salary of £213,253, pension cash allowance of £21,325, and benefits to the value of £2,231. The portion of his 2024 bonus relating to his period as CEO designate was £59,650.
4 Bhairav Trivedi stepped down from the Board and his role as Group CEO on 20 June 2024. Remuneration is shown for 2024 to this date in relation to his role as CEO. For the period as Senior Advisor to the Board, Bhairav received salary of £357,787, pension contributions of £35,779, and benefits to the value of £1,623. As set out on page 80, Bhairav did not participate in the 2024 Executive Director annual bonus plan. Bhairav was eligible to participate in a separate plan relating to his period as an advisor to the Board. In addition to the above, Bhairav received 1,000 Free Shares under the Share Incentive Plan on 26 March 2024, which vest in March 2025.
5 Richard Hallett ceased employment and stepped down as Group CFO on 10 February 2025. As set out on page 80, Richard did not receive a bonus for 2024. In addition to the above, Richard received 1,000 Free Shares under the Share Incentive Plan on 26 March 2024, which were forfeited when Richard ceased employment.
6 Susanne Chishti became a member of the Remuneration Committee in November 2024 and was paid fees for this Committee membership.
7 Simon Poole is a nominated director appointed to the Board of the Group by the Company's Principal Shareholder, this fee was paid via Helios Investors Genpar III directly up to and including September and via payroll from October 2024.
8 Mario Shiliashki left the Group on 3 September 2024.

Single Total Figure of Remuneration for 2023 (audited)

Executive and Non-executive Directors for the full 2023 financial year to 31 December 2023:

All figures shown in £	Salary and fees	Benefits[1]	Pension[2]	Total fixed pay	Annual Bonus	LTIP	Total variable pay	Total Remuneration
Bhairav Trivedi	583,750	2,082	58,375	644,207	303,750	–	303,750	947,957
Richard Hallett	372,346	5,621	26,064	404,032	202,500	–	202,500	606,532
Ann Cairns	270,833	–	–	270,833	–	–	–	270,833
Caroline Brown	77,500	–	–	77,500	–	–	–	77,500
Susanne Chishti	70,000	–	–	70,000	–	–	–	70,000
Noël Harwerth	100,625	–	–	100,625	–	–	–	100,625
Jennifer Johnson-Calari	87,500	–	–	87,500	–	–	–	87,500
Karen Jordan	85,000	–	–	85,000	–	–	–	85,000
Simon Poole[3]	67,500	–	–	67,500	–	–	–	67,500
Mario Shiliashki	77,500	–	–	77,500	–	–	–	77,500

Note
1 Benefits comprise medical insurance, income protection and life assurance.
2 Pension figure shows employer pension contributions to the workforce pension.
3 Simon Poole is a nominated director appointed to the Board of the Group by the Company's Principal Shareholder, this fee was paid via Helios Investors Genpar III directly.

Directors' Remuneration Report continued

Annual Bonus Plan Outcomes for 2024

The structure of the annual bonus for the year ending 31 December 2024 followed a balanced scorecard approach as shown below. The bonus opportunity for Neeraj Kapur as Chief Executive Officer was 150% of his base salary at year-end pro-rated for the period of the year from appointment in role. The bonus opportunity for Richard Hallett as Chief Financial Officer was 130% of his base salary at year-end. The outcome against performance measures for 2024 is set out below.

Performance measure	Weighting as a percentage of bonus opportunity	Threshold (25% of max payable)	Target (50% of max payable)	Maximum (100% payable)	Actual performance	Payout (of performance measure opportunity)
Revenue	30 %	£144m	£151m	£164m	£105.5m	– %
Adjusted EBITDA margin	15 %	42 %	44 %	46 %	30 %	– %
Free Cash Flow	15 %	65 %	72 %	80 %	52 %	– %
% top 5 currencies revenue as % target Group revenue	10 %	40 %	37 %	34 %	20 %	10 %
Diversification: increase revenue from new clients	7.5 %	7.5 %	10 %	12.5 %	2.8 %	– %
Diversification: international expansion	3.75 %	European (Netherlands) licence approval and commence operations			Netherlands licence approved	3.75 %
	3.75 %	USA licence approval and commence operations			USA licence not received in 2024	– %
Employee engagement score for 2024	5 %	80 %	85 %	88 %	68 %	– %
Female representation as % of total employees hired	5 %	40 %	45 %	50 %	30 %	– %
B Corp status and Ecovadis rating	5 %	Retain B Corp status and Ecovadis Gold rating			B Corp and Ecovadis Gold retained	5 %

	Overall Annual Bonus outcome[1]		
Executive	% of maximum	% of salary	Value of full year bonus (£'000)
Neeraj Kapur[2]	18.75 %	28 %	101
Bhairav Trivedi	– %	– %	0
Richard Hallett	– %	– %	0

Notes
1 The bonus is payable two thirds in cash, and the remaining one third of the bonus after tax will be used to purchase shares which must be held for three years in line with the Policy.
2 Neeraj became CEO on 20 June 2024, the values shown above relate to the period of his tenure as CEO to 31 December 2024.

LTIP Vesting During the Year (Audited)

There are no awards under the LTIP due to vest based on performance to 31 December 2024.

LTIP Granted During the Year (Audited)

LTIP awards for the CEO and CFO were agreed in principle by the Committee on 3 October 2024 and granted on 11 November 2024. The targets for the award granted on 11 November 2024 are listed below.

		Targets	
Performance measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
FY26 Earnings Per Share	67%	14.2 pence	21.2 pence
TSR relative to peer group (see below)	33%	Median	Upper quartile

The peer group of companies against which the Company's TSR will be compared is:

- Alpha Group International plc
- Arbuthnot Banking Group plc
- B.P. Marsh & Partners plc
- Bango plc
- Boku, Inc.
- Close Brothers Group plc
- Equals Group plc
- Fonix Mobile plc
- Funding Circle Holdings plc
- International Personal Finance plc
- Mortgage Advice Bureau (Holdings) plc
- OSB Group plc
- Paragon Banking Group plc
- Paypoint plc
- Secure Trust Bank plc
- Vanquis Banking Group plc
- VPC Specialty Lending Investments plc
- W.A.G. Payment Solutions plc

Directors' Remuneration Report continued

The details for the LTIP awards granted to each Executive Director are shown below:

2024 LTIP

Executive	Basis of the award (% of salary)	Threshold vesting (% of maximum)	Number of shares granted[1]	Face value of the award at price[1]	Face value of the award at grant date[2]	Grant date	End of performance period
Neeraj Kapur	150%	25%	990,704	1,012,499	743,028	11 November 2024	31 December 2026
Richard Hallett	104%	25%	457,925	467,999	343,444	11 November 2024	31 December 2026

Notes
1 LTIP grants were granted in the form of conditional share awards. The number of shares awarded was calculated using the closing share price on 3 October 2024 of 102.2 pence.
2 The share price at grant was 75 pence.
3 The award to Richard Hallett was scaled back by 20% to take account of the fall in share price over the period since Admission and the award being granted. This scale back was not applied to Neeraj Kapur as he was appointed in 2024.

Payments to Former Directors and for Loss of Office (Audited)

There were no payments to former Directors in respect of their service as Directors during the year other than those disclosed as paid to Bhairav Trivedi, our former CEO, in his Single Total Figure of Remuneration for 2024 on page 91. There were no payments to Directors or Former Directors for loss of office during the year.

Directors' Interests (Audited)

The interests of the Directors and their connected persons in the shares in the Company as at 31 December 2024 is set out below.

Director	Ordinary shares held at 31 December 2024
Neeraj Kapur	–
Bhairav Trivedi[1]	6,019,689
Richard Hallett	2,045,652
Ann Cairns	400,000
Caroline Brown	–
Susanne Chishti	165,958
Noël Harwerth	–
Jennifer Johnson-Calari	–
Karen Jordan	–
Simon Poole	–
Mario Shiliashki[2]	–

Notes
1 Bhairav Trivedi stepped down from the Board and his role as CEO on 20 June 2024.
2 Mario Shiliashki stepped down from the Board on 3 September 2024.

Executive Directors' Shareholding Requirements (Audited)

Under the Policy, Executive Directors are required to build and maintain a shareholding equivalent to 200% of their base salary during employment. The shareholding of the CFO exceeds this requirement significantly. Post cessation of employment, Executive Directors must retain shares to the lesser of their shareholding at cessation and 200% of salary for a period of two years.

The table below summarises the current shareholding of Executive Directors, including those of connected persons, and the shares subject to a deferral or holding period and performance conditions.

Director	Beneficially owned shares on 31/12/2024	Vested shares subject to deferral/ holding period	Unvested shares subject to performance conditions	Shareholding requirement (% of salary)	Current shareholding (% of salary)[1]	Requirement met?
Neeraj Kapur	–	–	990,704	200%	– %	No
Richard Hallett[2]	2,045,652	–	632,551	200%	312 %	Yes

Notes
1 Current shareholding percentage of salary calculated using closing share price of 68.7 pence on 31 December 2024.
2 Richard Hallett received 1,000 Free Shares under the Share Incentive Plan on 26 March 2024; these shares are unvested but not subject to performance conditions, therefore are not included in the above table.

There is no shareholding requirement for Directors other than Executive Directors, however, as at 31 December 2024, Ann Cairns owned 400,000 shares, purchased in November 2024, and Susanne Chishti owned 165,958 shares, purchased in November 2024.

The table below summarises the current shareholding of the former Executive Directors, including those of connected persons, and the shares subject to a deferral or holding period and performance conditions.

Former Director	Beneficially owned shares on 31/12/2024	Vested shares subject to deferral/ holding period	Unvested shares subject to performance conditions	Shareholding requirement (% of salary)	Current shareholding (% of salary)[1]	Requirement met?
Bhairav Trivedi[2]	6,019,689	–	302,238	200%	613 %	Yes

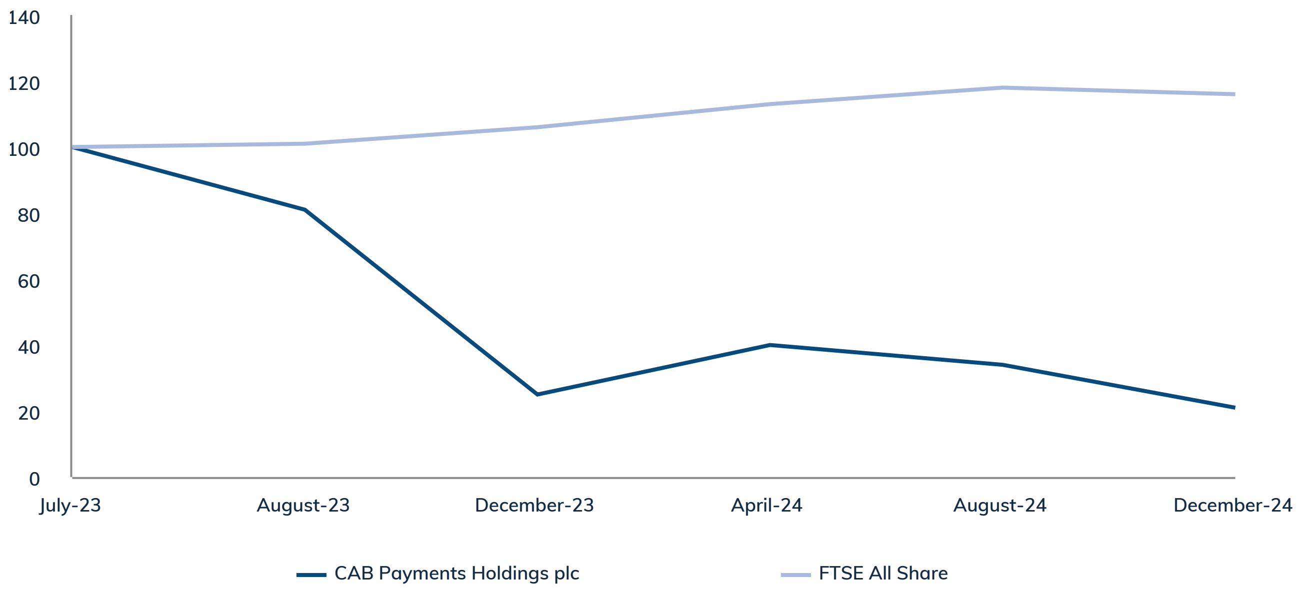
Notes
1 Current shareholding percentage of salary calculated using closing share price of 68.7 pence on 31 December 2024.
2 Bhairav Trivedi received 1,000 Free Shares under the Share Incentive Plan on 26 March 2024; these shares are unvested but not subject to performance conditions, therefore are not included in the above table. Bhairav Trivedi stepped down from the Board and his role as CEO on 20 June 2024. Share interests are shown as at this date.

Directors' Remuneration Report continued

Performance Graph and Table

The chart below shows the TSR performance of £100 invested in the Company from 6 July 2023 (using the offer price of 335 pence per share) to 31 December 2024 against the FTSE All Share Index. The FTSE All Share Index is considered an appropriate comparison as CPH is a constituent of the Index.

Total Shareholder Return



The table below shows the single figure of total remuneration for the CEO since 2022 and the variable remuneration delivered as a percentage of maximum opportunity.

Year	CEO	Single figure of total remuneration	Bonus earned as % of maximum opportunity	Vesting of LTIP as % of maximum number of shares that could have vested[1]
2022	Bhairav Trivedi	£1,803,569	100%	N/A
2023	Bhairav Trivedi	£947,957	45%	N/A
2024	Bhairav Trivedi	£350,127	0%	N/A
	Neeraj Kapur	£501,077	18.75 %	N/A

Note
1 No long-term incentive plan awards were scheduled to vest in 2022, 2023 or 2024.

Change in Directors' and Employees' Remuneration

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for the Directors in 2024 compared with the average percentage change for employees. For these purposes, employees employed at 30 September in each year have been used as a comparator group as this is the population eligible for pay review. The percentage change for Executive and Non-executive Directors is calculated based on the remuneration disclosed in the single figure table. There have been no material changes to the structure of employee benefits between 2023 and 2024, however, the cost of medical insurance decreased and this is reflected below. The increase to UK salaries reflects inflation and promotions between 2023 and 2024. The reduction in bonus for the CEO is due to a combination of the change in the structure of the annual bonus plan between 2023 and 2024. the corporate scorecard outcome in 2024, and the change in CEO in 2024 affecting the proportion of the year Bhairav and Neeraj were respectively in service as CEO in 2024. The changes to the Non-executive Director fees in 2024 reflect different lengths of service in 2023 and 2024 for individual Non-executive Directors, as well as changes in Board committee memberships.

	Base salary/NED fees				Taxable benefits				Annual bonus			
	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
UK employees	16%	2%	4%	9 %	15%	3%	13%	(14)%	95%	28%	(30)%	(59)%
CEO	N/A	25%	17%	(16)%	N/A	789%	32%	166 %	N/A	123%	(83)%	(67)%
CFO	9%	5%	34%	21 %	5%	21%	32%	35 %	19%	14%	1%	(100)%
Ann Cairns	N/A	N/A	N/A	20 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Caroline Brown	N/A	N/A	N/A	6 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Susanne Chishti	14%	39%	11%	1 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Noël Harwerth	N/A	N/A	N/A	12 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jennifer Johnson-Calari	32%	36%	14%	6 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Karen Jordan	N/A	27%	16%	9 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mario Shiliashki	42%	22%	11%	(13)%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CEO Pay Ratio

UK regulations require companies with more than 250 UK employees to publish a ratio to show CEO pay vs that of UK employees. In line with these regulations, we have provided the ratio calculated using option A as determined by the regulations, through calculating a single total figure of remuneration for each employee and analysing the quartiles, as this is the most statistically accurate option under the regulations.

Financial year	Method	Lower quartile	Median	Upper quartile
2024	A	13:1	9:1	6:1
2023	A	14:1	11:1	7:1

The pay for the CEO and the employees at the percentiles are set out below:

	CEO	Lower quartile	Median	Upper quartile
Basic salary	675,000	56,500	82,500	96,000
Total pay	849,176	64,947	93,547	136,397

The employee pay figures were calculated by reference to the year to 31 December 2024, consistent with the period used for the single total figure of remuneration calculated for the Directors. The CEO basic salary figure is the combined total for Bhairav Trivedi and Neeraj Kapur in 2024. The CEO Total pay figure is the CEO basic salary figure and 10% pension (whether paid as an employer contribution into the pension as a cash allowance), a combination of the benefits provided to Bhairav and Neeraj in each of their respective periods in role as CEO, and the CEO 2024 bonus for Neeraj (noting Bhairav did not receive a bonus in 2024). No components of pay have been omitted in this calculation. Salaries, variable compensation, taxable benefits and pensions were annualised for employees who have not been with the Group for the full financial year or grossed up on a full-time equivalent basis for part-time employees. The 2024 employee: CEO pay ratios are lower than those for 2023, with a decrease in the upper quartile pay (mainly due to hiring skilled specialists affecting the ranking above the upper quartile employee) and decrease in CEO pay (due to 2024 bonus outcome) leading to a lower pay ratio between the median employee and the CEO. The Committee is comfortable that the pay ratio shown above is consistent with our pay, reward and progression policies for the Group's UK employees as a whole.

Directors' Remuneration Report continued

Relative Importance of the Spend on Pay

The table below shows the Group's expenditure on employee pay compared to distributions to shareholders for the year ended 31 December 2024 and the years ended 31 December 2023:

	FY24 £m	FY23 £m
Distribution to shareholders	–	12.8
Total employee pay	45.7	45.6

Implementation of Policy in FY25

Executive Director Remuneration

Base Salary

There will be no change to the base salary level for the CEO, therefore his base pay will remain at £675,000.

Pension and benefits

Executive Directors will receive a pension contribution or cash equivalent of 10% of salary in line with the rate applying to the majority of the UK workforce. Benefits include medical insurance, income protection and life assurance cover.

Annual bonus

The maximum annual bonus opportunity will be in line with the Policy, which is 150% of salary for the CEO and 130% of salary for the CFO.

The performance conditions for FY25 will be as follows:

Financial targets (60% of the total bonus)

- Adjusted EBITDA margin: 15%
- Gross income: 15%
- Free Cash Flow conversion: 10%
- Ex-London income (income attributed to ex-London offices): 5%
- Trade finance income (income from trade finance and Working Capital Facilities): 5%
- Net interest income: 5%
- Customer deposits: 5%

Non-financial and strategic targets (40% of the total bonus)

- Risk: 15%
- Network (international expansion): 10%
- Employee engagement: 10%
- ESG measures: 5%

These metrics were considered in detail by the Remuneration Committee, and are specifically designed to address our core strategic priorities: the delivery of strong, sustainable financial growth and to drive longer-term shareholder value.

One-third of the post-tax bonus will be used to purchase shares which must be held for three years, the remaining two-thirds will be paid in cash.

LTIP

The Remuneration Committee intends to make an LTIP award during 2025 at 150% of base salary for the CEO and 130% of base salary for the CFO.

The measures for the new LTIP awards are:

Measure	Weighting	Threshold	Maximum
Adjusted Earnings Per Share (EPS) for the financial year ending 31 December 2027	60 %	15 pence	18.4 pence
Cost: income ratio for the financial year ending 31 December 2027	20 %	75 %	68 %
Adjusted EBITDA per average FTE outcome for the financial year ending 31 December 2027	20 %	£135k	£165k

LTIP vesting on a straight-line basis between threshold and maximum.

In light of our new strategy as set out in our Strategic Report from page 8, the Committee reviewed LTIP performance measures, with the objective of improving the direct line of sight in the business and delivering on the strategic pillars. As a result, two new measures, 1) cost: income ratio and 2) EBITDA per average number of full-time equivalent (FTE) employees ('EBITDA per head'), have been introduced and the relative TSR measure was removed. The EPS metric will be retained, with a slightly lower weighting of 60% of the award (previously 67%).

These two new metrics replacing the relative TSR measure provide a strong focus on improving efficiency and operating leverage within the Group as we look to grow the business over the long term whilst also managing the cost base effectively, resulting in a more streamlined, predictable growth business. The decision to withdraw TSR from the LTIP measures was discussed extensively by the Committee, with the Company's small market capitalisation and concentrated shareholder base noted, which results in very limited liquidity of the Group's shares.

The Committee believes the two new measures are complementary to EPS, which continues to carry the largest weighting within the LTIP thereby retaining the focus on driving sustainable profit growth and value to shareholders. The Committee is also confident that the successful delivery under the measures, over the three-year performance period, will result in the delivery of strong returns to shareholders, and is therefore satisfied that the removal of the relative TSR metric will not diminish the alignment of reward under the LTIP with shareholder experience.

The Committee will review the value of shares at the point of vesting to ensure that the outcome is appropriate in the context of the Company's overall performance over the period. The Committee retains discretion to adjust the formulaic outcome if the Committee believes that such outcome is not a fair and accurate reflection of wider performance factors and/or the stakeholder experience.

Non-executive Director Remuneration

Non-executive Director fees, which are unchanged for 2025, are shown below.

Non-executive Director	Fee £
Chair of the Board	325,000
Non-executive Director base fee	65,000
Senior Independent Director fee	15,000
Risk Committee Chair fee	22,500
Audit or Remuneration Committee Chair fee	20,000
Risk Committee member fee	7,500
Audit or Remuneration Committee member fee	5,000

Note that there is no Tech Forum in 2025.

Statement of voting at Annual General Meeting

The tables below set out the votes received for the FY23 Directors' Remuneration Report and the Remuneration Policy at the 2024 AGM.

Directors' Remuneration Report			Directors' Remuneration Policy		
Shares voted in favour	161,462,905	99.19%	Shares voted in favour	162,794,061	100.00%
Shares voted against	1,324,822	0.81%	Shares voted against	7,795	0.00%

Directors' Report

In accordance with Section 415 of the Companies Act 2006, the Directors present their Report for the year ended 31 December 2024.

The requisite components of this Directors' Report are largely set out elsewhere in this Annual Report and are incorporated into this Directors' Report by reference. Additional information may be found on the Company's website at https://cabpayments.com/investors/. The table below sets out where disclosures can be found or provides the relevant information.

Business Performance	
Results	Results for the year ended 31 December 2024 are set out in the Strategic Report on pages 9 to 13 and the Consolidated Statement of Profit or Loss on page 116.
Dividends	The Company does not currently intend to pay any dividends as the Group invests in future growth. The Company intends to revisit its dividend policy in future years and may revise its Dividend Policy from time to time. No final dividend will be proposed for the year ended 31 December 2024.
Corporate Governance Statement	The Corporate Governance Statement can be found on pages 58 to 65.
Directors' Remuneration Report	The Directors' Remuneration Report can be found on pages 79 to 99.
Activities in Research and Development	Details can be found in the Strategic Report on pages 8 to 51.
Future developments	Details about the Group's future developments can be found in the Strategic Report on pages 8 to 51.
Post Balance Sheet events	Events after the Reporting Period are set out in Note 46 to the financial statements.
Directors	
Directors	Directors that have served during the year and up to the date of signing and summaries of the current Directors' key skills and experience are set out in the Corporate Governance Report on pages 56 to 57.
Directors' interests	Details of the Directors' beneficial interests are set out in the Directors' Remuneration Report on page 94.
Directors' indemnities	The Company has given indemnities to each of the Directors in respect of any liability arising against them in connection with the Group's activities in the conduct of their duties. These indemnities are subject to the conditions set out in the Companies Act 2006 and remain in place at the date of this Annual Report. These provisions are qualifying third-party indemnity provisions as defined in Section 234 of the Companies Act 2006 and do not provide cover in the event that a Director is proven to have acted dishonestly or fraudulently.
Directors' and Officers' liability insurance	Directors' and Officers' Liability Insurance cover is in place at the date of this Report. Cover is reviewed annually and does not provide cover in the event that a Director is proven to have acted dishonestly or fraudulently.
Appointment and replacement of Directors	A Director may be elected by the shareholders or appointed by the Board. At each annual general meeting all Directors must retire and will be eligible for election or re-election by the shareholders. For so long as the Company has a Controlling Shareholder an election or re-election of an independent Director must be approved by the shareholders of the Company as a whole and any member entitled to vote who is not a Controlling Shareholder. Under the terms of the Relationship Agreement, for so long as the Principal Shareholder holds at least 10% of the ordinary shares the Principal Shareholder has the right to nominate one Non-executive Director to the Board and for so long as they hold at least 25% of ordinary shares have the right to nominate two Non-executive Directors to the Board. Further information on the Relationship Agreement can be found on page 65.
Powers of the Directors	Subject to the Articles of Association, the Companies Act 2006, and any directions given by special resolution, the business of the Company will be managed by the Board which may exercise all the powers of the Company.

