iFAST Global Bank Limited

Annual Report 2022

iFAST Global Bank

Contents

Strategic Report

Financial Statements

Throughout the Annual Report, reference to, "iGB", "the Bank" or iFAST is deemed to refer to iFAST Global Bank Limited. iFAST Global Bank Limited is trading under the name "iFAST Global Bank", "iGB" and "EzRemit".

Directors, Officers and Professional Advisers

Board of Directors

Peter Stuart Hinson	Chairman
Russell Saunders	Senior Independent Non-Executive Director
Chung Chun Lim	Non-Executive Director
Andrew Graham	Independent Non-Executive Director
Anthony Wagerman	Independent Non-Executive Director
Derek Daniel O'Herlihy	Independent Non-Executive Director
Vincent Tong	Non-Executive Director
Mujahid Malik	Chief Executive Officer

Executive Management

Mujahid Malik	Chief Executive Officer
Ian Warren	Chief Financial Officer
Fahim Shafiqi	Chief Risk Officer
Inayat Kashif	Chief Technology Officer
Prashanth Veeramangala	General Manager - EzRemit
Simon Lee	General Manager - DPB
Mark Garrity	Assistant Director - DTB

Independent Auditors

MHA MacIntyre Hudson
6th Floor, 2 London Wall Place
London
EC2Y 5AU

Company Secretary

Elemental Company Secretary Limited
27 Old Gloucester Street
London
WC1N 3AX

Registered Address

Company Registration Number: 04797759
South Quay Building
9th Floor
77 Marsh Wall
London E14 9SH
United Kingdom

Chairman's statement

This has been a year of change as well as achievements with the successful completion of sale and update to our governance structure - to lead the Bank to growth through digitalisation.

Following acquisition of the Bank by IFAST Corporation Ltd in March 2022 our focus moved to accelerate growth of our product offering and the customer base. To facilitate initiation of the strategic growth objectives, I welcome the capital injection of £30m during the year by our shareholder along with a commitment of meeting further capital needs to grow the business.

In keeping with the growth and development objectives of the business, I welcome Russell Saunders as Senior Independent Director and Chair of Board Risk Committee, Andrew Graham as Independent Director and Chair of Audit Committee as well as Chung Chun Lim and Vincent Tong who joined the Board as Investor Directors. In addition, I am also pleased with the appointment of Muj Malik as the CEO, who had been carrying out the role in acting capacity.

The long-term impact of the pandemic and the war in Ukraine on economic outlook remains unknown, but we are already witnessing how the pandemic has accelerated the demand for real-time global payments. The global financial community is embracing the evolution of digital banking and we continue to enhance our capabilities and processes to ensure we take advantage of this with the launch of new products and services. As we build the new IT platforms for new services with the help of our parent's fintech capabilities, we are well equipped to deliver the Bank of England's programme for a renewed Real Time Gross Settlement service.

Following the capital injection our balance sheet increased to £120m and continues to remain highly liquid representing the nature of our products and services. After accounting for central costs, the recurring loss for the year was £5m. In the long term, we believe the Bank has a clear path to delivering expected returns. Our principal points of focus remain:

- Innovation in our customer offerings with enhancements to our digital platforms; and
- Maintaining strong Governance, Compliance and Risk Management Frameworks.

We also seek to continue to integrate Environment, Social and Governance framework into our financing and investment activities and support the Principles for Responsible Banking and Responsible Investment.

I would like to thank all stakeholders for their contribution to the success of the Bank and in particular, the teams in all divisions of the Bank who have continued to develop.

Above all, I thank the customers we serve. They are the reason we are here. We wish them well and look forward to supporting them for many years to come with enhanced products.

Peter Stuart Hinson
Chairman
31 March 2023

Chief Executive's Review

A momentous year for the Bank – one full of significant changes, challenges and success, but more importantly the opportunities it brings to grow and develop new product offerings with the support of our new shareholder.

Overview

In the last few years the Bank has operated in a turbulent climate but 2022 was a milestone year for the Bank in more ways than one.

In the first instance, we celebrated completion of sale of Bank to IFAST Corporation, a leading fintech wealth management platform listed on the Singapore Stock Exchange with a wealth of heritage. Today the wider iFAST Group employs more than 1,000 people in 5 countries; Singapore, Hong Kong, Malaysia, China and the UK and which has assets under administration of over £10 billion

Completion of sale brought an equity capital injection of £15m in Q2 along with further capital injection of £15m in Q4 2022 This ensure our regulatory capital is adequate to support the Bank going forward.

The other significant achievement for the Bank was to become a direct participant of CHAPS when on 31 January 2022 we were admitted as the 37th member of the scheme. This was a substantial milestone as with the Bank's already established Faster Payments Scheme membership, we are now able to execute all GBP transactions without dependence on correspondent banking relationships.

These along with utilisation of Group's well-established ecosystem creates unrivalled openings in the immediate future, as well as significant market opportunities in the years ahead, to become a leading digital provider of banking services targeting a diverse customer base.

Strategy & direction

Immediately after completion of change in control we took the decision to close loss-making business units. In Q2 we were able to sell all our branch network and exited the money remittance business in the UK. In Q3 we commenced the closure of the Wholesale Currency Services business unit which was severely impacted by COVID.

Whilst closure of these business units will help curtail losses in the long run, it also provided us the opportunity to concentrate our resources on launch of two new business units and the associated products which will yield long term benefits for the Bank.

- Within a short timescale we were able to launch Digital Transaction Banking (DTB) business unit during the year which provides global connectivity through transactional banking services to Non-Bank Financial Institutions (NBFIS's), other banks and corporate customers utilising the Bank's CHAPS and Faster Payment infrastructure.

  We will look to build on this platform in a structured manner ensuring our readiness to capitalise on changes to the UK Payment Infrastructure by the Bank of England through RTGS and New Payment Architecture from 2024.

- We also embarked on ambitious plan to capitalise on the iFAST Group ecosystem and completed our readiness to launch Digital Personal Banking (DPB) in early 2023 offering deposit and savings products to global offshore customers. A new digital IT platform for this business was completed in record time during the year.

We have already started working on enhancement to our product base and look forward to including the provision of debit cards and fully functional current account facilities along with specific lending products; margin and product financing to our customers

Despite the excitement of the launch of new business lines we have remained steadfast in support to customers needing to send money overseas through our EzRemit remittance business. We continue our support and look to upgrade the IT platform to be able to offer long term sustainability and enhancement to products for our customer.

The business, comprising of three distinct business units and a varied product mix assures a sustainable model for Bank with a good mixture of diversity in sources of income between commission and fee income and NIM, distinct geographical presence and market sectors – all leading to the enhancement of the Bank's financial resilience.

The total assets in the balance sheet at the year-end increased to £120m (2021: £72m). This reflects injection of additional share capital as well as the raising of additional deposits through iFAST Group. Our balance sheet comprises of short-term assets supported by comparatively longer-term liabilities and we are therefore able to manage liquidity efficiently with consequent benefits to income.

Outlook

We are pleased with what we have achieved to date and with £30m equity capital injection in the year we enter 2023 with confidence that it will be a transformational year for the Bank.

While 2022 was a year of strategic change, in 2023 we expect to see the growth and development of the Bank. We now look forward to embarking on the next stage of innovation to start our global expansion plans utilising the established fintech platforms of iFAST Group, comprising of not just customers and corporate partners, but also in-house technological capabilities. This will help us deliver valuable and differentiated propositions and products to our customers.

I assure you we will remain focused on establishing a sustainable and well risk managed bank in which customers, employees and shareholders can all take pride.

Mujahid Malik
Chief Executive Officer
31 March 2023

Business Model and Financial Performance

I. Business Model

The Bank's Business Model essentially incorporates three core business lines:

1. **Digital Transaction Banking (DTB)**
   Providing transactional banking services to Non-Bank Financial Institutions (NBFIs), Corporates and Banks.

2. **Digital Personal Banking (DPB)**
   Personal banking services to global offshore customers including current accounts and deposits.

3. **EzRemit**
   Platform for money transfer and foreign exchange services for customers.

Our primary Strategic Objectives are:

- Provide global connectivity to customers while upholding our values: Integrity, Innovation and Transparency.
- Develop new businesses (DTB & DPB) to strengthen financial and operational resilience, capital and liquidity position.
- Continue to deliver growth in our EzRemit remittance business.

II. Financial Performance

The Bank continues to achieve sustainable levels of trading performance and invest in the central functions; Risk, Compliance, IT & Information Security, Operations and Finance to support its business lines.

In 2022, the recurring losses excluding central costs for the year were £0.7m (2021: profit £1.7m).

	2022 Results excluding Central costs £'000	2022 Results including Central costs £'000	2021 Results excluding Central costs £'000	2021 Results including Central costs £'000
Net interest (expense)/ income	(115)	(115)	(450)	(450)
	(115)	(115)	(450)	(450)
Fee and commission income	4,963	4,963	4,832	4,832
Fee and commission expense	(1,510)	(1,510)	(1,369)	(1,369)
Net trading profit on foreign exchange	3,673	3,673	4,479	4,479
Fair value gain/(loss) on derivatives	(178)	(178)	(531)	(531)
Other operating income	(192)	17	88	88
Net Operating income	6,641	6,850	7,049	7,049
Depreciation and amortisation	(535)	(535)	(998)	(998)
Other operating expenses – Business	(6,708)	(6,708)	(4,873)	(4,873)
Other operating expenses - Central costs*	-	(11,266)	-	(4,764)
Net foreign exchange gain	(209)	(209)	501	501
Total operating expenses	(7,452)	(18,718)	(5,370)	(10,134)
Profit/(Loss) for the year	(811)	(11,868)	1,679	(3,085)

*includes intangible asset write off of £3,869 in 2022

Net Operating Income for the year decreased by 3% to £6.8m (2021: £7m), attributable to the following:

- Fee and Commission Income increased by 3% to £4.9m (2021: £4.8m), mainly due to recovery following relaxation of travel restrictions due to COVID-19. Fee and Commission Expense increased by 10% to £1.5m (2021: £1.4m)
- Net interest expense decreased by more than 74% to £115k (2021: £450k) due to an increase in interest income earned from surplus cash held (increased from £15k in 2021 to £607k for 2022).
- Trading profit on foreign exchange decreased by 18% to £3.7m (2021: £4.5m).
- Total Operating Expenditure in the year increased by 39% to £7.5m (2021: £5.4m) mainly due to the costs associated with disposal of two business units.

Total Assets at the year-end were £120m (2021: £72m) the increase represents additional capital from £30m injection, additional deposits of £31m, less losses of £11.8m for the year. The assets are comprised of primarily cash of £75m (2021: £54m) and debt instruments of £29m (2021: nil), whilst intangible assets were written off in the year to nil (2021: £4.0m).

Review by business lines

DIGITAL TRANSACTION BANKING (DTB)

Strength of payment infrastructure

We continued to expand our payment infrastructure and attained an important milestone by becoming a direct member of CHAPS with the Bank of England in January 2022.

There was no income in the year and we expect to onboard clients in 2023 and for DTB to be a key business unit of the Bank in future.

DIGITAL PERSONAL BANKING

Stable platform to attain growth objectives

DPB is a global product offering with immediate utilisation of opportunities available within iFAST Group ecosystem which include an established customer base of over 700,000 customers holding circa £10bn of funds under administration.

In the year we successfully built a new IT Platform to start providing personal banking facilities, which with the launch in 2023 will enable customers to place deposits and for the Bank to generate income through investments in treasury products.

EZ-REMIT

Sustainable growth

The profit for the business unit decreased by 37% to £3.1m (2021: £4.9m). Although we were able to maintain the transaction volume the margins on transactions decreased, owing to competitive market conditions.

Going forward, the aims of the business are:

- Continue to grow volumes in the low risk payment space, whilst expansion into additional corridors.
- Maximise income opportunities from strong relationship with our existing partners, whilst continuing to add new major relationships.

Closed business lines

In Q2 2022 the Bank sold all its branch network and exited the money remittance business in the UK. This previously formed part of the Consumer business unit now rebranded as Ez-Remit.
In Q3 2022 the Bank commenced the closure of its Wholesale Currency Services business unit which was severely impacted by COVID and was loss making for several years. The majority of the business unit was closed by year end.

Capital and Liquidity Position

Uplift to capital position during the year

Following capital injection of £30m in the year the total share capital of the Bank increased to £74.7m in the year (2021: £44.7m).

At 31 December 2022, the Bank's Total Tier 1 Capital ratio was 42% (2021: 22%) and a Leverage Ratio of 30% (2021: 19%). The Bank closely monitors its CET1 capital surplus to ensure that it operates within agreed tolerances, and maintains a 5-year forward projection to ensure that it operates with a surplus above the regulatory limits.

On 28 March 2022 4,500,000 £1 shares were issued in exchange for the contingent capital note of the same value which was released and discharged.

From a liquidity perspective, the Bank has a Liquid Assets Buffer (LAB) of £67m (2021: £19m). The LAB principally comprises cash held in vaults, deposits held in the Bank of England Reserve Account and investments in Sovereign Bonds. The nature of the business ensures that the Bank continues to operate with a strong Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) that is well regulatory minimums.

Risk and Governance

The Bank's Board of Directors is responsible for the overall governance of the Bank. Good corporate governance underpins the integrity of the business and the wider stakeholders and communities in which it operates. The key objectives of the Board are to build and maintain a business that is profitable, sustainable, well capitalised and with sufficient liquidity to meet its obligations, which operates within an established framework of internal control, risk management and compliance, in accordance with regulatory requirements.

