



Innovate.
Differentiate.
Grow.

Clear.Bank

Consolidated Annual
Report and Accounts of
ClearBank Group Holdings
Limited

2024

Purpose

At ClearBank, our purpose is to provide great technology that unlocks our clients' potential, ensuring everyone has the freedom to choose the financial services they need.



Vision

We're committed to being a responsible business, driving forward the transformation of payment services. Our technology platform and banking licences enable our clients to thrive by providing access to next generation financial solutions.

The bank built for game changers

Strategic report



- 02 2024 highlights
- 03 ClearBank at a glance
- 04 Chair's overview
- 06 Chief Executive's review
- 09 Our business model
- 10 Our strategy
- 14 Case studies
- 18 Our people
- 21 Our culture
- 23 Sustainability
- 28 Climate-related disclosures
- 29 Non-financial and sustainability information statement
- 30 Key performance Indicators
- 31 Financial review
- 36 Risk management
- 40 Section 172 statement

Governance



- 45 Meet the Board
- 47 Group Board and Committee structure
- 49 Group Board activities
- 50 Group Audit Committee report
- 53 Group Risk Committee report
- 55 Group Remuneration Committee report
- 56 Group Nomination Committee report
- 57 Directors' report
- 60 Statement of Directors' responsibilities
- 61 Independent auditor's report

Financial statements



- 69 Consolidated statement of comprehensive income
- 70 Consolidated statement of financial position
- 71 Consolidated statement of changes in equity
- 72 Consolidated statement of cash flows
- 74 Notes to the financial statements
- 97 Company statement of financial position
- 98 Company statement of changes in equity
- 99 Notes to the Company financial statements
- 102 Appendix
- 104 Glossary

2024 highlights



Became **Europe's** newest bank

Over **£10 billion** in client deposits

167 million annual scheme payments processed

Over **13 million** accounts

Over **40** new clients onboarded

Welcomed **259** new starters

4th year as one of UK's fastest growing tech companies

Net Zero 2040 transition plan launched

ClearBank at a glance

Driven by technology, powered by people

Who we are

We're a tech-bank focused on creating the best and most sustainable banking and payments infrastructure in the world. We were built on the belief that banking and payments infrastructure would no longer slow down progress. Instead, it would be the catalyst that unlocks the potential to innovate. It would adapt to cater to different needs so a new era in financial services could begin.

ClearBank is a banking group with two fully regulated banks that are driven by the latest technology and powered by our talented people.

What we do

Our banking licences and real-time technology enable brands to offer secure accounts and payment clearing that enhance the customer experience.

We're committed to being a responsible business while driving transformation in financial services.

Our clients

Brands use our API to offer their customers fully regulated banking and payment services.

Revolut

chip

tide

TRUELAYER

coinbase

Allica Bank

Trustly

wealthify

Guavapay

Airwallex

OpenPayd

Oxbury
The Agricultural Bank

raisin

inpay

ZEN.COM

Recognise
BANK

See our case studies →



Chair's overview

Delivering on international ambitions



"

Stability, security and resilience have become the hallmarks of the Group's services."

Peter Herbert
Group Chair

It gives me great pleasure to write this overview as the Group Chair of ClearBank Group Holdings Limited ('ClearBank' or 'the Group'). Over the last 12 months, the Group has delivered the foundations for future growth, while broader market trends further demonstrated the viability, quality and strength of our model. We remain mindful that as we evolve, we must maintain the focus on ensuring that growth is delivered sustainably and with purpose.

The highlight was becoming a regulated bank in Europe. Very few UK-headquartered banking groups have achieved it, fewer still in such a short period of time. To define that achievement as impressive would be doing the efforts and dedication of those who worked on the European banking licence application a disservice. They should take stock of the milestone and what it means to the trajectory of the Group. 2024 was the year that ClearBank changed, as it evolved from a UK bank to an international one.

The Group's significant, long-term investment is reflected in these achievements. We have built a new European business based in the Netherlands and a Group operating model, bringing in highly experienced and senior leaders all of whom skilfully guided us through the licence and approval process.

With that team in place and the momentum seen across the Group, we continue to demonstrate the strength of our core business model. That strength, together with our ongoing investment and focus on market-leading products, services and client delivery, is apparent in the strong financial performance and business growth in the UK bank. The past year saw record transaction volumes and client deposit levels reached and increased profit generation.

Those results are notable against a backdrop of uncertain macroeconomic conditions that continue to affect markets and the venture funding environment. Additionally, the financial services industry has seen continued regulatory scrutiny, intervention and censure, particularly regarding failures in systems and processes.

In a market where some are scaling back their ambitions, ClearBank is looking forward with confidence as it continues to grow. Stability, security and resilience have become the hallmarks of the Group's services and are reasons why so many firms come to us to help deliver their vision.

Chair's overview cont.

Whilst the overall Group generated a loss in 2024, achieving profitability in the UK bank for more than two years running has enabled the business to reinvest continuously, particularly in its systems, controls and processes. That investment is delivering an even more robust infrastructure as the UK bank sets new records for volumes and values of transactions, while improving processing times and maintaining the availability that our clients have come to expect.

The foundations for future growth

Last year our UK annual report referenced how achieving a full financial year of profitability in 2023 made it a pivotal year. 2024 has been a year of building the Group that will take our unique business model to more markets.

In establishing a new Group governance structure we've created the foundation for future growth, starting with Europe. It has been purpose-built to enable growth in the UK and Europe and to support the Group's international model as it plans to expand further, such as to North America.

That new structure has also created opportunities for our people to take on new roles, in line with our values and culture of nurturing and recognising our talent. Charles McManus and Mark Fairless have stepped into Group Board-level roles as Non-Executive Director and Group Chief Executive Officer, respectively. Both have been instrumental in the UK bank's growth and their experience, leadership and tenacity will be critical to the Group's ongoing success.

ClearBank's ability to retain talented individuals and promote them into new roles and attract industry leaders reflects the strength of the business and brand that the team has built.

Redefining our employee values and sustainability goals

ClearBank has created a business and a culture we're hugely proud of and that our people love. At the heart of what makes our culture special is trust. Trusting our people has enabled us to move fast, empowering them to make bold decisions that benefit our clients and the business, creating an environment where we can make things happen. That has been encapsulated in a new employee value proposition, 'Where You Can'. You can read more about our culture, which is defined through our culture pillars, on pages 21 to 22.

ClearBank recognises that diversity is vital to the success of the business as different views and perspectives offer new ideas and unique ways of solving problems. That drives innovation and growth and ultimately leads to more robust decisions and outcomes. 2024 saw further steps to enhance and embed those principles and processes, and reaffirming key commitments including the Women in Finance Charter. Our diversity, equity and inclusion ('DE&I') group, 'Dimensions,' continues its incredible work to celebrate and value our employees' uniqueness.

As we continue to be reminded by events across the world, innovation and growth cannot be at the cost of climate or communities. Recognising that an effective sustainability mission must focus on

ClearBank's business model and be authentic to our culture and our stakeholders has been the foundation of our work throughout 2024.

We agreed our new Net Zero targets aligned with the science-based target initiative and supported by a credible transition plan. One that takes accountability for our full value chain and outlines our role as an innovator in our sector and as a steward for our stakeholders. Over 98% of ClearBank's emissions are outside of our direct control in Scope 3, largely in our supply chain, meaning that we must focus our investment on encouraging systemic change.

Outlook

With sustained growth in our UK bank and having secured our European banking licence, the Group is looking forward to what comes next from a position of strength. In a highly competitive financial services market, ClearBank's model continues to stand apart. That has been reflected in the 2024 results, and in the robust performance of the UK bank, the increasing demand for our Europe bank's services and the Group's overall progress through the year.

In concluding, I'd like to end by recognising the dedication and hard work of all our colleagues in making ClearBank the business that it is today. I also thank my colleagues on the Group Board for their contributions and support during my first full financial year as Group Chair. Those efforts will be the catalyst for further growth over the next 12 months as ClearBank continues its mission to help our clients innovate, differentiate and grow across the UK and Europe.

As we look to the future, I'd like to take a moment to reflect on how we got here thanks to the immense work of our outgoing Chief Executive Officer, Charles McManus. He's been instrumental in shaping ClearBank into the innovative and successful business that it is today, thanks to his unwavering passion and dedication. I'm delighted that Charles will remain on the ClearBank Group Holdings Board, where we can continue to benefit from his extensive knowledge, experience and strategic vision. On behalf of the entire Board, I want to thank him for his tireless commitment and look forward to continuing to work together.

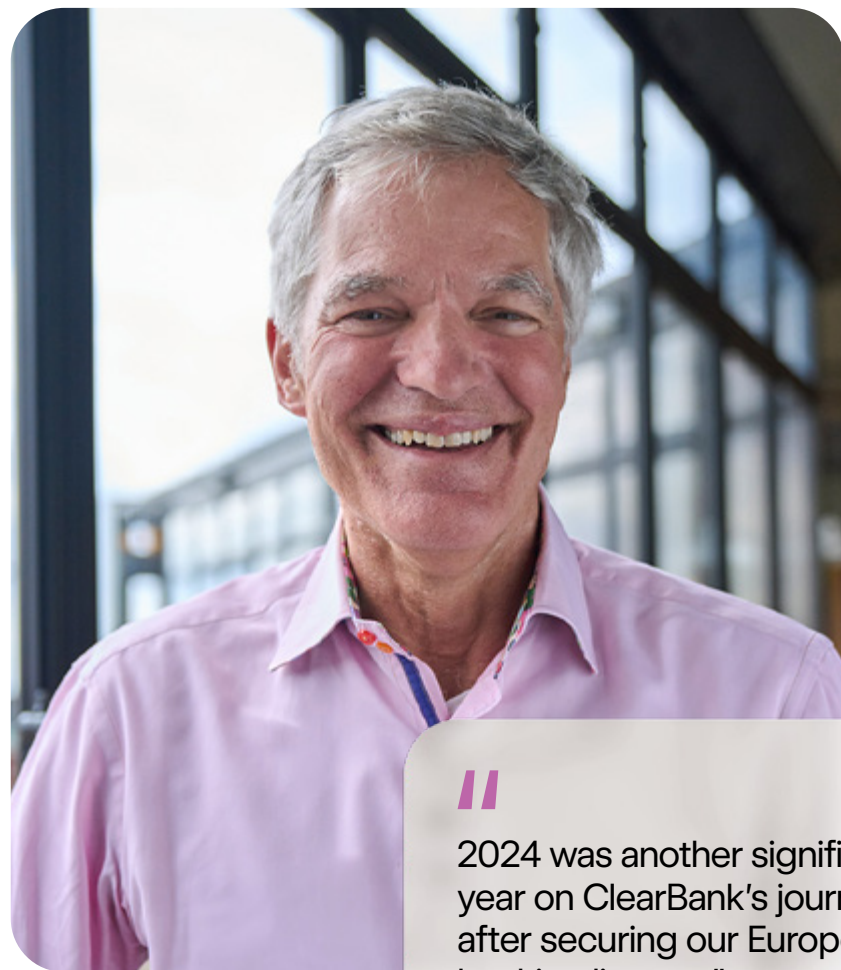
Appointing Mark Fairless, our former Chief Financial Officer, to the Chief Executive Officer position reflects his knowledge of our business, strategy and culture along with his leadership track record and transformation expertise. The Board and I firmly believe that he is the right person to lead us into the next phase of our journey. This transition marks a significant moment for ClearBank and while we reflect on our achievements, we remain focused on the huge potential ahead.

Peter Herbert

Group Chair
2 April 2025

Chief Executive's review

A year of outstanding achievements



//

2024 was another significant year on ClearBank's journey after securing our European banking licence."

Charles McManus
Co-founder and Non-Executive Director

We will look back at 2024 as a pivotal moment in ClearBank's trajectory. It is the year when we became Europe's newest bank, delivering the first step of our international expansion.

The UK bank now serves over 250 clients, broadening existing relationships and generating new business with some of the industry's leading brands, including Revolut and Wealthify – Aviva's digital savings and investment platform. We also announced our intention to collaborate with Visa for Issuance and Money Movement solutions.

In the UK, we opened a record number of accounts on behalf of our clients, processed a record volume of transactions and saw customer deposits surpassing £10bn for the first time. In Europe, we went live with our first clients, including OpenPayd, Orbital and Transact Payments.

Beyond business growth, as a Group, we now have more than 750 colleagues. What's particularly pleasing is how, in establishing our new operating model, it enabled us to promote from within for key leadership roles, recognising these individuals for their significant and ongoing contributions to our success.

In the UK bank we appointed a new Chief Executive Officer, Emma Hagan, who has been promoted from her previous role there as Chief Risk and Compliance Officer. Emma has been integral to the UK bank's success since she joined the business in 2020.

We also welcomed new colleagues, from senior leaders to engineers and product specialists, all attracted by our strategic vision and reputation. Valerie Romanovskaya joined as our UK Chief Financial Officer, bringing more than two decades of experience in finance,

accounting and auditing, having worked at HSBC, Silicon Valley Bank and UBS.

Investing in growth and expansion

2024 was another significant year on ClearBank's journey after securing our European banking licence from the European Central Bank ('ECB') under the supervision of De Nederlandsche Bank ('DNB'). European expansion marks the first step in our international growth plans, with the Group appointing its senior European leadership in the Netherlands.

ClearBank's financial results tell the story of a Group that is investing for the long term and going from strength to strength. Within the Group, the UK bank had a strong revenue performance underpinned by its focus on high-quality fee income and growth in transaction volumes driven by improving scalability. An increase in embedded banking clients, agency clients and transaction volumes contributed towards the Group's fee-based income growth of 63%. Such fee growth, without reliance on high interest rates, demonstrates the quality, stability and sustainability of our business model.

ClearBank is committed to passing on market-leading high interest rates within our embedded banking accounts to our clients, enabling them to support their consumers more effectively. In 2024, this commitment saw the impact of one-off contractual changes on the UK bank's overall income.

Meanwhile, the Group's ongoing strategic expansion plans, with the planned investment in technology, product innovation and scalability as well as establishing capabilities for Europe, has meant Group operating costs increasing in 2024. Consequently, as the UK bank continued to generate profitability in 2024, the Group reported a small loss before tax of £10m.

Chief Executive's review cont.

Our proven business model, where our balance sheet is not subject to the same challenges as other banks and has a singular focus on supporting firms, rather than competing for deposits, continues to set ClearBank apart. As a result, we are well placed to build on this success story internationally, with a model focused on sustainable growth for the long term.

Embedded banking's evolution

The Group is now shaping an even stronger future from these solid foundations. That begins with new products that will support revenue growth. For example, in the UK bank we've continued to evolve our embedded banking proposition where we directly embed interest-bearing, Financial Services Compensation Scheme ('FSCS')-protected accounts for our clients into their customer experience.

It is supporting some of the biggest firms in the UK to deliver competitive services to their customers, whether they are SMEs using Tide, or consumers with Chip and Raisin UK wanting to make their money do more.

In just four months, ClearBank's Product team delivered a flexible Cash ISA product for Chip. That work was guided by the same philosophy of our existing interest-bearing savings account product, passing a large portion of the interest earned to the client, for them in turn to pass on to customers.

The results speak for themselves; the Chip flexible Cash ISA has gained more than 150k accounts and £1.8bn in deposits. ClearBank's embedded banking team have added further capabilities by enabling people to transfer existing Cash ISAs into Chip.

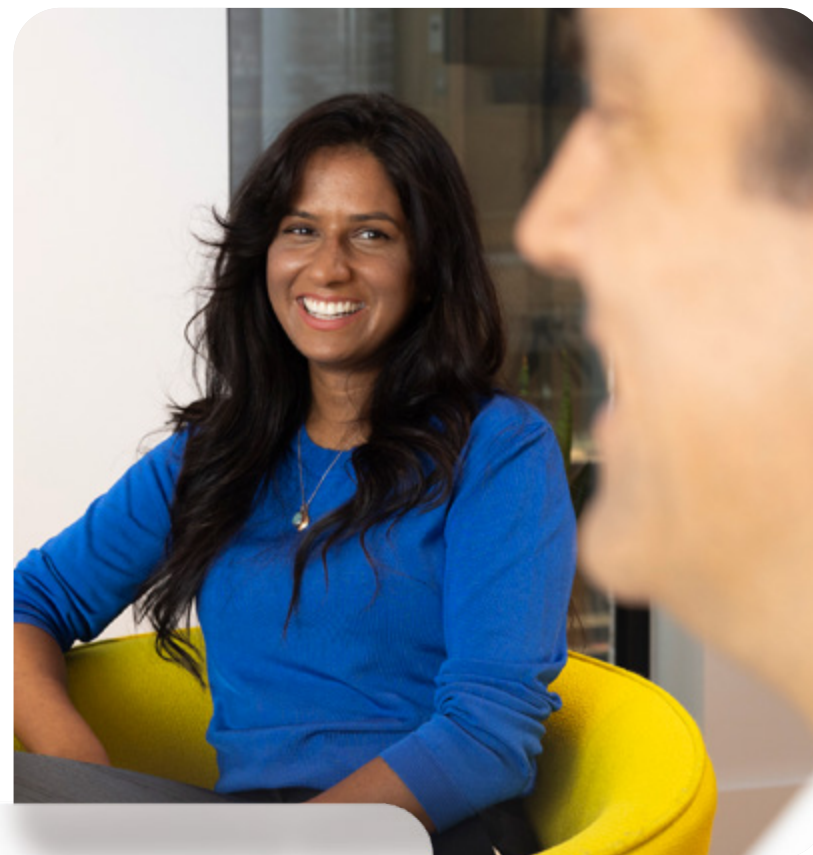
Testament to the power of embedded banking, we welcomed notable new clients during 2024. That started with Wealthify launching its first Instant Access Savings Account in Q1 and complementing that with the launch of a Cash ISA in late Q4. Later in the year, we welcomed Revolut as a client to enhance its savings products, and Capital on Tap to power a new account product tailored for UK SMEs. The strength of our embedded banking proposition is further reflected in the diverse set of clients due to go live over the next 12 months.

Regulatory change and challenges

In the UK, we have spent a great deal of time with regulators, banks, fintechs and industry bodies to tackle Authorised Push Payment ('APP') fraud, a devastating form of financial crime affecting UK consumers.

We welcome the Payment Systems Regulator's ('PSR') new APP reporting and publication regime that aims to ensure faster reimbursement for victims and to foster more effective fraud prevention. However, there is a concern the rules could have the unintended effect of, in the worst cases, forcing firms to close ultimately to the detriment of competition across the UK financial services market.

We continue to monitor and assess the impact, although an accurate picture is only likely to emerge over the medium to long term. We also recognise that there's more to be done in working with the industry and our customers to prevent fraud from occurring. That's why we continue to call for more collaboration between the PSR, law enforcement, the payments sector, social media and technology companies as well as consumer groups to combat APP fraud holistically.



The Group is now shaping an even stronger future from these solid foundations."

Chief Executive's review cont.

The fintech industry continues to offer innovation and solutions for the payments industry and consumers. We believe that it will play a material role in developing tools to protect UK consumers while also enabling competition and innovation to continue at pace.

Steps taken by the UK Government to ensure our regulators are pro-growth and enabling further innovation in financial services are a positive development. In particular, the pensions review could unlock up to £80bn to invest in assets such as private equity and infrastructure that, in turn, could reinvigorate the UK's capital markets.

The regulatory reforms and commitment to the National Payments Vision provide a clear goal for government, regulators and industry to deliver a world-leading payments ecosystem. One that is based on core principles of innovation and of upgrading to the latest standards. The role of interoperability between different systems and competition to deliver positive outcomes for businesses and consumers is also a key consideration.

In Europe, we're looking ahead at the SEPA Instant mandate that came into force in January 2025. As a bank built to be real-time and available 24/7 by default and given our experience with the Faster Payment System ('FPS') in the UK, we're well positioned to manage significant transaction volumes for our clients going forward.

We also continue to monitor the development of real-time payments and incoming open banking regulation in the US with interest. Having the world's largest economy moving to a similar approach as the UK and Europe creates the potential for new products and services that would enrich our model.

Outlook

As part of our continual investment in the business, ClearBank is exploring how digital assets can best complement and enhance our current fiat offering. There is huge opportunity for this type of innovation in the payments sector. While this is a longer-term project, it is crucial that we test and learn now to understand how digital assets interact with fiat currencies and the emerging use cases around that interaction.

We're also mindful that collaboration will be critical to successfully navigating the future, requiring regulated institutions to work closely with the blockchain and digital asset providers who are innovating in the space.

Looking ahead to how the industry can support firms for ongoing success, I've had the immense privilege of co-chairing Innovate Finance's Unicorn Council. Our focus has been on improving policy, perception and liquidity for the fintech sector so that our generation – and future generations of UK fintech businesses – can scale and thrive on the global stage.

As I step away from the day-to-day business and hand over the role of Group Chief Executive Officer to our former Chief Financial officer, Mark Fairless, I want to take a moment to reflect on where we are today. When I co-founded ClearBank in 2015, I could never have envisioned the remarkable journey ahead, securing two banking licences, serving innovators across the financial services industry.

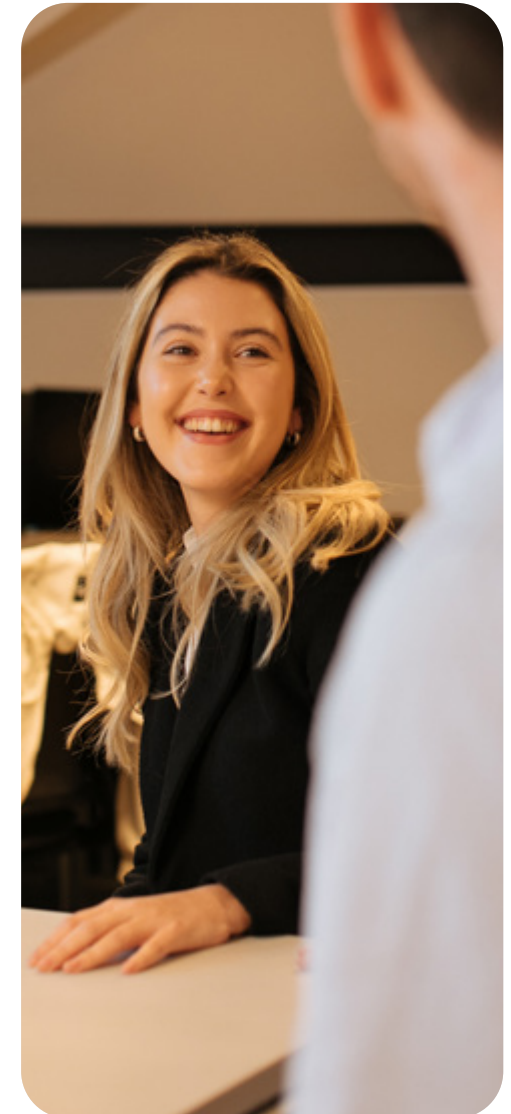
My commitment to and belief in ClearBank remains unwavering. I will continue as a Director on the ClearBank Group Holdings Board and look forward to supporting our strategic direction and major client

relationships. I'm delighted that Mark will lead us through our next phase of growth. His deep understanding of our business, coupled with his vision, makes him the ideal person to build on our foundations and guide ClearBank towards even greater success.

Finally, I want to thank all of the ClearBank team. Your enthusiasm, passion and dedication continue to be a source of inspiration to me as we continue our growth journey together. Indeed, your hard work is reflected in the results and achievements presented in this annual report.

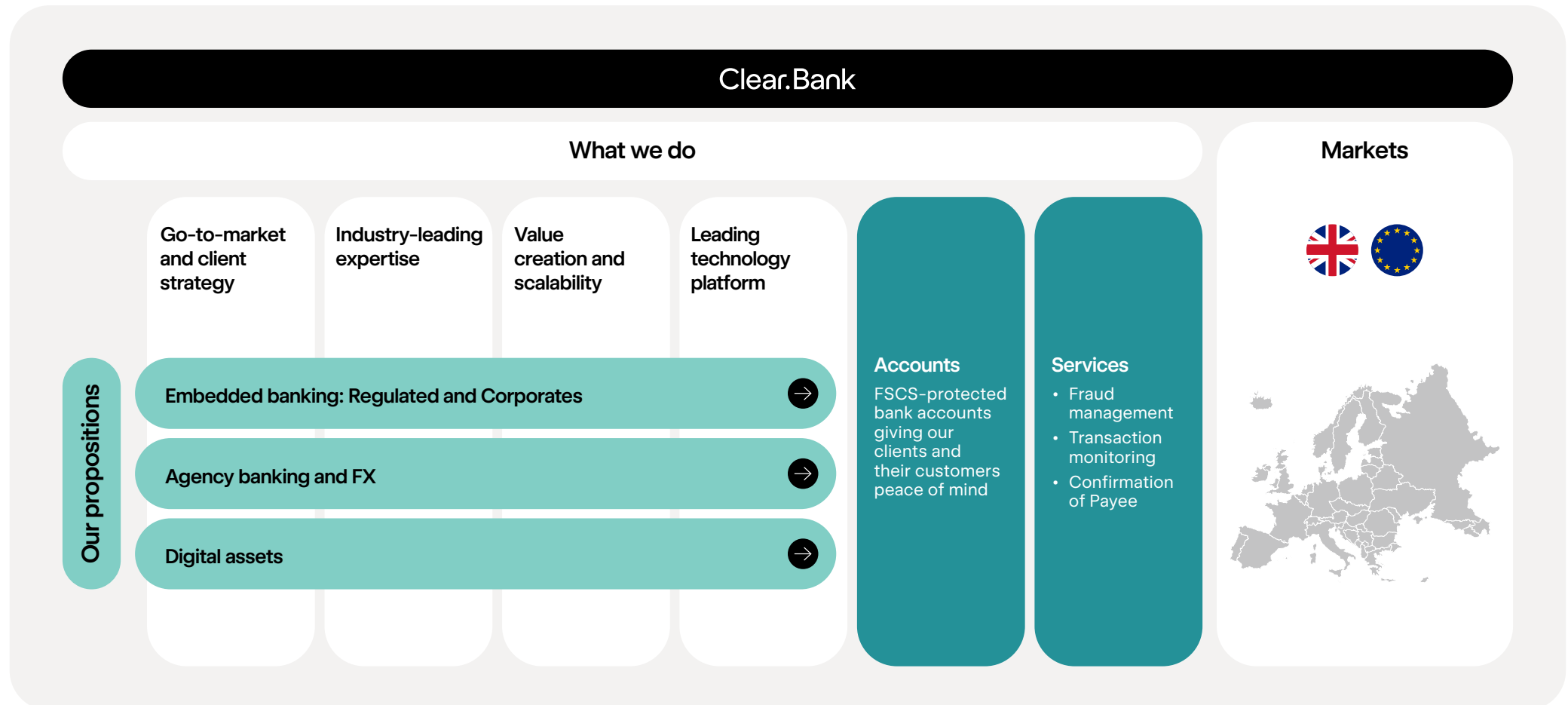
Charles McManus

Co-founder and Non-Executive Director
2 April 2025



Our business model

Our unique proposition offers flexibility and cross-sell opportunities of our products and services to support business growth



Our strategy

Our strategic pillars drive growth by targeting opportunities with the highest potential for our clients and their customers, whilst seeking to support our communities and reducing our environmental impact



International expansion

Our ambition

Our goal is to expand our business internationally, supporting multiple currencies and diverse clients needs. Having firmly established our presence in the UK, we are now excited about our growth in the Netherlands and across Europe.

Once we have established our business in Europe, our medium-term objective is to enter the US market. Based on our analysis, there would appear to be a significant opportunity for our embedded banking offering.

Our progress

We obtained our European banking licence in July 2024. Shortly following this successful outcome, we launched our European business with three European clients and we doubled this number by the end of the year.

We became scheme participants of TARGET2 (T2), SEPA Instant and SEPA Credit Transfer (SEPA CT). Having access to these key payment schemes allows us to service our clients and provide seamless service.

In 2025, we are planning to passport into several additional countries across Europe. This will allow us to capture a wider range of clients and expand our market presence.



Product innovation

Our ambition

We maintain an innovation-first mindset as we further strengthen our payments business and grow in new high-potential areas, including embedded banking for corporate clients.

We remain focused on market trends to ensure we capture early opportunities to provide our premium proposition to clients across different industries and verticals.

Our progress

We made significant enhancements to our product suite. We progressed the build-out of our interest engine which will support our clients so they can focus on their core operations and providing an outstanding user experience.

Our team launched our Cash ISA proposition with our embedded banking partner Chip, providing instant access savings accounts to consumers across the UK. Refer to page 14 for more on this.

We introduced the Confirmation of Payee (CoP) aggregator service and optimised the CoP directory. We also went live with Tide and Monzo on digital cheque processing.

As a testament to our growth and capabilities, we saw our average number of transactions reach one million per day.



Sustainable culture

Our ambition

We operate with sustainability in mind, ensuring that our practices not only benefit our business but also the environment. Our strong culture of collaboration and growth empowers our team to innovate and excel together. We manage our business prudently, maintaining a strong focus on scalability and growth to ensure long-term success.

Our progress

In 2024, we strengthened our position as a sustainable business. We focused on various areas including climate change where we established our science-based Net Zero target and strategy, business conduct, information security, data privacy, diversity, equity and inclusion (DE&I) and financial inclusion.

Additionally, we worked on ensuring our business operates well in a changing macroeconomic environment by decreasing our dependence on interest rates. By generating recurring fee income, we remain focused on driving quality income that will allow our business to withstand future interest rate headwinds. Refer to the Financial Review section from page 31.

We also defined our employee value proposition to ensure ClearBank maintains and enhances our culture as we grow internationally. See pages 21 to 22 for more on our culture.

Our strategy cont.

Why ClearBank?



These are the key enablers that set us apart:



Cloud-based API

Our API is best in class and had never been done before – until we built it. By using the latest cloud technology, taking a highly resilient approach, and scaling consistently, we give our clients the opportunity to innovate at speed.



Our people and culture

We've created a business we're proud of and a culture our people love. Our culture is built on trust and through building trust we create an environment where people can innovate and challenge the status quo, deliver on our promises and exceed expectations. For ourselves, and our clients.