Employees	
Employees	The average number of employees within the Group is shown in note 8 to the financial statements. In our commitment to diversity and inclusion, the Group values the unique contributions of our diverse workforce, fostering a culture of openness, mutual respect, and collaboration. The Group prioritises equal opportunities, ensuring fairness and inclusivity in all aspects of employment with policies prohibiting discrimination based on various factors, including race, gender, disability, and age.
Equal opportunities	The Group provides equal opportunities in recruitment, training, and career development, emphasising abilities and aptitudes regardless of disabilities, and offers retraining opportunities for employees who become disabled during their tenure.
Health and safety	The Group prioritises the safety and well being of its employees, visitors, and the public, integrating health and safety measures into its business objectives.
Harassment	The Group has a zero-tolerance policy towards workplace harassment, including sexual, mental, or physical harassment, with clear reporting procedures to the HR Department.
Human rights	The Group promotes human rights and dignity through its global supply chain and product contributions, as detailed in the ESG section of this Annual Report on pages 24 to 25.
Communication	The Group ensures transparent communication through regular updates on financial and economic factors, encouraging employee engagement through surveys, meetings, and presentations.
Whistleblowing Policy	The Group's Policy provides guidelines for individuals to raise concerns confidentially, with protections in place to safeguard their positions including the provision of an external reporting service, as detailed on page 65.
Constitution	
Articles of Association	Any amendments to the Articles of Association may be made by a special resolution of shareholders. The Articles are available on the Company's website at https://cabpayments.com/investors/.
Branches outside of the UK	Details of the Company's subsidiary undertakings and branch offices are set out in Note 32.
Change of control	The following represents the likely effect on significant agreements with the Company were it to be subject to a change of control: The Group is party to a small number of agreements that may be terminated upon a change of control of the Company, including a takeover bid. Whether this may apply depends on the identity or characteristics of the new controller. The Company does not have any agreements with any Non-executive Director, Executive Director or employee that would provide compensation for loss of office or employment resulting from a change of control except that provisions of the Company's share incentive plans may cause outstanding unvested options and awards granted to employees under such plans to vest on a takeover as follows:

Share incentive plan	Change of control	Effect on vesting provisions in the rules	Performance condition
Long Term Incentive Plan	Yes	Full vesting	n/a

Directors' Report continued

Stakeholders and policies	
s172 Statement	The Company's s172 Statement can be found in the Strategic Report on pages 30 and 31.
Workforce engagement	Details of how the Group engages with its workforce can be found in the Strategic Report on pages 30 and 31 and the Corporate Governance Statement on page 64.
Supporting disability	Details of the Group's policy for giving full and fair consideration to applications for employment of disabled persons, continuing employment of and appropriate training for employees who become disabled, training, career development, promotion of disabled employees can be found on page 101.
Stakeholder engagement on key decisions	Details of the key decisions and discussions of the Board during the year and the main stakeholder inputs into those decisions are set out in the Strategic Report on pages 30 and 31 and Corporate Governance Statement on page 63.
Modern Slavery Statement	The Directors confirm that during the financial period under review steps have been taken in relation to the Group's responsibilities under Section 54 of the Modern Slavery Act 2015. The Board has approved a statement setting out the steps taken, which can be found at https://cabpayments.com/modern-slavery-statement/
Diversity Policy	The Board has approved a policy on diversity and inclusion. An overview of the Group's approach to equity, diversity, and inclusion can be found on page 101.
Greenhouse gas emissions	Details of the Group's greenhouse gas emissions can be found in the ESG Report on page 27 of the Strategic Report.
Political contributions	The Group did not make any donations to political organisations during the year.
Financial instruments and risk	Details of the Group's policies on financial risk management and the Group's exposure to credit risk, liquidity risk, currency risk and interest rate risk are outlined in Notes 36 to 39 to the financial statements.
Going concern	After making appropriate enquiries and taking into account the matters set out in the Principal Risks and Uncertainties section on pages 43 to 48 of this Annual Report, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months following the approval of this Annual Report. For this reason, they continue to adopt the going concern basis when preparing these financial statements.
Shareholders and share capital	
Share capital	The Company has a single class of share which is divided into ordinary shares of 0.0333 pence each. Each Ordinary Share carries one vote and all of the ordinary shares rank pari passu. There are no special control rights attached to any of the ordinary shares. At the date of this Report, 254.1 million ordinary shares of 0.0333 pence each had been issued which are fully paid up and are listed on the London Stock Exchange. The rights and obligations attaching to the Company's ordinary shares are set out in the Company's Articles of Association, which can be obtained from the Company's website at https://cabpayments.com/investors/ or can be obtained from Companies House or by writing to the Company Secretary. The Company has established an employee benefit trust (EBT) in connection with the operation of the Company's share incentive plan. The trustees of the EBT have waived their right to receive dividends on any ordinary shares held by it, save in respect of ordinary shares it holds for any beneficiary as nominee. At a general meeting of the Company, every member has one vote on a show of hands and, on a poll, one vote for each share held. A proxy or corporate representative on a show of hands has one vote for and one vote against a resolution if appointed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

Shareholders and share capital continued

Share capital *continued*

Under the Companies Act 2006, members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak, and vote at a general meeting.

No member is entitled to vote at any general meeting in respect of shares held if any call or other sum outstanding in respect of that share remains unpaid. In addition, subject to the Articles of Association, no member shall be entitled to vote if they have failed to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006.

The Articles of Association provide for a deadline for submission of proxy forms of not less than 48 hours before the meeting (or such shorter time if agreed by the Board).

Variation of rights
Rights attached to any class of share may be varied with the written consent of the holders of at least three-quarters in nominal value of the issued shares of that class, or by a special resolution passed at a separate meeting of the holders of those shares.

Restrictions on transfer of shares
There are no specific restrictions on the transfer of securities in the Company which are governed by its Articles and relevant legislation other than certain restrictions which may from time to time be imposed by law, for example insider trading law or as required under the Company's Remuneration Policy for Executive Directors. In accordance with the Market Abuse Regulation as retained in UK law, certain employees are required to seek the approval of the Company prior to dealing in its securities.

The Company is not aware of agreements between the holders of shares that may result in restrictions on the transfer of shares or that might result in restrictions on voting rights.

Further details of the Company's share capital are set out in Note 26 to the Financial Statements.

Powers for issue of new shares

Details of changes in the share capital of the Company during the year ended 31 December 2024 can be found in Note 26 to the Financial Statements.

At the 2025 AGM the Directors will seek renewal of their authorities to allot shares and to disapply pre-emption rights in line with the latest institutional shareholder guidelines.

Authority to purchase own shares

The Company has no current authority from shareholders to purchase its own shares and will not seek such authority at the 2025 AGM.

Major interests in shares

In accordance with Listing Rule 6.6.6(2), the Company has been notified of the following significant interests in its ordinary shares pursuant to Disclosure Guidance and Transparency Rule 5:

Notifiable interests	Voting rights	% of capital	Nature of holding (direct/indirect)
Helios Investment Partners LLP	114,640,189	45.11	Indirect
BlackRock, LLC	19,627,745	7.71	Indirect
Eurocomm Holding Limited	13,264,981	5.23	Direct
Working Capital Advisors (UK) Ltd	12,721,597	5.01	Direct
FMR, LLC	12,681,936	4.99	Indirect

As at 12 March 2025, the Company had been advised of the following additional changes:

Notifiable interests	Voting rights	% of capital	Nature of holding (direct/indirect)
Mangrove Partners IM, LLC	13,115,071	5.10	Direct

AGM

The Company's AGM will be held at 2.00pm on Wednesday 30 April 2025 at the offices of FTI Consulting at 200 Aldersgate, Aldersgate Street, London EC1A 4HD and virtually via the Lumi shareholder meeting platform. Details of the arrangements for the AGM can be found on the Company's website.

Directors' Report continued

Auditors and audit	
Auditor appointment	A resolution to appoint PwC LLP as auditor will be proposed at the AGM.
Audit confirmations	Each of the Directors at the date of the approval of this Report confirms that: • So far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; • They have taken all the reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of the information; and • The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.
Listing Rule Disclosures	
UK Listing Rule 6.6.1	Disclosure requirements under Listing Rule 6.6.1 are identified below along with cross-references indicating where the relevant information is set out in the Annual Report:

UK Listing Rule	Detail	Page
6.6.1 (12)	Arrangements to waive dividends by shareholder	102
6.6.1 (9)(b))	Controlling Shareholder statements	65

The Directors' Report has been approved by the Board of Directors of CAB Payments Holdings plc.

Signed on behalf of the Board

Lesley Martin
Company Secretary

12 March 2025
CAB Payments Holdings plc
Registered Office: 3 London Bridge Street, London SE1 9SG
Company Number: 09659405

Directors' Responsibilities Statement

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

The Directors are required to prepare financial statements for each financial year which present a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period. The Directors have elected to prepare the Group and Parent Company financial statements in accordance with the UK-adopted International Financial Reporting Standards (IFRSs) in conformity with the Companies Act 2006.

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

- select suitable accounting policies in accordance with IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Company and of the Group's financial position and financial performance;
- state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless, having assessed the ability of the Company and the Group to continue as a going concern, it is appropriate to presume that the Company and/or the Group will not continue in business.

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

Under applicable UK law and regulations, the Directors are responsible for the preparation of a Strategic Report, Directors' Report, Directors' Remuneration Report, and Corporate Governance Statement that comply with that law and regulations. In addition, the Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Neither the Company nor the Directors accept any liability to any person in relation to the annual financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

Directors' Responsibility Statement under the 2018 Code

In accordance with Provision 27 of the 2018 Code, the Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides information necessary to enable shareholders to assess the Company's performance, business model, and strategy.

Responsibility Statement of the Directors in Respect of the Annual Report and Accounts

Each of the Directors whose names are listed on pages 56 and 57 confirm that to the best of their knowledge:

a) the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Company and the undertakings included in the consolidation taken as a whole; and

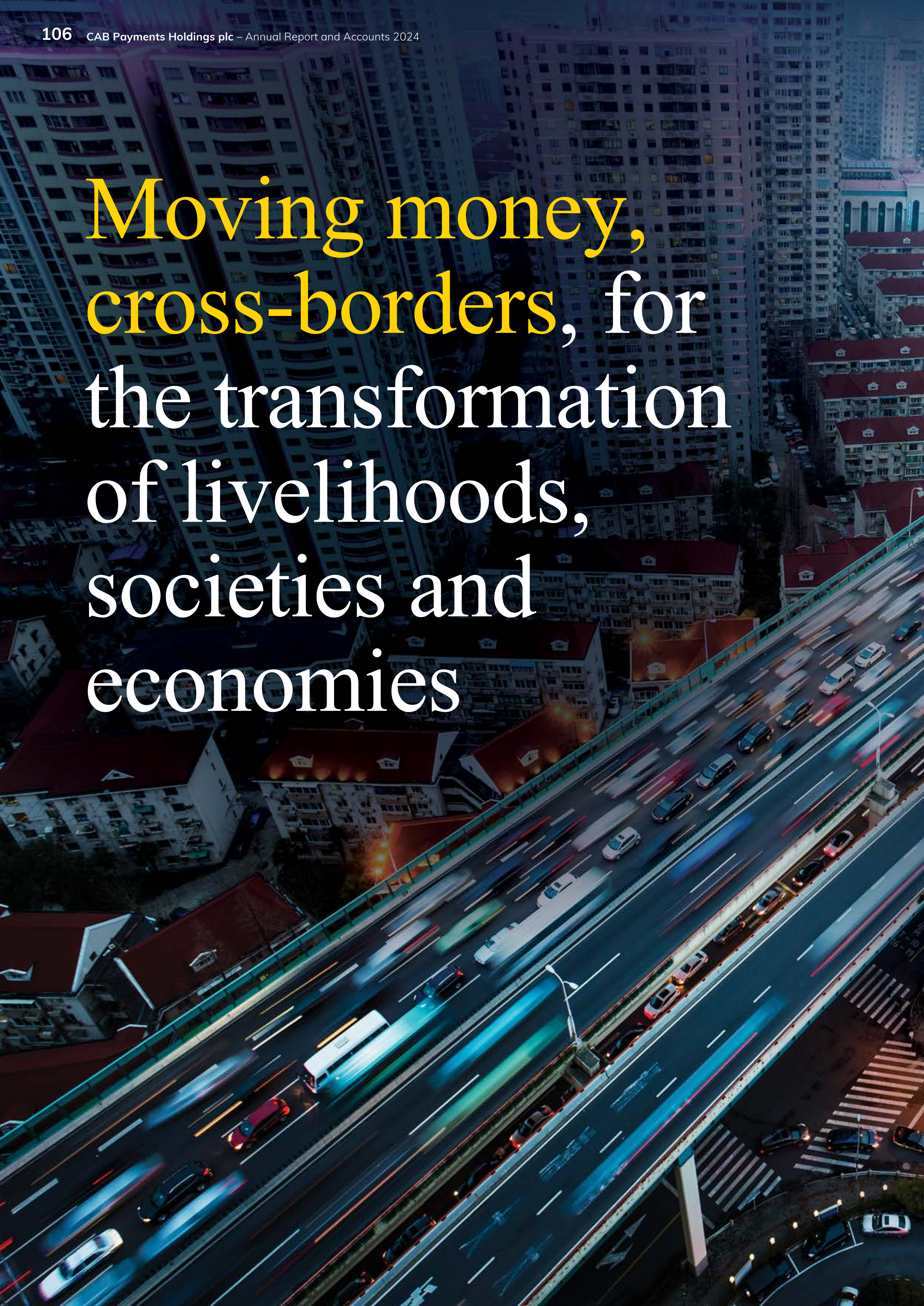
b) the Annual Report (including the Strategic Report encompassed within the 'Overview', 'Strategic Report', and 'Governance' sections) includes a fair review of the development and performance of the business, and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board

Neeraj Kapur
Chief Executive Officer

12 March 2025

Moving money, cross-borders, for the transformation of livelihoods, societies and economies



Financial statements

Independent Auditor's Report to the members of CAB Payments Holdings plc

Opinion

We have audited the financial statements of CAB Payments Holdings plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006; 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 Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ('FRC') Ethical Standard as applied to listed entities and 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 Group's and the parent Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Reviewing the directors' going concern assessment to determine that it appropriately considers an assessment of key business risks including assessing the sufficiency of the Group's capital and liquidity taking into consideration the most recent Board-approved Internal Capital Adequacy Assessment Process ('ICAAP'), Internal Liquidity Adequacy Assessment Process ('ILAAP') and recovery plan documents. This included assessing the Group's most recent capital stress testing developed subsequently to the ICAAP document and related management actions;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group's and the parent Company's future financial performance;
- Challenging the appropriateness and reasonableness of the directors' key assumptions in their forecasts, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of stress and reverse stress testing on the Group's capital and liquidity and their consideration of severe but plausible scenarios. This included assessing the viability of mitigating actions within the directors' control and assessment of the directors' considerations of the implications of the macroeconomic environment and geopolitical risk;
- Engaging our prudential regulatory experts to assess the results of management's stress testing and the impact on liquidity and regulatory capital;
- Assessing the reasonableness and testing arithmetical accuracy of the forecasts prepared by the directors, including evaluating the historical accuracy of past forecasts;
- Inspecting regulatory correspondence with the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA') and holding bilateral discussions with the PRA;
- Inspecting Board of Directors' meeting minutes to identify events or conditions that may impact the Group's and the parent Company's ability to continue as a going concern;
- Considering whether there were events subsequent to the balance sheet date which could have a bearing on the going concern conclusion;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

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

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

In relation to CAB Payments Holdings plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Key audit matters

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

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

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

Independent Auditor's Report to the members of CAB Payments Holdings plc
continued

Key Audit Matter	How our scope addressed this matter

Occurrence, completeness and accuracy of net foreign exchange gain
 	
The Group recognised a net foreign exchange gain of £53,803,000 in the year ended 31 December 2024 (2023: £88,417,000).
 	
Refer to material accounting policy information (Note 1) and to Note 6 of the financial statements.
 	
Net foreign exchange gain is a focus of internal and external stakeholders.
 	
The output of net foreign exchange gain is predominately system generated with certain manual interventions.
 	
The Group's net foreign exchange gain transactions are recorded in a core banking system which is integrated with front office and payments applications. The occurrence, completeness and accuracy of net foreign exchange gain is highly dependent on the design and operating effectiveness of information technology general controls ('ITGCs') over the systems relating to the recording and calculation of foreign exchange transactions, and the settlement of associated payments.
 	
The occurrence, completeness and accuracy of net foreign exchange gain is also dependant on the information technology application controls ('ITACs'), which include:
 	
• The interfaces between the core banking system and the front office and payments applications;
• Enforcing maker-checker controls on the input of transactions in the core banking system;
• Automated calculation of realised and unrealised foreign exchange gains and losses; and
• Automated matching of transactions passing through the payments and settlement applications and customer statements.
 	
Management relies on IT-dependent manual controls for the matching of subsequent payments and settlements related to net foreign exchange gains which clear post transaction date.
 	
Management performs manual calculations to adjust automated revaluations of balances in illiquid currencies. The reliance on manual processes increases the risk of error.
 	
There is an enhanced risk of material misstatement due to error related to the occurrence, completeness and accuracy of net foreign exchange gain and it has been designated as a key audit matter.
	Our audit procedures included, but were not limited to:
	
	In relation to the IT controls, we have:
	
	• Performed end-to-end walkthroughs and tested the design and implementation of controls on the key processes for initiating foreign exchange trade and payments transactions in the front office applications, automated calculation of gains or losses, processing of payments and settlements through the payment applications, matching process between the core banking system and payment platforms and the manual interventions involved in these processes.
	• With assistance of our information technology audit specialists, we tested:
	  – The ITGCs that support the relevant ITACs to confirm that relevant business process level ITGCs operated effectively and consistently throughout the audit period. Our ITGC testing covered user access, change management, and segregation of duties. On systems or controls managed by third-party service providers, we reviewed the relevant Service Organisation Controls ('SOC') reports and obtained the respective bridging letters where relevant. Where there were no SOC reports available, we tested the relevant controls directly with the service providers.
	  – ITACs including controls over initiation, processing and recording of transactions relating to net foreign exchange gain, automated calculations, system integrations and system-enforced segregation of duties controls.
	  – The automated authorisation and settlement of payments relating to net foreign exchange transactions and the automated matching of net foreign exchange gain transactions on payment platforms and customer statements, as well as the clearing of unreconciled transactions on a sample basis.
	
	In relation to manual controls relevant for the calculation and recording of net foreign exchange gains, we have:
	
	• Assessed the design and implementation of key controls relating to the net foreign exchange gain transactions;
	• Tested the operating effectiveness of management's key control over the calculations made to adjust automated revaluations of balances in illiquid currencies; and
	• Tested the operating effectiveness of key controls around manual clearing of unreconciled transactions from the automated bank reconciliation process.
	
	We have performed the following substantive procedures:
	
	• Tested the accuracy of exchange rates applied in the core banking system by comparing them to independent market sources;
	• On a sample basis, tested transactions by agreeing to third-party confirmations;
	• On a sample basis, performed subsequent settlement testing of the outstanding items on the ageing report of unsettled positions at year-end relating to revenue transactions;
	• With the assistance of our in-house data analytics specialists, tested the accuracy of the net foreign exchange gain through independent re-computation;
	• Reperformed management's manual calculation relating to revaluation adjustments made to balances in illiquid currencies, including comparing the exchange rates used to independent market sources; and
	• Tested the reconciliation of the net foreign exchange gain recorded in the general ledger to the core banking system.
	
	We assessed the adequacy and appropriateness of the disclosures in the financial statements in relation to net foreign exchange gain and assessed for compliance with the requirement of UK-adopted international accounting standards.
	
	Our observations
	
	We found the net foreign exchange gain to be materially correct for the year ended 31 December 2024 and in accordance with UK-adopted international accounting standards.

Key Audit Matter	How our scope addressed this matter

Impairment assessment of goodwill, intangible assets and of the parent Company's investments in subsidiary undertakings
 	
As at 31 December 2024, the Group's intangible assets amounted to £30,605,000 (2023: £24,294,000). The balance comprises goodwill, core accounting software, other software and brand name. The carrying value of goodwill is £5,919,000 (2023: £5,919,000) and it relates to the acquisition in earlier years of the entire share capital of both Crown Agents Bank Limited ('CAB') and CAB US Inc (formerly, Segovia Technology Company) by the Group.
 	
As at 31 December 2024, the parent Company's investments in subsidiary undertakings amounted to £164,341,000 (2023: £164,380,000). The balance relates to its 100% holding ownership in CAB Tech HoldCo Limited which in turn is CAB's immediate parent company
 	
Refer to material accounting policy information (Note 1) and to Notes 20 and 21 of the financial statements.
 	
The Group is required to perform an impairment assessment on their carrying value of goodwill at least annually. The Group and parent Company are also required to perform an impairment assessment of intangible assets and investments in subsidiary undertakings, respectively, whenever there are events or changes in circumstances which indicate that their carrying amounts may be irrecoverable.
 	
Management have assessed the fall in the market capitalisation of the parent Company and the Group's financial performance in 2024 as potential impairment indicators.
 	
Goodwill and intangible assets have been allocated to one cash generating unit ('CGU') which includes CAB and CAB US Inc. The impairment reviews performed by management determine the recoverable amount of the Group's CGU by calculating a value in use ('VIU'). The impairment review on the parent's investment in subsidiary undertakings uses the same VIU.
 	
Management's assessment results in the recoverable amount exceeding the carrying values of each of the Group's CGU and the parent Company's investment in subsidiary undertakings, concluding there is no impairment.
 	
This calculation of the VIU requires judgement when estimating future free cashflows.
 	
Estimation risk has this year increased considering:
 	
• The significant reduction in the discount rate applied to the VIU calculation; and
 	
• The Group is in the process of executing new strategic initiatives with the objective of diversifying and increasing sources of revenue and to improve efficiencies. IAS 36.45(b) requires that future cash outflows that will improve or enhance the asset's performance or the related cash inflows that are expected to arise from such outflows be excluded from the VIU calculation.
 	
We have therefore considered this impairment assessment to give rise to an enhanced risk of error and it has been designated as a key audit matter.
	Our audit procedures included, but were not limited to:
	
	• Evaluated the design and implementation of key controls over the impairment assessment process;
	• Evaluated the appropriateness of the methodology used in the impairment assessment, including management's determination of the CGU, with reference to the requirements of IAS 36 Impairment of Assets;
	• Evaluated management's paper on impairment assessment for completeness of potential impairment trigger events;
	• Tested the arithmetical accuracy of the VIU calculation;
	• Assessed the accuracy of the forecasts through review of the data inputs on a sample basis;
	• Evaluated the quality of management's forecasting process, considering historical forecasts and actual results achieved;
	• Assessed consistency of free cash flow estimates and related assumptions with Board-approved budgets, other financial and regulatory reporting, and our knowledge of the Group;
	• Evaluated the competency and objectivity of management experts involved in the estimation of discount rates;
	• Challenged the appropriateness and reasonableness of management's assumptions that underpin key judgments in the VIU calculation. These include expected levels of revenue and completeness of costs of the CGU;
	• With the assistance from our in-house valuations experts, we:
	  – Challenged the appropriateness of the discount rate determined by management expert,
	  – Assessed assumptions used in the determination of the discount rates, including the appropriateness and relevance of the comparable companies used in the estimate; and
	  – Assessed the appropriateness of the long-term growth rate.
	• Performed benchmarking of the terminal growth rate against market available information;
	
	• Challenged management's sensitivity analysis on key variables namely future free cash flows, terminal growth rate and discount rate, including performing stress scenario analysis;
	
	• Evaluated the reasonableness of management's impairment assessment, including verification for a sample of IT projects, the existence of any impairment indicators and their expected future economic benefits;
	
	• Performed a stand-back assessment on management's assumptions and judgements based on our understanding of the Group's operations and business environment; and
	
	• Assessed the appropriateness of disclosures included in the notes to the financial statements.
	
	Our observations
	
	We found the judgements and assumptions used by management in the impairment assessment of the Group's goodwill and intangible assets and of the parent Company's investment in subsidiary undertakings to be supportable and the related disclosures in the financial statements appropriate.

Independent Auditor's Report to the members of CAB Payments Holdings plc
continued

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

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

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

Group materiality

Overall materiality	**£1,067,000 (2023: £2,936,000)**
How we determined it	5% of Profit before tax ('PBT') excluding adjusting items (2023: 5% of PBT excluding adjusting items).
Rationale for benchmark applied	PBT is the benchmark typically used for profit-oriented groups. Adjusting items have been excluded from PBT in determining materiality. We believe that adjusted PBT provides the most appropriate measure for the users of the financial statements, given that the Group is a profit-making entity, it is the standard for listed entities and it is consistent with the wider industry.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £640,000 (2023: £1,762,000), which represents 60% (2023: 60%) of overall materiality. We considered several factors in determining performance materiality, including the level and nature of uncorrected and corrected misstatements in the prior year and the robustness of the control environment, and concluded that an amount towards the middle of our normal range was appropriate.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £32,000 (2023: £88,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent Company materiality

Overall materiality	**£458,000 (2023: £1,486,000)**
How we determined it	0.3% of net assets, which is capped at component materiality (2023: 1% of net assets).
Rationale for benchmark applied	We believe that net assets provides the most appropriate measure for the users of the parent Company's financial statements, given that the parent Company is primarily a holding company.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £275,000 (2023: £892,000), which represents 60% (2023: 60%) of overall materiality. We considered several factors in determining performance materiality, including the level and nature of uncorrected and corrected misstatements in the prior year and the robustness of the control environment, and concluded that an amount towards the middle of our normal range was appropriate.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £14,000 (2023: £45,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

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

Our group audit scope included an audit of the Group and the parent Company financial statements. Based on our risk assessment, the main trading component, Crown Agents Bank Limited, together with the parent Company, were subject to full scope audit performed by the group audit team. In addition, the group audit team performed direct testing of the material balances on subsidiaries not subject to full scope audit. The components within the scope of our work accounted for 99.6% of the Group's total income net of interest expense, 99.9% of the Group's absolute PBT, 99.9% of the Group's absolute PBT excluding adjusting items and 99.7% of the Group's total assets.

