StreamBank

StreamBank PLC

Annual Report and financial statements

April 2023 – March 2024

Working together

Registered number 11995458

Directors and professional advisers

Directors	John Reed	Chairman
	Mike Kirsopp	Chief Executive Officer Executive Director
	Jean-Pierre Flais	Chief Financial Officer Executive Director
	Alex Pusco	Non-Executive Director
	Steve Clowes	Independent Non-Executive Director
Company Secretary	Mirela Charalambous	
Registered Office	Trafalgar House, 5 Fitzalan Place Cardiff CF24 0ED	
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom	
Principal bankers	Barclays Bank Plc London ClearBank London	

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Strategic Report

Chairman's Statement

I am pleased to report that the 2024 financial year, our first fully operational year as a Bank, was a year of great progress for StreamBank, building on the strong foundations laid last year, in our run up to receiving regulatory approval.

StreamBank's lending proposition in the bridging market has enabled us to grow at a robust, sustainable rate. This growth has been delivered within robust risk management and control frameworks and a positive management culture. We have carefully fostered an environment where we place the needs and expectations of our customers at the heart of all we do and strive to meet them through the hard work and dedication of our staff.

Financial Results
I am also delighted to report that the current year has seen the Bank deliver an ever-improving set of financial results which reflects the strength and stability of our business model.

We have enhanced our lending offering with the introduction of our Regulated Bridging product which has grown to account for more than a third of the loan book since its launch in July 2023.

The Bank's infrastructure proved capable of supporting the first year's growth and I am confident it will do so for our future growth.

We continue to have a very strong capital base and prudent levels of liquidity and these position the Bank well for on-going growth in the short and medium term.

Highlights of 2024 financial year
There are a number of highlights that stand out as critical achievements:

- The bank has originated over £135m in new loans to homeowners and property professionals in the UK (£15m of this amount are through acquisitions).
- We welcomed over 4,000 new customers to the Bank.
- Our capital base has increased, further strengthening the Bank and enhancing the platform for growth.
- The Bank's liquidity remains strong.
- There has been significant investment in the infrastructure of the business.

None of this could have been achieved without the dedication and commitment of our 36 staff and we are grateful for their efforts through the year.

Management Changes and Looking Ahead
Having successfully overseen the establishment of the Bank over a period of almost three years, the Bank announced at the end of December 2023 that Steve Pateman was to leave the business as part of a planned succession process. We announced in February that Mike Kirsopp would succeed him as CEO.

We look forward to next year with optimism. With an experienced management team, well capitalised, with strong liquidity and under Mike's leadership and the continuous support from our Shareholder, the Bank is well positioned to maintain its positive progress.

John Reed
Chairman

Business Model Review

Our Business Model

StreamBank's approach to lending is pragmatic, it differentiates its service in many ways, focusing on short-term finance where its specialist knowledge and underwriting expertise can deliver competitive advantage.

It understands the critical importance of relationships, both with its customers and its intermediary partners, and how its technology can be harnessed to deliver best-in-class service. We also recognise the value of people, always ensuring the 'human touch' is applied to all of its business decisions.

The Bank serves Property professionals, SMEs and homeowners across the UK with a range of short-term lending and savings products.

At StreamBank, we aspire to be a first-rate employer, true partner and an industry expert. To achieve this, we aim to do our best for our customers and employees; we will always be open, clear and transparent in terms of what we can do and what we can't; our aim is to try and find a way to help.

We work as a team – we share in our success, and we work together when we encounter challenges, to achieve the best outcome.

Our success can be attributed to our key pillars and the culture:

Specialist Underwriting
We leverage our deep credit expertise with the opportunity for growth in our product markets at high-adjusted margins.

Relationships
Relationship focus – both customer and partners are at the heart of what we do.

People
High class service for both Lending and Savings - human underwriting and product design embedded throughout the business with strong belief in the Bank's culture.

Culture
- Being honest, open, transparent.
- Lean, straightforward, no-nonsense.
- Doing our best for customers and each other.

Short-Term Lending
The Bank's specialist short-term mortgage business is focused on Bridging and Development Finance.

Our core purpose is to support experienced, serially active property investors, homeowners, landlords and developers of real estate assets, and property schemes. This means that we impact positively on the communities into which we lend, by helping our clients purchase their next move or deliver much needed new and improved homes for sale or rent, as well as regenerating areas.

We work closely in partnership with a network of brokers and intermediaries, offering a range of short-term mortgages which allow customers to roll up interest to the end of term. This allows clients to see through a sale and a purchase or refinance on to a longer-term product. It also allows them to invest in their projects and maximise their return rather than servicing the loan on a monthly basis.

Business Model Review (continued)

Throughout the 2024 financial year we continued to grow our new lending from our initial loan book of £31.2m from 1 April 2023 to £137.2m at 31 March 2024, of this growth £14.8m related to loan book acquisitions. In July 2023 we grew our product set, launching a

Regulated Bridging product, designed to help homeowners purchase their next property or do light refurbishments in order for them to get a longer-term mortgage. Throughout the 2024 financial year we engaged and responded to feedback from the broker community, delivering a range of product updates and service enhancements throughout the year, including Automated Valuation Models (AVMs), short form valuations and an improved application process.

Throughout the 2024 financial year we delivered significant investment in our team, strengthening our expertise and capability across our lending operations and underwriting teams. We also further enhanced our Business Development team with the introduction of a Managing Director, Property lending and an internal Business Development team.

Savings

To date, the Bank has focused on raising longer-dated contractual deposits across both the notice account and fixed-term bond markets to closely match its lending assets. As at 31 March 2024, 91% of the Bank's deposits where 1 year fixed-term deposits and 9% where made up of notice accounts and maturity savers. Of our savings balances 86% were covered through the Financial Services Compensation Scheme.

The Bank sources its deposits directly, through an online origination platform that enables the Bank to raise significant volumes of retail deposits based on fair and consistent pricing. This direct sourcing model enables the Bank to be flexible in its approach to funding, including managing inflows and tailoring maturity of the deposits to manage liquidity risk. This online channel is supported by a highly experienced Savings operation team, which provides support to new and existing customers.

Business Model Review (continued)

Business Model

WE WORK TOGETHER…

At StreamBank, we provide specialist property funding solutions to UK property investors, landlords and homeowners through our unique approach to understanding and servicing the customer.

For our saving customers we offer consistently good rates with flexible and easy to use products.

We combine technology and human expertise to efficiently understand the full picture and empower our teams to be solution driven problem solvers.

SPEED

We understand the importance of a fast turnaround and the comfort of a conditional offer.

JUDGEMENT

We are able to use our experience to provide sound decisions in the markets we operate in.

SOLUTION DRIVEN

We don't over promise and never waste time but are committed to finding a solution.

OUR CUSTOMERS

Property Investors

Landlords

Homeowners

Savers

OUR SPECIALISED PROPERTY LENDING MARKETS…

- Bridging Finance (Regulated & Unregulated)
- Development Finance
- Commercial Mortgages

OUR CHANNELS TO MARKET

Through direct and indirect channels…

Direct:
our customers can access our services directly via our website, call centre and relationship staff.

Brokers:
we have a selected panel of brokers who specialise in our product set

Marketplace partner:
we partner with a marketplace provider for savings to enhance our offering and to diversify our distribution and customer base

PRUDENT MANAGEMENT OF CAPITAL & LIQUIDITY

Our specialist savings franchise
A deposit funded model through the deployment of our personal savings products

REVENUE MODEL

INTEREST INCOME

FEE INCOME

Business Model Review (continued)

Creating the Right Environment

Our values are the driving force behind StreamBank's people. From the outset colleagues were responsible for determining the values that best demonstrate who we are.

It is crucial that every colleague lives our values consistently. StreamBank's values shape our decisions and ensure they are aligned with our goals and objectives. They reflect our culture by shaping the way our colleagues interact with each other, our partners and our customers. They give us a core standard which helps us integrate new colleagues and partners.

- Being honest, open, transparent – we act with integrity and we do the right thing
- Lean, straightforward, no-nonsense – we keep the ways of working as simple and straightforward as possible, while communicating clearly and concisely with all.
- Doing our best for customers and each other – We put the customer at the centre and align everything to provide a first class service.

Colleagues

Ensuring that StreamBank is a great place to work is one of our key intentions. Being an intimate Bank with 36 colleagues our lines of communication are short and allow all colleagues regardless of seniority to freely speak to each other. This allows staff to have a clear picture of our business objectives; openly provide feedback and highlight anything that needs to be raised up the line.

StreamBank's colleagues are highly engaged, motivated and enjoy working for the Bank.

We operate over two locations, Cardiff and London, with Cardiff being our head office with the majority of our workforce based there.

Throughout the 2024 financial year we hired across our Sales, Operations, Underwriting, IT, Risk and Finance functions. It's important we recruited experienced and talented individuals across the organisation that would easily integrate alongside supporting the growth of our business in the short and medium-term.

StreamBank remains committed to hybrid working and the flexibility it brings to both our colleagues and business. However, we also recognise the importance of gathering colleagues together to help them collaborate and grow as individuals.

Training

All of our colleagues take part in structured learning throughout the year on topics including (but not limited to) anti bribery and corruption, anti-money laundering, conduct, financial crime and understanding vulnerable customers. To complement our mandatory training, we encourage all employees to undertake personal development each year. Employees are provided with the opportunity to sign up to courses and we have a partnership with Cardiff and Vale College.

Environmental, Social & Governance (ESG)

The business is committed to implementing an impactful ESG strategy, which enables us to play our part in supporting our customer base with the risks and opportunities presented by climate change, while supporting the communities in which we operate.

Business Model Review (continued)

The board has overall responsibility for Environmental, Social, and Governance (ESG) risks at StreamBank, of which climate change is a key component. Reports on climate change risk and opportunities are presented on an ad-hoc basis at Board Risk Committee (BRC).

StreamBank operates a branchless, digital and largely paperless business built in the cloud demonstrating our inherent commitment to ecological sustainability. However, we are aware the finance we offer to our customer base does have potential environmental impacts. Climate change-related matters are discussed at the Executive Committee (ExCo) and the Executive Risk Committee (ERC). These committees review and discuss StreamBank's climate risk assessment and action plan and have responsibility for ensuring that the climate risks are embedded into lending policy and the new product approval process via Market Products and Customer Insight Committee (MPCIC).

Based on the current business, the Bank is exposed to short term weather events and have an agreed Board appetite for the appropriate insurance requirements on our security. These appetites and tolerances are clearly monitored, with this climate-risk related data acquired for the entire secured loan portfolio. Formal targets, metrics, and KRIs will be set and approved, with further targets and metrics defined as the Bank continues its ESG journey.

Equality, diversity and inclusion (EDI)

We recognise that having an equal, diverse and inclusive workplace helps us move faster towards achieving our goals. Creating a diverse and inclusive working environment, where everyone feels comfortable to be themselves is a priority.

In the financial year 2025, we will continue to drive and progress our EDI agenda from its current position of equality of opportunity to one focused on outcomes. Our objective is to create and drive opportunities which help us play a positive role in society and within the communities we serve whilst supporting the wider levelling up agenda and addressing social mobility issues.

Social

StreamBank exists to serve Homeowners, Property Professionals and Developers with financial solutions to provide quality homes across the UK. As building regulations ensure new build properties are built to a high construction and environmental standard, we offer customers the opportunity to take low performing properties and refurbish them to high standards.

Governance

StreamBank is committed to achieving high corporate standards, rooted in a robust governance structure with clear individual lines of accountability and committee oversight responsibility. The Bank fully complies with the Senior Managers & Certification Regime by clearly conveying the roles and responsibilities of all senior management functions in individual Statements of Responsibility.

The framework of management committees is described in the Risk section of the Annual Report (page 16)

Consumer Duty

With the implementation of the Consumer Duty of Care regulation in July 2023, the Bank was able to confidently align its products and services with the duty. Throughout the set up phase of the Bank we had a Consumer Duty lens on the design of all our products from the outset. The introduction of this duty placed a greater emphasis on customer outcomes and we ensured that our products, and associated policies and procedures, are designed and managed with the four outcomes of the Duty in mind. Part of the implementation required us to build a suite of MI to monitor our delivery on these outcomes.

Business Model Review (continued)

StreamBank is a relationship Bank, and we work hard to ensure that the customer is at the forefront of our decision-making. The Consumer Duty itself has become embedded in our culture and we will seek to continuously challenge one another with the aim of delivering consistently positive outcomes for our customers.

Human Rights, Anti-Bribery and Corruption
StreamBank is committed to acting legally, ethically and transparently in all areas of our business. StreamBank sets a clear tone from the top, with a zero-tolerance approach to human rights abuses, bribery and corruption in any form. We do so by complying with all legal and regulatory requirements, as well as having systems and controls in place to identify and prevent such practices.

StreamBank's Anti-Bribery and Corruption Policy prohibits the request, agreement to, receiving, offering, giving, solicitation or acceptance of any bribe, whether in cash or in any other form. It sets out the requirement for our colleagues and third parties to maintain our ethical standards and is supported by the following policies:

- Compliance & Financial Crime Policy
- Whistleblowing Policy
- Gifts and Hospitality Policy
- Conflicts of Interest Policy
- Customer Due Diligence Standards

Third Party Management
Our procedures set out the requirement to perform due diligence on all colleagues, suppliers, service providers and associated persons prior to working with them, and periodically thereafter. We are committed to reviewing and developing our policies and procedures continually to ensure we maintain effective controls against bribery and corruption.

