

Directors' Report & Audited Financial Statements: **Financial Year 2024 - 25**



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Bank of St Helena Ltd



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DIRECTORS:

Leeanne Henry
Michael Bird
Damian Burns
Mark Lewis
Mark Castle
Donald Coulter
Anesu Makamure

REGISTERED OFFICE:

Market Street
Jamestown
St Helena Island
STHL 1ZZ

REGISTERED NUMBER: 95

AUDITORS:

Moore Dixon
26-28 Athol St
Douglas
Isle of Man
IIM1 1JB

The Directors present their report with the financial statements of the company for the year ended 31 March 2025.

DIRECTORS

The Directors shown below have held office during the period from 1 April 2024 to the date of this report unless stated otherwise by date of appointment, resignation or retirement.

Josephine George	Managing Director	Resigned 30 June 2024
Leeanne Henry	Managing Director	Retired 29 November 2023, reappointed 1 July 2024 on resignation of the Managing Director before being officially appointed as Managing Director on 1 July 2025
Michael Bird	Non-Executive Director & Chairman	
Damian Burns	Non-Executive Director & SHG Representative	
Phil Sharman	Non-Executive Director & SHG Representative	Resigned 15 April 2025
Mark Lewis	Non-Executive Director	
Mark Castle	Non-Executive Director	
Donald Coulter	Non-Executive Director	
Anesu Makamure	Non-Executive Director & SHG Representative	Appointed 6 August 2025

PRINCIPAL ACTIVITIES

Bank of St Helena Limited (the Bank/the Company) provides banking and financial services within St Helena and via its branch on Ascension Island. From providing basic customer accounts when the Bank took over the running of the Government Savings Bank in 2004, the Bank now offers a wide variety of services including international remittances; Local Debit Card services, the Tourist Card app and Online Banking, together with an array of lending products and services.

REVIEW OF BUSINESS

During the year the Bank began working towards the agreed strategic objectives outlined in the Bank's Strategic Plan for 2024-2029. As in previous years, Key Performance Indicators (KPI's) were set in line with these objectives to monitor and review the Bank's performance throughout the year.

One of the biggest achievements for the Bank continues to be the ability to remain profitable, whilst maintaining current interest rates and being able to assist customers with an ever-changing economic and financial climate. The Tourist Card app has grown in popularity during its first year in operation, with over one thousand customers to date taking advantage of the bespoke product which alleviates the need for visitors to carry physical cash with the limited number of businesses accepting international debit and credit cards. Continued networking with other banks and financial institutions outside of St Helena enhances the Bank's ability to tap into support for current services and the introduction of new products and services as well as providing training and development for staff.

Global Environment

During the year, the Bank and the Island as a whole has continued to feel the effects of the uncertainty relating to global issues which include inflation, interest rates hikes, enhanced Regulatory expectations and climate change. Despite St Helena's geographic isolation, the Island is not immune to the global economic environment. The Bank has been fortunate to generate the necessary income through its investment strategy which enables the Bank to sustain products and services and remain profitable. Over the reporting period, the value of the GBP Sterling has continued to fluctuate which has had an impact on matters relating to foreign currency exchange.

Local Environment

The performance of the Bank continues to be influenced by the current economic climate which includes customer deposits, revenue generated and the Lending Portfolio. Whilst continuing to experience an economic downturn, it is hoped that the increasing customer base from returning St Helenians, tourists and additional contracted workers and investors will enable businesses and the Island's economy as a whole to gain traction. However, outward migration and the continued rising costs of imports increases the cost of goods and services which continue to be of concern, with the rate of inflation increasing by 4.7% to 6.5%¹, compared to March 2024; with the most significant increases experienced in price of household energy and communications.

¹ St Helena Government Statistics Office

Financial Performance

The Bank made an operating profit of £759,499 for the year 2024/25 which was an increase of £128,466 from 2023/24; a 30.1% net profit margin and a cost to income ratio of 59.9%; the results of the year can be seen on page 14.

1. Income - £2,522,761 (2024: £2,713,417)

The Bank's total income, net of interest payable, decreased by £190,656 (7.0%). Interest received decreased by £180,219 (6.8%) from £2,635,122 to £2,454,902, with interest from investments experiencing the most significant decrease, reducing by £170,357 (10.6%) compared to 2023/24 which is the result of the Bank investing in treasury bills which are bought at a discounted price rather than pay coupon interest; whilst interest payable increased by £10,771 (2.8%), with the largest increase seen in deposit accounts. Fees and commissions decreased by £4,949 (1.5%), with the most significant reduction being in remittance fees which reduced by £19,350, whilst the most significant increase was experienced in fees for online banking and commissions for Local Debit Card which increased by £5,888 and £11,066 respectively. Other income increased by £5,283 (4.1%) from 2023/24; and was largely due to the fluctuation in the amount of foreign currency during the year. The Bank is aware of its exposure to foreign exchange risk and whilst payments will always need to be made, the Bank tries to minimise this exposure by reducing foreign cash holdings whilst still maintaining sufficient funds to service customer requests.