At the parent Company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

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, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with 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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the 'FCA Rules'), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- Strategic Report or the Directors' Report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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 parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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; or
- a corporate governance statement has not been prepared by the parent Company.

Independent Auditor’s Report to the members of CAB Payments Holdings plc
continued

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to CAB Payments Holdings plc's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 50;
- Director’s statement on whether it has a reasonable expectation that the Group and Parent Company will be able to continue in operation and meets its liabilities, set out on 50;
- Directors’ explanation as to its assessment of the Group and parent Company’s prospects, the period this assessment covers and why the period is appropriate, set out on pages 49 and 50;
- Directors' statement on fair, balanced and understandable, set out on page 71;
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 49;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 64; and;
- The section describing the work of the audit committee, set out on pages 70 to 76.

Responsibilities of Directors

As explained more fully in the directors’ responsibilities statement set out on page 105, 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 Group’s and the parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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

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

Other matters which we are required to address

We were appointed by the Board of Directors on 28 June 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods, which was prior to the parent Company becoming a public interest entity ('PIE'). The parent Company became a PIE during the year ended 31 December 2023 and, following the recommendation of the Board Audit Committee, we were appointed by the Board of Directors on 5 December 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement since the parent Company became a PIE is two years, covering the years ended 31 December 2023 and 31 December 2024.

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

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

Use of the audit report

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

As required by the FCA Disclosure Guidance and Transparency Rules, these financial statements will form part of the electronic reporting format prepared annual financial report filed on the National Storage Mechanism of the FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared using the correct electronic format.

Maximiliano Bark (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

12 March 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Continuing operations			
Interest income	4	**58,857**	52,353
Interest expense	4	**(39,300)**	(30,854)
Net interest income		**19,557**	21,499
Gain on money market funds		**16,070**	11,036
Net (loss)/gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss		**(247)**	1,232
Fees and commission income	5	**15,745**	14,571
Net foreign exchange gain	6	**53,803**	88,417
Revenue, net of interest expense		**104,928**	136,755
Other operating income	7	**616**	313
Total income, net of interest expense		**105,544**	137,068
Operating expenses before adjusting items	8	**(84,659)**	(77,946)
Adjusting items	8a	**(3,741)**	(21,101)
Operating expenses after adjusting items		**(88,400)**	(99,047)
Impairment reversal/(loss) on financial assets at amortised cost	36	**450**	(404)
Profit before tax		**17,594**	37,617
Tax expense	9	**(3,382)**	(13,727)
Profit after tax for the year from continuing operations		**14,212**	23,890
Discontinued operations			
Loss after tax for the year from discontinued operations	45	**–**	(153)
Profit for the year		**14,212**	23,737
Profit for the year attributable to:			
– Owners of the parent	27	**14,212**	22,713
– Non-controlling interests		**–**	1,024
		14,212	23,737

		2024 pence	2023 pence
Basic and diluted earnings per share	43		
Continuing operations		**6**	10
Discontinued operations		**–**	–
Total basic and diluted earnings per share		**6**	10

Consolidated Statement of Other Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit for the year		**14,212**	23,737
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange gains/(losses) on translation of foreign operations	29	**4**	(121)
Items that will not be reclassified subsequently to profit or loss:			
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income	28	**20**	27
Income tax relating to these items	22	**(5)**	(12)
Other comprehensive income/(loss) net of tax		**19**	(106)
Total comprehensive income		**14,231**	23,631
Total comprehensive income attributable to:			
– Owners of the parent		**14,231**	22,617
– Non-controlling interests		**–**	1,014
		14,231	23,631

The notes on pages 124 to 199 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	As at 31 December 2024 £'000	Restated[1] As at 31 December 2023 £'000
Assets			
Cash and balances at central banks[1]	10	**584,679**	529,835
Money market funds	11	**488,197**	518,764
Loans and advances on demand to banks	12	**185,559**	135,178
Investment in debt securities	14	**246,021**	353,028
Other loans and advances to banks[1]	12	**180,084**	136,131
Other loans and advances to non-banks	12	**32,596**	8,216
Unsettled transactions	17	**10,866**	8,417
Derivative financial assets	13	**4,884**	3,829
Investment in equity securities	15	**553**	495
Other assets	17	**19,341**	11,200
Accrued income	16	**925**	1,215
Property, plant and equipment	18	**2,781**	1,191
Right of use assets	19	**17,754**	689
Intangible assets	20	**30,605**	24,294
Total assets		**1,804,845**	1,732,482
Liabilities			
Customer accounts	23	**1,585,000**	1,542,889
Derivative financial liabilities	13	**539**	9,679
Unsettled transactions	24	**35,173**	20,081
Other liabilities	24	**5,967**	8,121
Accruals	24	**10,380**	18,367
Lease liabilities	19	**18,069**	884
Deferred tax liability	22	**1,217**	695
Provisions	25	**1,949**	236
Total liabilities		**1,658,294**	1,600,952
Equity			
Called up share capital	26	**85**	85
Treasury shares reserve	30	**(244)**	–
Retained earnings	27	**146,724**	131,478
Investment revaluation reserve	28	**126**	111
Foreign currency translation reserve	29	**(140)**	(144)
Shareholders' funds		**146,551**	131,530
Total liabilities and equity		**1,804,845**	1,732,482

1 Prior year restatement note is disclosed in Note 10.

Company registration number – 09659405

The notes on pages 124 to 199 form part of these consolidated financial statements.

The Board of Directors approved the consolidated financial statements on 12 March 2025.

N Kapur

Group Chief Executive Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Attributable to owners of the parent							
	Share capital £'000	Treasury shares reserve £'000	Retained earnings £'000	Investment revaluation reserve £'000	Foreign currency translation reserve £'000	Total £'000	Non-controlling interest (NCI) £'000	Total shareholders' funds £'000
Balance at 1 January 2024	**85**	**–**	**131,478**	**111**	**(144)**	**131,530**	**–**	**131,530**
Profit for the year (Note 27)	**–**	**–**	**14,212**	**–**	**–**	**14,212**	**–**	**14,212**
Other comprehensive income:								
Foreign exchange gain on translation of foreign operations (Note 29)	**–**	**–**	**–**	**–**	**4**	**4**	**–**	**4**
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income (Note 28)	**–**	**–**	**–**	**20**	**–**	**20**	**–**	**20**
Income tax relating to these items (Note 22)	**–**	**–**	**–**	**(5)**	**–**	**(5)**	**–**	**(5)**
Other comprehensive income net of tax	**–**	**–**	**–**	**15**	**4**	**19**	**–**	**19**
Total comprehensive income	**–**	**–**	**14,212**	**15**	**4**	**14,231**	**–**	**14,231**
Transactions with owners in their capacity as owners:								
Share-based payment expense (Note 31)	**–**	**–**	**996**	**–**	**–**	**996**	**–**	**996**
Stamp duty refund	**–**	**–**	**38**	**–**	**–**	**38**	**–**	**38**
Acquisition of treasury shares by EBT (Note 30)	**–**	**(244)**	**–**	**–**	**–**	**(244)**	**–**	**(244)**
Total	**–**	**(244)**	**1,034**	**–**	**–**	**790**	**–**	**790**
Balance at 31 December 2024	**85**	**(244)**	**146,724**	**126**	**(140)**	**146,551**	**–**	**146,551**
Balance at 1 January 2023	68,010	–	40,179	96	(31)	108,254	7,704	115,958
Profit for the year (Note 27)	–	–	22,713	–	–	22,713	1,024	23,737
Other comprehensive income:								
Foreign exchange losses on translation of foreign operations (Note 29)	–	–	–	–	(111)	(111)	(10)	(121)
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income (Note 28)	–	–	–	27	–	27	–	27
Income tax relating to these items (Note 22)	–	–	–	(12)	–	(12)	–	(12)
Other comprehensive income/(loss) net of tax	–	–	–	15	(111)	(96)	(10)	(106)
Total comprehensive income/(loss)	–	–	22,713	15	(111)	22,617	1,014	23,631
Transactions with owners in their capacity as owners:								
Share-based payment expense (Note 31)	–	–	1,313	–	–	1,313	46	1,359
Issuance of new shares (Note 26)	11	–	(11)	–	–	–	–	–
Capital injection in subsidiary (Note 26)	–	–	3,661	–	–	3,661	296	3,957
Change in ownership interest in subsidiary (Note 26e)	–	–	(543)	–	–	(543)	–	(543)
Share capital reduction (Note 26)	(67,936)	–	67,936	–	–	–	–	–
Dividends declared and paid (Note 27)	–	–	(11,300)	–	–	(11,300)	(1,540)	(12,840)
FX translations adjustment	–	–	–	–	8	8	–	8
Acquisition of NCI (Note 27, Note 29)	–	–	7,530	–	(10)	7,520	(7,520)	–
Total	(67,925)	–	68,586	–	(2)	659	(8,718)	(8,059)
Balance at 31 December 2023	85	–	131,478	111	(144)	131,530	–	131,530

The notes on pages 124 to 199 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 £'000	Restated 2023 £'000
Cash inflow from operating activities[1]	33	**96,774**	322,915
Tax paid		**(11,766)**	(14,084)
Payments for interest on lease liabilities		**(33)**	(65)
Net cash generated from operating activities[1]		**84,975**	308,766
Cash flow used in investing activities			
Purchase of property, plant and equipment	18	**(2,428)**	(422)
Purchase of intangible assets	20	**(12,524)**	(6,982)
Refund/(purchase) of investments in subsidiary undertakings		**39**	(543)
Purchase of equity investments		**(53)**	—
Proceeds from sale of investment in CAIM	45	–	2,133
Net cash used in investing activities		**(14,966)**	(5,814)
Cash flow used in financing activities			
Repayment of principal portion of the lease liability		**(295)**	(462)
Proceeds from shares issued to non-controlling interests		–	973
Purchase of treasury shares	30	**(244)**	—
Dividends paid	27	–	(12,840)
Net cash used in financing activities		**(539)**	(12,329)
Net increase in cash and cash equivalents[1]		**69,470**	290,623
Cash and cash equivalents at the beginning of the year[1]		**1,183,777**	907,053
Effect of exchange rate changes on cash and cash equivalents		**5,188**	(13,899)
Cash and cash equivalents at the end of the year[1]		**1,258,435**	1,183,777
Analysed as follows:			
Cash and balances at central banks[1]	10	**584,679**	529,835
Money market funds	11	**488,197**	518,764
Loans and advances on demand to banks	12	**185,559**	135,178

1 Prior year restatement note is disclosed in Note 33.

The notes on pages 124 to 199 form part of these consolidated financial statements.

Company Statement of Financial Position

as at 31 December 2024

	Note	2024 £'000	2023 £'000
Assets			
Loans and advances receivable from subsidiary undertaking	12	**108**	658
Receivables from subsidiary undertaking	34	**273**	4,239
Other assets	17	**500**	188
Investments in subsidiary undertakings	21	**164,341**	164,380
Intangible assets	20	**120**	–
Total Assets		**165,342**	169,465
Liabilities			
Payables to subsidiary undertaking	34	**18,262**	19,406
Other liabilities	24	**65**	422
Accruals	24	**736**	1,022
Total Liabilities		**19,063**	20,850
Equity			
Called up share capital	26	**85**	85
Treasury shares reserve	30	**(244)**	–
Merger relief reserve	26	**100,442**	100,442
Retained earnings	27	**45,996**	48,088
Shareholders' funds		**146,279**	148,615
Total equity and liabilities		**165,342**	169,465

Company registration number – 09659405

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting its own profit or loss and other comprehensive income statement. The loss for the year of £2,092k (2023: £4,584k) has been accounted for in the financial statements of the Company.

The notes on pages 124 to 199 form part of these Company financial statements.

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

N Kapur
Group Chief Executive Officer

Company Statement of Changes in Equity

for the year ended 31 December 2024

	Called up share capital £'000	Treasury shares reserve £'000	Merger relief reserve £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 January 2024	**85**	**–**	**100,442**	**48,088**	**148,615**
Loss for the year (Note 27)	**–**	**–**	**–**	**(2,092)**	**(2,092)**
Total comprehensive loss	**–**	**–**	**–**	**(2,092)**	**(2,092)**
Transactions with owners in their capacity as owners:					
Acquisition of treasury shares by EBT (Note 30)	**–**	**(244)**	**–**	**–**	**(244)**
Total	**–**	**(244)**	**–**	**–**	**(244)**
Balance at 31 December 2024	**85**	**(244)**	**100,442**	**45,996**	**146,279**
Balance at 1 January 2023	68,010		–	(3,964)	64,046
Loss for the year (Note 27)	–	–	–	(4,584)	(4,584)
Total comprehensive income	68,010	–	–	(8,548)	59,462
Transactions with owners in their capacity as owners:					
Issuance of new shares (Note 26)	11	–	100,442	–	100,453
Share capital reduction (Note 26)	(67,936)	–	–	67,936	–
Dividends declared and paid (Note 27)	–	–	–	(11,300)	(11,300)
Total	(67,925)	–	100,442	56,636	89,153
Balance at 31 December 2023	85	–	100,442	48,088	148,615

The notes on pages 124 to 199 form part of these financial statements.

Company Statement of Cash Flow

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash (outflow)/ inflow from operating activities	33	**(214)**	10,368
Net cash (outflow)/ inflow from operating activities		**(214)**	10,368
Cash flow from investing activities			
Sale of investments		**–**	2,133
Refund/ (purchase) of investments in subsidiary undertakings		**39**	(543)
Purchase of intangible assets		**(131)**	–
Net cash generated from investing activities		**(92)**	1,590
Cash flow used in financing activities			
Dividends paid	27	**–**	(11,300)
Purchase of treasury shares	30	**(244)**	–
Net cash used in financing activities		**(244)**	(11,300)
Net increase in cash and cash equivalents		**(550)**	658
Cash and cash equivalents at the beginning of the year		**658**	–
Cash and cash equivalents at the end of the year		**108**	658
Analysed as follows:			
Loans and advances receivable from subsidiary undertaking		**108**	658

The notes on pages 124 to 199 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2024

1. Statement of Accounting Policies

The following accounting policies relate to the financial statements of CAB Payments Holdings plc ('the Company') and its subsidiaries (collectively referred to as 'the Group').

a) General information

The Company is incorporated and domiciled in England. On 4 July 2023 the Company was re-registered as a public limited company, CAB Payments Holdings plc, in order to align with its strategic objectives. The address of its registered office as at 31 December 2024 is 3 London Bridge St, London, SE1 9SG, England.

The Company's shares trade under the ticker code of CABP.L.

The Group is a market leader in business-to-business cross-border payments and foreign exchange, specialising in hard-to-reach markets.

b) Basis of preparation

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

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

Comparatives have been restated due to prior period errors as set out in Note 10 and Note 33. This restatement was not as a result of a change of accounting policies and there is no impact to profit or loss and equity.

'Adjusting items' presented in the consolidated statement of profit or loss and related notes has been referred to as 'non-recurring expenses' in the prior year.

The preparation of consolidated and company financial statements in conformity with IFRS as adopted by the UK requires the use of certain critical accounting estimates which have been disclosed in Note 2.

The consolidated and Company financial statements are presented in British Pound Sterling (£). All values are rounded to the nearest thousand (£'000), except when otherwise indicated.

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

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

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of the entities controlled by the Company made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

A subsidiary is an entity controlled directly or indirectly by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss account from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation, with the exception of foreign currency gains and losses on intragroup monetary items denominated in a foreign currency of at least one of the parties.

The non-controlling interest (NCI) in subsidiaries is identified separately from the Group's equity therein. Interests of non-controlling shareholders represent ownership interests entitling them to a proportionate share of net assets upon liquidation initially being measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Subsequent to acquisition, the carrying amount of the NCI is the amount of those interests at initial recognition plus the NCI's share of subsequent changes in equity. Total comprehensive income is attributed to NCIs even if it results in the NCI having a deficit balance. Following the capital reorganisation in July 2023, there was no NCI as at 31 December 2024 or 31 December 2023.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

The Group has established employee benefit trusts (EBTs) to hold shares to meet the Group's obligation to provide shares awarded to employees under the share incentive plan. Shares held by the EBTs are deducted from equity and presented as Treasury Shares until such time that the shares settle. The EBT is controlled and recognised by the Company using the look-through approach, i.e. as if the EBT is included within the accounts of the Company.

d) Going concern

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

Critical to reaching this view were:

- The output of internal stress assessments which were conducted at a Company and a Group level and modelled the impact of severe yet plausible stresses which underpinned the Going concern assessment.
- The output of the reverse stress testing assessment which modelled the scenarios that would have to occur in order for the Group to fall below its Total Capital Requirement (being the aggregate of Pillar 1 and Pillar 2A capital requirements).

In reaching their conclusions, the Directors also considered the results of the 2024 ILAAP, the 2024 Going concern assessment, and the 2024 Recovery Plan.

Notes to the Financial Statements continued

for the year ended 31 December 2024

i. Internal stress assessments

In total, three stresses were considered:

- Market & Climate Change Stress which modelled the impacts of a severe global recession which leads to increased credit defaults and widespread credit rating downgrades, a low interest rate environment detrimentally impacting Net Interest Income and GBP sharply depreciating against USD which led to material increases in USD denominated Credit Risk Weighted Assets (CRWA);
- Idiosyncratic Stress which modelled the impact of a material reduction in revenue driven by idiosyncratic events; and
- A Combined Stress which modelled the impact of the Market & Climate Stress occurring concurrently with the Idiosyncratic Stress.

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

In all the stresses noted above the Group maintained sizeable surpluses to Total Capital Requirement.

ii. Reverse stress tests

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

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

iii. Conclusion

The Directors are of the view that:

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

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

e) Interest income and interest expense

i) Net interest income

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

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

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

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

f) Fees and commission income

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

- **Account management and payment services:** the Group's performance obligation in relation to account management services is to provide management or maintenance services to its current account holders. The revenue for these services is recognised over the life of the contract on a monthly basis as fees are received. Crown Agents Bank Ltd (CAB) provides the service. Payment services fees relate to services offered by the Group to its clients by executing payment transactions. Revenue from providing services is recognised at a point in time when the services are rendered i.e. when the payments are executed.
- **Pension payment fees:** pension payment fees are charged to pension companies for making payment to pension beneficiaries on their behalf. The Group acts as a principal in rendering these services to its clients. Revenue from providing services is recognised at a point in time when the services are rendered i.e., when the payments are executed.

- **Trade finance income**
  - Financial guarantee income: includes fixed fees earned for issuing financial guarantee contracts. The performance obligation of the Group is to provide financial assurance to the recipient of the guarantee in case of payment default. Revenue is recognised over the period of the contract term. The fees for providing financial guarantee services are charged and collected upfront.
  - Income from letters of credit: the Group also receives fees in respect of the issue of letters of credit where the performance obligations are typically fulfilled towards the end of the client contract. Where it is unlikely that the letter of credit will be drawn down, it is recognised in fee and commission income over the life of the facility, rather than as an adjustment to the effective interest rate for loans expected to be drawn as they are short-term facilities. The fees for acceptance of letters of credits include fees and are charged and collected upfront. Other charges include advising fees, confirming bank fees, and bank charges, all of which are collected on the completion of the term of the letter of credit.
- **Electronic platform fees:** fees for the services provided by the Group using its electronic platform to facilitate bulk payments to its clients. Revenue is recognised at a point in time when the services are rendered i.e., when the payments are executed.
- **Risk assessment fees:** fees for enhanced due diligence services provided by the Group under fixed price contracts. Revenue is recognised over the period the service is provided. As the contracts are time-based contracts, revenue is determined on the time elapsed relative to the total period of the contract period. Fees are invoiced on the completion of services or on a quarterly basis. No significant element of financing is deemed present as the contract allows a credit term of 30 days.
- **FX Payment fees:** commission earned for introducing a new client to a third party to facilitate cash payment transactions. Revenue is recognised at a point in time when the services are rendered by the third party.

g) Net foreign exchange gain

Net FX gain comprises the following:

- **Profit on settlement of FX contracts:** these profits arise on FX Settlements involving the instruction of client payments to specific recipients. Under the Group's FX and payment services, clients agree to terms and conditions for all transactions at the time of signing a contract with the Group. On trade date the Group measures these cash flows at fair value, with further changes in fair value being recognised in profit or loss until the settlement of the contract. This balance includes both realised and unrealised FX income at year-end.
- **Remeasurement of non-sterling balances:** Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated to the functional currency using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. FX gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss except for FX gains and losses in relation to instruments measured at fair value through other comprehensive income (FVTOCI) which are recognised in other comprehensive income (OCI).
- **Fair value gains or losses on derivatives:** this comprises the profits and losses on remeasurement of forward FX derivatives carried at fair value through profit and loss (FVTPL).
- **FX gain on payment transaction revenue:** an FX gain or loss on payment transactions is the difference between the spot exchange rate between the functional currency and the foreign currency at the date of the payment transaction.

h) Foreign currency

(i) Functional and presentational currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

FX gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss except for FX gains and losses in relation to instruments measured at fair value through other comprehensive income (FVTOCI) which are recognised in other comprehensive income (OCI).

(iii) Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to the Group's presentational currency at exchange rates prevailing at the close of business on the balance sheet date. Income and expense items are translated at the exchange rates on the day of the transaction.

FX differences arising on the translation of a foreign operation are recognised in other comprehensive income and accumulated in the Foreign Currency Translation Reserve (FCTR).

Notes to the Financial Statements continued

for the year ended 31 December 2024

(iv) Lack of exchangeability on currencies

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

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

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

i) Taxation

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

Current or deferred tax assets or liabilities are not discounted.

Current tax

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

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

If a company within the Group incurs losses within the period, that company may surrender trading losses and other amounts eligible for relief from corporation tax to another Group company (the 'claimant company') for the claimant company to set off against its own profits for corporation tax purposes as permitted by HMRC.

Deferred tax

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

j) Intangible assets (excluding Goodwill)

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

- Core accounting software – 12.5 years;
- Other software – 5 years (subject to regular management assessment of the economic benefit of the asset); and
- Brand/name – 50 years (acquired).

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

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

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Long-term software-as-a-service (SaaS) type contracts that do not meet the definition of an asset (rental of software) are expensed to profit and loss over the period of the contract in line with the benefits received.

k) Property, plant and equipment, and depreciation

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

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

l) Impairment of non-financial assets

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

Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss unless the asset has been revalued then the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. An impairment loss recognised on goodwill is not reversed in a subsequent period.

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

Goodwill is allocated on acquisition to the cash-generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash-generating units for impairment testing.

Disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell. At initial classification of the disposal group as held for sale, the carrying amounts of all the individual assets and liabilities in the disposal group are measured in accordance with the Group's accounting policies. If fair value less costs to sell for the disposal group is below the aggregate carrying amount of all of the assets and liabilities included in the disposal group, the disposal group is written down. The impairment loss is recognised in profit or loss for the period.

m) Cash and cash equivalents

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

n) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of any non-controlling interest in the acquiree.

Goodwill is tested for impairment at the end of each accounting period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill is accounted for at cost less accumulated impairment losses.

Notes to the Financial Statements continued

for the year ended 31 December 2024

o) Financial instruments

Financial assets and financial liabilities are recognised in the Company and Group statements of financial position when the Company or Group becomes a party to the contractual provisions of the instrument.

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

(i) Financial assets

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

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

Classification of financial assets

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

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

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

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

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

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

The Group's financial assets measured at amortised cost consist of:

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

The nature of all financial items included in a given balance sheet line item is as shown in the respective note breakdown.

The Group's financial assets measured at FVTPL consist of money market funds and derivative financial instruments.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined in the manner described in Note 42.

The Group's financial assets designated at FVTOCI comprise primarily its investment in equity securities, which are not held for trading (Note 15).

The equity instruments are held as a strategic investment and not held with the intention to realise a profit.

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

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other operating income' line item (Note 7) in the statement of profit or loss and other comprehensive income.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost (Note 1 (e)) above. Interest income is recognised in the statement of profit or loss and other comprehensive income in the 'Net interest income' line item (Note 4).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

(ii) Financial liabilities

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

Classification of financial liabilities

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

Financial liabilities at fair value through profit and loss

The Group's financial liabilities at fair value through profit and loss consist of derivative liabilities (see below for policy on derivative financial instruments).