The outsourcing and procurement policy incorporates both the PRA's Supervisory Statement SS2/21 on Outsourcing and Third Party Risk Management and the European Banking Authority Guidelines on outsourcing arrangements to ensure that any new procurement complies with the latest regulatory requirements, facilitates greater resilience and ensures that the Group has suitable controls in place to manage our supply chain.

To support this, our colleagues undertake an annual mandatory training programme which includes training modules on whistleblowing and anti-bribery and corruption.

Modern slavery statement
Our commitment to human rights and the ethical treatment of our colleagues, suppliers and customers is fundamental to who we are and what we stand for. Acting with integrity in all our business relationships is a core value and we continually demonstrate this with our implementation of systems and controls to ensure slavery and human trafficking is not taking place anywhere in our business or supply chains.

To facilitate this, we have our Outsourcing Policy, Compliance & Financial Crime policy , and Whistleblowing Policy. A full copy of our modern slavery statement can be found on the Bank's website at: streambank.co.uk/modern-slavery-statement/

Financial crime and Risk Management
StreamBank continues to work with anti-fraud groups and our industry partners to share intelligence and discuss existing and emerging financial crime risks. This collaboration has provided the opportunity to contribute to wider discussions on financial crime issues, and to ensure we play our part in keeping the financial system safe.

Business Model Review (continued)

We invested in technology systems and resources, to enhance the control framework for the prevention of financial crime against us, our customers and the industries we operate in. This included a system designed to automate due diligence measures and provide ongoing monitoring of suspicious transactions and behaviours, as well as integral oversight of the Bank's relationships with associated persons such as outsourced service providers, brokers and intermediaries.

Operational Effectiveness and Security

Operational resilience
Our operational resilience approach ensures the continuity of the most important services our customers rely upon. We assess, plan and test our approach to minimise disruption and work hard to ensure agreed service levels are met. Throughout the building of the Bank, we focused on ensuring our approach aligned to the operational resilience regulations.

Data protection
We take our obligation to safeguard personal data seriously and take appropriate measures to ensure that information is processed and handled properly throughout its lifecycle, so that individuals can have trust and maintain confidence in how we handle their personal information.

We have introduced a framework that covers all aspects of privacy and data protection and designated a Data Protection Officer to manage this. Individuals' rights are a core foundation of data protection and we have created clear signposts for individuals to easily submit rights requests. We have further integrated privacy and data protection into our third-party supplier processes.

Cyber security
We take a holistic approach to information security controls. Our controls are aligned to our Security Architecture framework and its key activities of prevent, detect, respond and predict. Combined, these controls provide multiple layers of protection to mitigate the cyber and information security risks and maintain the ongoing security posture of the Group.

Section 172 Statement
The Directors of StreamBank act in good faith to promote the success of the Company for the benefit of its stakeholders as a whole.

Effective stakeholder engagement is central to the development and execution of our strategy and is critical to helping us achieve our purpose and ensuring the sustainability of our business. Throughout the financial year, the Board continued to engage with and consider the needs of the Bank's stakeholders.

Customers: StreamBank regularly seeks customer feedback through surveys, review sites or via direct contact and the results are reviewed by the Board along with any resulting actions. The customer is at the forefront of everything the Bank does and the outcome for the customer of any action the Bank takes is embedded in its processes and procedures.

Colleagues: StreamBank actively monitors colleague engagement through feedback sessions, the results of which are then shared with all colleagues along with any resulting actions. Regular social events such as Christmas parties, Milestones achieved, Charity events and team get togethers allow our colleagues to develop strong relationships despite a lot of our colleagues taking advantage of our hybrid working approach. Last year the Board held a session for lunch with all colleagues.

Business Model Review (continued)

Regulators: StreamBank are committed to sustaining high standards of business conduct across our business and maintain regular, transparent dialogue with the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA) to help ensure we are aligned with the relevant regulatory frameworks.

We regularly interact with the trade bodies and business associations we are affiliated with to ensure we are engaged with issues impacting our industry.

Suppliers: Our suppliers play an important role in the operation of the Bank's business to enable the delivery of an effective and efficient business model. We are focused on developing and maintaining transparent and sustainable working relationships with our suppliers.
Engagement with our suppliers enables the group to develop and maintain long-term and sustainable relationships and ensures our suppliers can better understand and align to our requirements and operate responsibly.

Our key supplier relationships are owned by managers throughout the business and our engagement consists of regular meetings, monthly MI feedback and annual reviews.

Investor: Our Ultimate Beneficial Owner is a member of the Board and maintains a regular open dialogue with the business.

Environment: StreamBank is committed to contributing lasting value and making a positive impact on the society in which we operate and the environment more broadly. We look at the impacts of running our business on the environment and the climate and how we can mitigate them. Climate change is a key focus for the Board.

Chief Executive Officer's Statement

I was delighted to join the StreamBank Executive team for the final months of our first year since becoming a regulated Bank, a truly transformational year in the Bank's short history.

In December, StreamBank exceeded £100 million of lending to property professionals, developers and homeowners; in February the Bank achieved in month profitability. Also, in February we launched our Loyalty Saver process for maturating saving customers that allowed customers to withdraw, reinvest or partial reinvest in a 3 click process.

The one thing that underpins the strong performance across our lending and savings business is our exceptional focus on customer service. We believe our service proposition is a genuine differentiator. We constantly endeavour to deliver straightforward, easy to understand products; fast and efficient decision-making, typically within 48 hours of application; consistent and transparent underwriting criteria and pricing; and deep two-way relationships with intermediaries and customers.

It is our intent to bring the best service levels driven by technology to provide a seamless experience for our customers but never to forget the importance our people have in providing the important support needed at key points along the way.

We have made great progress in the 2024 financial year. We have remained true to our values and objectives and grown the balance sheet into month-on-month profitability and are watching StreamBank become an accepted and familiar name in both lending and savings markets. We also benefited from a £3.1m capital injection in January 2024.

Like all businesses we are experiencing a challenging macroeconomic environment. High interest rates are affecting the velocity of the property market transactions alongside increasing inflationary costs stalling our customers' investment decisions. However, our deep experience gives us the confidence that we can support our customers through difficult times and enable us to grow in line with our business plan in a safe and secure way.

With StreamBank new to the market, we recognise that customers have a range of competition to choose from, but we believe that our work ethic on their behalf and our attractive products and services are invaluable competitive advantages.

I have huge respect for our management and staff, and I am appreciative of the commitment and tenacity they have shown in achieving all that has been done. Not only have they built a Bank but they have made it so good that over 120 borrowers and over 3,900 depositors have chosen us in our first full year!

Finally, a review is by definition too focused on the past; it is a pleasure to be able to discuss what has been completed in our first full year operating as a Bank, but, more importantly, we are looking ahead to 2025 financial year and beyond… that is what is most important to StreamBank, and we anticipate it with both optimism and determination to provide only the best for our customers.

Mike Kirsopp
Chief Executive Officer

Chief Financial Officer's Report

It has been a successful year for StreamBank. In our first full year of trading, we achieved our first in month profitability in February 2024 which is a commendable achievement so early in the Bank's journey.

The Bank has delivered a robust financial performance despite the economic landscape in the UK and the continued broader geopolitical uncertainty. Throughout the 2024 financial year we experienced continued base rate increases and high levels of inflation triggering cost-of-living challenges that impacted all our customers. Whilst the outlook remains uncertain, we will continue to monitor the impact on our customers. There are signs that inflationary pressures are starting to ease and markets are forecasting base rate reductions in our 2025 financial year.

Despite a challenging interest rate and economic environment, the Bank has achieved the key milestones of its business plan, increasing its Capital, increasing its loan book, and successfully conducting numerous retail deposit funding rounds during the year. We will aim to increase profitability in financial year 2025 by growing our loans book, whilst keeping a tight control of costs.

Key performance indicators

The Bank monitors several key performance indicators to measure progress against objectives and to demonstrate financial soundness. All Capital and Liquidity indicators and ratios have been maintained well within the Board risk appetite.

An overview of the Bank's financial performance is provided below:-

Financial performance	**12 months 2024 £'000**	**15 months 2023 £'000**
Net interest income	5,342.1	1,749.8
Net operating income	5,245.5	1,848.8
Loss before tax	(3,418.1)	(4,537.4)
Financial soundness		
Common Equity Tier 1 ratio [1]	22.3%	50.6%
Leverage ratio [2]	21.2%	186.2%

[1] Common equity Tier 1 capital divided by total risk weighted assets.
[2] Common equity Tier 1 capital divided by liabilities

Balance Sheet overview

	2024 £'000	**2023 £'000**
Liquid assets [1]	45,164.4	17,520.3
Loans and advances to customers	137,242.0	31,221.0
Other assets [2]	2,844.9	1,973.4
Total assets	**185,251.3**	**51,714.7**
Deposits from customers	149,625.7	16,632.2
Other liabilities [3]	1,398.4	644.7
Share capital and reserves	34,227.2	33,437.8
Total equity and liabilities	**185,251.3**	**51,714.7**

[1] Liquid assets: made up of Cash and balances held with central banks, Debt instruments through other comprehensive income, Loans and advances to credit institutions

[2] Other assets: made up of Intangible assets, Property plant and equipment, Deferred tax assets and Other assets

[3] Other liabilities: Other liabilities

Chief Financial Officer's Report (continued)

Loans and advances to customers
Loans and advances to customers has grown significantly during the year which is testimony to the hard work of our lending team. We successfully entered into the regulated bridging market during the year and we acquired further loan books worth £14.8m in total from ActivTrades Plc in June 2023, September 2023 and January 2024. The book has for the most part performed in line with expectations. In accordance with the IFRS 9, the ECL provision amounted to £1.9m (2023: £0.6m), the largest proportion in relation to an exposure in the Hospitality sector.

Funding and Liquidity
The Bank holds liquid assets to meet its financial obligations in both business-as-usual and stressed situations. At 31 March, the Bank held £45.2m of liquid assets (2023: £17.5m) which are available to protect it from liquidity stresses. Liquidity levels remained within board risk appetite and regulatory requirements throughout the year, including the Liquidity Coverage Ratio (LCR), which ensures that sufficient high-quality liquid assets are held to survive a short term severe but plausible liquidity stress.

Since the Bank received its banking licence retail savings has become our primary funding source, with savings balances increasing to £149.6m (2023: £16.6m). The Bank has also successfully opened a Bank of England Reserve account during the year with a balance of £32.7m (2023: Nil) as at 31 March 2024.

Capital
The Bank holds capital to protect itself, and depositors against unexpected losses. The amount of capital required to be held is determined as part of the Bank's capital risk appetite which assesses the material risks to which the Bank is exposed, how those risks are managed and the level of capital to be held against them. The Bank's primary measure for assessing capital adequacy is the Common Equity Tier 1 ratio (CET1). This ratio assesses the amount of the highest quality of capital as a proportion of risk weighted assets. The Bank uses standardised risk weights to calculate the risk weighted exposure.

During the year, the Bank increased its Tier 1 share capital by £3.1m via a capital injection in January 2024.

Jean-Pierre Flais
Chief Financial Officer

Corporate Governance

Strong corporate governance is essential in supporting the execution of strategy and driving forward the long-term goals of the Bank.

The Board consists of two independent non-executive directors (including the Chairman), two executive Directors and the Shareholder (non-executive director).

As the Bank continues to build out its strategy, the scope and format of corporate governance will adapt to meet the growing challenges.

The Board has ultimate responsibility for the internal control framework and in reviewing the effectiveness of such controls. Controls are designed to manage and mitigate risk.

The Bank's system of internal financial control includes appropriate levels of authorisation, segregation of duties and limits for each aspect of the business. There are established procedures and information systems for regular budgeting and reporting of financial information. Financial reports are presented at every board meeting detailing the results and other key performance data.

The internal audit function is outsourced to Mazars. The primary purpose of this function is to review the effectiveness of controls and procedures established to manage risk. The internal audit programme is agreed annually in advance with the Audit Committee with audit reports completed during the year presented to the Committee.

The Board

The stewardship of the Bank is provided by the Board. The Board meets regularly throughout the year to fulfil this role.

Details of the members of the Board are set out below.

John Reed – Chairman

John brings over forty years' experience in retail and corporate Banking with thirty being on the Boards of UK and international Banks as either CEO, Executive Director, Independent Non-Executive Director or Chair.

He is particularly experienced in Banking regulation and the establishment of Risk and Governance frameworks, subsequently overseeing the running of these through challenging economic cycles and periods of strong commercial growth. He has been involved in the turnaround, development or launch of many Banks and his experience, particularly with smaller and boutique Banks is of great benefit to StreamBank.

Mike Kirsopp – Chief Executive Officer

Mike was appointed as StreamBank's Chief Executive Officer in February 2024, having previously worked as a Non-executive director for the Bank.

Mike has spent 45 years working in the financial services industry, specifically within the commercial lending sector. Much of his career was spent within the Commercial Banking arm of Lloyds Banking Group, which also included senior roles in the business change and strategy functions. In 2011 Mike joined the team that would launch Cambridge & Counties Bank, initially working on developing the plan to gain the new Bank its operating license. Taking up the position as Chief Executive Officer in 2014.