Chart 1 – Split of Income 2023-2025

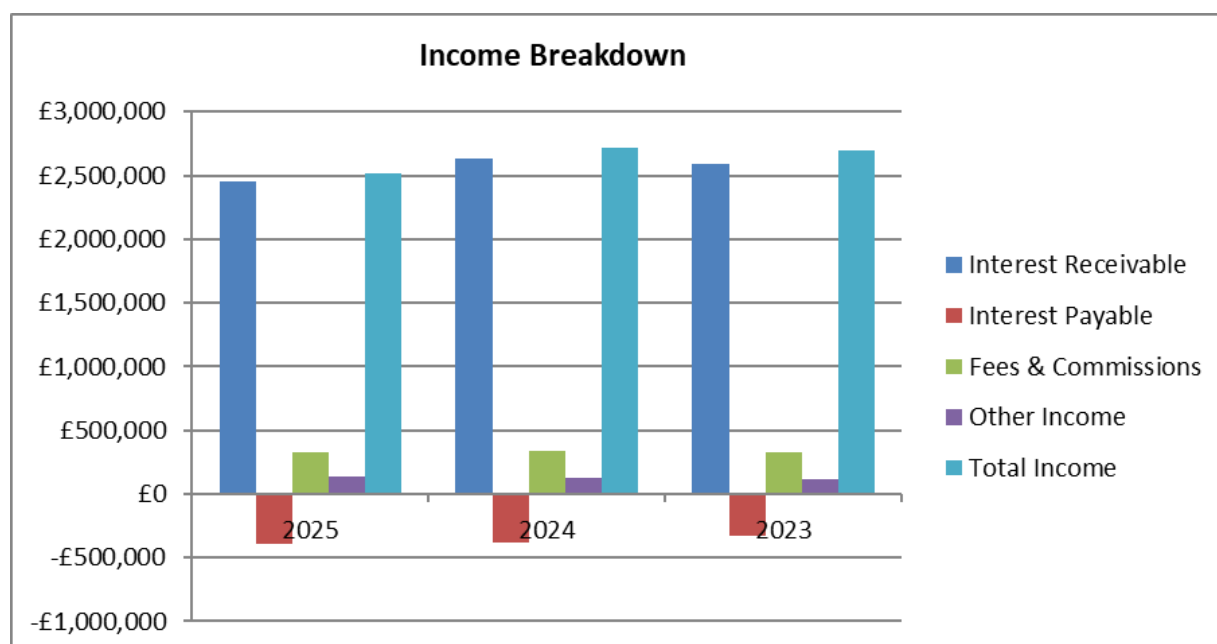
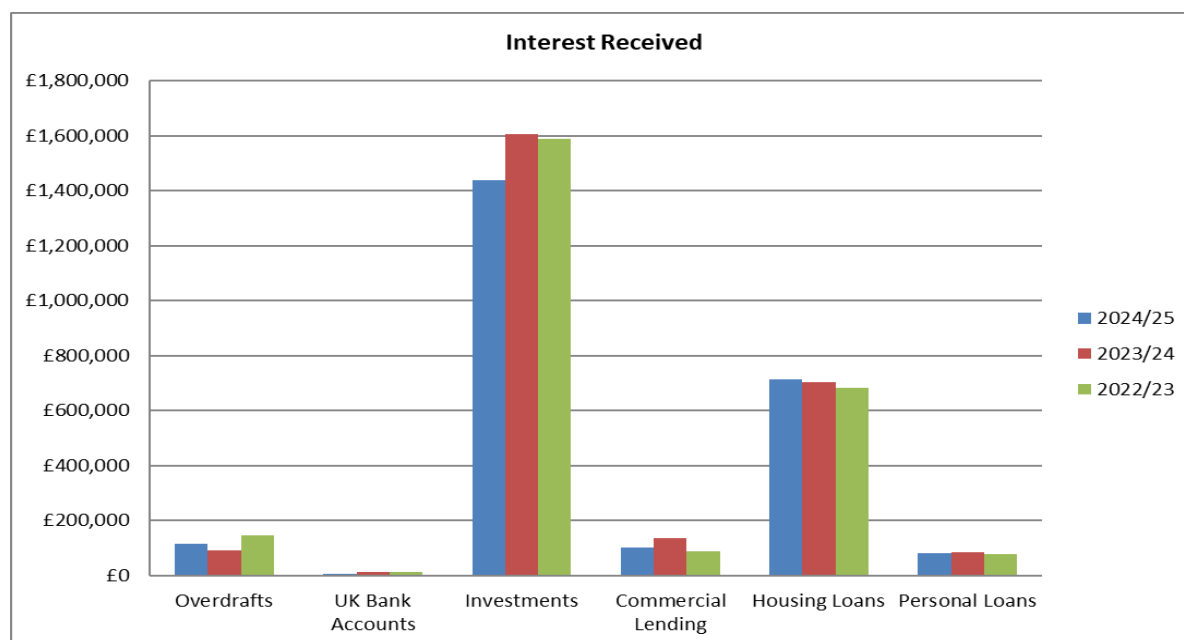


Chart 2 – Split of Interest Received 2023-2025



The Bank relies heavily on the income received from offshore investments and will continue to invest additional funds when the opportunity arises. Whilst reinvestments are made at the most competitive rates possible, the Bank remains prudent, with consideration given to operational and regulatory requirements and with safety, liquidity and preservation being key objectives of the investment portfolio.

The Bank has continued to review and enhance its lending products to meet customer needs. Interest received on loans remained on par with 2023/24, decreasing by just £1,769 compared to the prior year, with the most significant decrease being interest received from commercial loans which reduced by £34,507, whilst overdrafts and housing loans experienced increases of £24,616 and £13,115 respectively.