Presence across the UK and EU

Our newly acquired European banking licence on top of our UK one means we are well-positioned to serve our existing clients across Europe and attract new business. Additionally, our successful integration of T2, SEPA Instant, and SEPA CT ensures a seamless, efficient experience for our clients.



Safe and here to stay

ClearBank is a banking group made up of two fully regulated banks based in the UK and Europe. We securely hold sterling client funds at the Bank of England and euro client funds at the DNB. This ensures that our clients and their customers can have peace of mind, knowing their money is safe.



Market-leading proposition

We have led a number of market studies during the year and have found it reassuring knowing that our proposition is perceived as premium. Our competitive proposition is also viewed as high quality and our team always receives praise for providing seamless service to our clients.



Top client credentials

This year, we have been successful in partnering with well-known industry players. New names in 2024 include Wealthify (Aviva Group), Airwallex, Trustly, Zen.com, Capital on Tap and, launching savings accounts at the start of 2025, Revolut.



Operational resilience

We protect against operational risk events by mirroring our cloud-native technology platform in separate zones within Microsoft Azure. This significantly reduces any potential service disruption to our clients.

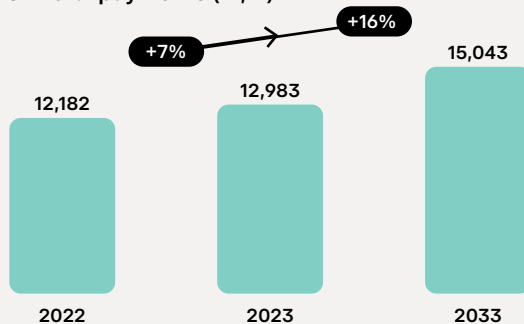
Our strategy cont.

UK market trends

A look at UK payments activity, new business models, the competitive landscape as well as the macro and regulatory environments.

The UK payments market activity remains robust

UK total payments (m, #)



Payment volumes grew by 7% in 2023 and are expected to increase by 16% in aggregate over the next decade due to rising demand for real-time payments and enhanced customer experiences across payment channels. Remote banking and digital payments will further boost the need for faster payments, whilst the use of cash will decline.

Customer-centric services, tailored to individual needs and enriched with value-added features, will likely commoditise payment processing.

We are committed to maintaining our position as a market leader. By collaborating closely with our clients and partners, we ensure the delivery of innovative products and services that drive mutual value and foster sustainable growth.

Source - UK Payments Markets 2024, UK Finance. Payment volumes shown exclude debit cards, credit cards and cash.

We are uniquely positioned to benefit from innovative opportunities

Embedded banking

Embedded banking continues its growth as our clients prioritise seamless customer experiences on their platforms. Savings accounts have driven significant growth in the market, particularly Cash ISAs, as customers are drawn towards the added FSCS protection.

Challenger banks and scale-ups are growing their share by offering market-leading interest rates, competing with the traditional high street banks. The growth in embedded banking will come from increasing demand for business accounts, which currently represent a significant growth opportunity due to low market penetration.

Digital assets

The global market for digital assets is maturing with UK, EU and US regimes in various states of development, as global market capitalisation has reached £160bn. HM Treasury and the Bank of England are advancing their work on a Digital Pound (central bank digital currency, 'CBDC'). A recent CBDC update indicated that a UK CBDC could be operational by 2030. It is being designed for everyday payments and to be interchangeable with cash and bank deposits.

We maintain an outward focus on the changing product landscape and engage with industry bodies to ensure we are at the forefront of innovation across both embedded banking and digital currencies.

We continue to prove resilient amidst the evolving macroeconomic environment

Macroeconomic and competitive environment

Changes in the UK macroeconomic environment in relation to inflation, taxes and interest rates, as well as the increased focus on our industry, necessitate proactive adaptation of our products. This is particularly relevant in response to downward pressure on interest rates.

The competitive landscape continues to evolve with the emergence of innovative businesses challenging established banks for market share. Despite the growing number of competitors, we continue to distinguish ourselves through effective execution and robust risk management.

Regulatory implications

Our business is influenced by a number of regulations including PSD3, UK Faster Payments regulation and regulatory regimes for digital assets. Amidst significant innovation growth, the UK government recently launched the National Payments Vision outlining objectives to enhance the UK's payments sector and is calling on regulators to stimulate economic growth — a development we view positively. Additionally, as the industry matures, regulatory scrutiny has intensified, with regulators increasingly focusing on compliance within the sector.

We are managing economic headwinds by reducing our exposure to interest rates, whilst remaining competitive with new entrants and consistently ensuring regulatory compliance.

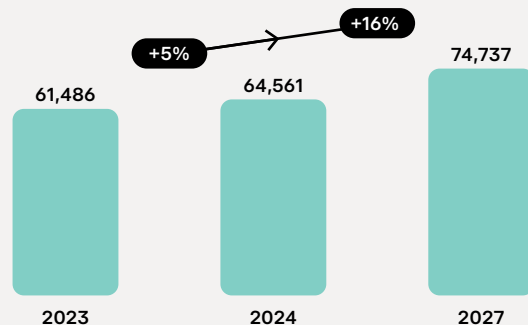
Our strategy cont.

Europe market trends

A look at European payments activity, the competitive landscape and new propositions, as well as new payment initiatives.

The European market will continue to demonstrate growth

Eurozone total payments (m, #)



The volume of European payments has grown at 5% per year over the past five years and will continue to exhibit strong growth over the coming years. E-money payments will continue to grow at an increasing share each year, predominantly driven by higher adoption of technology, further shift to cashless payments and increasing uptake in instant and cross-border payments.

We remain focused on the payment trends across Europe as we establish our presence in the Netherlands and consider potential future expansion opportunities. As part of our plans, we are passporting into seven other European countries.

Source – ECB website, ECB payments data.

Increasing demand for payments has contributed to a more competitive landscape

Competitive landscape

The European payment landscape is rapidly evolving, with numerous new players offering innovative solutions. Alongside established incumbents, the market is seeing a surge in new entrants. Large players, having established their domestic operations, are now considering global expansion. Our strong reputation and advanced technology set us apart from other players in the market.

Propositions

The European market presents numerous opportunities. Software-led payments have less than 50% penetration across Europe, while cash-to-digital payments conversion lags global averages in many countries. This gap highlights significant growth potential.

Cross-border payments are poised to scale, driven by initiatives such as access to local rails, licences, CBDCs and Visa Direct. Additionally, European Alternative Payment Methods, especially Account-to-Account payments, are increasingly contributing to the global payment mix.

We see our European proposition as market leading. Our focus remains on sustainable growth in Europe despite the increasingly competitive environment. We believe our robust business model will allow us to grow whilst upholding our risk and compliance standards, contributing to our reputation as market leaders.

Innovation-related initiatives will support transaction growth

Payment initiatives

A wide range of initiatives will drive transaction growth across European markets. These are listed below.

- Single Euro Payments Area (SEPA): Harmonising euro payments to ensure easy and efficient cross-border transactions.
- Digital Euro project: A CBDC aimed at providing a secure and efficient digital payment method across the Eurozone. Recent reports indicate that the preparation phase of the project is progressing well as the ECB seeks to provide a digital euro scheme rulebook, select potential providers for the digital euro platform and infrastructure and carry out additional tests on user experience.
- European Payments Initiative (EPI): A payment solution tailored for Europe, backed by 16 European banks and financial institutions. The core offering of the EPI is Wero: a digital wallet solution with an app that drives payments between bank accounts, providing control and transparency.
- Instant payments: An initiative focused on improving the speed and efficiency of payments across Europe.

By securing direct access to three European payment schemes (T2, SEPA CT and SEPA Instant) we are leveraging our unique business model and API to compete effectively in the European market.

Case study: Embedded banking

Fintech

How Chip is enhancing the savings experience with ClearBank embedded banking



Chip is a wealth app designed to make saving effortless through an approach tailored to each individual user. ClearBank powers its savings products, including instant access savings accounts, prize accounts and flexible Cash ISAs through embedded banking.

Chip's ambition has always been to give the customer a one-stop-shop for growing their money and building wealth. With a growing customer base, Chip recognised that to ensure sustainable growth and create the flexibility to introduce new offerings, meant moving away from used electronic money accounts. While being an EMI had helped build the business, it no longer aligned to the firm's vision.

After examining the market for a banking partner that aligned to Chip's vision and ambition, it selected ClearBank. The collaboration began with agency banking that delivered accounts and payment scheme connectivity, before evolving into embedded banking to power its savings products.

It gains access to UK banking infrastructure in the form of accounts and connectivity to the payment schemes without facing the process and costs of becoming a bank themselves. That means Chip can now offer FSCS-protected accounts by leveraging our banking licence.

The results speak for themselves, with more than 675k savings accounts and deposits totalling over £5bn by the end of 2024. In February 2024, ClearBank and Chip introduced a flexible Cash Individual Savings Account (ISA) that offers customers the ability to save up to the current allowance of £20,000 per tax year, tax free. The Cash ISA has proven to be incredibly popular, with more than 155k ISA accounts and over £1.82bn in deposits at the end of the year.

With such great success to date, we're working on delivering new products to further broaden the savings options available to Chip customers.

Interest-bearing instant access savings accounts

675k

Customers with
£5bn in deposits

Flexible Cash ISA

155k

ISA accounts
with over £1.82bn
in deposits*

//

ClearBank has been a fantastic partner for us. It has been fundamental to our growth, and we have been a catalyst for how ClearBank has developed the embedded banking proposition."

Simon Rabin
CEO of Chip

* since February 2024

Case study: Agency banking

Fintech

How TrueLayer launched innovative closed loop payments in collaboration with ClearBank



TrueLayer is Europe's leading open banking payments network – powering secure, efficient and faster online payments by combining real-time bank payments with financial and identity data.

TrueLayer has led the growth of open banking in the UK, delivering consumers and merchants an instant way to pay and be paid by a bank. But it wanted to improve the end-to-end payment journey with a closed-loop payment product that combined instant deposits with a seamless withdrawal and refunds process. That led it to ClearBank.

The TrueLayer closed loop product offers seamless refunds and payouts, with no need for manual data entry. It receives the user's account details from the inbound open banking payment and then gives businesses the ability to make a closed-loop payout, guaranteeing that the payment is directed to the account it was initiated from.

What's more, alongside leveraging ClearBank's virtual account set up to collect funds for merchants, TrueLayer uses our Confirmation of Payee capabilities to complement the payout (and refund) process, adding additional confidence in payment settlement.

ClearBank facilitates all the underlying product aspects of merchant accounts where the funds are held, including seamless reconciliation that removes the previously manual or semi-automated process of matching funds received to their corresponding transaction. Virtual merchant accounts provide TrueLayer with a straightforward structure to manage millions of merchant accounts, each with a unique IBAN.

TrueLayer has seen first-hand how efficient refund processing can shape brand satisfaction and loyalty by connecting to ClearBank's agency banking infrastructure.

7x

Transaction volume growth
in just over a year

“

It's a tech first bank, with a flexible API-based model that meant we could be nimble and not have to worry about implementation overheads. More than that, ClearBank was highly engaged with us throughout to create a genuine partnership that would benefit both firms as we continued our growth journeys.”

Benjamin Woodcock

Payment Infrastructure Partnerships Lead at TrueLayer

Case study: Agency banking

Digital assets

How ClearBank facilitates the safe storage and movement of GBP funds for Coinbase customers

coinbase

Coinbase is a regulated digital asset exchange, with a mission to increase economic freedom. It provides a proven platform for investors to buy a range of digital assets including leading cryptocurrencies such as Bitcoin, Bitcoin Cash, Ethereum, Ethereum Classic, Litecoin and many others, in over 100 countries worldwide.

Coinbase wanted access to the Faster Payment System (FPS) to speed up the processing of deposits and withdrawals on their exchange.

As a firm leading the digital assets industry, Coinbase wanted to ensure that the fiat leg of the customer journey was underpinned by an experienced banking partner. ClearBank has been powering Coinbase's GBP on/off ramps and wallets since 2019, through a single API delivering access to FPS and CHAPS. The exchange has appreciated working with a stable partner delivering reliable connectivity to support a high-quality customer experience.

Coinbase has seen a significant acceleration in the GBP-based purchases of digital assets due to the improved customer experience of real-time fiat deposits, facilitated by ClearBank.

Using ClearBank's virtual account structure, Coinbase can support millions of safeguarded GBP wallets with one or just a small number of real accounts. Each customer has their own virtual account, which, on the surface, behaves exactly like a real account. The underlying virtual account structure means Coinbase can also notionally segregate their customers' money from its operating accounts, while keeping the funds centralised in one or more real accounts.

//

ClearBank powers all of our UK virtual accounts and makes the onramp between fiat and crypto seamless for our customers, so that we can stay focused on building exciting new products and features."

Keith Grose
UK CEO of Coinbase

Case study: Agency banking

Bank

Oxbury Bank delivers a new approach to agricultural finance with ClearBank

Oxbury///

Oxbury Bank is the only UK bank dedicated to the rural economy. It provides the food and farming industries with the funding and support they need, as well as offering savings accounts to individuals and businesses that want to back farmers.

As one of the fastest fintechs in the UK to reach full-year profitability, the bank wanted a payments partner with access to the latest technology. ClearBank's ability to deliver advanced payment technology with real-time processing capabilities made it stand out.

ClearBank's API seamlessly connects Oxbury Bank to various payment schemes, including Faster Payment System (FPS), Bacs and CHAPS enabling cost-effective access without the burden of maintaining direct connections. This enables Oxbury to focus on nurturing customer relationships and enhancing product offerings while ClearBank manages the complexities of scheme upgrades and maintenance.

Along with the success of Oxbury's longer-term lending product, Oxbury Farm Loans, as of November 2024, total lending has surpassed £1bn, and the popularity of Oxbury's savings products has resulted in a significant increase in customer deposits to £2.38bn.

At the heart of these propositions are real-time payments, delivered through ClearBank, with customer reviews citing the speed of payments as a benefit. That experience is made possible by ClearBank's highly resilient infrastructure and proactive approach to API and payment scheme updates, delivering high uptime and straight through processing (STP) rates.

£2.38bn

in savings account deposits
November 2024

“

As a bank, we didn't want yesterday's technology. We wanted a partner that was genuinely real-time and would grow with us – ClearBank was a compelling choice.”

Stuart Ellidge
Chief Technology Officer of Oxbury Bank

Our people

Exceptional talent enabling our growth

Achievements in 2024

We're proud of the continued investment and growth in our people and culture in 2024, enabling ClearBank's continued growth and international expansion.

Culture and engagement

We've created a business that we're proud of and a culture our people love, and that doesn't happen by accident. Our culture is a catalyst to enabling our future success and is woven into every decision that we make. Our people join us so they can have a tangible impact every day, building their skills and capabilities as we transform the industry. We offer the chance to do things they've never done before, working in an autonomous environment built on trust.

We are committed to fostering and building this unique culture of trust, innovation and growth. During 2024, we launched the ClearBank employee value proposition which is underpinned by the cultural pillars that guide how we work together, along with our values. This will be key to ensuring our continued strong collaboration as we operate as an international business and, together, they tell the story of ClearBank's culture - our two-way people promise - ensuring that ClearBank is a place 'Where You Can' transform the future of banking and make a meaningful difference.

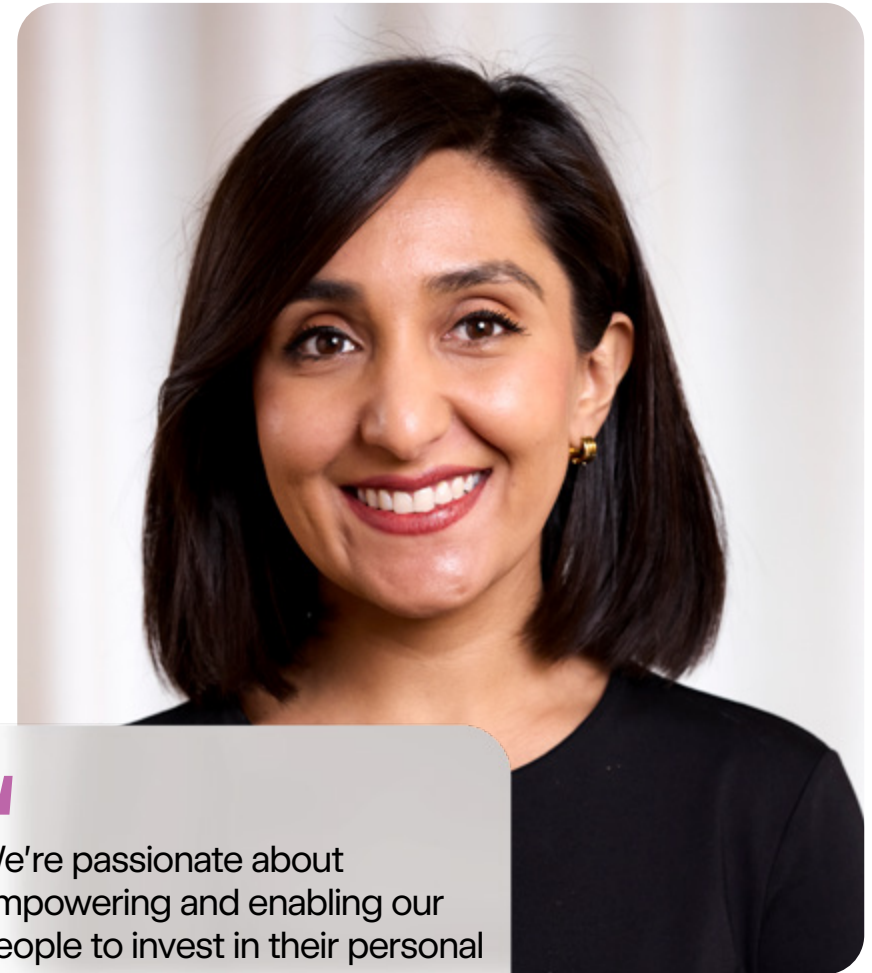
We place huge value on the opinions of our people and are proud of the open dialogue we maintain through our regular engagement surveys. In 2024 we appointed Engagement Champions to drive this agenda at a department level and partner with the Executive Committee to respond to and address the feedback our people share.

Some of the key initiatives for 2024 included growing our learning and development offering, adapting our recognition programme to make it more meaningful and transparent and becoming a Flexa accredited employer. This accreditation underscores our commitment to ensuring colleagues have the flexibility to complete their work in a way that benefits ClearBank and themselves.

Growing our people

We are passionate about empowering and enabling our people to invest in their personal and professional development and are committed to providing a diverse range of learning and development offerings. This year we have introduced a line manager training curriculum and developed a number of supporting resources and toolkits to ensure that we are equipping our managers with the skills they need to lead and develop high performing teams.

During 2024 we launched several new initiatives, from celebrating our inaugural learning week to developing a learning curriculum to complement and help embed our culture pillars. This included hosting panel events on topics such as resiliency and learning from failure, and running training sessions focused on a growth mindset and presenting with impact. The delivery of a second leadership offsite brought together leaders from across the Group to discuss our strategy and to hear from clients. There was a focus on enabling ClearBank's success by developing a growth mindset and strengthening our collaboration and innovation skills.

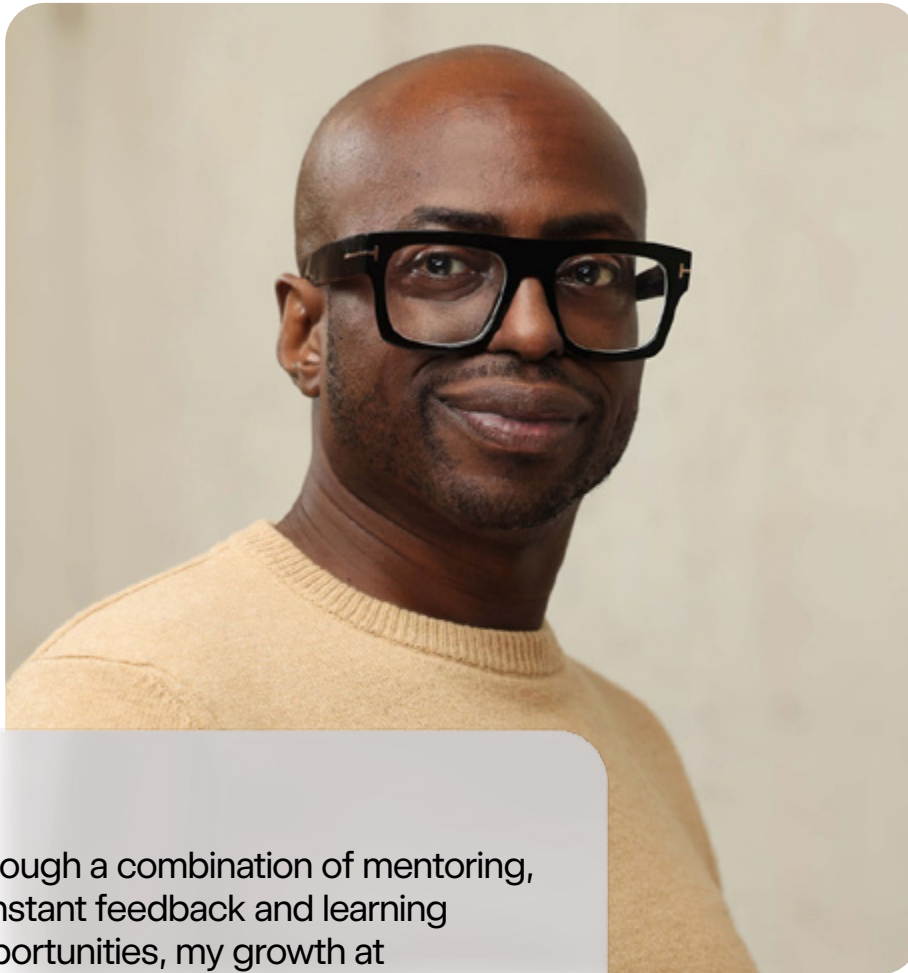


//

We're passionate about empowering and enabling our people to invest in their personal and professional development."

Roshini Dhaliwal
Group Chief Human Resources Officer

Our people cont.



//

Through a combination of mentoring, constant feedback and learning opportunities, my growth at ClearBank has accelerated."

Kola Oyedeji
Engineering Manager

We're proud of the recognition our people have achieved this year. From being named on the Innovate Finance Women in FinTech Powerlist through to speaking at a diverse range of events or industry panels, our talent is truly market leading.

We supported 91 colleagues to complete professional qualifications or training courses over the course of the year that aligned with their career ambitions.

Promoting our people

We continue to promote and develop our internal talent. In 2024, 105 of our employees were promoted or transitioned into different roles, leveraging their skillset, talent and career aspirations. Moreover, 3 individuals were promoted to our senior leadership team. These promotions demonstrate our ongoing commitment to grow our talent and reflect the number of opportunities ClearBank has to offer.

Investing in our people and enhancing their experience

We continued to grow our workforce through 2024, both in the UK and Europe, welcoming more than 259 new joiners. This expansion has supported the business in its global growth ambitions and has included the appointment of a new UK Executive Committee to lead the UK bank, as well as continuing to invest in building out the Europe bank's leadership team.

We are investing in improvements to our people technology and systems, to streamline and improve the employee experience. We've started to drive progress in 2024 with the introduction of a strategic technology roadmap, a new talent acquisition system and a colleague handbook. This is an ongoing initiative that will continue to be a focus throughout 2025 as part of our broader automation agenda.

At ClearBank, we're committed to providing a supportive environment, and one where wellbeing is taken seriously. This year we invested in Mental Health First Aider accreditation for 16 employees to build knowledge and capability, and ensure our colleagues have a range of support available to them. We additionally introduced Neurodiversity Awareness training to build insight and understanding about how we can best support our neurodiverse colleagues.

Diversity, equity and inclusion ('DE&I')

At ClearBank we believe that a truly diverse workforce drives innovation, growth and impactful decision making. By fostering an inclusive culture, we empower every individual to bring unique perspectives, which collectively enhance our creativity, problem-solving abilities and competitive edge in the financial services industry. Our commitment to DE&I is ongoing and we are proud of the strides we've made in 2024.

Our people cont.

41% of our senior management roles are currently held by women and we have seen positive milestones. Amongst these, 55% of our UK Executive Committee roles are now held by women including our UK Chief Executive Officer, with 67% female representation on the UK Board and 50% on the Europe Board. Our female leaders have been celebrated beyond ClearBank, with three of them included in the prestigious Innovate Finance Women in FinTech Powerlist released in 2024. This recognition highlights our commitment to fostering female talent within the fintech sector.

We continue to strive to have stronger gender representation and we remain focused on reducing our gender pay gap. In line with the UK Government's reporting methodology, the median gender pay gap for hourly pay narrowed from 23.5% in 2023 to 20% in 2024. The main driver of our gender pay gap continues to be the lack of representation of females in more highly paid specialist areas and more senior roles. During the year, we introduced additional monitoring of our gender pay gap on a quarterly basis to help drive our continued focus and oversight of gender pay.

ClearBank remains committed to the Women in Finance Charter, supporting the advancement of women in financial services. While we work toward increasing female representation in senior roles to 43% by the end of 2025, we continue to invest in broader initiatives

such as our partnership with Flexa to drive diverse hiring, DE&I training, flexible working and family leave policies, and development programmes that empower all our employees to thrive.

As we continue to shape our DE&I strategy, we have commenced the collection of diversity data. This effort marks a pivotal step in understanding our workforce demographics and will enable us to create targeted initiatives and measure our progress over time.

ClearBank's internal DE&I forum, Dimensions, is a driving force behind our commitment to inclusivity. Comprised of colleagues from diverse backgrounds, Dimensions spearheads initiatives that celebrate the variety of perspectives that enrich ClearBank. Throughout 2024, the Group led celebrations for key events such as Black History Month, International Women's Day and Neurodiversity Week, each providing an opportunity to learn from the unique experiences within our workforce.

In addition, Dimensions launched 'Dimensions in Discussion' in 2024, an internal podcast that amplifies the diverse voices across ClearBank, fostering a sense of community and understanding.

ClearBank's DE&I journey is one of continuous learning, evolution and ambition. We are dedicated to fostering a workplace where everyone feels valued, respected, and empowered to succeed. Through transparent reporting, data-informed strategy, and a commitment to flexibility, ClearBank remains steadfast in building an inclusive culture that reflects the diverse communities we serve.

Outlook

In 2025, we will continue to build on our achievements to date, supporting our people to achieve their professional growth and career ambitions. We'll continue to invest in building our line manager and leadership capabilities. As part of this effort, our focus will be on developing a defined career framework for employees, enabling them to plan their professional development journey at ClearBank.

Having introduced our cultural pillars in 2024, we will continue to embed these during 2025 – embedding our mission, vision and values, ensuring these are built into every part of our colleague journey. We will equip our people with the toolkits and training they need to bring the cultural pillars to life. Finally, we look forward to delivering improvements to our people's experience through our investment into automation which will continue to land during 2025.



Our culture

A story of trust, innovation and growth

The way we work, the way
we think, the way we succeed.
It happens because if you're ready,
this is **Where You Can**.

Trust unlocks our greatest potential

Trust is our starting point. It's what we build from.
Trust creates safety. Safety encourages you to
be brave, to challenge, to fail, to dream, to try new
things and to execute.

We believe in the potential of employees and are
creating an environment where they can make things
happen, with trust and support for their ideas.

Our people promise

These truths are things we want everyone to know
about us and the way we work. They're in the way
we engage, collaborate and deliver. It's our two-way
people promise, what we promise to give to our
people and ask from them in return.



Our culture **cont.**

At the heart of our story are five culture pillars

Global pillars



Build trust together

Trust is something we build together. It happens when we all commit to leaving blame at the door and take full accountability if things go wrong.



Care like you mean it

We get to know each other as people as well as colleagues, even if we aren't always working in the same place. We make time to connect and always look out for each other.



Grow with the challenge

We know that transforming banking forever is not an easy mission, but we're more than ready to rise to that challenge. We all do it every day; navigating new, unexpected and sometimes even daunting challenges.



UK pillar



Succeed as one

Valuing different perspectives is what sets our culture apart. And being able to disagree and commit is key to our progress. Above all, we're a team because we win together.



Clear a bold new path

We have the opportunity to transform banking across Europe forever. We want to be part of shaping a team that sets the standard for Diversity, Equity & Inclusion and laying sustainable foundations for new markets.



I'm proud to work for a company that genuinely supports a culture of equal opportunities and flexible working, enabling its employees to excel both professionally and personally. To me, this, alongside the incredibly talented and genuinely lovely people that work here, sets ClearBank apart from others in terms of its workplace environment and living the company values."

Charlotte Reddish
Director of Risk

Sustainability

Long-term value creation

Strategy

As an innovator, ClearBank plays an important role in accelerating the shift to more sustainable financial services. Our vision is one of responsible business, which we pursue not only as an ethical imperative but because it makes sound commercial sense. We believe that establishing a sustainable business model will deliver long-term value for our stakeholders and build resilience in an increasingly volatile world.

Our strategy sets out a long-term vision for each sustainability pillar, supported by an action plan and metrics to drive progress and inform decision making. Executive and

Board committees monitor progress each quarter and sustainability continues to shape commercial strategy as one of four guiding priorities for the Group.

In 2024 we focused on embedding sustainability in material decision making across the business including supporting functions to take accountability for sustainability objectives. We developed our understanding of our sustainability risks, impacts and opportunities across our value chain and established a credible Net Zero Transition Plan to deliver against our science-based Net Zero targets.



Environment

Bold climate action, leading by example



People

Lasting growth, inclusion and wellbeing



Suppliers

Shared vision, ambitious collaboration



Communities

Uplift vulnerable and under-served communities



Clients

Enabling client sustainability, innovative products



Governance

Transparency, accountability and trusted leadership



Highlights

Embedded sustainability in key decision making

Established science-based Net Zero Targets

Developed our Net Zero transition plan

Built product level carbon intensity measures

Partnered with EcoVadis on value chain sustainability

Initiated client sustainability engagement

Launched our ethical AI governance

Built our social mobility scheme

Invested our time in community projects

51%

reduction in carbon intensity (Scope 1, 2 and 3) on 2022 baseline year

189 tCO₂e

Azure emissions avoided through carbon efficiency investments

3,750

vulnerable people supported, through our CALM partnership

107%

increase in volunteering hours YoY

Sustainability cont.