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

Financial liabilities at amortised cost

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

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

Derecognition of financial liabilities

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

(iii) Derivative financial instruments

The Group's derivatives policy only permits dealing in forward FX contracts to hedge, to provide services to clients or to facilitate cash management.

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

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting is not applied.

(iv) Offsetting

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

(v) Equity

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

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

Notes to the Financial Statements continued

for the year ended 31 December 2024

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

Financial guarantee contracts

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

Letters of credit confirmations/bill acceptances

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

Fees relating to financial guarantee contracts and letter of credit confirmations / bill acceptances issued by the Group can be received upfront and these fees are amortised on a straight-line basis to income over the year. The receivable increases over the life of the contract as service is performed with the corresponding recognition of income in the statement of profit or loss. All financial guarantee contracts issued by the Group are subsequently measured at the higher of:

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

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

(vii) Impairment of financial assets

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

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

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

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

For Stages 1 and 2, interest revenue is calculated on the gross carrying amount. Under Stage 3, interest revenue is calculated based on the net carrying amount (gross amount less ECL).

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. For these financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

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

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

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

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

Irrespective of the outcome of the above assessment, the Group assumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

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

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

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

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

Definition of default

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

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

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

Write-off policy

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

Notes to the Financial Statements continued

for the year ended 31 December 2024

Measurement and recognition of ECLs

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described in Note 36. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts and letter of credit confirmations/bill acceptances, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

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

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

Presentation of ECL

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

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

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

p) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, medical insurance and defined contribution pension plans. The Group has implemented a one-off Free Share Scheme following the 2023 listing and a Matching/Partnership Share Scheme, both schemes for all employees. The Group also provides share incentive schemes to Executive Directors and certain other key employees or senior management as follows:

- Long-Term Incentive Plans;
- a Matching/Partnership Share Incentive Plan (all employees);
- a Free Shares Plan (all employees);
- the rights to invest in restricted shares of Group companies*; and
- the rights to restricted share units of Group companies*.

* Applicable to 2023 only.

Short-term benefits

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

Pension contributions

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

Share-based payment arrangements

The Group provides share-based payment arrangements to certain employees (as noted above).

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

Long-term incentive plan (LTIP) awards are subject to performance conditions. LTIP awards granted in 2023 and 2024 are subject to both market performance conditions (relating to Total Shareholder Returns) and non-market performance conditions (relating to Earnings Per Share).

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

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

The Group has no cash-settled arrangements.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 31.

q) Investments in subsidiaries

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

r) Discontinued operations and disposal group held for sale

Discontinued operations and disposal group held for sale is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operation;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal, abandonment or when the operations meet the criteria to be classified as held for sale. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Property, plant and equipment, and intangible assets, once classified as held for sale, are not depreciated or amortised.

Disposal groups classified as held for sale are measured at the lower of the carrying value and the fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

When the Group ceases to have control of an undertaking (disposal group), it is at this point that the Group ceases to consolidate the operations and any gain or loss on disposal is recognised in the Group consolidated statement of profit or loss. In addition, any movements previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

s) Provisions and contingent liabilities

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

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

Notes to the Financial Statements continued

for the year ended 31 December 2024

t) Share capital

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

u) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated on the Group's profit or loss after taxation attributable to the owners of the parent and based on the weighted average of ordinary shares at the end of the year.

ii. Diluted earnings per share

Diluted earnings per share is calculated on the Group's profit or loss after taxation attributable to owners of the parent and based on the weighted average of ordinary shares at the end of the year and the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Performance-based employee share options are treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time.

v) Dividends

Dividends are recognised in the financial statements in the period they are paid.

w) Leases (Group as lessee)

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as small items of fixtures and equipment and value of less than £10,000). For these leases, the Group recognises the lease payments as an Operating Expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

Lease payments included in the measurement of the Group's lease liabilities are fixed lease payments less any lease incentives receivable.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

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

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

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

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

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

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

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

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

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2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, which are described in Note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

2.1 Key judgements and estimates in impairment and going concern assessment

The assessment of goodwill and intangible assets (Note 20), investments in subsidiary undertakings (Note 21) for impairment and appropriateness of going concern reflects management's best estimate of the future cash flows of the Cash-Generating Units (CGUs) and the rates used to discount these cash flows, both of which are subject to uncertain factors as follows:

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

2.2 Key judgements and estimates in impairment of financial assets and of certain off balance sheet items

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

Judgements	Estimates
• Defining what is considered to be a significant increase in credit risk • Selecting and calibrating the Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) models, which support the calculations, including making reasonable and supportable judgements about how models react to current and future economic conditions. • Selecting model inputs and economic forecasts, including determining whether sufficient and appropriately weighted economic forecasts are incorporated to calculate unbiased expected loss. • Making management adjustments to account for late-breaking events, model and data limitations and deficiencies, and expert credit judgements (none were noted).	Note 36 – Credit Risk sets out the assumptions used in determining ECL, and provides an indication of the sensitivity of the result to the application of different weightings being applied to different economic assumptions.

The quantitative disclosures, range of outcomes, and sensitivities applied are disclosed in Note 36.

2.3 Key judgements on classification of adjusting items

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

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

2.4 Key judgements on Incremental Borrowing Rate (IBR)

The Group signed two (2023: none) lease agreements and the office space became available for use during the year resulting in recognition of right of use assets (ROU) and lease liabilities. There was no interest rate implicit in the lease agreements, therefore, management considered the guidance within IFRS 16, and calculated an IBR by determining:

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

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

2.5 Key judgement on estimation of Research and Development Expenditure Costs

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

Notes to the Financial Statements continued

for the year ended 31 December 2024

3. Segment Reporting

Operating segments are determined by the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Group's Executive Committee. The information regularly reported to the Executive Committee for the purposes of resource allocation and the assessment of performance, is based wholly on the overall activities of the Group. Based on the Group's business model, the Group has determined that it has only one reportable segment of continuing operations.

The CODM assesses the profitability of the segment based on a measure of EBITDA and Adjusted EBITDA and is defined as follows:

- EBITDA – Calculated as Profit before Tax and IFRS 16 lease liability interest, depreciation and amortisation. Although it is typical to calculate EBITDA before interest, our net interest income is generated from operational client deposits and subsequent re-investment to generate returns for the shareholder and therefore remains included within EBITDA.
- Adjusted EBITDA – EBITDA before Adjusting items (Adjusting items were referred to as Non-recurring items in the prior year).

All revenue from external clients is generated through its operations located in the UK and on that basis is wholly attributable to the UK and all non-current assets, other than financial instruments and deferred tax assets, are located in the UK.

a) Income

The Group derives its income from continuing and discontinued operations as follows:

Year ended 31 December 2024	Continuing operations	Discontinued operations	Total
Income by business line	£'000	£'000	£'000
FX	**41,215**	–	**41,215**
Payments	**27,292**	–	**27,292**
Banking services and other income	**37,037**	–	**37,037**
Total income – net of interest expense	**105,544**	–	**105,544**

Year ended 31 December 2023	Continuing operations	Discontinued operations	Total
Income by business line	£'000	£'000	£'000
FX	68,518	4	68,522
Payments	34,229	855	35,084
Banking services and other income	34,321	–	34,321
Total income – net of interest expense	137,068	859	137,927

FX: Revenue categorised as FX is from clients with a need to exchange a bulk amount from one currency for another without onward payment to another party. The Group's FX revenue is derived from profit on settlement of FX contracts, remeasurement of sterling balances, fair value losses on derivatives and FX gain on payment transaction revenue. The accounting policy for the Group's Net FX gain revenue and its components is disclosed in Note 1 (g).

Payments: The Group's payments revenue include payments FX, same currency payments (corresponding activity income, and account management fees), pension payments and platform revenue. Payments FX comprises of the margin derived from bid-ask spreads on foreign currency conversion and fees paid by clients to transfer money from or to a third party, cross borders.

Same currency relates to payment services provided for payments transacted without an exchange of foreign currency largely relating to major market currency clearing and includes fees for account management activities and payments execution. Pension payments fees relate to amounts earned on processing of pension scheme foreign currency payments. Platform revenue relates to recurring fixed fees rather than fees earned on transaction volumes.

Banking services and other income: The Group also generates income from trade finance (including trade finance and letters of credit), working capital services and risk management consulting fees, interest earned from other placements with banks, interest earned from advances to non-banks outside the Working Capital facility, interest from staff loans, and net gains from financial assets/liabilities measured at fair value. The Group takes client funds earmarked for other needs as client deposits and makes short-term investment in the money market to generate gain on money market funds.

b) Profitability

The Group measures profitability for the reporting segment on an EBITDA and Adjusted EBITDA basis. EBITDA is useful as a measure of comparative operating performance between both previous periods and other companies as it removes the effect of taxation, depreciation and amortisation as well as items relating to capital structure, while adjusted EBITDA also removes the effect of adjusted items.

Reconciliation of profit before tax to EBITDA and Adjusted EBITDA Year ended 31 December 2024	Continuing operations £'000	Discontinued operations £'000	Total £'000
Profit before taxation	**17,594**	–	**17,594**
Adjusted for:			
Interest expenses on lease liabilities (Note 4)	**897**	–	**897**
Amortisation	**6,213**	–	**6,213**
Depreciation[1]	**2,320**	–	**2,320**
EBITDA	**27,024**	–	**27,024**
Adjusting items	**3,741**	–	**3,741**
Adjusted EBITDA	**30,765**	–	**30,765**

Reconciliation of profit before tax to EBITDA and Adjusted EBITDA Year ended 31 December 2023	Continuing operations £'000	Discontinued operations £'000	Total £'000
Profit/(loss) before taxation	37,617	(287)	37,330
Adjusted for:			
Interest expense on lease liability	65	–	65
Amortisation	4,607	13	4,620
Depreciation[1]	1,243	–	1,243
EBITDA	43,532	(274)	43,258
Adjusting items	21,101	–	21,101
Adjusted EBITDA	**64,633**	**(274)**	**64,359**

1 Balance includes depreciation on property, plant and equipment, and depreciation on right of use of asset.

4. Net Interest Income

	Consolidated	
Interest income:	2024 £'000	2023 £'000
Interest on cash and balances at central banks	**29,894**	28,147
Interest on loans and advances	**12,993**	7,676
Interest on letters of credit	**1,347**	599
Interest on investment in debt securities	**14,428**	15,802
Other interest income and similar income[1]	**194**	129
Interest income	**58,857**	52,353
Interest expense:		
Interest on financial liabilities at amortised cost	**(38,232)**	(30,685)
Interest expense on lease liabilities	**(897)**	(65)
Other interest expense[1]	**(171)**	(104)
Interest expense	**(39,300)**	(30,854)
Total net interest income	**19,557**	21,499

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

Notes to the Financial Statements continued

for the year ended 31 December 2024

5. Fees and Commissions Income

	Consolidated	
	2024 £'000	2023 £'000
Fees and commissions income:		
Account management and payments	**12,868**	11,750
Pension payment fees	**1,556**	1,467
Trade finance	**972**	725
Electronic platform fees	**164**	610
FX Payment Fees	**185**	19
Total fees and commission income	**15,745**	14,571

At 31 December 2024, the Group held on its consolidated statement of financial position £567k (2023: £531k) of accrued income in respect of services provided to clients and £17k (2023: £75k) of deferred income (entirely recognised within one year) in respect of amounts received from clients for services to be provided after the year end.

6. Net Foreign Exchange Gain

	Consolidated	
	2024 £'000	2023 £'000
Profit on settlement of FX contracts and remeasurement of non-sterling balances	**31,010**	76,402
Fair value gains/(losses) on derivatives[1]	**10,205**	(7,884)
FX gain on payment transaction revenue	**12,588**	19,899
Total	**53,803**	88,417

1 Foreign exchange derivative financial instruments are mandatorily held at fair value through profit or loss and this balance relates to unrealised gain/(loss) during the period. As noted in Note 13 the derivatives have been transacted to i) economically hedge assets and liabilities in foreign currencies and ii) trade on behalf of clients.

7. Other Operating Income

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

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

8. Operating Expenses

	Consolidated	
	2024 £'000	2023 £'000
Staff costs and Directors' emoluments		
Salaries and bonuses	**37,155**	37,646
Share-based payments	**996**	1,359
Social security costs	**4,753**	4,401
Pension costs	**2,701**	2,180
Fees payable to the auditor		
Audit		
– the Company	**711**	724
– Group companies[1]	**731**	1,090
Audit related services	**319**	477
Depreciation and amortisation		
Amortisation of intangible assets (Note 20)	**6,213**	4,607
Depreciation of property, plant, and equipment (Note 18)	**767**	798
Depreciation of right-of-use assets (Note 19)	**1,553**	445
Other expenses		
Low-value lease expenses	**59**	47
Clearing costs	**2,441**	2,314
Other bank charges	**3,103**	2,861
Software support/licences	**7,599**	5,903
Process automation costs (see Note 35 B(ii)(a))	**2,115**	2,000
Professional fees	**2,529**	2,573
Irrecoverable VAT	**1,344**	1,090
Other operating expenses	**9,570**	7,431
Operating expenses before adjusting items	**84,659**	77,946
Adjusting items[2]	**3,741**	21,101
Total operating expenses after adjusting items	**88,400**	99,047

1 Audit fees includes £nil (2023: £379k) of prior year audit fees. Additional services provided by the auditor are noted in (a) below.
2 Adjusting items consist of material adjusting items that are considered exceptional in nature by virtue of their size and/or incidence and as a result of arising outside of the normal trading of the Group. In determining whether a cost is adjusting, the Group considers the nature and frequency of similar events or transactions that have occurred in the past, as well as the likelihood of similar events or transactions in the future. Adjusting items were referred to as non-recurring items in the prior year.

Notes to the Financial Statements continued

for the year ended 31 December 2024

a) Adjusting items can be analysed as follows:

	Consolidated 2024 £'000	2023 £'000
Professional costs incurred in connection with review of strategic options:	**1,687**	**16,559**
Fees related to services provided by the auditor	–	1,250
Issuer's counsel	–	4,356
Mergers and Acquisition, Tax and Structuring advice	–	3,198
Capital Markets advisory	–	2,391
Public Offering of Securities Insurance and Directors' and Officers' Insurance	–	334
Joint Global Co-ordinator	–	1,553
Admission fee	–	411
Project consultancy services	–	400
Refresh report on the business	–	367
Stamp duty and professional fees	–	408
Strategic consultants	**698**	–
Due diligence triggered by investor bid	**677**	–
Other[1]	**312**	1,891
Transition costs relating to the new Executive Committee	**2,054**	–
Redundancies	**202**	–
Dual running, recruitment and settlement agreements	**1,852**	–
Bonus related to:	–	**4,542**
Listing	–	2,288
Take-on commitments	–	2,254
Total adjusting items	**3,741**	**21,101**

1 Other comprises various balances which relate to the pursuance of the strategic options and other one-off costs e.g trustee services, remuneration advisors' fees, transcription and printing services.

b) Number of employees

The monthly average number of full-time equivalent staff employed within the Group, including Executive Directors, was 378 (2023: 310) and the number of employees at year end was 421 (2023: 389).

Average number of persons employed during the year by legal entity	2024	2023
Crown Agents Bank Limited	**364**	303
CAB US Inc (formerly Segovia Technology Company)	**6**	6
CAB Europe BV	**8**	1
Total	**378**	310

9. Tax Expense

a) Analysis of tax expense for the year

i. Tax expense

	Consolidated	
	2024 £'000	2023 £'000
Continuing and discontinued operations		
Current tax		
Corporation tax based on the taxable profit for the year	**3,726**	13,079
Adjustment in respect of prior years	**(861)**	316
	2,865	13,395
Deferred tax		
Origination and reversal of temporary differences	**517**	332
	517	332
Total tax expense in statement of profit or loss	**3,382**	13,727
Analysed as follows:		
Continuing operations	**3,382**	13,727
Discontinued operations	**–**	(66)
Total tax expense for the year	**3,382**	13,661
Effective tax rate	**19%**	36%

ii. Amounts recognised directly in other comprehensive income

	Consolidated	
	2024 £'000	2023 £'000
Aggregate deferred tax arising in the year and not recognised in net profit or loss and recognised in other comprehensive income:		
Current year	**5**	6
Adjustment in respect of prior years	**–**	6
Deferred tax charge (Note 22)	**5**	12

Notes to the Financial Statements continued

for the year ended 31 December 2024

b) Factors affecting tax expense for the year

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

	Consolidated	
	2024 £'000	2023 £'000
Profit before taxation	**17,594**	37,617
Standard rate corporation tax of 25% on profit before taxation (2023: 25%/19%)	**4,399**	8,840
19%	–	1,787
25%	**4,399**	7,053
Effect of:		
Expenses not deductible for tax	**124**	4,514
Fixed asset differences	**(342)**	(19)
Losses not available for group relief	–	20
Impact of overseas tax rates	**62**	67
Permanent difference due to banking surcharge levy	–	642
Prior year adjustments	**(861)**	(337)
Total tax expense for continuing operations for the year	**3,382**	13,727

The Company's tax loss of £1,071k (2023: £391k) was surrendered to other Group companies (corporation tax group relief) as permitted by HMRC. No tax has been paid by the Company in the current year (2023: nil).

As laid out in the Finance Act 2021, from 1 April 2023, the main corporation tax rate increased to 25% (19% previously). In addition, there is a permanent difference due to a banking surcharge levy of 3% (8% previously) in relation to taxable profits of banks in excess of £100m (£25m previously) from 1 April 2023. The effects of this increase are reflected in the consolidated financial statements. The figures above incorporate the increased tax rate in respect of timing differences expected to reverse after that date.

10. Cash and Balances at Central Banks

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

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

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

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

Refer to Note 36 on Credit risk for further details on impairment loss allowance.

[1] **Prior period restatement**

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

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

The Cash and balances at central banks and Other loans and advances to banks balances on Note 12, Note, 33, Note 36, Note 37, Note 38, Note 39 and Note 41 have been impacted by the same prior period adjustment amount and have been restated accordingly.

The Company had no cash and balances at central banks (2023: nil).

Notes to the Financial Statements continued

for the year ended 31 December 2024

11. Money Market Funds

	Consolidated	
	2024 £'000	2023 £'000
Open Ended Investment Companies		
Morgan Stanley Euro Liquidity Fund	**25,748**	–
Goldman Sachs USD Treasury Liquid Reserves Fund	**402,594**	380,805
Black Rock ICS USD Liquidity Fund	**11,971**	98,566
JP Morgan USD Liquidity LVNAV Fund	**7,981**	39,393
BlackRock ICS US Treasury Fund Class Premier Distributing USD	**39,903**	–
	488,197	518,764
Component of Money Market Funds included in consolidated statement of cash flows under:		
Cash and cash equivalent balances	**488,197**	518,764

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

The Company had no Money Market Funds throughout 2024 (2023: nil). Refer to Note 42 on fair value measurements for further details.

12. Loans and Advances

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

	Consolidated	
	2024 £'000	Restated 2023 £'000
Loans and advances (gross)		
Loans and advances on demand to banks	**185,563**	135,203
Other loans and advances to banks[1]	**180,148**	136,158
Other loans and advances to non-banks	**32,835**	8,712
Total	**398,546**	280,073
Less: Impairment loss allowance		
Loans and advances on demand to banks	**(4)**	(25)
Other loans and advances to banks	**(64)**	(27)
Other loans and advances to non-banks	**(239)**	(496)
Total	**(307)**	(548)
Net Loans and advances on demand to banks	**185,559**	135,178
Net Other loans and advances to banks	**180,084**	136,131
Net Other loans and advances to non-banks	**32,596**	8,216
Net loans and advances	**398,239**	279,525
Component of loans and advances included in the consolidated statement of cash flows under:		
Cash and cash equivalents	**185,559**	135,178
Total	**185,559**	135,178

The Group's other loans and advances to banks include £410k of encumbered assets (2023: £8,264k) in relation to derivative contracts with other financial institutions and the balances are not overdue.

Refer to Note 36 on Credit risk for further details on impairment loss allowance.

The Company's loans and advances with subsidiary undertaking is receivable from CAB and amounts to £108k (2023: £658k).

13. Derivative Financial Instruments

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

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

The forward FX contracts have been transacted to economically hedge assets and liabilities in foreign currencies and trading on behalf of clients. The fair value gain at the statement of financial position date is £5,423k (2023: fair value loss £(5,850)k). These derivative financial instruments and the underlying transactions will mature during 2025 (2023: mature during 2024).

Offsetting derivative assets and derivative liabilities

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

Consolidated 2024 £'000	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subjected on master netting arrangements[1]	Net amount
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Derivative assets	**4,884**	**–**	**4,884**	**4,690**	**194**
Financial liabilities					
Derivative liabilities	**(539)**	**–**	**(539)**	**408**	**(947)**

Consolidated 2023 £'000	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subjected on master netting arrangements[1]	Net amount
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Derivative assets	3,829	–	3,829	736	3,093
Financial liabilities					
Derivative liabilities	(9,679)	–	(9,679)	(8,387)	(1,292)

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

The Company had no derivative financial instruments throughout 2024 (2023: nil).

Notes to the Financial Statements continued

for the year ended 31 December 2024

14. Investment in Debt Securities

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

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

The amortised cost approximates the fair value.

The Company had no investment in debt securities in 2024 (2023: nil).

Refer to Note 36 on Credit risk for further details on impairment loss allowance.

15. Investment in Equity Securities

Investment securities designated at FVTOCI are as follows:

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

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

With the exception of the above, the Group's policy is not to invest in equities. However, in order to undertake its business, the Group utilises the SWIFT payment system, the conditions of which oblige participants to invest in the shares of SWIFT, in proportion to participants' financial contributions to SWIFT. Due to the nature of the investment, this equity security has been designated at FVTOCI. No dividend income was recognised from these shares (2023: nil). There was no sale of these equity shares (2023: nil).

Apart from investments in subsidiary undertakings (see Note 21) the Company held no other investments throughout the current or prior year.

Refer to Note 42 on fair value measurements for further details.

16. Accrued Income

	Consolidated 2024 £'000	2023 £'000
Financial assets:		
Accrued income	**927**	547
Less: Impairment loss allowance	**(2)**	(3)
	925	544
Non-financial assets:		
Research and development tax rebate	–	671
Balance at year-end	**925**	1,215

Accrued income relates to amounts owed for services which have not yet been invoiced. This balance arises from several components including management fees, pension accruals, and other revenues. The balance in 2023 also included amounts due relating to an estimate of a research and development tax rebate which is a tax claim that the Group is due to receive from HMRC for the qualifying research and development activities undertaken by the Group.

Lifetime ECL has been recognised for accrued income. Further details of expected credit losses on contract asset (accrued income) are disclosed in Note 36.

17. Other Assets and Unsettled Transactions

A. Other assets

	Consolidated 2024 £'000	2023 £'000
Financial assets:		
Balances with mobile network operators[1]	**1,468**	3,164
Staff loans	**349**	335
Transactions debited by third party Nostro provider [2]	**566**	1,996
Funds paid in advance	**140**	–
Other assets	**885**	262
Less: impairment loss	**(18)**	(36)
Total	**3,390**	5,721
Non-financial assets:		
VAT refund	**2,592**	1,994
Corporation tax	**9,397**	—
Prepayments	**3,741**	3,429
Deferred tax	**221**	56
Total	**15,951**	5,479
Total other assets	**19,341**	11,200

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

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

The Company's other assets in 2024 totalled £500k (2023: £188k).

B. Unsettled transactions

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

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

The Company does not have unsettled transactions at year-end (2023: nil).

Notes to the Financial Statements continued

for the year ended 31 December 2024

18. Property, Plant and Equipment

2024	Consolidated Leasehold improvements[1] £'000	Computer equipment £'000	Fixtures & fittings[2] £'000	Total £'000
Cost				
At 1 January 2024	**122**	**2,789**	**2,275**	**5,186**
Additions	**970**	**1,424**	**34**	**2,428**
Disposals	**(131)**	**(146)**	**(13)**	**(290)**
At 31 December 2024	**961**	**4,067**	**2,296**	**7,324**
Accumulated depreciation and impairment				
At 1 January 2024	**111**	**1,907**	**1,977**	**3,995**
Charge to profit or loss	**248**	**499**	**20**	**767**
Disposals	**(125)**	**(89)**	**(5)**	**(219)**
At 31 December 2024	**234**	**2,317**	**1,992**	**4,543**
Net book value				
At 1 January 2024	**11**	**882**	**298**	**1,191**
At 31 December 2024	**727**	**1,750**	**304**	**2,781**

1 Includes Office fit out costs reclassified from Fixtures and fittings.
2 Includes artwork.

2023	Consolidated Leasehold improvements £'000	Computer equipment £'000	Fixtures & fittings[1] £'000	Total £'000
Cost				
At 1 January 2023	**122**	**2,516**	**2,209**	**4,847**
Additions	–	**348**	**74**	**422**
Disposals	–	**(75)**	**(8)**	**(83)**
At 31 December 2023	**122**	**2,789**	**2,275**	**5,186**
Accumulated depreciation				
At 1 January 2023	**89**	**1,605**	**1,574**	**3,268**
Charge to profit or loss	**22**	**371**	**405**	**798**
Disposals	–	**(69)**	**(2)**	**(71)**
At 31 December 2023	**111**	**1,907**	**1,977**	**3,995**
Net book value				
At 1 January 2023	**33**	**911**	**635**	**1,579**
At 31 December 2023	**11**	**882**	**298**	**1,191**

1 Includes artwork.

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

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

The Company had no property, plant and equipment (2023: £nil).