2. Expenditures - £1,510,095 (2024: £1,872,040)

Total expenditures decreased by £361,945 (19.3%) and is mainly due to the Bank experiencing investment amortisation gains rather than losses during the period with a decrease of £728,726 (16.4%) compared to the prior year which is largely due to the Bank increasing investment into Treasury Bills which are purchased at a discounted price. Staff costs also reduced by £67,834 (6.6%) compared to the previous year, with the Managing Directors post being vacant since July 2024. Increases in expenditure was experienced in most of the Bank's other costs, with the most significant increases seen in other expenses and bad debt provisions, which increased by £137,512 (19.5%) and £228,616 (79.8%) respectively, the latter of which was due to the reversal in provisions for a significant business loan at the end of 2023/24.

3. Investments - £64,584,130 (2024: £60,213,441)

The Capital Value of the Bank's investments has increased by £4,370,689 (7.3%) for 2024/25, with the increase being partially due to the reinvestment of treasury bills previously classified as cash equivalents. All funds are invested in fixed income instruments with yields ranging from 0.99% to 5.1%. Investments are initially recorded at cost and subsequently measured at amortised cost with changes recognised in the income statement. The interest income from investments for the year ended 31 March 2025 was £1,436,980. The Bank monitors its cash holdings and operational requirements closely and additional funds will be invested when it is deemed appropriate, with an additional £4.5m being invested during 2024/25.

4. Fixed Assets - £482,050 (2024: £595,001)

Fixed assets decreased by £112,951 (19%) for 2024/25. During the year additions to fixed assets totalled £67,491, the majority of which related to the commissioning of IT software and equipment. The Bank's assets are reviewed on a regular basis and no impairments were identified in the year; however, a number of items had become obsolete and were disposed of accordingly in the accounting records. Verification of the physical presence of fixed assets and inventory assets are undertaken on an annual basis.

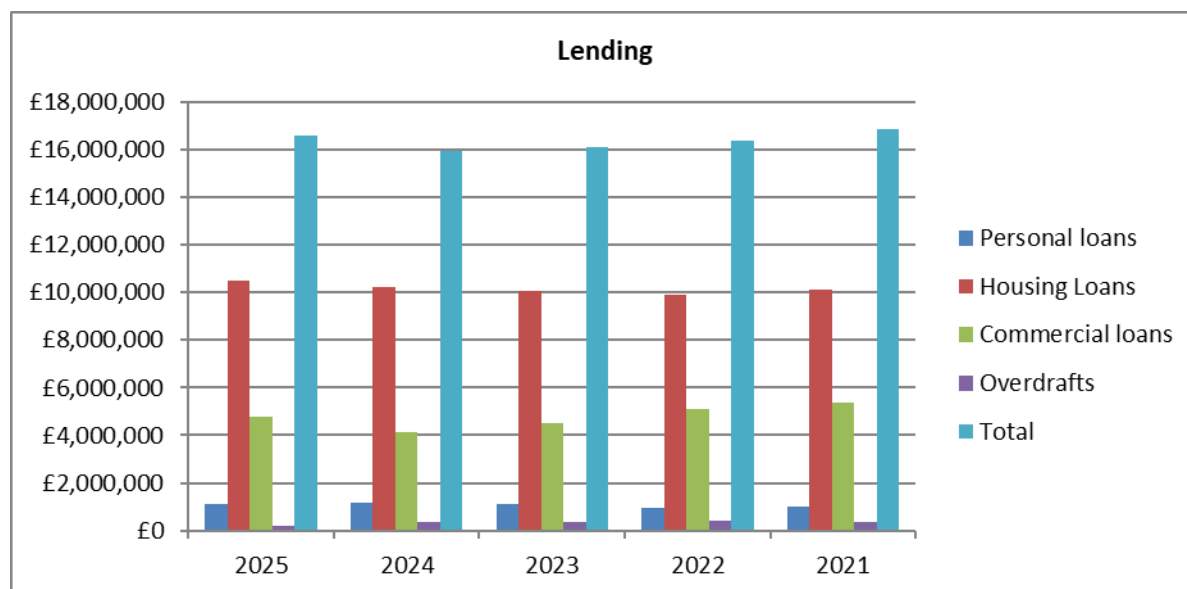
5. Lending - £14,838,447 (2024: £14,475,354)

The Lending Portfolio increased by £363,093 (2.5%), with housing and commercial loans increasing by £265,352 (2.6%) and £635,521 (15%) respectively, which was due to a large commercial loan being signed at the end of March 2025 and the Bank seeing demand for higher value housing loans. Personal loans decreased by £61,437 (5.3%); however, the most noticeable decrease was experienced in overdrafts which reduced by £166,155 and is the result of a reduction in the authorised secured overdrafts of businesses during the year.

As in prior years, the Bank has also seen a noticeable increase in those that struggle to honour their commitments during the continuing economic uncertainties being faced, and the increase in customers leaving the island and not returning continues to be a cause for concern for the Bank and debt recovery. The Bank's debts are closely monitored and managed in line with the Bank's policies and procedures with specific provisions adjusted during the year where there are doubts over repayment. However, the reversal of the general provision which was initially introduced following the COVID-19 outbreak resulted in a net decrease of £57,847 for 2024/25. The Bank operates well within its capital and liquidity limits set by the Financial Services Regulatory Authority (FSRA) and the Bank is in a position to facilitate future growth in lending.