Environment

The impacts of climate change are already being felt today, with the most vulnerable people worst affected. We recognise the urgency to act now, as the opportunity to limit the worst effects of climate change diminishes. Our ambition is not only to decarbonise our business, but to apply our innovation and influence to shifting financial services towards a more sustainable future.

Robust targets and a credible transition plan

We upgraded our Net Zero targets to align to the Science Based Targets Initiative ('SBTi'), ensuring that we focus on reducing our emissions before investing in carbon removals to offset residual emissions. Our long-term goal of Net Zero by 2040 and near-term goal of 75% reduction in carbon intensity by 2030, sets us on an ambitious decarbonisation trajectory.

We delivered our first Net Zero transition plan, based on the UK Transition Plan Taskforce ('TPT') disclosure framework, taking a strategic and rounded approach that considers long term climate risks and opportunities and our contribution to climate resilience in the economy.

Decarbonisation

We continued our focus on operational efficiency in 2024, with both carbon emissions per payment (-39%) and per employee (-20%) seeing further progress.

We improved our product carbon emission measurement and aim to lead our sector in providing clients with lifecycle emissions data for our products by 2026.

In partnership with Microsoft, we have avoided 189 tCO₂e Azure emissions, and focused investment on low carbon technology. Azure carbon intensity is down 68% from our 2022 baseline, together with

an absolute emissions reduction of 37% over the same period.

We have partnered with OnHand to provide decarbonisation opportunities for employees at home and we offer green software development training to our employees. We exceeded our 20% training target for engineers and product owners by 50% in 2024.

Collaboration and advocacy

Climate change is a systemic challenge that requires systemic solutions. We focus on collaboration with trusted partners to build innovative solutions and accelerate climate action. We provided time and expertise to Bankers for Net Zero and project Perseus working groups in 2024. Project Perseus aims to automate emissions reporting for SMEs, unlocking green lending opportunities. With SMEs representing 50% of UK emissions, project Perseus has huge potential to accelerate the transition to a low carbon economy.

The increased accuracy of our carbon accounting in 2023 enabled us to engage with key suppliers on Net Zero, gathering direct emissions data for 48% of suppliers (by emissions), aligning Net Zero targets and identifying collaboration opportunities. Our Sustainability Partnerships initiative will launch in 2025, with a view to driving decarbonisation in our value chain.



What next?

Sustainable partnerships to support value chain decarbonisation	2025	
Invest in Azure emissions reduction with Microsoft	2025	
Deliver Net Zero education to our employees	2025	
Embed Net Zero commitments in decision making	2025	
Launch our sustainability accelerator programme	2026	
Provide product lifecycle carbon emissions to our clients	2026	

Sustainability cont.

Our Net Zero transition plan

Net Zero

2030 75% reduction in carbon intensity per payment processed

2035 Core business decarbonised. Scope 1, 2 and 3 emissions including Azure but excluding other suppliers and clients

2040 Net Zero across our value chain. 97% reduction in carbon intensity per payment processed (Scope 1, 2 and 3)

Invest in resilience

2026 Invest in accelerating sustainability innovation

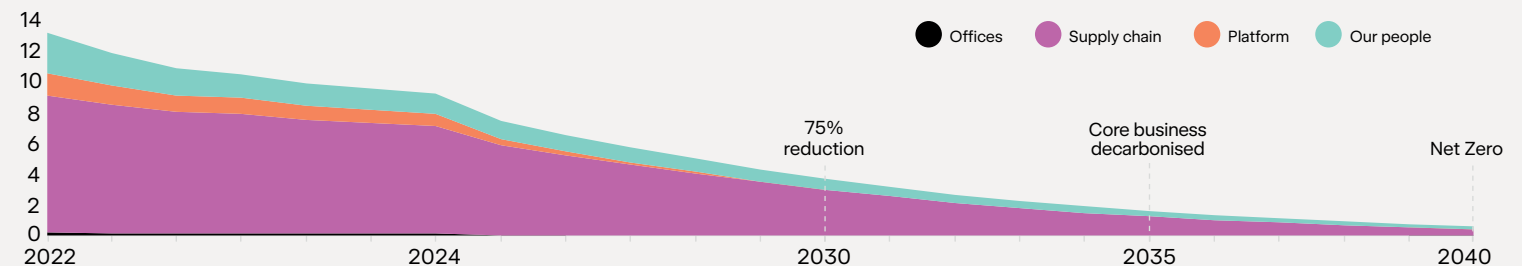
2028 Bring sustainable products to market

Influence for change

2025 Launch sustainability partnerships to support value chain sustainability

2027 80% of our key suppliers to have adopted science-based Net Zero targets

Net Zero Transition



Established

Incorporate emissions metrics in key governance



Embedding Net Zero in supplier management lifecycle



Engaged with top 50 suppliers on emissions data and Net Zero alignment



Embed supplier due diligence with EcoVadis



Employee Net Zero education and tools to identify home decarbonisation opportunities



Enriched business travel and commuting data



Invested in low carbon technology on Azure



Developed carbon intensity measures for our products



Shifting ClearBank managed office space to renewable energy



Engage with office management on renewable energy and decarbonisation



Planned

Increase accuracy of carbon emissions data, increasing direct supplier emissions data and investing in greater accuracy our emissions measurements



Increase % of suppliers adoption of science-based Net Zero targets and a credible transition plan



Increase % of suppliers completing sustainability due diligence



Collaborate with clients and suppliers to decarbonise through our Sustainability Partnerships programme



Identify and invest in sustainability innovators through our accelerator programmes



Product lifecycle carbon emissions, available to our clients



Invest in low carbon technology and decarbonising Azure (Platform)



Sustainable products developed



Support colleagues in low carbon travel and decarbonisation at home



Targeted Net Zero training for high impact teams



Remove dependency on gas



Optimise office and office equipment energy efficiency



Sustainability cont.

Communities

We aim to have a positive impact on the communities we serve and rely upon, through day-to-day responsible business practice.

Data privacy and security

Privacy and data protection are integral to our products and services. We are committed to transparency and fairness in the use of personal information and continued to improve controls in 2024. We maintain a strong security framework underpinned by security aware employees who are regularly educated.

Responsible AI

Financial Institutions have increased their reliance on data driven decision making and AI. We advocate high ethical standards to all our stakeholders, and have developed three guiding principles for our use of AI: Accountability, Transparency & Fairness. These principles are based on the foundations that any application of AI must be ethical and explainable.

Community impact

In 2024 we invested in our culture of giving back, in partnership with CALM (the Campaign Against Living Miserably) who deliver life-saving suicide and mental health support services. We achieved our £30k fundraising target, translating to 3,750 lives supported by CALM.

Our 'Bigger than ClearBank' benefit means all our employees can take two days a year to volunteer in the community. We completed over 1,600 employee volunteering hours, a 107% increase on 2023 and partnered with OnHand to deliver local volunteering and home decarbonisation opportunities to our employees. We invested in social mobility with Social Mobility Business Partnership, providing disadvantaged young people with valuable professional experience.

What's next?

Security vulnerabilities identified by 3rd parties	2025	
Education and embedding of AI principles	2025	  
Understand our social impacts, risks and opportunities	2025	
Build on our culture of giving	2026	 



In September 2024, 26 ClearBank team members hiked Mount Snowdon through the night to raise money for our charity partner, CALM.

Sustainability cont.

 Clients and Suppliers

Our clients and suppliers are an extension of our business, and we are accountable for our social and environmental impacts through our value chain. As a trusted partner, we aim to support our clients and suppliers in achieving shared sustainability goals.

Engagement

We focused on improving emissions data accuracy, engaging with 65% of our suppliers (by emissions) on data quality and Net Zero alignment. In 2024 we introduced Net Zero commercial terms requiring key suppliers to measure emissions, set science-based targets and publish their Net Zero transition plans.

We kicked off our sustainability partnership with Microsoft focused on Azure decarbonisation, value chain stewardship and sustainable products. Collaboration is key to our Net Zero goal of launching sustainable products, and we began exploratory workshops with Microsoft and other sustainability minded clients and suppliers.

Oversight

We completed sustainability analysis of our top 50% of clients (by revenue) and key suppliers and launched our partnership with Ecovadis to assess our value chain against sustainability criteria. Findings will inform our value chain engagement strategy and Sustainable Partnerships priorities.

Our suppliers are key to achieving our sustainability goals, particularly Net Zero with 75% of our emissions originating upstream. We increased sustainability controls across the supplier management lifecycle, including sustainability criteria in all tenders and monitoring of supplier sustainability risks, impacts and opportunities.

What's next?

Sustainable partnership support to clients and suppliers	2025	
Identify sustainable product opportunities	2025	
Increase direct emissions data coverage	2025	
Develop EcoVadis partnership and supplier risk view	2025	
Encourage key suppliers alignment to our Net Zero goals	2027	

 Governance

We aim to lead through transparency and accountability. See our governance section from page 44.

Embedding sustainability

We launched our Group sustainability policy, embedding sustainability principles across the business, and improved our understanding of ESG risks through our Enterprise Risk Management Framework ('ERMF'). Introducing new metrics to product governance enabled increased focus on sustainability in 2024, including our work with Microsoft on sustainable architecture and product level carbon intensity.

We identified material sustainability impacts and opportunities that will inform commercial strategy and improved risk management. Our quarterly carbon reporting will allow for in-year course correction and functional accountability from 2025.

Human rights

We are resolute in our commitment to human rights. Our code of conduct guides our decision making and our equal opportunities

policy is informed by the Equality and Human Rights Commission and the Department for Work and Pensions codes of practice.

ClearBank's whistleblowing policy encourages employees to disclose wrongdoing and we work directly with law enforcement to tackle modern slavery. We are diligent in our client and supplier oversight, only dealing with third parties that operate in a manner consistent with our values.

Anti-bribery and anti-corruption

We invest substantially in financial crime controls across the Group including bribery and corruption. We conduct due diligence and screening for our clients and suppliers and their owners or controllers. Our employees are trained regularly on identifying and managing conflicts-of-interest and we record and oversee all gifts and entertainment at the group.

What's next?

Functional sustainability measurement and goals	2025	
Improve ESG risk key risk and control indicators	2025	
Further embedding sustainability in decision making	2025	
Deliver sustainability education to our employees	2025	

Climate-related financial disclosures

Managing climate risks, impacts and opportunities

Our clients and suppliers are an extension of our business, and we are accountable for our social and environmental impacts through our value chain. As a trusted partner, we aim to support our clients and suppliers in achieving shared sustainability goals. ClearBank complies with the mandatory UK Climate-Related Financial Disclosure Regulations.

Governance

The ClearBank Board sets ESG risk appetite, including climate risk, and delegates monitoring of ESG risks to the Group Risk Committee. Climate risk indicators are reviewed by the Group Enterprise Risk Committee bi-monthly. The Head of Sustainability is responsible for identifying climate risks and opportunities, in collaboration with business functions and the Head of Strategic Risk.

The Board reviews climate risks and opportunities annually and monitors sustainability metrics and progress quarterly, including climate risk and Net Zero transition indicators. Climate risk and opportunities are included in the sustainability policy which is reviewed by Board annually. The Chief Financial Officer is accountable for our approach to climate risks and opportunities including the Net Zero Transition Plan. Discretionary executive remuneration is linked to sustainability performance, including climate-related metrics, through the group's scorecard process.

Strategy

ClearBank supports hybrid working and has limited dependence on physical assets. We do not hold material credit or investment positions, and as a result ClearBank is much less exposed to climate risk than typical banks.

Our climate risk assessment identified no material climate risks in the short (0-5 years) and medium (6-15 years) term. Over the longer-term (>15 years) severe but very unlikely climate risks, such as extreme flooding, have the potential to impact outsourcing and business continuity risk by disrupting assets that our suppliers depend upon. ClearBank's established business continuity and supplier oversight controls mean there is currently no impact on risk appetite, and we continue to invest in climate-related monitoring.

Sustainability has been one of four guiding priorities in 2024, continuing our 2023 focus. This priority shapes strategy and governance at all levels of the Group. In 2024 we developed our first Net Zero Transition Plan, incorporating climate risks and opportunities and informing our commercial strategy. Climate risks also inform our capital planning through the Internal Capital Adequacy Assessment Process ('ICAAP'), during which no capital requirement was proposed to

accommodate climate risk in 2024. We have identified no material impacts on ClearBank's financial results or business continuity over the short and medium term. As climate risks and opportunities evolve at pace, we will continue to monitor their impacts on our financial performance.

Risk management

Climate risks are assessed and managed according to our ERMF (see page 36), ensuring consistency across risk types. Climate risks and opportunities are identified through our annual materiality assessment and we consider how climate risks impact our appetite for other risks across the risk taxonomy.

Our climate risk assessment is informed by UK and EU regulatory guidance and industry best practice. We have considered risk scenarios described by the Climate Financial Risk Forum over short, medium and long-term time horizons. ClearBank hasn't published scenarios in full on the basis that there is no material impact on our business.

Metrics and targets

We measure our Azure emissions monthly, enabling regular reporting to the Executive and Group Risk Committees. In Q4 2024, we introduced quarterly carbon accounting for

the whole business that will inform key risk indicators ('KRIs') and reporting in 2025. Our technology emissions remain a key focus as we scale. We report on product-based Azure carbon intensity and architecture sustainability, as well as green software development training across teams. With over 80% of our emissions upstream, we report on our supplier due diligence and supplier emissions data coverage.

In 2024 we set science-based Net Zero targets against our 2022 baseline footprint, targeting 2040 for achieving Net Zero. We are committed to a reduction in Scope 1, 2 and 3 emissions of 75% by 2030 and 97% by 2040. Additionally, by 2035 we aim to reduce core business emissions by 97%, inclusive of Azure over which we have significant control, but excluding other suppliers and our clients. Our targets are measured by carbon intensity per payment processed, following best practice for a rapidly growing company.

We remain on track to achieve our sustainability goals. In 2025 we will launch our Sustainability Partnerships programme, aiming to encourage 80% of our key suppliers to adopt science-based targets by 2027.

Non-financial and sustainability information statement

The policies and standards governing ClearBank's approach under each area are noted below.^a

Environmental matters

Sustainability, pages 23-25

- Environmental, Social and Governance Policy
- Procurement Policy

Employees

Our people, pages 18-20

- Conduct Rules Policy
- Diversity, Equity and Inclusion Policy
- Employee Benefit Policy
- Environmental, Social and Governance Policy
- Family Leave Policy
- Remuneration Policy
- Speak Up (Whistleblowing) Policy

Respect for human rights

Sustainability, page 27

- Anti-Harassment Policy
- Data Lifecycle and Data Privacy Policies
- Modern Slavery Statement

Anti-corruption, anti-bribery

Sustainability, page 27

- Conduct Risk Policy
- Conflict of Interest Policy
- Financial Crime Compliance Policy
- Gifts and Entertainment Register
- Personal Account Dealing Policy

Description of business model

Our business model, page 09

Description of principal risks and impact of business activity

Risk management pages 38-39

Non-financial key performance indicators (KPIs)

Key performance indicators, page 30

a. This is not an exhaustive list of our policies.

Key performance indicators ('KPIs')

We saw significant improvements across the majority of our financial and performance metrics in 2024

Fee income

Revenue generated from platform fees and net transaction income

+53%

2024 £44.1m

2023 £28.8m

Spread-based fee income

Fee-like income based on a fixed interest spread

+136%

2024 £9.2m

2023 £3.9m

Payment volumes

Total number of scheme payments, excluding internal transactions

+55%

2024 167m

2023 108m

FSCS customer accounts

Total number of FSCS-protected bank accounts of embedded banking customers

+42%

2024 1.7m

2023 1.2m

Customer deposits

Customer balances held by ClearBank

+77%

2024 £10.8bn

2023 £6.1bn

2024 Group CET1 ratio

67%

2024 67%

2023 77%

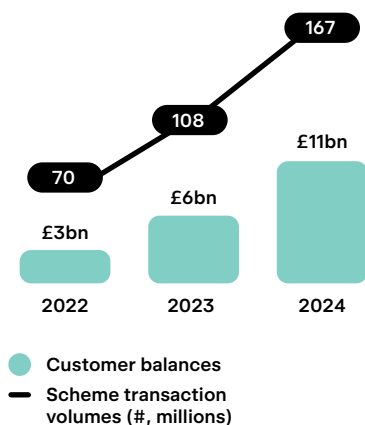
Financial review

A year of international expansion, significant underlying growth, with improved revenue quality and investment in our scalability

Performance highlights

After obtaining our European Banking licence in July 2024, I am pleased to present the results of the Group Annual Report and Accounts. 2024 was a successful year for ClearBank in implementing our financial objectives. We saw strong organic growth, improved revenue quality with reduced sensitivity to interest rates, greater operating leverage, continued UK profitability (2024: £6.5m) with a small Group loss, and the acquisition of our first customers in Europe where we also became direct participants of key payment schemes.

Customer balances and scheme transaction volumes



We nearly doubled our customer balances, which stood at £11bn (2023: £6bn), saw a 55% increase in scheme transaction volumes and a 53% year-on-year increase in our fee income. Our spread-based fee income, which is less sensitive to interest rate moves than other interest income, increased from £3.9m to £9.2m. Taken together, this demonstrates our success in growing high quality revenue.

Our business grew across all propositions, particularly embedded banking where we ended the year with 6 live customers, doubling the count from 3 in 2023. We have also been growing our customer base, and improving customer concentration ending the year with 258 customers, an increase from 221 in 2023.

In embedded banking, we strengthened our wealth proposition by enhancing our partnerships with Chip and Wealthify. As a sign of our growing scale and reputation, we also onboarded Revolut and now provide savings accounts to their consumers. These collaborations offer UK consumers improved financial management options, including access to Cash ISAs and instant savings accounts. As a result, the total number of FSCS-protected accounts stood at 1.7m by the end of 2024 (2023: 1.2m).



2024 has been a year of improving revenue quality, investing in scalability and expanding into Europe."

Mark Fairless
Group Chief Executive Officer

Financial review cont.

The evolving macro environment saw the inflationary pressures of recent years subside, resulting in changing expectations of future interest rates. In anticipation of this, we shifted our focus towards driving fee income and reducing our exposure to interest rate sensitivity. We've set ourselves a short-term objective of profitability in a normalised interest rate environment of 3%^a which resulted in a significant increase in our fee income over the course of the year.

This was a year in which we also focused heavily on the scalability of our technology platform and business model, increasing our investment to significantly improve our operating leverage, whilst enhancing the risk and control environment. The trajectory of this success is evident in the positive jaws seen between underlying customer volumes and our expense base.

The results of our efforts in 2024 have been a significantly improved quality of earnings, as well as a more efficient and scalable business model. In addition to our European expansion and focus on UK growth, we are well-positioned for sustained success in the coming years.

a. Being the average Bank of England interest rate over the past 30 years.

	2024 £'m	Pro-forma 2023 ^d £m	Variance to pro-forma	Full year 2023 £'m
ClearBank UK				
Fee income	44.1	28.8	53%	28.8
Spread-based fee income ^b	9.2	3.9	136%	3.9
Total fee-based income	53.3	32.7	63%	32.7
Adjusted interest income	55.2	52.8	5%	78.0
Other income	0.8	0.7	14%	0.7
Total income	109.3	86.2	27%	111.4
Adjusted operating expenses ^c	(99.4)	(86.2)	15%	(86.1)
ClearBank UK profit before tax	9.9	0.0	n/a	25.3
Other Group Income	2.8	0.2	1300%	0.2
ClearBank Europe operating expenses ^c	(7.7)	(11.5)	(33%)	(11.5)
ClearBank Company operating expenses ^c	(9.4)	(5.2)	81%	(5.2)
Consolidated (loss)/profit before tax	(4.4)	(16.5)	(73%)	8.8

b. Spread-based fee income is derived on a fixed interest spread basis and is excluded from adjusted interest income.

c. Adjusted operating expenses exclude share-based payment costs.

d. Pro-forma 2023 income include retrospective application of the new interest sharing agreement impact (£25.2m).

Further details on Alternative Performance Measures are available in the appendix on pages 102 to 103.



Financial review cont.

Income

Our revenue performance over 2024 has been very strong, with a focus on driving high quality fee income and reducing our sensitivity to interest rate movements. Our like-for-like proforma revenue performance, adjusting for one off contractual changes relating to interest share arrangements, saw our total revenue increase from £86.2m to £109.3m.

Within this, our fee income performance was particularly strong, growing from £28.8m in 2023 for the full year to £44.1m in 2024, along with an increase to our spread-based interest income, which is less sensitive to interest rates, from £3.9m to £9.2m.

Together, we saw our overall fee-based income, insulated from interest rates, grow from £32.7m to £53.3m, an increase of 63%.

As well as significant customer growth and a restructuring of our commercial arrangements, fee income year-on-year increase was also driven by growth in transactions and record account volumes. Total payment scheme volumes increased by 55% to 167m (2023: 108m), driven by a significant rise in open banking A2A (account-to-account) transactions utilising FPS payments.

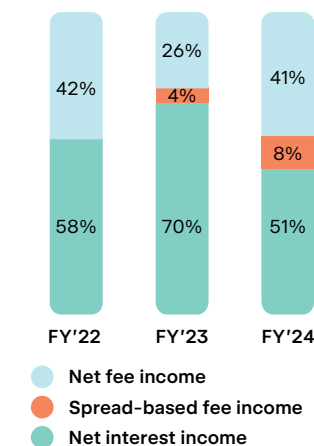
Remaining interest income was £55.2m, up on a like-for-like adjusted basis from £52.8m as a result of deposit growth and a higher average interest rate over the course of 2024 compared to 2023. Deposit growth has largely arisen from savings products where we pay away the majority of interest earned. On an unadjusted basis, reported net interest income for the consolidated Group in 2024 was £67.1m (10 months in 2023: £60.0m).

Interest income continues to be an important component of ClearBank's earnings, as customer deposits directly influence the ability to drive payment transaction volumes. Additionally, our unique business model, distinct from traditional banks, allows us to offer competitive interest savings rates to the consumers of our embedded banking clients. This results in significant interest pay-away, enabling us to shift towards high-quality fee revenue.

This meant that by the end of the year, fee-based income accounted for c.50% of our total income (up from 30% in 2023), and we anticipate this proportion to grow in the coming years.

We have established our Group as the industry leader and enabler of real-time clearing and embedded banking. As more financial institutions seek ClearBank for our combination of speed, agility, and security, our customer base continues to grow. By staying at the cutting edge of payment innovations and building valuable new relationships, our pipeline for new business remains robust. Demonstrating their trust and confidence, two of our largest embedded banking clients have recently signed longterm, multi-year contracts with ClearBank.

ClearBank UK income split



Financial review cont.

Continuous investment into our business focused on scalability and European expansion

Costs

As we continued to invest in automation and scalability of our processes, we also launched our optimisation programme, focused on three key goals:

- Optimise our business with sustainable operating models to boost performance and support growth
- Streamline processes, automate tasks and use data and technology effectively
- Instil a culture of control and accountability

As a result of this, whilst UK transaction volumes, account volumes, customer numbers and fee income all saw significant growth, our UK cost base (adjusted for share-based payments) increased at a slower rate from £86.2m to £99.4m, showing evidence of our operating leverage as our optimisation programme demonstrated its impact.

Since the launch of the programme, we have achieved significant efficiency uplift across key areas, including general and administrative (G&A), research and development (R&D), banking costs and gross margin, which remained largely stable despite introducing additional domestic payment screening activity to ensure we maintain a best in class risk and control environment.

In line with our expansion plans, staff costs were the biggest cost driver due to ongoing strategic investments in our technology and product innovation as well as building our support and control functions in advance of European expansion. As part of this, we created a consolidated banking group and put in place a local management team and capabilities in the European bank.

Technology was the largest area of headcount growth as we continued enhancing our platform's functionality and resilience in addition to developing new product features and propositions. We also increased our investment in optimising the group's processes and controls as part of the optimisation programme.

Europe

2024 has been a transformational year for ClearBank, due to our expansion into Europe.

In July, our European banking licence was authorised by the ECB under the supervision of the DNB. To support our growth in

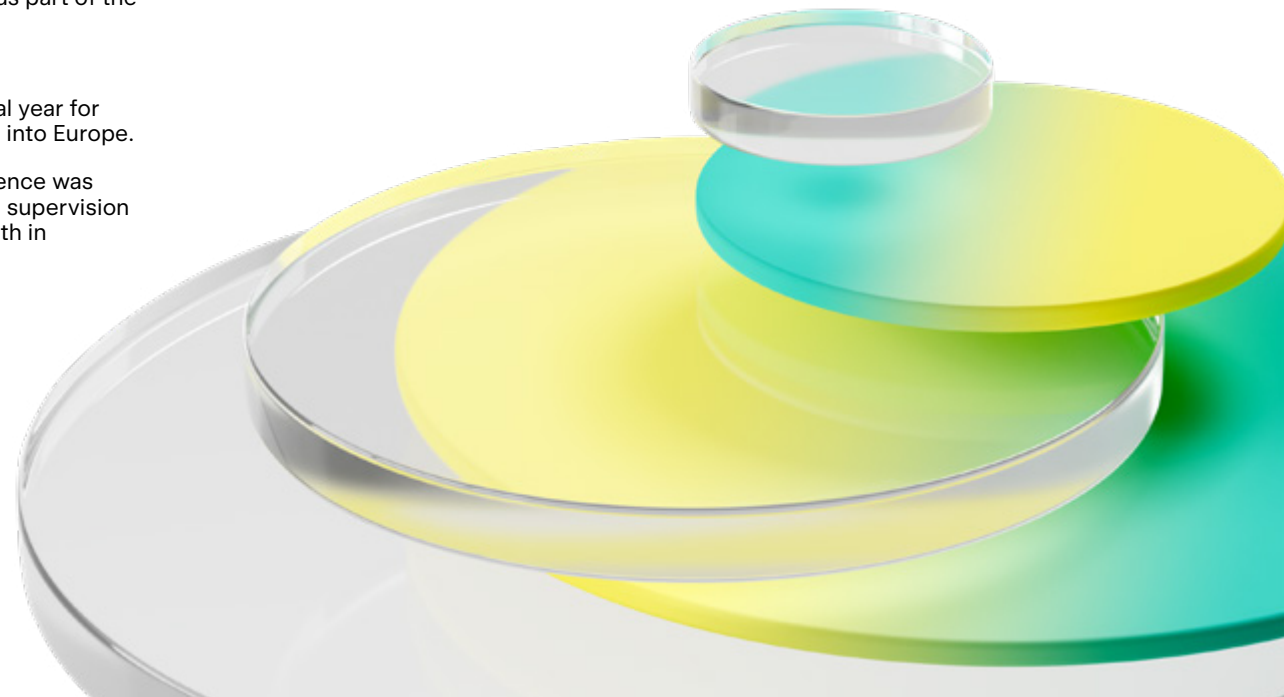
Europe, we have established an experienced management team, invested into our European product proposition and integrated three key payment schemes.

Shortly after the approval of our licence, we onboarded our first three clients and grew to six clients by the end of the year. We saw significant demand from our UK clients who are operating in Europe and encouraging early signs from new customers.

During the year, we made good progress on joining European payment schemes and initially integrated T2 and SEPA Instant, both of which are critical to our successful

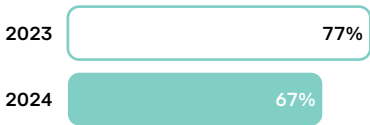
operations in Europe. On 10 December, we became a participant of SEPA CT and are now able to provide seamless payments and service availability to our clients.

Our continuous investment in Europe has meant that our cost base reached £7.7m and as a result, contributed to a £4.4m loss before tax (excluding share-based payments charges) at Group level, in line with our plans. We are confident in our investment in Europe, and anticipate this driving the next phase of ClearBank's growth, as a regional banking group rather than a domestic bank.



Financial review cont.

Group CET1 Ratio

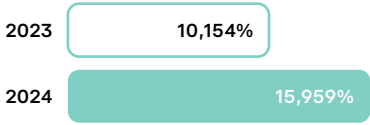


Liquidity ratios

Liquidity coverage ratio (LCR)



Net stable funding ratio (NSFR)



Capital, liquidity and balance sheet

Throughout 2024, we have maintained strong capital and liquidity positions in the Group.

In the UK bank, our CET1 capital stood at 34%, which meant that our business remained profitable and capital generative, able to fund continued growth and investment. At a Group level, we have a very strong capital position of 67% (2023: 77%), reflecting the capital held in support of European expansion, including an additional £35m of capital received from our existing investors in September 2024.

High Quality Liquid Assets (HQLA) were £11bn (2023: £6bn) at the close of 2024. Our HQLA balance climbed consistently through 2024, as clients continued to take reassurance in the safety of their deposits held with the Bank of England. On the balance sheet date, there were also £325m (2023: £77m) equivalent of non-sterling investments held in highly-liquid money market funds, all backed by leading government securities. Euro client deposits taken by the Europe bank are held at the Dutch Central Bank.

The nature of our business means that we manage our capital in a prudent, diligent and risk-averse way. Our inherent business model is based on safeguarding our customers' deposits with the Bank of England and the DNB, significantly limiting their exposure to risk. As a result, we maintain limited exposure to RWAs, which ensures our capital position remains strong.

Outlook

2024 has been a significant year for further establishing and growing our business.

With a robust customer pipeline, we are looking forward to winning new customers and offering a wider service to meet changing customer needs.

With the changes in the macroenvironment in our domestic UK market, we remain focused on delivering high-quality fee income and continue to reduce our exposure to interest, all whilst investing in the fabric of the business to continue to improve operating leverage, product position and our leading technology platform at ClearBank.

The increasing regulatory scrutiny towards our sector demonstrates the importance of operating with the highest levels of regulatory and compliance oversight.

We remain confident that our unique business model and emphasis on risk management will enable us to continue growing our business in the future.

On a final note, it has been a privilege to be ClearBank's Chief Financial Officer and lead the finance function during this period of change and sustained growth over more than two years. I'm incredibly proud of everything we've accomplished, whether evolving our financial strategy, maturing the finance function and capabilities, or helping to drive the business forward. Stepping into the Chief Executive Officer position is a huge honour and I am excited by what comes next as I lead the business and deliver on our strategic vision. On a sustainable, scalable foundation we can go from strength to strength, with a sharp focus on continuously delivering the high-quality services and innovation our clients have come to rely on.