Corporate Governance (continued)

Jean-Pierre Flais – Chief Financial Officer
Jean-Pierre joined StreamBank in October 2020. He is an experienced senior Banking executive having held several senior positions as CFO and deputy CEO in the private Banking subsidiaries of Société Générale in the UK over a 20-year period. More recently Jean-Pierre has worked with UK Challenger Banks supporting their application process.

Alex Pusco – Non-Executive Director
Alex Pusco is the founder and CEO of ActivTrades Plc, a global online broker. Alex initiated the Bank project in 2017, driven by using the ActivTrades ethos of delivering first-class financial products and an excellent customer experience. He is the sole shareholder of StreamBank. Alex's career started as a Futures trader and a personal broker for high-net-worth individuals. Through his entrepreneurial mindset and leveraging the wide adoption of the internet, he rapidly expanded his client base. This path led to creating one of Europe's first online trading providers – ActivTrades.

Steve Clowes – Independent Non-Executive Director
Steve has significant experience in Banking and financial services having enjoyed leadership roles at Morgan Stanley, Intesa San Paolo, and Bank of America International including more than 15 years as CFO and COO. More recently Steve has assisted challenger Banks and startups helping several over the last few years. Steve is a Fellow of the Institute of Chartered Accountants in England and Wales.

Board Committees
The Board has established the following standing committees:

Audit Committee:
Members: Steve Clowes (Chair), John Reed

The function of the Audit Committee is to review the work of the internal audit function, to consider the adequacy of internal control systems, to oversee the relationship with the external auditors, to review the statutory accounts including the key estimates and judgements used in the statutory accounts and to consider compliance issues. The Audit Committee is in charge of overseeing the Whistleblowing arrangements.

Risk Committee:
Members: John Reed (Chair), Steve Clowes

The function of the Risk Committee is to oversee the management of risk and the conduct of business on behalf of the Board to ensure that significant risks are identified, understood, assessed and managed and that good customer outcomes are achieved. It is responsible for the second line of defence of the business, ensuring that the level of assurance available to the Board is sufficient and appropriate.

Nomination and Remuneration Committee:
Members: John Reed (Chair), Steve Clowes

The function of the Remuneration Committee is to consider remuneration policy and specifically to determine the remuneration and other terms of service of executive directors and senior managers.

Corporate Governance (continued)

Board and Committee Membership and Attendance

Name	Board		Audit Committee		Risk Committee**		Remuneration Committee	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
John Reed	8	8	5	5	8	8	4	4
Mike Kirsopp	8	8	5	5	8	8	4	4
Jean-Pierre Flais	8	8	5	5	8	8	-	-
Alex Pusco	8	4	-	-	8	1	4	2
Steve Clowes	8	8	5	5	8	8	4	4
Steve Pateman*	6	6	3	3	8	6	2	2

*Steve Pateman resigned from the board in December 2023.
**Mike Kirsopp was replaced by John Reed as Risk Committee chair after being appointed as CEO.

(a) Number of meetings held at which a director was entitled to attend
(b) Number of meetings attended

Risk Management

As a financial services provider in the UK managing risk effectively is fundamental to our strategy, long term resilience and to operating successfully day to day. This is supported by a business model with a medium to low risk profile.

Risk Management Framework
The Bank's Risk Management Framework is an integral part of the StreamBank business model to support:

- Delivering against its strategy within an appropriate risk culture;
- Building greater resilience to organisational threats;
- Protecting its customers from unfair outcomes.

The Bank's strategy and business model is underpinned by clearly defined risk governance, ensuring alignment with the Board's appetite for risk. StreamBank operates entirely within the UK financial services market and only takes on risks, which it has the capability to understand and manage effectively. A Risk Management Framework, supported by a three lines of defence governance model, ensures strong risk awareness, assessment, monitoring and management across all principal and emerging risks. Risks are managed within the risk appetite set by the Board and stress testing is undertaken to ensure that the capital and liquidity of the Bank would enable it to survive severe but plausible market-wide and firm specific stresses.

Risk Culture
StreamBank has a strong culture of risk awareness and control and actively monitors and manages the risks of its business, as well as emerging industry risks which may have an impact on those activities, through its Risk Management Framework.
This culture is embedded through clear expectations of roles and responsibilities and supported by defined risk appetite and risk management policies, together with effective training for all levels of staff. The Board supports a culture of openness and transparency, encouraging issues to be raised as identified and providing the necessary resources and support to remediate. This is underpinned by an emphasis on good customer outcomes and sustainability of the business.

Three Lines of Defence Model
The Bank operates a three lines of defence model which clearly sets out responsibilities for the management and oversight of risk. The Board retains ultimate responsibility for risk management. The three lines of defence model is summarised below:

First Line of Defence – Day-to-Day Risk Management
The first line of defence has responsibility for implementation of the Bank's strategy and for the management of risk across the organisation and comprises executive committees, management and staff.

Second Line of Defence – Risk Oversight
The second line of defence is responsible for providing independent oversight and challenge of activities undertaken by the first line and provides guidance on risks relevant to the strategy. This is provided through the Risk & Compliance function, which is led by the Chief Risk Officer (CRO) who reports to the CEO and has an independent reporting line to the Chairman of the Board Risk Committee. The Risk function is not customer facing and has no responsibility for business targets or performance.

Risk Management (continued)

Third Line of Defence – Internal Audit
The third line of defence provides objective assurance on the design and effectiveness of the Bank's governance, and activities of the first line and second line of defence. This assurance is obtained through the use of internal audit services provided by Mazars. Internal audit reports directly to the Chair of the Audit Committees and is independent of the first and second lines of defence.

Risk Governance Structure
The Board is ultimately responsible for the overall risk governance and effective management of risk within the Bank. The Board determines the risk strategy and ensures that risk is monitored and controlled effectively.
The Board Risk Committee is a board committee that reviews, on behalf of the Board, the key risks inherent in the business and the control framework in place to manage such risks, reporting its findings to the Board.
There is a formal structure of a Risk Management Framework and policies in place, setting out risk limits and triggers and minimum operating standards, which are aligned to the Board's risk appetite.
Risk governance is supported by a structure comprising of executive committees, each with escalation routes for risk matters through the Board Risk Committee and Board.

Board Committees

Board Risk Committee – responsible for oversight of:
- Internal controls and risk management
- Compliance and fraud

Audit Committee – responsible for oversight of:
- Financial reporting and annual reports
- Internal audit
- External Audit
- Whistleblowing

Remuneration and Nomination Committee – responsible for:
- Assessment and approval of Board, SMF and ExCo positions
- Remuneration Policy

Executive Committees
Each committee includes appropriate representation from the Executive Committee and risk specialists. The responsibilities of each of the Committees is documented in the Terms of Reference of that committee, a high-level summary is set out below:

Executive Committee (ExCo)
The ExCo is the senior-most management committee with responsibility for supporting the CEO and managing and conducting the Bank's business as designated by the Board. It reviews and manages the entity's financial performance and underlying level and quality of financial resources in the context of the risk appetite and ensures that the entity has an appropriate risk management framework.

Risk Management (continued)

The Chairman of ExCo is the Chief Executive Officer (CEO), or, in their absence, the Chief Financial Officer (CFO). Membership also includes the Chief Risk Officer (CRO), the Chief Technology Officer (CTO), the Chief Operations Officer (COO),the Managing Director – Property Finance and the Chief Commercial Officer (CCO). Meetings are held weekly.

Key responsibilities are as follows:

- Recommend and execute the Bank's strategy set by the Board
- Ensure that the Bank's culture, values and ESG programmes are embedded in the day to day running of the business.
- Oversee the production of the annual budget for recommendation to the Board and its execution (review of the monthly management accounts and KPIs).
- Monitor the adherence to Conduct and Customer outcomes set out in the Conduct Risk Framework, notably via the review of customer satisfaction, feedback and complaints
- Monitor the regulatory environment and initiate actions as required
- Oversee the production of the ICAAP, ILAAP, RRP and related stress tests.
- Approve and oversee the implementation of the Bank's RMF, policies and procedures
- Review and update the Bank business continuity and disaster recovery plan;
- Review the strategic plan in relation to climate related financial risks and its implementation (in accordance with SS3/19 issued by the PRA);
- Review all internal or external audit reports and formulate action plans for any operational risk aspects therein;
- Receive and review reports from other management committees and department heads, with recommendations for the Board of any actions required; Receive and review reports for presentation to the Board
- Review new business opportunities including New Products Approvals;
- Establish and review performance appraisal system and review process;
- Review and monitor all HR matters including development and training requirements

Executive Risk Committee (ERC)

The ERC's principal responsibility is to monitor all enterprise risks including monitoring of risk appetites and excesses. In respect of credit risk the ERC is responsible for setting limits and monitoring limit excesses, reviewing the watch list, and bad and doubtful debt provisioning.
The ERC is chaired by the CRO and comprises the CEO, the CFO, the Head of Compliance & MLRO, the Head of Credit, the Head of Non Financial Risk, the CCO, the CTO , the Managing Director – Property Lending and the COO. The Committee meets monthly and its key responsibilities are as follows:

- Propose to the Board the levels of delegated Lending Authorities and the list of people to whom these authorities are to be granted (to be reviewed at least on an annual basis
- Review and monitor the structure and diversification of the loan assets ;
- Receive update on recovery process of all individual impaired facilities
- Consider and make decisions on all excesses to the Delegated Lending Authorities,
- Design the Credit and Lending Policy for recommendation to the Board
- Review the Credit and Lending Policy of the Bank to reflect changes in the external environment at least annually
- Consider and recommend to the Board all KRIs (including on Credit, Strategic and Business Risk, Liquidity, Solvency, Conduct, Compliance and Operational Risks) to be set and reviewed at least annually

Risk Management (continued)

- Review and monitor all KRIs. Consider and follow up remediation plans when triggers are reached. Liaise with RCC or Board as appropriate via CRO Report
- Review and input into the RMF and risk related policies and procedures
- Consider and evaluate all new product initiatives, assessing risk, commercial, legal, operational and systems implications and make recommendations to the Product and Marketing Committee.
- Receive and consider the weekly reports from the Head of Compliance on completed KYC and AML, outstanding items and action plans for rectification/completion.

Marketing, Products and Customer Insight Committee

The Marketing, Product & Customer Insight Committee (the MPCIC) is chaired by the CCO and comprises the CEO, CRO, CFO, COO, the Managing Director – Property Finance and the Head of Compliance and MLRO.

The MPCIC carries out the duties below:

- Review competitor and market insights and opportunities;
- Review product performance and future activity;
- Assessment of annual product reviews and subsequent action plans;
- Review marketing and/or brand performance and future activity;
- Review customer outcome performance customer feedback insights and action plans (including Complaints and Root Causes, and quarterly review of Voice of the Customer Programme);
- Customer channel performance and planned activity;
- Review audit reports relating to products and marketing and formulate action plans;
- Support liquidity needs of the business by providing pricing and rate insights to the Assets & Liabilities Committee;
- Establish and review product and marketing strategy;
- Establish and review relevant policies for recommendation to the Board;
- Establish and review relevant procedures and their implementation;
- Analyse and assess new product, channels and acquisition activity;
- Consideration of other customer, internal and external cultural or community activities.

Technology and Operations Committee (TOC)

TOC is responsible for the management and oversight of all technology related issues and risks across the Bank.

It is chaired by the CTO and the COO and comprises the CEO, CFO, COO, CRO and the CCO. The Committee meets monthly and its key responsibilities are as follows:

- Review all current IT issues;
- Review data protection performance;
- Review security and cyber risk performance;
- Review any BCP and Disaster Recovery activity;
- Review any customer feedback in relation to IT and systems;
- Technology roadmap progress;
- Review the IT internal audit reports and formulate action plans for issues identified;
- Establish and review IT Policies for recommendation to the Board;
- Establish and review IT procedures and their implementation;
- Establish and review IT strategy and plan;
- Analyse and assess implementation of all new IT systems;
- Monitor all new IT projects;
- Review and determine all user requirements for modifications to the IT systems; and
- Consider/commission a periodic external review of aspects of the IT or IT infrastructure.

Risk Management (continued)

Assets & Liabilities Committee (ALCO)
The ALCO's principal responsibilities include reviewing and monitoring the composition and growth of the assets and liabilities of the Bank, setting funding strategy and limits, maintaining the Bank's capital levels, reviewing the Bank's liquidity, and overseeing the production of the ICAAP and ILAAP.
ALCO is chaired by the CFO and membership includes the CEO, the Head of Finance, the Treasurer, the CRO, the CCO, The Managing Director – Property Lending and the COO. The Committee meets monthly (and currently also on a weekly basis as a Funding Committee) and its key responsibilities are as follows:

- Review and monitor the composition and growth of the assets and liabilities of the Bank (in particular via rolling cash flow forecast);
- Set and review the funding strategy and its implementation
- Decision on new deposits launch (type of product, distribution channel, pricing and timing);
- Set funding gap limits;
- Review of asset and liability mismatches;
- Review and monitor the Bank's capital and liquidity
- Monitor KRIs and regulatory ratios;
- Review and monitor all nostros;
- Review of cost of funds to the Bank;
- Review of counterparty risk limits and utilisation;
- Oversee and review the Bank's ILAAP (including Stress Tests scenario);
- Manage the HQLA portfolio.
- Review regulatory reporting activity

Risk Strategy
The Bank's risk strategy sets out the risk management approach to support the achievement of its strategic ambitions. It sets out which risks will be avoided, mitigated or accepted and is implemented by defining tolerances to the risks it faces through its risk appetite.
The strategic risk management objectives are to:

- Identify, assess and monitor the risks arising from the business model.
- Set appropriate risk appetite with defined measures and limits.
- Ensure appropriate skills and resources are present for effective management of risks.
- Identify and track treatment plans for known control weaknesses.
- Scan the horizon for emerging risks and regulatory changes.