19. Leases (Group as a Lessee)

The Group has recognised right-of-use (ROU) assets and lease liabilities for its property leases which have been accounted for as individual assets and liabilities. The discount rates used are the incremental borrowing rates in the range of 5.33% – 7.06% (2023: (2.14%-8.99%).

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

The services provided by the lessors, such as cleaning, security, maintenance, and utilities, as part of the contract, are components which are not included in the ROU calculation and have been expensed in the 'Other operating expenses' line item in Note 8. These expenses amount to £861k (2023: £397k).

Dilapidation costs (restoration cost) of £1,800k (2023: nil) were added to the ROU at initial recognition and the dilapidation provision as at 31 December 2024 amounted to £1,884k (2023: nil) with £84k interest recognised in the statement of profit or loss and other comprehensive income.

The Group's leases of low-value fixtures and equipment are expensed in the 'Other operating expenses' line item in Note 8 on a straight-line basis (see accounting policy in Note 1 for leases). These amounted to £59k (2023: £47k).

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

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

There are also no restrictions or covenants imposed by the leases.

The lease interest payments charged as an expense for the year totalled £897k (2023: £65k).

The Company does not have any leases and had no lease payments under non-cancellable operating leases during 2024 (2023: nil).

Notes to the Financial Statements continued

for the year ended 31 December 2024

a) Right-of-use assets

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

	Consolidated Leasehold property[1] £'000
Cost	
At 1 January 2024	**1,760**
Additions[2]	**19,061**
Lease assignment[3]	**(695)**
At 31 December 2024	**20,126**
Accumulated depreciation	
At 1 January 2024	**1,071**
Charge to profit or loss[1]	**1,553**
Lease assignment[3]	**(252)**
At 31 December 2024	**2,372**
Net book value	
At 31 December 2024	**17,754**
Cost	
At 1 January 2023	1,760
Additions	–
At 31 December 2023	1,760
Accumulated depreciation	
At 1 January 2023	626
Charge to profit or loss[1]	445
At 31 December 2023	1,071
Net book value	
At 31 December 2023	689

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

Please note: the lease agreement for Quadrant House office space expired 25 June 2024. The right-of-use asset was fully depreciated and the lease liability fully paid up.

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

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

b) Lease liabilities

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

	Consolidated
	Leasehold property
	£'000
Lease liabilities as at 1 January 2024	**884**
Additions during the year	**17,264**
Payments during the year[1]	**(328)**
Lease assignment (Note 19a)	**(628)**
Foreign exchange revaluation	**63**
Add: interest on lease liabilities	**814**
At 31 December 2024	**18,069**
Lease liabilities as at 1 January 2023	1,281
Additions during the year	–
Payments during the year	(462)
Add: interest on lease liabilities	65
At 31 December 2023	884

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

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

The Group's lease liabilities as at 31 December 2024 and 31 December 2023 is split into current and non-current portions as follows:

	Consolidated	
	2024	2023
	£'000	£'000
Non-current	**16,681**	512
Current	**1,388**	372
Lease liabilities	**18,069**	884

The maturity analysis of lease liabilities is disclosed in Note 36.

c) Impact on the profit and loss

The following are the amounts recognised in profit or loss:

	Consolidated	
	2024	2023
	£'000	£'000
Depreciation expense of right-of-use assets (Note 8)	**1,553**	445
Interest expense on lease liabilities (Note 4)	**897**	65
Impact of lease assignment	**(21)**	–
Expense relating to leases of low-value assets (Note 8)	**59**	47
Total amount recognised in profit or loss	**2,488**	557

The Group had total cash outflows for all leases of £328k (2023: £462k).

d) IBR Sensitivity (consolidated)

The lease liability and right of use assets carrying values at year-end would be as follows if the IBR was sensitised by increasing or decreasing it by 100 basis points.

	Right-of-use assets		Lease liability	
	2024	2023	2024	2023
Percentage	£'000	£'000	£'000	£'000
+1%	**17,055**	698	**17,322**	753
-1%	**18,627**	723	**18,866**	774

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20. Intangible Assets

	Consolidated				
	Goodwill £'000	Core accounting software £'000	Other software £'000	Brand/name £'000	Total £'000
Cost					
At 1 January 2024	**5,919**	**5,872**	**31,653**	**1,483**	**44,927**
Additions	**–**	**855**	**11,669**	**–**	**12,524**
Reclassification of software from core to non-core	**–**	**(805)**	**805**	**–**	**–**
Exchange rate loss	**–**	**–**	**23**	**–**	**23**
At 31 December 2024	**5,919**	**5,922**	**44,150**	**1,483**	**57,474**
Accumulated amortisation and impairment					
At 1 January 2024	**–**	**4,428**	**16,038**	**167**	**20,633**
Charged for the year	**–**	**437**	**5,724**	**52**	**6,213**
Reclassification of software from core to non-core	**–**	**(308)**	**308**	**–**	**–**
Exchange rate loss	**–**	**–**	**23**	**–**	**23**
At 31 December 2024	**–**	**4,557**	**22,093**	**219**	**26,869**
Net book value					
At 1 January 2024	5,919	1,444	15,615	1,316	24,294
At 31 December 2024	**5,919**	**1,365**	**22,057**	**1,264**	**30,605**

	Consolidated				
	Goodwill £'000	Core accounting software £'000	Other software £'000	Brand/name £'000	Total £'000
Cost					
At 1 January 2023	5,919	5,817	24,809	1,427	37,972
Additions	–	82	6,844	56	6,982
Exchange rate loss	–	(27)	–	–	(27)
At 31 December 2023	5,919	5,872	31,653	1,483	44,927
Accumulated amortisation					
At 1 January 2023	–	4,146	11,785	122	16,053
Charged for the year	–	309	4,253	45	4,607
Exchange rate loss	–	(27)	–	–	(27)
At 31 December 2023	–	4,428	16,038	167	20,633
Net book value					
At 1 January 2023	5,919	1,671	13,024	1,305	21,919
At 31 December 2023	5,919	1,444	15,615	1,316	24,294

Software that does not result in an intangible asset (right to receive access to the supplier's application software in the future is a service contract) of the Group are expensed. Software expensed in the period amounts to £3,790k (2023: £2,926k).

Internally generated assets include payment-related software that is created and utilised in the Group's operation. All intangible assets (except Goodwill) have finite lives – see Note 1 for accounting policies on the amortisation method and useful lives.

Other software held by the Group includes software relating to the payments, process/platform, compliance, and banking.

The Company had intangible assets amounting to £120k in 2024 (2023: nil).

The goodwill relates to the acquisitions:

- by the Company, on 31 March 2016, of the entire share capital of both CAB, a regulated bank, and
- by the Group, on 1 July 2019, of the entire share capital of CAB US Inc. (formerly Segovia Technology Company), a US-based fintech company.

CGU: goodwill relating to the acquisitions of both CAB and CAB US Inc. is allocated to CAB being the Group's only cash-generating unit. The carrying amount of goodwill has been allocated to the operating segment for all periods. The CGUs are determined at company level because specific revenue streams can not be attributed to individual assets.

The goodwill is tested for impairment at the CGU level. Impairment reviews were performed on the carrying values of all goodwill and intangible assets as follows:

(i.) Goodwill and other intangible assets: reviewed against a value in use calculation of CAB, the cash-generating unit.

The Group tests goodwill and intangible assets annually for impairment, or more frequently if there are indications that the assets might be impaired. The value in use that has been used for the impairment assessment of Goodwill and Intangible Assets also applies to PPE (Note 18), ROU Assets (Note 19), and the parent's Investments in Subsidiary Undertakings (Note 21).

Value in use

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

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

i. Discount rate

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

ii. Cash flows

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

iii. Terminal growth rate

The terminal growth rate remains unchanged at 2% being an industry realistic benchmark based on the UK long-term inflation rate.

iv. Sensitivity analysis of key assumptions in calculating value in use

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

	Required before headroom is breached	
Key Input	CAB	Group
Fall in forecast profit after tax for all three years of forecast	(65)%	(75)%
Terminal growth rate	(10)%	(11)%
WACC (post tax)	18 %	19 %

v. Other impairment indicators

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

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21. Investments in Subsidiary Undertakings

Investments in subsidiary undertakings were as follows:

	Company	
Reconciliation	2024 £'000	2023 £'000
At 1 January	**164,380**	63,384
Additions	–	100,996
Impairments	–	–
Stamp duty refund	**(39)**	–
At 31 December	**164,341**	164,380

	Company	
	2024 £'000	2023 £'000
Analysed as:		
CAB Tech Holdco Limited (CTH)	**164,341**	164,380
	164,341	164,380

Impairment reviews were performed in 2023 and 2024 on the carrying values of CTH, the Company's only investment.

CTH's key asset is its investment in CAB. The value in use of CAB calculation and the assessment of key assumptions and related sensitivity analysis provided in Note 20 are therefore relevant when considering the impairment review of the investment in subsidiary undertakings. The value in use exceeds the carrying amount of the investment in subsidiary undertakings, therefore no impairment has been recognised at year-end (2023: nil).

The Company intends to liquidate CTH during 2025. The investments currently owned by CTH will be transferred up to its parent, CAB Payments. The impact of the planned liquidation on the statement of profit or loss at year end is £nil at year-end.

For further details on subsidiaries refer to Note 32.

Refer to Note 27 for information on dividend payments.

22. Deferred Tax

a) Deferred tax liability

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

	Consolidated				
	Property, plant and equipment	Investment in equity	Intangible assets	ECL Provision	Total
Deferred tax liability (2024)	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	**115**	**36**	**544**	–	**695**
Charge/(Credit) to profit and loss 2024	**3**	–	**514**	–	**517**
Charge to other comprehensive income 2024	–	**5**	–	–	**5**
At 31 December 2024	**118**	**41**	**1,058**	–	**1,217**
Analysed as follows:					
Continued operations	**118**	**41**	**1,058**	–	**1,217**
Discontinued operations	–	–	–	–	–
	118	**41**	**1,058**	–	**1,217**
Deferred tax liability (2023)					
At 1 January 2023	3	24	263	44	334
Charge/(Credit) to profit and loss 2023	112	–	281	(44)	349
Charge to other comprehensive income 2023	–	12	–	–	12
At 31 December 2023	115	36	544	–	695
Analysed as follows:					
Continued operations	115	36	544	–	695
Discontinued operations	–	–	–	–	–
	115	36	544	–	695

The deferred tax liability can be further analysed as follows:

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

b) Deferred tax recognised in the year

	Consolidated	
	2024 £'000	2023 £'000
Accelerated tax depreciation on property, plant and equipment	**3**	112
Intangible assets	**514**	300
Expected credit loss provision	**–**	(80)
Total tax expense to profit or loss[1]	**517**	332
Charged to other comprehensive income:		
Deferred tax expense on investment on equity securities	**5**	12
Total deferred tax expense in other comprehensive income	**5**	12
Total deferred tax charge for the year	**522**	344

1 Includes a deferred tax asset credit of £nil (2023: £18k).

c) Unrecognised deferred tax assets and deferred tax liability

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

Company

The Company had no recognised deferred tax assets or liabilities at 31 December 2024 and 31 December 2023.

23. Customer Accounts

	Consolidated	
	2024 £'000	2023 £'000
Repayable on demand	**676,720**	785,316
Other customers' accounts with agreed maturity dates or periods of notice by residual maturity repayable:		
3 months or less	**845,081**	670,901
1 year or less but over 3 months	**63,199**	81,020
2 years or less but over 1 year	**–**	5,652
	1,585,000	1,542,889

Customer accounts are accounts that customers hold with the Group. A substantial proportion of customer accounts are easy access accounts that, although repayable on demand, have historically formed a stable deposit base.

Customer accounts also include cash collateral amounting to £17,806k (2023: £44,588k) held by the Group in respect of the assets' underlying financial guarantees and letters of credit noted Note 25. These are not restricted cash and are available for use by the Group.

The Company had no customer accounts throughout 2024 (2023: £nil).

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for the year ended 31 December 2024

24. Other Liabilities, Unsettled Transactions and Accruals

A. Other liabilities

	Consolidated 2024 £'000	Consolidated 2023 £'000
Financial liabilities		
Trade creditors	**828**	2,041
Funds received in advance	**891**	3,327
Transactions credited by third party nostro providers[1]	**1,437**	159
Other creditors	**143**	696
	3,299	6,223
Non-financial liabilities		
Tax liabilities	**1,937**	1,816
Deferred income[2]	**731**	82
	2,668	1,898
Total other liabilities	**5,967**	8,121

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

B. Unsettled transactions

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

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

The Company does not have unsettled transactions (2023: nil).

C. Accruals

	Consolidated 2024 £'000	Consolidated 2023 £'000
Accruals[4]	**10,380**	18,367

The Company's accruals and other liabilities are as follows:

	Company 2024 £'000	Company 2023 £'000
Accruals	**736**	1,022
Other liabilities	**65**	422
	801	1,444

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

25. Provisions

	Consolidated 2024 £'000	2023 £'000
Expected credit loss for off balance sheet balances:		
Financial guarantee liability	**1**	2
Liability for letter of credit confirmations/bill acceptances	**2**	6
Working capital facilities – undrawn commitments	**62**	228
ECL for off balance sheet balances (Note 36)	**65**	**236**
Dilapidation provision for the London Bridge Lease (Note 19)	**1,884**	–
Additions	**1,800**	–
Interest on dilapidation provision	**84**	–
Provisions	**1,949**	236

i. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. The Group provides financial guarantees to multiple counterparties. Please refer to Note 36 for the maximum exposure of financial guarantee contracts. The Group received premiums of £5k (2023: £73k).

ii. Letter of credit confirmations/bill acceptances

A letter of credit confirmation/bill acceptance is a letter from an issuing bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount. The Group confirmed the letters of credit issued by an issuing bank and charged fixed fees which are received either in advance or at a later date. The Group provides these acceptances to multiple counterparties. Please refer to Note 36 for the maximum exposure of letter of credit confirmations/bill acceptances. The Group received premiums of £967k (2023: £754k).

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

iii. Working Capital facilities – undrawn commitments

Working Capital is a credit facility offered by the Group to its clients which allows clients to draw down on the facility on satisfaction of the terms of this facility. The Group charges a facility fee for provision of each facility. The Group provides this facility to multiple counterparties. Please refer to Note 36 for the maximum exposure of Working Capital commitments. The Group received facility fees of £40k (2023: £47k).

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26. Called Up Share Capital

Number of ordinary shares	2024 £'000	2023 £'000
Authorised, allotted, issued, and fully paid (ordinary shares – Class A)		
As at beginning of year	–	68,000
Redesignation of Class A Shares to new ordinary shares (Note 26c)	–	(68,000)
As at period end (ordinary shares – Class A)	–	–
Authorised, allotted, issued, and fully paid (ordinary shares – Class B)		
As at beginning of the year	–	10
Share split of Class B shares resulting in reduction of nominal value per share from £0.5913044 to £0.001	–	5,913
Redesignation of Class B shares to new ordinary shares (Note 26c)	–	(5,913)
As of end of the year (ordinary shares - Class B)	–	–
Authorised, allotted, issued, and fully paid (number of ordinary shares)		
As of beginning of the year (£0.000333 nominal value per ordinary share)	**254,143**	–
Redesignation of Class A and Class B shares to new ordinary shares (Note 26c)	–	73,913
Share split (Note 26d)	–	147,826
Issuance of ordinary shares to former external shareholders of CTH (Note 26e)	–	32,404
As of end of the year (£0.000333 nominal value per ordinary share)	**254,143**	254,143

Ordinary share balance	2024 £'000	2023 £'000
As at beginning of the year	**85**	68,010
Share capital reduction of Class A shares and Class B shares before redesignation (Note 26a)	–	(67,936)
Issuance of ordinary shares to former external shareholders of CTH (32,404 at £0.000333 per share) (Note 26e)	–	11
Total share capital – at year-end	**85**	85

A. Group reorganisation and listing in 2023

The ordinary shares of the Company were admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange on 11 July 2023 ('Admission'). Immediately prior to Admission, the Group undertook certain steps as part of a reorganisation of its corporate structure, which resulted in all shareholders of CTH (other than the Company) exchanging shares in CTH for Ordinary Shares in the Company (the 'Reorganisation').

On 4 July 2023, the Company was re-registered as a public company limited by shares.

In relation to the existing share plans within the Group structure prior to the share capital reorganisation and the Share Exchange described below, and prior to Admission, any unvested conditional awards and options vested in full. Participants who held conditional awards received the CTH shares subject to their awards, and participants who held options were given the opportunity to exercise their options and acquire CTH shares in order to participate in the Share Exchange.

The following steps relating to the Reorganisation took place during the year ended 2023:

26a) On 19 June 2023, in connection with the Pre-Admission Reorganisation, the Company reduced the nominal value of the A shares in the Company from £1 to £0.001 and the B shares in the Company from £1 to £0.5913044. The effect of the share capital reduction has been to reduce the share capital of the Company from £68,010k to £74k and to increase retained earnings accordingly by £67,936k.

26b) The Company split the B ordinary shares into 5,913,044 ordinary shares with a nominal value of £0.001 each.

26c) The Company re-designated its existing A ordinary shares and B ordinary shares into a single class of ordinary shares with a nominal value of £0.001 each.

26d) The Company subdivided each ordinary share with a nominal value of £0.001 each into three ordinary shares with a nominal value of 0.0333 pence each.

Following steps 26a) to 26d) the Company's share capital comprised 221,739,135 ordinary shares.

26e) In accordance with the terms of the Implementation Agreement, the Company acquired the shares held by the other shareholders in CTH from each of CAB Tech Holdco Limited's other shareholders in exchange for 32,404,083 newly issued ordinary shares (the 'Share Exchange').

Accordingly, 254,143,218 ordinary shares are in issue at year end (2023: 254,143,218).

There are no restrictions on the distribution of dividends and the repayment of capital.

There were no changes to the ordinary share capital and the number of shares in issue during the year ended 31 December 2024.

B. Merger relief reserve

The Company's merger relief reserve amounts to £100,442k as at 31 December 2024 (2023: £100,442k) relating to the transaction described in Note 26e.

27. Retained Earnings

	Consolidated	
	2024 £'000	2023 £'000
Balance at beginning of year	**131,478**	40,179
Profit for the year	**14,212**	22,713
Share capital reduction	–	67,936
Dividends declared and paid	–	(11,300)
Share-based payment expense (Note 31)	**996**	1,313
Acquisition of NCI	–	7,530
Capital injection	–	3,661
Issuance of new shares	–	(11)
Change in ownership interest in subsidiary	**38**	(543)
Balance at end of year	**146,724**	131,478

There were no dividends declared and paid in 2024 (2023: £11,300k, and the dividend per share was £0.08).

The Company's retained earnings are as follows:

	Company	
	2024 £'000	2023 £'000
Balance at beginning of year	**48,088**	(3,964)
Loss for the year	**(2,092)**	(4,584)
Share capital reduction	–	67,936
Dividends declared and paid	–	(11,300)
Balance at end of year	**45,996**	48,088

28. Investment Revaluation Reserve

	Consolidated £'000
Balance at 1 January 2024	**111**
Fair value gain on investments in equity instruments designated as at FVTOCI	**20**
Income tax relating to above	**(5)**
Balance at 31 December 2024	**126**
Balance at 1 January 2023	96
Fair value gain on investments in equity instruments designated as at FVTOCI	27
Income tax relating to above	(12)
Balance at 31 December 2023	111

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

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29. Foreign Currency Translation Reserve

	Consolidated £'000
Balance at 1 January 2024	**(144)**
Exchange gain arising on translating the foreign operations	**4**
FX translation adjustment	**–**
Balance at 31 December 2024	**(140)**
Balance at 1 January 2023	(31)
Exchange losses arising on translating the foreign operations	(121)
Attributable to owners	(111)
Acquisition of NCI	(10)
FX translation adjustment	8
Balance at 31 December 2023	(144)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from its functional currencies to the Group's presentational currency (i.e. GBP) are recognised directly in OCI and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

30. Treasury Shares Reserve

In January 2024, via the EBTs, the Group acquired a total of 280,090 shares (2023: nil) from the market at an average cost of £0.864 per share as part of its employee share incentive scheme. As at 31 December 2024 a total of £244k (2023: nil) has been recognised against equity as Treasury Shares. The market value of these shares as at 31 December 2024 is £190k. Directly attributable costs of £nil (2023: nil) have been expensed to equity.

31. Share-Based Payments

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

	Consolidated	
	2024 £'000	2023 £'000
Share-based payments expenses recognised in statement of profit or loss and other comprehensive income		
Share-based scheme 1 - 2017 LTIP Scheme	–	665
Share-based scheme 2 - Restricted shares and restricted share units scheme	–	387
Share-based scheme 3 - 2023 LTIP Scheme	**660**	307
Share-based scheme 4 - 2024 LTIP Scheme	**162**	–
Share-based scheme 5 - Free Share Scheme	**174**	–
Expense arising from equity settled share based payment transactions	**996**	1,359

a) Share-based Scheme 1 – 2017 LTIP Scheme

Description and vesting

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

In July 2023, the Admission triggered an exit event. As a result, all vesting conditions were accelerated as follows:

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

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

Valuation and inputs to the model

There were no allocations in 2023 or 2024 for this scheme and therefore no valuations were required.

b) Share-based scheme 2 – 2019 Restricted Share Awards and Restricted Share Unit Awards Schemes

Description and vesting requirements

Following the purchase of Segovia in 2019, incentives in the shares of CTH were allocated to key individuals employed within Segovia. The incentives were provided as Restricted Share Awards and Restricted Share Unit Awards (both in relation to the Class B £1 ordinary shares) at the individual's discretion. Subsequently, additional Restricted Share Units were awarded to key individuals of CAB US Inc. This scheme is an equity-settled share-based payment scheme. When issued, the fair value of the Restricted Shares and Restricted Share Units was £1.19. The fair value at grant date was based on a market valuation of CTH following a report provided by external consultants. The fair value included a discount of 20% on the valuation of CTH due to a lack of marketability.

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In July 2023, the Admission, as detailed in Note 1 (a), triggered an exit event. As a result, all vesting conditions were accelerated, and employees exercised their right to receive ordinary shares in CTH, as follows:

	Consolidated number of awards	
Share-based payments scheme 2	RS-Number	RSU-Number
Outstanding at 1 January 2023	858,560	1,384,442
Granted during the year	–	–
Released during the year	(858,560)	(1,384,442)
Cancelled during the year	–	–
Forfeited during the year	–	–
Outstanding at 31 December 2023	–	–
Vested and exercisable at 31 December 2023	–	–
Outstanding at 1 January 2024	–	–
Granted during the year	–	–
Released during the year	–	–
Cancelled during the year	–	–
Forfeited during the year	–	–
Outstanding at 31 December 2024	–	–
Vested and exercisable at 31 December 2024	–	–

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

Valuation and inputs to the models

There were no allocations in 2024 or 2023 for this scheme and therefore no valuations were required.

c) Share-based scheme 3 – 2023 LTIP Scheme

Description and vesting requirements

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

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

	Two-year awards		Three-year awards	
	Holding period	Non-holding period	Holding period	Non-holding period
Share-based payments scheme 3	Number of awards			
Outstanding at 1 January 2024	**629,851**	**758,463**	**1,106,713**	**758,451**
Granted during the year	–	–	–	–
Released during the year	–	–	–	–
Cancelled during the year	–	–	–	–
Forfeited during the year	**(148,679)**	**(89,719)**	**(228,326)**	**(97,519)**
Outstanding at 31 December 2024	**481,172**	**668,744**	**878,387**	**660,932**
Vested and exercisable at 31 December 2024	–	–	–	–
Outstanding at 1 January 2023	–	–	–	–
Granted during the year	629,851	792,492	1,106,713	792,480
Released during the year	–	–	–	–
Cancelled during the year	–	(34,029)	–	(34,029)
Forfeited during the year	–	–	–	–
Outstanding at 31 December 2023	629,851	758,463	1,106,713	758,451
Vested and exercisable at 31 December 2023	–	–	–	–

Modification of the 2023 LTIP Scheme

On 4 June 2024, the Remuneration Committee resolved to amend the performance conditions by (i) withdrawing the TSR condition and (ii) reducing the EPS metrics, applicable to all outstanding awards other than those to Executive Directors which remained unchanged.