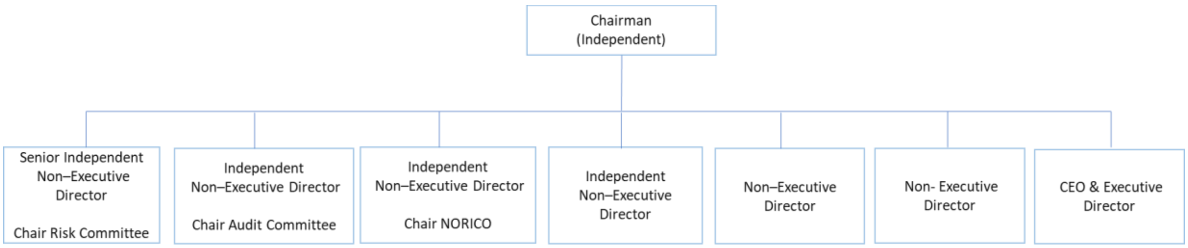
The primary responsibilities of the Board include:

- Setting the Bank's strategy taking into account the interests of its stakeholders;
- Ensuring that the business has an effective system of internal control and management of business risks and is conducted in accordance with the FCA's Principles for Business and the PRA's Fundamental Rules;
- Monitoring financial information and reviewing the overall financial condition of the Bank and its position as a going concern;
- Reviewing major developments in business lines and support units;
- Reviewing the priorities for allocating capital and operating resources;
- Monitoring of compliance and reputational issues;
- Reviewing the market, credit & liquidity risks with additional oversight and control over capital management;
- Reviewing the application of stress tests and appropriateness of the Bank's stress testing policy.

To assist the Board in discharging and overseeing their responsibilities, it has delegated certain responsibilities to Senior Management and Board-appointed committees, for which Terms of Reference are in place.

I. Board Composition and oversight

The Board of iFAST Global Bank Limited during the year comprises an Independent Chairman, six Non-Executive Directors (NEDs) of whom four are independent (INEDs) - and one Executive Director.



Each member of the Bank's directorship contributes to the mix of relevant skills, shoulders specific individual duties and, as a component part of the Bank, collectively shares responsibility for control and governance of the Bank.

The Board members who held directorships at 31 December 2022 were:

Peter Stuart Hinson

Peter is the Chairman having joined as an independent Non-Executive Director in 2016.

He has spent 45 years in the Financial Services industry, mostly with Barclays Bank where he was Managing Director of Barclays Bank Cayman Islands and, previously, Director of the Knightsbridge International Banking Centre.

As a Board Member of Barclays Offshore Services, he played a key role in the merger with CIBC Offshore, based in the Caribbean, and in the flotation of the new entity on public markets. In 2002, after leaving Barclays, Peter set up a new bank in London, FBN Bank (UK) Ltd., which operated principally as a commodity and trade finance entity. As Managing Director, he was responsible for raising in excess of £1billion of funds and, over 13 years, FBNUK became one of the best performing banks in London in terms of Return on Equity.

Peter holds regulatory approval from the PRA/FCA for SMF9.

Chung Chun Lim

Chung Chun is the Chairman and CEO of iFAST Corp, a Fintech wealth management platform that combines Fintech solutions with the capabilities of a licenced financial institution to provide multi-product offerings. He co-founded the Company with the launch of its B2C division Fundsupermart.com in Singapore in 2000, following which the B2B division iFAST Financial was launched in 2001. He subsequently led the Company's regional expansion efforts, extending iFAST's presence beyond Singapore to Hong Kong, Malaysia, China and UK, building a well-established Fintech ecosystem across the five markets.

He also led the Company to its successful listing on the SGX-ST Mainboard in December 2014. Before setting up iFAST Corp, he was the Head of Research at ING Barings Securities Pte. Ltd. Chung Chun graduated with a Bachelor of Engineering (Electrical) from the National University of Singapore and obtained a Diploma in Investment from the Institute of Banking and Finance.

Chung Chun holds SMF7, subject to approval by the PRA/FCA.

Russell Saunders

Russell has over 40 years experience in Retail and Commercial banking, Payments, Operations, Global Compliance and transformation. He retired from Lloyds Banking Group in 2020 after 40 years in senior management roles including Global Head of Payments and Head of Financial Crime.

Russell is an experienced Non-Executive Director and Chair of independent boards including Pay.UK, UK Finance, SWIFT SRL and has chaired Public sector Reviews with the Payments Strategy Forum, the Bank of England's Strategic Review of Wholesale Cash, Chair of the Payments Market Practice Group and Board sponsor of ISO2022. Russell is additionally an Advisor to senior leaders in the Public and Private sector.

Russell holds regulatory approval from the PRA/FCA for SMF 10 and SMF 14.

Andrew Graham

Andrew is an Independent Non-Executive Director and Chairman of Board Audit Committee.

He has over 35 years of Financial Services and Technology business expertise. He has significant experience working at Board level and in dealing with all levels of investors.

Andrew is currently Chair of DSCL Guidesmiths, Zegami, VeroHR and Deeper Insights Movement Strategies, while he is also an advisor to Northern Gritstone. He was previously COO of Blippar, one of a small number of Technology "Unicorns" in Europe. He has also acted as a Trustee and Treasurer of MDUK a leading UK Charity from 2009-2019 and between 2011-15 was an Advisory Board member of NWBF, the largest regional investment fund in the UK.

Andrew's banking career has included a number of senior positions including European CFO at Bankers Trust, CFO for Deutsche Bank's European Investment Bank, Global COO for Wholesale Banking at ABN AMRO and EMEA COO for Bank of America. A qualified accountant, Andrew has a degree in Economics from Manchester University.

Andrew holds regulatory approval from the PRA/FCA for SMF11.

Anthony Wagerman

Anthony is an Independent Non-Executive Director and Chairman of Board Nominations, Remuneration and Governance Committee (NORICO).

He spent seventeen years in a variety of positions at Travelex, before becoming its Chief Executive Officer from 2015-2018. Travelex is the world's largest specialist foreign exchange company, operating across thirty countries.

During his time at Travelex he has worked across several senior functions and a number of different regions, helping to build Travelex into a global leader in foreign exchange for retail and corporate customers. He has held posts as Retail Director, Managing Director for Europe & Americas, and Deputy CEO. Prior to Travelex he held communications and marketing posts in a variety of companies, including Heron Corporation and a spell at Arthur D Little Management Consultants.

Anthony has a BSc (Hons) in Chemistry, and an MBA, from City, University of London. He is also a Trustee of the Dorfman Foundation.

Anthony holds regulatory approval from the PRA for SMF 12.

Derek Daniel O'Herlihy

Derek is an Independent Non-Executive Director. He has over 20 years' experience in Financial Services, having held CIO and Director appointments at Credit Suisse First Boston, TD Waterhouse Investor Services and Arab National Bank. He also served on the Board of EDS Financial Services (Ireland).

Prior to EDS, Derek worked in the Information Technology sector, covering a range of technical and management roles including IT Director for the Ministry of Electricity &Water, Kingdom of Bahrain and Managing Director of EDS Gulf States.

Derek graduated from Trinity College Dublin with a BA in mathematics.

Mujahid Malik

Muj is the Chief Executive Officer, an Executive Director and Chairman of the Executive Committee.

He is a fellow of the Institute of Chartered Accountant in England & Wales and has worked in Banking and financial services for over 25 years. He joined the Bank as CFO and played a critical role in getting the banking licence in 2017. From 2020 as Acting CEO he was instrumental in ensuring completion of the sale of Bank to IFAST Corporation and was appointed the CEO after completion of the change in control in March 2022.

Muj has held executive management positions at several global financial institutions including Dexia Bank, where he had the responsibility for strategic alignment of the UK bank to meet the group's objectives after the financial crises of 2008. Before that he spent over ten years in the Banking and Capital Markets team at Deloitte where he worked on a wide range of advisory assignments for banks. He has extensive expertise in leading business turnarounds, expansion programmes and management of finance and risk functions.

He holds regulatory approval from the PRA/FCA for SMF1 and SMF3, having formerly held approval for SMF2, CF28 and CF29.

Vincent Tong

Vincent is a Non-Executive Director of the Bank and is also the General Manager for iFAST Financial (Singapore)'s Platform Services division. He also oversees the treasury and product on-boarding functions of iFAST Financial (Singapore).

Vincent joined the iFAST Group in 2007, and has undertaken various responsibilities such as wealth advisory, portfolio management, product analysis and structuring, mergers & acquisitions, and project management. Prior to joining iFAST, Vincent was in the Actuarial department of a Singapore insurer, assisting in the pricing of insurance products. Vincent graduated with an honours degree from the Nanyang Technological University (Singapore), with a specialisation in Actuarial Science. He is also a licensed financial adviser representative and fund management representative in Singapore.

Vincent's other qualifications include the Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA) and Certified Financial Planner (CFP) designations.

II. The Executive Management Team

The Board delegates specific powers and authorities to the various management committees for the main day-to-day decision-making authority of the Bank and to the CEO personally.

The CEO is responsible for establishing a clear and appropriate apportionment and allocation of significant responsibilities amongst the officers and managers, and for establishing and maintaining appropriate systems and controls such that the business can be adequately monitored. The core responsibilities of the Senior Management Team are as follows:

Chief Executive Officer (CEO). Overall responsibility for leadership of the Bank, including implementing the Board agreed strategy.

Chief Financial Officer (CFO). Responsible for Finance functions including management of Financial Resources, Planning, Reporting and Forecasting, Capital and Liquidity management and oversight of the Treasury function.

Chief Risk Officer (CRO). Responsible for defining the Bank's Risk Management Framework for effective governance of significant risks and providing oversight to the Money Laundering Reporting Officer (MLRO).

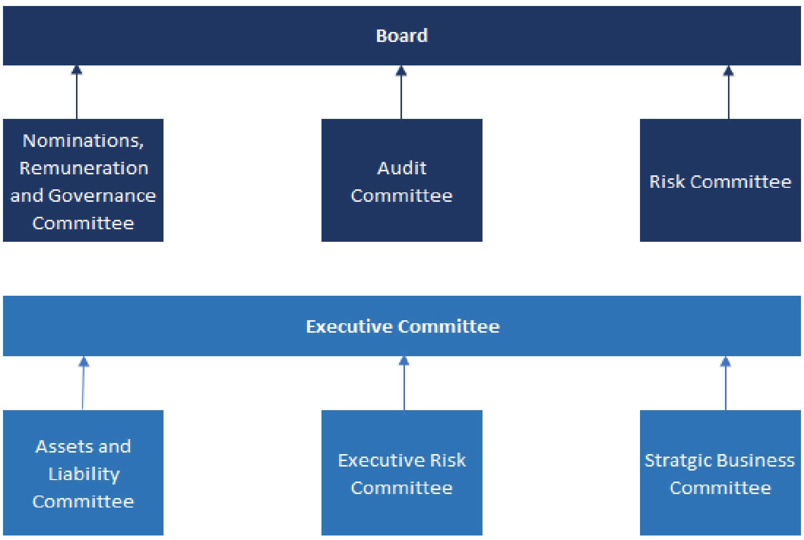
Chief Technology Officer (CTO). Responsible for all IT, development of new technology platform including Project Management.

General Managers of Business Units (GM). Responsible for developing and delivering the strategic plan to ensure revenue targets are met in each of the business divisions

The Bank's Corporate Governance framework clearly defines the roles, responsibilities and composition of the Board-approved persons and Senior Management through job descriptions, Terms of Reference and documented operating procedures. In selecting and appointing Directors, the Bank pays particular attention to the specific value they bring to the Board, based on skills, experience, behaviour and knowledge of the UK business and regulatory environment.

III. The Committee Structure

The Bank operates three Board level committees and three Management level committees as shown in the chart below.



The Board Risk Committee (BRC), Board Audit Committee (BAC) and the Nominations, Remuneration and Governance Committee (NORICO) are all sub-committees of the Board. The Board, in turn, delegates responsibility for the day-to-day management of the business to the Executive Committee (EXCO). Internal Audit is a separate function that reports independently to BAC and its Chairman who, in turn discusses the issues arising directly with the CEO and the CFO.

The Asset and Liability Committee (ALCO) and the Executive Risk Committee (ERC) are sub-committees of the Executive Committee (EXCO), chaired by members of the Senior Management Team, with each committee responsible for specific risks faced by the Bank.

IV. Risk Management Framework

The Bank manages its risk through a comprehensive framework of systems and internal controls, which are designed to identify, manage, monitor and report on risks that the Bank is exposed to. Through careful and regular review, this provides reasonable assurance against the risk of material events or losses.

The effectiveness of the internal controls is regularly reviewed by the Board, Audit Committee and Risk Committee. This involves receiving reports from management including reports from Finance, Risk, Compliance, Internal Audit and the business lines. The Audit Committee also receives reports on internal controls from the Bank's external auditor. Where recommendations are identified for improvements to controls, these are monitored by Internal Audit who report the progress made in implementing them to the Audit Committee.

Our Risk Management Framework (RMF) defines the Bank's overall approach risk management across all functions within the organisation. The RMF is the Bank's overarching performance document, to which all subsidiary risk policies and frameworks must align. The RMF is subject to Board approval, at least annually. The RMF describes the integration between strategy execution and risk management and ensures that the Bank continually executes strategy within it risk appetite.