Risk Appetite
The Board sets a risk appetite to define the level of risk that the Bank is willing to accept or wishes to avoid to meet its business objectives. A risk appetite statement is in place that addresses each of the key risk types faced by the Bank as articulated within the Risk Strategy. The risk appetite statements are linked to the Bank's strategy and supported by a suite of risk metrics, limits and triggers designed to monitor its exposure to the principal risks and together outline parameters within which the Bank operates.
The risk appetite statement provides a framework against which all business decision making must be assessed.

Risk Management (continued)

Top and Emerging Risks
The Bank's top and emerging risks are identified through the Bank's risk management processes. These are specific risks within the Bank's principal risk categories that are significant to the Bank throughout its strategic plan. The key risks and details of how they are mitigated is set out below:

Economic environment
The current business plan adopted by the Bank requires a meaningful but achievable growth in its asset base over the next five years. Achieving this growth rate is dependent on both the wider economic environment and achieving the asset mix. The results are also dependent on achieving the targeted net interest margin ("NIM") i.e. the difference between lending and deposit rates.

Controls
The Bank has appropriate policies and procedures to manage actual performance against plan and to escalate where material divergence occurs. In addition, the Bank monitors market interest rates on a weekly basis through ExCo and ALCO meetings and adjusts interest rates on our products to maintain NIM.

Climate Risk
Climate change and how society is responding to this remain a worldwide area of focus and continues to evolve in our understanding, outlook and responses. Financial risks from climate change arise through two primary channels; physical i.e. specific weather events and damage to assets and transition risks i.e. increased regulation to adjust to low carbon economy. The Bank has identified that the primary climate risk it is exposed to is transitional risk.

Controls
The Bank has horizon scanning procedures in place to identify proposed changes to the legal and regulatory requirements in relation to climate change. Any items identified will be escalated to the Board for consideration and action if required.

Credit Risk
Credit risk is the probability of financial loss resulting from the borrower's failure to repay a loan. The risk of default on the Bank's loan book is the principal source of financial risk, as lending represents the Bank's primary source of income.

The maximum credit risk as at 31 March 2024 is the carrying value recognised on the Balance Sheet as disclosed in the table in note 12.

Controls
The Bank has appropriate policies and procedures over the Lending activity, with credit risk being mitigated by the design of the Bank's product range (all lending is secured against real estate), by maintaining strict underwriting criteria, and by regular review of the performance of the loan book.

The Bank does not expect climate risk to have a material impact on the Bank's credit risk exposure as the short term nature of the lending book would ensure that the long term nature of climate change can be mitigated by changing lending criteria dynamically.

Risk Management (continued)

Operational risk

As a small, start-up operation the Bank continues to improve and automate its processes however the Bank still relies on manual controls in some areas and the close operational involvement of key individuals.

In addition the Bank operates in a highly regulated environment where any potential control failings could lead to significant financial costs and reputational damage.

Controls

Increased oversight of processing by the Head of Operations using management information and quality assurance is mitigating risk to within acceptable limits.

The Bank conducts on-going horizon scanning to identify new risks that could threaten achievement of the strategy and ensure they are captured in the Risk Management Framework as early as possible. The governance structure in place enables a strong awareness of current and emerging risks, which are recorded and monitored to ensure that appropriate mitigation and monitoring strategies are adopted.

Cyber Risk

Cyber related attacks remains prevalent across all industries. The sophistication of the attacks continues to increase and the threat of not maintaining and improving the security of the organisation has the potential to lead to vulnerabilities.
Key threats include:

- compromised customer accounts;
- security vulnerabilities;
- ransomware attacks; and
- attacks on third parties.

Controls

The Bank continues to review, mature and invest in its cyber security control environment. The Bank complies with the National Institute of Standards and Technology (NIST) framework to reflect the ever-changing nature of cyber threats. The Bank follows best practice and a methodical approach to managing Cyber Security Risks. Test scenarios have been conducted to assist in the identification of potential vulnerabilities with actions to remediate and address any weaknesses identified.

Risk Management (continued)

Principal & Financial Risks
These are the most significant risks faced by StreamBank which could impact the viability of the Bank and delivery of our strategic objectives. Risk appetite limits and triggers as well as key risk indicators are in place for each principal risk and reported to the relevant executive committee. Aggregated reporting is provided to the Board Risk Committee to support it in its duties.

CREDIT RISK – the risk that a borrower fails to meet its obligations in accordance with agreed terms

FINANCIAL RESILIENCE RISK
Management of Financial Resilience Risk with reference to the following sub-categories:

- **Capital risk –** the risk that the Bank will lose money from an investment of capital and will not have sufficient capital to meet its regulatory requirements.
- **Liquidity risk –** the risk that the Bank's financial position or existence is threatened due to its inability to make repayments and other commitments in time
- **Interest rate risk** - the exposure of a Bank's current or future earnings and capital to adverse changes in market rates.
- **Market risk** - the risk of losses in on and off-balance-sheet positions arising from movements in market prices

STRATEGIC RISK – the risk to earnings, capital, or liquidity arising from adverse business decisions, improper implementation of strategic initiatives, or inadequate responses to changes in the external operating environment.

CONDUCT RISK – the risk that firms' behaviour results in poor outcomes for consumers.

OPERATIONAL RISK - the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Risk Management (continued)

Key Risks

The following section sets out the risks identified as the key risks to the Bank. These are reported in the table below:

Risk Category	Risk Type	Definition	Qualitaive Appetite	Quantitative Appetite	Current Position	Horizon (Where Applicable)
Business & Strategic	Business Plan	StreamBank's deviation from the year to date profitability objectives.	Med	Total annual losses due to risk events <= 4%	No current losses due to Risk Events.	Continual monitoring of Risk Events and potential losses.
	Business Model Risk	The risk of financial losses due to uncontrollable factors that may challenge StramBank's business model and strategies.			No current losses due to Risk Events.	Continual monitoring of Risk Events and potential losses.
Credit Risk	Credit Default	The risk of financial losses due to the counterparty's default or inability to pay off our their loan.	Med	Annual loss < 4% Capital	6 loans currently in default.	Position on all loans nearing default is carried out in ERC on a monthly basis.
	Credit Concentration	The risk of financial loss and liquidity issues due to streambanks undiversified credit exposures.	Low	Annual loss < 2% Capital	No current Issues.	Credit exposure monitored regularly within ERC / Credit Committees. No horizon issues identified.
	Credit Residual Risk	Reliance on collateral with poor liquidity or volatile values.	Low	Annual loss < 2% Capital	No current Issues.	Carefully monitored as part of ERC. No identified horizon issues.
Liquidity Risk	Liquidity Adequacy	The risk of financial loss and reputational damage due to StreamBank's inability to meet its liquidity obligations.	Low	Survival Days > 95 days	No current Issues. Liquidity remains at a level that would support pipeline of our loan business. In addition, product launches have demonstrated our ability to move quickly to secure deposits via the retail savings market.	No horizon issues identified.
Solvency Risk	Capital Adequacy	The risk that StreamBank does not have sufficient capital resources to absorb potential losses in its business.	Low	Regulatory Capital /Risk Weighted Assets > 18%	22.30%	
IRRBB	IRRBB	The risk of financial loss due to adverse movement of the yield curve.	Low	IRRBB < 3% Capital	Not being actively calculated but remains very low as limited to our gilt portfolio.	

Risk Management (continued)

Risk Category	Risk Type	Definition	Qualitative Appetite	Quantitative Appetite	Current Position	Horizon (Where Applicable)
Operational Risk	Internal Fraud	The risk of financial losses and reputational damage from lack of failure of controls preventing staff from obtaining Firm assets (including data) without proper authorization.	Low	Annual Loss < 3% Capital	No current issues identified. Controls exist to prevent the crystallization of this risk.	No horizon issues identified.
	External Fraud	The risk of financial losses and reputational damage from lack of or failure of controls preventing third parties from obtaining Firm assets (including data) without proper authorization.	Low		No current issues identified. Controls exist to prevent the crystallization of this risk.	No horizon issues identified.
	Execution, Delivery & Process Management	The risk of financial losses and reputational damage resulting from delay and/or lack of competence assisting our customers in their day to day operations.	Low		Operations KRIs have identified no issues. Customer feedback on the service levels remain high.	Future product launches to be monitored for potential impact on customer service levels.
	Human Resources Risk	The risk of financial losses resulting from failures in the control environment around the employment, training and competence of the Bank's employees and contractors.	Low		Training and competence reviewed constantly and all colleagues up to date with training. Competence of new hires measured against requirements of Job Description.	Horizon scanning has identified no required changes to training as a result of Regulatory change. Any future expansion in products offered to customer will be assessed to identify any training needs
	Physical Damage	The risk of financial losses arising from physical damage to StreamBank's assets.	Low		No current issues identified	No horizon issues identified.
	Business Disruption & System Failures	The risk of financial losses and reputational damage resulting from disruption in the company's services.	Low	Disruption to key service <= 1 hour	Some minor outages to systems within the last quarter. One lasted greater than 1hr. Cause of the outages identified and steps have been taken to mitigate the risk of future occurrences. A program of DR testing is being carried out to ensure resilience of back up systems.	No horizon issues identified.
Conduct Risk	Execution, Delivery & Process Management	The risk of customer harm resulting from delay and/or lack of competence assisting our customers in their day to day operations.	Low	<=1 per month	Operational KRI's have identified no issues. Customer feedback service levels remain high.	Future product launches to be monitored for potential impact on customer service levels.

The Board has approved the Strategic Report, and this is being signed on its behalf by

Mike Kirsopp
Chief Executive Officer
19 June 2024

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 March 2024.

StreamBank is a public limited company, incorporated and domiciled in England and Wales, having its registered office in Wales and is authorised by the PRA and is regulated by the FCA and PRA.

Certain disclosures are given in the Chairman's Statement, Our Business and the financial statements and are incorporated here by cross-reference. Specifically, these incorporate the following disclosures:
Strategy - page 2
Engagement with others – page 5
Financial performance review - page 11
Risk management policies - page 16 & note 21 & 22

Principal Activities
StreamBank is a specialist UK lending and savings Bank focused on specialist property finance and savings. We differentiate ourselves by concentrating on markets where our expert knowledge, judgement and personalised approach to lending offer us a competitive advantage. As at the 31 March 2024 our lending book was made up of unregulated and regulated bridging loans and the savings book was made up of fixed term deposits and notice accounts.

Results
The income statement and the statement of financial position can be found on page 37 and 39 respectively.

Dividends
The directors do not propose to pay a dividend (2023:Nil).

Charitable Donations
The directors did not make any charitable donations in the financial year (2023:Nil).

Political Donations
The directors did not make any political donations in the financial year (2023:Nil).

Directors
The following persons served as directors during the year and up to the date of approval of the report and financial statements.

- Mike Kirsopp*
- Jean-Pierre Flais
- Alex Pusco
- John Reed
- Steve Clowes
- Steve Pateman (resigned December 2023)

* Mike was appointed as StreamBank's Chief Executive Officer in February 2024.

Disclosure of information to the Auditors
Each person who was a director at the time this report was approved confirms that:

- So far as they are aware, there is no relevant audit information of which the Bank's auditor is unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

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

Directors' Report (continued)

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be considered at the forthcoming Annual General Meeting.

Directors' Indemnity

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

Going Concern

The financial statements have been prepared on a going concern basis, as the Directors are satisfied that the Bank has the resources to continue in business for the foreseeable future.

This is as a minimum 12 months from the date of approval of these financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the current financial position, capital resources and expected future cash flows.

The Bank's base case forecast assumes that it will have sufficient capital to fund ongoing losses during the year. A combination of stressed financial forecast scenarios have been considered, including, increased regulatory capital requirements and significant increased variability in credit losses given the higher inflation environment and pressures on the cost of living. In this scenario, StreamBank can continue to trade for the foreseeable future without employing management actions.

Based on this assessment the Board is satisfied that the business can continue for the foreseeable future and the going concern basis is appropriate.

Subsequent Events

The Bank is in the process of appointing an independent Non-Executive Director which is currently at the regulatory approval stage.

There are no further subsequent events to be disclosed.

The Board has approved the Directors' Report, and this is being signed on its behalf by

Mike Kirsopp
Chief Executive Officer
19 June 2024

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Mike Kirsopp
Chief Executive Officer
19 June 2024

Independent auditors' report to the members of StreamBank PLC

Report on the audit of the financial statements

Opinion

In our opinion, StreamBank PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2024; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Context

StreamBank Plc wholly operates in the United Kingdom and provide lending and deposit financial services to customers. The company's lending business comprises short-term mortgage loans focused on bridging and development finance. In designing our audit, we understood the company's key processes and business activities, including obtaining an understanding of the company's control environment. We have audited the entity as a standalone entity.

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statement. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by the magnitude of financial statement line items, our risk assessment and other qualitative factors.