Mark Fairless
Group Chief Executive Officer
2 April 2025

Risk management

Ensuring the safety and scalability of our business

Our approach to risk management

The Group leverages the ERMF established by the parent Company (ClearBank Group Holdings Limited) within the Group to uphold robust governance and oversight across ClearBank. When necessary, the UK and European banks develop local policies to ensure compliance with local regulation and legislation. These local requirements are assessed on a case by case basis.

The ERMF has been designed to provide a clear and consistent approach to the management of all risks and controls within the boundaries of the agreed Board risk appetite of the parent Company and its subsidiaries. The ERMF is underpinned by our risk culture and 3 Lines Model, aligned to industry best practice.

The 3 Lines Model

Supporting the risk management framework, we operate a 3 Lines Model, fostering collaboration between the first and second lines. This approach enhances accountability and ownership for delivering good outcomes and supports efficiency and scalability as we continue to grow.

Risk culture

A strong risk culture is the foundation of our ERMF. Our culture is cultivated and maintained through core values, risk principles, training and by our executive leadership and Boards setting the right tone from the top across ClearBank. This commitment ensures a clear and consistent emphasis on managing risk effectively across all levels of the Group.

The risk management vision for ClearBank remains focused on the following principles:

Dynamic, real-time

Insightful

Multi-dimensional

Automated

Forward-looking, proactive

Integrated

Tailored

Data enabled

Enterprise Risk Management Framework ('ERMF')

Risk management principles

Risk governance, oversight and frameworks

Risk appetite

Risk taxonomy

Strategic | Financial | Conduct | Compliance | Operational

Risk management process



Risk data and infrastructure

Talent and operating model

Training and communication

Risk culture

Risk management cont.

Continuing to strengthen our risk and control environment

Key highlights of 2024

In January 2024 we finalised a risk management and control report, a review performed in partnership with Kroll to address a request of the Prudential Regulation Authority ('PRA'). A workplan was implemented to respond to the recommendations made in the risk management and control report. We have progressed well against the workplan over the year, closing a number of the initiatives and have identified further opportunities to enhance and embed over 2025 the work performed to date.

We have implemented a dedicated risk management tool that introduces automation, streamlines workflows and provides a holistic view of ClearBank's risk profile. This tool supports our ability to scale effectively, enabling robust risk management across multiple jurisdictions as the Group continues to grow.

We continued to evolve our Risk Control Self Assessments ('RCSAs') to align with the business's growth and increasing complexity. This ensures ongoing improvements in identifying and understanding of key risks and controls as we scale. Additionally, this is supported by the new risk management tool, as it provides an end-to-end view of process related risks and controls. This has enhanced the visibility of risks and issues, and in turn supports more effective risk management practices.

Consumer duty remained a focus in 2024 as we worked with our embedded banking partners to ensure consumer duty is embedded in all of our activities. We have continually reviewed our assessment process and the management information gathered. We continued to review and improve our approach to training and communication, particularly as it relates to areas of conduct both in respect of consumer duty and ongoing adherence to the high standards we expect from all of our employees and partners.

Sanctions payment screening has been a key objective throughout 2024. The Risk and Compliance function has worked with colleagues across the business including Operations, Product and Technology to improve the effectiveness and efficiency of our key screening systems.

In relation to fraud and Authorised Pushed Payment ('APP') Scams and in line with changes to the UK regulatory environment and targeted enhancements to the fraud control environment across the industry, there continues to be a focus on strengthening the fraud control framework at ClearBank. Beyond the implementation of the APP Scam Reimbursement Scheme, ClearBank continues to look for areas of improvement to address the ever-changing fraud landscape.

With the continued growth of our embedded banking proposition, we have worked to create minimum standards across all partners and ensure we are implementing a consistent risk management approach. As well as minimum standards of compliance, we have provided additional context on how we approach financial promotions and marketing with our embedded banking proposition.

To support the significant growth in deposits seen throughout 2024, we continued to review and uplift our control environment in respect of the FSCS. We have also considered FSCS readiness as a key element of our approach when onboarding new embedded banking partners.

As part of our oversight and testing, and through quality assurance and thematic reviews completed by the second line function, we have continued to identify areas for further improvement. Moreover, as part of an initiative over the year to drive business-wide engagement with the ERMF and the ongoing development of a proactive risk culture, we recently refreshed and delivered risk management training to all our people.

Outlook for 2025

With the ongoing threat of financial crime and fraud, we will continue developing automated systems and controls to enhance scalability, adequacy and overall effectiveness of our control framework in line with the Group's business growth plans. This includes improvements to existing systems and the introduction of more strategic tools for all financial crime processes and controls.

We will further strengthen our operational risk management practices by embedding risk and controls throughout our end-to-end product journeys and the operational resilience of our important business services. Additionally, we will provide continuous training and guidance to support staff in adopting robust risk management practices.

We will maintain and refine our approach to conduct, ensuring it aligns with external best practices and remains integrated into our daily business operations. We will also continue to apply the minimum compliance standards within our embedded banking proposition to ensure a consistent and high quality approach.

As part of our growth strategy, our Risk and Compliance teams will continue supporting the development and execution of our approach to onboarding embedded banking corporate clients and enhancing our offering in this space.

Risk management cont.

Principal risks

To effectively manage risks, the Group needs to recognise and understand risks that arise from new and existing activities as well as from external sources. Risk identification is an ongoing process and is considered at all levels of the organisation as well as at an aggregate and Group-wide level. It is important to understand the causes and impacts of risks to manage the risks effectively. Risk identification includes emerging risks, new risks being introduced as part of changes (such as new products or services) and existing risks. The identification and categorisation of risks are reflected within the relevant risk registers and aligned with the Risk Taxonomy and Risk Scoring Standards.

— Stable  Improving

Key risks	Change in risk profile	How key risks are mitigated	Commentary
Operational risk Includes information, Cyber, Technology, Legal, People, Third Party and Outsourcing, Physical Security, Fraud, Business Continuity, Transaction Processing and Execution risks, as well as financial reporting and model risks.	—	Mitigated through a number of operational frameworks, models, and strategies, with regular and comprehensive RCSAs and control testing activities. These ensure we fully understand our risk exposure and take further risk mitigation actions where necessary to strengthen the control environment and remain within risk appetite.	There have been notable improvements in People risk, in response to organisational changes, the evolving operating environment and efforts to streamline processes and enhance colleague experience. In support of the Group's business optimisation programme and its growth and maturity process, the Risk and Compliance function has devised and is executing a plan to enhance and, where possible, automate areas of risk management and compliance, to increase efficiencies and reduce full time equivalent ('FTE') time spent on overly manual or repeatable tasks. Model risk has been a key focus, with extensive work undertaken to embed robust model risk management practices. Embedding activities have also included the development and refresh of key policies and standards, training programs and model inventory uplift to ensure responsible model risk management. Outsourcing risk has seen heightened attention due to the criticality of key suppliers, incidents involving third parties and ongoing maturing of the embedded banking partner operating model. Despite these challenges, improvements are being made in the management of these risks.
Compliance risk Includes financial crime compliance and regulatory compliance risks.	—	Mitigated in a number of ways including horizon scanning for changes in regulatory and financial crime requirements, tracking regulatory change actions to closure, ensuring we are and do remain compliant and customers continue to be protected. Also includes regular oversight and control testing activities to demonstrate compliance and identify any processes or controls that may require strengthening.	The continued embedding of consumer duty throughout 2024 has been a key focus. ClearBank has sought to ensure the approach implemented in 2023 remains suitable for the continued growth of the firm with new products, services and through to our embedded banking partner propositions. Financial crime continues to be challenged by increases in fraud incidents and an adapting regulatory environment. However, a stable risk profile has been maintained throughout 2024, despite the ambitious business growth plans. Continued focus on scalability through automation and technology is planned for 2025.
Conduct risk Includes culture, behaviours and partner risks, as well as governance and product risks.	—	Mitigated through a consistent and appropriate 'tone from the top', regular training to support staff in understanding what good conduct looks like and robust product life-cycle governance. Additionally, it is mitigated through ongoing improvements to our complaints monitoring and oversight, both in our clearing portfolio and embedded banking partnerships.	We continued to review and improve our approach to training and communication, particularly as it relates to areas of conduct, both in respect of consumer duty and ongoing adherence to the high standards expected of all our employees and partners. We have also sought to ensure there is clarity between our partners and ourselves that consistent standards are being applied.

Risk management cont.

Key risks	Change in risk profile	How key risks are mitigated	Commentary
Financial risk Includes capital, liquidity and funding risks. Also includes credit, interest rate and market risks.	—	Mitigated by ensuring that we understand our sources of risk and placing limits on specific types of risk-taking to remain within tolerance levels. This is supported by our capital and liquidity planning processes which also stress test our assumptions and drive mitigating actions to reduce any risk exposure. We also ensure we maintain sufficient levels of capital and liquidity above regulatory requirements.	In 2024 ClearBank's balance sheets saw significant growth, as we onboarded three new embedded banking partners including Revolut and nearly doubled our customer balances which stood at £11bn (2023: £6bn). Total payment scheme volumes grew by 55% to 167m and total account volumes reached 13m, up from 10m in 2023, of which FSCS protected accounts increased from 1.2m to 1.7m. Whilst ClearBank continues to grow and scale, the underlying nature of our business model and balance sheet remains the same and we will continue to manage financial risks in a way that is conservative and consistent with 2024. ClearBank received its 2024 Resolution Communication which confirmed that ClearBank's resolution strategy and Minimum Requirement for own funds and Eligible Liabilities ('MREL') are to remain unchanged for 2025, and provided guidance for future resolution requirements. ClearBank will form cross-functional working groups in 2025 to assess these requirements and will implement these by the due dates.
Strategic risk Includes environmental and social, political and economic risks, as well as business and competition risks.	—	Mitigated through a regular and comprehensive review of our strategy ensuring that our financial plans and annual objectives are aligned to and are supported by the strategy. This includes tracking of our client pipeline and attrition, controlling costs and adherence to budget, and monitoring diversity and inclusion data – for example gender diversity at a senior leadership level. It also means keeping close to external factors, macroeconomic trends and geopolitical events that could impact our customers and our strategy.	In 2024 we exceeded our new business targets, grew our customer base and reduced sensitivity to interest rates by shifting our focus towards fee income. During the year we also focused on scalability of our platform by increasing investment to improve operating leverage whilst continuing to strengthen our risk and control environment. This has resulted in significantly improved quality of earnings and a more efficient and scalable business model. ClearBank has cemented its reputation as the industry leader and enabler of real-time clearing and embedded banking that combines speed, agility and security. As a result, our pipeline is as strong as ever and we expect strong growth and momentum to continue in 2024. During 2025, it is expected UK legislation and rules will be developed to regulate digital assets used on exchange. ClearBank is closely monitoring regulatory and industry developments, shaping its digital assets strategy to be well-positioned in the market as tokenisation initiatives gain momentum. Additionally, the UK government's National Payments Vision ('NPV') setting out its economic ambitions for UK payments presents opportunities to stimulate innovation in this sector. ClearBank continues to engage with government bodies, industry partners and other key stakeholders to ensure clarity of the government's objectives and to reduce uncertainty and complexities in the market.

Section 172 statement

Companies Act 2006 (s.172)

The matters in Section 172 of the UK Companies Act 2006 are key for the sustainable long-term success of a company and the contribution it makes to wider society.

This section explains how, as required by Section 172, the Directors have acted to promote the success of the Bank for the benefit of its stakeholders. In meeting this responsibility, the Directors have taken into consideration the long-term impact of any decisions on stakeholder relationships, whilst always maintaining its high business conduct standards. During the year, the Directors have had regard, amongst other matters, to:

- the likely consequences of any decisions made in the long term,
- the interests of the Bank's employees,
- the need to foster the Bank's business relationships with its suppliers, customers and others,
- the impact of the Bank's operations on the community and the environment,
- the desirability of the Bank to maintain a reputation for high standards of business conduct,
- the obligation to act fairly as between members of the Bank.

The Directors have always taken decisions for the long-term running of the Bank, and ensured that management operates the business in a responsible manner.

With the continuous and rapid growth of the Bank, the number of its stakeholders has subsequently increased, not only in the UK but across multiple geographic locations. The Directors recognise the need to engage with as many stakeholders as practicably possible and are aware of the different mechanisms to connect with them. Given the growth of the Bank, this engagement often takes place at operational level in an effort to connect with a larger number of stakeholders in more jurisdictions simultaneously. ClearBank understands that the business can only grow and prosper by understanding and respecting the views and needs of our key stakeholders.

ClearBank aims to be a technology driven bank where people want to invest, and for which people want to work. This requires the Board of Directors, Executive Committee, senior management and other employees to maintain a strategic, sustainable and financial driven approach, aligned with the requirements and expectations as set out in Section 172 of the UK Companies Act 2006.

Our key stakeholders include our people who make ClearBank what it is, our clients whom we serve, our suppliers whom we partner with, our investors, and the environment in which we operate.

We explain how the business engages with our stakeholders within the next pages of the strategic report, whilst in the Governance section starting from page 55, we explain the Board's involvement.



Section 172 statement cont.

People

Why we engage

Our continued success and growth is driven by our exceptional people. Our people are at the heart of what we do and we are committed to fostering and building a unique culture that enables them to thrive. This culture of trust, innovation and growth ensures ClearBank is a place where we can attract and retain the best people, and grow and develop their talent during their time with us. Their skills, experience and drive are what enable us to provide innovative new products and an exceptional level of service to our clients and continue to expand our business proposition.

For more detail on the ways in which we engage and develop our colleagues, and the various employee initiatives undertaken, please refer to Our People section on pages 18 to 20.

How we engage

To help employees stay informed, we hold weekly company wide meetings where key business updates and a range of topics impacting our employees are presented. Additionally, we circulate a weekly ClearBank newsletter with contributions from various departments, providing a round-up of the week's events including important people updates, notable customer and industry related news and other relevant business developments.

A third and significant channel of employee engagement is our 'Peakon' survey which is issued to all employees every other month by the Chief Executive Officer. The survey focuses on how people feel about working for ClearBank and is vital in enabling management to gauge the overall level of satisfaction and sense of inclusion. Anonymised colleague feedback is captured alongside tangible survey metrics. It also provides an ongoing basis for constructive dialogue between the executive and our colleagues, in turn helping to build new initiatives.

Principal decisions

In 2024 we launched the ClearBank employee value proposition, defining our culture to deliver our two-way people promise. This will continue to guide how we work together, ensuring that our culture is a catalyst to our future success and an enabler of our international expansion. Culture is regularly discussed with the Board who take an active interest in ensuring this remains a recognised strength of the Group.

As we continue to scale, we will continue to invest in our people, equipping our managers with the skills they need to lead and develop high-performing teams. To that end, in 2024 a new line manager training programme and toolkits were developed as part of a broader investment in training and development, something both management and the Board are passionate about.

Finally, hiring was a significant focus in 2024 with the appointment of the UK Executive Committee as well as several Group and EU roles. The Board have been actively engaged and involved in these appointments, ensuring we have the right leadership in place to drive ClearBank's continued growth.

Clients

Why we engage

ClearBank's success has been built on the long-standing and trusted relationships established with our clients. We now support over 250 regulated and corporate clients which include banks, fintechs, credit unions and building societies. Our clients enable us to grow our business in the way we do because we grow alongside them, by providing innovative new products and customer propositions to meet their expanding needs. Therefore, understanding these evolving needs, the inefficiencies they face in terms of legacy systems and the costs and risks of innovating themselves in a challenging landscape, is central to our long-term strategy. We collaborate with our clients to stay at the forefront of payment sector innovation, including the latest technology and regulatory developments surrounding digital asset propositions.

How we engage

Effective client engagement has always been the foremost priority for ClearBank. We engage with our clients through regular and transparent communication in our day-to-day business activities and through formal communication channels and meetings. Each of our clients has a dedicated relationship owner who understands their business and possesses in-depth knowledge of their industry, who in turn are backed by a team of specialists to offer expert solutions and support when needed. We gain ongoing feedback from our clients through different means, including face-to-face meetings, phone conversations and online meetings, independent research, as well as by attending industry related events. It was another year of successful client events, including our annual client summer social. These events provide opportunities to engage with our clients in person, strengthen our relationships and to take on board their views and feedback. A key highlight in 2024 was our Client Advisory Board meeting, which hosted a small group of clients in London and fostered discussions around enhancing client relationships and driving industry-wide success.

Principal decisions

Following the issuance of ClearBank's European Banking License, the Board approved the launch of the Group's business in Europe, a key development that will facilitate our clients' crossborder payment initiatives.

The Board oversaw ClearBank's strategic plans that included further organisational changes of the sales function with the launch of the Client Success team providing a more dedicated focus on our clients' relationships, business performance and mutually desired outcomes.

The Board were kept informed of ClearBank's digital asset strategy. This included the joining of a new Digital Asset Business Manager to lead ClearBank's digital asset proposition. The new role will bring a dedicated focus working with current and future clients, staying ahead of regulatory and industry developments and shaping the right digital asset business for the market.

The Board has supported the continued investment into ClearBank's brand, which has been increasingly recognisable in our industry and beyond over recent years. This includes the renewed focus in 2024 on digital marketing to generate greater engagement with a wide array of clients and other ClearBank stakeholders.

Section 172 statement cont.

Environment

Why we engage

ClearBank recognises that deteriorating environments and particularly the impacts of climate change are among the greatest challenges facing the world today. A less hospitable environment affects all of our stakeholders, including the communities that we serve and rely upon. As a responsible business we aim to make a positive impact in our day-to-day business and we recognise our dependence on the environment for our business to operate and succeed in.

How we engage

ClearBank's engagement towards a better environment includes our ambitious Net Zero commitments, the analysis of our greenhouse gas emissions and the sustainability impacts of our business growth plans. We invest in understanding our environmental impacts, climate-related risks and opportunities. As discussed elsewhere in this Section 172 Statement, we focus on sustainability with our suppliers, as well as clients and other partners through a proactive engagement approach.

Principal decisions

ClearBank has made the environment, alongside sustainability more broadly, one of four company priorities, with dedicated resources assigned and senior-level sponsorship.

During the year, as part of enhancing governance on sustainability matters, the Board agreed and approved the following which will have a significant impact on the group's approach to climate change: Science-based Net Zero targets the Net Zero Transition Plan, ClearBank Sustainability Strategy and 2024 targets and the ClearBank Sustainability Policy.

Please refer to pages 24-25 for more information on the key climate-change related decisions and developments in 2024.

Shareholders

Why we engage

ClearBank cultivates long term partnerships with our investors who share our vision. The Board values their trust, expertise and views, and favours open dialogue with all our investors as we believe in a straightforward and transparent approach to investor engagement.

How we engage

The Board ensures that all our investors receive timely information. This includes our monthly financial performance and management reporting through investor packs and quarterly meetings to discuss progress against our business priorities, market updates and any other points of interest. Investors monitor the Group's performance and balance sheet position, holding the Board to account on progress against our plan.

Each year we hold ClearBank's workshops as part of our strategic planning, where the Board and our executive team meet in person to discuss and agree our long term objectives and the key business priorities for the forthcoming year. This strategy forms the basis of the annual budget and five-year planning process. Alongside Board review and approval of the plan and budget, investors are provided opportunities for further challenge and feedback ahead of their final approval of the plan and budget.

Principal decisions

There were no changes in the Board composition thus ensuring continuity in the leadership of the Group and established relationships with investors following the transition into the group structure in the previous year, enabling continued progress with international expansion.

After securing our European banking licence from the ECB under the supervision of the DNB in July 2024, the Board approved the launch of our business activities in the Europe bank, thus executing on the intended purpose of funds invested by our shareholders for international expansion.

The Board, alongside our investors, continues to carefully evaluate investment opportunities as they arise, ensuring alignment with our long term strategy and driving optimal returns on capital investment.

Section 172 statement cont.

Suppliers

Why we engage

At ClearBank we rely on a wide range of services delivered by over 250 individual third parties, ranging from multi-million pound material outsourcers to smaller SMEs. We rely on these suppliers to help us run our business. Working successfully with our suppliers requires high levels of expertise, an awareness of the regulatory landscape, a broad range of supplier management skills and capabilities, together with high levels of transparency.

We operate in commercially competitive markets and a highly regulated environment. ClearBank works with organisations that have values which are in the best interest of our clients and our long-term sustainability. We are committed to developing and fostering business relationships with high quality suppliers and partners who are themselves committed to specialised expertise, innovative technologies, and operate under ethical and environmental standards equivalent to our own, including in the fair treatment of clients, employees, and other stakeholders.

We partner with key suppliers who understand our business and our long-term strategy, which enables us to remain agile as we scale.

How we engage

Our relationships and engagement with our suppliers are governed by our supplier management procedures, including our outsourcing, procurement and third-party risk management policies. Each supplier is assigned a Supplier Owner, who is responsible for the engagement, relationship management and oversight of the supplier throughout the life cycle. Our Procurement and Third-Party Operations function supports Supplier Owners with the management of our most important supplier contracts, to maximise the effectiveness of these key relationships and to drive best practice.

As part of our ongoing oversight processes, Supplier Owners conduct periodic reviews as mandated by the supplier risk classification. These consider regulatory and contractual obligations, cost effectiveness, risks considerations and overall service provider performance. These reviews are tailored to the supplier's needs and give them the opportunity to interact with other stakeholders across ClearBank with the aim of enhancing the overall relationship.

ClearBank publishes its Supplier Payment Practices reports every six months, which are approved and signed by the Group Chief Financial Officer.

Principal decisions

Following the decision to invest significantly in a Procurement & Third-Party Operations team to increase our focus and capability in this area, the centralised function is now taking a more strategic view of the ClearBank supply base. This has the aim of achieving maximum long-term benefits with existing suppliers, whilst maintaining a minimised risk outlook.

The procurement function exists to ensure new third parties are sourced, vetted, negotiated, contracted, onboarded and managed in a safe, expert and straightforward way. The function has significantly developed its policies and procedures through the introduction of newly structured agile, safe and repeatable processes, which are now executed by colleagues around the business. This ensures that ClearBank and its suppliers experience consistently optimal outcomes from both new and existing third parties.

ClearBank's goal is to be a sustainability leader in our industry and we are committed to encouraging sustainability in our supply chain. See page 27 for our 2024 supplier engagement and improvements in supplier oversight. We will continue to work with our suppliers to better understand their environmental impact and to identify opportunities for environmental improvements and collaboration.

The strategic report was approved by the Board of Directors on 2 April 2025 and signed on its behalf by:



Mark Fairless

Group Chief Executive Officer

Promoting sustainable growth

Governance

- 45 Meet the Board
- 47 Group Board and Committee structure
- 49 Group Board activities
- 50 Group Audit Committee report
- 53 Group Risk Committee report
- 55 Group Remuneration Committee report
- 56 Group Nomination Committee report
- 57 Directors' report
- 60 Statement of Directors' responsibilities
- 61 Independent auditor's report

Meet the Board

The Group Board recognises that exemplary standards of Corporate Governance throughout are essential for the delivery of ClearBank's strategic objectives, regulatory compliance and stakeholder value.



Peter Herbert

Chair of the Group Board and Independent Non-Executive Director



Appointed

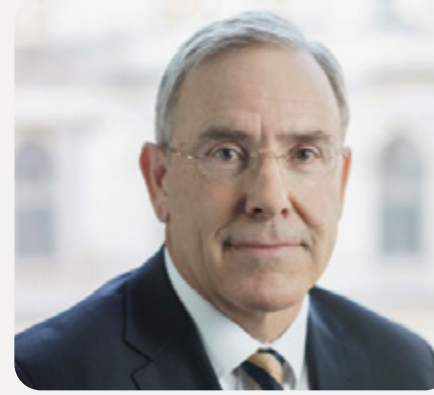
November 2023

Background

Peter Herbert is a Non-Executive Chair and advisor with 10 years of experience as a Non-Executive.

He currently chairs the Board of Bank of Ireland (UK) and is also a Non-Executive Director of President's Choice Bank (part of the Loblaw Group) in Toronto, Canada. He was previously Chair of Zopa Bank, a leading digital lender, for over five years.

Peter has almost 50 years of experience in banking and financial services both in the UK and internationally, gained predominantly with Barclays and GE Capital.



Tim Wade

Senior Independent Non-Executive Director



Appointed

November 2023

Background

Tim Wade has spent 40 years in professional services and financial services, which included being a Partner at Arthur Anderson and Chief Financial Officer of Colonial Limited. He has worked in Australia, Singapore and London with companies involved in retail and wholesale banking, pensions, wealth management and wholesale insurance.

For the past 17 years Tim has acted as a Non-Executive Director, specialising in Audit Committee Chair roles for various companies which include VirginMoney, Royal Bank of Canada (RBC) Europe, Macquarie Bank International, QBE Insurance and Friends Life.



Richard Anderson

Independent Non-Executive Director



Appointed

November 2023

Background

Richard Anderson is an experienced Non-Executive Director with a background as a Chartered Accountant and as a risk management consultant.

Throughout his audit and consulting career he worked with a range of organisations, from large global corporations through to small start-ups, INGOs and not-for-profit organisations, both in the UK and across multiple geographies. As a Non-Executive Director, Richard has a wealth of experience in payments, fintechs and banks. He is a former Chair of the Institute of Risk Management and a former partner at PwC.

Committee membership:

-  Chair of Committee
-  Group Audit Committee
-  Group Risk Committee
-  Group Nomination Committee
-  Group Remuneration Committee

Meet the Board



Susanne Hannestad

Independent Non-Executive Director



Appointed

November 2023

Background

Susanne Hannestad is an experienced international Non-Executive Board Director and Executive Director across the industries of financial services, financial technology, financial inclusion, cards, payments and insurance.

Susanne is a Non-Executive Director at Triodos Bank N.V.(publ), Zimpler AB, Crunchfish AB (publ) and Monty Mobile Ltd. She was also a former Executive Director at Nordea based in the Nordic and the Baltic. She was an Advisory Board Director at Mastercard Europe.



Mel Carvill

Non-Executive Director

Appointed

November 2022

Background

Mel Carvill has extensive international experience in the financial services industry and has held senior roles at PPF since 2009.

He currently serves as Vice Chairman of Aviva-Cofco Life Insurance, China, Non-Executive Chairman of Financial Services Opportunities Investment Fund and Non-Executive Chairman of Bank of Georgia Group. He also serves on the Boards of Guernsey Investment Fund Limited and Home Credit N.V.

Mel previously held numerous senior positions in Generali Group for over 20 years including as Head of Risk Management, Head of Corporate Finance and M&A, Head of Strategic Planning, and Head of Western Europe, Americas and the Middle East.



Charles McManus

Co-founder and Non-Executive Director

Appointed

October 2022

Background

Charles McManus is a Non-Executive Director and international banking professional with over 30 years of experience in financial services including global investment banking, wealth management and retail banking.

Prior to founding ClearBank in 2015, Charles was the Group Chief Financial Officer of RBS Ulster Bank Group until 2013, before which he spent 13 years with the Royal Bank of Canada (RBC). His time with RBC included being the Global Head of Product Control and culminated in his role as Chief Financial Officer of Europe and Asia.



Mark Fairless

Group Chief Executive Officer and Executive Director

Appointed

February 2023

Background

Mark Fairless is an Executive Director with over 19 years spent in the financial services industry, bringing extensive experience in strategic leadership and in delivering enterprise and functional transformation.

Prior to joining ClearBank in 2023 as its Chief Financial Officer, Mark was the Chief Financial Officer of the M&G Heritage Business and previously held senior management roles at Santander UK and Barclays Investment Bank. In May 2022 he also became a finance trustee of Bore Place (Home of Commonwork Trust), a non-profit organisation committed to exploring ways of living sustainably.

Group Board and Committee structure

Group Board function

The Group Board is responsible for the promotion of the long-term sustainable success of the Group. In formulating, reviewing, and approving the strategy and risk appetites, the Group Board is cognisant not only of the regulatory obligations but also of its obligations to all stakeholders, including clients, employees, shareholders, suppliers, the wider community and the environment.

The Group Board has the responsibility to maintain a system of internal controls, which provides assurance over the effectiveness and efficiency of operations, internal financial controls, and compliance with all applicable laws and regulations. Additionally, the Group Board is responsible for ensuring that the executive members maintain an effective risk management and oversight process across the Group to enable the delivery of the strategy and business performance within the approved risk appetite and risk control framework.

The Group Board's Terms of Reference include a formal schedule of matters specifically reserved for the Group Board's decision, which is reviewed at least biennially.

Group Board Committees

In October 2024, the Group Board established a number of Group Board Committees through which responsibility is delegated for certain matters, in order to provide effective oversight and leadership. These are the Group Audit Committee, the Group Risk Committee, the Group Remuneration Committee and the Group Nomination Committee. The Committee structure is shown in the diagram on the next page. Each Committee has written Terms of Reference which are reviewed at least biennially.

The Terms of Reference outline each Committee's role and responsibilities as well as the extent of the authority delegated by the Group Board. Matters are considered in a more detailed fashion by appropriate members of senior leadership and, where appropriate, the Committee Chairs make recommendations to the Group Board for consideration and approval. The Group Board receives updates for each of its Committee meetings and all Directors can access and review the respective Committee meeting minutes. Reports for the Group Board's Committees are set out later in this section and they include further detail on each Committee's roles and responsibilities and the activities undertaken during the year.

Executive Committees

The Group Board is supported by the Group Executive Committee and the executive sub-committees including the Enterprise Risk Management Committee (ERMC) and the Asset & Liability Committee (ALCO), which are in turn supported by their own sub-committees.

Each Committee meets regularly and then reports up to the Group Board where appropriate, with each executive also responsible for compiling departmental reports to the Group Board Committees.

The Group Board agenda in 2024

The Group Board uses its meetings to provide governance and oversight for business activities and as a mechanism for discharging its duties under section 172 of the Companies Act. Each Board meeting follows a carefully tailored agenda agreed upon in advance by the Group Chair, the Group Chief Executive Officer and the Group Company Secretary. Each Director may review the agenda and propose items for discussion, with the Group Chair's agreement.

An annual calendar of Board meetings is structured to ensure that all matters are given due consideration, also allowing a periodic review in line with financial and regulatory cycles. These meetings are also scheduled to coincide with relevant key dates and events.

The Directors receive detailed papers, including relevant updates on business performance and regulatory interactions, in advance of each Board meeting.