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

Inputs to the model

The calculation of the 2023 LTIP expense takes into account the following key inputs at grant date and modification date:

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

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

d) Share-based scheme 4 – 2024 LTIP Scheme

Description and vesting requirements

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

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

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

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Inputs to the models
The calculation of the 2024 LTIP expense takes into account the following key inputs:

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

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

32. Related Undertakings

Related undertakings comprise the subsidiary of the Company.

i. Principal subsidiaries

The Company's principal direct and indirect subsidiaries are set out below. This represents the position as at 31 December 2024 except for the items marked as dissolved. The Company is the majority shareholder of CTH. Shares in other subsidiaries are held indirectly and are held as indicated in the table below. Unless otherwise stated, the share capital consists solely of ordinary shares and the proportion of ownership held equals the voting rights held by the parent. For all subsidiaries, the country of incorporation or registration is also the principal place of business.

	Principal activity/business	Country of incorporation and principal place of business
CAB Tech HoldCo Limited* (only direct subsidiary)	Holding Company	UK
Crown Agents Bank Limited ('CAB')	Bank	UK
CAB Europe BV	Payments	Netherlands
Stichting CAB Payments Europe	Trust company	Netherlands
CAB Tech HoldCo USA LLC	Holding Company	US
CAB US Inc (formerly Segovia Technology Company)	Fintech	US
Segovia International Holdings LLC	Holding Company	US
Segovia Technology Pakistan (PVT) Limited*	Dormant	Pakistan
Segovia Technology International Ltd	Holding Company	Cayman Islands
Segovia Technology Congo SARL*	Dormant	Republic of Congo
Segovia Technology Côte d'Ivoire SARL	Fintech	Ivory Coast
Segovia Technology Kenya Limited	Fintech	Kenya
Segovia Technology Liberia Corporation (dissolved June 2024)	Dissolved	Liberia
Segovia Technology 454 Limited*	Dormant	Malawi
Segovia Technology Nigeria Limited*	Dormant	Nigeria
Segovia Technology Rwanda Corporation Limited	Dormant	Rwanda
Segovia Technology Tanzania Company Limited*	Fintech	Tanzania
Segovia Technology Company Uganda Limited	Fintech	Uganda
Segovia Technology Senegal Corp SUARL (dissolved January 2023)	Dissolved	Senegal

* entity in process of dissolution.

Throughout 2024 and 2023, the CAB US Inc subsidiaries were held indirectly through CTH. Through that period CTH owned the entire share capital of both CAB Tech Holdco USA LLC (a US-based holding company which owns CAB US Inc), and CAB. All UK subsidiaries are incorporated in the UK with registered offices at 3 London Bridge Road, London SE1 9SG.

All subsidiaries are 100% Group-owned except for Segovia Technology Pakistan (PVT) Ltd which is 66% (2023: 66%) owned by former members of the senior management.

33. Notes to the Statement of Cash Flows

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

	Consolidated		Company	
	2024 £'000	2023 Restated £'000	2024 £'000	2023 £'000
Profit/(loss) before taxation				
Continuing operations	**17,594**	37,617	**(3,159)**	(4,964)
Discontinued operations	–	(220)	–	–
Adjusted for non-cash items:				
Effect of currency exchange rate change	**(1,219)**	(14,988)	–	–
Effect of other mark to market revaluations	**(20)**	(83)	–	–
Amortisation	**6,213**	4,607	**11**	–
Depreciation				
– Right of use of assets	**1,553**	445	–	–
– Property, plant and equipment	**767**	798	–	–
Share-based payment charge	**996**	1,359	–	–
Effective interest rates	**(89)**	–	–	–
(Profit)/loss on write-off of:				
– Property, plant and equipment	**71**	12	–	–
– Right of use assets	**(184)**	–	–	–
– Intangible assets	–	284	–	–
Profit on disposal of discontinued operations	–	(67)	–	–
Interest accrued on lease liabilities	**814**	65	–	–
Other non-cash expenses	–	1,045	–	–
Dividend received from subsidiary	–	–	–	(15,560)
	26,496	30,874	**(3,148)**	(20,524)
Changes in working capital:				
Net increase in loans and advances to banks other than on demand	**(44,349)**	(52,937)	–	–
Net increase in customer accounts	**27,634**	294,336	–	–
Net decrease in investment in debt securities	**107,553**	41,410	–	–
Net (increase)/decrease in other loans and advances to non-banks	**(24,031)**	4,226	–	–
Net decrease in unsettled transactions	**12,643**	1,952	–	–
Net decrease in other assets	**243**	4,756	**3,654**	11,181
Net increase/(decrease) in other liabilities	**(1,718)**	(237)	**(432)**	19,009
Decrease in accrued income	**290**	470	–	–
Increase in accruals	**(7,987)**	(1,935)	**(288)**	702
Net cash generated/(outflow) from operating activities[1]	**96,774**	322,915	**(214)**	10,368

1 Cash flows from operating activities include interest received of £59,582k (restated 2023: £50,897k – previously £53,606k) and interest paid of £47,167k (restated 2023: £23,826k – previously £21,869k)).

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for the year ended 31 December 2024

ii. Non-cash transactions – Consolidated

Non-cash transactions from investing activities for the Group during the year include acquisition of right-of-use assets amounting to £19,061k (2023: £nil).

Non-cash transactions from investing activities for the Company during 2023 included the acquisition of CTH shares held by external shareholders as at 5 July 2023.

iii. Changes in liabilities arising from financing activities

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

There are no changes in liabilities arising from financing activities for the Company.

iv. Restatement of prior year balances

Certain 2023 cash flow balances have been restated as follows:

	Consolidated 2023		
Notes to the statement of cash flows	Previously reported £'000	Adjustment[1] £'000	Restated £'000
Changes in working capital			
Net increase in advances to banks other than on demand	(54,376)	1,439	(52,937)
Net cash generated from operating activities	321,476	1,439	322,915
Consolidated statement of cash flows for the year ended 31 December 2023			
Net cash generated from operating activities	321,476	1,439	322,915
Net cash used in operating activities	307,327	1,439	308,766
Net decrease in cash and cash equivalents	289,184	1,439	290,623
Cash and cash equivalents at the end of the year	1,182,338	1,439	1,183,777
Cash and balances at central banks	528,396	1,439	529,835

[1] Refer to Note 10 for details about this adjustment.

34. Related Party Transactions

The immediate parent undertaking of the Company which had control in 2023 and up to 6 July 2023 was Merlin Midco Limited. As at the year end Merlin Midco Limited's ownership was 45.1% (2023: 45.1%), which is held by a nominee company Diagonal Nominees Limited. No company is required to consolidate these financial statements this year (2023: no company consolidated the entity).

The related party transactions (which were all at arm's length and were transacted at market prices) are as follows:

a) As at 31 December 2024 the Group had related party balances with companies outside the Group (2023: two) as follows:

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

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

c) Directors and key management loans

The Group's loans to Directors and key management are summarised below.

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

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

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

d) Remuneration of key management personnel (including Executive Directors)

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

	Consolidated	
	2024 £'000	2023 £'000
Short-term employee benefits (including bonuses and Employer's NICs)	**4,393**	12,427
Post-employment benefits	**141**	241
Share-based payments	**457**	639
Total remuneration	**4,991**	13,307

Included in the table above are contributions of £45k (2023: £84k) made by the Group on behalf of two Directors (2023: two) to a defined contribution pension scheme. No retirement benefits accrued for any Director (2023: £nil) under a defined benefit pension scheme.

The aggregate emoluments (including pension contributions and exit compensation) of the Group's key management (excluding Directors) were £2,908k (2023: £8,583k).

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

Termination benefits provided to Richard Hallett as reported in the Directors' Remuneration Report from page 80 are not included in the above table since they do not relate to 2024.

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for the year ended 31 December 2024

e) Company related party balances

In addition to the above related party transactions and balances of the Group, the Company had outstanding balances with the following intercompany entities within the Group as at 31 December 2024:

(i.) £18,262k (2023: £19,406k) payable to CAB. The amount relates to the payments made by CAB on behalf of, or recharged to the Company. The Company also has £273k (2023: nil) receivable from CAB for various other immaterial transactions.

(ii.) £nil (2023: £4,239k) receivable from its subsidiary, CTH. The prior year amount related to a dividend payment and other intragroup receivables. The Company has a payable with CTH amounting to £20k (2023: £0).

(iii.) £20k (2023: £nil) payable to CAB Europe for various immaterial transactions between the entities.

(iv.) The Company holds a bank account with CAB with a year-end balance of £108k (2023: £658k).

35. Contingent Liabilities, Commitments and Guarantees

a) Contingent liabilities

The Group and the Company do not have contingent liabilities at the balance sheet date other than those disclosed in Note 25.

b) Commitments

i. Capital commitments

The Group and Company do not have any capital commitments at the balance sheet date (2023: nil) nor any which have been approved but not contracted (2023: nil).

ii. Other commitments

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

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

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

b) Further commitments are discussed in Note 25 and Note 19.

36. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk is a principal risk, arising from financial assets which are loans and advances on demand to banks, other loans and advances to banks, other loans and advances to non-banks, investment in debt securities, unsettled transactions, accrued income, and other asset exposures. In addition, the Group considers off-balance sheet exposures from financial guarantees, acceptances, confirmations, and Working capital all to be subject to a credit risk. The Group considers credit risk relating to counterparty-specific risk, geographical risk, and sector risk. Information about the credit risk management policy of the Group is contained in the Strategic Report.

a) Credit risk management

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

b) Exposure to credit risk by instrument

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

Instrument	Description	Note
Cash and balances at central banks	These are balances with the Bank of England, which has AA-credit rating. Balances are available on demand and are located in the UK.	10
Loans and advances on demand to banks	These are nostro bank accounts that the Group holds with other commercial banks in support of client payment flows.	12
Other loans and advances to banks	Credit Support Annex (CSA) Loans represent collateral required from clients through a credit support annexe for initial and variation margin as part of derivative transactions. They are under a collateralised to market (CTM) regime. A CTM model requires the out of the money party to post collateral with an amount equal to the cumulative mark to market value, either with the counterparty or with an exchange. Both initial and variation margin are refundable upon settlement of the derivative and is therefore accounted for as collateral. Discounted Letters of Credit are advanced letter of credit payments that the Group pays to counterparties before the completion of the sales and shipping process. The amount that the Group pays out is discounted by a discounted fee (interest rate) and as such, is lower that the principal expected to be received. They are essentially factoring transactions. Trade Finance loans are short-term working capital loans to banks operating in trade finance markets. They assist buyers and sellers to finance their trade commitments on a transactional basis. The Group receives interest payments in return.	12
Other loans and advances to non-banks	Working capital is a type of overdraft facility where the Group agrees to provide clients with a facility for a set period with specific terms as set out in the Working capital facilities agreement. The clients use the liquidity to undertake foreign exchange business with the Group. A flat facility fee is charged for the provision of the facility. The Group will lend money to clients solely for the purpose of assisting the client with its specific liquidity requirements that arise from settlement timelines in its standard payment flows. The rate charged for the amount lent is the greater of (i) a fixed rate (e.g. 9%) or (ii) US Federal rate plus a spread (e.g. US Federal rate plus 1%).	12
Unsettled transactions	Unsettled transactions are unsettled balances resulting from foreign exchange transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The balances are short-term (typically less than four days).	17
Investment in Debt Securities	Fixed rate bonds (US Treasury bills) are US Treasury bills issued by the US Government which offer a fixed rate of interest for a set period of time. Fixed rate bonds (other) are other fixed rate bonds issued by companies or G20 governments which offer a fixed rate of interest for a set period of time. Floating rate notes are investment in debt securities that pay a coupon determined by a reference rate which resets periodically. As such, the interest received is not fixed. Certificates of deposit (CDs) are investments in debt securities that pay fixed interest for a fixed period of time. Unlike bonds, CDs are usually not tradable in a secondary market.	14

Notes to the Financial Statements continued

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Instrument	Description	Note
Other assets	Balances with mobile network operators are the payments from mobile network operators (MNOs) that are due to the Group in respect of mobile money accounts. In certain African countries where mobile money accounts are widely used, this service allows users to deposit money into an account stored on their mobile phones and to then send balances using a PIN-secured SMS text message to other users. One of the services that the Group provides is the transfer of funds by clients to beneficiaries via a mobile phone. Typically, a client will deposit funds in the Group's controlled bank account. These funds are then transferred to an account held with an MNO. Clients then submit a request for a payment to be made on the Payment Gateway. On receipt of the request, funds are remitted from the account held with the MNOs to the beneficiary with the Group simultaneously deducting a fee. MNOs therefore provide the Group with the equivalent of a bank account. In relation to the Company – Other Asset exposures also include amounts due from Group companies.	17
Accrued income	Accrued income is money owed to the Group for services rendered or provided that have not yet been invoiced. The balance arises from several components such as management fees, pension fee accruals, and other revenues.	16
Off-balance sheet accounts	These include trade finance guarantees, letter of acceptances and confirmation that are contingent liabilities and so require documented levels of performance to be achieved for settlement. Typically, the Group's counterparty is another bank and ordinarily the contract has a maximum tenor of six months. They also include the undrawn portion of Working capital facilities. These Working capital facilities are repayable on demand as drawing to the agreed limit can be made at the counterparty's instruction then the undrawn portion does attract an ECL amount.	25

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

	Consolidated	
		Restated
	2024	2023
	£'000	£'000
Cash and balances at central banks[1]	**584,679**	529,835
Loans and advances on demand to banks	**185,563**	135,203
Other loans and advances to banks[1]	**180,148**	136,158
Other loans and advances to non-banks	**32,835**	8,712
Unsettled transactions	**10,870**	8,417
Investment in debt securities	**246,028**	353,042
Other asset (measured at amortised cost)	**3,408**	11,257
Accrued income	**927**	1,218
Total on-balance sheet exposure	**1,244,458**	1,183,842

1 The prior year balance has been rested. Refer to Note 10 for further details thereon.

Refer to Note 36 (g) for the financial assets' carrying amounts tying to consolidated statement of financial position. The carrying amounts of financial assets best represents their maximum exposure to credit risk.

i. Off-balance sheet exposures

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

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

c) Significant increase in credit risk

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

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

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

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

d) Incorporation of forward-looking information

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

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

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

The major part of the balance sheet is the Bank of England balance, hold to maturity US Treasuries and other High Quality Liquid Assets that are not negatively affected by inflation, interest rates, or unemployment in the respective jurisdictions and are with low-risk institutions.

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

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

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

	2024			2023		
As at	Average 12m PD	ECL £'000	ECL sensitivity from base case £'000	Average 12m PD	ECL £'000	ECL sensitivity from base case £'000
Base	**0.13%**	**400**	**–**	0.20%	814	—
Upside	**0.12%**	**393**	**-7**	0.20%	713	- 101
Mild upside	**0.13%**	**396**	**-4**	0.20%	750	- 64
Stagnation	**0.13%**	**406**	**6**	0.20%	889	+ 75
Downside	**0.13%**	**409**	**9**	0.20%	921	+ 107
Severe	**0.13%**	**415**	**15**	0.30%	1,004	+ 190

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

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

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

e) ECL

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

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

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

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

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

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

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

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

i. Probability of Default

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

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

ii. Loss Given Default

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

iii. Exposure at Default

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

f) Groupings based on shared risk characteristics

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

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

g) Impairment of financial assets

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

	Consolidated	
	2024 £'000	2023 £'000
Impairment recognised in profit or loss:		
Increase in ECL provision for cash and balances at central banks	**–**	–
(Decrease)/increase in ECL for loans and advances on demand to banks	**(20)**	21
Increase/(decrease) in ECL for other loans and advances to banks	**3**	(62)
(Decrease)/increase in ECL for other loans and advances to non-banks	**(224)**	448
Increase in ECL unsettled transaction exposures	**5**	–
(Decrease)/increase in ECL provision for investment in debt securities	**(6)**	1
(Decrease)/increase in ECL for other assets	**(37)**	42
(Decrease) in ECL for accrued income	**(1)**	(2)
Total impairment (reversal)/loss recognised in profit or loss for financial assets	**(280)**	448
Increase in ECL for guarantees	**–**	1
(Decrease)/increase in ECL for acceptances	**(3)**	3
(Decrease) in ECL for confirmations	**(1)**	(6)
Decrease in ECL for Working capital facilities	**(166)**	(43)
Total impairment (reversal)/loss recognised in profit or loss	**(450)**	404

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h) Credit quality

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

i. Portfolio grading

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

The table below comprises the maximum credit exposure by portfolio grading.

	Consolidated					
	2024			2023 Restated		
Exposure by grade	Investment grade	Sub-investment grade	Total	Investment grade	Sub-investment grade	Total
On-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks[1]	**584,679**	**–**	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**161,908**	**23,655**	**185,563**	115,274	19,929	135,203
Other loans and advances to banks[1]	**666**	**179,482**	**180,148**	76,814	59,344	136,158
Other loans and advances to non-banks	**–**	**32,835**	**32,835**	–	8,712	8,712
Unsettled transactions	**3,212**	**7,658**	**10,870**	1,608	6,809	8,417
Investment in debt securities	**246,028**	**–**	**246,028**	353,042	–	353,042
Other assets	**12**	**3,396**	**3,408**	2,493	8,764	11,257
Accrued income	**–**	**927**	**927**	391	827	1,218
Total on-balance sheet exposure	**996,505**	**247,953**	**1,244,458**	1,079,457	104,385	1,183,842

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

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

	Consolidated					
	2024			2023		
Exposure by grade	Investment grade	Sub-investment grade	Total	Investment grade	Sub-investment grade	Total
Off-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Financial guarantees	**–**	**809**	**809**	–	1,911	1,911
Acceptances	**–**	**1,698**	**1,698**	1,482	2,746	4,228
Confirmations	**228**	**23,018**	**23,246**	3,680	5,493	9,173
Working capital facilities	**–**	**14,555**	**14,555**	–	14,884	14,884
Total off-balance sheet exposure	**228**	**40,080**	**40,308**	5,162	25,034	30,196
Total exposure	**996,733**	**288,033**	**1,284,766**	1,084,619	129,419	1,214,038

ii. Breakdown by country/region

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

2024	Consolidated									
Exposures by region	Africa	China	Europe	Far East	Japan	Middle East	Other	UK	Americas	Total
On-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks	–	–	–	–	–	–	–	584,679	–	584,679
Loans and advances on demand to banks	21,874	3,011	96,841	867	6,752	2,529	–	30,267	23,422	185,563
Other loans and advances to banks	134,396	–	–	9,291	–	–	–	26,486	9,975	180,148
Other loans and advances to non-banks	6,377	–	–	–	–	798	–	25,654	6	32,835
Unsettled transactions	7,659	–	–	–	–	–	–	11	3,200	10,870
Investment in debt securities	–	–	121,720	28,179	–	–	–	44,477	51,652	246,028
Other assets	1,846	–	–	–	–	–	–	1,562	–	3,408
Accrued income	–	–	–	–	–	–	–	927	–	927
Total on-balance sheet exposure	172,152	3,011	218,561	38,337	6,752	3,327	–	714,063	88,255	1,244,458

Restated 2023	Consolidated									
Exposures by region	Africa	China	Europe	Far East	Japan	Middle East	Other	UK	Americas	Total
On-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks[1]	–	–	–	–	–	–	–	529,835	–	529,835
Loans and advances on demand to banks	15,647	1,489	22,759	3,414	15,758	872	1,580	23,490	50,194	135,203
Other loans and advances to banks[1]	52,021	8,079	10,486	15,492	–	33,424	–	13,821	2,835	136,158
Other loans and advances to non-banks	5,544	–	352	–	–	–	–	2,816	–	8,712
Unsettled transactions	5,286	–	1,419	656	–	413	–	644	–	8,417
Investment in debt securities	–	–	194,872	65,036	–	–	29,923	–	63,211	353,042
Other assets	7,533	–	41	8	–	–	–	3,675	–	11,257
Accrued income	–	–	–	–	–	–	–	1,218	–	1,218
Total on-balance sheet exposure	86,031	9,568	229,929	84,606	15,758	34,709	31,503	575,499	116,240	1,183,842

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

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The total off-balance sheet exposure is broken down below.

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

2023	Consolidated									
Exposures by region	Africa	China	Europe	Far East	Japan	Middle East	Other	UK	Americas	Total
Off-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial guarantees	1,589	–	–	–	–			87	235	1,911
Acceptances	2,746	–	–	–	–	–	–	–	1,482	4,228
Confirmations	5,494	–	–	–	–	–	–	–	3,680	9,173
Working capital facilities	544	–	1,875	–	–	–	–	12,465	–	14,884
Total off-balance sheet exposure	10,373	–	1,875	–	–	–	–	12,552	5,397	30,196

iii. Breakdown by maturity

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

	Consolidated					
	2024			Restated 2023		
Exposure by maturity	3 months or less	More than 3 months	Total	3 months or less	More than 3 months	Total
On-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks[1]	**584,679**	**–**	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**185,563**	**–**	**185,563**	135,203	–	135,203
Other loans and advances to banks[1]	**89,443**	**90,705**	**180,148**	136,158	–	136,158
Other loans and advances to non-banks	**32,835**	**–**	**32,835**	8,712	–	8,712
Unsettled transactions	**10,870**	**–**	**10,870**	8,417	–	8,417
Investment in debt securities	**35,729**	**210,299**	**246,028**	353,042	–	353,042
Other assets	**2,896**	**512**	**3,408**	11,257	–	11,257
Accrued income	**927**	**–**	**927**	1,218	–	1,218
Total on-balance sheet exposure	**942,942**	**301,516**	**1,244,458**	1,183,842	–	1,183,842

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

The total off-balance sheet exposure is broken down below.

	Consolidated					
	2024			2023		
Exposure by maturity	3 months or less	More than 3 months	Total	3 months or less	More than 3 months	Total
Off-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Financial guarantees	**250**	**559**	**809**	1,911	–	1,911
Acceptances	**1,430**	**268**	**1,698**	4,228	–	4,228
Confirmations	**22,555**	**691**	**23,246**	9,173	–	9,173
Working capital facilities	**–**	**14,555**	**14,555**	14,884	–	14,884
Total off-balance sheet exposure	**24,235**	**16,073**	**40,308**	30,196	–	30,196
Total exposure	**967,177**	**317,589**	**1,284,766**	1,214,038	–	1,214,038

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iv. Loss allowance

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

	Consolidated					
				Restated		
	2024			2023		
	Gross carrying amount	Loss allowance	Total	Gross carrying amount	Loss allowance	Total
On-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Cash and balances at central banks[1]	**584,679**	**–**	**584,679**	529,835	–	529,835
Loans and advances on demand to banks	**185,563**	**(4)**	**185,559**	135,203	(25)	135,178
Other loans and advances to banks[1]	**180,148**	**(64)**	**180,084**	136,158	(27)	136,131
Other loans and advances to non-banks	**32,835**	**(239)**	**32,596**	8,712	(496)	8,216
Unsettled transactions	**10,870**	**(4)**	**10,866**	8,417	–	8,417
Investment in debt securities	**246,028**	**(7)**	**246,021**	353,042	(14)	353,028
Other assets	**3,408**	**(18)**	**3,390**	11,257	(57)	11,200
Accrued income	**927**	**(2)**	**925**	1,218	(3)	1,215
Total on-balance sheet exposure	**1,244,458**	**(338)**	**1,244,120**	1,183,842	(621)	1,183,220

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

The off-balance sheet exposure is broken down below.