Key audit matters

- Expected credit losses on loans and advances to customers

Materiality

- Overall materiality: £342,272 (2023: £334,378) based on 1% of Net Assets.
- Performance materiality: £256,704 (2023: £167,189).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on loans and advances to customers Refer to the company's accounting policy in note 1, and management's critical estimates and judgements set out in note 3. Impairment allowances represent management's best estimate of expected credit losses (ECL) within each portfolio at the balance sheet date. Under IFRS 9 management is required to determine ECLs that are expected to occur based on possible default events over a twelve month period or the remaining life of the asset, depending on the categorisation of the individual asset. This categorisation is determined by an assessment of whether there has been a significant increase in credit risk (SICR) of the borrower since loan origination. The determination of ECLs is complex and requires management to exercise judgement in determining the significant assumptions which are used in the estimation process. The Company has a loan portfolio of loans and advances to customers classified as Stage 3 of £11,094k as at 31 March	We have performed the following audit procedures: We understood and evaluated the design and implementation of the key controls over the determination of ECLs. In addition, we performed the substantive procedures described below: **Significant increase in credit risk (SICR) for borrowers** For a sample of internal credit risk ratings at year end, we tested the appropriateness of management's assessment of a significant increase in credit risk (SICR) in accordance with the company's rating framework. This included assessing the appropriateness of the company's framework supported by our independent

2024 (2023: £5,154k) with an associated allowance for ECL of £1,667k (2023: £553k). We consider the following assumptions used in the determination of ECL for the loan portfolio to be significant and consequently they were an area of focus in our audit work: • The assessment of significant increases in credit risk at year end; and • In the loan portfolio, individual impairment assessments are performed for credit impaired loans and advances which are categorised as Stage 3. There is heightened risk in estimating the allowance for ECL for Stage 3 loans given the judgement required in determining the future recovery scenarios and the key assumptions, such as the valuation of collateral, and the weightings applied to scenarios outcomes.	analysis, including whether the assessment considered the current economic circumstances. **Individually assessed cases** For a sample of credit impaired loans, we evaluated the specific circumstances of the borrower, including the latest developments, and the scenarios and weightings used to estimate the impairment provision, and whether they were appropriate. We tested the valuation of collateral held and challenged management on the appropriateness of the significant assumptions and the weightings applied to scenario outcomes. Where applicable, we engaged our valuation experts to assess the collateral valuation methodology used by management in calculating the impairment provision. We assessed the disclosures in note 3, regarding the critical judgments and accounting estimates used in the determination of the Stage 3 ECL to be reasonable. Based on the procedures performed and the evidence obtained, we found management's estimate used in the determination of the Stage 3 ECL to be reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

All of the company's activities are based in the UK. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment. We performed audit procedures over all material account balances and financial information of the company, with reference to the materiality levels set out below.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Materiality

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

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

Overall company materiality	£342,272 (2023: £334,378).
How we determined it	1% of Net Assets
Rationale for benchmark applied	We considered net assets to be the most appropriate benchmark as it is correlated with the level of regulatory capital which is a key metric for management and users of the financial statements.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 50%) of overall materiality, amounting to £256,704 (2023: £167,189) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Board Audit Committee that we would report to them misstatements identified during our audit above £17,114 (2023: £16,719) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- A detailed risk assessment to identify factors that could impact the going concern basis of accounting including the effects of the increase in inflation and interest rate;
- Consideration of the company's regulatory capital and liquidity positions and forecasts thereof, regulatory correspondence and reports provided to the Board Audit Committee;
- Evaluation of the results of stress testing performed by management; and
- Reviewing the appropriateness of the disclosures in the Annual Report.

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report 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 Directors' Report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Prudential Regulatory Authority ('PRA') and Financial Conduct Authority ('FCA'),, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading PRA and FCA correspondence;
- Reading minutes of the Board and Board Audit Committee to identify any matters of audit relevance;
- Identifying and testing journal entries meeting certain risk-based criteria;
- Incorporating unpredictability into the nature, timing and/or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the expected credit losses for loans and advances to customers (see related key audit matters above).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Board Audit Committee, we were appointed by the directors on 26 April 2022 to audit the financial statements for the year ended 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 March 2023 to 31 March 2024.

Ajay Kabra

Ajay Kabra (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 June 2024

Income Statement
For the year ended 31 March 2024

	Notes	Year Ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
Interest receivable and similar income	4	8,950.3	2,039.8
Interest payable and similar charges	5	(3,608.2)	(290.0)
Net interest income		**5,342.1**	**1,749.8**
Other operating (expense)/ income		(96.6)	99.0
Net operating income		**5,245.5**	**1,848.8**
Staff Costs	6	(4,701.2)	(3,754.5)
Other Operating expenses	6	(2,670.9)	(1,980.4)
Impairment losses on loans and advances to customers	13	(1,201.9)	(600.8)
Depreciation and amortisation	14,15	(89.6)	(50.4)
Loss before taxation	**7**	**(3,418.1)**	**(4,537.4)**
Tax credit on loss	8, 16	1,023.1	892.3
Loss for the financial period		**(2,395.0)**	**(3,645.1)**

Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	Year Ended 31 March 2024	15-months ended 31 March 2023
		£'000	£'000
Loss for the financial period		**(2,395.0)**	**(3,645.1)**
Fair value adjustment through other comprehensive income	11	107.7	(14.5)
Deferred tax thereon	16	(23.3)	-
Total other comprehensive income/ (expense)		**84.4**	**(14.5)**
Total comprehensive expense for the period		**(2,310.6)**	**(3,659.6)**

All items will be reclassified to profit and loss upon recognition.

The results for the year ended 31 March 2024 relate entirely to continuing operations.

The notes on pages 43 to 70 form part of the financial statements of the Bank.

Statement of Financial Position

As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£'000	£'000
Assets			
Cash and balances held with central banks	9	32,730.1	-
Loans and advances to credit institutions	10	8,342.1	14,534.8
Debt instruments at fair value through other comprehensive income	11	4,092.2	2,985.5
Loans and advances to customers	12	137,242.0	31,221.0
Intangible assets	14	193.8	249.8
Property, plant & equipment	15	76.1	64.1
Deferred tax assets	16	2,017.1	1,017.3
Other assets	17	557.9	642.2
Total assets		**185,251.3**	**50,714.7**

	Notes	31 March 2024	31 March 2023
		£'000	£'000
Liabilities			
Deposits from customers	18	149,625.7	16,632.2
Other liabilities	19	1,398.4	644.7
Total liabilities		**151,024.1**	**17,276.9**
Share capital and reserves			
Share capital	23	40,600.0	37,500.0
Accumulated losses		(6,372.8)	(4,062.2)
Total equity		**34,227.2**	**33,437.8**
Total equity and liabilities		**185,251.3**	**50,714.7**

These financial statements on pages 37 to 70 have been approved by the Board of Directors and signed on 19 June 2024 on its behalf by:

Jean-Pierre Flais
Chief Financial Officer

Statement of Changes in Equity
For the year ended 31 March 2024

	Notes	Called up share capital £'000	Accumulated losses £'000	Total £'000
2024				
As of 1 April 2023		37,500.0	(4,062.2)	33,437.8
Loss for financial year		-	(2,395.0)	(2,395.0)
Other comprehensive income	11	-	84.4	84.4
Increase in share capital	23	3,100.0	-	3,100.0
As at 31 March 2024		**40,600.0**	**(6,372.8)**	**34,227.2**

	Notes	Called up share capital £'000	Accumulated losses £'000	Total £'000
2023				
As of 1 January 2022		50.0	(402.6)	(352.6)
Loss for financial period		-	(3,645.1)	(3,645.1)
Other comprehensive expense	11	-	(14.5)	(14.5)
Increase in share capital	23	37,450.0	-	37,450.0
As at 31 March 2023		**37,500.0**	**(4,062.2)**	**33,437.8**

Cash flow Statement

For the year ended 31 March 2024

	Notes	Year Ended 31 March 2024	15-months ended 31 March 2023 Restated*
		£'000	£'000
Cash flows from operating activities			
Cash generated from operating activities		24,482.0	1,076.3
*Net cash movement from operating activities**		*24,482.0*	*1,076.3*
Cash flows from investing activities			
Purchase of debt instruments	11	(1,000)	(3,000.0)
Disposal of debt instruments	11	1	-
Purchase of loans and advances to customers*	12	-	-
Additions of intangible fixed assets	14	-	(57.0)
Additions of tangible fixed assets	15	(45.6)	(84.6)
*Net cash movement from investing activities**		*(1,044.6)*	*(3,141.6)*
Cash flows from financing activities			
Share issuance	23	3,100.0	16,500.0
Net cash movement from financing activities		*3,100.0*	*16,500.0*
Net movement in Cash and cash equivalents		26,537.4	14,434.7
Cash and cash equivalents at beginning of year		14,534.8	100.1
Cash and cash equivalents at end of year		*41,072.2*	*14,534.8*
Cash and balances held with central banks repayable on demand	9	32,730.1	-
Loans and advances to credit institutions repayable on demand	10	8,342.1	14,534.8
Cash and cash equivalents at end of year		*41,072.2*	*14,534.8*

*In 2024, the Bank reviewed the classification of transactions within the cash flow statement and determined that the purchase of loans and advances to customers did not meet the cash flows from investing activities criteria. Accordingly, the purchase of loans and advances to customers have been classified within cash flows from operating activities as at 31 March 2024. The comparatives have been restated as at 31 March 2023 leading to a decrease of £8,344k in the net cash movement from operating activities and a corresponding increase in the net cash movement from investing activities. The reclassification has no impact on the cash and cash equivalent as at 31 March 2023.

Analysis of balance of cash and cash equivalents

2024	Notes	At 31 March 2023	Cash flow	At 31 March 2024
		£'000	£'000	£'000
Cash and balances held with central banks	9	-	32,730.1	32,730.1
Loans and advances to credit institutions	10	14,534.8	(6,192.7)	8,342.1
		14,534.8	**26,537.4**	**41,072.2**

2023	Notes	At 31 December 2021	Cash flow	At 31 March 2023
		£'000	£'000	£'000
Loans and advances to credit institutions	10	100.1	14,434.7	14,534.8
		100.1	**14,434.7**	**14,534.8**

Reconciliation of operating profit to operating cash flows

	Notes	2024	2023
			Restated
		£'000	£'000
Cash flows from operating activities			
Loss before taxation		(3,418.1)	(4,537.4)
Net change loans and advances to customers*	12	(107,324.0)	(10,871.7)
Impairment losses on loans and advances to customers	13	1,303.0	600.8
Amortisation of Intangible Assets	14	56.0	30.0
Depreciation of PPE	15	33.6	20.4
Net change in other assets	17	84.3	(642.2)
Net change in deposits from customers	18	132,993.5	16,632.2
Net change in other liabilities	19	753.7	(155.8)
Net cash inflow from operating activities*		**24,482.0**	**1,076.3**

*See restatement explanation below the Cash flow Statement.
During the year end March 2024, the bank received interest income of £1,462k (2023:£484k) in cash and paid interest expense of £1,481k (2023:£34k) in cash.

Notes to the Financial Statements

For the year ended 31 March 2024

1 Accounting policies

Basis of preparation

These financial statements are prepared for StreamBank Plc. StreamBank Plc is a public limited company incorporated and registered in the United Kingdom and is limited by shares. StreamBank is registered at Trafalgar House, 5 Fitzalan Place, Cardiff CF24 0ED. StreamBank is registered under company number 11995458.

The financial statements of the Bank are prepared in accordance with the UK-adopted international accounting standards and have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis. The Board has considered the appropriateness of the going concern basis of preparation of the financial statements taking into account the Bank's current and projected performance. As part of this assessment the Board considered:

- The impact on Bank's profits from an expected compression of net interest margin from bridging lending combined with increased credit impairment charges;
- The sufficiency of the Bank's capital base; and,
- The adequacy of the Bank's liquidity.

The Bank's forecasts and projections include scenario testing undertaken in accordance with the internal capital adequacy assessment process "ICAAP" and internal liquidity adequacy assessment process "ILAAP", which are required by the Prudential Regulation Authority to demonstrate appropriate levels of capital and liquidity respectively under stressed conditions. Further consideration has been given to the current issues facing the UK banking sector given increases in the Bank of England's Base Rate and the effects of inflation.

The Board is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Standards and interpretations effective for the Company in these financial statements:

The Company has considered a number of amendments to published International Financial Reporting Standards and interpretations effective for the year ended 31 March 2024. They are either not relevant to the Bank or do not have a significant impact on the Bank's financial statements.

Standards and interpretations effective for the Company in future periods:

None of the standards issued by the IASB but not yet effective, are expected to have a material impact on the Bank's financial statements in future periods. The Company has not early adopted any of these new or revised standards or interpretations.

1 Accounting policies (continued)

Measurement convention
The financial statements have been prepared on a going concern basis under the historical cost convention, except for certain financial assets held at fair value through other comprehensive income.

Summary of Material Accounting Policies

Interest receivable and interest payable
Interest income and expense are recognised in the Income Statement for all instruments measured at amortised cost using the effective interest rate method. The Bank estimates future cash flows considering all contractual terms of the financial instrument. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. The net incremental transactional income/costs are amortised over the period to the contractual maturity date for commercial loans and based on the expected life of each loan, given the short term nature of the portfolio no adjustment is made for prepayments.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. For credit-impaired financial assets i.e. Stage 3, a credit-adjusted effective interest rate is calculated using estimated future cash flows including loss allowance.

If the status of the asset subsequently recovers, the amount by which the provision has increased due to suspended interest is recognised as a reversal of impairment loss allowance rather than interest income. The reversal of impairment loss allowance will not be recognised until the reversal of the impairment is fulfilled.