Chart 3 below depicts the trend in the total Lending Portfolio over the last 5 years.

Chart 3 – Lending 2021-2025



6. Customer Deposits - £79,884,863 (2024: £77,403,574)

Customer monies held by the Bank showed an increase of £2,481,289 (3.2%) at the end of 2024/25, with individual and business current accounts experiencing a collective growth of £3,811,404 (6%). The Bank's higher earning interest accounts, Child Bond and New Life also continue to be popular, increasing by

£70,533 (5%) and £293,230 (9%) respectively, whilst the largest decrease was experienced in the current accounts of other organisations, which reduced by £1,626,839 (40%) compared to 2023/24.

Chart 4 – Customer Deposits 2021-2025

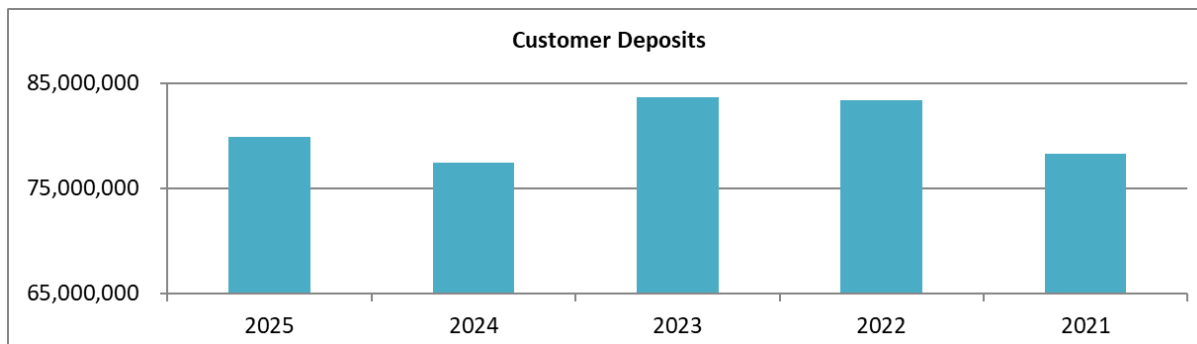
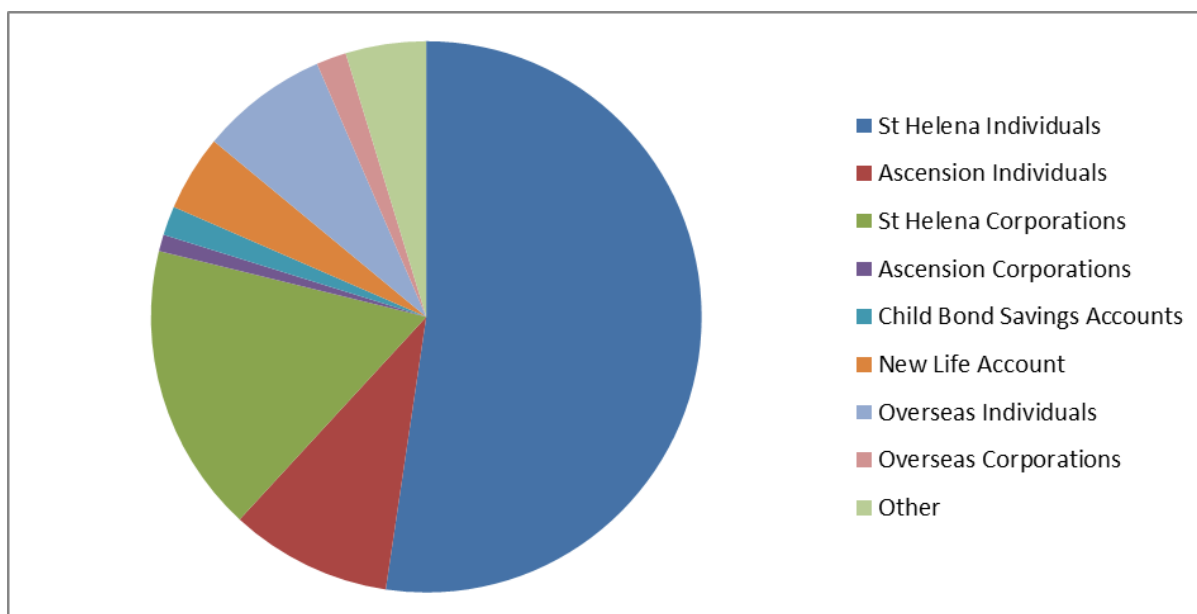


Chart 5 – Deposits per Category 2024/25



LOOKING AHEAD

The Bank has a Strategic Plan for 2024-29 which will guide its activities for the next five years and builds upon the previous plan. The plan encapsulates the expectations articulated through various engagements and includes a comprehensive approach, encompassing various aspects of operations, technology, growth, risk management and customer services.

The Bank is optimistic that over this period much will be achieved with the support of our customers, St Helena Government as shareholder, Financial Services Regulatory Authority (FSRA) and various other stakeholders. With the onset of enhanced internet connectivity for the island, customer needs, economic outlook and regulatory requirements, the Bank has devised a transformative strategy to modernise banking operations. This includes prioritising adaptability and agility to respond to market changes, technology advancement and customer preference whilst fostering a culture of innovation, embracing change and continuously improving processes and offerings.