The following principles guide the Bank's overall approach to risk management:

- The Board sets risk appetite and an appropriate "tone from the top" and leads by example with regard to risk management.
- Risk management is structured around the Banks's Principal Risk categories, which are updated at least annually as part of the RMF.
- The Bank maintains a robust Risk Appetite Framework, manages to an agreed risk appetite using an approved set of metrics, and reports to senior management at least monthly. The Board measures adherence to the Risk Appetite through a set of Key Risk Indicators. These are quantitative measures that are continually monitored to ensure they remain below a limit agreed and set by the Board.
- The Bank regularly undertakes stress tests to ensure that it remains resilient to shocks and sustainable as a bank, including during plausible but severely adverse economic and/ or idiosyncratic conditions.
- The approach to remuneration ensures that fair customer outcomes and prudent decision-making within risk appetite are incentivised.

The Bank ensures that appropriate policies and procedures are in place to ensure that all risks are properly identified, assessed, mitigated, monitored and reported.

The principal risks faced by the Bank along with their definitions are summarised in the table:

Key Risks	Definition
Strategic & Business Risk	Ensure that the Bank meets its budgetary targets and financial projections approved by the Board. The risk is influenced by numerous factors including inability to implement the strategic plan, lower than anticipated margins or volumes, competition and the overall market and economic conditions.
Capital	Ensure that Bank maintains sufficient regulatory capital levels at all times to support its business and maximise shareholders value while adhering to both external and internal capital requirements.
Liquidity	The Bank must maintain the liquid asset buffer of HQLAs to meet both its short-term liquidity requirements as well as long term structural funding needs, ensuring it meets its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress conditions.

Market Risk	Ensure that safeguarding measures are taken for any fluctuations in fair value or future cash flows of financial instruments due to changes in market variables such as interest rates, foreign exchange rates and equity prices.
Credit & Counterparty Risk	Take appropriate steps to avert the possibility of financial loss to the Bank if its customers or counterparties fail to discharge their contractual obligations. The risk arises principally from its short term nostro balances, trade and agents receivables.
Financial Crime Risk	The Bank does not tolerate systemic weaknesses in its financial crime systems and controls or any breach of the legislative and regulatory framework.
Conduct Risk	The Bank has no appetite for deliberate or negligent actions that result in poor customer outcomes, resulting in reputational damage and/or financial loss. The bank has no appetite for any conduct rule breaches.
Regulatory Risk	The Bank has no appetite for non compliance with applicable laws, rules, regulations, standards and codes of conduct, leading to breaches of regulatory requirements, resulting in regulatory sanctions, material financial loss and or reputational damage.
Operational Risk	The Bank will ensure adequate systems and controls are in place to maintain an appropriate level of operational resilience and sufficient capacity across People, Processes and Technology to be able to deliver business services and allow the business to grow
IT & Information Security Risk	The Bank will operate its IT systems and data in a controlled and well managed environment with no appetite for data loss

Our Risk framework provides an integrated strategy and risk management approach, which places risk and specifically risk appetite, at the core of strategy execution.

Although risk appetite is the central pivot of the framework and methodology, the approach is essentially a strategic management methodology, not a risk management solution. The methodology begins with formulation of strategy, and in execution enables us to align risk-taking into our strategy to drive sustainable strategic execution.

Statement of Risk Appetite

The Statement of Risk Appetite (SRA) is a key component of the RMF and sets the approach the Bank takes to the risks it faces as a result of its strategy. It defines the risks and the limits at the highest level of aggregation and applies to the overall firm.

The SRA defines the path that the bank will take in pursuit of its strategic goals. Each identified risk within the firm, will have a defined appetite in terms of level of risk the Bank can and is prepared to accept in pursuit of its strategy. The appetite is multifaceted in terms of business exposure and translated through a set of key business drivers. It is the emphasis on risk appetite that makes this particularly appropriate for managing the Bank and its resources as it aims to accelerate growth. Bringing strategy and risk closer together is fundamentally important, but it is working with the parameters of appetite – the amount and type of risk that we are willing to take in pursuit of our strategic objectives – that will enable us to both operate the controls and inculcate the agility that are required as we grow.

Business Drivers

The most important component of our risk appetite is that of the business drivers. These are the vital few factors that are the key determinants of our success. When setting the risk appetite, the Board in conjunction with the executive team identify the drivers that are most vital to the organisation. These represent the fundamental drivers of value and are used as the base for establishing the risk appetite.

The Bank has defined the following as the key business drivers for the Bank:

- Capital
- Income
- Reputation
- Information Security
- Customer protection (antonym to detriment)
- Regulatory compliance

As part of the strategy formulation process, subjective statements such as “we are a low risk organisation” are translated into tangible values based on the identified business drivers. This enables a common understanding of risk to emerge at the Board and executive level. With a common definition of potential levels of risk-taking, the Board is then in a position to set the boundaries within which it expects the Bank to operate while we go about the business of strategy execution.

Our strategy formulation and strategy management is about developing a clear sense of direction as to where we are going, how much risk we are willing or required to accept to get there and what the key opportunities and threats are along the way.

Managing Risk

Risk management is all about understanding the risks the Bank faces in pursuit of its objectives and the continuous monitoring and management of those risks. It is also about understanding that risks can present opportunities as well as threats.

As with objectives, a broad set of risks are identified as part of the strategy management process and therefore within the set strategy discipline. These are then the basis for the executive team to define a set of key risks, which are monitored and managed to increase the probability that our objectives will be achieved.

The set of risks will be continually reviewed with a level of challenge to ensure that they really are the 'key' risks. Additionally, as the strategy is executed other risks are likely to emerge which also need to be monitored and managed, and 'key' risks may become non-key. A major part of the risk management process is the regular assessment of our risk to understand the level of risk that we are exposed to.

By paying close attention to, and integrating, the disciplines of Managing Performance and Managing Risk, we will gain significant clarity over and above that provided by a suite of objectives and of risks that have been defined in isolation from each other.

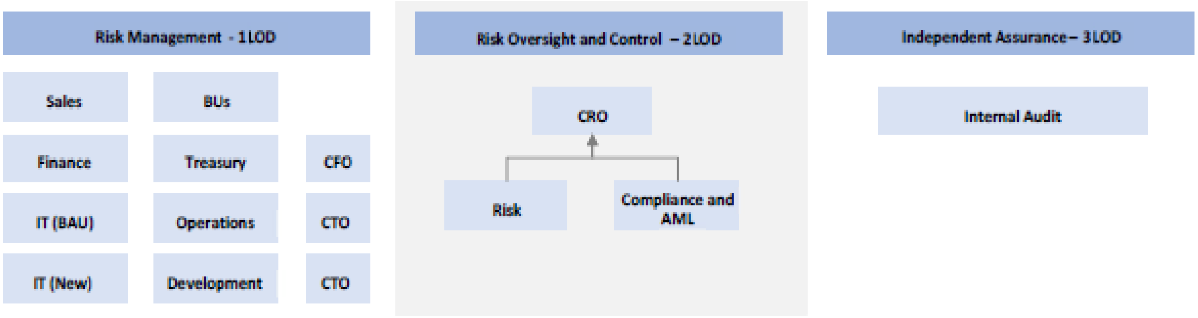
The end result is a much more focused and clearly defined strategic framework made up of the 'vital few' strategic objectives, risks and controls, supported by a clear more detailed operational framework made up of processes, initiatives, systems or people with each having their own set of specific risks or controls. This provides an important benefit of contributing towards the fashioning of a strategy-focused, risk-aware culture.

Aligning Risk with Strategy
A key component of operating within appetite is appetite alignment: the process of continually aligning current risk exposure to the defined appetite. This is about understanding if our current risk taking is aligned to our chosen business strategy, that is, are we operating within appetite. We use an appetite alignment matrix to do this.

V. Three Lines of Defence ("3LOD")

Central to the risk management structure are roles and responsibilities within the 3LOD model. Each line of defence has specific responsibilities for risk management to achieve effective governance, risk management and assurance. In particular, there is a CRO role to head up the Second Line of Defence.

3LOD model - The risk management and risk governance framework to be established at the Bank is commensurate with the size and nature of its operations and adheres to the 3LOD model. This 3LOD approach ensures a clear delineation of responsibilities between control over day-to-day operations, risk oversight and control and independent assurance of its activities. The following diagram outlines the relationship between business and control functions.



This 3LOD model is important as it provides clarity for individuals and functions about their role, where responsibilities and accountabilities belong and is a core component of the Risk Management Framework (RMF).

The emphasis on the responsibilities of each line of defence is as follows:

1LOD – Business lines and centralised functions

- To run the business in a safe but profitable manner to enable sustainability – linked to the Risk Appetite Framework and Statements.
- To manage the risks in the business, to within the agreed tolerances or limits.
- To act in an "early warning" role in terms of ongoing client relationship management.
- Identify, measure, control and monitor risks within each area of the business, reporting and escalation of issues as necessary and to evidence control.
- As part of the controls, the 1LOD needs to implement and adhere to the mandates, policies and processes that are part of the control environment.
- Identify and assess new or emerging risks as internal activities or the external environment changes.

2LOD – Oversight functions (Risk, Compliance and Anti-Money Laundering (AML))

- To support a structured approach to risk management by implementing and maintaining a risk management framework (RMF) and firm-wide risk policies, and to monitor their proper execution in the 1LOD.
- To provide independent oversight and guidance on risks relevant to strategy and activities.
- Maintain an aggregate view of risk and monitoring performance in relation to risk appetite.
- Monitoring changes and compliance to external regulation and promoting best practices.
- To be the point of escalation and control and onward reporting to Board level committees and INEDs.

3LOD - Internal Audit

- To provide independent assurance to the Board via the BAC that the 1LOD and 2LOD are both effective and operative in discharging their responsibilities.

All 3LOD are responsible for supporting and developing a culture of risk awareness and to support each other in creating the best outcome for the Bank and its customers. All three lines have to continuously work together in a supportive, collaborative and open manner. The 3LOD model should not prevent co-ordinated effort in achieving objectives and tasks, but it is important to ensure there is a sufficient delineation and distinction when it comes to making risk-taking decisions on a day-to-day basis.

In this way, risk management responsibilities are understood at all levels, ownership and accountability is clear and control and oversight is established throughout the Bank.

At present, the Internal Audit function is outsourced, to an external Accountancy firm, with effective oversight by the Chair of the BAC.

VI. Control Environment

To ensure that the Board has effective assurance that the operations of the Bank are managed within risk appetite and to ensure that risks are appropriately monitored and mitigated, the following systems and controls are in place to supplement the overarching Governance arrangements:

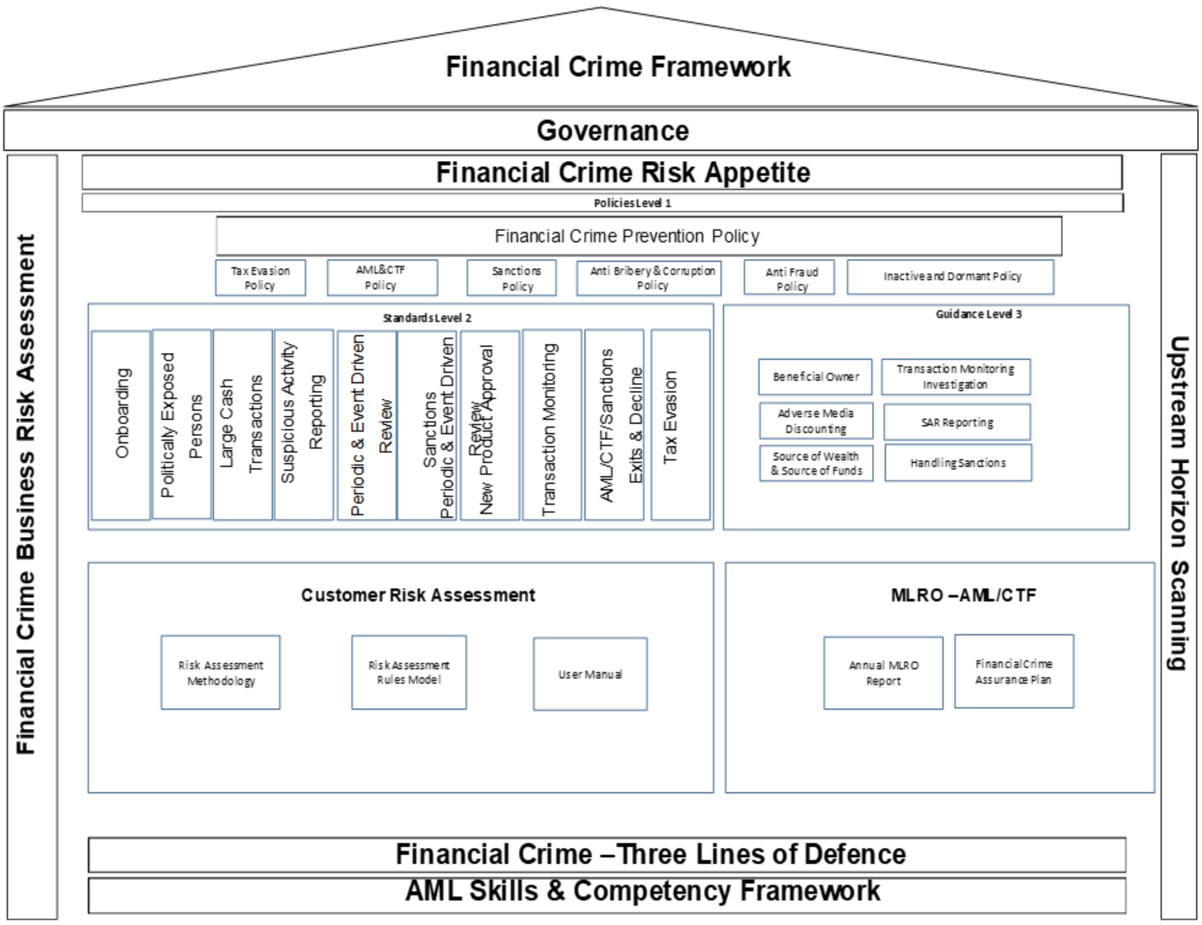
Compliance

The compliance function is responsible for ensuring that the Bank remains, at all times, in compliance with the PRA's and FCA's requirements and other relevant regulations to the operations of the Bank. This includes ensuring monitoring of any changes to the regulatory environment both in the context of ongoing compliance but also relative to the Bank's strategic goals. Practically, this involves the establishment and maintenance of effective systems and controls for compliance. The Framework covers Conduct and Regulatory risks and includes ensuring the Bank's policies and procedures are fit for purpose, compliance training for all staff and designing and executing on the compliance monitoring program.