Revenue Recognition
Other operating income
Other operating income primarily relates to fees for originating and servicing mortgages on behalf of third-parties. Fee income is recognised when performance obligations attached to the fee or commission have been satisfied.

Recognition
Financial assets and liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised on the date they are settled.

Financial assets
The Bank has classified its financial assets as follows:

Amortised cost: Cash and balances held with central banks, Loans and advances to credit institutions & Loans and advances to customers. These assets are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the loans are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income: Debt Instruments which entails a portfolio of UK Government Bonds. These financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

1 Accounting policies (continued)

Financial instruments

The 'business model assessment' is performed at a portfolio level and determines whether the Bank's objective is to generate cash flows from collecting contractual cash flows, or by both collecting contractual cash flows and selling financial assets.

The assessment of cash flow characteristics determines whether the contractual cash flows of the financial asset are solely payments of principal and interest on the principal amount outstanding ('SPPI'). The SPPI test is performed at an instrument level based on the contractual terms of the instrument at initial recognition. For the purposes of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and credit risk associated with the principal amount outstanding and for other basic lending risks and costs (e.g. liquidity risk and operating costs), as well as a reasonable profit margin.

A financial asset is classified as measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit and loss:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are SPPI.

The only instrument the Bank holds that is not measured at amortised cost is a portfolio of UK Government Bonds, these are held at fair value through other comprehensive income.

Financial liabilities

The Bank has classified its financial liabilities as follows:
- Amortised cost: Deposits from customers

De-recognition of financial assets and financial liabilities

(i) Financial assets

Financial assets are de-recognised when:
- The rights to receive cash flows from the asset have expired;
- The Bank has transferred its rights to receive cash flows or has assumed an obligation to pay the received cash flows in full without material delay; and either
- The Bank has transferred substantially all the risks and rewards of the asset; or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where an existing financial asset is replaced by another to the same customer on substantially different terms, or the terms of an existing facility are substantially modified, such an exchange or modification is treated as a de-recognition of the original asset and the recognition of a new asset.

(ii) Financial liabilities

Financial liabilities are de-recognised when the obligation is discharged, cancelled or has expired.

1 Accounting policies (continued)

Fair value of financial instruments
On initial recognition, the best evidence of the fair value of a financial instrument is normally transaction price (i.e. the fair value of the consideration given or received). If the Bank determines that the fair value on initial recognition differs from the transaction price, the Bank accounts for such differences as follows:

If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Other Comprehensive Income.

There are no assets held at fair value either through Other Comprehensive Income or profit and loss that are not quoted in an active market.

Measurement of Expected Credit Loss (ECL)
In accordance with IFRS 9, expected credit losses (ECL) are recognised on our loans and advances to customers which relate to bridging loans. The impairment charge in the income statement includes the change in expected credit losses.
At initial recognition, financial assets are considered to be in Stage 1 and a provision is recognised for 12 months of expected credit losses. If a significant increase in credit risk since initial recognition occurs, these financial assets are considered to be in Stage 2 and a provision is made for the lifetime expected credit losses.
A financial asset will remain classified as Stage 2 until the credit risk has improved and it can be returned to Stage 1 or until it deteriorates such that it meets the criteria to move to Stage 3.
Where a financial asset no longer represents a significant increase in credit risk since origination it can move from Stage 2 back to Stage 1. As a minimum this means that all payments must be up-to-date, and the account is not evidencing qualitative assessment triggers.
When objective evidence exists that a financial asset is credit impaired, such as the occurrence of a credit default event or identification of an unlikeliness to pay indicator, the financial asset is considered to be in Stage 3. As a backstop, all financial assets 90 days or more past due are considered to be credit impaired and transferred to Stage 3.
In all circumstances loans and advances to customers are written off against the related provisions when there are no reasonable expectations of further recovery. This is typically following realisation of all associated collateral and available recovery actions against the customer. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the income statement.
The calculation of expected credit losses for loans and advances to customers, either on a 12-month or lifetime basis, is based on the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD), and includes forward-looking macroeconomic information obtained through Oxford Economics.
IFRS 9 risk parameters are estimated using historical data wherever possible sourced from the University of Singapore, and in the absence of sufficient loss history, an expert judgment approach is considered for some parameters.

Probability of Default
PD estimates represent the likelihood of a borrower defaulting on its financial obligation. The Z-model framework is employed to estimate PDs on our loan portfolio. The model includes an economic response model to quantify the impact of macroeconomic forecasts and the internal scorecard to quantify obligor level likelihood of default. Risk characteristics that feed into the PD model framework include current and past information related to borrowers, and future economic forecasts.

1 Accounting policies (continued)

Exposure at Default
EAD represents the amounts expected to be owed at the time of default, given the nature of bridging lending, these amounts are primarily focused in the following 12 month period.

Loss Given Default
LGD represents an expectation of the extent of loss on a defaulted exposure after taking into account cash recoveries, including the value of collateral held and other credit risk mitigants.

The calculation of LGD across Stages 1 and 2 is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral as usually expressed as a % of the EAD.
The aim of the LGD model is to forecast the LGD for the lifetime of the account. The "workout framework methodology" will be used with the following key LGD input components to be used in StreamBank's model:

- Percentage of cure : 20% with loss given cure of 0%
- Time to sell : 6 months
- Forced Sale Discount : 20%
- LGD floor : 5%

For all cases in Stage 3, further analysis on the recoverability of the EAD has been carried out, and specific scenarios have been determined based on information available. In these circumstances, the Bank's ERC and Audit Committee have reviewed the probability of the potential scenarios and determined whether an overlay on the LGD model in required.

Significant increase in credit risk
The Bank applies a series of quantitative, qualitative and backstop criteria to determine if there has been a significant increase in credit risk:

- Quantitative criteria: this is based on actual or expected internal credit rating (or scoring) downgrade for the borrower.
- Qualitative criteria: this includes the observation of specific events such as short-term forbearance, payment cancellation, historical arrears.
- Backstop criteria: IFRS 9 includes a backstop that 30-days past due is an indicator of a significant increase in credit risk. The Bank considers 30-days past due to be an appropriate backstop measure and does not rebut this presumption.

Definition of default and credit-impaired assets
The Bank's definition of default is fully aligned with the definition of credit-impaired. The Bank applies both a qualitative and quantitative criterion to determine if an account meets the definition of default. These criteria include:

- When the borrower is more than 90-days past due; and
- Qualitative factors to comply with the internal rating systems risk grading approach adopted by the Bank.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Presentation of loss allowances in the Balance Sheet
Loss allowances for financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the financial asset.

Write-offs
Loans are written off (either partially or in full) when there is no realistic prospect of recovery. The indicators used to determine the prospect of recovery are where an administrator or liquidator has been appointed and the proceeds of disposal of secured assets are insufficient to cover the outstanding debt.

1 Accounting policies (continued)

Intangible assets

Where software costs are capitalised, they are amortised using the straight-line method over their estimated useful lives which is 5 years. The amortisation period used is reviewed annually. Costs associated with maintaining software are expensed as they are incurred.

Intangible assets have finite lives and are assessed for indicators of impairment at each Balance Sheet date.

An intangible asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of the intangible assets is deemed to be its value in use. If there is objective evidence of impairment, an impairment loss is recognised in the Income Statement.

Property, plant and equipment

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

Depreciation is provided on a straight-line basis over the anticipated useful lives as follows:

- *Fixtures, fittings and equipment* *3 years*

Taxation including deferred tax

Corporation tax on profits for the year comprises current and deferred taxation.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Balance Sheet date. Where group relief is received or surrendered from or to a group company, the corresponding liability or asset is settled in full.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements of the Bank. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on a non-discounted basis at the tax rates that are expected to apply when the related asset is realised, or liability settled based on the tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Corporation tax is charged directly to the Income Statement.

Share Capital

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax from the proceeds.

2 Segmental information

The Board is the Bank's chief operating decision-maker (CODM). Management has determined that given the size of the Bank and the stage of operation, that the Bank currently has a single operating segment related to bridging lending. As the Bank grows and releases new products, the number of operating segments will increase.

3 Judgement in applying accounting policies and critical accounting estimates

The Bank has to make judgements in applying its accounting policies which affect the amounts recognised in the financial statements of the Bank. In addition, estimates and assumptions are made that could affect the reported amounts of assets and liabilities within the following financial year. The most significant areas where judgement and estimates are made are as follows:

Estimates and assumptions

Impairment losses on loans and advances to customers

IFRS 9 has a single impairment model that applies to all financial instruments in its scope. Under this model, an entity must recognise either a 12-month or lifetime expected credit loss. ECLs are the present value of all cash shortfalls over the expected life of the financial instrument. The key assumptions used, and the related sensitives, are outlined in note 21.

Deferred taxation

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. Management judgement is exercised in assessing whether this is the case, taking into account future profitability expectations. Temporary differences are calculated using the tax rates expected to apply in the years in which the assets will be realised or the liabilities settled. To the extent that actual outcomes differ from management's estimates, income tax charges or credits, and changes in current and deferred tax assets or liabilities, may arise in future periods.

Information on the recoverability of the deferred tax asset and related sensitives, are outlined in note 16.

4 Interest receivable and similar income

	Year Ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
Interest income		
Loans and advances to customers – at amortised cost	8,319.0	2,039.8
Loans and advances to credit institutions - at amortised cost	251.7	-
Loans and advances to credit institutions	379.6	-
	8,950.3	**2,039.8**

5 Interest payable and similar charges

	Year Ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
On customer accounts	3,608.2	49.7
On deferred consideration	-	240.3
	3,608.2	**290.0**

6 Other operating expenses

	Year Ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
Staff costs		
Wages and salaries	3,664.1	1,738.1
Social security	746.0	1,144.1
Other staff costs	-	872.3
Pension costs – defined contribution scheme	235.4	-
Non salary staff costs	55.7	-
	4,701.2	**3,754.5**
Other Operating expenses	2,670.9	1,980.4
	7,372.1	**5,734.9**

Directors and employees

The average number of employees of the Bank during the period was as follows:

	Year Ended 31 March 2024	15-months ended 31 March 2023
Provision of finance and banking	36	16
	36	**16**

Staff costs include remuneration in respect of Directors as follows:

	Year Ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
Short-term employee benefits	994.5	1,174.4
Post-employment benefits	41.4	54.5
Other long-term benefits	4.1	
Loss of office benefits	319.0	-
	1,359.0	**1,228.9**

The emoluments of the highest paid director, excluding pension contributions, were as follows:

	Year Ended 31 March 2024 £000	15-months ended 31 March 2023 £000
Aggregate emoluments	618.0	633.9

The pension accrued for the highest paid director was £Nil *(2023: £Nil)*.

7 Loss before taxation

	Year Ended 31 March	15-months ended 31 March
	2024	2023
	£000	£000
Profit / (loss) on ordinary activities before taxation is stated after charging:		
Audit of the company's financial statements*		
Current Year	348.0	198.0
Prior Year	55.6	-
Professional Services*		
Internal Audit	243.2	258.7
Tax compliance – Current Year	20.3	-
Tax compliance – Prior Years	24.4	-
Amortisation (note 14)	56.0	30.0
Depreciation (note 15)	33.6	20.4

*The Audit of the company's financial statements and professional services fees are all inclusive of VAT.

8 Income Tax credit

	Year ended 31 March		15-months ended 31 March	
	2024		2023	
	£'000	£'000	£'000	£'000
Analysis of charge in the financial year				
Current Tax				
UK corporation tax at 25% (2023: 19%)		-		-
Deferred tax				
Origination and reversal of temporary difference	827.0		862.1	
Prior period adjustment	(95.2)		30.2	
Effect of changes in tax rates	291.3			
Total deferred tax (note 16)		**1,023.1**		**892.3**
Total tax credit		**1,023.1**		**892.3**

The total tax credit for the year is 25% (2023: 19%). The differences are explained below.

8 Income Tax (expense)/credit (continued)

	Year ended 31 March	15-months ended 31 March
	2024	**2023**
	£'000	**£'000**
Total tax reconciliation		
Loss on ordinary activities before tax	(3,418.1)	(4,537.4)
Current tax at 25.00% (2023: 19.00%)	**854.5**	**862.1**
Fixed asset difference	(0.8)	**-**
Expenses not deductible for tax purposes	(26.7)	-
Remeasurement of deferred tax for changes in tax rate	291.3	
Adjustments in respect of previous periods	(95.2)	30.2
Total tax credit (see above)	**1,023.1**	**892.3**

In the prior period the UK government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%.

9 Cash and balances held with central banks.

	2024	2023
	£'000	**£'000**
Cash and balances held at central banks	32,730.1	-
	32,730.1	**-**

10 Loans and advances to credit institutions

The amount relates to cash balances held with UK registered banks.