Meetings are structured to ensure that there is sufficient time for consideration and debate of all matters. In addition to scheduled or routine items, the Group Board also considers key issues that impact the Group as they arise.

Details of individual Directors' attendance at the scheduled meetings that took place in the year can be found on page 49.

Group Board and Committee structure cont.

Key Board activities during the year

The Group Board has spent time on the following material items during the year:

- Considering the strategic aims and performance of the business.
- Strategic projects affecting the Group, including external investment opportunities, corporate structure and the foreign exchange and multicurrency programme.
- Reviewing the competitive landscape and assessing commercial opportunities, including the ongoing management of a remote-first business.
- The ongoing development of the Group's enterprise risk management framework.
- Updates on the progress of discrete workstreams arising out of the Group Board's annual strategy days.
- IT, cyber, disaster recovery and business continuity planning, and associated projects.
- The Group's Purpose, Vision, and Code of Conduct which set out key behaviours for our people to apply across the Group in all business practices.
- Diversity, Equity & Inclusion (DE&I) review and initiatives, including formalising the DE&I framework, policy and plan for 2024.
- Oversight of development of climate change initiatives, strategy and framework.

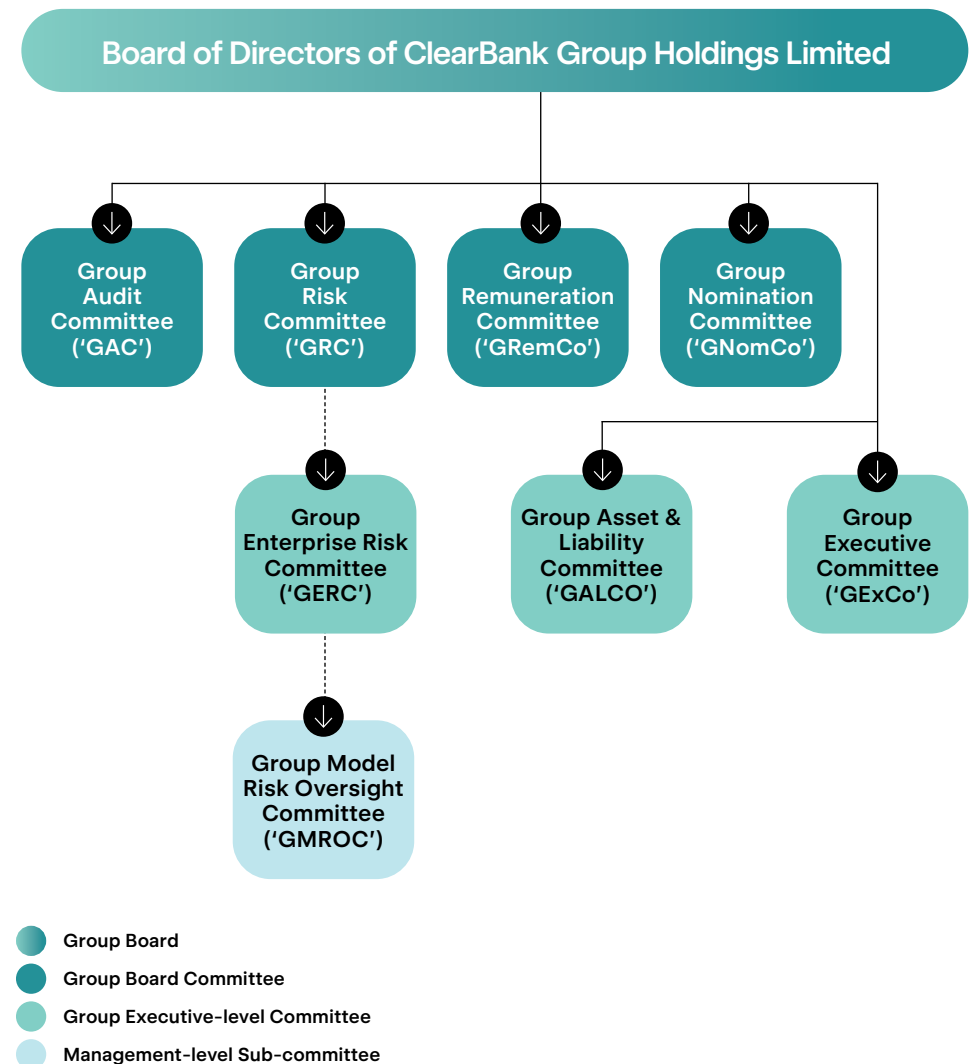
- Discussing the results of the Group's employee opinion surveys and follow-up actions proposed by management.
- Engagement with regulators and regulatory developments during the year.
- Capital planning and considering and approving the Internal Capital Adequacy Assessment Process (ICAAP).
- Reviewing the refresh and assessment of the liquidity assumptions and stress modelling to verify their ongoing adequacy.
- The annual review of the Group's risk appetite statements and risk management strategy.

Standing items

At every meeting, the Group Board receives and discusses updates from the Group Chief Executive Officer and Group Chief Financial Officer on the results of the Group.

The Group Chief Risk Officer and Group Chief Governance and Legal Officer have standing invitations and provide updates on their respective functions, including legal matters.

The Group Board also receives regular sustainability and Net Zero updates from the Group Chief Financial Officer and the Head of Sustainability.



Group Board activities

Directors

During this reporting period the composition of the Group Board of Directors remained unchanged and is composed of seven Directors, being the independent Group Chair, a Senior Independent Non-Executive Director, two further Independent Non-Executive Directors, a Non-Executive Investor Director and two Executive Directors.

Group Board and Committee attendance

The table below shows each Director’s attendance at scheduled Group Board and Group Board Committee Meetings held during the year, as well as ad-hoc meetings when these are required.

Attendance	Group Board	Group Audit Committee ^a	Group Risk Committee ^a	Group Remuneration Committee ^a	Group Nomination Committee ^b
Peter Herbert	6/6	–	1/1	1/1	–
Tim Wade	6/6	2/2	1/1	1/1	–
Richard Anderson	6/6	2/2	1/1	1/1	–
Susanne Hannestad	6/6	2/2	1/1	1/1	–
Mel Carvill	5/6	–	–	–	–
Charles McManus	6/6	–	–	–	–
Mark Fairless	6/6	–	–	–	–

a. Committee constituted in October 2024.
b. Committee constituted in October 2024 and no meeting held in the year.

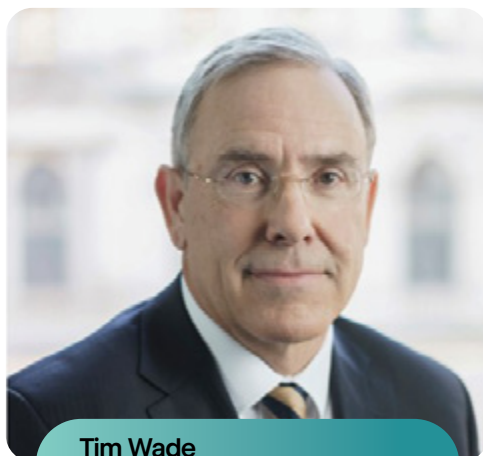
Approved by the Board of Directors and signed on behalf of the Group Board on 2 April 2025.

Phil House

Phil House
Chief Governance and Legal Officer



Group Audit Committee report



Tim Wade
Senior Independent
Non-Executive Director

Members of the Group Audit Committee

Tim Wade
Senior Independent Non-Executive
Director (Chair)

Richard Anderson
Independent Non-Executive Director

Susanne Hannestad
Independent Non-Executive Director

I present my first report to you as Chair of the Group Audit Committee ('GAC') for the year ended 31 December 2024. I have outlined below the key work of the Committee since it was constituted in October 2024, with full Group Board oversight of matters discussed in this report prior to the GAC's constitution. I would like to thank my Board colleagues, the Executive and the wider team for their work and support this year.

Key highlights of 2024

The Group Board and the Committee closely monitored the reporting of the Group's financial performance, characterised by continued monthly profitability of the UK bank and increased activity in the European bank, following the granting of its European banking licence under the supervision of the DNB in July 2024. Key to this activity were the Committee's and Group Board's review and challenge of the financial results presented by the Group Chief Financial Officer throughout the year, ensuring they were supported by robust processes and an effective financial control environment.

Earlier in the year, the Group Board approved the Group's very first consolidated financial statements for the year-ended 31 December 2023, during which the corporate restructure process took place. The restructure was a significant event through which the Company, ClearBank Group Holdings Limited, became the immediate parent entity of its UK bank subsidiary, ClearBank Limited. The approval followed scrutiny and feedback by the Group Board of management's consolidation procedures and their annual report and accounts ('ARA') disclosures, in addition to holding timely discussions with, and challenging, the external auditors.

In line with the Group's expansion plans centred on safety, efficiency and scalability built upon a strong control environment, the GAC are cognisant of the Finance Transformation Programme endorsed by the UK bank's Audit Committee in 2023, and started receiving updates following constitution in 2024. In 2024, the Finance Transformation Programme delivered a step change in capability for the Finance function, including the implementation of new Regulatory Reporting, Tax and Treasury Management Systems, and upgrades to the General Ledger, Accounts Payable and Procurement systems, automating critical processes, enhancing controls, and improving operational efficiency.

Looking ahead, the programme will continue in 2025 with plans to implement a new Management Reporting and Planning tool, further strengthening Finance's strategic role and vision of becoming a highly optimised function supporting the Group's sustainable growth ambitions.

Oversight of the broader internal control environment across the Group is a vital aspect of the GAC's remit. Through internal audits in 2024, there was an emphasis on strengthening the Group's IT and physical security, enhancing IT resilience, and improving data management practices. Supplier management was also a major

focus, underscoring the importance of robust oversight of third-party relationships to safeguard operational integrity. These efforts collectively contribute to reinforcing the Group's resilience and meeting regulatory expectations for operational risk management and control.

Making strong progress during the year on ClearBank's sustainability journey under the sponsorship of the Group Chief Financial Officer, management continued to embed sustainability in the Group's commercial strategy, operational decision making and governance frameworks. The Group Board reviewed sustainability targets through the year and approved the Group's new Sustainability Policy. Most notably, and as discussed further on pages 24 to 25 in the strategic report, the Group's new science-based Net Zero target and transition plan commensurate with its strategic objectives were approved by the Group Board in 2024.

Responsibilities of the Group Audit Committee

The GAC's purpose is to support the Group Board in carrying out its responsibilities in relation to the oversight of the Group's financial reporting and the internal control environment. This includes the following activities:

- Overseeing the integrity of the Group's financial statements and ensuring compliance with accounting standards and regulatory requirements.
- Monitoring the effectiveness of the Group's internal control systems and risk management frameworks.

Group Audit Committee report cont.

- Safeguarding the independence of, and overseeing the performance of, the Internal Audit function, including approving the internal audit plan.
- Overseeing the relationship with the external auditors, including their appointment, independence, and performance.
- Overseeing whistleblowing arrangements. The Chair of GAC is the Whistleblowing Champion in accordance with the Group's Whistleblowing Policy.

Composition and governance

GAC is made up of three Independent Non-Executive Directors, with recent and relevant financial services experience and experience of corporate financial matters, including accounting experience, in the banking and financial services industry. The Group Chair is not a member of GAC.

Standing invitees to GAC include the Group Chief Financial Officer, Group Chief Risk Officer, Chief Internal Auditor and the external auditor.

The Chairs of the GAC and Group Risk Committee ('GRC') are each members of the other's Committee.

Meetings and areas of focus

GAC was constituted in October 2024 and as a result has only met twice during the year. An oral report was made to the Group Board following the meeting and the approved minutes were subsequently provided. The GAC has received a post-budget tax update and has approved the Group Internal Audit Charter and the Group Internal Audit Plan for 2025.

As mentioned earlier in this report, the Group Board provided oversight of key areas prior to the GAC's establishment. The activities of the Group Board through the year and subsequently the GAC are categorised below into the broad areas under the GAC's remit.

Financial reporting

Amongst the core activities has been the assessment of the integrity of the annual audited financial statements of the Group, with a focus on key accounting policies and judgements of management. The GAC reviewed the clarity and completeness of disclosures in the consolidated financial statements to ensure compliance with accounting standards, legal requirements and regulations.

As part of these activities, the GAC established arrangements enabling it to ensure that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for stakeholders to assess the financial position and performance, strategy and business model of the Group.

Prior to the GAC and GRC's constitution, the Board oversaw the ICAAP which included review and approval of the scenarios for stress testing followed by approval of the final ICAAP report ahead of its submission to the PRA.

Throughout the year, the Group Board reviewed the quarterly finance and business performance reports and towards the end of the year the Group Board approved the Group's annual budget and five-year business plan. Additionally, the Group Board was kept informed of management's annual Horizon Scanning process for upcoming

accounting and corporate reporting disclosure changes with the potential to impact financial operations and planning. This included sustainability reporting requirements both in the UK and in Europe.

Internal audit

The GAC is responsible for assessing the overall quality of and effectiveness of the Internal Audit function, particularly in relation to the sufficiency and adequacy of resource. In addition, it should meet frequently with the Chief Internal Auditor, in the absence of management, to discuss any issues of relevance to the GAC or the Group Board. During the year, as well as ensuring the independence and objectivity of the Internal Audit function, the Group Board approved its role and remit via the annual review of the Internal Audit Charter.

As part of the GAC's core activities and prior to its constitution, the Group Board reviewed internal audit reports assessing the current-state adequacy and effectiveness of the Group's internal systems and controls. It also reviewed management's responsiveness in remediating internal audit findings and actions. The Group Board provided oversight ensuring appropriate and independent methods and tools were applied to audit work via the annual review of the Internal Audit Methodology.

The annual Audit Plan is an essential part of the Group's agenda for strengthening the internal control environment and continuous improvement to keep pace with changes within the Group and externally. The Group Board reviewed progress against the fully risk-based annual Audit Plan together with the results of other assurance work performed by the Internal Audit function. As noted

above, following its constitution the GAC has approved the Group's latest Audit Plan for 2025.

External audit

Reviewing and assessing the effectiveness of the external audit was a core activity during the year. The GAC, supported by the Group Board prior to its constitution, oversaw the relationship with the external auditor and considered their suitability, their expertise and availability of resources and the ongoing arrangements.

The Group Board discussed with the external auditor, before the audit commenced and prior to the GAC's constitution, the nature and scope of the audit and their risk assessment. Throughout the audit execution, the GAC reviewed the findings of the auditors' work, including any key issues that arose during the course of the audit and which have subsequently been resolved or remain unresolved.

At the outset, the Group Board approved the terms of engagement with the external auditors and their remuneration in respect of services provided. The Board agreed fees for the 2024 audit of the Group as follows:

Group entity	2024	2023
ClearBank Group Holdings Limited ('the Company')	£87,500	£35,000
ClearBank Limited ('the UK bank')	£380,000	£377,500
ClearBank Europe N.V ('the Europe bank')	€87,500	–

Group Audit Committee report cont.

Significant accounting judgements and estimates

The GAC reviewed the significant matters involving accounting judgements and estimates set out alongside in relation to the Group's consolidated financial statements for the year ended 31 December 2024.

The accounting judgements and sources of estimation uncertainty outlined below are those identified as having the potential to have a significant effect on the consolidated Statement of final position in the next 12 months. The GAC discussed these items at various stages with management during the financial year and during the preparation and approval of the consolidated financial statements. The GAC also reviewed these matters with the auditors during the audit planning process and at the conclusion of the year-end audit.

In concluding, I would like to thank management and my Committee colleagues for helping deliver and oversee a robust governance structure for finance and controls.

This report was approved on behalf of the Group Audit Committee on 2 April 2025.

Tim Wade

Chair of the Group Audit Committee

Matter	Accounting judgement or estimates	Key considerations	Role of the Committee	Conclusion
IAS 38: Capitalisation of intangible assets	Accounting judgement	Appropriate application of the recognition criteria including assessing whether future economic benefits derived from the asset are sufficient to recover the costs capitalised. Assessing methodologies, controls and processes governing the estimates used in determining the amount of time spent directly on development.	We considered management's capitalisation policy and we satisfied ourselves that the procedures performed by management to apply the recognition requirements for internally developed intangibles were robust and comprehensive.	We concluded that the capitalised assets were appropriate and accurate at the year end, and the procedures in place were sufficiently robust to ensure the correct application of the IFRS.
IAS 36: Impairment of internally developed intangible assets	Accounting judgement	Assessing the judgements on the obsolescence of the internally developed software and its ability to generate positive cash flows for the business.	We considered management's paper on the internal and external indicators of impairment and satisfied ourselves that the procedures performed by management to identify these indicators were robust.	We concluded that the determination of the indicators of impairment were sufficient and appropriate, and therefore the assets have been impaired where necessary.

Group Risk Committee report



Richard Anderson
Independent Non-Executive
Director

Members of the Group Risk Committee

Richard Anderson
Independent Non-Executive Director
(Chair)

Susanne Hannestad
Independent Non-Executive Director

Peter Herbert
Independent Non-Executive Director

Tim Wade
Senior Independent Non-Executive
Director

I am pleased to present my first report to you as Chair of the Group Risk Committee ('GRC') for the year ended 31 December 2024. The GRC's principal roles and responsibilities are to support the Group Board in establishing risk appetite and in its oversight of risk management across the Group. The identification, management and mitigation of risk are fundamental to the success of the Group.

Key highlights of 2024

2024 has seen the Group further develop its governance and oversight arrangements. For much of the year and as such arrangements matured, responsibilities of the GRC were fulfilled by the Group Board. The latter approved the constitution of its Board Committees, including the GRC, in October 2024. Thereafter, the inaugural meeting of the GRC took place in December 2024.

During the year, the focus of the Board has been on setting out the Group Policy Framework under which the parent entity, ClearBank Group Holdings Limited, and its subsidiaries will operate. The Group Board approved the Group Risk Appetite Statements and in September 2024 received the first Group level risk reporting enabling oversight and monitoring of the overall Group's risk profile. Additionally, the Group Board and executive management conducted a 'top risk and external threats' exercise to identify pertinent risks facing the Group in the achievement of its strategic objectives.

Safety and scalability have stayed at the top of the Group Board's agenda, as management mobilised the ClearBank Group Holdings Limited and oversaw the growth of the UK bank. The opening of the Europe bank in the Netherlands marked a pivotal milestone in July 2024 with the granting of a European

banking licence under the supervision of the DNB. As the Group continues to expand its product and service offering, the licence now enables the European bank to provide its new propositions across Europe.

Responsibilities of the Group Risk Committee

The GRC's purpose is to assist the Group Board in carrying out its responsibilities in relation to the oversight of risk across the Group. This includes the following activities:

- Reviewing and advising the Group Board on the Group's risk appetite, tolerance and strategy.
- Reviewing and advising the Group Board on the suitability and effectiveness of the Group's ERMF.
- Reviewing and advising the Group Board on the Group's compliance with prudential and conduct regulatory requirements.
- Safeguarding the independence of and overseeing the performance of the Group's Risk Function including the sufficiency of resources.
- Advising the Group Board on the risk aspects of proposed changes to strategy and strategic transactions.

- Monitoring and reviewing the effectiveness of the Group's risk management and risk related internal control systems.
- Overseeing adherence to the Group's risk principles, policies and standards.
- Reviewing exceptions and breaches to Group Board approved policies.
- Overseeing the risks associated with the Group's complex and material financial models.
- Reviewing reports from the UK bank and Europe bank's respective Money Laundering Reporting Officers (MLROs) and the adequacy and effectiveness of the Group's financial crime controls
- Reviewing the Group's ICAAP, Strategic Capital Plan and Resolution and Recovery Plan and recommending them to the Group Board for approval.
- Ensuring future risks are anticipated in terms of their potential impact on the business through regular horizon scanning exercises.

Composition and governance

GRC is made up of four Independent Non-Executive Directors, all of whom have recent and relevant financial services experience and extensive experience of corporate risk matters in the banking and financial services industry. The Board is satisfied that the Committee members have the skills and competence required to fulfil the Committee's duties and responsibilities set out within its Terms of Reference.

Standing invitees to the GRC include the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer and Chief Internal Auditor. The Chair of the GRC is a member of the other Committees.

Group Risk Committee report cont.

The Group Chief Risk Officer is accountable to the GRC and has a reporting line of responsibility into the Chair of the GRC.

Meetings and areas of focus

GRC was constituted in October 2024 and as a result has only met once during the year. An oral report was made to the Group Board following the meeting and the approved minutes were subsequently provided.

The GRC approved the Group's Risk Taxonomy, including Level 1 and Level 2 risks, and the Group's qualitative risk appetite statements and metrics. The Committee also reviewed and approved the Group's Risk Policy Framework. A Group Chief Risk Officer was appointed, one of whose responsibilities is to bring all relevant risk issues to the Committee's attention.

As mentioned earlier in this report, the Group Board provided oversight of key areas prior to the GRC's establishment. These areas included the transition to the Group structure including the evolution of the Group ERMF, implementation of a Group Policy Framework that saw an uplift of existing policies and standards to align them with the Group target operating model requirements, as well as supporting initiatives which are part of the overall risk strategy.

During the year, the Group Board approved our very first Group ICAAP document, following a robust process of scenario planning, selection and testing and a significant collaborative effort across the Group. As ClearBank Group Holdings Limited is a regulated bank holding company based in the UK, these documents were required to be submitted to the PRA.

The Group Board had regular discussions on various items impacting the Group's strategy, including the launch of the Europe bank, transition to the new governance structure and operating model and standing discussions on operational resilience, financial crime, information security and cyber security risks. Regulatory compliance has remained a key area of focus, as the UK bank embedded the FCA's new Consumer Duty obligations and reporting requirements.

2024 has been a transitioning year for the Group's governance arrangements with the Board Committees being successfully constituted, including the GRC. I would like to thank my fellow Board colleagues for their support during this pivotal year for the Group and I look forward to working with them on the GRC's busy agenda ahead in 2025.

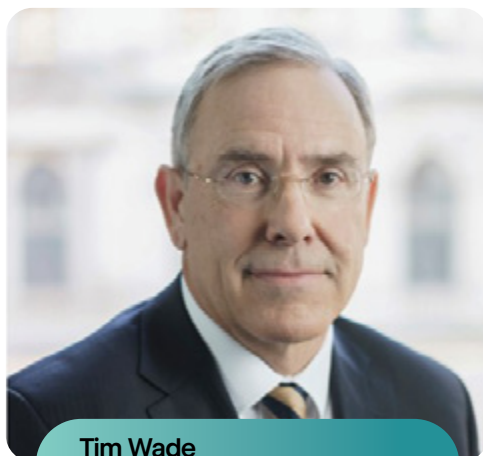
This report was approved on behalf of the Group Risk Committee on 2 April 2025.

Richard Anderson

Chair of the Group Risk Committee



Group Remuneration Committee report



Tim Wade
Senior Independent
Non-Executive Director

Members of the Group Remuneration Committee

Tim Wade
Senior Independent Non-Executive
Director (Chair)

Richard Anderson
Independent Non-Executive Director

Susanne Hannestad
Independent Non-Executive Director

Peter Herbert
Independent Non-Executive Director

Following my earlier Committee report for the GAC, I now present this report in my capacity as Chair of the Group Remuneration Committee ('GRemCo') for the year ended 31 December 2024.

The GRemCo has delegated responsibility from the Group Board for reviewing the performance of the Executive Directors and the remuneration of the Directors and other senior executives. The following sections set out the responsibilities of the Committee, its composition and the key areas of focus in 2024.

Responsibilities of the Group Remuneration Committee

The GRemCo's purpose is to assist the Group Board in carrying out its responsibilities in relation to the oversight of risk across the Group. This includes the following activities:

- Reviewing and approving the remuneration framework for senior executives, including fixed and variable pay, performance metrics, and benefits.
- Ensuring remuneration practices promote the long-term interests of the Group and its stakeholders.
- Overseeing the remuneration arrangements for the UK and Europe banks, ensuring alignment with the Group's overall remuneration strategy.
- Determining the fees for ClearBank Group Holdings Limited's Directors, ensuring that compensation aligns with ClearBank Group Holdings Limited's policies and market standards.
- Overseeing workforce remuneration and related policies.
- Ensuring that changes to pay and all other incentives including annual bonuses and any share awards are clear, concise and, as much as is practicable, measurable

to ensure those who are included understand the overarching policies and goals they are being set. Remuneration schemes should include appropriate ratios between fixed and variable components of total remuneration.

- Working with and seeking advice from the Group Risk Committee and other relevant internal and external parties on the management of remuneration risk and its impact on remuneration outcomes.

Composition and governance

GRemCo is made up of four Independent Non-Executive Directors. Where appropriate, GRemCo consults external advisers on remuneration and regulatory issues to align with the strategic aims of the Group and regulatory compliance requirements. GRemCo did not consult with such external advisers during the year ended 31 December 2024.

Standing invitees to GRemCo include the Group Chief Executive Officer and Group Chief Human Resources Officer.

Meetings and areas of focus

As mentioned already in the preceding Committee reports, 2024 has been a year for the Group establishing its governance and oversight arrangements. For most of the year and with the maturing of these arrangements, responsibilities of the GRemCo were fulfilled by the Group Board and UK bank's Remuneration Committee, with only a limited number of roles aligned to ClearBank Group Holdings Limited prior to October 2024.

During the year, the Group Board oversaw the remuneration for interim executive appointments.

The Group Board approved the constitution of its Board Committees, including the GRemCo, in October 2024. Thereafter, the inaugural meeting of the GRemCo took place in December 2024.

During the inaugural meeting, the GRemCo approved the Terms of Reference for the committee and Remuneration Policy, setting out the framework under which ClearBank Group Holdings Limited and its local entities will operate in relation to remuneration matters.

In addition to this, the GRemCo oversaw the implementation of fair and transparent reward principles to ensure that the Group can attract, motivate and retain high calibre employees in a manner that is compliant with the requirements of the company's risk appetite and the frameworks of the FCA, the PRA and equivalent European regulators. Indicative year-end remuneration outcomes for employees of ClearBank Group Holdings Limited were also reviewed as well as the process and timeline for the 2024 remuneration cycle.

An oral report was made to the Group Board following the meeting and the approved minutes were subsequently provided.

This report was approved on behalf of the Group Remuneration Committee on 2 April 2025.

Tim Wade

Chair of the Group Remuneration Committee

Group Nomination Committee report



Peter Herbert
Chair of the Group Nomination Committee

Members of the Group Nomination Committee

Peter Herbert
Independent Non-Executive Director (Chair)

Richard Anderson
Independent Non-Executive Director

Susanne Hannestad
Independent Non-Executive director

Tim Wade
Senior Independent Non-Executive Director

It is my pleasure to present to you my first report as Chair of the Group Nomination Committee ('GNomCo') for the year ended 31 December 2024.

The GNomCo has delegated responsibility from the Group Board to lead the process for appointments and to ensure plans are in place for orderly succession to the Group Board and senior management, as well as reviewing the structure, size and composition of the Group Board on a regular basis. The following sections set out the key work of the Committee in the short time since it was constituted in October 2024.

Responsibilities of the Group Nomination Committee

- Reviewing and recommending the composition and performance of the Group Board and its Committees.
- Leading the process for appointments to the Group Board and senior management positions.
- Planning for orderly succession for Group Board members and senior management.
- Promoting diversity in gender, social and ethnic backgrounds, and cognitive strengths.
- Overseeing and monitoring the Group corporate governance framework.

Composition and governance

GNomCo is made up of four Independent Non-Executive Directors.

Standing invitees to GNomCo include the Group Chief Executive Officer and Group Chief Human Resources Officer.

Meetings and areas of focus

Similar to those of the other Board Committees, responsibilities of the GNomCo were fulfilled by the Group Board prior to its constitution in October 2024.

During the year, the Group Board oversaw the appointment of an Interim Chief Audit Officer and Interim Chief Risk Officer. The Group Board also oversaw the recruitment and appointment process for key senior management positions in the UK and Europe banks.

The Group Board approved the constitution of its Board Committees, including the GNomCo, in October 2024 and did not meeting during the remainder of 2024.

This report was approved on behalf of the Group Nomination Committee on 2 April 2025.

Peter Herbert

Chair of the Group Nomination Committee



Directors' report



Mark Fairless
Group Chief Executive Officer

The Directors present their report and the consolidated financial statements of ClearBank Group Holdings Limited ('the Group', or 'ClearBank') for the year ended 31 December 2024.

The financial statements have been prepared in accordance with UK adopted international financial reporting standards ('IFRS').

Principal activities

The principal activities of the Group are the development of a clearing bank platform and provision of business banking services to support financially regulated and fintech businesses in the UK and in Europe. The principal activity of the Company, ClearBank Group Holdings Limited, is to serve as a regulated group holding company for its subsidiaries; ClearBank Limited and ClearBank Europe N.V.

Results and dividends

The results of the Group for the year are set out in the Consolidated Statement of Comprehensive Income on page 69. No dividend was declared or paid during 2024 (2023: £nil).

2024 key events

In September 2024, the Company received £35 million as capital injection from its parent undertaking, CB Growth Holdings Limited, which subscribed for 35 million Ordinary Shares at £1.00 each.

In September 2024, the Group Board approved the launch of the European business following the granting of the European banking licence. This was followed in October 2024 by the Group Board formally constituting the Group Risk Committee, Group Audit Committee, Group Remuneration Committee and Group Nomination Committee.

During the year, the Company granted a total of 29,280 employee share options (2023: 56,177). The awards are subject to the service-based vesting condition that the employees remain in the employment of the Company until the end of the agreed vesting period. The cumulative total estimated fair value of options granted is £31.1 million (2023: £26.8 million). Further details of share-based payments can be found in Note 24 on page 94.

Share capital

Details of the share capital, together with details of shares allotted during the year, is disclosed in Note 19 to the consolidated financial statements on page 90.

Going concern statement

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future (taken as 12 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, including the current macroeconomic and geopolitical uncertainties, where we do not see any material impact, either directly as a business or indirectly through our partners, on the current state of the balance sheet, projections of profitability, cash flows, capital resources and the longer term strategy of the business.

The capital and liquidity plans, including stress tests, have been reviewed by the

Directors. The 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. After making due enquiries the Directors believe that the Group has sufficient resources to continue its activities for the foreseeable future and to continue its expansion, and has sufficient capital to enable it to continue to meet its regulatory capital requirements as set out by the PRA and the DNB.