	Consolidated					
	2024			2023		
	Gross carrying amount	Loss allowance	Total	Gross carrying amount	Loss allowance	Total
Off-balance sheet exposure	£'000	£'000	£'000	£'000	£'000	£'000
Financial guarantees	**809**	**(1)**	**808**	1,911	(2)	1,909
Acceptances	**1,698**	**–**	**1,698**	4,228	(3)	4,225
Confirmations	**23,246**	**(2)**	**23,244**	9,173	(3)	9,170
Working capital facilities	**14,555**	**(62)**	**14,493**	14,884	(228)	14,656
Total off-balance sheet exposure	**40,308**	**(65)**	**40,243**	30,196	(236)	29,960
Total exposure	**1,284,766**	**(403)**	**1,284,363**	1,214,038	(857)	1,213,180

v. Breakdown as a function of staging

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

Consolidated	2024 £'000			2023 £'000		
ECL	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	**–**	**–**	**–**	–	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**–**	**–**	**–**	–	–	–
Loans and advances on demand to banks	**3**	**1**	**–**	25	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**3**	**1**	**–**	25	–	–
Other loans and advances to banks	**29**	**3**	**32**	27	–	–
Investment grade	**–**	**–**	**–**	1	–	–
Sub-investment grade	**29**	**3**	**32**	27	–	–
Other loans and advances to non-banks	**3**	**175**	**61**	14	450	32
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**3**	**175**	**61**	14	450	32
Unsettled transactions	**3**	**1**	**–**	13	–	–
Investment grade		**–**	**–**		–	–
Sub-investment grade	**3**	**1**	**–**	13	–	–
Investment in debt securities	**7**	**–**	**–**	14	–	–
Investment grade	**7**	**–**	**–**	14	–	–
Sub-investment grade	**–**	**–**	**–**	–	–	–
Other asset exposures	**18**	**–**	**–**	27	1	16
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**18**	**–**	**–**	27	1	16
Accrued income	**2**	**–**	**–**	3	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**2**	**–**	**–**	3	–	–
Total on-balance sheet ECL	**65**	**180**	**93**	122	451	48
Total on-balance sheet ECL		**338**			621	

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

Year ECL	2024 £'000			2023 £'000		
Off-balance sheet items	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial guarantees	**–**	**1**	**–**	2	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**–**	**1**	**–**	2	–	–
Acceptances	**–**	**–**	**–**	3	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**–**	**–**	**–**	3	–	–
Confirmation	**2**	**–**	**–**	3	–	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**2**	**–**	**–**	3	–	–
Working capital facilities	**–**	**62**	**–**	7	221	–
Investment grade	**–**	**–**	**–**	–	–	–
Sub-investment grade	**–**	**62**	**–**	7	221	–
Total off-balance sheet ECL	**2**	**63**	**–**	15	221	–
Total off-balance sheet ECL		**65**			236	
Total ECL per stage	**67**	**243**	**93**	137	672	48
Total ECL		**403**			857	

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

Maximum exposure per staging	2024 £'000			Restated 2023 £'000		
On-balance sheet items	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Cash and balances at central banks[1]	**584,679**	**–**	**–**	529,835	–	–
Loans and advances on demand to banks	**184,658**	**905**	**–**	134,882	322	–
Other loans and advances to banks[1]	**171,020**	**9,128**	**–**	136,158	–	–
Other loans and advances to non-banks	**731**	**32,010**	**94**	2,531	6,092	–
Unsettled transactions	**9,404**	**1,466**	**–**	7,365	1,035	–
Investment in debt securities	**246,028**	**–**	**–**	353,042	–	–
Other asset exposures	**3,318**	**90**	**–**	8,057	3,109	89
Accrued income	**927**	**–**	**–**	1,218	–	–
Total on-balance sheet maximum exposure per stage	**1,200,765**	**43,599**	**94**	1,173,089	10,558	89
Total on-balance sheet maximum exposure		**1,244,458**			1,183,736	
Off-balance sheet items						
Financial guarantees	**649**	**160**	**–**	1,899	12	–
Acceptances	**1,306**	**392**	**–**	4,228	–	–
Confirmation	**20,399**	**2,847**	**–**	9,173	–	–
Working capital facilities	**–**	**14,555**	**–**	685	14,199	–
Total off-balance sheet maximum exposure per stage	**22,354**	**17,954**	**–**	15,985	14,211	–
Total off-balance sheet maximum exposure		**40,308**			30,196	
Total maximum exposure per stage	**1,223,119**	**61,553**	**94**	1,189,074	24,769	89
Total maximum exposure		**1,284,766**			1,213,932	

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

vi. Coverage ratios table

The tables below analyse the coverage ratios.

Coverage ratios	2024			2023		
On-balance sheet	Gross carrying amount £'000	ECL £'000	Coverage ratio %	Gross carrying amount £'000	ECL £'000	Coverage ratio %
Stage 1	**1,200,765**	**65**	**0.01%**	1,173,089	122	–%
Stage 2	**43,599**	**180**	**0.41%**	10,558	451	4.3%
Stage 3	**94**	**93**	**98.94%**	89	48	53.9%
Total on-balance sheet	**1,244,458**	**338**	**0.03%**	1,183,736	621	0.1%
Off–balance sheet						
Stage 1	**22,354**	**2**	**0.01%**	15,985	15	0.1%
Stage 2	**17,954**	**63**	**0.35%**	14,211	221	1.6%
Stage 3	**–**	**–**	**–%**	–	–	–%
Total off-balance sheet	**40,308**	**65**	**0.16%**	30,196	236	0.8%
Total	**1,284,766**	**403**	**0.03%**	1,213,932	857	0.1%

vii. Movement in loss allowances across the stages

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

	2024 £'000			2023 £'000		
Consolidated	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loss allowance at beginning of period	**137**	**672**	**48**	454	2	–
Loans expired/closed from previous period	**(130)**	**(671)**	**(16)**	(448)	(2)	–
New loans issued	**60**	**242**	**61**	843	8	–
Expected credit loss before changes in loss allowance				849	8	–
Change in loss allowance	–	–	–	(712)	–	–
Transfer to Stage 1	–	–	–	–	–	–
Transfer to Stage 2	–	–	–	(664)	–	–
Transfer to Stage 3	–	–	–	(48)	–	–
Transfers in	–	–	–	–	664	48
Adjustments in expected credit loss	–	–	–	92	8	–
Loss allowance at end of period	**67**	**243**	**93**	137	672	48
Total loss allowance at end of period		**403**			857	

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37. Liquidity Risk

Information relating to the liquidity risk policy is provided in the Strategic Report.

The (undiscounted) liquidity cash flow profile of the Group's financial assets and financial liabilities (including interest receivable/payable on maturity) is as follows:

	Consolidated						
Assets 2024	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	More than 5 years £'000	Total £'000
Cash and balances at central banks	**583,619**	**1,061**	–	–	–	–	**584,680**
Money market funds	**488,197**	–	–	–	–	–	**488,197**
Loans and advances on demand to banks	**185,563**	–	–	–	–	–	**185,563**
Other loans and advances to banks	**32,166**	**50,902**	**99,839**	–	–	–	**182,907**
Other loans and advances to non-banks	**32,835**	–	–	–	–	–	**32,835**
Derivative financial assets	**4,863**	–	**21**	–	–	–	**4,884**
Unsettled transactions	**10,870**	–	–	–	–	–	**10,870**
Investment in debt securities	**12,870**	**26,366**	**80,268**	**81,872**	**53,708**	–	**255,084**
Investment in equity securities	–	–	–	–	–	**553**	**553**
Other assets	**3,408**	–	–	–	–	–	**3,408**
Accrued income (others)	**927**	–	–	–	–	–	**927**
Total	**1,355,318**	**78,329**	**180,128**	**81,872**	**53,708**	**553**	**1,749,908**

	Consolidated						
Liabilities 2024	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	More than 5 years £'000	Total £'000
Non-derivative liabilities							
Customer accounts	**1,426,593**	**96,435**	**64,138**	–	–	–	**1,587,166**
Unsettled transactions	**35,115**	–	–	–	–	–	**35,115**
Other liabilities	**3,299**	–	–	–	–	–	**3,299**
Accruals	**10,380**	–	–	–	–	–	**10,380**
Lease liabilities	**19**	**89**	**289**	**3,464**	**9,911**	**11,656**	**25,428**
Total	**1,475,406**	**96,524**	**64,427**	**3,464**	**9,911**	**11,656**	**1,661,388**
Derivative liabilities							
Derivative financial instruments	**539**	–	–	–	–	–	**539**

Assets 2023 (restated)	Consolidated Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	More than 5 years £'000	Total £'000
Cash and balances at central banks	528,397	1,438	–	–	–	–	529,835
Money market funds	518,764	–	–	–	–	–	518,764
Loans and advances on demand to banks	135,239	–	–	–	–	–	135,239
Other loans and advances to banks[1]	38,274	35,142	65,011	–	–	–	138,427
Other loans and advances to non-banks	8,216	–	–	–	–	–	8,216
Derivative financial assets	3,795	–	34	–	–	–	3,829
Unsettled transactions	8,417	–	–	–	–	–	8,417
Investment in debt securities	36,905	68,629	169,033	70,263	20,713	–	365,543
Investment in equity securities	–	–	–	–	–	495	495
Other assets	5,721		–	–	–	–	5,721
Accrued income (others)	1,215	–	–	–	–	–	1,215
Total	1,284,943	105,209	234,078	70,263	20,713	495	1,715,700

Liabilities (2023)	Consolidated Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	More than 5 years £'000	Total £'000
Non-derivative liabilities							
Customer accounts	1,358,315	98,939	83,136	6,051	–	–	1,546,441
Unsettled transactions	20,081	–	–	–	–	–	20,081
Other liabilities[2]	6,223	–	–	–	–	–	6,223
Accruals	18,367	–	–	–	–	–	18,367
Lease liabilities	83	51	238	181	331	–	884
Total	1,403,069	98,990	83,374	6,232	331	–	1,591,996
Derivative liabilities							
Derivative financial instruments	9,645	–	34	–	–	–	9,679

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.
2 Excludes non-financial liabilities such as HM Revenue & Customs.

Notes to the Financial Statements continued

for the year ended 31 December 2024

a) Company financial assets and liabilities

The undiscounted liquidity cash flow profile of the Company's financial assets and financial liabilities (including interest receivable/payable) is as follows:

	Company					
Assets (2024)	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	Total £'000
Loans and advances to banks	**108**	–	–	–	–	**108**
Intercompany receivables	**273**	–	–	–	–	**273**
Other assets	**500**	–	–	–	–	**500**
Total	**881**	–	–	–	–	**881**

	Company					
Liabilities (2024)	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	Total £'000
Intercompany payables	**18,262**	–	–	–	–	**18,262**
Accruals	**736**	–	–	–	–	**736**
Other liabilities	**65**	–	–	–	–	**65**
Total	**19,063**	–	–	–	–	**19,063**

	Company					
Assets (2023)	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	Total £'000
Loans and advances to banks	658	–	–	–	–	658
Intercompany receivables	4,239	–	–	–	–	4,239
Other assets	188	–	–	–	–	188
Total	5,085	–	–	–	–	5,085

	Company					
Liabilities (2023)	Less than 1 month or on demand £'000	1 month – 3 months £'000	3 months – 1 year £'000	1 year – 2 years £'000	2 years – 5 years £'000	Total £'000
Intercompany payables	19,406	–	–	–	–	19,406
Accruals	1,022	–	–	–	–	1,022
Other liabilities	422	–	–	–	–	422
Total	20,850	–	–	–	–	20,850

The Company has a bank account with its subsidiary CAB through which it settles its liabilities. The financial liabilities of the Company largely constitute an intercompany payable to CAB. Although this liability is payable on demand, management does not expect its subsidiary to demand payment. There were no other financial assets in 2023.

Where the Company is required to make any external payments, its subsidiary CAB advances the cash to the Company as needed. Therefore, the Company's liquidity risk is negligible.

38. Currency Risk

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

At 31 December, the net exposures by currency were as follows:

	Consolidated – Net foreign currency monetary (liabilities) / assets in £'000					
2024 Currency	US Dollar	Euro	KES	UGX	Other	Total
(Liabilities)/assets	**(406,715)**	**(91,378)**	**778**	**112**	**(10,067)**	**(507,270)**
Net forward purchases/(sales)	**408,714**	**92,328**	**(199)**	**(79)**	**12,874**	**513,638**
	1,999	**950**	**579**	**33**	**2,807**	**6,368**
Change in assets/(liabilities) due to a change in currency value by						
+ 100 basis points	**20**	**10**	**6**	**–**	**28**	**64**
- 100 basis points	**(20)**	**(10)**	**(6)**	**–**	**(28)**	**(64)**

	Consolidated – Net foreign currency monetary (liabilities) / assets in £'000					
2023 Currency	US Dollar	Euro	KES	UGX	Other	Total
(Liabilities)/assets	(281,532)	(97,714)	410	(153)	12,822	(366,167)
Net forward purchases/(sales)	282,402	97,077	(309)	–	(10,177)	368,993
	870	(637)	101	(153)	2,645	2,826
Change in assets/(liabilities) due to a change in currency value by						
+ 100 basis points	9	(6)	1	(2)	26	28
- 100 basis points	(9)	6	(1)	2	(26)	(28)

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

	Consolidated	
	2024 £'000	2023 £'000
Assets		
Denominated in other currencies	**1,001,913**	1,040,623
Liabilities and equity		
Denominated in other currencies	**1,509,183**	1,406,167

A 10% appreciation in the value of GBP against all other currencies would increase the Group's profit or loss value by £637k (2023: £283k increase).

A 10% depreciation in the value of GBP against all other currencies would decrease the Group's profit or loss value by £637k (2023: £283k decrease).

All of the Company's assets and liabilities in 2024 were denominated in GBP (2023: GBP).

Therefore, the Company is not subjected to currency risk.

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39. Interest Rate Risk

a) Interest rate sensitivity

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

b) Interest rate repricing

	Consolidated					
Interest rate repricing Assets (2024)	Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	Non-interest bearing £'000	Total £'000
Cash and balances at central banks	583,619	–	–	–	–	583,619
Money market funds	488,197	–	–	–	–	488,197
Loans and advances on demand to banks	185,563	–	–	–	–	185,563
Other loans and advances to banks	81,204	87,437	9,501	–	–	178,142
Loans and advances to non-banks	32,835	–	–	–	–	32,835
Derivative financial assets	4,863	21	–	–	–	4,884
Unsettled transactions	–	–	–	–	10,870	10,870
Investment in debt securities	80,218	34,529	42,981	89,733	–	247,461
Investments in equity securities	–	–	–	–	553	553
Other assets[1]	–	–	–	–	3,408	3,408
Accrued income	–	–	–	–	927	927
Total assets	**1,456,499**	**121,987**	**52,482**	**89,733**	**15,758**	**1,736,459**

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

	Consolidated					
Interest rate repricing Liabilities (2024)	Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	Non-interest bearing £'000	Total £'000
Customer accounts	1,520,797	44,052	17,838	–	–	1,582,687
Derivative financial liabilities	539	–	–	–	–	539
Unsettled transactions	–	–	–	–	35,115	35,115
Other liabilities[1]	–	–	–	–	28,727	28,727
Accruals	–	–	–	–	10,380	10,380
Shareholders' funds	–	–	–	–	146,551	146,551
Total liabilities	**1,521,336**	**44,052**	**17,838**	**–**	**220,773**	**1,803,999**
Interest rate sensitivity gap	**(64,837)**	**77,935**	**34,644**	**89,733**	**(205,015)**	**(67,540)**
Cumulative gap	**(64,837)**	**13,098**	**47,742**	**137,475**	**(67,540)**	

1 Includes financial liabilities and lease liabilities.

Interest rate repricing 2023 Assets (restated)	Consolidated Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	Non-interest bearing £'000	Total £'000
Cash and balances at central banks	528,396	–	–	–	–	528,396
Money market funds	518,764	–	–	–	–	518,764
Loans and advances on demand to banks	135,178	–	–	–	–	135,178
Other loans and advances to banks[1]	72,731	50,701	12,503	–	–	135,935
Loans and advances to non-banks	8,216	–	–	–	–	8,216
Derivative financial assets	3,795	15	19	–	–	3,829
Unsettled transactions	–	–	–	–	8,417	8,417
Investment in debt securities	104,424	56,322	110,547	89,336	–	360,629
Investments in equity securities	–	–	–	–	495	495
Other assets	330	–	–	–	5,391	5,721
Accrued income	–	–	–	–	1,215	1,215
Total assets	**1,371,834**	**107,038**	**123,069**	**89,336**	**15,518**	**1,706,795**

1 The prior year balance has been restated. refer to Note 10 for further details thereon.

Interest rate repricing 2023 Liabilities	Consolidated Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	Non-interest bearing £'000	Total £'000
Customer accounts	1,456,217	37,686	43,334	5,652	–	1,542,889
Derivative financial liabilities	9,645	15	19	–	–	9,679
Unsettled transactions	–	–	–	–	20,081	20,081
Other liabilities[1]	–	–	–	–	7,107	7,107
Accruals	–	–	–	–	18,367	18,367
Shareholders' funds	–	–	–	–	131,530	131,530
Total liabilities	**1,465,862**	**37,701**	**43,353**	**5,652**	**177,085**	**1,729,653**
Interest rate sensitivity gap	(94,028)	69,337	79,716	83,684	(161,567)	(22,858)
Cumulative gap	(92,393)	(23,056)	56,660	140,344	(21,223)	

1 Includes financial liabilities and lease liabilities.

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

Parallel Shift (consolidated)	2024 £'000	2023 £'000
+ 200bp	**(155)**	157
– 200bp	**142**	(181)

None of the Company's assets or liabilities in 2024 or 2023 earned interest. Therefore, the Company is not subject to interest rate risk.

Notes to the Financial Statements continued

for the year ended 31 December 2024

40. Capital Management

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

a) Capital risk management

In addition to the management of liquidity and market risks, the Assets & Liabilities Committee (ALCO) is responsible for ensuring the effective management of capital risk throughout the Group. Specific levels of authority and responsibility in relation to capital risk management have been assigned to the appropriate committees.

b) Externally imposed capital requirements

Companies within the Group are subject to regulatory requirements (on an entity and/or a consolidated basis) imposed by the PRA and/or the FCA. Such regulations include the requirement, at all times, to carry sufficient regulatory capital to meet the underlying capital requirements.

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

The Group's regulatory capital consists solely of Common Equity Tier 1 capital which includes ordinary share capital, retained earnings, investment revaluation reserve, and foreign currency translation reserve after deductions for goodwill, intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

The Group and its regulated trading subsidiary calculate those capital requirements on a daily basis and, using a traffic light warning system based on an internal buffer, reports to the Assets and Liabilities Committee, or, should the need arise, the Board. The Group's capital plans are developed with the objective of maintaining capital that is adequate in quantity and quality to support the Group's risk profile, regulatory, and business needs. Capital forecasts are continually monitored against relevant internal target capital ratios to ensure they remain appropriate and consider risks to the plan including possible future regulatory changes.

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

- Stress testing: internal Group-wide stress testing is undertaken to quantify and understand the impact of sensitivities on the capital plan and capital ratios arising from stressed macro-economic conditions. Reverse stress testing is also performed to identify the extent of stress that could be survived before limits are breached.
- Risk mitigation: as part of the stress testing process, actions are identified that should be taken to mitigate the risks that could arise in the event of material adverse changes in the current economic and business environment.
- Senior management awareness and transparency: Capital management information is readily available at all times to support the Group's executive management's strategic and day-to-day business decision making, as may be required.

Full details of the capital adequacy requirements for each of the Group's regulated entities are provided in its Pillar 3 disclosures which can be found on the website of CPH (cabpayments.com). The Pillar 3 disclosures are not audited.

c) Capital management in relation to the Company

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2023. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of equity (called up share capital, merger relief reserve, and retained earnings as disclosed in Notes 26 and 27).

41. Classification of Financial Instruments

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

Financial assets	Consolidated 2024 £'000	Consolidated Restated 2023 £'000
Mandatorily measured at fair value through profit or loss		
Money market funds	**488,197**	518,764
Derivative financial instruments – foreign exchange related contracts	**4,884**	3,829
	493,081	522,593
Measured at amortised cost		
Cash and balances at central banks[1]	**584,679**	529,835
Loans and advances on demand to banks	**185,559**	135,178
Other loans and advances to banks[1]	**180,084**	136,131
Other loans and advances to non-banks	**32,596**	8,216
Investment in debt securities	**246,021**	353,028
Unsettled transactions	**10,866**	8,417
Other assets (excluding non-financial assets)	**3,390**	5,721
Accrued income	**925**	544
	1,244,120	1,177,070
Measured at fair value through other comprehensive income		
Investment in equity securities	**553**	495

1 The prior year balance has been restated. Refer to Note 10 for further details thereon.

Financial liabilities	Consolidated As at 31 December 2024 £'000	Consolidated As at 31 December 2023 £'000
Mandatorily measured at fair value through profit or loss		
Derivative financial instruments – FX related contracts	**539**	9,679
	539	9,679
Measured at amortised cost		
Client accounts	**1,585,000**	1,542,889
Unsettled transactions	**35,173**	20,081
Other liabilities (excluding non-financial liabilities)	**3,299**	6,223
Lease liabilities	**18,069**	884
Accruals	**10,380**	18,367
	1,651,922	1,588,444

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Company financial instruments

	Company	
	2024	2023
Financial assets measured at amortised cost	£'000	£'000
Other assets	**500**	773
Intercompany receivables	**273**	4,239
	773	5,012

	Company	
	2024	2023
Financial liabilities measured at amortised cost	£'000	£'000
Intercompany payables[1]	**18,262**	19,406
Other liabilities	**65**	422
	18,327	19,828

1 Intercompany payables are balances borrowed by the Company from a subsidiary company to be used in its operations.

There were no loss allowances recognised for the Company's financial assets as the carrying amount is insignificant.

The Company had no financial assets valued at FVTPL as at 31 December 2024 and 31 December 2023.

42. Fair Value Measurements

a) Fair value methodology

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

b) Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivative financial instruments) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value such an instrument are observable, the instrument is included in Level 2.

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

c) Financial assets and liabilities through FVTPL and FVTOCI are categorised at Level 2 fair value hierarchy

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

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

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

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

	Consolidated	
	2024 £'000	2023 £'000
Gain on money market funds	**16,070**	11,036
Net (loss)/gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss	**(247)**	1,232
Fair value (losses)/gains on derivatives (Note 6)	**10,205**	(7,884)
	26,028	4,384

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

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

f) Impairment and risk exposure

Information about the impairment of financial assets, their credit quality and the Group's exposure to credit risk can be found in the accounting policy note for financial instruments, and in Note 36.

g) Financial liabilities measured at amortised cost

For the Group and the Company, the carrying amounts of financial liabilities at amortised cost are approximately the same as their fair values due to their short-term nature.

Notes to the Financial Statements continued

for the year ended 31 December 2024

h) Financial liabilities measured at fair value

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

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

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

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

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

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

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

43. Earnings Per Share

The calculation of the basic and diluted earnings per share at the reporting date is based on the following data:

Earnings/(losses) attributable to owners of the Group:	Consolidated 2024 £'000	Consolidated 2023 £'000
Continuing operations	**14,212**	22,866
Discontinued operations	–	(153)
	14,212	22,713

Weighted average number of ordinary shares	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Class A ordinary shares	–	68,000
Class B ordinary shares	–	5,913
– Class B ordinary shares at beginning of reporting date	–	10
– Class B share split[1] (Note 26)	–	5,903
Weighted average number of Class A and Class B ordinary shares	–	73,913
Add effect of redesignation of shares, share split and issuance of shares during the period		
Redesignation of Class A and Class B ordinary shares during the period	–	(73,913)
New class of ordinary shares issued during the period	–	237,186
Redesignation of Class A and Class B shares into new class of shares	–	73,913
New ordinary shares from share split	–	147,826
Issuance of additional new ordinary shares to former shareholders of CTH	–	15,447
Weighted average number of ordinary shares for basic earnings per share[1]	**253,863**	237,186
Potential dilutive shares from the 2024 Free share scheme[1]	**280**	–
Potential dilutive ordinary shares from the 2023 LTIP Scheme[2]	–	–
Potential dilutive ordinary shares from the 2024 LTIP Scheme[2]	–	–
Weighted average number of ordinary shares for diluted earnings per share[3]	**254,143**	237,186

1 The Company's total issued shares is 254,143,218 at year-end (see Note 26). In January 2024 the Company acquired 280,090 ordinary shares from the market, through an EBT, to fulfil its obligations in relation to the free share scheme and these shares have been accounted for as treasury shares (see Note 30). In line with IAS 33, these shares are not considered to be outstanding and therefore are excluded from the weighted average number of shares for basic earnings per share [(254,143,218*12/12) – (280,090*12/12) = 253,863,128]. Treasury shares in an EBT have a dilutive effect and therefore included in the weighted average number of shares for diluted earnings per share.

2 Current forecasts indicate that there will be no dilution effective from the 2024 and 2023 LTIP Scheme in both 2023 and 2024 and therefore, these potential shares have not been included in the calculation of the number of ordinary shares for the diluted earnings per share.

3 The ordinary shares related to the 2017 LTIP and the Restricted Shares and Restricted Share Units referenced in Note 31 vested in 2023 therefore, do not have any impact to both the basic EPS and diluted EPS in the current year.

Notes to the Financial Statements continued

for the year ended 31 December 2024

The number of potential dilutive ordinary shares arising from the free share scheme is small relative to the total number of ordinary shares in issue at the end of the period, therefore, the basic and diluted earnings per share amounts are similar. The basic and diluted earnings per share are as follows:

	31 December	
	2024 pence	2023 pence
Basic and diluted earnings per share		
Continuing operations	**6**	10
Discontinued operations	**–**	–
Total basic and diluted earnings per share attributable to owners of the Company	**6**	10

44. Consideration of Climate Change

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

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

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

45. Discontinued Operations, Assets Classified as Held for Sale

a) Results from discontinued operations

In March 2023, the Company sold its previous investment in CAIM and JCF Trustees. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations the results of CAIM and JCF are presented as discontinued operations in the 2023 year end. The results from discontinued operations, which are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, are set out below:

	Consolidated	
	2024 £'000	2023 £'000
Interest income	**–**	25
Fees and commission income	**–**	830
Net foreign exchange gain	**–**	4
Total income, net of interest expense	–	859
Operating expenses	**–**	(1,146)
Loss before tax	–	(287)
Tax on loss	**–**	66
Loss for the financial year	–	(221)
Profit on sale of discontinued operation	**–**	68
Other comprehensive income	**–**	–
Total comprehensive income	–	(153)

b) Cash flows from discontinued operations

	Consolidated	
	2024	2023[1]
	£'000	£'000
Cash flow from operating activities	–	(536)
Cash and cash equivalents at the end of the year	–	–

1 The 2023 results presented in table A and table B above represent three months to 31 March 2023 when CAIM and JCF were sold.

c) Assets classified as held for sale

In the Company financial statements, the investment in CAIM met the recognition criteria under IFRS 5 Non-current assets held for sale and discontinued operations on 20 June 2022. On initial recognition, assets classified as held for sale assets are carried at lower of their carrying value or fair value less cost to sell. The table below summarises the carrying value and impairment loss recognised on investment in CAIM.