	2024	2023
	£'000	**£'000**
Repayable on demand	8,342.1	14,534.8
	8,342.1	**14,534.8**

11 Debt instruments through other comprehensive income

	Year ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
Government bonds	4,092.2	2,985.5
	4,092.2	**2,985.5**

The movement in the debt instruments is summarised as follows:

	Year ended 31 March 2024 £'000	15-months ended 31 March 2023 £'000
At start of period	2,985.5	-
Additions	1,000.0	3,000.0
Disposal	(1.0)	-
Gain/ (Loss) due to fair value movements taken through other comprehensive income	107.7	(14.5)
At end of financial period	**4,092.2**	**2,985.5**

12 Loans and advances to customers

	2024 £'000	2023 £'000
Loans and advances – classified at amortised cost		
Bridging Loans	137,242.0	31,221.0
	137,242.0	**31,221.0**

During the year the Bank purchased £14,775k (2023:£29,294k) of loans from a related party. The related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

	2024 £'000	2023 £'000
Loans and advances to customers at amortised cost		
Gross balances	139,145.8	31,821.8
Less: Provision for impairment	(1,903.8)	(600.8)
Net balance	**137,242.0**	**31,221.0**

13 Impairment losses on loans and advances to customers

IFRS 9	Stage 1	Stage 2	Stage 3	Total
	£'000	**£'000**	**£'000**	**£'000**
2024				
At start of period	47.7	0.6	552.5	600.8
Utilised in period	-	-	-	-
Income Statement				
Charge for loan impairment	185.3	3.0	1,114.7	1,303.0
At 31 March 2024	**233.0**	**3.6**	**1,667.2**	**1,903.8**

The Impairment losses on loans and advances to customers in the Income Statement is made up of the charge for loan impairment of £1,303.0k (2023:Nil) (above) net of the reversal of a market rate interest adjustment to a purchased portfolio of £101.1k (2023:Nil). This leads to Impairment losses on loans and advances to customers in the Income Statement of £1,201.9k (2023:£600.8k).

IFRS 9	Stage 1	Stage 2	Stage 3	Total
	£'000	**£'000**	**£'000**	**£'000**
2023				
At start of period	-	-	-	-
Utilised in period	-	-	-	-
Income Statement				
Charge for loan impairment	47.7	0.6	552.5	600.8
At 31 March 2023	**47.7**	**0.6**	**552.5**	**600.8**

For further details on loans and advances to customers refer to note 12.

14 Intangible assets

	Computer software	
	2024	2023
	£'000	£'000
Cost:		
At start of period	279.8	222.8
Additions	-	57.0
Disposals	-	-
At end of financial period	**279.8**	**279.8**
Accumulated Amortisation:		
At start of period	(30.0)	-
Disposals	-	-
Amortisation	(56.0)	(30.0)
At end of financial period	**(86.0)**	**(30.0)**
Net book value:		
At end of financial period	**193.8**	**249.8**

15 Property, plant & equipment

	Fixtures, fittings and equipment	
	2024	2023
	£'000	£'000
Cost:		
At start of period	84.5	-
Additions	45.6	84.5
Disposals	-	-
At end of financial period	**130.1**	**84.5**
Depreciation:		
At start of period	(20.4)	-
Depreciation	(33.6)	(20.4)
Disposals	-	-
At end of financial period	**(54.0)**	**(20.4)**
Net book value:		
At end of financial period	**76.1**	**64.1**

16 Deferred tax asset

	2024	2023
	£'000	**£'000**
At start of period	1,017.3	125.0
Credit to the Income Statement – current period	1,023.1	862.1
Charge to the Statement of Other Comprehensive Income	(23.3)	30.2
At end of financial period	**2,017.1**	**1,017.3**

Deferred tax assets are attributable to the following items:

	2024	2023
	£'000	**£'000**
Fixed asset temporary differences	(64.9)	30.2
Short term temporary differences	(23.3)	-
Tax losses and other deductions	2,105.3	987.1
At end of financial period	**2,017.1**	**1,017.3**

To support the recognition of the deferred tax asset modelling was undertaken to review the recovery period of the deferred tax asset. The modelling was based on management forecasts and showed that the deferred tax asset is expected to be recovered by 2027. A plausible downside case was also modelled which included reducing operating profit by 10%. This downside case modelling showed that the deferred tax asset would be recovered by 2028.

17 Other assets

	2024	2023
	£'000	**£'000**
Prepayments	480.5	405.2
Other assets	21.6	237.0
Accrued Income	55.8	-
At end of financial period	**557.9**	**642.2**

18 Deposits from customers

	2024	2023
	£'000	**£'000**
Term Deposits from customers	149,625.7	16,632.2
	149,625.7	**16,632.2**

19 Other liabilities

	2024	2023
	£'000	**£'000**
Due within one year:		
Accruals	1,118.9	573.4
Other creditors	279.5	71.3
	1,398.4	**644.7**

20 Financial instruments

a) Categories of financial assets and liabilities

Financial assets and liabilities are measured on an on-going basis either at fair value through other comprehensive income or at amortised cost.

The accounting policies note describes how the classes of financial instruments are measured and how income and expenses including fair value gains and losses, are recognised. The following tables analyse the financial assets and liabilities in the Balance Sheet by the class of financial instrument to which they are assigned and by the measurement basis and include both non-financial assets and liabilities in order to reconcile the disclosures to Balance Sheet totals.

As at 31 March 2024	At amortised cost	FVOCI	Total
	£'000	£'000	£'000
Financial Assets			
Cash and balances held with central banks	32,730.1	-	32,730.1
Loans and advances to credit institutions	8,342.1	-	8,342.1
Debt instruments at fair value through other comprehensive income	-	4,092.2	4,092.2
Loans and advances to customers	137,242.0	-	137,242.0
Total financial assets	**178,314.2**	**4,092.2**	**182,406.4**
Financial Liabilities			
Deposit from customers	149,625.7	-	149,625.7
Total financial liabilities	**149,625.7**	**-**	**149,625.7**

As at 31 March 2023	At amortised cost	FVOCI	Total
	£'000	£'000	£'000
Financial Assets			
Loans and advances to credit institutions	14,534.8	-	14,534.8
Debt instruments at fair value through other comprehensive income	-	2,985.5	2,985.5
Loans and advances to customers	31,221.0	-	31,221.0
Total financial assets	**45,755.8**	**2,985.5**	**48,741.3**
Financial Liabilities			
Deposit from customers	16,632.2	-	16,632.2
Total financial liabilities	**16,632.2**	**-**	**16,632.2**

20 Financial instruments (continued)

b) Fair value estimation

The table below summarises the fair value of the Bank's financial assets and liabilities. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which all significant inputs are based on observable market data.
- Level 3: Valuation techniques for which significant inputs are not based on observable market data.

Where applicable, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an on-going basis. For all other financial instruments, the Bank determines fair value using other valuation techniques.

The following table presents the Bank's financial assets and liabilities that are measured at fair value on the face of the Balance Sheet and the disaggregation by fair value hierarchy and product type:

As at 31 March 2024	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	4,092.2	-	-	4,092.2
Total financial assets at FVTOCI	**4,092.2**	**-**	**-**	**4,092.2**

As at 31 March 2023	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	2,985.5	-	-	2,985.5
Total financial assets at FVTOCI	**2,985.5**	**-**	**-**	**2,985.5**

c) Maturity profile of financial assets and liabilities

The table below analyses the carrying value of financial assets and liabilities into relevant maturity grouping based on the remaining period to the contractual maturity date. In practice, customer deposits will be repaid later than on the earliest date on which repayment can be required. Likewise, in practice, customer assets may be repaid ahead of their contractual maturity. As such, the Bank uses past performance of each asset and liability class along with management judgement to forecast likely cash flow requirements.

20 Financial instruments (continued)

As at 31 March 2024	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	More than five years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Cash and balances held with central banks	32,730.1	-	-	-	-	32,730.1
Loans and advances to credit institutions	8,342.1	-	-	-	-	8,342.1
Debt instruments at fair value through other comprehensive income	15.0	-	-	2,888.1	1,189.1	4,092.2
Loans and advances to customers	36,008.4	22,683.9	70,903.7	7,646.0	-	137,242.0
Total financial assets	**77,095.6**	**22,683.9**	**70,903.7**	**10,534.1**	**1,189.1**	**182,406.4**
Liabilities						
Deposit from customers	36,362.2	6,855.1	106,408.4	-	-	149,625.7
Total financial liabilities	**36,362.2**	**6,855.1**	**106,408.4**	**-**	**-**	**149,625.7**

As at 31 March 2023	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	More than five years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Loans and advances to credit institutions	14,534.8	-	-	-	-	14,534.8
Debt instruments at fair value through other comprehensive income	2,985.5	-	-	-	-	2,985.5
Loans and advances to customers	19,871.3	6,590.3	3,464.5	1,294.9	-	31,221.0
Total financial assets	**37,391.6**	**6,590.3**	**3,464.5**	**1,294.9**	**-**	**48,741.3**
Liabilities						
Deposit from customers	-	-	16,632.2	-	-	16,632.2
Total financial liabilities	**-**	**-**	**16,632.2**	**-**	**-**	**16,632.2**

21 Financial risk management objectives and policies

Risk management

The risk management approach encompasses the requirements for identifying, assessing, managing, monitoring and reporting on risk.

The evaluation of the various risks and the setting of policy is carried out through the Bank's Executive Risk Committee which reports to the Board Risk Committee, which ensures adherence to the Bank's Risk Management Policy and Framework.

Risk management objectives

Risk is inherent in all aspects of the Bank's business. The Risk Management Framework is in place to ensure that all material risks faced by the Bank have been identified and measured, and that appropriate controls are in place to ensure that each risk is mitigated to an acceptable degree.

In the normal course of its business, the Bank is exposed to credit risk, liquidity risk, interest rate risk, conduct risk and operational risk. These are discussed in more detail in sections a) to e) below.

(a) Credit risk

Credit risk is the risk that borrowers or a counterparty will be unable or unwilling to meet a commitment that they have entered into with the Bank.

The maximum credit risk as at 31 March 2024 is the carrying value recognised on the Balance Sheet as disclosed in the table in note 12.

Credit risk within the lending portfolio is defined as a borrower's inability to repay or service their debt obligations.

The Bank's accounting policy in terms of determining significant increase in credit risk is disclosed in note 1.

For all lending, the Bank takes security in the form of a legal charge over the property against which loans are advanced. The Bank's low risk approach to new business lending is reflected in the loan to value profile of the property book.

The Bank manages its credit risk through its Credit Committee and Assets and Liabilities Committee. Regular credit exposure reports are produced which include information on credit and property underwriting, large exposures, asset concentration and levels of bad debt provisioning.

Expected Credit Loss Provisioning

Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- PD is the likelihood of a borrower defaulting on its financial obligation either in the next 12-months or over the remaining lifetime of the obligation.

In order to generate Lifetime PD, StreamBank uses the "Z-Risk Framework" methodology which translate through the cycle ("TTC") probability of defaults ("PDs") into point in time ("PIT") PDs. These are then adjusted for the future based on a forecast of an appropriate credit cycle index ("CCI").

21 Financial risk management objectives and policies (continued)

Key Economic Scenario Assumptions
The key economic assumptions used to determine the forward-looking PD are obtained from Oxford Economics:

The PD models produce an estimate of the point-in-time PD reflecting the current and expected position in the current credit cycle for our stage 1 and stage 2 loans. The models are designed to produce ECL estimates under five distinct scenarios, reflecting expectations of general economic conditions. The data from 2024-2026 within the table below relate to the December calendar year in line with Oxford Economics forecast period.

Economic Assumption	2024 %	2025 %	2026 %
UK GDP Growth % year on year			
Upside	3.4	5.2	3.1
Mild Upside	2.2	4.0	2.7
Baseline	0.5	2.0	2.0
Stagnation	(1.2)	0.5	1.6
Downside	(2.0)	(0.3)	1.4
Severe Downside	(3.3)	(1.7)	1.0
Scenario weighted forecasts	(0.2)	1.5	1.9
Bank Rate % Year End			
Upside	6.3	5.9	4.6
Mild Upside	5.8	5.1	4.1
Baseline	4.6	3.6	2.6
Stagnation	4.3	3.1	1.9
Downside	4.0	2.6	1.5
Severe Downside	3.5	1.9	0.8
Scenario weighted forecasts	4.6	3.6	2.5
CPI Inflation % yearly average			
Upside	3.0	4.2	3.2
Mild Upside	2.6	3.3	2.8
Baseline	2.2	2.1	2.3
Stagnation	1.6	1.0	1.9
Downside	1.4	0.6	1.7
Severe Downside	1.1	(0.2)	1.5
Scenario weighted forecasts	2.0	1.7	2.2

21 Financial risk management objectives and policies (continued)

Economic Assumption	2024	2025	2026
	%	%	%
House Price % Year End			
Upside	2.3	6.3	9.4
Mild Upside	0.6	4.5	7.8
Baseline	(0.9)	2.2	5.5
Stagnation	(5.6)	(1.6)	2.0
Downside	(7.3)	(3.3)	0.3
Severe Downside	(10.2)	(6.2)	(2.8)
Scenario weighted forecasts	(3.5)	0.2	3.6

The scenario weightings are attributed as below based on the expectations of the BRC. The six distinct scenarios used to reflect the expectations of the wider economy that feed into the PD models are designed by Oxford Economics and used widely in determining IFRS 9 ECL. The percentages used below applied in both the financial year end 2023 and 2024:

Economic Assumption		Percentile
	%	%
Upside	10%	5th
Mild Upside	15%	15th
Baseline	30%	50th
Stagnation	10%	75th
Downside	20%	85th
Severe Downside	15%	95th

– EAD is based on the amounts the Bank expects to be owed at the time of default.

EAD represents the amounts expected to be owed at the time of default, given the nature of bridging lending, these amounts are primarily focused in the following 12 month period.

– LGD represents the Bank's expectation of the extent of loss on defaulted exposures.

LGD is an estimate of the loss arising on default.