Financial Crime

The financial crime function is responsible for ensuring that the Bank has effective, well-executed systems and controls in place to prevent money laundering, terrorist financing, bribery, corruption, tax evasion and fraud. A key focus of this area is effective due diligence of customers during the on-boarding phase, ongoing due diligence so that the Bank can assure adherence to agreed operating procedures and robust transaction monitoring.

The Financial Crime Framework is represented in the following schematic:



Internal Audit

The Audit Committee consists of three Independent Non-Executive Directors, assisted by a third-party supplier of appropriately skilled and experienced internal auditors (Grant Thornton).

The Internal Audit Strategy uses a risk-based approach that is designed to enhance the control environment whilst taking account of the nature and size of the Bank and the level of resources available to it. Specific attention is given to emerging risks and those areas where, given the nature of the bank's client base, it is considered most prudent.

Business Continuity and Disaster Recovery

The Bank has prepared a Business Continuity Plan (BCP) and a Disaster Recover (DR) plan that are fully consistent with the regulatory requirements and industry standards. These are designed to ensure that the bank is resilient to disruptive events and is able to absorb shocks, rather than contributing to them. We focus our business continuity drivers on operational resilience with the emphasis on maintaining customer and third-party services, with minimum disruption while the event is recovered from.

Culture and Values

The Board of Directors is responsible for defining the desired Culture of the Bank, setting the framework of Values and Behaviours within which it can evolve and thrive and ensuring effective Governance at all levels of the organisation.

Culture

Delivering effective cultural change remains a key priority for the Bank as it continues to evolve and grow. Management have always sought to balance the drive towards profitability with an equally rigorous focus on strengthening the Bank's capital position, improving operational resilience, enhancing the risk management framework and investing in key personnel in order to assure the long-term sustainability of the firm. These are the cornerstones, at every level, upon which the Bank is built and will remain constant.

Values

The Bank has defined its Values as follows:

- **Integrity:** We are committed to highest standards and operate in an open and honest manner in everyone's best interest. We work together to create a culture of respect and appreciation for all

- **Innovation:** We are passionate about understanding our customers and responding in a manner that will add value to meet their needs and thrive for continuous learning and development.

- **Transparency:** We work hard looking for ways to improve our operations through creativity and in a transparent manner, building a professional multi-cultural team to connect with our customers.

The extent to which Management has effectively embedded these values in operational policies and practices is monitored on an annual basis through the annual Performance Development Plan (PDR). The Bank also has a Grievance and Whistle Blowing policy to provide employees with a means by which to raise any individual concerns, especially regarding adherence to the Bank's Code of Business Conduct and Ethics.

Employees and Environment

Employees

The Board continues to be pleased with the commitment of employees and the culture in the Bank. In 2022 our employees, whilst continuing to adopt safe working practices and a return to the office in a hybrid working environment, also had to manage the uncertainty a sale process brings and subsequent change in strategic direction. During this period, employees have continued to support each other and work together to deliver for our customers.

NORICO reports to the Board and plays an active role in promoting and challenging progress in establishing a truly diverse and inclusive culture at the Bank and carries out succession planning reviews to ensure continuity of skilled employees.

Environment

The Bank acknowledges and is focussed on effectively seeking to integrate Environment, Social and Governance Framework into its financing and investment activities and supports The Principles for Responsible Banking and Responsible Investment.

In 2022, the Board supported management's plan for addressing the requirements within the PRA's Supervisory Statement on 'Managing the Financial Risks from Climate Change', approving the allocation of responsibility for identifying and managing financial risks from climate change to the Chief Risk Officer. The Board expects developments on climate change to evolve rapidly, seeing these as being consumer-led as opposed to being led by regulation.

Section 172 Statement

The Directors have used their best endeavours to promote the success of the Bank and in doing so had considered, amongst others the following:

- Ensure the Bank maintains high standards of Governance, Compliance and Risk Management;
- Develop good relationships with customers, service providers and suppliers;
- Enhance the skills of its employees;
- Consequences of any strategic decisions;
- Develop the operation resilience of the Bank and its impact on the environment; and
- Act fairly and responsibly in dealings with all stakeholders of the Bank.

The Board meets regularly to review strategy, financial performance, operational performance and risks and compliance. It also engages directly with certain stakeholder groups when it determines that a decision would impact them significantly.

The Board provides direction to the management and provides guidance on overview of engagement with all stakeholders, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Bank's key stakeholders	Considerations of stakeholders in decision making
Shareholders	Chairman's Statement and Chief Executive's Review include reference to the new shareholder in the year. iFAST Group is the majority shareholder and participates in the board and development of new business opportunities for the Bank.
Regulators	The Bank has an open and transparent relationship with its regulators. Compliance with regulatory requirements which are set by the PRA and FCA and is crucial for the Bank's continued operation. Risk and Governance form key parts of regulatory compliance and are explained further in that section.
Customers	The Bank's customers are its depositors, current account holders and agents providing remittance services. The Bank's Business Model and Financial Performance takes into account and reports to customers.
People	The Employees of the Bank are key to its success and provide the knowledge, expertise and drive to grow the business. At this time of growth innovation has come to the front and is a key value of the Bank and its employees. Environmental impact and climate risk is a consideration in the Bank's risk management and operational activities.

More information on how the Board operates and the way it makes decisions is included in Risk and Governance section.

The Strategic Report on Pages 1 to 21 was approved by the Board and signed on its behalf by:

Mujahid Malik
Chief Executive Officer

31 March 2023

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2022. iFAST Global Bank Limited is incorporated and domiciled in England & Wales, having its registered office in England and is authorised by the PRA and is regulated by the FCA and the PRA. iFAST Global Bank Limited changed its name from BFC Bank Limited on 31 March 2022, following change in control on 28 March 2022.

Further information regarding a review of the business, performance and risk management is disclosed in the Strategic Report.

Results

The statement of comprehensive income and the statement of financial position can be found on page 30 and 60 respectively. The directors do not recommend the payment of dividend for 2022 (2021: Nil).

During the year cash generated by capital was utilised primarily to provide working capital to the business units.

Future Developments

Following completion of the sale, the Bank is actively enhancing it's product offering and customer base and build on the strategic plan of the business.

Going Concern Basis

The business activities together with the Bank's performance and position, the principal risks, uncertainties and factors likely to affect its future development are set out in Notes 26 to 31 as well as the Strategic Report.

In assessing the impact of all of the risks that could impact its business model and in addition to the risks associated with the normal course of business, the Bank has also considered, through its stress testing exercises, the potential impact of macro-economic factors such as higher interest rates and higher inflation as well as the war in Ukraine.

The directors are not aware of any other material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern and therefore have a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and the financial statements.

Risk Management

The Bank faces a number of risks including credit, market and operational risks. Although it recognises that the range of risks that it faces are broad and ever changing, the Bank ensures that appropriate processes are in place to ensure that risks are properly identified, assessed, mitigated and communicated.

Decision-making responsibility for risk management lies with the Board. This is cascaded down through the organisation by delegation of responsibility to the main committees and through individuals' documented responsibilities.

Risk management is discussed in more details in the Strategic Report.

Financial Instruments

The Bank uses financial instruments to manage certain types of risk, including liquidity and market risk.

Also, in accordance with IFRS 9 Financial Instruments the Bank assesses the requirements for impairment, recognition and measurement and accounts for loan loss impairments with a forward-looking expected credit loss (ECL) approach. An assessment of loan loss impairment at 31 December 2022 was carried out and is disclosed in the Note 28 "Impairment of financial assets".

Political Donations

During the year no political contributions were made by the Bank (2021: Nil).

Post Balance Sheet Events

There are no events since the balance sheet that the directors believe need to be disclosed in the financial statements.

Directors

The directors who served the Bank during the year and up to the date of approval of the financial statements were as follows:

Peter Stuart Hinson	Chairman
Russell Saunders	Senior Independent Non-Executive Director - Appointed 28.03.2022
Andrew Graham	Independent Non-Executive Director - Appointed 28.03.2022
Anthony Wagerman	Independent Non-Executive Director
Derek O'Herlihy	Independent Non-Executive Director
Chung Chun Lim	Non-Executive Director – Appointed 13.10.2022
Vincent Tong	Non-Executive Director- Appointed 28.03. 2022
Mujahid Asghar Malik	Chief Executive Officer
Chuan Yong Goh	Executive Director- Appointed 28.03.2022 Resigned 14.10.2022
Ebrahim Ezra Nonoo	Non-Executive Director - Resigned 28.03.2022
Maurice Benedict Horan	Non-Executive Director - Resigned 28.03.2022

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during 2022 as the Bank maintains Directors' & Officers' Liability Insurance which gives appropriate cover for legal action brought against its directors.

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Bank's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

The Bank has a policy governing appointment of the external auditor for non-audit engagements, which allows monitoring of independence of the external auditor.

MHA MacIntyre Hudson have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be considered at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Mujahid Malik
Chief Executive Officer

31 March 2023

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with the UK law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (''UK adopted IFRS'') and the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the company for that period.

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

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

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

They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board and signed by order of the Board

Mujahid Malik
Chief Executive Officer

31 March 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF iFAST GLOBAL BANK LIMITED

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of iFast Global Bank Limited. For the purposes of the table on page 26 to 27 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. The "Bank" is defined as iFast Global Bank Limited. The relevant legislation governing the Bank is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of iFast Global Bank Limited for the year ended 31 December 2022. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows, and
- Notes 1 to 35 of the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Bank's financial statements is applicable law and UK adopted International Financial Reporting Standards (UK adopted IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the Bank's affairs as at 31 December 2022 and of the Bank's loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with those 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 basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Bank's operations and specifically its business model.
- The evaluation of how those risks might impact on the Bank's available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of the Bank's cash flow projections.
- The evaluation of the base case scenario and stress scenario and the respective sensitivities and rationale.
- Viability assessment including consideration of reserve levels and business plans.

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

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

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Bank and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Materiality	**2022**	**2021**	
Overall materiality	£329k	£259k	0.9% (2021: 1.5%) of the net assets
Key audit matters			
Recurring	Valuation of the expected credit loss allowance		

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters 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.

Valuation of the expected credit loss allowance	
Key audit matter description	At 31 December 2022 the Bank reported total gross exposure of £111,373k (2021: £53,027k) and £151k of expected credit losses (ECL) (2021: £42k). The valuation of Expected Credit Loss (ECL) provisions is inherently judgemental. Management use expert judgement to adjust modelled outcomes where workout scenarios are complex, and models do not incorporate all information. There is therefore significant judgement and estimation involved, as well as susceptibility to possible material misstatement of the financial statements.
How the scope of our audit responded to the key audit matter	We tested the relevant controls related to the Bank's impairment assessment process and provisioning calculation by performing the following procedures: • Performed a walkthrough of the design and implementation of the Bank's processes in relation to the calculation of the ECL and the inputs into the model. • Reviewed and tested the design and implementation of the ECL model for compliance with IFRS 9 requirements. • Reviewed the appropriateness of the Bank's impairment policy against the requirements of IFRS 9. We engaged our IFRS 9 experts to assess the appropriateness of the methodology applied by management in the impairment model to evaluate whether it was compliant with IFRS 9 requirements. The following procedures were performed: • Evaluated the criteria used to allocate a financial asset to stage 1, 2 or 3 in accordance with IFRS 9 • Tested the appropriateness of the staging of exposures including the determination of the PD, EAD and LGD considered by management in the calculation of ECL. We reviewed key management assumptions used in applying the methodology and assess their reasonableness by performing the relevant procedures: ▪ Engaged with our modelling and credit risk experts to test the assumptions, inputs and formulae used in relation to models used for computing ECL provision. This work included evaluation of economic scenarios considered by management and comparing these to other scenarios from a variety of external sources. ▪ Performed a sensitivity analysis in relation to key management assumptions and judgements to assess the impact of these on the ECL provisions as at year-end.