Post balance sheet events

On 14 February 2025, the Company invested €22 million into its wholly owned subsidiary, ClearBank Europe N.V., by way of capital injection subscribing to 22 million ordinary shares of €1.00 each issued by the subsidiary.

Future developments in the business and research and development activities

Section 414A of the Companies Act 2006 requires the Directors to present a Strategic report in the Annual Report and Accounts. This report can be found on pages 3 to 43.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its Strategic report that would otherwise be disclosed in this Directors' report:

- an indication of likely future developments – throughout the strategic report
- research and development activities – page 10 of the strategic report

Directors' report cont.

Directors

The Directors holding office during the year ended 31 December 2024 and at the date of the report were as follows:

- Peter Herbert
- Tim Wade
- Richard Anderson
- Susanne Hannestad
- Mel Carvill
- Charles McManus
- Mark Fairless

Further details relating to the Directors are provided on pages 45 to 46 and on the ClearBank website.

Directors' statement on auditors

So far as the Directors at the date of approving this report are all aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken the steps that they ought to have as a Director to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

Financial instruments and financial risk management

The Group primarily finances its activities by the issue of ordinary share capital to investors. It also holds other financial instruments on its balance sheet, including cash deposits held at the Central Banks, short term receivables and amounts due to customers classified as financial liabilities. Refer to Notes 22 and 23 of the consolidated financial statements for further details.

None of these financial instruments are used for the purposes of financial risk management, and the majority are held at amortised cost which therefore does not cause exposure to price risk. See Note 23 of the notes to the consolidated financial statements for more details on financial risk management.

The Group has assessed there is no credit risk associated with the financial assets held at amortised cost and has recognised immaterial Expected Credit Losses ('ECL') under IFRS 9. The Group's banking deposits are subject to variable interest rates. More details of the Group's financial instruments can be found in Note 22 of the notes to the consolidated financial statements.

Branches

The Group does not have any branches inside or outside of the UK.

Policies concerning people with disabilities

ClearBank seeks to ensure all employees are treated equally, fairly and in line with the Equality Act 2010. We ensure all employees can realise their full potential and our policies and procedures fully support our disabled colleagues. We actively take positive measures by way of reasonable adjustments and processes to ensure employees are fully supported.

As an employer, we are responsive to the needs of our employees. As such, should any employee become disabled during their time with us, we will actively support them and make reasonable adjustments to their working environment where possible, to keep the employee with the business. It is ClearBank's policy that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to those of other employees.

Other statutory and regulatory information

The following disclosure required pursuant to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as updated by Companies (Miscellaneous Reporting) Regulations 2018 have been disclosed in the strategic report on pages 3 to 43 in accordance with Section 414C of the Companies Act 2006, as the Directors consider the matters to be of strategic importance to the Group:

- Engagement with employees (Sch. 7, Para 11 and 11A 2008/2018 Regs) – page 18 to 20
- Engagement with suppliers, customers and others in a business relationship (Sch. 7, Para 11 B 2008/2018 Regs) – page 40 to 43

Directors' indemnities

The Directors who served on the Group Board up to the date of this report have benefited from qualifying third-party indemnity provisions by virtue of deeds of indemnity entered into by the Directors and the Company. The deeds indemnify the Directors to the maximum extent permitted by law and by the Articles of Association of the Company, in respect of liabilities (and associated costs and expenses) incurred in connection with the performance of their duties as a Director of ClearBank Group Holdings Limited and any associated company, as defined by section 256 of the Companies Act 2006.



Directors' report cont.

Streamlined Energy and Carbon Reporting ('SECR')

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the Government's policy on Streamlined Energy and Carbon Reporting ('SECR'). ClearBank meets the mandatory reporting criteria for SECR legislation. See also our climate-related financial disclosures on page 28.

SECR reporting has been prepared in accordance with the Greenhouse Gas ('GHG') Protocol Corporate Standard, combining both activity and spend input data and leveraging independent data sources such as DEFRA, Exiobase and AIB to estimate emissions.

Shared office space energy usage has been allocated according to square footage. We continue to produce no Scope 1 emissions. Market-based Scope 2 emissions were reduced by 97% through investment in renewable electricity, representing a 97% reduction in carbon intensity (Scope 2 emissions/FTE).

In 2024 we invested in renewable energy certificates for our London office. We use energy certificates to match our electricity usage to renewable energy, reducing our emissions by 46 tCO₂e. Today this regulated system is annualised, which means companies can match their energy use with renewable energy produced at any point in the year regardless of when they consume the power. At ClearBank, we've adopted market leading standards in matching at least 89% of our electricity use to renewable electricity, on an hourly basis, from May 2024 to December 2024.

With support from Big Clean Switch and Granular Energy, we've applied assumptions to achieve this with imperfect data, and in 2025 we will focus on improving the accuracy of our hourly energy matching commitment.

Scope 3 emissions make up the vast majority of ClearBank's GHG emissions, with purchased goods and services being ClearBank's largest category of emissions. In 2024, ClearBank reduced Scope 3 carbon intensity (Scope 3 emissions/PV) by 38%. Absolute Scope 3 emissions decreased by 11% compared to 2023, as the business grew rapidly with payments volume increasing by 44% over the same period.

Both absolute emissions and emissions intensity are on track for achieving our near-term and long-term Net Zero commitments. See pages 24 to 25 for our decarbonisation activity in 2024.

The period of reported emissions for 2024 corresponds with the 12-month period of this Directors' report. However, 2023 emissions shown correspond to 12 months of emissions in accordance with the requirements of the SECR regulations. This is despite the Group's results being consolidated for a 10-month period in 2023. Management consider 12 months of carbon emissions to be more useful for the reader, enabling comparability and assessment of the carbon reduction performance of the Group for equivalent periods going forward.

The Directors' report was approved by the Board of Directors on 2 April 2025 and signed on its behalf by:



Mark Fairless

Group Chief Executive Officer

	2024	2023	2022
Total Energy Consumption (kWh)	124,591	124,071	138,922
Emissions from combustion of gas (Scope 1)	–	–	–
Market based emissions from purchased gas & electricity (Scope 2) ¹	1.3	41.1	29.2
Emissions of upstream activities (Scope 3)	1,973	2,218	2,015
Total emissions	1,974	2,259	2,044
Payments Volume (PV, million) ²	309	215	155
Payments Carbon Intensity ratio (tCO ₂ e/PV) ³	6.4	10.5	13.2
Full-time equivalent employees (FTE)	786	720	519
FTE Carbon Intensity ratio (tCO ₂ e/FTE)	2.5	3.1	3.9

1. Market based emissions reflect adoption of renewable energy certificates in 2024. Location based Scope 2 emissions were 24.2 tCO₂e (2023: 26.9 tCO₂e) reflecting local grid energy mix.

2. Payment volumes shown here includes internal transfers between ClearBank customers in addition to scheme payments.

3. Payment volume is considered a better indicator of ClearBank's growth than FTE. Additionally, FTE intensity is included for ease of comparison with our peers.

Statement of Directors' responsibilities



Mark Fairless
Group Chief Executive Officer

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable laws and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law, they are required to prepare consolidated financial statements in accordance with UK adopted international financial reporting standards ('IFRS').

Under Company Law, the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the consolidated 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 they have been prepared in accordance with UK adopted IFRS.
- Assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group 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 Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Group's auditors are unaware.

The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This version ensures that the responsibilities and requirements are clearly stated for the consolidated financial statements of the Group.

Approved by the Board of Directors and signed on behalf of the Board on 2 April 2025 by:

A handwritten signature in black ink, appearing to read 'M Fairless', written over a horizontal line.

Mark Fairless
Group Chief Executive Officer



Independent auditor's report to the members of ClearBank Group Holdings Limited

Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of ClearBank Group Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent

Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

We were appointed by the directors of ClearBank Group Holdings Limited on 11 May 2023 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 3 years, covering the years ended 31 December 2022 to 31 December 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the Directors' assessment of the going concern assumption applied in the financial statements and evaluating the appropriateness of Directors' method of assessing going concern in light of the current macroeconomic environment, inflationary pressures, as well as our understanding of the Group's strategy, forecasts, Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) submissions and Prudential Regulation Authority (PRA) minimum capital requirements;
- challenging the Directors' assumptions and judgements (for example, budgeted revenues and costs) applied within the forecast for consistency with our understanding of the business, observations of historic trends, and other corroborative information (for example, customer pipeline reports);
- testing the sensitivity of certain assumptions applied in the forecast through independent sensitivity analysis;
- confirming the arithmetical accuracy of the forecasts;
- considering the historical accuracy of

forecasts through comparison of actual results with prior years forecasts; and

- assessing whether additional funds are required to execute the base assumptions in the Company's business plan, sensitising those assumptions in consideration of subsequent events, and reviewing fundraisings executed to date to supporting documentation; and
- assessing the adequacy and appropriateness of the Directors going concern disclosures ensuring these reflect the key judgements and estimates.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company'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.

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

Overview		2024
Key audit matters	Capitalisation of software development costs	✓
	This is the first year that Key Audit Matters are being reported	
Materiality	Group financial statements as a whole	
	£1.669m (2023: £1.618m) based on 1.5% of Net Revenue (2023: 1.5% of Expenses excluding interest paid).	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

For the purpose of our group audit, the group consisted of one component in total. This was comprised of three legal entities, being ClearBank Group Holdings Limited, ClearBank Limited and ClearBank Europe N.V.

For the component in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls.

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Involvement of climate-related experts in evaluating managements risk assessment; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of managements disclosures included as 'Statutory Other Information' on page 28 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

Key audit matter

Capitalisation of software development costs - £24.1 million (2023: 15.2 million)

The estimates and judgements and the accounting policy, in respect of the capitalisation of the software development expenses, are disclosed in note 3.1 and in note 2.3 respectively, of the Consolidated Financial Statements.

Further information on the balance is included in note 15 of the Consolidated financial statements.

Software development costs in respect of internally generated software are recognised as an intangible asset only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

There is a risk that the software development costs, which include staff and contractor costs, are not capitalised appropriately in accordance with the criteria of the applicable accounting standards due to the judgement applied in meeting the requirements of IAS 38.

How the scope of our audit addressed the key audit matter

We obtained a breakdown of the software costs capitalised and reviewed the Group's methodology and accounting policy for capitalisation. We have assessed whether these were in line with the capitalisation requirements of the applicable accounting standards

We obtained an understanding of controls related to software development, specifically the requirement for management approval for production release of work items therefore indicating the existence of projects included in capitalised costs. We performed testing over the operating effectiveness of these controls.

For contractor and supplier costs capitalised, we have agreed a sample of costs to invoices, and where relevant, workings supporting the percentage capitalised.

For staff costs, we have audited the Group's payroll and agreed amounts capitalised to the underlying payroll reports.

For software costs, we agreed a sample of costs to invoices and the amount allocated to internally developed intangibles.

For the samples tested above, we assessed whether the costs capitalised met the capitalisation requirements of the applicable accounting standards.

We have enquired with individuals to corroborate our understanding and the breakdown of costs that have been capitalised.

We have assessed future economic benefits attributable to the capitalised software development costs based on the forecasts used to support the going concern assumption and the deferred tax asset recoverability, as well as revenues generated to date.

We have challenged management's assessment of impairment indicators relating to intangible assets by reviewing projects in development to which no costs were capitalised in the year. We also considered why this is not indicative of a requirement for impairment.

Key observations:

Based on the work performed, we did not identify any matters to suggest that the capitalisation of the software development costs was inappropriate.

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, 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.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £k	2023 £k	2024 £k	2023 £k
Materiality	1,669	1,618	1,669	1,618
Basis for determining materiality	1.5% of Net revenue, being revenue less interest expense (excluding other income)	1.5% of total expenses, excluding interest paid	1.75% Net Assets, capped at group materiality	2% of Net Assets, capped at group materiality
Rationale for the benchmark applied	Net Revenue has stabilised and become a more relevant benchmark for users of the financial statements in this for-profit Group. This benchmark is aligned to that used by the main trading entity of the Group, ClearBank Limited.	We considered expenses to be the key consideration in assessing the financial performance of the Group at this stage of its development. In 2023, we excluded interest expense given the magnitude of the increase.	Materiality was capped at Group materiality for the purposes of the audit.	
Performance materiality	1,251	1,213	1,251	1,213
Basis for determining performance materiality	75% of the above materiality levels based on our risk assessment together with our assessment of the Group's and Parent Company's overall control environment and history of misstatements.			
Rationale for the percentage applied for performance materiality	Various criteria were considered in order to determine the performance materiality threshold, such as past significant misstatements, management's historic response to proposed adjustments, the complexity of the audit, and the brought forward adjustments from prior periods.			

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

Component materiality

For the purposes of our Group audit opinion, all procedures on the component have been performed to Group performance materiality.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £83k (2023: £80k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Consolidated Annual Report and Accounts, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

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 Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements 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.

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given throughout the Annual Report and Accounts for the financial year ended 31 December 2024 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance, members of the Audit Committee, Members of the Board of Directors and Members of Internal Audit;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Discussion with personnel in the legal department;

we considered the significant laws and regulations to be the Companies Act 2006, UK tax legislation and UK adopted International Accounting Standards. We also considered the Group's compliance with the licence conditions and supervisory requirements of the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment taxes, health and safety, and the Bribery Act 2010. Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

Independent auditor's report cont.

to the members of ClearBank Group Holdings Limited

- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Enquiring of management, the Audit Committee, and the Board of Directors of their knowledge of instances of non-compliance with laws and regulations; and
- Obtaining an understanding and considering the effectiveness of the control environment related to monitoring compliance with laws and regulations.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management Override of Controls and Capitalisation of Software Development costs.

Our procedures in respect of the above included:

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, including the Audit Committee, the Board of Directors and Internal Audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- In addressing the risk of fraud through management override of controls, testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- In response to the risk of fraud in the capitalisation of software development costs, the procedures performed in the 'Key Audit Matter' section above;
- Understanding all the relevant systems and processes, including the design and implementation of key controls and testing the operating effectiveness of IT General Controls in areas carrying a significant risk of material misstatement; and

- Assessing significant estimates made by management for bias (refer to key audit matter section above).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Stefan Beyers

Stefan Beyers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
2 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Investing for the next phase

Financial Statements

69	Consolidated statement of comprehensive income
70	Consolidated statement of financial position
71	Consolidated statement of changes in equity
72	Consolidated statement of cash flows
74	Notes to the financial statements
97	Company statement of financial position
98	Company statement of changes in equity
99	Notes to the Company financial statements
102	Appendix
104	Glossary

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	Year ended 31 Dec 24 £'000	Reclassified ¹ 10-month period ended 31 Dec 23 £'000
Interest income	5	425,289	198,363
Interest expense	5	(358,179)	(138,394)
Net interest income		67,110	59,969
Fee income	5	47,141	21,624
Fee expenses	5	(2,952)	(1,922)
Net fee income		44,189	19,702
Other income	5	787	502
Total income		112,086	80,173
Staff costs	6	(67,335)	(40,258)
Depreciation	13, 14	(1,693)	(1,523)
Amortisation of intangibles	15	(11,643)	(5,935)
Impairment	15	(1,584)	(246)
Other operating expenses	7	(39,780)	(30,824)
Operating expenses		(122,035)	(78,786)
Operating (loss)/profit		(9,949)	1,387
Other losses		(165)	(79)
Finance costs		(130)	(38)
(Loss)/profit for the year/period before taxation		(10,244)	1,270
Taxation	9	(74)	3,110
(Loss)/profit for the year/period after taxation		(10,318)	4,380
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(767)	(17)
Total other comprehensive loss		(767)	(17)
Total comprehensive (loss)/income for the year/period		(11,085)	4,363

1. The Group has reclassified the prior year comparatives. See Note 16 for further information.

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

Consolidated statement of financial position

as at 31 December 2024

	Notes	As at 31 Dec 24 £'000	As at 31 Dec 23 £'000
Assets			
Cash and cash equivalents	10	10,961,293	6,258,123
Loans and advances to banks	11	-	19,525
Collateral placed	11	1,368	1,352
Receivables	12	10,408	7,853
Current tax asset		753	3,542
Right-of-use asset	13	2,111	952
Property, plant and equipment	14	34	97
Intangible assets	15	52,670	41,806
Deferred tax asset	16	35,426	38,861
Total assets		11,064,063	6,372,111
Liabilities			
Customer deposits		10,818,568	6,147,363
Other payables	17	20,708	20,662
Lease obligations	13	2,219	1,003
Deferred income	18	277	6,444
Current tax liability		-	142
Total liabilities		10,841,772	6,175,614
Equity			
Called up share capital	19	2	2
Share premium	20	224,403	189,403
Capital contribution reserve		9,188	3,511
Retained (losses)/earnings		(10,518)	3,598
Translation reserve		(784)	(17)
Total equity		222,291	196,497
Total equity and liabilities		11,064,063	6,372,111

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

Company registration number: 14254435

The financial statements were approved by the Board on 2 April 2025.



Mark Fairless
Group Chief Executive Officer

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained earnings or (losses) £'000	Translation reserve £'000	Total equity £'000
As at 1 March 2023	-	10,000	-	(10,812)	-	(812)
Reclassified profit for the period ¹	-	-	-	4,380	-	4,380
Other comprehensive loss	-	-	-	-	(17)	(17)
Issue of share capital	2	179,403	-	-	-	179,405
Share-based payments	-	-	3,511	1,330	-	4,841
Reclassified tax on share-based payments ¹	-	-	-	8,700	-	8,700
As at 31 December 2023	2	189,403	3,511	3,598	(17)	196,497
Loss for the year	-	-	-	(10,318)	-	(10,318)
Other comprehensive loss	-	-	-	-	(767)	(767)
Issue of share capital ²	-	35,000	-	-	-	35,000
Share-based payments	-	-	5,677	76	-	5,753
Tax on share-based payments	-	-	-	(3,874)	-	(3,874)
As at 31 December 2024	2	224,403	9,188	(10,518)	(784)	222,291

1. The Group has reclassified the prior year comparatives. See Note 16 for further information.

2. During 2024 the Company, ClearBank Group Holdings Limited, issued 35 million ordinary shares for £1.00 each with a nominal value of £0.00001 which increased the share capital by £350.00.

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2024

	Year ended 31 Dec 24 £'000	Reclassified ¹ 10-month period ended 31 Dec 23 £'000
Cash flows from operating activities		
(Loss)/profit for the year/period after tax ¹	(10,318)	4,380
Adjustments for non-cash items		
Depreciation for property, plant and equipment	68	390
Depreciation of right-of-use asset	1,624	1,133
Amortisation of intangible assets	11,643	5,935
Impairment of intangible assets	1,584	246
Share-based payment expense	5,753	4,841
Taxation ¹	74	(3,099)
Net interest income	(67,110)	(59,969)
Other income	(678)	(260)
Foreign currency differences	18	2
Operating cash flows before changes in working capital	(57,342)	(46,401)
Changes in working capital, net effects from acquisition of subsidiaries		
Increase in collateral	(16)	(916)
Decrease/(increase) in loans and advances to banks	19,525	(10,369)
(Increase)/decrease in receivables	(1,877)	2,271
Increase/(decrease) in payables	46	(74,132)
Decrease in deferred income	(6,167)	(11,138)
Increase in amounts due to customers	4,654,971	1,764,693
Foreign currency differences	(3,846)	-
Cash generated from operations	4,605,294	1,624,008
Interest received	425,289	198,363
Interest paid	(341,945)	(123,122)
Tax received/(paid)	2,134	(640)
Net cash generated from operating activities	4,690,772	1,698,609

Consolidated statement of cash flows cont.

for the year ended 31 December 2024

	Year ended 31 Dec 24 £'000	Reclassified ¹ 10-month period ended 31 Dec 23 £'000
Cash flows used in investing activities		
Purchase of property, plant and equipment	(5)	(17)
Purchase of intangible assets	(24,091)	(15,579)
Cash acquired on acquisition of subsidiaries	-	4,498,121
Net cash used in investing activities	(24,096)	4,482,525
Cash flows generated from financing activities		
Proceeds from issue of Ordinary Shares	35,000	70,874
Lease obligations acquired	-	16
Principal paid on lease liabilities	(1,567)	(1,215)
Net cash generated from financing activities	33,433	69,675
Net increase in cash and cash equivalents	4,700,109	6,250,809
Cash and cash equivalents at beginning of the year/period	6,258,123	7,333
Effect of foreign exchange rate changes	3,061	(19)
Cash and cash equivalents at end of the year/period	10,961,293	6,258,123

1. The Group has reclassified the prior year comparatives. See Note 16 for further information.

Notes to the financial statements

1. Basis of preparation

1.1. General information

These are the consolidated financial statements of ClearBank Group Holdings Limited (the 'Company') and its subsidiaries (together, the 'Group'). The separate financial statements of the Company are also reported and are presented after the consolidated financial statements of the Group. The Company operates as a financial services holding company in the United Kingdom.

The Company is a private limited company limited by shares which is registered in England and Wales and incorporated under the Companies Act 2006. The address of the registered office is ClearBank, Borough Yards, 13 Dirty Lane, London SE1 6PA.

1.2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international financial reporting standards ('IFRS'). The Company's financial statements have been prepared under Financial Reporting Standard ('FRS') 101.

The financial statements are presented in pounds sterling, the functional and presentation currencies of the Group and the Company, rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The comparative period (10 months ended 31 December 2023) was the first financial year for the Group consolidation as the Company incorporated its inaugural subsidiary (ClearBank Europe N.V.) on 6 March 2023 and its results together with that of the Company are consolidated from this date onwards. The Company also acquired 100% equity of ClearBank Limited on 8 December 2023 as a Business Combination Under Common Control. The results of ClearBank Limited are, however, consolidated from 1 May 2023, being the day after the date common control was initially established between the Company, its parent (CB Growth Holdings Limited) and ClearBank Limited.

In accordance with Section 408 of the Companies Act 2006, the Company has taken advantage of the legal dispensation not to present its own Statement of Comprehensive Income or Income Statement. The amount of loss for the financial year dealt with in the financial statements of the Company is disclosed in the Statement of Changes in Equity.

1.3. Statement of compliance

The Company financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party disclosures;

- the requirements in IAS 24 Related Party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)–134(f) and 135(c)–135(e) of IAS 36 Impairment of Assets; and
- The requirements of paragraphs 45(b) and 46–52 of IFRS 2 Share-based Payment.

The Directors have approved these disclosure exemptions for the Company.

1.4. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries which are entities controlled by the Company made up to 31 December.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect returns.

If facts and circumstances indicate that there are changes to one or more of the three elements of control listed above, the Company reassesses whether or not it controls an investee. Subsidiaries are consolidated when the Company obtains control and are deconsolidated from the date that control ceases. Uniform accounting policies are applied consistently across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The principal subsidiaries of the Company as at 31 December 2024 which have been included in the consolidated financial statements are the following:

Name of subsidiary	Principal activity	Jurisdiction	Ownership
ClearBank Limited	Business banking	United Kingdom ¹	100%
ClearBank Europe N.V.	Business banking	Netherlands ²	100%

1. Registered office: Borough Yards, 13 Dirty Lane, London SE1 9PA.

2. Registered office: Keizersgracht 391 A, 1016EJ Amsterdam.

1.5. Going concern

In assessing going concern, the Directors have considered the current Consolidated Statement of Financial Position, the Group's financial projections, longer term strategy of the business and the capital and liquidity plans, including stress tests. The period of assessment is at least 12 months from the date of signing these financial statements. The Directors have also considered the minimum capital requirements set by the Prudential Regulation Authority ('PRA') and are satisfied that the Group will be able to meet its ongoing capital obligations. The Directors have also considered the current market uncertainty and macroeconomic challenges as a result of geopolitical conflicts and instability, rising trade tensions and elevated borrowing costs, where we do not see any material impact, either directly as a business or indirectly through our clients and partners, and do not consider this will have a significant impact on the Group.

Notes to the financial statements cont.

1. Basis of preparation cont.

1.5. Going concern cont.

Please see page 57 on the Directors' Report for further discussion on the assessment of the going concern basis.

The Group's business model remains largely unchanged and all sterling customer funds continue to be held at the Bank of England. In addition, all Euro customer deposits from clients in Europe are held at the De Nederlandsche Bank ('DNB'). The nature of the Group's business model means that capital is managed in a prudent and risk-averse way, maintaining limited exposure to RWAs and ensuring a strong capital position.

The Group has prepared the financial statements on a going concern basis.

2. Material accounting policies

The material accounting policies used in the preparation of these financial statements, as set out below, have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

2.1. Revenue recognition

Performance obligations and timing of revenue recognition

Revenue is recognised as the control of services are transferred to the customer, using the amount that the Group expects to be entitled to in exchange for the services. Depending on whether performance obligations expressed in the customer contracts are fulfilled, revenue is recognised either over time, in a manner that best reflects the entity's performance of those obligations, or at a point in time, when control of the services is transferred to the customer. The Group recognises revenue for fees on an 'over time' basis if any of the following criteria are met:

- the customer concurrently receives and consumes the benefits provided by the Group's performance as the Group performs its obligation;
- the Group's performance creates or enhances a customer-controlled asset; and
- the Group's performance does not create an asset with an alternative use, and the Group has a right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time (when control transfers) for performance obligations that do not meet the criteria for recognition of revenue over time.

Income streams

Revenue from customer contracts is split into two main income streams:

(i) Transaction fee income (IFRS 15)

Transactional fee income is recognised at the point in time when transactional banking services, i.e. in and out-bound transactions and foreign exchange transactions, are successfully completed, being the point in time the service is transferred to the customer.

(ii) Non-transaction fee income (IFRS 15)

These are sub-categorised into the following:

Monthly fees

This category includes a fixed monthly charge for the use of banking services provided by the Group such as actual and virtual account fees, access to online banking services and variable monthly charges for the number of active and virtual accounts incrementally added in the month. Monthly fee income is recognised as revenue over the period the customers' account services are provided, i.e. on an over time or a pro-rata basis.

Implementation fees

One-off implementation fees are charged to customers for set up and on-boarding, based on transaction prices set out in the customers' contracts. On-boarding fees are recognised over time on a right-to-consideration basis.

Due diligence fees

Due diligence services include risk assessments, know-your-client ('KYC'), anti-money laundering and politically exposed person checks. These fees are charged to the customer at the point in time when the checks have been completed.

Revenue recognition under IFRS 15

Below is a summary of fee income categories and the applicable revenue recognition treatment under IFRS 15:

Fee type	Point in time	Over time
Transaction fee income		
Transaction charge (inbound)	✓	
Transaction charge (outbound)	✓	
Foreign exchange fee	✓	
Non-transaction fee income		
Monthly fees		✓
Implementation fees		✓
Due diligence fees	✓	

Where fees are received in advance of providing the contracted services, the income is deferred and recognised as a contract liability on the Statement of Financial Position and released to the Statement of Comprehensive Income as services are provided over the relevant contracted period.

Where fees are received in arrears of providing the contracted services, the income is accrued in the Statement of Comprehensive Income as services are provided over the relevant contracted period and recognised as accrued income on the Statement of Financial Position. The accrued income is derecognised from the Statement of Financial Position when the fees are received.

Notes to the financial statements cont.

2. Material accounting policies cont.

2.1. Revenue recognition cont.

Determining the transaction price

Most of the Group's revenue is derived from contracts which specify fixed fees for services and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed fees.

Allocating amounts to performance obligations

For all customer contracts, each service type has a fee attached. The contract price is the standalone selling price of specific services provided in such contracts.

Practical exemptions

The Group has taken advantage of the practical exemptions provided by IFRS 15:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of services to its customer is one year or less;
- to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less; and
- to recognise revenue in the amount to which the Group has a right to invoice corresponding with the performance completed to date.

Interest income (IFRS 9)

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method ('EIR') in accordance with IFRS 9, except for those classified at fair value through profit or loss. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability, including premiums and discounts that are an integral part of the overall return.

2.2. Tax

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years.

Research and Development ('R&D') tax credit claims under the UK small and medium-sized entity ('SME') scheme are recognised as income tax credits on the statement of comprehensive income. R&D tax credits under the large company scheme are recognised as other income or against the R&D expense in line with the requirements of IAS 20: Government Grants and Disclosure of Government Assistance.

Deferred tax

Deferred taxes are calculated according to the balance sheet method and are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting guidance, deferred tax balances are not recognised. Deferred tax on share-based payments ('SBP') is recognised in the statement of comprehensive income to the extent of the related cumulative SBP expense; any excess deferred tax is recorded directly in equity. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to do so and they relate to income taxes levied by the same tax authority.

2.3. Intangible assets

Purchased and internally developed software

Several factors are taken into account when considering whether purchased software, licences and internally developed software meet the recognition criteria in IAS 38 Intangible Assets.

Where for example a third-party provider retains ownership of the software, this will not meet the control criterion in the standard (i.e. the power to obtain benefits from the asset) and the costs will be expensed as incurred.

Where it is capitalised, purchased and internally developed software is held at cost less accumulated amortisation and impairment losses. Such software is recognised in the Statement of Financial Position if, and only if, it is probable that the relevant future economic benefits attributable to the software will flow to the Group and its cost can be measured reliably.

For internally developed software, costs incurred in the research phase are expensed, whereas costs incurred in the development phase are capitalised, subject to meeting specific criteria as set out in the relevant accounting guidance. These criteria include:

- demonstrating the technical feasibility, the intention and the ability to complete the asset for use or sale;
- how the intangible asset will generate probable future economic benefits, for example the usefulness of the asset if it is to be used internally;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Notes to the financial statements cont.

2. Material accounting policies cont.

2.3. Intangible assets cont.

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful life of the relevant software.

Amortisation is charged on the following basis:

Banking software	Straight line over 5 years
Software licences	The lower of 5 years or the licence period

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment testing for intangible assets

For intangible assets with finite lives, impairment charges are recognised where evidence of impairment is observed. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is calculated as the higher of fair value less costs to sell and value-in-use.

If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Comprehensive Income immediately.

An impairment loss recognised in earlier periods is reversed if there is a change in the estimates used to determine the intangible assets' recoverable amount since the last impairment loss was recognised. When this is the case, the carrying amount of the intangible is increased to the newly estimated recoverable amount with a reversal of impairment loss. The newly estimated recoverable amount cannot be greater than the original cost.