	Company	
	2024	2023
	£'000	£'000
Assets classified as held for sale at the beginning of the year	–	2,181
Investment in CAIM prior to classification as held for sale	–	–
Impairment loss recognised	–	–
Disposal	–	(2,181)
Assets classified as held for sale at end of year	–	–

The Company recognised a profit on sale of CAIM of £68k in 2023.

46. Events after the Reporting Period

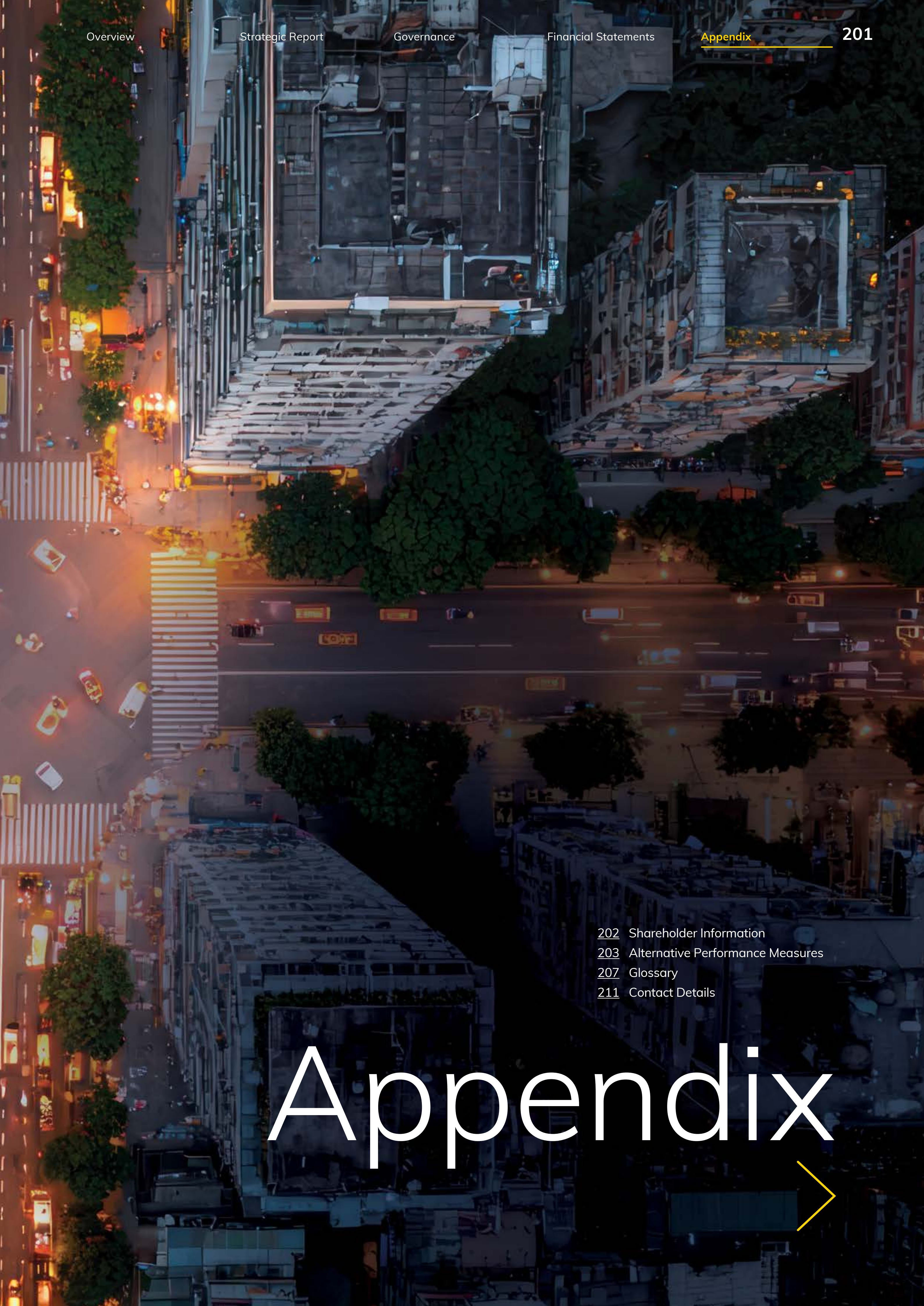
Restructuring costs

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

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

47. Board Approval

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



Appendix

Shareholder Information

Financial Calendar 2025

13 March 2025	Full year results
30 April 2025	AGM
30 June 2025	Half year end
September 2025	Half year results
31 December 2025	Financial year end
March 2026	2025 Full year results

Ordinary Shares

The Company's ordinary shares are traded on the London Stock Exchange (ticker: CABP; ISIN: GB00BMCYKB41; SEDOL: BMCYKB4).

AGM

The Company's AGM will be held at 2.00pm on Wednesday 30 April 2025 at the offices of FTI Consulting at 200 Aldersgate, Aldersgate Street, London EC1A 4HD with virtual access available to shareholders via the Lumi shareholder meeting platform.

Company's Registrar

Enquiries concerning shareholdings, change of address or other particulars should be directed in the first instance to the Company's registrar, Equiniti, on +44 (0)371 384 2030. Equiniti also provides a range of online shareholder information services at www.shareview.co.uk, where shareholders can check their holdings and find practical help on transferring shares or updating their details.

Shareholder Security

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports about the Company.

Details of any share dealing facilities that the Company endorses will be included in the Company's mailings or on our website. More detailed information can be found at www.fca.org.uk/consumers.

Alternative Performance Measures

CAB Payments uses alternative performance measures ('APM') when presenting its financial results. Management believe these provide stakeholders with additional useful information to interpret the underlying performance of the business. They are used by the Directors and management to monitor performance.

APMs used within this Annual Report are supplemental to, but not a substitute for, IFRS measures presented within the Financial Statements. They may not be comparable with the APMs of other companies. The APMs are calculated on the same basis as the prior year.

Gross Income

The Group's focus is on controlled investment, whether as capital expenditure or through operating costs, to drive income growth. Gross Income is the same as 'Total income, net of interest expense' as reported in the Consolidated Statement of Profit and Loss.

EBITDA

The key measure of profitability used internally at Executive Committees and Board, and externally with investors.

It is calculated as Profit before Tax and IFRS 16 lease liability interest expense, depreciation and amortisation. Although it is typical to calculate EBITDA before interest, our net interest income is generated from client deposits and subsequent reinvestment to generate returns for shareholders and therefore remains included within EBITDA.

The calculation for EBITDA can be seen in Note 3: segmental reporting.

Adjusted EBITDA and Adjusted EBITDA Margin

The Group believes that Adjusted EBITDA is a useful measure for investors because it is closely tracked by management to evaluate the Group's performance for making financial, strategic, and operating decisions, as well as aiding investors to understand and evaluate the underlying trends in the Group's performance period on period, in a comparable manner.

Adjusted EBITDA margin is another measure of profitability, by understanding how much of the Revenue is converted to profit, by calculating Adjusted EBITDA as a percentage of Gross Income.

			Twelve Months Ended 31 December:	
Adjusted EBITDA	Reference		2024 £'000	2023 £'000
EBITDA from continuing operations	Note 3	A	**27,024**	43,532
Add back: Adjusting items	Note 8 a)	B	**3,741**	21,101
Adjusted EBITDA		A+B	**30,765**	64,633

			Twelve Months Ended 31 December:	
Adjusted EBITDA margin	Reference		2024 £'000	2023 £'000
Adjusted EBITDA	Table above	A	**30,765**	64,633
Gross income (defined as total income, net of interest expense)	Consolidated Statement of Profit or Loss	B	**105,544**	137,068
Adjusted EBITDA margin		A / B	**29%**	47%

Alternative Performance Measures continued

Adjusted Profit and Earnings Per Share

A measure of profitability based on adjusting the statutory profit after tax by removing identified items that do not form part of the ongoing running costs of the business.

Adjusted Profit After Tax	Reference		Twelve Months Ended 31 December: 2024 £'000	2023 £'000
Profit Before Tax	Consolidated Statement of Profit or Loss	A	**17,594**	37,617
Add back: Adjusting items	Consolidated Statement of Profit or Loss	B	**3,741**	21,101
Adjusted Profit Before Tax		**C = A+B**	**21,335**	58,718
Adjusted Tax (at standard rates: 2024: 25%; 2023: average 23.5%)		D	**(5,334)**	(13,799)
Adjusted Profit After Tax		**E = C-D**	**16,001**	44,919
Number of Shares	Note 26	F	**254,143,218**	254,143,218
Adjusted Earnings Per Share		**E / F**	**0.06**	0.18

Operating Free Cash Flow and Free Cash Flow conversion

A measure of cash flow generated by the business. It is a non-statutory measure used by the Board and the senior management team to measure the ability of the Group to support future business expansion, distributions, or financing. It is calculated as Adjusted EBITDA before the cost of purchasing property, plant and equipment, the cost of intangible asset additions, and the cost of lease payments. The Group also measures free cash flow conversion, being operating free cash flow as a percentage of Adjusted EBITDA.

Operating free cash flow:	Reference		Twelve Months Ended 31 December: 2024 £'000	2023 £'000
Adjusted EBITDA	Note 3 (b)	A	**30,765**	64,633
Less: additions of tangible fixed assets	Note 18		**(2,428)**	(422)
Less: additions of intangible fixed assets	Note 20		**(12,524)**	(6,982)
Less: cash payments made on property leases	Note 19 B		**(328)**	(462)
Operating free cash flow		B	**15,485**	56,767
Operating free cash flow conversion		B / A	**50%**	88%

Key performance indicator definitions

Capital and Capital Surplus

Capital's principal purpose is to support the future growth of the organisation using capital not required to fulfil its regulatory requirements to absorb any potential losses. This is referred to as 'surplus capital' and has its allocation prioritised for growth concentrated on technology via capital expenditure and balance sheet deployment to accelerate transactional volume. In particular, the Group has been targetting growth in franchise enhancing trade finance assets with a view to enhance relationships with clients and liquidity providers.

As a regulated bank, the Group's definition of capital is that under the UK Capital Requirements Regulation. Capital surplus refers to the surplus capital the Group holds above the regulatory minima inclusive of the Capital Conservation Buffer, the Countercyclical Buffer and the PRA Buffer. Capital and Capital Surplus has been included as a new KPI in the current year.

Wholesale FX and Payment FX

The FX business is reported across a number of products: Wholesale FX, Payment FX, and Pension FX. This income is measured collectively by the Group as the underlying economic drivers are broadly the same. The income, volume, and margins are all measured and monitored, along with the underlying currencies, to help the Group understand broader income performance.

The reported figures represent the accumulated income from all trades undertaken during the year, where the income of a single transaction has been generated from the bid/ask spread and any associated fees if the converted funds are then paid to a third-party beneficiary.

Wholesale FX and Payment FX income is the same as the Net Foreign Exchange gain reflected in the Consolidated Statement of Profit or Loss.

Developed and Emerging Markets

The Wholesale and Payments FX revenue is internally considered split between Developed and Emerging markets, given there is a different set of economics that prevail in each market. The reported 'Developed' market closely aligns to the G10 economies, with the inclusion of the Danish Krone. 'Emerging' is defined as non-OECD Asia Pacific, the Middle East, the Caribbean, Latin America, Africa and BRICS.

Alternative Interest Income

The Group measures and monitors net interest income by its underlying commercial driver, which enables evaluation of performance in consideration of return on capital deployed and product profitability. This is done by capturing interest income by source and spreading the interest expense through an internal transfer pricing mechanism.

		Twelve Months Ended 31 December:	
		2024	2023
Alternative Interest Income:	Reference	£'000	£'000
Net interest income	Consolidated Statement of Profit or Loss	**19,557**	21,499
Gains on money market funds	Consolidated Statement of Profit or Loss	**16,070**	11,036
Net (loss)/gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss	Consolidated Statement of Profit or Loss	**(247)**	1,232
Total		**35,380**	33,767
Net interest income from cash management		**30,876**	31,711
Trade finance net interest income		**3,640**	1,571
Working capital facilities net interest income		**865**	485
Total		**35,380**	33,767

Number of Unique Active Clients and Income per Client

The Group measures the number of unique clients and their associated value to the organisation, in order to understand the impact through the organisational operations. A key element of success for the Group is to continue to bring on board new clients to help grow the top line Gross Income. The number of unique clients is derived at a Group entity level, that contributed revenue in the preceding 12 months across any of the CAB Payments product offering. The Group is focused on a higher quality of earnings from its client base, ensuring that it maximises share of wallet and ensuring a cost-effective client relationship, with a particular focus on ensuring all clients generate more than £100k per annum.

Income per client has been added as a new KPI in the current year and is calculated as Gross Income divided by number of unique clients.

Number of Currencies Offered

The Group measures the number of currencies where it is able to undertake an FX/payment transaction, with the strategy to continue to increase the number of currencies available to clients.

Number of Banking Partners

The Group counts and measures its number of Banking Partners to understand the fortification of our global payment capability and the support there is for the FX specialism. The strategic aim is to continue to grow Banking Partners, either in the markets we currently serve, to provide competitive pricing, or to bring online new markets.

Development Aid Flows

This is the subsection of the Wholesale and Payment FX volumes from International Developed Organisations into Emerging Markets.

Gender Diversity in Management

The Board and Senior Management are committed to driving diversity and equality in the workforce, and do this through measurement of gender diversity at management level, which is defined as: number of female Vice President (VP), Senior Vice President (SVP), Directors (D), Managing Directors (MD), and Executive Vice President (EVP) (excludes Board) as a percentage of the overall FTE within those same corporate grades.

Alternative Performance Measures continued

Financial Performance Metrics excl. NGN, XOF and XAF

Due to external factors which have caused material changes in the income generated from Naira (NGN), West African Franc (XOF) and Central African Franc (XAF) management have provided statistics excluding these currencies within the CEO and Financial Review. The following table provides a reconciliation between the financial metric, whether a key performance indicator, alternative performance measure, or statutory figure and the same but excluding the income from those three currencies.

	2024			2023			Year on year	
	Reported	NGN, XAF and XOF	Excl. NGN, XAF and XOF	Reported	NGN, XAF and XOF	Excl. NGN, XAF and XOF	YoY inc. NGN, XOF and XAF	YoY excl. NGN, XOF and XAF
Wholesale FX	**41.2**	**9.0**	**32.2**	68.5	35.1	33.4	(40)%	(4)%
Payments FX	**12.6**	**3.0**	**9.6**	19.9	8.3	11.6	(37)%	(17)%
Payments	**27.3**	**3.0**	**24.3**	34.2	8.3	25.9	(20)%	(6)%
Wholesale and Payment FX	**53.8**	**12.0**	**41.8**	88.4	43.4	45.0	(39)%	(7)%
Gross Income	**105.5**	**12.0**	**93.5**	137.1	43.4	93.7	(23)%	–%
Profit After Tax	**14.2**	**9.0**	**5.2**	23.9	35.1	(11.2)	(41)%	(146)%
Adjusted Profit After Tax	**16.0**	**9.0**	**7.0**	44.9	35.1	9.8	(64)%	(29)%
Adjusted EBITDA	**30.8**	**12.0**	**18.8**	64.6	43.4	21.2	(52)%	(11)%
Adjusted EBITDA margin	**29%**	**n/a**	**20%**	47%	n/a	23%	(38)%	(13)%
Operating free cash flow	**15.5**	**12.0**	**3.5**	56.8	43.4	13.4	(73)%	(74)%
Operating free cash flow conversion	**50%**	**n/a**	**19%**	88%	n/a	63%	(43)%	(70)%
Earnings Per Share (pence)	**0.06**	**n/a**	**0.02**	0.10	n/a	(0.04)	(40)%	(150)%
Adjusted Earnings Per Share (pence)	**0.06**	**n/a**	**0.03**	0.18	n/a	0.04	(67)%	(25)%

Glossary

In the Annual Report and Accounts, 'the Group' or 'CAB Payments' refers to CAB Payments Holdings plc and its subsidiaries, 'the Company' or 'CPH' refers to CAB Payments Holdings plc, 'CAB' refers to Crown Agents Bank Limited, and 'CTH' refers to CAB Tech HoldCo Limited, a 100% subsidiary of the Company.

The following definitions apply throughout this document unless the context requires otherwise:

Active Client	A client that has generated income within the last 12 months
Addressable Market	The market addressable by the Group, comprising primarily developed to emerging markets flows, excluding non-LCU flows and non-focus geographies
Admission	The ordinary shares of the Company were admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange on 11 July 2023
ALCO	Assets and Liabilities Committee
AML/CTF laws	Laws and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption and adherence to anti-money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries
APAC	Asia Pacific Region
API	The Group's EMpower FX application programming interface
APM	Alternative Performance Measures as defined on pages 203 to 206
B2B	Business to Business
Banking Services	One of the Group's three business lines
BEIS	Department for Business, Energy & Industrial Strategy
BN	Billion, i.e. 1,000 million
BRICS	BRICS is an intergovernmental organisation comprising Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the United Arab Emirates.
CAB	Crown Agents Bank Limited, a regulated subsidiary of the Group
CABE	CAB Europe BV, a regulated Group subsidiary based in the Netherlands
CAGR	Compound Annual Growth Rate
CAIM	Crown Agents Investment Management Limited, a wholly owned subsidiary of the Company until it was sold on 31 March 2023
CAPEX	Expenditures made for goods or services that are recorded on a company's balance sheet
CBS	Core Banking System, the Group's banking software
CCY	Currency
CD	Certificate of deposits
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CGU	Cash generating unit
CHIPS	Clearing House Interbank Payments System
CRD IV	Capital Requirements Directive IV
CRR	the Capital Requirements Regulation (Regulation (EU) 575/2013)
CRWA	Credit risk weighted assets
CSA	Credit support annex
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
CTM	Collateralised mark to market
Currency corridor	Specific combinations of sending currency and receiving currency pairs, or, in some cases, country combinations
D	Corporate title: Director
DEFRA	Department for Environment, Food & Rural Affairs
EAD	Exposure at default
EBT	Employee benefit trust
ECL	Expected Credit Loss

Glossary continued

EIR	Effective interest rate
Emerging markets	Markets other than developed markets
EMFI	Emerging Market Financial Institutions
ERMF	Enterprise Risk Management Framework
ESG	Environmental, Social and Governance
EU	European Union
EVP	Corporate title: Executive Vice President
FCA	Financial Conduct Authority
FDI	Foreign Direct Investment
FinTech	Financial Technology
FIT	Forward-in-time
FTEs	Full Time Employees, including temporary contractors and consultants filling in for permanent roles
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FX	Foreign Exchange. When referring to the Group's services, it refers to one of the Group's business lines, including the Group's spot foreign exchange trading services
G10	Belgium, Canada, France, Italy, Japan, the Netherlands, the United Kingdom, the United States, Switzerland and the central banks of Germany and Sweden
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GUI	the Group's EMpower FX graphical user interface
Helios	Helios Investment Partners
HQLA	High Quality Liquid Assets
IAS	International Accounting Standard
ICAAP	Internal Capital Adequacy Assessment Process
IDO	International Development Organisation
IFRS	UK-adopted international accounting standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IMTO	International Money Transfer Operator, a licence provided by the Central Bank Of Nigeria
Indirect Nostro	A bank account held by CAB with another bank who then relies on a domestic bank denominated in a foreign currency
IPO	Initial Public Offering
IRRBB	Interest rate risk in the banking book
JCF	JCF Nominees Limited, a wholly owned subsidiary of the Company until it was sold on 31 March 2023
KPI	Key Performance Indicator
KYC	Know Your Customer
LATAM	Latin America region
LCR	Liquidity Coverage Ratio
LGD	Loss given default
Local Bank Account Network	Demand accounts in the Group's name held with various local banks across the globe which provide the Group with direct access to local currency where it has such deposits
LTIP	Long term incentive plan
LSE	London Stock Exchange
MENA	Middle East and North Africa
MMB	Major Market Banks
M	Million

MD	Corporate title: Managing Director
MNO	Mobile network operator
MTM	Mark to market
NBFI	Non-Bank Financial Institution
NCI	Non-controlling interest
Netting	The practice of using funds received from one customer to fulfil an order in that same currency from another customer in order to capture both bid and ask spreads on the transaction
NGO	Non-Governmental Organisation
Non-LCU	Non-local currency, cross-border payments that take place with no FX transaction
Nostro	A bank account held by CAB in another country, denominated in a foreign currency
NRR	Net revenue retention
NSFR	Net Stable Funding Ratio
NXX	Nigerian Naira (NGN), Central African Franc (XAF) and West African Franc (XOF)
OCI	Other comprehensive income
OECD countries	The 38 member countries of the Organisation for Economic Co-operation and Development
OLAR	Overall Liquidity Adequacy rule
Payments	One of the Group's three business lines
PD	Probability of default
PLC	Public Limited Company
PPE	Property, plant and equipment
PRA	Prudential Regulation Authority
RAS	Risk Appetite Statement
Registrar	Equiniti Limited
Reorganisation	Certain steps taken by the Group prior to Admission as part of a reorganisation of its corporate structure, which resulted in all non-Group shareholders of CTH exchanging shares in CTH for Ordinary Shares in CAB Payments.
Revenue	When referring to the Group's financial results means 'total income, net of interest expense'
ROU	Right-of-use asset
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SEC	US Securities and Exchange Commission
SECR	Streamlined Energy and Carbon Reporting
SPPI	Solely Payment of Principal and Interest principle under IFRS 9
Supranational	An international organisation with powers or influence that transcend national boundaries or governments
Senior Management	Employees with corporate titles of Vice President, Senior Vice President, Director or Managing Director
SVP	Corporate Title: Senior Vice President
SWIFT	Society for Worldwide Interbank Financial Telecommunication
Take rate	A combination of the dealing profit (i.e. the spread between any buy / sell of two FX trades undertaken), the margin added to the transaction (i.e. the fee element agreed with the customer for the transaction), and any additional fees charged; and the take rate is calculated as FX and cross-currency payments income divided by FX and cross currency payments volumes
TAM	Target Addressable Market
Target Market	The Group's core market today, which excludes large transactions (over $50m transaction size) as well as China, India and the above-mentioned free format flows (including sanctioned markets)
Target Market Assessment	The approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels
TCFD	Task Force on Climate-related Financial Disclosures
TL	Tolerance Limits

Glossary continued

Total income	When referring to the Group's financial results means 'total income, net of interest expense'
TN	Trillion
TPP	Third Party Currency Provider
TSR	Total Shareholder Return
UKLA	United Kingdom Listing Authority
WACC	Weighted average cost of capital
Working Capital	A working capital facility provided by the Group previously known as Liquidity as a Service.
VP	Corporate Title: Vice President
WTT	Well to tank factors reported under scope 3 emissions representing those that are produced indirectly by the Group

Currency abbreviations

BDT	Bangladeshi Taka
DKK	Danish Krone
EUR	Euro
GBP	British Pound Sterling
GHS	Ghanaian cedi
KES	Kenyan Shilling
MWK	Malawian Kwacha
NGN	Nigerian Naira
SDG	Sudanese Pound
UGX	Ugandan Shilling
XAF	Central African Franc: Currency of six independent states in Central Africa: Cameroon, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea, and Gabon
XOF	West African Franc: Currency used by eight independent states in West Africa: Benin, Burkino Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo

Contact Details

Registered office

CAB Payment Holdings plc
3 London Bridge Street
London
SE1 9SG
Tel: +44 (0)203 903 3000

Website: www.cabpayments.com

Auditor

Forvis Mazars LLP
30 Old Bailey
London
EC4M 7AU

Tel: +44 (0)20 7063 4000

Website: www.forvismazars.com

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

Tel: +44 (0)371 384 2030

Text phone (for shareholders with hearing difficulties): 0371 384 2255 (UK)

+44 (0)121 415 7028 (overseas)
Website: www.shareview.co.uk

Brokers (joint)

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Tel: (0)207 623 2323

Website: www.barclays.com

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Tel: (0)207 523 8000

Website: www.canaccordgenuity.com

Financial PR adviser

FTI Consulting Limited
200 Aldersgate
Aldersgate Street
London
EC1A 4HD
United Kingdom

Tel: +44 (0)20 327 1000
Website: www.fticonsulting.com

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This product is made using recycled materials limiting the impact on our precious forest resources, helping reduce the need to harvest more trees.

This publication was printed by an FSC™ certified printer that holds an ISO 14001 certification.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

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Visit us at emperor.works

CAB Payments Holdings plc
3 London Bridge Street
London
SE1 9SG

cabpayments.com
Tel: +44 (0)203 903 3000