	We validated on a sample basis the key data elements used in the ECL model including assessing the suitability and relevance of the key assumptions applied to determine the probability of default and loss given default. . ▪ Evaluated data quality by agreeing data points used in ECL calculation to relevant source systems. ***Disclosures*** ▪ We have assessed the appropriateness of the disclosures in the financial statements for the year-ended 31 December 2022. ▪ We confirmed that the output of the model, specifically any ECL charge or reversal was correctly reflected in the general ledger and ultimately the financial statements. ▪ We tested the data flows used to populate the disclosures and assessed the adequacy of disclosures for compliance with the accounting standards and regulatory considerations.
Key observations	We found the approach taken in respect of ECL to be consistent with the requirements of IFRS 9 and that the assumptions and judgements made by management in the application of the ECL model were reasonable and supportable. The relevant IFRS 9 disclosures are appropriately disclosed in the financial statements.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	£329k (2021: £259k)
▪ Basis of determining overall materiality	We determined materiality based on 0.9% (2021:1.5%) of the net assets value. We have considered the primary users of the financial statements to be shareholders, customers of the Bank, ultimate parent Bank and the UK regulators (FCA and PRA). We have utilised net assets as benchmark as regulatory capital resources are considered to be a key driver of iFast Global Bank Limited's decision making process and has been a primary focus for regulators.
Performance materiality	£197k (2021: £155k)
▪ Basis of determining overall performance materiality	We set performance materiality based on 60% (2021: 60%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining performance materiality, we considered several factors including our understanding of the control environment of the Bank.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding £17k (2021: £13k) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

The control environment

We evaluated the design and implementation of those internal controls of the Bank which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested the operating effectiveness of those controls but did not place reliance upon them.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

Climate-related risks

In planning our audit and gaining an understanding of the Bank, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.
We have agreed with managements' assessment that climate-related risks are not material to these financial statements except on statutory disclosures.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Bank and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

Responsibilities of directors

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

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

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Bank's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Bank focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Bank including the regulatory and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
- We enquired of the directors and management concerning the Bank's policies and procedures relating to:
    - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Bank's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected credit losses. The group auditors shared the risk assessment with us so that we can include appropriate audit procedures in response to such risks in our work.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Bank's board, audit committee meetings, inspection of the complaints register, inspection of legal and regulatory correspondence and correspondences from the regulators PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
    - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.

- testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
- evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
- enquiry of management around actual and potential litigation and claims.
- challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the expected credit losses as reported in the key audit matter section of our report; and
- obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.

- the Bank operates in a highly regulated banking industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were appointed by the Directors on 01 October 2020. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 2.5 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Bank, and we remain independent of the Bank in conducting our audit.

Use of our report

This report is made solely to the Bank's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Shaunak FCA, CTA
(Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
6th Floor, 2 London Wall Place
London, EC2Y 5AU

31 March 2023

Statement of comprehensive income

Year ended 31 December 2022

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
		£'000	£'000
Continuing operations			
Interest income calculated using the effective interest income method	2	607	13
Interest expense calculated using the effective interest method	2	(722)	(463)
Net interest expense		(115)	(450)
Fee and commission income	3	4,963	4,832
Fee and commission expense	3	(1,510)	(1,369)
Net fee and commission income		3,454	3,463
Net trading profit on foreign exchange	4	3,673	4,479
Fair value (loss)/gain on derivatives		(178)	(531)
Other operating income	5	17	88
Net operating income		**6,850**	**7,049**
Depreciation	16	(376)	(363)
Amortisation	17	(159)	(635)
Other operating expenses	6	(17,865)	(9,630)
Allowance for impairment (loss)/reversal		(109)	7
Net foreign exchange (loss) / gain		(209)	501
Total operating expenses		(18,718)	(10,134)
Loss for the year		**(11,868)**	**(3,085)**

There was no other comprehensive income during the year.

The accompanying notes on pages 35 to 61 are an integral part of the financial statements.

Statement of financial position

As at 31 December 2022

	Notes	31 December 2022 £'000	31 December 2021 £'000
Assets			
Cash and cash equivalents	11	74,856	53,534
Trade and other receivables	12	13,382	11,037
Debt instruments at amortised cost	13	29,436	-
Other assets	14	777	993
Derivative financial assets	15	83	187
Property, plant and equipment	16	951	2,066
Intangible assets	17	-	3,919
Total assets		119,485	71,736
Liabilities			
Trade and other payables	18	5,742	8,811
Due to customers	19	73,627	42,307
Derivative financial liabilities	15	156	82
Other liabilities	20	3,233	3,587
Provisions	21	1,646	-
Total liabilities		84,404	54,787
Equity			
Share Capital	22	74,700	40,200
Contingent Capital Note	23	-	4,500
Retained earnings		(39,619)	(27,751)
Total equity		35,081	16,949
Total liabilities and equity		119,485	71,736

The accompanying notes are an integral part of the financial statements.

The financial statements on pages 31 to 61 were approved by the Board and authorised for issue on 31 March 2023 and signed on its behalf by:

Mujahid Malik
Chief Executive Officer

Vincent Tong
Non-Executive Director

Statement of changes in equity

Year ended 31 December 2022

	Share Capital £'000	Contingent Capital Note £'000	Retained Earnings £'000	Total equity £'000
At 1 January 2021	40,200	4,500	(24,666)	20,034
Loss for the year	-	-	(3,085)	(3,085)
As at 31 December 2021	40,200	4,500	(27,751)	16,949
Release of contingent capital note	-	(4,500)	-	(4,500)
Share capital issuance	34,500		-	34,500
Loss for the year	-	-	(11,868)	(11,868)
As at 31 December 2022	74,700	-	(39,619)	35,081

The accompanying notes on pages 31 to 61 are an integral part of the financial statements.

Statement of cash flows

Year ended 31 December 2022

	Notes	31 December 2022	31 December 2021
		£'000	£'000
Cash outflows generated from operating activities:			
Loss before tax		(11,868)	(3,085)
Adjustment for non-cash items			
- Depreciation	16	376	363
- Amortisation	17	159	635
- Fair value gain on derivatives		178	531
- Net foreign exchange gain/(loss)		209	(501)
- Finance costs		6	174
- Other non-cash items included in profit before tax		3,869	7
Changes in operating assets and liabilities			
Purchase of debt instruments		(31,954)	-
Proceeds from sale of debt instruments		2,108	-
Net (increase)/decrease in receivables		(2,025)	(2,477)
Net increase/(decrease) in payables		29,617	(4,432)
Interest received		(607)	(13)
Interest paid		624	170
Net inflows (used in)/ from operating activities		(9,308)	(8,628)
Cash flows from investing activities:			
Purchase of property, plant and equipment	16	(268)	(125)
Net outflows from investing activities		(268)	(125)
Cash flows from financing activities:			
Proceeds from the issue of ordinary shares	22	30,000	-
Payment of principal portion of lease liabilities		1,107	(730)
Net inflows from financing activities		31,107	(730)
Net increase/(decrease) in cash and cash equivalents		**21,530**	**(9,483)**
Cash and cash equivalents at beginning of year		53,534	62,516
Effect of exchange rate fluctuations on cash and cash equivalents		(209)	501
Cash and cash equivalents at end of financial year	11	74,856	53,534

The accompanying notes on pages 31 to 61 are an integral part of the financial statements.

Notes to the financial statements

1. Accounting Policies

i. Corporate Information

iFAST Global Bank Limited (Company Number: 04797759) is a private company limited by shares incorporated and registered in England and Wales. It provides a range of banking and financial services focusing on international and domestic payments, cash management solutions, wholesale currency and money transfer services.

ii. Basis of preparation and accounting convention

The financial statements have been prepared on the historical cost basis, with the exception of measuring derivative financial assets and derivative financial liabilities at fair value through profit or loss in accordance with UK adopted International Financial Reporting Standards (''UK adopted IFRS'') and the Companies Act 2006. The principal accounting policies are set out in this note.

iii. Functional and presentation currency

These financial statements are presented in Pounds Sterling (GBP or £), which is the Bank's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

iv. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

On 23 January 2020, the International Accounting Standards Board (IASB) issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS I)' providing a more general approach to the classification of liabilities under IAS I based on the contractual arrangements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022; their effective date, however, has been delayed to 1 January 2023.

The Bank does not expect a material impact on its financial statements from these amendments.

IAS 1 and IAS 8 on amendments on disclosure and estimates of accounting policies

On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements and 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

The Bank does not expect a material impact on its financial statements from these amendments.

IAS 12 amendments on deferred taxes

In 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.

There is no expected impact as the Bank does not currently recognized a deferred tax asset for tax losses, due to uncertain recoverability, and there are no arrangements or transactions that require the Bank to adopt these amendments.

IFRS 17 insurance contracts

The IASB has issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer expiry date of the amendment.

This standard became effective on 1 January 2023. There is no impact to the Bank as there are no arrangements or transactions that require the Bank to adopt these amendments.

The Bank does not expect a material impact on its financial statements from these amendments.

v. IFRS9 Financial Instruments; Recognition and Measurement

IFRS 9 - Financial instruments, includes requirements for impairment, recognition and measurement sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Financial assets and liabilities

The Bank applies IFRS 9 Financial Instruments to the recognition, classification and measurement, and derecognition of financial assets as well as impairment of financial assets.

The Bank measures loans and advances provided to agents who originate remittance transactions for the Bank's EzRemit remittance business (treated as trade receivables in the financial statements), balances due from banks, debt instruments and cash balances at amortised cost if the following conditions are met:

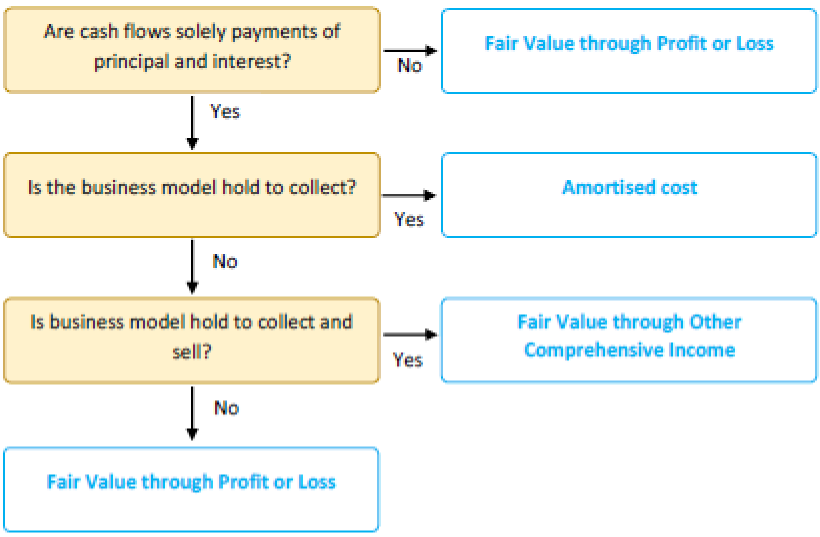
- The financial asset is held within the business model with the objective to hold financial assets in order to collect contractual cash flows

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The business model reflects how a portfolio of the Bank's assets is managed to achieve business objectives, whether by holding the financial assets, selling the assets or both. Using the flow chart below and the nature of each balance sheet item the Bank has classified its financial assets for measurement.



The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way those risks are managed.

- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Below further details on how the Bank recognises and classifies its financial instruments.

(i) Recognition
Financial assets and liabilities are recognised when the Bank becomes party to the terms of the contract. For the purchase or sale of securities this is deemed to be the trade date as the Bank is legally committed to the transaction.

(ii) Classification and measurement
Financial assets are initially recognised at fair value and may be held at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI), or Fair Value through P&L (FVTPL) by the Bank. Financial liabilities are recognised at Amortised Cost or FVTPL.

Debt instruments are measured at amortised cost if both of the following conditions are met:

- The asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Debt instruments are measured at FVOCI if both of the following conditions are met:

- Asset is held within the business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets.
- 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.

Debt instruments that are not measured at amortised cost or at FVOCI but are measured at FVTPL. Equity instruments and derivatives are measured at FVTPL

(iii) Derecognition
Financial assets are derecognised by the Bank where the contractual rights to cash flows from these assets has expired, or have been transferred, usually by sale, when substantially all the risks and rewards of ownership are transferred.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished. An exchange of an existing financial liability for a new liability with the same lender on substantially different terms is accounted by the Bank as an extinguishment of the original financial liability and the recognition of a new financial liability.

(iv) Impairment
The adoption of IFRS 9 has changed the Bank's accounting for loan loss impairments approach with a forward-looking expected credit loss (ECL) approach. In accordance with IFRS 9 the Bank records allowance for ECLs for all loans and other debt financial assets not held at fair value through profit or loss (FVTPL), together with loan commitments and financial guarantee contracts.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there is a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Bank has applied the 'expected credit loss' model in accordance with IFRS9. The impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Pervasive concept in measuring ECL is that it measures forward-looking information.

The Bank has followed the 'three-stage' model for impairment, based on changes in credit quality since initial recognition of these as summarised below:

- Stage 1
  A financial instrument which comprises primarily of Nostro balances and receivables from agents that are not credit-impaired on initial recognition are classified as 'Stage 1' and their credit risk monitored by the Bank.

- Stage 2
  If a significant increase in credit risk is identified since initial recognition, the financial instruments are moved to 'Stage 2' but are not deemed to be credit-impaired.

- Stage 3
  If the financial instrument is credit-impaired it is moved to 'Stage 3'.