The Bank's priority areas remain securing a continuous service for all who rely on the Bank, providing financial assistance for personal and business customers, safety and security of customer deposits and ensuring that it retains the strength to be able to assist customers in the years to come. Security and compliance are a fundamental priority, with the protection of customer data and compliance with regulatory requirements being paramount.

Automation remains essential to reducing risk, streamlining operations, improving efficiencies and innovating new products and services to reflect modern banking operations whilst supporting Environmental, Social and Governance (ESG) which measures our impact on our society. It is also hoped that the Bank's investment portfolio will continue to grow and new revenue streams can be identified which will allow the Bank to continue to invest in new products and services which will benefit customers, the stakeholder, shareholders, the Bank and the Island's economy.

RISK MANAGEMENT

Being a financial institution, the Bank is exposed to a number of risks; however, the Bank is aware of these, and they are being appropriately managed. The Audit & Risk Management Committee, comprising of three Non-Executive Directors, has oversight and input into all risk management policies and reports directly to the Board who is responsible for the overall risk management of the Bank. The Bank's Strategic Risk Register is regularly reviewed and has been revised in line with the Strategic Plan 2024-2029.

The Internal Auditor also reports to this Committee providing regular reviews on the Bank's systems and processes as well as compliance with policies and procedures. Internal audit reports are reviewed by management and appropriate action is taken where recommendations have been made. Independent and objective assurance on the year-end financial statements is provided by an External Audit Service. In addition, a dedicated risk and compliance function provides focused support, testing and monitoring of risk-taking activities, practices and risk exposures across all departments. This function reports administratively to the Managing Director and functionally to the Board through the Audit & Risk Management Committee.

The primary risks identified are detailed below and in Note 3 of the Financial Statements, with the Bank having established policies and internal procedures to manage these.

Operational Risk

This is the risk associated with the day to day operations of the Bank and can include losses due to personnel input errors, inadequate IT systems, security failures and possible inefficiencies and failures of internal processes and procedures.

The Bank regularly reviews its operating processes and procedures and manages risk through internal controls. Emphasis is also placed on training for staff in areas such as Know Your Customer (KYC), Anti-Money Laundering (AML) and Fraud Detection and Prevention to reduce risk through awareness.

A Business Continuity Plan is in place and this has been successfully tested, with reviews being undertaken of hardware, software and levels of security, protection and compliance throughout. The Bank operates within the regulations set by the Financial Services Regulatory Authority and compliance is essential to the continuing operation of the Bank. All international payments are sent via the SWIFT platform for safe and secure transmission to other financial institutions, with the Bank undertaking annual compliance audits.

With the introduction of Local Debit Cards, Online Banking services and the Tourist Card app, the volume of transactions manually processed by the Bank has decreased hence minimising the inherent risk of human error by the Bank; however, as this is still a risk, the Bank mitigates this with a triple tiered level of checking.

The Bank recognises the importance of its staff to operations and is focused on recruiting, retaining and developing a high-quality workforce.

Reputational Risk

Reputational risk can arise as a result of operational risk but also as consequence of any action or inaction perceived by stakeholders as inappropriate or unethical.

The Bank embraces its wider role as a responsible citizen and gives back to the community through project funding and donations, whilst ensuring the Bank's mission statement is upheld – to develop and deliver banking products and services which are appropriate, affordable and accessible to all in a sustainable way.

The Directors, Managers and staff all undertake periodic training in ethical behaviour to make sure due regard is given to any arising situation. Customer and employee feedback are also regularly reviewed to inform improved ways of conducting business and to minimise reputational risk.

Business Risk

Business risk refers to the possibility of losses or lower profits as a result of certain factors, and encompasses strategic risk, operational risk, compliance risk and reputational risk. Operational risk, which highlights compliance risk, and reputational risk have been detailed above.

The level of business risk is dependent on the decisions made by Management and the Board. The Bank is fully aware of the rising expectations of customers and a strategic plan is in place which identifies strategic priorities and how these will be achieved.

CORPORATE SOCIAL RESPONSIBILITY

The Bank and its Directors continue to place great importance on their corporate social responsibility and allocates a budget each year for community projects. The Bank supports projects which will benefit the Island and its community and makes a number of donations and sponsorships for the same purpose. During the year £11,027 was donated through donations, sponsorships and the Bank's community projects scheme, which includes the Bank of St Helena Golf Competition, the National Sports Association of St Helena, the Duke of Edinburgh Awards, St Helena National Trust, student sponsorships, St Helena Cricket Association, Women's Sports Association, New Horizons, St Helena Motocross Club and all island schools.

FINANCIAL SERVICES REGULATORY AUTHORITY

The oversight and regulatory body for the Bank is the Financial Services Regulatory Authority (FSRA). The Bank must comply with the requirements set by the FSRA in the Financial Services Ordinance 2008, as amended 2017, the Financial Services Regulations 2017 and any Directives issued. The FSRA sets limits for capital requirements and associated risk weighted assets which are shown in table 4 below. Monthly reports are sent to the FSRA as per the Regulations, with key ratios also monitored.