2.4. Lease obligations

Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. The Group uses an incremental borrowing rate ('IBR') which reflects the fixed rate at which the Group could borrow an amount similar to the value of the right-of-use asset, in the same currency, for a similar term, and with similar collateral.

The discount rate is based on a quoted swap rate and by adding a credit margin that reflects the secured nature of the lease obligation. The Group assesses at lease commencement date whether it is reasonably certain to exercise any extension options and reassesses whether it is reasonably certain to exercise the options if there is a significant event or a significant change in circumstances within its control.

2.5. Foreign currency translation

Transaction and balances

Transactions in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary items on the Statement of Financial Position denominated in a foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign currency differences arising on translation are recognised in other operating expenses. Gains and losses arising from foreign currency transactions offered to clients are also recognised in other gains or losses.

Translation of Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to sterling, the Group's presentational currency, using the closing exchange rate. Income and expenses are translated using the daily exchange rates as of the dates of transactions occurring.

Exchange differences arising on the translation of Group companies are recognised in other comprehensive income. If the Group disposes of the foreign operation, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity relating to that foreign operation is recognised in profit or loss when the gain or loss on disposal is recognised.

2.6. Financial Instruments

Financial instruments (other than derivatives)

Financial instruments cover a wide range of financial assets including cash and cash equivalents, financial investments, trade receivables and loans and advances to banks. Financial instruments also cover financial liabilities including customer deposits, trade payables and borrowings.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to receive cash flows have expired or been forfeited by the Group, or alternatively, when there is a transfer of control based on whether the Group transfers or retains substantially all the risks and rewards of ownership. A financial liability is derecognised when, and only when the liability is extinguished.

Classification and measurement of financial assets and financial liabilities

Initial measurement

A financial asset is initially measured at fair value plus, for an item not at fair value through the profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition.

Notes to the financial statements cont.

2. Material accounting policies cont.

2.6. Financial Instruments cont.

Classification and measurement of financial assets and financial liabilities cont.

Subsequent measurement

Under IFRS 9, for the purpose of subsequent measurement, a financial asset is classified on initial recognition as measured at: amortised cost; fair value through other comprehensive income ('FVOCI')-debt instrument; FVOCI-equity investment; or FVTPL. The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. This classification determines the subsequent measurement basis.

The following accounting policies apply to the subsequent measurement of financial assets.

Category	Accounting policies
Financial assets at FVTPL	These financial assets are subsequently measured at fair value. Net gains and losses, including interest and dividend income, are recognised in the Statement of Comprehensive Income.
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on de-recognition is recognised in Statement of Comprehensive Income.

Business model assessment

The Group assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. It is important to determine whether management's strategy in holding the financial asset is to earn contractual interest revenue or to realise cash flows through the sale of the assets. The frequency, volume and timing of sales in prior periods may be reviewed, along with the reasons for such sales and expectations about future sales activity. This helps management determine whether financial assets should be measured at fair value.

Financial assets are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing financial assets, in which case the reclassification is applied prospectively. Reclassifications are expected to occur infrequently.

Assessment whether contractual cash flows are solely payments of principal and interest ('SPPI')

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

Financial assets at FVTPL

All other financial assets that are not measured at amortised cost or FVOCI are classified as measured at FVTPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group's interests in equity securities are designated at FVTPL, as they are part of groups of financial assets which are managed and whose performance is evaluated on a fair value basis. These investments are recognised at fair value initially and subsequently, with changes in fair value recognised in investment return in the Statement of Comprehensive Income.

The fair value of quoted financial investments is based on the value within the bid-offer spread that is most representative of fair value. If the market for a financial investment is not active, the Group establishes fair value by using valuation techniques such as recent arm's length transactions, reference to similar listed investments, discounted cash flow or option pricing models.

The Group recognises purchases and sales of financial investments on trade date, which is the date that the Group commits to purchase or sell the assets. The costs associated with investment transactions are included within expenses in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise on-demand deposits and short-term money market fund (MMF) investments that are readily convertible to a known amount of cash. All cash and cash equivalents are classified as at amortised cost which means they are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method and are subject to the impairment requirements outlined later in this section.

Notes to the financial statements cont.

2. Material accounting policies cont.

2.6. Financial Instruments cont.

Financial liabilities and equity

Management also determines the classification of financial liabilities at initial recognition. The Group classifies its financial liabilities as measured at either amortised cost or FVTPL. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are measured at amortised cost using the effective interest method.

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

Trade payables and receivables

Due to the short term nature of trade payables and receivables, their carrying amount is considered to be the same as their fair value.

Impairment of financial assets

IFRS 9 requires the use of an 'expected loss' accounting model for credit losses and results in earlier recognition of expected credit losses ('ECL'). The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Financial assets at amortised cost include trade receivables, cash and cash equivalents, loans and advances to banks, and corporate debt securities. Under IFRS 9, credit loss allowances are measured on each reporting date according to a three-stage ECL impairment model.

Application of the impairment model

The Group applies IFRS 9's ECL model using the simplified approach to trade receivables, accrued income and other receivables. The simplified approach requires the recognition of a lifetime ECL allowance on day one. The Group's financial assets held at amortised cost also comprise cash and cash equivalents with the Bank of England and other credit institutions, collateral placed with payment schemes and high-grade investment securities. The Group deems the likelihood of default across these counterparties as low and does not recognise a provision against the carrying balances.

ECLs for financial assets at the reporting date are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The measurement of ECLs considers information about past events and current conditions, as well as supportable information about future events and economic conditions. The Group's impairment methodology for estimating the ECLs takes into account forward-looking information in determining the appropriate level of allowance. The nature of the Group's billing model, where transaction and other fees are deducted directly from customer deposit accounts shortly after they become due, means that the Group's trade receivables, and hence ECL, are immaterial with no further ECL-related disclosures considered necessary by management.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Customer default

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. The definition of 'credit-impaired' is aligned with the Group's definition of default. The Group defines a financial asset as in default when it meets one or more of the following criteria:

1. 90 days past due.
2. The client's outstanding balance is in excess of their MMB (i.e. their 'Collateral').

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of the amount being recovered. This is generally the case when the Group concludes that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Deposits from customers

Deposits from customers are initially measured at fair value, which is normally the proceeds received net of any directly attributable transaction costs incurred. Subsequent measurement is at amortised cost, using the effective interest rate method. Amounts represent cash held on account to support customer transactions and the Mandated Minimum Balance ('MMB') balance. A corresponding asset in connection to these amounts is maintained within cash and cash equivalents.

The Group receives and accepts collateral in the form of cash and is recognised when placed with the Group. The cash is held in the MMB account and is a requirement of becoming a client of the Group. The MMB account is held separately from other operational client funds and is held throughout the term of the contract. The collateral received from clients is disclosed as part of customer deposits on the Statement of Financial Position.

2.7. Share Capital

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. The value of the Company's share capital consists of the number of Ordinary Shares in issue multiplied by their nominal value. The difference between the proceeds received on issue of the shares and the nominal value of the shares issued is recorded in share premium.

Notes to the financial statements cont.

2. Material accounting policies cont.

2.8. Employee benefits

Defined contribution pension

The Group operates a defined contribution scheme which has been established for eligible employees of the Group. The Group makes contributions to members' pension plans but has no further payment obligations once the contributions have been paid.

Under a defined contribution plan, the Group's legal or constructive obligation is limited to the amount it agrees to contribute to a pension fund and there is no obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions in respect of defined contribution schemes for current service are expensed in the Statement of Comprehensive Income as staff costs and other employee-related costs when incurred.

Employee share-based payments

The Group operates equity-settled share-based remuneration plans for its employees. This involves an award of shares or share options in the ultimate parent company, CB Growth Holdings Limited. None of the Group's plans are cash-settled.

The Group accounts for these plans as group share-based payment arrangements in accordance with the requirements of IFRS 2. As the receiving entity of employee services, the Group recognises share-based remuneration expense with respect to its employees awarded shares or share options in the Statement of Comprehensive Income. It recognises corresponding credits in the capital contribution reserve as a component of the Statement of Changes in Equity.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability, sales growth targets and performance conditions).

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

The amount recognised as an expense for non-market conditions and related service conditions is adjusted each reporting period to reflect the actual number of awards expected to be met. The amount recognised as an expense for awards subject to market conditions is based on the proportion that is expected to meet the condition as assessed at the grant date. No adjustment is made to the fair value of each award calculated at grant date.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The capital contribution reserve is transferred to retained earnings upon exercise of the share options and where options with market-based performance condition lapse, or are forfeited.

2.9. Government and equivalent grants

Recognition of the Capability and Innovation Fund grant income in the Statement of Comprehensive Income is dependent on the Group satisfying certain criteria. Where the criteria hasn't been satisfied, the grant is initially recognised as deferred income on the Statement of Financial Position. When the criteria for retention have been satisfied, the deferred income balance is released to the Statement of Comprehensive Income and set against the relevant associated costs, or set against the internally developed software intangible asset purchased. The amount of cashflow associated with purchase of intangible assets presented on the Statement of Cash Flows is shown net of grant income deducted.

In 2024, the Group had satisfied all remaining criteria associated with the grant including the final reporting period and confirmation to Banking Corporation Remedies ('BCR'). As a result, the grant has been fully released and no amount was held as deferred income on 31 December 2024.

Capital approach

Capability and Innovation Fund grants received on capital expenditure are deducted in arriving at the carrying amount of eligible assets purchased. The benefit of the grant income is recognised in the Statement of Comprehensive Income as the asset is amortised over its useful life.

Income approach

Grants for revenue expenditure are netted against the cost incurred by the Group and are included in other operating expenses in the Statement of Comprehensive Income.

2.10. Investment in subsidiaries

Investments in subsidiary undertakings by the Company are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less provision for impairment. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments are recognised in the Statement of Comprehensive Income as they occur. The carrying cost is reviewed at each Statement of Financial Position date by reference to the income that is projected to arise therefrom. Impairments are subsequently reversed if the recoverable amount exceeds the carrying value.

ClearBank Limited is currently the cash generating unit of the Group. Both ClearBank Limited and ClearBank Europe N.V. will be the cash generating units within the Group once the latter has scaled its operations, having launched its business in 2024.

Notes to the financial statements cont.

3. Accounting judgements and significant estimates

The preparation of financial statements in conformity with IFRS requires management to exercise judgement in applying accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Critical accounting estimates and judgements are those that involve the most complex or subjective assessments and assumptions. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques that are aligned with relevant actuarial and accounting guidance to make predictions about future actions and events. Actual results may differ significantly from those estimates.

The Group Audit Committee reviews the reasonableness of judgements and assumptions applied and the appropriateness of material accounting policies adopted in the preparation of these financial statements. Judgements disclosed below are those made by management in the application of the Group's accounting policies. As required by IAS 1 Presentation of Financial Statements, estimates are differentiated as those judgements which relate to management assumptions about the future and have other sources of estimation uncertainty.

A. Accounting judgements

3.1. Capitalisation of intangible assets

Development expenditure represents expenditure incurred in relation to the internal development of the banking platform to support the services and products of the Group. Management exercises judgement in determining which platform development costs meet the IAS 38 Intangible Assets criteria for capitalisation and lead to future economic benefits sufficient to recover the costs capitalised. This includes estimates as to the amount of time spent directly on development of new software or significant improvement of the existing systems.

3.2. Impairment of internally developed intangible assets

Management makes judgements on the obsolescence of the internally developed software and its ability to generate positive cash flows for the business. In accordance with IAS 36 Impairment of Assets, this assessment considers the internal and external indicators of impairment that could indicate the carrying value of internally developed software intangibles is materially misstated.

B. Significant estimates

Significant estimates are those with a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year. The following was considered by management as a significant estimate within the scope of IAS 1:

3.3. Amortisation of internally developed software

The capitalised assets are amortised over the useful economic lives of these assets. The useful economic life over which internally developed software is amortised is determined by the expected duration of the intangible assets which is determined with reference to past experience, and management's future expectation of developments in technology in the financial payments landscape. Management have estimated the capitalised internally developed software to have a useful economic life of five years.

Consequently, during the year, internally developed software was amortised over five years from going live. The amortisation for the year was £11.6 million (eight months in 2023: £5.9 million). A reduction in the average amortisation period by one year would increase the amortisation expense for the year by £4.3 million (8 months in 2023: £2.6 million).

The consolidated financial statements also include other areas of judgement and accounting estimates. While these do not meet the definition of significant accounting estimates under IAS 1, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or can be subject to longer term uncertainties.

4. New standards, amendments to standards and interpretations adopted in the financial statements

There are no new standards, amendments and interpretations issued by the IASB that are effective for the first time for periods beginning on or after 1 January 2024 that have a material effect on the Group, as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies so have not been discussed in detail in the notes to the financial statements. The mandatory amendments for reporting periods starting 1 January 2024 are the following:

- Amendments to IAS 1 (Presentation of Financial Statements) – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 (Presentation of Financial Statements) – Non-current Liabilities with Covenants
- Amendments to IFRS 16 (Leases) – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 (Statement of Cash Flows) and IFRS 7 (Financial Instruments: Disclosures) – Supplier Finance Arrangements

Certain new standards, interpretations and amendments to existing standards have been published by the IASB and endorsed by the UK Endorsement Board that are mandatory, for annual reporting periods beginning on or after 1 January 2025:

- Amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates) – Lack of Exchangeability

There is no impact to the Group from the above amendments.

For reporting periods starting 1 January 2026:

- Amendments to IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instrument Disclosures) – Amendments to the Classification and Measurement of Financial Instruments Assessment

and for reporting periods starting 1 January 2027:

- New standard: IFRS 18 Presentation and Disclosure in Financial Statements
- New standard: IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group has not early adopted these amendments and new standards and it is currently assessing the impact of these on the financial statements.

Notes to the financial statements cont.

5. Income

Net interest income

Interest income and expenses shown below all relate to financial instruments held at amortised cost and are measured using the effective interest rate ('EIR').

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Interest received on cash and cash equivalents	425,150	198,348
Other interest received	139	15
Interest paid on customer deposits	(358,179)	(138,394)
Total net interest income	67,110	59,969

Net fee income

Net fee income represents fees receivable from transactional and agency banking services provided to clients, less fee expenses. Net fee income relates to services provided to clients in the UK and the European Union and is stated net of value added tax (where applicable).

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Transaction fee income	17,141	11,746
Non-transaction fee income	30,000	9,878
Total fee income	47,141	21,624
Fee expenses	(2,952)	(1,922)
Net fee income	44,189	19,702

Other income

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
R&D tax credits	678	260
Other income ¹	109	242
Total other income	787	502

1. Other income includes recharged Financial Ombudsman Service fees of £100k (2023: £92k)

Timing of revenue recognition

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Over time	30,000	13,716
At a point in time	17,250	8,000
Total¹	47,250	21,716

1. Comprises fee and other income, but excludes R&D income of £678k (2023: £260k) and grant income of £nil (2023: £150k).

6. Staff costs

The aggregate remuneration of employees and Directors during the year was:

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Salaries and wages	52,880	29,924
Social security costs	6,096	3,734
Retirement obligations	2,606	1,759
Share-based payments	5,753	4,841
Total	67,335	40,258

Notes to the financial statements cont.

6. Staff costs cont.

Employee numbers

The average number of persons employed by the Group (including Directors) during the year was:

	Year ended 31 Dec 24 No.	10-month period ended 31 Dec 23 No.
Management	30	20
Operations	177	154
Product and Technology	220	205
Sales and Marketing	53	66
Support and Control Functions	152	106
Total average number of employees during the year	632	551

7. Operating expenses

Profit/(loss) for the year has been arrived at after charging/(crediting):

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Share-based payment charge	5,753	4,841
Other staff costs	61,582	35,417
Professional fees	15,669	13,875
IT and Software	12,831	8,111
IT contractors	2,376	2,126
Scheme costs	1,305	507
Depreciation	1,693	1,523
Amortisation of intangibles	11,643	5,935
Impairment of intangibles	1,584	246
(Gain) / loss on foreign exchange	3	(52)
Irrecoverable VAT	4,444	4,748
Other expenses	3,152	1,509
Total	122,035	78,786

8. Auditor's remuneration

Included in operating expenses are fees paid to the Group's auditor. These can be categorised as follows (excluding VAT):

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Fees for audit services		
Fees for audit of the Company's financial statements	88	35
Fees for audit of the subsidiary ClearBank Limited	380	378
Fees for audit of the subsidiary ClearBank Europe N.V.	99	–
Total audit fees	567	413
Fees for non-audit services		
Interim profit verification	55	55
Total	622	468

9. Tax

The Group published its tax strategy on the ClearBank website, which complied with the requirements for each UK tax resident company to publish a tax strategy for the year ended 31 December 2024, under paragraph 16(2) Schedule 19 Finance Act 2016.

This note analyses the income tax (charge)/credit recognised in the Consolidated Statement of Comprehensive Income for the year and the various factors that have contributed to the composition of the charge.

Notes to the financial statements cont.

9. Tax cont.

a) Tax (charged)/credited to the Consolidated Statement of Comprehensive Income

The total tax (charge)/credit for the year comprises:

	Year ended 31 Dec 24 £'000	Reclassified 10-month period ended ¹ 31 Dec 23 £'000
Current tax		
Current tax on loss/profit for the year	(225)	(1,333)
Adjustments in respect of prior years	(288)	(853)
Total current tax	(513)	(2,186)
Deferred tax		
Origination and reversal of timing differences ¹	1	4,323
Adjustments in respect of prior years	438	504
Effect on deferred tax of changes in tax rates	–	469
Total deferred tax	439	5,296
Total tax (charged)/credited to the Consolidated Statement of Comprehensive Income	(74)	3,110

1. The Group has reclassified the prior year comparatives, see Note 16 for more information.

b) Reconciliation of the total income tax (charge)/credit

The tax (charge)/credit shown in the Consolidated Statement of Comprehensive Income differs from the tax (charge)/credit that would apply if all profits/(losses) had been taxed at the UK corporation tax rate. A reconciliation between the tax (charge)/credit and the accounting profit/(loss) multiplied by the UK corporation tax rate for the period ended 31 December 2024 and 31 December 2023 are as follows:

	Year ended 31 Dec 24 £'000	Reclassified 10-month period ended ¹ 31 Dec 23 £'000
(Loss)/profit on ordinary activities before tax	(10,244)	1,270
Tax at UK standard rate of 25% (2023: 23.5%)	2,561	(299)
Effects of:		
Adjustments in respect of prior years	150	(349)
Non-deductible expenses	(163)	(285)
Non-taxable income	–	4
Deferred tax (unrecognised)/recognised ¹	(2,002)	2,538
Share-based payments	(646)	–
Effect of overseas tax rates	64	270
Effect of rate changes	–	469
Effect of group relief, other reliefs and charges	(38)	83
Effect of SME R&D claims	–	679
Total tax (charged)/credited to the Consolidated Statement of Comprehensive Income	(74)	3,110

1. The Group has reclassified the prior year comparatives, see Note 16 for more information.

There are no material uncertainties within the calculation of corporation tax. The tax provisions are based on tax legislations in the relevant jurisdictions and have not required any judgements or material estimates.

The UK Bank intends to claim for UK R&D tax relief under the RDEC scheme for the accounting period ended 31 December 2024 resulting in an RDEC tax credit of £900k (2023: £146k) which will be offset against the current year tax liability. The repayable credit of £675k (2023: £nil) which remains after the offset against the current year tax liability has been recorded in other debtors.

At 31 December 2023 the Group had receivable R&D credits of £3.5 million in respect of claims made by ClearBank Limited in prior years. Repayment of these credits was received during 2024.

Notes to the financial statements cont.

10. Cash and cash equivalents

	31 Dec 24 £'000	31 Dec 23 £'000
Cash at central bank	10,620,918	6,173,122
Cash at commercial banks	13,948	7,872
Treasury investments	326,339	77,026
Other cash	88	103
Total	10,961,293	6,258,123

Of the cash and cash equivalents amount held by the Group, £10.8 billion (2023: £6.1 billion) relates to customer deposits. Treasury investments are money market fund holdings that constitute highly liquid Constant Net Asset Value ('CNAV') funds, all of which are backed by high-grade government securities.

11. Loans and advances to banks and collateral placed with schemes

	31 Dec 24 £'0004	31 Dec 23 £'000
Loans and advances to banks	–	19,525
Collateral placed	1,368	1,352

Loans and advances to banks in 2023 comprised a cash ratio deposit held at the Bank of England which was encumbered. Following changes to the Bank of England's approach to funding its policy and financial stability functions in 2024, there is no longer a requirement for firms to hold cash ratio deposits.

Collateral placed with schemes includes £900k (2023: £900k) placed as initial margin with an FX provider. It also includes cash collateral paid of £113k (2023: £114k) and £355k (2023: £338k), respectively, for use of the Swift financial messaging service and Visa card payment schemes. These amounts are treated as encumbered assets that are not used for any other purpose. The carrying amounts approximate fair value.

12. Receivables

	31 Dec 24 £'000	31 Dec 23 £'000
Trade receivables	328	425
Prepayments	4,878	4,156
Accrued income	189	93
Other receivables	3,021	1,285
Net VAT receivable	1,992	1,894
Total	10,408	7,853

Other receivables include leasehold property deposits of £0.6 million (2023: £0.5 million) and intra-day customer balances of £1.7 million (2023: £0.7 million) which clear and settle on the following day.

Notes to the financial statements cont.

13. Leases

Right-of-use assets

	Buildings £'000
Acquired on 30 April 2023	2,085
Depreciation charge	(1,133)
At 31 December 2023	952
Additions	2,783
Depreciation charge	(1,624)
At 31 December 2024	2,111

Lease obligations

	Buildings £'000
Acquired on 30 April 2023	2,218
Interest expense	38
Lease payments	(1,253)
At 31 December 2023	1,003
Additions	2,783
Interest expense	82
Lease payments	(1,649)
At 31 December 2024	2,219

Analysed as:	31 Dec 24 £'000	31 Dec 23 £'000
Amounts due for settlement within 12 months	1,434	1,003
Amounts due for settlement after 12 months	785	–
	2,219	1,003

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are managed by the Group's finance functions. The Group's lease liabilities as of December 2024 comprise leases entered into for office premises. Leases typically run for a period between one and two years and the average remaining lease term is 1.62 years (2023: 0.78 years).

In 2024, the Group's UK subsidiary, ClearBank Limited, signed a new two-year lease agreement for its existing office premises at Borough Yards, London, effective from 01 July 2024. Later in 2024, the Group's Dutch subsidiary, ClearBank Europe N.V. entered into a two-year lease agreement for a new office space in Amsterdam which was effective from 01 October 2024. Separately, the lease agreement for the Bristol UK office premises expired after the year end in February 2025 and the Group has taken the decision to not enter a new agreement for this location.

The Group's obligations under leases are secured by the lessor's rights over the leased premises. The present value of the Group's lease obligations as at 31 December 2024 is estimated to be £2.2 million (2023: £1.0 million). The maturity analysis of the undiscounted cashflows constituting lease liability payments is shown in Note 23.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Interest rates are fixed at the contract date, unless certain modifications or reassessment occur.

The Group leases IT equipment with contract terms of less than one year to three years. These leases are leases of low-value items. The Group has elected not to recognise right-of-use assets and lease obligations for these leases. The expense relating to low-value lease items recognised in the Consolidated Statement of Comprehensive Income during the period was £0.7 million (2023: £0.4 million).

Notes to the financial statements cont.

14. Property, Plant and Equipment

	Computer equipment £'000	Office equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
Acquired on 30 April 2023	1,708	201	336	2,245
Additions	–	18	–	18
As at 31 December 2023	1,708	219	336	2,263
Additions	–	5	–	5
Disposals	(841)	–	–	(841)
As at 31 December 2024	867	224	336	1,427
Accumulated depreciation				
Acquired on 30 April 2023	1,323	117	336	1,776
Charge for the period	355	35	–	390
As at 31 December 2023	1,678	152	336	2,166
Charge for the year	21	47	–	68
Disposals	(841)	–	–	(841)
As at 31 December 2024	858	199	336	1,393
Net book value				
As at 31 December 2024	9	25	–	34
As at 31 December 2023	30	67	–	97

15. Intangible Assets

	Software Costs £'000	Other intangibles £'000	Total £'000
Costs			
Acquired on 30 April 2023	56,526	1,088	57,614
Additions	15,223	357	15,580
Impairment	(246)	–	(246)
As at 31 December 2023	71,503	1,445	72,948
Additions	24,091	–	24,091
Impairment	(1,584)	–	(1,584)
As at 31 December 2024	94,010	1,445	95,455
Accumulated amortisation			
Acquired on 30 April 2023	24,750	457	25,207
Charge for the period	5,808	127	5,935
As at 31 December 2023	30,558	584	31,142
Charge for the year	11,398	245	11,643
As at 31 December 2024	41,956	829	42,785
Net book value			
As at 31 December 2024	52,054	616	52,670
As at 31 December 2023	40,945	861	41,806

Notes to the financial statements cont.

15. Intangible Assets cont.

The following table splits out the significant intangible assets:

As at 31 December 2024

	Amortisation period remaining (months)	Cost £'000	Accumulated amortisation £'000	Carrying value £'000
Core banking infrastructure	25	22,576	16,438	6,138
Multi-currency functionality	41	11,692	4,614	7,078
Platform Infrastructure	50	4,670	1,820	2,850
Core payment schemes	47	22,398	7,045	15,353
International infrastructure	54	9,742	1,334	8,408
CRM functionality	51	10,904	2,640	8,264
Total		81,982	33,891	48,091

As at 31 December 2023

	Amortisation period remaining (months)	Cost £'000	Accumulated amortisation £'000	Carrying value £'000
Core banking infrastructure	35	21,973	13,666	8,307
Multi-currency functionality	40	8,767	2,835	5,932
Embedded banking	27	5,771	3,297	2,474
Core payment schemes	48	15,414	4,052	11,362
International infrastructure	58	6,919	316	6,603
CRM functionality	56	5,881	1,281	4,600
Total		64,725	25,447	39,278

Grant income

Included in the cost of internally developed software is £8.1 million (2023: £8.1 million) of grant income from the Capability and Innovation Fund. During the period £1.6 million (2023: £1.1 million) was released to the Consolidated Statement of Comprehensive Income as amortisation on internally developed software. £3.1 million (2023: £4.7 million) is still to be amortised over the remaining useful lives of the relevant internally developed software assets. For further details on the grant, see Note 18.

Impairment losses recognised in the period

The Group's annual impairment review over intangible assets identified some intangible assets as no longer having future economic benefit. The recoverable amounts were calculated as £nil based on their value in use. This review led to the recognition of an impairment charge of £1.6 million (2023: £0.2 million) in the Consolidated Statement of Comprehensive Income.

16. Deferred tax assets and liabilities

Deferred income taxes are calculated on all temporary differences at the tax rate applicable to the jurisdiction in which the timing differences arise.

	31 Dec 24 £'000	31 Dec 23 £'000
Deferred tax asset	37,888	42,163
Deferred tax liability	(2,462)	(3,302)
Net deferred tax asset	35,426	38,861

Notes to the financial statements cont.

16. Deferred tax assets and liabilities cont.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable. On the basis of all available evidence it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted. The movement on the recognised deferred tax assets account is as follows:

	Tax losses £'000	Fixed assets £'000	Share-based payments £'000	Other temporary differences £'000	Total DTA £'000	s1308 CTA2009 claim £'000	Total DTL £'000
At 30 April 2023	27,454	748	528	94	28,824	(3,626)	(3,626)
Credit/(charge) to the Income Statement relating to prior periods	58	(305)	–	(41)	(288)	792	792
Reclassified credit/(charge) to the Income Statement ¹	4,133	22	1,027	78	5,260	(468)	(468)
Other	(333)	–	–	–	(333)	–	–
Reclassified credit to Equity ¹	–	–	8,700	–	8,700	–	–
At 31 December 2023	31,312	465	10,255	131	42,163	(3,302)	(3,302)
Credit/(charge) to the Income Statement relating to prior periods	(306)	68	–	–	(238)	675	675
Credit/(charge) to the Income Statement	(681)	(81)	581	18	(163)	165	165
Credit/(charge) to Equity	–	–	(3,874)	–	(3,874)	–	–
At 31 December 2024	30,325	452	6,962	149	37,888	(2,462)	(2,462)

1. The Group have reclassified the prior year comparatives to correct a prior year misclassification between the amount of deferred tax recognised through the income statement and directly in equity on a consolidated basis to enable fair and understandable disclosures in the financial statements. The correction is a £3,125k decrease in the credit to the income statement and offsetting increase in the credit to equity. The underlying deferred tax balance remains unchanged with no impact to retained earnings.

Deferred tax recognition

A net deferred tax asset has been recognised in respect of all UK unused tax losses and temporary timing differences as it is considered probable that there will be sufficient future profits in the UK against which the Group can offset the future benefit.

The following table shows the unrecognised deferred tax assets in the Group. These relate entirely to overseas balances and are unrecognised on the basis there are currently insufficient future profits forecast overseas and there is no legally enforceable right to offset against UK profits.

	31 Dec 24		31 Dec 23	
	Gross Amount £'000	Tax effect £'000	Gross Amount £'000	Tax effect £'000
Deductible temporary differences				
Overseas subsidiary undertaking	668	172	360	93
Tax losses				
Overseas subsidiary undertaking	18,016	4,648	11,098	2,863
Unrecognised deferred tax asset	18,684	4,820	11,458	2,956

Notes to the financial statements cont.

17. Other payables

	31 Dec 24 £'000	31 Dec 23 £'000
Accruals	13,319	12,106
Taxes and social security costs	2,176	2,053
Intercompany payables	633	502
Other payables	4,580	6,001
Total	20,708	20,662

Intercompany payables of the Group are comprised of £630k (2023: £305k) deposits and £3k (2023: £197k) accrued interest payable by ClearBank Limited (the UK subsidiary bank) to CB Growth Holdings Limited, the ultimate parent of the Group.

Other payables include customer funds pending next day clearance of £3.3 million (2023: £2.2 million), supplier account trade payables of £0.7 million (2023: £1.3 million) due within 30 days and pensions payable of £0.6 million (2023: £0.5 million).