The maturity of Bank's credit exposures is very short term and on average credit is not provided for more than 1 month. Financial instruments in Stage 1, Stage 2 and Stage 3 have their ECL measured at amount equal to the expected credit losses that result from potential default events.

(v) Significant increase in credit risk

When determining whether the risk of default of financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and includes forward-looking information.

The Bank uses four criteria for determining whether there has been a significant increase in credit risk:

- Actual or expected deterioration of the financial performance of the counterparty. This is not limited to review of their financial statements but includes at least weekly interaction and assessment by the Bank with the counterparties.

- Past performance of length of time taken to settle outstanding balances.

- Changes to regulatory and economic conditions in the country where the counterparty operates.

- Expected changes to the agreements with the counterparties.

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the geographical region in which the counterparty operates.

For Stage 1, the credit exposure are treated as performing as they have been paying the amounts due on time in accordance with the credit terms granted and within the maximum 60 days for all agents.

Should a counterparty face a significant increase in credit risk, as per above criteria, the exposure is moved to Stage 2, making the account underperforming or watch.

Credit exposure is moved to Stage 3 when the counterparty is in default and its status is moved to non-performing. In terms of the loss allowance, an individual review of the counterparty is conducted for non-performing accounts.

(vi) Definition of default

A key issue in measuring expected losses is identifying when a "default" may occur. Although IFRS 9 does not define the term, the Basel Committee has recommended that the definition of default adopted for IFRS 9 accounting purposes is guided by the definition used for regulatory purposes which is 90 days. Given the short-term tenure of the exposures, the default definition for the Bank has been set at 90 days.

The Bank considers a financial asset to be in default when:

- Counterparty is more than 90 days past due on any material credit obligation to the Bank; and
- It is unlikely to pay its credit obligations to the Bank in full,

(vii) Incorporation of forward-looking information

A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using 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 Bank continues to monitor macro-economic environment and apply additional conservatism based on expert judgement where it is considered appropriate. The bank accesses market information which includes; research papers, market updates from Moody's and several other organisations as appropriate which are incorporated in Bank's internal credit assessment process.

(viii) Explanation of inputs, assumptions and estimation technique

The Expected Credit Loss (ECL) is measured on 60 day lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. ECL is a product of Exposure at Default (EAD), Probability of Default (PD), and Loss Given Default (LGD) defined as follows:

(i) Exposure at Default (EAD)

EAD represents the expected exposure of the Bank. The Bank derives EAD from its current exposures to counterparties and potential changes allowed under the agreement. EAD is the gross carrying amount and is broken down by exposure to the counterparty into local currency and non-local currency as this impacts the PD. The exposures of the Bank are primarily from two types of counterparties i.e., trade receivables from its Agents or Nostro accounts with other banks.

Based on IFRS 15, the Bank has classified expected cash flows from its agents as trade receivables for EzRemit business unit and trading of bank notes by Wholesale business unit. The nature of these exposures does not require enhanced risk management techniques and is therefore based on lifetime basis under the simplified approach.

Exposures to banks have been segregated into the following categories; Central Banks, Developed Markets Banks and Emerging Markets Banks, as the characteristics of each is different. For these exposures, individual PDs and LGDs are calculated.

(ii) Probability of Default (PD)

For the Bank the 12-month PDs are the same as the lifetime PDs as all counterparty exposures are under one year. The 12-month PD is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial asset if that is less than 12 months).

(iii) Loss Given Default (LGD)

LGD is the estimate of loss arising on default of the counterparty. It is based on the difference between contractual cash flows that are due and expected to receive including from collateral. The PDs and LGDs have been calculated using third party software Moodys RiskCalc.

(ix) Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

The Bank has incorporated forward looking information in both assessment of significant changes in credit risk and the measurements of ECLs.

(x) Derivatives

The Bank defines derivative as financial instrument or other contract which meets all of the following characteristics:

- It's value changes in response to the change in specified interest rate or price of a financial instrument, foreign exchange rate, index of prices or rates, credit rating or credit index, commodity price or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties for forward foreign exchange contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately in the notes to the financial statements. These are measured at fair value as they are imperfect hedges in accordance to IFRS 9 standard.

vi. Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within the notes to the financial statements

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate.

The Bank leases office premises and branches. The total operating lease liability at 31 December 2021 was £1.9m. In 2022 this lease liability was discounted using an average incremental borrowing rate of 1.15% resulting in the recognition of a lease liability of £789k.

Presentation

Right-of-use assets and lease liabilities are presented together with property, plant and equipment in the statement of financial position.

vii. Going Concern

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the Bank has the resources to continue in business for the foreseeable future, which has been determined as a period of twelve months from the date of approval of the financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions facing the Bank, including the current statement of financial position, capital resources and cash flows.

The Bank benefits from financial and other support of its parent undertaking when required, as evidenced through the additional capital injections since change in control. Furthermore, the shareholder, is resolved in its intention and has the ability to ensure that the Bank will at all times be adequately capitalised to meet its regulatory capital requirements.

The Bank's forecasts and projections show that it will be able to operate at adequate levels of both liquidity and capital for the foreseeable future, including under a range of stressed scenarios. The Bank has sufficient capital to enable it to continue to meet its regulatory capital requirements as set out by the Prudential Regulation Authority ("PRA").

After making due enquires, the Directors believe the Bank has sufficient and competent resources to continue its activities for the foreseeable future.

viii. Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, and represents amounts receivable for services rendered. Revenue is recognised when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Bank, and when specific criteria have been met for each of the Bank's activities, as described below:

Interest Income
Interest income is calculated using the effective interest rate and earned on balances held with central banks, other banks, and debt instruments held. Recognition is on an accruals basis.

Commission Income
Commission income is earned for the money transfer services to customers and banking fees and commissions charged to clients. It is recognised when services have been provided.

Net trading profit on foreign exchange
Gains and losses from dealing in foreign currencies represents the exchange margin realised on wholesale and retail foreign currency transactions. Exchange margin is the difference between the deal rate and market rate prevailing on the date of transaction.

IFRS 15
Revenue from Contracts with Customers does not have a material impact on revenue recognition and related disclosures, as all contracts with customers have very short maturities.

For management purposes, the Bank is organised into business units based on its products and services and has reportable revenue segments as follows:

- *EzRemit:* The business unit focuses on remittance of foreign exchange for consumers. There are no long term contracts with customers and maturity is typically 1 day to 5 days.

The following business unit was closed during the year:

- *Wholesale:* The business unit focuses on the purchase and sale of financial instruments (e.g. cash, forward contracts and derivatives) with other financial institutions. These contracts fall within the scope of IFRS 9 Financial Instruments.

The Bank is launching two new business units in 2023, namely Digital Transaction Banking and Digital Personal Banking. No revenue was recognised for either business unit in the current or prior years.

ix. Interest and similar income and expense

The Bank applies IAS 1 Presentation of Financial Statements, to present interest income and expense separately on the face of the statement of comprehensive income to provide symmetrical and comparable information. Therefore, the Bank shows all interest income under the heading "Interest and similar income" and interest expense as "interest and similar expense' and it is also consistent with all internal reporting. The Bank has also elected to present its interest expense in a manner consistent and symmetrical with interest income.

Net interest income/(expense) comprises interest income and interest expense calculated using the effective interest rate (EIR) method. Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

x. Fee and commission expense

Fee and commission expense is payable to financial institutions and corporates for the money transfer services to customers and is recognised when services have been provided and include transaction costs for debt instrument purchases.

xi. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated at their depreciable amounts according to the straight-line method over the estimated useful life of each class of asset. For each class of asset the depreciation method, useful life and residual value are subject to annual review for appropriateness. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. The depreciation method is as follows:

Furniture	20% straight line
Computer equipment	20% straight line

At each balance sheet date Furniture and Computer equipment are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount the higher of the asset's net selling price and its value in use.
Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of fixed assets are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that it would have been had the original impairment not been recognised.

xii. Intangible asset

Intangible assets with finite useful lives that are acquired or built are carried forward at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life for intangible asset is as follows:

Banking Platform
Expenditure on development activities is capitalised if the product or process meets the following conditions:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliable the expenditure attribute to the intangible asset during its development.

Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials and direct labour. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is provided on a straight line basis over 10 years after the asset is put to use.

At each reporting date, the Bank reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately.

xiii. Employee benefits

Short-term employee benefits, such as salaries, paid absences and other benefits, are accounted for on an accruals basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Bank has a present obligation to its employees that can be measured reliably. All expenses related to employee benefits are recognised in the profit or loss, which is included within operating expenses.

The Bank provides a defined contribution pension scheme for its staff. Payments to a defined contribution scheme, including state-managed retirement benefit schemes are charged as expenses as they fall due.

xiv. Trade receivables and payables

Amounts due from agents who originate remittance transactions for the Bank's EzRemit remittance business are treated as trade receivables in the financial statements. Trade receivables are recognized when a remittance transaction is originated.

xv. Provisions

Specific provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

xvi. Due to customers

Due to customers, represent fixed term deposits and notice accounts received from SME, corporate and retail customers as well as overnight deposits and current accounts held by customers. Both fixed term deposits, notice accounts, overnight deposits and current accounts are measured at fair value.

xvii. Taxes

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive incomer or directly in shareholders' equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates and laws enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Statement of Financial Position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is determined using tax rates and legislation enacted, or substantively enacted, by the reporting date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

xviii. Foreign currencies

Items included in the financial statements of the Bank are measured using their functional currency, being the currency of the primary economic environment in which the entity operates. Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the period end.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies that are retranslated at the rates prevailing on the balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of transaction is included as exchange gain or loss in profit or loss. The Bank has no non-monetary item denominated in foreign currencies.

xix. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statement of Financial position.

Cash and cash equivalents comprise cash in vaults and demand deposits.

xx. Use of estimates and judgements

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

- The Bank reviews capitalisation of intangible assets at each reporting date to assess whether an impairment loss should be recognised in the income statement.

- An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type and customer type and rating). Detailed information on the calculation of expected credit losses, and judgement applied to determine significant increases in credit risk and other areas within IFRS 9 are discussed in the accounting policy on IFRS 9 in these financial statements.

- The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

- Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Although tax losses can be utilised indefinitely, judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies

- The Bank operates in an environment and faces risks inherent to its operations. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosers in its financial statements.

All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Interest and similar income and expense

	31 December 2022	31 December 2021
	£' 000	£' 000
Interest income calculated using the effective interest income method		
Due from banks	352	13
Debt instruments at amortised cost	254	-
	607	13
Interest expense calculated using the effective interest method		
Due to banks	(8)	(3)
Due to customers	(708)	(286)
Finance costs:		
Interest expense on lease liabilities	(6)	(174)
	(722)	(463)
Net Interest expense	(115)	(450)

3. Fee and commission income and expense

	31 December 2022	31 December 2021
	£' 000	£' 000
Fee and Commission income	4,963	4,832
Fee and Commission expenses	(1,510)	(1,369)
Net fee and commission income	3,454	3,463

4. Net trading profit on foreign exchange

	31 December 2022	31 December 2021
	£' 000	£' 000
Foreign exchange dealing income	5,964	5,881
Foreign exchange dealing expense	(2,291)	(1,402)
	3,673	4,479

5. Other operating income

	31 December 2022	31 December 2021
	£' 000	£' 000
Other operating income	-	88
Gains from sales of debt instruments at amortised cost	17	-
	17	88

6. Other operating expenses

		31 December 2022	31 December 2021
		£' 000	£' 000
Staff costs	Note 7	5,759	4,900
Legal and professional fees		1,075	753
Auditor's remuneration (see below)		234	176
Rent, rates & services charges		519	341
IT expenses		2,247	1,731
Staff and travel expenses		268	86
Property repairs and maintenance		36	64
Business promotion and communications		1,396	1,105
Other expenses		336	488
Intangible Assets Write-off	Note 17	3,760	-
Restructuring cost (Consumer UK and WCS)		2,235	-
		17,865	9,630

The impairment assessment has been carried out to reflect the trigger event of the business acquisition (change in control) effective 28th March 2022.

The analysis of Auditor's remuneration is as follows:

To the Bank's auditor for:		
- the audit of the Bank's annual financial statements	234	176
	234	176

7. Staff costs

The average monthly number of employees (including executive directors) was:

	31 December 2022 No.	31 December 2021 No.
Executive	13	11
Business	34	53
Operations	14	13
Finance, Risk and Compliance	19	19
Information Technology	6	5
	86	101

The aggregate remuneration comprises:	31 December 2022	31 December 2021
	£' 000	£' 000
Wages and salaries	5,042	4,433
Social security costs	526	467
Pension costs – defined contribution scheme	120	122
Other pension costs	72	48
	5,759	5,070

8. Key management personnel and directors' remuneration

Key management personnel are those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Bank. The compensation paid or payable to key management personnel and the directors during the year were as follows:

	31 December 2022	31 December 2021
	£'000	£'000
Key management compensation		
Salaries	1,213	1,100
Pension costs – defined contribution scheme	26	15
Other benefits	15	14
	1,254	1,129

The information above includes directors' remuneration detailed below:

	31 December 2022	31 December 2021
	£'000	£'000
Directors emoluments		
Salaries	553	456
Company contribution to defined contribution pension	9	9
Other benefits	3	3
	565	468

Remuneration disclosed includes amounts paid to the highest paid director as follows:

	31 December 2022	31 December 2021
	£'000	£'000
Directors emoluments		
Salaries	236	225
Company contributions to defined contribution pension scheme	9	9
Other benefits	2	3
	247	237

9. Taxation

The income tax charge/(credit) for the year was Nil (2021: Nil)

The actual tax charge differs from the expected tax charge by applying the standard rate of UK corporation tax as follows:

Reconciliation of effective tax rate	31 December 2022	31 December 2021
	£'000	£'000
Loss before tax	(11,868)	(3,085)
Expected tax charge at 19% (2021: 19%)	(2,255)	(586)
Non-deductible expenses	-	-
Under/(over) provided in prior years	-	-
Unrecognised deferred tax	(2,255)	586
Total income tax charge	-	-

10. Deferred taxation

The Directors have concluded that it is not appropriate to recognise a deferred tax asset at the balance sheet date as the majority of accumulated losses will not be available to offset against future taxable profits because there is insufficient certainty with respect to the availability of suitable future profits in the foreseeable future.