Table 4 – Key Management Ratios

	Regulatory Minimum Required	As at 31 March 2025
Own Funds: Risk Weighted Assets	15%	34.6%
Total Liquid Assets in St Helena: Total Liabilities	0.5%	1.1%
Total Liquid Assets: Total Liabilities	25%	58.9%

The Bank was within the regulatory limit for all key management ratios as at 31 March 2025, with the most significant improvement being the total liquid asset ratio which increased by 22.8% compared to the prior year.

The Bank's investment portfolio comprises of fixed income instruments concentrated in the financial and corporate sectors. The Bank has been transitioning these investments to UK Government securities over

the past two years to reduce the Large Exposure levels, with the bulk of the transition being completed by mid 2025.

STATEMENT REQUIRED BY THE FINANCIAL SERVICES REGULATIONS, SECTION 19(1)(j)

To the best of the Director's knowledge and belief, all requirements of the Regulatory Authority have been met. The Director's also confirm that there have been no unadjusted or undisclosed events since the year end which would have a material effect on the bank.

AUDITOR

Moore Dixon has been appointed as auditor to the Company at the Annual General Meeting held in February 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have prepared the Financial Statements in accordance with the Companies Ordinance 2004, Financial Services Ordinance 2008, as amended 2017, Financial Services Regulations 2017 and Financial Reporting Standard 102 which is applicable to the United Kingdom and the Republic of Ireland. The Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

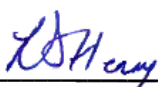
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for 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 Ordinance 2004, Financial Services Ordinance 2008, as amended 2017, and the Financial Services Regulations 2017. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information (as defined by Section 146 of the Companies Ordinance 2004) of which the Company's Auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Auditor of the Company is aware of that information.

This report has been prepared in accordance with the provisions set out in the Companies Ordinance 2004, Financial Services Ordinance 2008, as amended 2017, and the Financial Services Regulations 2017.



Leeanne Henry – Managing Director



Michael Bird - Chairman

Date: 13th August 2025

Date: 13th August 2025



Independent Auditors' Report to the Members of the Bank of St. Helena Limited

Opinion

We have audited the financial statements of the Bank of St. Helena Limited (the 'company') for the year ended 31 March 2025 which comprise of the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Ordinance 2004, the Financial Services Ordinance 2008, as amended 2017, and the Financial Regulations 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Ordinance 2004, the Financial Services Ordinance 2008, as amended 2017, the Financial Regulations 2017 and the UK financial reporting standards.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Other matter

The financial statements of the Company for the year ended 31 March 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 31 January 2025.



Use of our report

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

Moore Dixon LP

Moore Dixon LP
Douglas
Isle of Man

13 August 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Income			
Interest Receivable	5	2,454,903	2,635,122
Interest Payable	6	(396,093)	(385,322)
Net Interest Income		2,058,810	2,249,800
Fees & Commissions		330,736	335,685
Other Income	7	133,215	127,932
Total Income		2,522,761	2,713,417
Expenditure			
Employee Costs	8	961,050	1,028,884
Premises Costs		91,647	79,035
Investment Management Fees		128,992	130,098
Investment Amortisation	14	(773,152)	(44,426)
Depreciation Tangible Fixed Assets		148,463	133,465
Depreciation Intangible Fixed Assets		28,911	29,953
Bad Debt Provision		(57,847)	(286,463)
Audit Fees		96,111	60,705
Financial Services Regulatory Authority Fees		42,695	35,076
Other Expenditure	9	843,225	705,713
Total Expenditure		1,510,095	1,872,040
Profit on ordinary activities, before taxation		1,012,666	841,377
Taxation	10	(236,635)	(139,892)
Deferred Taxation	21	(16,532)	(70,452)
Profit on ordinary activities, after tax		759,499	631,033

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on page 19 to 37 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
Fixed Assets			
Tangible Fixed Assets	11	419,456	503,496
Intangible Fixed Assets	12	62,594	91,505
		<u>482,050</u>	<u>595,001</u>
Current Assets			
Cash & Cash Equivalents	16	951,723	3,952,128
Bank Balances	17	7,256,730	4,140,641
Investments	14	31,789,318	21,374,367
Other Assets	15	1,197,656	2,627,447
Lending	13	477,655	1,454,657
		<u>41,673,082</u>	<u>33,549,240</u>
Non-Current Assets			
Investments	14	32,794,812	38,839,074
Lending	13	14,360,792	13,020,697
		<u>47,155,604</u>	<u>51,859,771</u>
Total Assets		<u>89,310,736</u>	<u>86,004,012</u>
Liabilities			
Customer Current & Deposit Accounts	18	79,884,863	77,403,574
Other Liabilities	19	815,202	499,266
Total Liabilities		<u>80,700,065</u>	<u>77,902,840</u>
TOTAL NET ASSETS		<u>8,610,671</u>	<u>8,101,172</u>
REPRESENTED BY:			
Share Capital	23	3,219,285	3,219,285
Retained Earnings	24	5,391,386	4,881,887
Total Equity		<u>8,610,671</u>	<u>8,101,172</u>

The notes on page 19 to 37 form an integral part of these financial statements.