18. Deferred income

	31 Dec 24 £'000	31 Dec 23 £'000
Banking Corporation Remedies grant	–	6,282
Fee income received in advance	277	162
Deferred income	277	6,444

In January 2024, ClearBank confirmed to Banking Competition Remedies that all grant commitments were considered completed and as a result all remaining deferred income was distributed by ClearBank to our grant partner, Tide.

19. Share capital

Company

	2024 Number	2023 Number	2024 £	2023 £
Allotted, issued and fully paid				
Ordinary Shares of £0.00001 each				
At 1 January	189,404,415	10,000,001	1,894	100
Issued during 2023	–	179,404,414	–	1,794
Issued during 2024	35,000,000	–	350	–
At 31 December	224,404,415	189,404,415	2,244	1,894

20. Share premium

Company

	2024 £'000	2023 £'000
Issued shares		
At 1 January	189,403	10,000
Issued during 2023	–	179,403
Issued during 2024	35,000	–
At 31 December	224,403	189,403

21. Capital management

As at 31 December 2024, capital resources were made up of CET1 capital, the highest quality of capital, consisting of ordinary share capital, associated share premium and allowable reserves. The Group's objectives when managing capital are to: (i) safeguard the Group's ability to continue as a going concern and thereby to provide returns for shareholders and benefits for other stakeholders; (ii) maintain a strong capital base and utilise it efficiently to support the development of its business; and (iii) comply with the regulatory capital requirements set by the PRA. The Group undertakes an internal capital adequacy assessment process ('ICAAP') on at least an annual basis. During the periodic supervisory review and evaluation process ('SREP'), the PRA assesses the Group's ICAAP and sets the total capital requirement ('TCR'). Capital adequacy and the use of regulatory capital are monitored by the Group's management and Board. The Group is required to maintain appropriate levels of capital in accordance with total capital requirements issued by the PRA. During the current year and prior period, the Group complied with the externally imposed capital requirements to which it is subject by the PRA. For more information on the Group's capital management, please refer to the Pillar 3 Disclosures which can be found on the ClearBank website.

Notes to the financial statements cont.

21. Capital management cont.

CET 1 capital resources

	31 Dec 24 £'000	31 Dec 23 £'000
Share capital	2	2
Retained (losses)/earnings	(10,518)	3,598
Share premium	224,403	189,403
Capital contribution reserve	9,188	3,511
Translation reserve	(784)	(17)
Less ineligible assets:		
Intangibles	(52,670)	(41,806)
Deferred tax	(28,208)	(28,860)
Total CET 1	141,413	125,831
Net Equity	222,291	196,497

22. Financial instruments

The Group's financial instruments principally comprise of cash and cash equivalents, receivables, customer deposits and payables. All these arise as a result of the Group's normal operations. The Group does not enter into transactions for hedging purposes and there are no instruments held for trading. The analysis of financial assets and liabilities into their categories as defined in IFRS 9 Financial Instruments is set out in the following tables. The majority of the Group's financial assets and liabilities continue to be measured at amortised cost. The Group considers the carrying amount of these financial assets to approximate fair value.

The Group has immaterial interests in equity securities which are classified as financial assets mandatorily held at fair value through profit and loss ('FVTPL'), as they are financial assets which are managed and whose performance is evaluated on a fair value basis. These equity securities are categorised as Level 1 under the IFRS 13 fair value hierarchy, as there are quoted prices in active markets available. All gains and losses on measuring the financial assets at each reporting date are included in the statement of comprehensive income for the year or period. There were immaterial fair value impacts to the statement of comprehensive income associated with the financial assets mandatorily held at FVTPL presented below.

Categories of financial instruments

	Fair value mandatorily at FVTPL £'000	Amortised cost £'000	Total £'000
At 31 December 2024			
Financial Assets			
Receivables and other assets	113	4,793	4,906
Cash and cash equivalents	–	10,961,293	10,961,293
Total Financial assets	113	10,966,086	10,966,199
Financial Liabilities			
Customer deposits	–	10,818,568	10,818,568
Payables	–	18,809	18,809
Lease obligations	–	2,219	2,219
Total Financial liabilities	–	10,839,596	10,839,596
At 31 December 2023			
Financial Assets			
Loans and advances to bank	–	19,525	19,525
Receivables and other assets	114	3,042	3,156
Cash and Cash equivalents	–	6,258,123	6,258,123
Total Financial assets	114	6,280,690	6,280,804
Financial Liabilities			
Customer deposits	–	6,147,363	6,147,363
Payables	–	14,823	14,823
Lease obligations	–	1,003	1,003
Total Financial liabilities	–	6,163,189	6,163,189

Notes to the financial statements cont.

23. Financial risk management

Risk is an inherent part of the Group's business activities. The Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities in accordance with defined policies and procedures.

The key focus of financial risk management for the Group is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its clearing, settlement and business banking operations. The main financial risk arising from the Group's financial instruments is therefore intra-day liquidity risk. In addition, the Group is exposed to limited credit risk and market risks (such as price and interest rate risks) which are not considered to be material. The Group's exposure to liquidity, credit and market risks along with management's objectives, policies and processes for managing those risks are discussed below.

Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due, or can do so only at excessive cost. In general, the Group's business model of placing customer funds as cash at central banks which are repayable on demand significantly reduces the Group's overall liquidity risk.

On a day-to-day basis, the Group maintains adequate levels of liquidity, ensuring that there is sufficient liquidity to meet foreseeable and unexpected needs. Policies and procedures are in place to manage liquidity risk. Limits for the level and the type of liquidity and deposit funding balances are set by the Board Risk Committees of the Group's subsidiaries. Independently, the Finance, Treasury and Risk departments monitor compliance with these limits. The level of liquidity is monitored on a daily basis to ensure there are sufficient liquid assets at all times to cover cash flow movements and fluctuations in funding, enabling us to meet all financial obligations and to support anticipated asset growth.

The table below sets out the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The vast majority of the Group's financial assets of £11.0 billion constitute cash and cash equivalents repayable on demand.

As at 31 December 2024	Repayable on demand £'000	Within 1 month £'000	1 to 3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total financial liabilities £'000
Financial liabilities							
Customer deposits	10,795,534	–	–	23,034	–	–	10,818,568
Payables	630	5,859	11,116	1,204	–	–	18,809
Lease obligations	–	129	259	1,130	795	–	2,313
Total financial liabilities	10,796,164	5,988	11,375	25,368	795	–	10,839,690
As at 31 December 2023	Repayable on demand £'000	Within 1 month £'000	1 to 3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total financial liabilities £'000
Financial liabilities							
Customer deposits	6,119,638	–	–	27,725	–	–	6,147,363
Payables	305	6,334	7,320	865	–	–	14,824
Lease obligations	–	144	460	421	–	–	1,025
Total financial liabilities	6,119,943	6,478	7,780	29,011	–	–	6,163,212

Notes to the financial statements cont.

23. Financial risk management cont.

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty fails to meet its contractual obligations to repay the Group in accordance with agreed terms.

The Group's credit risks arise principally through its exposure to our clients that results in fees receivable, which is immaterial. The Group's policy of collecting monthly fees through automated payment deductions on the second day of the following month, and transactional fees as the transaction occurs from clients' deposit accounts, minimises its exposure to credit risk. The Group does not provide any credit facilities to its customers and is therefore not exposed to associated credit risks.

The Group considers the maximum exposure to credit risk to be the carrying amount of all financial assets.

Credit within our treasury operations

Credit risk exists where the Group has acquired securities or placed cash deposits with other financial institutions as part of its treasury assets portfolio. Management considers the credit risk of treasury assets to be relatively low as the Group places the vast majority of funds at central bank institutions. A small proportion of funds in foreign currency is held at global credit institutions which are investment-grade and therefore poses minimal credit risk. Some of those funds are invested in highly liquid money market funds, specifically Constant Net Asset Value ('CNAV') funds, all of which are backed by government issued securities, therefore also carrying minimal credit risk. The subsidiaries manage and control credit risk by setting limits on the amount of risk they are willing to accept for individual counterparties and monitoring exposures in relation to such limits. No assets are held for hedging purposes or actively traded. Certain liquid assets are held as part of the Group's liquidity buffer.

Risk within customer receivables

As discussed in Note 2.6, the Group holds collateral from clients in the form of cash in a Mandated Minimum Balance ('MMB') account. The MMB is an account held separately from clients' operational accounts and it is required to be held throughout the term of the contract. The collateral is held to cover fees, charges and other payment outflows owed to the Group in the event of a client not maintaining sufficient operational account funds to settle these transactions. As mentioned earlier, the Group does not lend, advance funds or offer overdraft facilities to clients and therefore has no direct credit exposure to its customers.

At year end, the total cash held as MMB was £23.0 million (2023: £27.7million), which is included within total customer deposits on the Statement of Financial Position.

Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect income or the value of the Group's assets and liabilities. The objective of the Group's market risk management strategy is to manage and control market risk exposures within acceptable parameters to ensure solvency while optimising the return on risk.

Interest rate risk is the risk of financial loss through unhedged or mismatched asset and liability positions that are sensitive to interest rate changes. The Group's banking deposits are subject to variable interest rates at the central banks where its deposits are held and earn interest; as a result, changes in interest rates could have an impact on the net interest income recognised in the financial year. The Group, therefore, has commercial arrangements with its customers that are based on net interest margin rather than fixed interest income, which serves to mitigate the risk on the Group's income as a result of base rate fluctuations. This has been a strategic focus of management in 2024 with an increasing number of customers having contractual terms that are on a fixed spread basis, leading to higher quality income.

Management have performed a sensitivity analysis relating to interest rates and have determined a 100 basis point increase or decrease in the Bank of England base rate would have had an £18.4 million annualised impact on 2024 performance (annualised 2023: £17.0 million). For the purposes of this analysis, the components of net interest income were flexed on a monthly basis using monthly average rates while balances with significant customers considered individually. This sensitivity analysis is based on the assumption of no management action being taken, such as passing the interest impact onto the Group's customers.

Capital risk

Capital risk is the risk that the Group has insufficient capital to cover regulatory requirements and/or support its growth plans. The subsidiary banks operated in line with their capital risk appetite as set by their respective Boards and above their regulatory capital requirements throughout the year ended 31 December 2024.

A key component of management's approach to capital management is to ensure that the Group's and the subsidiaries' policies are aligned with the Group's overall strategy, business plans and risk appetite.

Notes to the financial statements cont.

23. Financial risk management cont.

Foreign exchange ('FX') risk

The Group has exposure to FX risk in respect of its subsidiary in the Netherlands (ClearBank Europe N.V.) which has a functional and reporting currency of euros. FX risk also materialises within the Group's UK subsidiary (ClearBank Limited) through the generation of non-sterling profit and loss (predominantly net interest income). This is monitored and rebalanced through spot trades on a monthly basis, executed by Treasury, to avoid the accumulation of material positions

24. Share-based payments

Share-based payments ('SBP') – options

The Company and its subsidiaries, ClearBank Limited and ClearBank Europe N.V. are part of an equity-settled Group SBP scheme for remuneration of their employees. Options under this scheme allow holders to acquire Ordinary Shares in the Group's ultimate parent, CB Growth Holdings Limited ('CBGH'), upon vesting. The options will become exercisable upon a change in control event, which is considered to be the earlier of CBGH being acquired by another entity or an Initial Public Offering.

Under the Group SBP arrangement, the Company, ClearBank Limited and ClearBank Europe N.V. are the receiving entities of the share option schemes held by their respective employees, with CBGH being the issuing and settling entity in all instances. As the receiving entities under the Group SBP scheme, the Company, ClearBank Limited and ClearBank Europe N.V. recognise SBP expenses in their Statements of Comprehensive Income with an offset in equity, being the capital contribution from CBGH.

During 2024, the Group commenced an assessment of the incentive plans for Executive Committee ('ExCo') members, as the prior medium term incentive plan ('MTIP') scheme ended. The assessment led to the Group redesigning the approach for ExCo members, with Growth Shares and an annual cash bonus being expected to replace MTIP options. Growth shares represent an equity investment and would require ExCo members to purchase a new class of equity shares in CB Growth Holdings Limited, which would entitle them to a share of gains above a predetermined hurdle rate upon an exit event. The growth shares are expected to have a 4-year vesting period, with 25% vesting annually. Based on management expectations of receiving equity incentives annually, and with ExCo presentations held on Growth Share structure and benefits during 2024, the Group has recognised an IFRS 2 share-based payment expense in the 2024 ARA of £1.4m based on estimated calculations of grant date fair values and anticipated vesting start dates of the Growth Shares being in 2024.

The following options and awards have been granted to the Group's employees and remain outstanding:

Exercise Price (£)	2024 No.	2023 No.
0.00001	192,724	195,210
3.74	2,800	2,800
34.00	3,803	3,803
66.36	15,679	15,741
66.41	1,562	1,562
72.00	5,580	5,411
146.13	8,851	7,050
Total	230,999	231,577

Excluding the impacts of consolidation, the total cumulative fair value of options granted across the Group and outstanding at 31 December 2024 is £31.1 million (2023: £26.8million). During the year ended 31 December 2024, £4.3 million (2023: £4.8 million) was charged to the Consolidated Statement of Comprehensive Income in relation to these options.

	Weighted average exercise price		Weighted average exercise price	
	2024 £	2024 No.	2023 £	2023 No.
Outstanding as at 1 January/ acquired on 30 April	11.69	231,577	9.58	179,765
Granted	13.02	29,280	18.34	56,177
Exercised	–	–	–	–
Forfeited	(3.69)	(29,858)	(10.19)	(4,365)
Outstanding as at 31 December	12.90	230,999	11.69	231,577

Notes to the financial statements cont.

24. Share-based payments cont.

The weighted average fair value of options granted during the period was £140.61 (2023: £138.81). The fair value of the options granted subject to non-market performance conditions are determined using a Black-Scholes model. The fair value of the options granted subject to market performance conditions are determined using a Monte Carlo simulation. The inputs into the models are as follows:

	2024	2023
Expected life (years)	0.25 – 5.0	2.5 – 3.5
Expected volatility (%)	27.4 – 43.9	34.5 – 42.1
Risk free rate (%)	3.75 – 4.87	3.94 – 4.89
Dividend yield (%)	–	–
Attrition rate (%)	–	–

25. Related party transactions

On the Statement of Financial Position date, the Group's subsidiaries included ClearBank Limited and ClearBank Europe N.V., both of which are 100% owned by the Company. During the period, ClearBank Limited held bank deposits placed by CB Growth Holdings Limited, the ultimate parent entity of the Group.

	CB Growth Holdings Limited
Nature of related party relationship	Ultimate parent
2024	£'000
Intercompany deposits held by the related party	633
2023	
Intercompany deposits held by the related party	502

Transactions with other related parties

During the year, the Group paid consultancy service costs totalling £500k (2023: £366k) to CB Investment Growth Limited, an entity controlled by the significant shareholders of the Group's ultimate parent, CB Growth Holdings Limited, and which provided key management personnel services to the Group. On 31 December 2024, the Group was due £nil (2023: £111k) from CB Investment Growth Limited for overpayment in respect of those costs.

During the year, the Group processed payments of £nil (2023: £625k) constituting Directors' emoluments to a former Director of the Group's ultimate parent, CB Growth Holdings Limited, which were made on behalf of, and recharged to, CB Growth Holdings Limited.

These transactions were on an arms-length basis.

Transactions with key management personnel, remuneration and other compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director. Key management personnel for the Group have been determined to be the Directors and members of Executive management. The figures below are for the consolidated Group.

Share based payments shown represent the total value of share options granted.

Key management personnel compensation

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 2023 £'000
Salaries and wages	6,790	3,634
Social security costs	716	403
Retirement obligations	350	164
Termination benefits	–	100
Shared based payments	870	5,770
Total	8,726	10,071

Notes to the financial statements cont.

25. Related party transactions cont.

Aggregate Directors' remuneration

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 2023 £'000
Salaries and wages	3,263	1,868
Social security costs	303	180
Retirement obligations	90	47
Termination benefits	–	100
Shared based payments	282	2,226
Total	3,938	4,421

Seven Directors (2023: four) were member of the Group's defined contribution retirement schemes. Four Directors (2023: five) received share options under the Group's long term incentive schemes.

Remuneration of the highest paid Director

	Year ended 31 Dec 24 £'000	10-month period ended 31 Dec 23 £'000
Salaries and wages	544	362
Social security costs	73	9
Retirement obligations	–	7
Shared based payments	–	792
Total	617	1,170

During the year and prior period, the highest paid Director did not exercise any share options.

26. Post-employment obligations

The Group operates defined contribution pension schemes for its UK and Europe employees. Participants receive a monthly pension supplementary to their salaries. The Group pays contributions to separately administered pension schemes. The Group has no further payment obligations once the contributions have been paid. The contributions are presented in staff costs in the Consolidated Statement of Comprehensive Income. The pension cost charge for the year was £2.6 million (2023: £1.8 million).

27. Contingent liabilities and commitments

There were no contingent liabilities as at 31 December 2024 and at 31 December 2023.

28. Events after the reporting date

On 14 February 2025, the Company invested €22 million into its wholly owned subsidiary, ClearBank Europe N.V., by way of capital injection subscribing to 22,000,000 ordinary shares of €1.00 each issued by the subsidiary.

29. Ultimate controlling party

CB Growth Holdings Limited is the ultimate parent and controlling party as at 31 December 2024.

Company statement of financial position

As at 31 December 2024

Company registration number: 14254435

	Notes	As at 31 Dec 24 £'000	As at 31 Dec 23 £'000
Assets			
Cash and cash equivalents	30	48,909	55,192
Investment in subsidiaries	31	155,699	122,504
Receivables	32	2,316	55
Total assets		206,924	177,751
Liabilities			
Other payables	33	3,226	1,725
Total liabilities		3,226	1,725
Equity			
Called up share capital	19	2	2
Share premium	20	224,403	189,403
Capital contribution reserve	36	3,068	–
Retained losses		(23,775)	(13,379)
Total equity		203,698	176,026
Total equity and liabilities		206,924	177,751

The Company has taken exemption under Companies Act Section 408 (4) to not disclose the Company Statement of Comprehensive Income. The Company loss for the year ended 31 December 2024 was £10.4m (2023: £4.8m loss).

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

The financial statements were approved by the Board on 2 April 2025.



Mark Fairless
Group Chief Executive Officer

Company statement of changes in equity

for the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained losses £'000	Total Equity £'000
As at 1 January 2023	–	10,000	–	(8,561)	1,439
Loss for the year	–	–	–	(4,818)	(4,818)
Issue of share capital	2	179,403	–	–	179,405
As at 31 December 2023	2	189,403	–	(13,379)	176,026
Loss for the year	–	–	–	(10,396)	(10,396)
Issue of share capital	–	35,000	–	–	35,000
Share-based payments	–	–	3,068	–	3,068
As at 31 December 2024	2	224,403	3,068	(23,775)	203,698

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

Notes to the company financial statements

30. Cash and cash equivalents

	31 Dec 24 £'000	31 Dec 23 £'000
Cash at commercial banks	48,909	55,192
Total	48,909	55,192

The cash and cash equivalents amount held by the Company represent deposits with ClearBank Limited which eliminate upon consolidation of the Group.

31. Investment in subsidiaries

Company	Investment in ClearBank Limited £'000	Investment in ClearBank Europe N.V. £'000	Total £'000
Costs			
As at 1 January 2023	–	–	–
Additions	102,630	19,874	122,504
As at 31 December 2023	102,630	19,874	122,504
Additions	12,000	21,195	33,195
As at 31 December 2024	114,630	41,069	155,699
Provision for impairment			
As at 31 December 2023 and 2024	–	–	–
Net book value			
As at 31 December 2024	114,630	41,069	155,699
As at 31 December 2023	102,630	19,874	122,504

The principal subsidiaries of the Company as at 31 December 2024 which have been included in the consolidated financial statements are:

Name of subsidiary	Principal activity	Jurisdiction	Ownership
ClearBank Limited	Business banking	United Kingdom ¹	100%
ClearBank Europe N.V.	Business banking	Netherlands ²	100%

1. Registered office: Borough Yards, 13 Dirty Lane, London, England, SE1 9PA.

2. Registered office: Keizersgracht 391 A, 1016EJ Amsterdam.

ClearBank Limited is considered a material subsidiary of the Company which generated a profit of £6.8m for the year-end 31 December 2024. ClearBank Limited generated a profit of £20.5m for the period ended 31 December 2023, post-acquisition by the Company on 30 April 2023.

As at 31 December 2024, ClearBank Limited had aggregate amount of capital and reserves totalling £148.6m (2023: £129.5m).

32. Receivables and other assets

	31 Dec 24 £'000	31 Dec 23 £'000
Receivables		
Intercompany receivables	1,800	55
Prepayments	478	–
Other receivables	38	–
Total	2,316	55

Intercompany receivables constitute recharged expenses due from ClearBank Limited and ClearBank Europe N.V., the Company's wholly owned subsidiaries, at 31 December 2024.

Notes to the company financial statements cont.

33. Other payables

	31 Dec 24 £'000	31 Dec 23 £'000
Accruals	2,360	237
Taxes and social security costs	517	17
Intercompany payables	109	1,460
Other payables	240	11
Total	3,226	1,725

Intercompany payables of the Company constitute recharged expenses due to ClearBank Limited, the Company's wholly owned subsidiary, at 31 December 2024.

Other payables constitute staff pensions payable of £122k (2023: £nil) and supplier trade payables of £118k (2023: £11k).

34. Financial instruments

Categories of financial instruments

	Amortised cost £'000	Total £'000
At 31 December 2024		
Financial Assets		
Receivables and other assets	1,838	1,839
Cash and cash equivalents	48,909	48,909
Total Financial assets	50,747	50,748
Financial Liabilities		
Payables	2,709	2,709
Total Financial liabilities	2,709	2,709

	Amortised cost £'000	Total £'000
At 31 December 2023		
Financial Assets		
Receivables and other assets	55	55
Cash and Cash equivalents	55,192	55,192
Total Financial assets	55,247	55,247
Financial Liabilities		
Payables	1,631	1,631
Total Financial liabilities	1,631	1,631

Notes to the company financial statements cont.

35. Financial risk management

Liquidity risk

The table below sets out the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at 31 December 2024	Repayable on demand £'000	Within 1 month £'000	1 to 3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total financial liabilities £'000
Financial liabilities							
Payables	–	349	2,154	206	–	–	2,709
Total financial liabilities	–	349	2,154	206	–	–	2,709

As at 31 December 2023	Repayable on demand £'000	Within 1 month £'000	1 to 3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total financial liabilities £'000
Financial liabilities							
Payables	–	1,500	97	34	–	–	1,631
Total financial liabilities	–	1,500	97	34	–	–	1,631

36. Share-based payments

Share-based payments ('SBP') – options

The following options and awards have been granted to the Company's employees and remain outstanding:

Exercise Price (£)	2024 No.	2023 No.
0.00001	81,489	80,600
3.74	300	–
34.00	932	–
66.36	3,638	2,022
72.00	899	1,039
146.13	4,230	2,134
Total	91,488	85,795

Appendix

1. Alternative performance measures

The Alternative Performance Measures ('APMs') below are used for management reporting to the Executive Committees across the Group and for updating the ultimate shareholders (investors) on a monthly basis. These APMs are closely linked to our business strategy and scalable growth objectives, with a focus on generating high quality revenue based on recurring fees and delivery of operational efficiency metrics.

All 2023 comparatives presented below and in the APMs elsewhere are for the full-year 12 month basis. Actual reported 2023 numbers are for 10 months, post group consolidation date.

1.1 Spread-based fee income

Spread-based fee income is calculated by extracting the portion of net interest income for the year which is derived on the basis of a fixed interest spread, as defined in certain client contracts.

Spread-based fee income conveys the portion of interest income that is fixed and not subject to change from fluctuating interest rates. It is therefore more alike to recurring fee income from clients, in contrast to variable net interest income, so is useful to present as part of total fee income. Because of the fixed and repeated nature of the income which is independent of the external interest rate environment, management consider it to be 'higher quality' income that leads to a more consistent revenue performance of the business generated by key underlying drivers.

As spread-based fee income is not a standardised measure under IFRS, the APM may not be comparable across other companies.

Reconciliation	2024	Full year 2023
ClearBank UK		
Net interest income	64.4	81.9
Less: net interest income not on fixed spread basis	(55.2)	(78.0)
Spread-based fee income	9.2	3.9

1.2. Pro-forma 2023 results

Pro-forma 2023 are full year 2023 results calculated by adjusting for the one-off impact of a new interest sharing agreement which came into effect in 2024. Specifically, 2023 reported net interest income is reduced by retrospectively applying the new interest sharing agreement, to arrive at the adjusted 2023 pro-forma interest income.

The new interest sharing arrangement through which a greater portion of interest income is paid away to the client has an isolated, one-off impact on ClearBank's year-on-year revenue performance in 2024. With this effect skewing reported interest and total income in the 2024 financial statements, reducing the comparative 2023 results in an equivalent manner is useful for comparing the underlying year-on-year performance of the Group, on a like-for-like basis.

The adjusted one-off effect is specific to ClearBank, therefore the 2023 pro-forma will not be comparable across other companies. Since the adjustment has a material effect, the year-on-year comparison to 2023 pro-forma should not be regarded as providing a complete picture of the Group's performance, which is instead provided by the comparison against 2023 full-year results.

Reconciliation	Full year 2023
ClearBank UK	
Net interest income	81.9
Less: spread-based fee income	(3.9)
Less: retrospective application of new interest sharing agreement impact	(25.2)
Pro-forma interest income	52.8

Appendix cont.

1.3. Adjusted operating expenses

Adjusted operating expenses exclude share-based payment charges from total operating expenses, across all periods.

Share-based payments are non-cash, non-capital items which, when excluded, provide a better view of operating costs for understanding the underlying performance of the Group. Share-based payment charges captured within staff costs typically introduce significant year-on-year accounting noise to the underlying numbers based on new awards, leavers and, specifically occurring in 2024, the introduction of a new scheme.

Since this share-based payments adjustment has a material effect, adjusted operating expenses should not be regarded as providing a complete picture of the Group's performance, which is instead provided by reported total operating expenses.

Reconciliation	2024	Full year 2023
ClearBank UK		
Operating expenses	101.2	92.9
Less: share-based payment charges	(1.8)	(6.7)
Adjusted operating expenses	99.4	86.2
ClearBank Europe		
Operating expenses	8.6	11.7
Less: share-based payment charges	(0.8)	(0.2)
Adjusted operating expenses	7.8	11.5
ClearBank Parent Company		
Operating expenses	12.5	5.2
Less: share-based payment charges	(3.1)	–
Adjusted operating expenses	9.4	5.2

2. Management reporting – segment split

The Group is outside the scope of Segmental Reporting under IFRS 8; however, a non-IFRS based summary is presented below for the Group's three segments: ClearBank UK, ClearBank Europe and the Parent Company.

Year ended 31 December 2024	ClearBank UK	ClearBank Europe	Parent Company	Consolidated Group
Net interest income	64,361	654	2,096	67,111
Net fee income	44,149	39	–	44,188
Other income	787	–	–	787
Total income	109,297	693	2,096	112,086
Operating expenses	(101,278)	(8,560)	(12,492)	(122,330)
Profit/(loss) before taxation	8,019	(7,867)	(10,396)	(10,244)
Taxation	(1,478)	–	1,404	(74)
Profit/(loss) after taxation	6,541	(7,867)	(8,992)	(10,318)
Year ended 31 December 2023	ClearBank UK	ClearBank Europe	Parent Company	Consolidated Group
Net interest income	81,914	9	235	82,158
Net fee income	28,770	–	–	28,770
Other income	663	–	–	663
Total income	111,347	9	235	111,591
Operating expenses	(92,859)	(11,677)	(5,245)	(109,781)
Profit/(loss) before taxation	18,488	(11,668)	(5,010)	1,810
Taxation	3,967	–	1,391	5,358
Profit/(loss) after taxation	22,455	(11,668)	(3,619)	7,168

Glossary

ALCO	Asset and Liability Committee	GRC	Group Risk Committee
API	Application Programme Interface	GDPR	General Data Protection Regulation
APP	Authorised Push Payment	IASB	International Accounting Standards Board
BaaS	Banking-as-a-Service	IBAN	International Bank Account Number
Bacs	Bankers Automated Clearing System	ICAAP	Internal Capital Adequacy Assessment Process
CBDC	Central Bank Digital Currency	IFRICs	IFRS Interpretations Committee
CET1	Common Equity Tier 1	IFRS	International Financial Reporting Standards
CGU	Cash-Generating Units	ISO	International Standards Organisation
CHAPS	Clearing House Automated Payment System	LCR	Liquidity Coverage Ratio
ClearBank®	ClearBank Group Holdings Limited, unless otherwise stated means the Company	MMB	Minimum Mandated Balance
CoP	Confirmation of Payee	NSFR	Net Stable Funding Ratio
DE&I	Diversity, Equity and Inclusion	PRA	Prudential Regulation Authority
DNB	De Nederlandsche Bank	PSD2	Payment Services Directive 2
EBT	Employee Benefit Trust	ROU	Right-of-Use
ECB	European Central Bank	SEPA	Single Euro Payments Area
ECL	Expected Credit Losses	SMEs	Small and Medium-sized Enterprises
EMI	Electronic Money Institution	SPPI	Solely Payments of Principal and Interest
ERMC	Enterprise Risk Management Committee	TARGET	Trans-European Automated Real-time Gross Settlement Express Transfer
ERMF	Enterprise Risk Management Framework	VAT	Value Added Tax
EU	European Union		
EXCO	Executive Committee		
FPS	Faster Payment System		
FRS 101	Financial Reporting Standard 101 Reduced Disclosure Framework		
FSCS	Financial Services Compensation Scheme		
FTE	Full Time Equivalent		
FVOCI	Fair Value Through Other Comprehensive Income		
FVTPL	Fair Value Through Profit or Loss		
GAC	Group Audit Committee		
GNomCo	Group Nomination Committee		
GRemCo	Group Remuneration Committee		

Key information

Registered office address

ClearBank
Borough Yards
13 Dirty Lane
London
SE1 6PA

Independent auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitors

Herbert Smith Freehills
Exchange House
Primrose Street
London
EC2A 2EG

Company registered number

14254435

Clear.Bank

Annual Report and
Accounts 2024

ClearBank
Borough Yards
13 Dirty Lane
London
SE1 6PA