11. Cash and cash equivalents

	31 December 2022	31 December 2021
	£'000	£'000
Cash in hand and held at vaults	6,455	11,639
Cash at central banks and due from other banks	68,428	41,929
Less: allowance for impairment losses	(27)	(34)
	74,856	53,534

Cash held at vaults is kept at high security locations and is comprehensively insured.

12. Trade and other receivables

	31 December 2022	31 December 2021
	£'000	£'000
Trade receivables	13,311	11,045
Intercompany receivables	88	-
Less: allowance for impairment losses	(18)	(8)
	13,382	11,037

13. Debt instruments measured at amortised cost

	31 December 2022	31 December 2021
	£'000	£'000
Government debt securities	11,033	-
Corporate debt securities	18,509	-
Less: Allowance for impairment losses	(106)	-
	29,436	-

During the year, the Bank purchased debt instruments with a total principal value of £31.9m and sold debt instruments valued at a £2.1m, realising a gain on disposal amounted to £17,200.

Information regarding the ECL allowance for debt instruments measured at amortised cost is presented in Note 27. Debt instruments are measured at amortised costs under the hold to maturity model in IFRS 9.

14. Other assets

	31 December 2022	31 December 2021
	£'000	£'000
Prepayments	410	825
Other receivables	367	168
	777	993

Other receivables include interest receivable on debt instruments of £289,000 (2021: nil).

15. Derivative financial instruments

The Bank enters into derivatives for risk management purposes. These are imperfect hedges, therefore the Bank does not apply hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts hedges non trading book	83	156	187	82
Total	83	156	187	82
Notional principal amounts	74,741	80,870	29,794	41,194

The notional amounts represent the amounts of all outstanding contracts at year end. It is the sum of the absolute amount of all purchases and sales of derivative instruments. The notional amounts of the derivatives provide a basis for comparison with instruments recognised on the balance sheet but does not indicate the amounts of future cash flows involved or the current fair value of the instruments and therefore do not indicate the Bank's exposure to credit or market risks.

Forward foreign exchange contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. Futures contracts are transacted at standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

As part of its asset and liability management, Bank uses derivatives for economic hedging purposes in order to reduce its exposure to market risks. This is achieved by hedging specific financial instruments and forecast transactions as well as strategic hedging against overall financial position exposures (e.g. macro cash flow hedges).

The main differences in the risks associated with forward and futures contracts are credit risk and liquidity risk. The Bank has credit exposure to the counterparties of forward contracts. The credit risk related to future contracts is considered very low because the cash margin requirements of the exchange help ensure that these contracts are always honoured. Forward contracts are usually settled gross and are, therefore, considered to bear a higher liquidity risk than the futures contracts which, unless chosen to be executed by delivery, are settled on a net basis. Both type of contracts results in market risk exposure.

Derivatives are measured at their fair value, which is calculated as the present value of future expected net contracted cash flows at market related rates as of the balance sheet date. Gains and losses arising from the revaluation of foreign currency assets and liabilities into pounds sterling have been hedged with forward foreign exchange contracts and the result is reported in the Statement of Comprehensive Income under net fair value loss on derivatives.

16. Property, plant and equipment

	Furniture	Computer and equipment	Right-of-use assets leases	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2021	845	704	3,050	4,599
Additions	-	-	125	125
Disposals	-	3	(142)	(139)
At 31 December 2021 & 1 January 2022	845	707	3,033	4,585
Additions	44	12	212	268
Disposals	(615)	(431)	(2,129)	(3,175)
At 31 December 2022	274	289	1,116	1,679
Depreciation				
At 1 January 2021	677	555	924	2,156
Disposals	-	-	-	-
Charge for year	70	71	222	363
At 31 December 2021 & 1 January 2022	747	626	1,146	2,519
Disposals	(573)	(430)	(1,164)	(2,167)
Charge for year	35	46	295	376
At 31 December 2022	209	242	277	728
Net book value				
At 31 December 2022	65	47	839	951
At 31 December 2021	98	81	1,887	2,066

Lease liabilities
The carrying amounts of lease liabilities (included in 'Other liabilities' in Note 20) and the movements during the year are as follows:

	2022	2021
	£'000	£'000
As at 1 January	1,890	2,140
Additions	-	125
Disposal	(1,646)	(142)
Accretion of interest	6	355
Payments	539	(588)
As at 31 December	789	1,890

17. Intangible Assets

Cost	Banking Platform £'000	Total £'000
At 1 January 2021	6,354	6,354
At 31 December 2021 & 1 January 2022	6,354	6,354
Write off	(6,354)	(6,354)
At 31 December 2022	-	-
Amortisation		
At 1 January 2021	1,800	1,800
Charge for the year	635	635
At 31 December 2021 & 1 January 2022	2,435	2,435
Charge for the year	159	159
Write off	(2,594)	(2,594)
At 31 December 2022	-	-
Net Book Value		
At 31 December 2022	-	-
At 31 December 2021	3,919	3,919

The banking platform was developed and provided by an external supplier based on specifications and requirements of the Bank. These assets are recognised as core banking assets that were brought into use during the year 2018 following receipt of full banking license on 16 October 2017.

At each balance sheet date, or as trigger event occurs the Bank reviews the recoverable amounts of these assets to determine whether there is any indication that these assets have suffered an impairment. Recoverable amounts of these assets are calculated based on their value in use, determined by discounting future cash flows expected to be generated from the continuing use of the assets.

Following change in control of the bank in March 2022 an impairment assessment was undertaken of the intangible assets in line with IAS 36. It was determined that the banking platform was fully impaired and was written down to nil.

During the year, there was no recognised capital expenditure for software development. All software development costs in the banks within the iFast Group is now managed and capitalised by the parent company. Development costs capitalised at Group will subsequently be recharged and expensed in each subsidiary entity through a licence fee.

18. Trade and other payables

	31 December 2022 £'000	31 December 2021 £'000
Trade payables	5,491	7,108
Amount owed to group undertakings	251	1,703
	5,742	8,811

19. Due to customers

	31 December 2022 £'000	31 December 2021 £'000
Overnight Deposits	13,466	-
Fixed term deposits	60,162	42,307
	73,627	42,307

20. Other liabilities

		31 December 2022	31 December 2021
		£'000	£'000
Accruals		2,156	1,502
Lease liability	Note 16	789	1,890
Other payables		288	195
		3,233	3,587

21. Provisions

		31 December 2022	31 December 2021
Restructuring provision	Note 6	1,646	-
		1,646	-

Restructuring provision relates to an onerous contract arising from the closure of Wholesale Currency Services business unit (see Note 6).

22. Share capital

	31 December 2022	31 December 2021
Authorised, allotted, called up and fully paid:	Number of shares	Number of shares
Ordinary shares of £1 each	74,700,000	40,200,000

	Number of shares	£'000
Ordinary shares of £1 each		
At 1 January 2021	40,200,000	40,200
Issued during the year	-	-
At 31 December 2021 & 1 January 2022	40,200,000	40,200
Issued during the year	34,500,000	34,500
At 31 December 2022	74,700,000	74,700

Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. Ordinary shares are classified as equity and have full voting rights attached.

During the year 34,500,000 authorised ordinary shares were issued at £1 each. On 28 March 2022 15,000,000 new shares were issued and 4,500,000 shares were issued in exchange for the contingent capital note was released and discharged (see Note 23). Furthermore, on 28 November 2022 15,000,000 of shares were issued at £1 each. All shares issued are fully paid up.

23. Contingent capital note

	31 December 2022	31 December 2021
	£'000	£'000
Fixed Rate Contingent Capital Note	-	4,500

On 25 April 2018, the Bank issued £4.5 million Fixed Rate Perpetual Additional Tier 1 Contingent Capital Note (the "Note"). Net proceeds arising from the issuance, after deducting issuance costs were £4.5 million. On 28 March 2022 the Bank issued 4,500,000 ordinary shares at £1 each in acceptance of payment for the irrevocable release and discharge of the capital contingent note in full.

24. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities at year end including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value through the profit and loss (FVTPL) if the carrying amount is a reasonable approximation of fair value.

2022	Mandatorily at FVTPL- others £'000	Total carrying amount £'000	Level 1* £'000	Level 2* £'000	Level 3* £'000	Total £'000
Assets measured at fair value:						
Derivative financial assets - Foreign exchange forward contracts	83	83	-	83	-	83
Liabilities measured at fair value:						
Derivative financial liabilities – Foreign exchange forward contracts	156	156	-	156	-	156

2021	Mandatorily at FVTPL- others £'000	Total carrying amount £'000	Level 1* £'000	Level 2* £'000	Level 3* £'000	Total £'000
Assets measured at fair value:						
Derivative financial assets – Foreign exchange forward contracts	187	187	-	187	-	187
Liabilities measured at fair value:						
Derivative financial liabilities – Foreign exchange forward contracts	82	82	-	82	-	82

*The fair value hierarchy levels are, Level 1 – Quoted prices in active markets, Level 2 – Significant observable inputs and Level 3 – Significant unobservable inputs.

The Bank measures derivatives at their fair value, which is calculated as the present value of future expected net contracted cash flows at market related rates as of the balance sheet date.

25. Capital management

The Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the banking supervisor. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the Bank of England and the PRA in supervising the Bank.

The primary objective of the capital management is to ensure that the Bank complies with both external and internal requirements and that the Bank maintains healthy capital ratios in order to support its business and maximise shareholders value.
The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, risk characteristics of its activities and regulatory requirements.

The Pillar 2 framework is intended to ensure that the Bank has adequate capital to support relevant risks in their business and ensure it has appropriate processes to comply with CRD IV. Pillar 2 addresses risks that the Bank is not adequately covered by Pillar 1 and risks to which it may become exposed over a forward-looking planning horizon. This encourages the Bank to develop and use better risk management techniques in monitoring and managing its risks. The Pillar 2 frameworks includes an Internal Capital Adequacy Assessment Process (ICAAP) carried out by the Bank to analyses and conclude on the additional capital required and the regulators review of the process.

For the Bank Pillar 2A addresses 5 risks: Credit risk, operational risk, market risk, concentration risk and counterparty credit risk. The capital requirements of Pillar 1 and Pillar 2A together form the Total Capital Requirement (TCR) for the Bank. The table below summaries the TCR for the Bank at year end.

	31 December 2022	31 December 2021
	£'000	£'000
Pillar 1 Capital Requirement	6,882	4,719
Pillar 2A Capital Requirement	4,224	2,764
Total Capital Requirement	11,106	7,483

26. Risk Management

Risk appetite

The Bank's risk appetite is approved by the Board of Directors and defines the types and amounts of risk that the Bank is willing to take in pursuit of its business strategy. This is reviewed regularly and provides qualitative statements and quantitative measures to assist with the monitoring of risk appetite.

The Bank's risks are managed taking into account the following principles:

- a strong ethical and risk culture is maintained so that risk awareness is embedded into all activities.
- there is independent and effective risk oversight and assurance;
- the process is underpinned by comprehensive, transparent and objective disclosure of risk exposures to senior management, the Board of Directors, regulators and other stakeholders;
- capital, liquidity and profitability are protected by effective controlling of the risk exposures across all material risk types and businesses; and

Risk management framework

The Bank's risk management activities are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The Board determines the Bank's strategy and its risk appetite. It sets the Bank's values and standards and ensures that its fiduciary duties to shareholders and other stakeholders are appropriately discharged.

To assist the Board in discharging and overseeing their responsibilities it has delegated responsibilities to sub committees of the Board as follows:

- Board Audit Committee
- Board Risk Committee
- Nominations, Remuneration & Governance Committee

The Board also delegates responsibility for the day-to-day management of the business to the Executive Committee (EXCO). Internal Audit is an independent function and reports to the Board Audit Committee and its Chairman.

The Bank has exposure to the following risks arising from financial instruments:

(i) credit risk
(ii) liquidity risk
(iii) market risk
(iv) operational risk

The information in notes 27 to 31 describe the risks faced by the Bank and the policies of the Bank to manage them. The Directors consider the current risk management structure is sufficient for identification, monitoring and control of significant financial risks to the Bank at present.

27. Credit risk

Credit risk is the risk of financial loss to the Bank if its customers or counterparties fail to discharge their contractual obligations. It arises principally on its bank balances, trade and other receivables and credit instruments.

The Bank limits its credit risk with regard to bank balances by dealing with reputable banks with high credit ratings as obtained from Moody's, S&P, and Fitch. Similarly, the credit risk of debt securities is limited by investing in only investment grade rated instruments.