The calculation of LGD across Stages 1 and 2 is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral and are usually expressed as a % of the EAD.

The aim of the LGD model is to forecast the LGD for the lifetime of the account. The "workout framework methodology" is used with the following key LGD input components to be used in StreamBank's model:

- Percentage of cure : 20% with loss given cure of 0%
- Time to sell : 6 months
- Forced Sale Discount : 20%
- LGD floor : 5%

For all cases in Stage 3, further analysis on the recoverability of the EAD has been carried out, and specific scenarios have been determined based on information available. The key assumptions are around the valuation, time to sell, cost of sale and the discount rate to determine the future cash flows. In the circumstances, both the Bank's ERC and Audit Committee have reviewed the probability of the potential scenarios.

21 Financial risk management objectives and policies (continued)

Credit risk: Bridging Loans Exposure

The Bank's exposure to credit risk relating to loans and advances on bridging lending can be broken down by security as follows. This is also the Bank's maximum credit risk exposure in relation to Bridging loans.

	2024	
	£'000	**%**
Fully secured by a first charge on property	137,242.0	100.0
	137,242.0	**100.0**

	2023	
	£'000	**%**
Fully secured by a first charge on property	31,221.0	100.0
	31,221.0	**100.0**

Bridging Loans: risk concentrations

The Bank provides loans secured on commercial and residential property across Wales and England. The Bank's underwriting criteria mandate concentration limits by borrower (and borrower's consolidated group if relevant) and by region of the country. Exposure against these limits is reported to Executive Risk Committee on a monthly basis and to Board Risk Committee.

An analysis of bridging loans gross balance based on the geographical location of the underlying asset is provided below:

Gross Loan Balance	**2024**		**2023**	
	£'000	**%**	**£'000**	**%**
Wales	457.9	0.3%	-	-
London - England	60,560.5	43.5%	22,404.7	70.4%
South East & East of England	23,309.2	16.8%	1,859.2	5.8%
Midlands – England	12,992.9	9.3%	1,937.9	6.1%
South West of England	12,500.5	9.0%	691.0	2.2%
North West & North East of England	29,324.8	21.1%	4,929.0	15.5%
	139,145.8	**100.0%**	**31,821.8**	**100.0%**

21 Financial risk management objectives and policies (continued)

Credit risk: bridging loan exposures (continued)

Loan to Value ('LTV') is one of the main factors used to determine the credit quality of loans secured on residential property along with credit scores. All bridging loans have an LTV of less than 75% when advanced.

March 2024 LTV		Gross Loan Balance £'000
=<50%		19,734.9
>50% to 65%		47,310.4
>65% to 70%		37,938.9
>70%		34,161.6
		139,145.8

March 2024 Internal Credit Rating	S&P Equivalent	Gross Loan Balance £'000
B	B+	118,244.3
C	B	9,807.4
Default	-	11,094.1
		139,145.8

March 2023 LTV		Gross Loan Balance £'000
=<50%		7,025.3
>50% to 65%		9,010.6
>65% to 70%		9,574.9
>70%		6,211.0
		31,821.8

March 2023 Internal Credit Rating	S&P Equivalent	Gross Loan Balance £'000
B	B+	18,921.5
C	B	7,746.4
Default	-	5,153.9
		31,821.8

Bridging Loans: performance

The gross exposure on loans and advances to bridging loans held at amortised cost and its exposure to credit risk in line with the internal modelling of the Bank for the year ending 31 March 2024 is disclosed below:

Stage	Description	Gross Loan Balance £'000	ECL provision £'000
Stage 1	Satisfactory	118,244.3	(233.0)
Stage 2	Watchlist	9,807.4	(3.6)
Stage 3	Default	11,094.1	(1,667.2)
		139,145.8	**(1,903.8)**
Provisions for impairment		(1,903.8)	
Total		**137,242.0**	

21 Financial risk management objectives and policies (continued)

The gross exposure on loans and advances to bridging loans held at amortised cost and its exposure to credit risk in line with the internal modelling of the Bank for the period ending 31 March 2023 is disclosed below:

Stage	Description	Gross Loan Balance £'000	ECL provision £'000
Stage 1	Satisfactory	23,459.8	(47.7)
Stage 2	Watchlist	3,208.1	(0.6)
Stage 3	Default	5,153.9	(552.5)
		31,821.8	**(600.8)**
Provisions for impairment		(600.8)	
Total		**31,221.0**	

A deterioration in a customer's credit score since inception results in a loan being moved to Stage 2. Any loan that is 90-days past due is classified as being in default and therefore is allocated to Stage 3. The movement between stages based on the gross exposure on loans is disclosed below:

Gross Loan Balance March 2024	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
At 1 April 2023	23,459.8	3,208.1	5,153.9	31,821.8
Advanced and purchased	134,256.9	-	-	134,256.9
Stage transfers	(12,539.5)	6,599.3	5,940.2	-
Repayment and settlement	(26,932.9)	-	-	(26,932.9)
At 31 March 2024	**118,244.3**	**9,807.4**	**11,094.1**	**139,145.8**

Gross Loan Balance March 2023	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
At 1 January 2022	-	-	-	-
Advanced and purchased	41,092.3	-	-	41,092.3
Stage transfers	(8,362.0)	3,208.1	5,153.9	-
Repayment and settlement	(9,270.5)	-	-	(9,270.5)
At 31 March 2023	**23,459.8**	**3,208.1**	**5,153.9**	**31,821.8**

Arrears

Performance risk is measured by those accounts in arrears. The total balances in arrears at 31 March 2024 amounted to £10.7m (2023: £5.2m).

Forbearance

There have been no instances of forbearance arising during the last 12 months.

Sensitivity

A 100% weighting for a downside scenario produces an additional ECL provision for Stage 1 and 2 £0.2m (2023: £0.1m). A 100% weighting towards the most severe downside scenarios for Stage 3 loans would lead to an additional provision of £0.7m.

An additional sensitivity analysis has been performed to review the effects of changes in the probability of scenarios regarding the hospitality sector case. A 10% reduction in the probability of the most probable scenario would result in an additional overlay of £73k (2023: £100k).

21 Financial risk management objectives and policies (continued)

Credit risk: Treasury Assets
Treasury risk comprises exposure to central banks, government bonds and credit institutions The following table shows the maximum exposure to credit risk excluding collateral:

	2024	2023
	£'000	£'000
Cash and balances held with central banks	32,730.1	-
Loans and advances to credit institutions	8,342.1	14,534.8
Debt instruments at fair value through other comprehensive income	4,092.2	2,985.5
	45,164.4	**17,520.3**

All of the Bank's treasury assets are classified as Stage 1 for ECL calculation purposes under IFRS 9 and there are no impairment charges against any of the Bank's treasury assets as at 31 March 2024 (2023:£nil). Debt instruments at fair value through other comprehensive income do not have ECL provisions as they are accounted for at Fair Value.

Credit risk: Treasury Assets (continued)

The following shows our Treasury assets broken down by credit rating:

	2024	2023
	£'000	£'000
AAA to AA-	36,822.3	2,985.5
A+ to A-	3,751.6	11,145.6
Unrated	4,590.5	3,389.2
	45,164.4	**17,520.3**

b) Liquidity risk
Liquidity risk is the risk that the Bank will encounter difficulty in realising assets or otherwise raising funds to meet commitments as they fall due. The Bank manages its liquidity risk through its Assets and Liabilities Committee and monitors its liquidity position on a daily basis and has adopted a policy to ensure that it has adequate resources to enable it to conduct its normal business activities without interruption. The maturity analysis of assets and liabilities is disclosed in note 20 to the financial statements of the Bank.

The customer deposit base represents a stable source of funding due to the number and range of depositors.

The Board has approved a Liquidity Risk Management policy that sets out the liquidity requirements with which the Bank must comply. The principal liquidity risk mitigants used by management are:

- A buffer of highly liquid assets (comprising high quality government, covered bonds and supranational bank securities) which can meet cash requirements;
- Cash resources held at other financial institutions.

21 Financial risk management objectives and policies (continued)

c) Interest rate risk
Interest rate risk is the risk that arises when there is an imbalance between the maturity dates of rate-sensitive assets, liabilities and commitments. The Bank manages its interest rate risk through its Assets and Liabilities Committee. The Bank's policy is to maintain interest rate risk at a controlled level within limits set by the Board.

d) Operational risk
Operational risk is the risk of economic loss from systemic failure, human error and fraud (control failures) or external events, which result in unexpected or indirect loss to the Bank. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Bank cannot expect to eliminate all operational risks but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Bank is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

e) Conduct risk
Conduct risk is the risk that the Bank's behaviour results in poor outcomes for customers. The Bank is exposed to this risk by virtue of the markets in which it chooses to operate. The Executive Risk Committee has overall responsibility for implementing and monitoring principles, frameworks, policies and limits. The Committee is responsible for managing risk decisions and monitoring risk levels which it reports to the Board Risk Committee.

22 Capital risk management

StreamBank is supervised by the PRA, as a UK authorised bank. This requires it to satisfy the liquidity and capital requirements as prescribed by the PRA.

StreamBank uses the standardised approach for credit risk. It is required to demonstrate to the PRA that it can withstand liquidity and capital stresses, and carries out regular reviews of the adequacy of its capital to support its current and future activities, including during periods of stress. The Bank conducts an Internal Capital Adequacy Assessment Process ('ICAAP'), at least annually, which is approved by the Board. This is used to assess the Bank's capital adequacy and to determine the level of capital required to support the future development of the business as set out in the strategic plan.

The ICAAP considers all of the Bank's material risks and includes board-approved stress scenarios which are intended, as a minimum, to meet regulatory requirements. The ICAAP is used by the PRA to set the Bank's Total Capital Requirements ('TCR').

The Bank's capital resource requirements are calculated based on the CRD IV CRR regulatory framework as implemented by the PRA, namely:

- Pillar 1-based on a Standardised Approach for credit risk, operational risk and market risk;
- Pillar 2-set by the PRA via the TCR to address those risks not covered under Pillar 1.

The Board is ultimately responsible for capital management and monitors the capital position of the Bank at each board meeting through the receipt of management information which sets out the Bank's current and forecast capital position, based on the methodology adopted within its ICAAP. This means that the Bank will:

i) Maintain a level of capital at least equal to the minimum amount set by the PRA in the TCR, and;
ii) Hold all its capital in the form of Common Equity Tier 1 and Tier 2 capital.

Capital Resources	**2024**	**2023**
	£'000	**£'000**
Ordinary share capital	40,600.0	37,500.0
Accumulated losses and other reserves	(6,442.7)	(4,062.3)
Regulatory deductions	(2,145.1)	(1,267.1)
Total eligible 1 capital (CET1)	**32,012.2**	**32,170.6**
Total eligible regulatory capital	**32,012.2**	**32,170.6**

22 Capital risk management (continued)

Capital Requirements Directive
Article 89 of the Capital Requirements Directive IV (CRD IV) requires credit institutions and investment firms to disclose annually, specifying, by country and by any third country in which it has an establishment, the following information:

- Name, nature of activities and geographical location: The principal activities of the Bank are noted in the Strategic Report.
- Average number of employees: as disclosed in note 6 of the financial statements.
- Annual turnover (Net Interest Income) and profit before tax: as disclosed in the Income Statement.
- Corporation Tax paid: 2024: £nil (2023: £nil).
- Public subsidies: The Bank received £nil (2023:£nil) from the UK government.

All minimum regulatory requirements were met during the year and the prior year.

The Bank's objectives when managing capital are:

- To have sufficient capital to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for the Shareholders and benefits for other stakeholders;
- To comply with the Bank's capital requirements set out by the PRA in the UK;

The Bank's capital comprises all components of equity, movements of which are set out in the Statement of Changes in Equity.

23 Share capital

Ordinary shares of £1	2024 £'000	2023 £'000
Authorised, allotted, called-up and fully paid		
At start of period	37,500.0	50.0
Issued in period	3,100.0	37,450.0
At end of period	**40,600.0**	**37,500.0**

24 Related parties

	2024 £'000	2023 £'000
Transactions with parties under common control		
Purchase of loan portfolio from ActivTrades Plc	(14,775.3)	(29,293.5)
Rent payable on sub-lease of The Loom to ActivTrades Plc	(156.0)	(78.0)
IT services contract between ActivTrades Plc and StreamBank Plc	(28.8)	(19.2)
Servicing fees (written off)/ payable to StreamBank Plc by ActivTrades Plc	(99.1)	99.1
Interest charged to StreamBank Plc on deferred consideration	-	(240.3)
Recharge of costs incurred on behalf of StreamBank Plc	-	(872.3)
Recharge of costs incurred on behalf of ActivTrades Plc	10.7	-

	2024 £'000	2023 £'000
Amounts due/(owed) from parties under common control		
Amounts payable to StreamBank Plc by ActivTrades Plc	-	210.5
Amounts payable to ActivTrades Plc by StreamBank Plc	(19.7)	(61.6)
Total	**(19.7)**	**148.9**

The directors of StreamBank Plc are considered to be Key Management Personnel, see Note 6 for details of their emoluments.

	2024 £'000	2023 £'000
Deposit accounts held by key management personnel		
Deposit accounts held by key management personnel and relatives	-	11.4
Total	-	11.4

25 Ultimate Controlling Party

The ultimate controlling party of the Bank is Mr Alex Pusco.

26 Subsequent events

There have been no subsequent events prior to the signing of these financial statements that are required to be disclosed.