The financial statements on pages 15 to 37 were approved and authorised for issue by the Board on 13 August 2025. and were signed on its behalf by:



Leeanne Henry – Managing Director



Michael Bird - Chairman

Date: 13th August 2025

Date: 13th August 2025

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	£	£
Cash Flows from Operating Activities		
Profit on Ordinary Activities before Taxation	1,012,666	841,377
Depreciation Charge	177,374	163,418
Loss on disposal of Tangible Fixed Assets	3,068	-
Movement on Provisions	(66,128)	(281,806)
Movement in Amortisation	(773,152)	(44,426)
Decrease in Lending	(305,246)	66,038
(Increase)/Decrease in Other Assets	1,413,259	1,213,433
Increase/(Decrease) in Customer Deposits	2,481,289	(6,266,901)
Increase in Other Liabilities	256,827	21,768
Taxation Paid	(169,245)	(147,842)
Net Cash Flows from Operating Activities	4,030,712	(4,434,941)
Cash Flows used in Investing Activities		
Sale/(Purchase) of Fixed Income Instruments	(3,597,537)	7,892,333
Purchase of Fixed Assets	(67,491)	(232,278)
Net Cash Flows used in Investing Activities	(3,665,028)	7,660,055
Cash Flows from Financing Activities		
Dividend Paid/Accrued	(250,000)	(85,219)
Net Cash Flows from Financing Activities	(250,000)	(85,219)
Net (Decrease)/Increase in Cash and Cash Equivalents	115,684	3,139,895
Cash and Cash Equivalents at beginning of year	8,092,769	4,952,874
Cash and Cash Equivalents at end of year	8,208,453	8,092,769

Cash & Cash Equivalents are comprised as follows:

	2025	2024
	£	£
Cash & Bank Balances	569,403	392,803
Cash & Bank Balances in other currencies	7,639,050	4,698,697
Investments maturing in less than three months	-	3,001,269
	8,208,453	8,092,769

The notes on page 19 to 37 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Called Up Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2023	3,219,285	4,336,073	7,555,358
Total Comprehensive Income for the year 23/24	-	631,033	631,033
Dividend Paid During 23/24	-	(85,219)	(85,219)
At 31 March 2024	3,219,285	4,881,887	8,101,172
Total Comprehensive Income for the year 24/25	-	759,499	759,499
Dividend Accrued During 24/25	-	(250,000)	(250,000)
At 31 March 2025	3,219,285	5,391,386	8,610,671

The notes on page 19 to 37 form an integral part of these financial statements.

1. COMPANY INFORMATION

Bank of St Helena Ltd is a company incorporated and registered in St Helena. The principal place of business and registered office is Market Street, Jamestown, St Helena Island, STHL 1ZZ.

The Shareholder Certificate representing 3,219,285 shares is held by the Attorney General as nominee for the St Helena Government. St Helena Government has 100% issued share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and certain financial assets and liabilities measured at fair value as per the accounting policy below.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland’ (‘FRS 102’), with conformity requiring the use of certain critical accounting estimates, and with the Companies Ordinance 2004, the Financial Services Ordinance 2008, as amended 2017 and the Financial Services Regulations 2017. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

b. Going Concern

The Bank is able to meet the day-to-day working capital requirements through its available capital and reserves. The current economic conditions continue to create uncertainty over the level of demand for the bank’s products; however, the Bank’s forecasts and projections show that the Bank should be able to operate within the level of its current facilities. The directors have a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future and the Bank therefore continues to adopt the going concern basis in preparing these financial statements.

c. Exemptions for qualifying entities under FRS 102

The Bank has not taken advantage of any of the FRS 102 disclosure exemptions available to qualifying entities.

d. Foreign Currency

i. Functional and presentation currency

The Bank’s functional and presentation currency is the St Helena pounds.

ii. Transactions and balances

Foreign currency transactions and monetary items at period end are translated into the functional currency using the adopted mid rates derived from current market mid rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets denominated in foreign currencies are recognised in the profit and loss account within other income.

e. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

f. Financial Instruments:

The Bank has chosen to adopt in full FRS 102 in respect of financial instruments.

i. Financial Assets

Basic financial assets, include lending, other assets, cash and bank balances and investments are initially recognised at transaction price and are carried at amortised cost.

Other financial assets including investments are derecognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all the risks and rewards of the ownership of the asset are transferred to another party.

ii. Financial liabilities

Basic financial liabilities, including other liabilities, and account balances and deposits are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

g. Employee Benefits:

The Bank provides a range of benefits to employees, including paid annual leave arrangements and Cash Roll Up Scheme.

i. Short-term benefits

Short term benefits, including paid annual leave and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Cash Roll Up Scheme

The Bank operates a Cash Roll Up Scheme for its employees. A cash roll up Scheme is a savings plan to provide employees with a low-risk savings scheme in the absence of a formal pension plan; under which the Bank pays fixed contributions into an employee's ringfenced bank account. Once the contributions have been paid, the Bank has no further payment obligations to the employee. The contributions are recognised as an expense when they are due, with amounts not paid being recognised as a liability in the statement of financial position.

h. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or subsequently enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

i. Share capital

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

j. Dividends

Dividends and other distributions to the Bank's shareholder are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Bank's shareholder. These amounts are recognised in the statement of changes in equity.

k. Related party transactions

The Bank discloses transactions with related parties which are not wholly owned with the same group. It is not required to disclose transactions with its parent or with members of the same group that are wholly owned, however voluntary disclosures are made where deemed appropriate.

l. Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

m. Intangible assets

Computer software is stated at cost less accumulated amortisation and is amortised over its estimated useful life on a straight-line basis.