The Bank also manages credit risk by adopting a policy of dealing with credit worthy corporate and other counter parties as a mean of mitigating the risk of financial loss for defaults. Credit worthiness is assessed on an individual account basis. There are credit limits and ratings of such parties where available in place.

The following table shows the maximum exposure to credit risk by class of financial asset:

31 December 2022	Cash balances with central banks and due from banks * £'000	Trade receivables £'000	Debt instruments £'000	Derivative financial instruments £'000	Total £'000
Stage 1	67,115	14,717	29,542	83	111,457
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Gross	67,115	14,717	29,542	83	111,457
Less: allowance for impairment	(27)	(18)	(106)	-	(151)
Net	67,088	14,699	29,436	83	111,306

31 December 2021	Cash balances with central banks and due from banks * £'000	Trade receivables £'000	Debt instruments £'000	Derivative financial instruments £'000	Total £'000
Stage 1	42,584	10,256	-	187	53,027
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Gross	42,584	10,256	-	187	53,027
Less: allowance for impairment	(34)	(8)	-	-	(42)
Net	42,550	10,248	-	187	52,985

* This is part of cash and cash equivalents but excluding cash at vaults. Gross balances are used for credit assessment.

Analysis of changes in gross carrying amount and ECL allowances for financial assets in scope of IFRS 9 is as follows:

2022	Stage 1	Stage 2	Stage 3	Total
Gross Exposure	£'000	£'000	£'000	£'000
Carrying amount as at 1 January 2022	53,027	-	-	53,027
Assets derecognised or repaid (excluding write offs)	58,346	-	-	58,346
At 31 December 2022	111,373	-	-	111,373
ECL				
ECL allowance as at 1 January 2022	42	-	-	42
Assets derecognised or repaid (excluding write offs)	109	-	-	109
At 31 December 2022	151	-	-	151

2021 **Gross Exposure**	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Carrying amount as at 1 January 2021	56,606	-	-	56,606
Assets derecognised or repaid (excluding write offs)	(3,579)	-	-	(3,579)
At 31 December 2021	53,027	-	-	53,027

ECL				
ECL allowance as at 1 January 2021	49	-	-	49
Assets derecognised or repaid (excluding write offs)	(7)	-	-	(7)
At 31 December 2021	42	-	-	42

Total exposure by geographical region

The following table shows the total exposure by geographical region:

31 December 2022	Cash balances with central banks and due from banks £'000	Trade receivables £'000	Debt instruments £'000	Derivative financial instruments £'000	Total £'000
Europe	51,609	334	13,405	83	65,429
GCC Countries	7,699	9,323	828	-	17,850
Other including USA, Middle East & Asia	7,807	5,061	15,309	-	28,176
	67,115	14,717	29,542	83	111,456

31 December 2021	Cash balances with central banks and due from banks £'000	Trade receivables £'000	Debt instruments £'000	Derivative financial instruments £'000	Total £'000
Europe	22,930	3,333	-	187	26,450
GCC Countries	6,476	4,682	-	-	11,158
Other including USA, Middle East & Asia	13,178	2,241	-	-	15,419
	42,584	10,256	-	187	53,027

Counterparties by external ratings

The following table shows the split of counterparties by external ratings, where available:

	2022 Financial Institutions	2022 Corporates and Others	2021 Financial Institutions	2021 Corporates and Others
Aaa to Aa3	2	1	1	-
A1 to A2	4	2	4	-
B1 to Baa3	10	3	15	-
Caa1 to Ca	1	-	-	-
Not rated	3	1	25	34

Credit quality of counterparties

The following table shows the split of credit quality of counterparties:

31 December 2022	Investment Grade £'000	Non-investment grade £'000	Not rated £'000	Total £'000
Cash at Bank	52,345	4,735	10,035	67,115
Debt instruments	29,542	-	-	29,542
Trade receivables	4,402	-	10,315	14,717
Total assets	86,289	4,735	20,350	111,373

31 December 2021	Investment Grade £'000	Non-investment grade £'000	Not rated £'000	Total £'000
Cash at Bank	23,601	6,268	12,715	42,584
Trade receivables	-	-	10,256	10,256
Total assets	23,601	6,268	22,971	52,840

28. Impairment of financial assets

The table summarises the expected credit loss and the associated impairment included in the financial statements at year end

	ECL			
	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
2022				
Cash and cash equivalents*	27	-	-	27
Debt instruments at amortised cost	106	-	-	106
Trade receivables	18	-	-	18
At 31 December 2022	151	-	-	151

	ECL			
	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
2021				
Cash and cash equivalents* at amortised cost	34	-	-	34
Trade receivables at amortised cost	8	-	-	8
At 31 December 2021	42	-	-	42

* This is part of cash and cash equivalents but excluding cash at vaults

Impairment allowance for cash and cash equivalents (excluding cash at vaults) is shown in the table below:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
2022				
ECL allowance as at 1 January 2022	42	-	-	42
New assets originated or purchased	109	-	-	109
Assets derecognised or repaid (excluding write offs)	-	-	-	-
At 31 December 2022	151	-	-	151

2021	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
ECL allowance as at 1 January 2021	49	-	-	49
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(15)	-	-	(15)
At 31 December 2021	34	-	-	34

Impairment allowance for cash and cash equivalents (excluding cash at vaults) based on credit ratings is shown in the table below:

2022	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Aaa to Aa3	17.9	-	-	17.9
A1 to A3	25.1	-	-	25.1
Baa1 to Baa3	44.3	-	-	44.3
Ba1 to Ba3	0.1	-	-	0.1
B1 to B3	22.8	-	-	22.8
Caa1 to Caa3	4.5	-	-	4.5
Not rated	35.9	-	-	35.9
Total	151	-	-	151

2021	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Aaa to Aa3	0.9	-	-	0.9
A1 to A3	0.6	-	-	0.6
Baa1 to Baa3	0.2	-	-	0.2
Ba1 to Ba3	-	-	-	-
B1 to B3	7.2	-	-	7.2
Caa1 to Caa3	-	-	-	-
Not rated	33.1	-	-	35.1
Total	42	-	-	42

Impairment allowance for trade receivables is shown in the table below:

2022	Days past due		
Provision matrix	0-30 Days	Over 30 Days	Total
Expected credit loss rate	0.12%	100%	
Estimated total gross carrying amount at default (£'000)	14,717	-	14,717
Expected credit loss (£'000)	18	-	18

Credit exposure by ECL Stages of all categories of financial assets in scope of IFRS9:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Aaa to Aa3	59,955	-	-	59,955
A1 to A3	10,712	-	-	10,712
B1 to Baa3	11,663	-	-	11,663
Caa1 to Ca	3,516	-	-	3,516
Not rated	25,527	-	-	25,527
	111,373	-	-	111,373

2021 Provision matrix	Days past due 0-30 Days	Over 30 Days	Total
Expected credit loss rate	0.11%	100%	-
Estimated total gross carrying amount at default (£'000)	10,256	-	10,256
Expected credit loss (£'000)	8	-	8

Credit exposure by ECL Stages of all categories of financial assets in scope of IFRS9:

	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000
Aaa to Aa3	8,385	-	-	8,385
A1 to A3	14,685	-	-	14,685
B1 to Baa3	6,322	-	-	6,322
Not rated	23,452	-	-	23,452
	52,844	-	-	52,844

29. Liquidity risk

Liquidity risk is defined as the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The ultimate responsibility for liquidity risk management and for setting the Bank's Liquidity Risk Appetite rests with the Board of Directors, with the ALCO having responsibility to build an appropriate liquidity risk management framework for the management of the Bank's short, medium and long-term funding and liquidity management requirements on a day-to-day basis. The Bank manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The Bank's Internal Liquidity Adequacy Assessment Process (ILAAP) document sets out the details of its approach to measuring, monitoring and controlling liquidity risk. Liquidity management is carried out by ALCO, within the parameters set out in the ILAAP. To guard against the liquidity risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents.

The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. In addition, the Bank holds and maintains highly liquid assets in form of cash in vaults.

The table below summarises the maturity profile of the Bank's assets and liabilities based on contractual repayment arrangements. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date.

	Carrying amount	Gross Contractual cash flows	Within 1 year	1 year to 5 years	Over 5 years
31 December 2022	£'000	£'000	£'000	£'000	£'000
Assets					
Cash and bank balances	74,856	74,856	74,856	-	-
Debt instruments at amortised cost	29,542	29,542	22,356	7,185	-
Accounts receivable and other assets	14,272	14,272	14,272	-	-
Derivative financial instruments	74,741	74,741	74,741	-	-
	193,410	193,410	186,225	7,185	-
Liabilities					
Trade and other payables	5,742	5,742	5,742	-	-
Due to customers	73,627	73,627	73,627	-	-
Other liabilities	4,992	4,992	4,992	-	-
Derivative financial instruments	80,870	80,870	80,870	-	-
	165,231	165,231	165,321	-	-

31 December 2021	Carrying amount £'000	Gross Contractual cash flows £'000	Within 1 year £'000	1 year to 5 years £'000	Over 5 years £'000
Assets					
Cash and bank balances	53,534	53,534	53,534	-	-
Debt instruments at amortised cost	-	-	-	-	-
Accounts receivable and other assets	11,205	11,205	11,205	-	-
Derivative financial instruments	29,794	29,794	29,794	-	-
	94,533	94,533	94,533	-	-
Liabilities					
Trade and other payables	8,811	8,811	8,811	-	-
Due to customers	42,307	42,307	42,307	-	-
Other liabilities	3,587	3,587	1,941	324	1,322
Derivative financial instruments	41,194	41,194	41,194	-	-
	95,899	95,899	94,253	324	1,322

30. Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

The Bank's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Most of the Bank's activities fall into one of two currencies: GBP and USD. However, the Bank has business interests in a number of different geographic regions and thus additional foreign currency positions are held. The Bank identifies foreign exchange rate risk as the risk to future cash-flows from adverse foreign exchange movements. This can have an impact on both the earnings and economic value of the Bank and as a consequence, the Board seeks to manage these risks to ensure the achievement of its business objectives.

The Board has set limits on positions by currency including foreign exchange positions and hedges. In accordance with the Bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

Risks are managed by ALCO through monitoring of limits and restricting product exposures. Management Information Systems are in place to measure foreign exchange risk, which is measured as the estimate of the exposures/liabilities accepted in non GBP currencies which are not offset by a corresponding position or derivative transaction.

The table below analyses the effect of a 5% movement of GBP against USD and other currencies with all the other variables held constant on the statement of comprehensive income and on the equity.

Currency	Net Open positions		Change	Impact on equity (Increase)/Decrease	
	2022 £'000	2021 £'000		2022 £'000	2021 £'000
USD	35,310	13,144	5%	1,766	657
Others	6,052	14,392	5%	302	720

31. Operational risk

Operational risk is the risk of loss arising from human error, fraud, and control or system failure. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

The Bank has implemented a corporate governance and control mechanism to prevent potential operational risks. It actively manages operational risk in accordance with regulation and guidance from the regulatory bodies

32. Related party transactions

During the year ended 31 December 2022, the bank undertook various transactions and held balances with affiliated entities in the iFAST Group, the details of which are disclosed below. There were no transactions or balances in the prior year with iFAST Group.

Cost recharges
The year the Bank recharged costs of £378,255 to iFAST Financial Pte. Ltd. and at 31 December 2022 a receivable amount to £88,403 remained owing to the Bank.

During the year the iFAST Corporation Limited recharged costs to the Bank of £22,345, no amounts remained payable at 31 December 2022.

Cash deposits
During the year the Bank held cash deposits for iFAST Nominees (HK) Limited amounting to £4,666,074. At the year-end deposits held were Fixed Term Deposit of £500,000 and Overnight Deposit of £4,166,074. Interest paid on deposits amounted to £17,574 and interest accrued at 31 December 2022 was £6,601.

During the year the Bank held cash deposits for iFAST Financial Pte. Ltd. amounting to £9,511,737. At the year-end these deposits held were all overnight. Interest paid on deposits amounted to £74,329 and interest accrued at 31 December 2022 was £2,098.

Debt instruments
During the year the Bank purchased debt instruments through iFAST Financial Pte. Ltd. and held cash in an investment account to facilitate the purchases, utilising the iFAST Group ecosystem and investment platform. The balance on the Bank's investment account at 31 December 2022 was £2,843,567. Interest earned on this account during the year totalled £2,182, no amounts remained outstanding at 31 December 2022. The brokerage fees paid to iFAST Financial Pte. Ltd. for the year amounted to £23,305.

There were no other related party transactions during the year.

33. Parent undertaking

At 31 December 2022, the Bank's shares were 100% owned by Eagles Peak Holdings Limited, a UK company registered under company number 13045848.

Eagles Peak Holdings Limited is majority owned (89.51% at 31 December 2022) by iFAST Corporation Limited, a Singapore incorporated firm listed on the Singapore Exchange (SGX). Consolidated financial statements are prepared by iFAST Corporation and are filed in Singapore and publicly available through iFAST Corporation's website (www.ifastcorp.com).

iFAST Global Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

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iFAST Global Bank Limited
Registered in England and Wales,
company number 4797759.

Registered Office:
9th Floor, South Quay Building
77 Marsh Wall, London E14 9SH,
United Kingdom.

Financial Services Register number:
716167.