Software

3-5 years

The assets useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

n. Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation.

Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs capitalised. The Bank maintains a capitalisation threshold of £1,000, therefore any assets with a cost less than this amount will be expensed through the profit and loss account.

i. Land and Buildings

Land and Buildings include retail outlets and offices. Buildings are stated at cost less accumulated depreciation, however the land element is not depreciated.

ii. Plant, Equipment Furniture and Fittings

Plant, equipment, furniture and fittings are stated at cost less accumulated depreciation.

iii. Depreciation

The depreciation of all fixed assets with the exception of land is calculated using the straight-line method, to allocate the cost over their estimated useful lives, as follows:

Land & Buildings

20 years

Plant and Equipment and furniture and, fittings

5-10 years

Computer

3-5 years

The assets' useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

iv. Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

v. Assets under construction

Assets under construction are stated at cost. These assets are not depreciated until it is available for use and are reviewed at each reporting date.

vi. Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised as a profit or loss and is included in other income.

o. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, returns on investment, lending returns, and foreign currency translations. The Bank bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Bank recognises revenue when:

- (a) the significant risks and rewards of ownership have been transferred to the client,
- (b) the Bank retains no continuing involvement or control over the money,
- (c) the amount of revenue can be measured reliably,
- (d) it is probable that future economic benefits will flow to the entity,
- (e) when the specific criteria relating to the each of Bank's revenue channels have been met, as described below:

i. Interest Receivable

Interest return on investment and lending products throughout the year. Investments are made with brokers at a specified interest rate for specified period while lending products are approved for clients for a specified period. The Bank has three lending products being housing, commercial and personal lending. Interest earned is accrued and credited to the income statement on a daily basis.

ii. Fees and Commissions

Services that are charged by the Bank to its clients and includes fees that are charged for the administration of loans and other services which are credited to the income statement in the period in which they relate to.

iii. Foreign Exchange translation

Income generated due to positive exchange differences which rise on foreign currency translation.

p. Expense recognition

Capital expenditure

Capital expenditure includes the purchase of all Fixed Assets whether tangible or intangible and includes all costs incurred in the commissioning of the said assets.

Non-Capital Expenditure

Expenses are recognised in the period in which they are incurred regardless of when payment has been made and includes payment for goods and services acquired in the operational activities of the Bank, excluding Fixed Assets. This allows the Bank to match costs with the related revenues and enables informed decisions based on accurate financial data to assist with strategic planning and resource allocation.

When inventory items or Fixed Assets are sold, the carrying amount of the asset is derecognised and included in the determination of profit or loss on disposal.

3. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

A financial instrument is a contract which gives rise to a financial asset of one entity and a financial liability of another entity. The Bank is a retailer of financial instruments, mainly in the form of mortgage and savings

products, and also invests liquid asset balances in financial instruments. As a result of these operations, the Bank is exposed to a variety of risks, the most significant being liquidity risk, credit risk and market risk which are described later in this note.

The Bank has a formal structure for managing risk, including established risk limits, reporting lines and other control procedures. This structure is reviewed regularly by the Board's Assets and Liabilities Committee, which is responsible for managing and controlling the statement of financial position exposures.

Categories of financial assets and liabilities

Financial Assets and Liabilities are measured on an amortised cost basis. Below is a table that analyses the financial classification of the Bank's assets and liabilities:

Carrying Value by Category as at 31 March 2025

Financial Assets measured at Amortised Cost	2025	2024
Cash & Cash Equivalents	951,723	3,952,128
Bank Balances	7,256,730	4,140,641
Investments	64,584,130	60,213,441
Lending	14,838,447	14,475,354
Other Assets	696,925	2,144,628
Total Financial Assets	88,327,955	84,926,192
Non-Financial Assets	982,781	1,077,820
Total Assets	89,310,736	86,004,012
Financial Liabilities measured at Amortised Cost	2025	2024
Customer Accounts & Deposits	79,884,863	77,403,574
Other Liabilities	815,202	499,266
Total Financial Liabilities	80,700,065	77,902,840
Reserves	8,610,671	8,101,172
Total Liabilities	89,310,736	86,004,012

Liquidity Risk

Liquidity risk is the risk of having insufficient cash to meet financial obligations as they come due. The Bank's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and funding fluctuations, to maintain public confidence in the solvency of the Bank and to meet financial obligations which includes unanticipated withdrawals of deposits, large wire transfers and loan drawn downs. This is achieved through maintaining a prudent level of liquid assets and through management control of the growth of the business. A significant portion of the Bank's liquidity is held in the form of debt securities and treasury bills, which are capable of being sold at short notice to meet adverse cash flows. The Bank's ability to meet such adverse cash flows is measured by stress testing, the results which are reviewed by the Assets and Liabilities Committee of the Board.

Maturity Analysis of Financial Assets and Financial Liabilities

The below tables set out the remaining contractual maturities of the Bank's assets and liabilities:

Year end 31 March 2024	On Demand	Not more than 3 Months	More than 3 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	Total
Financial Assets						
Cash in Hand or Bank	8,208,453	-	-	-	-	8,208,453
Investments	-	6,950,834	24,838,484	32,794,812	-	64,584,130
Lending	177,079	493,003	1,555,723	6,509,268	7,851,524	16,586,597
Other Assets	58,317	168,558	470,050	-	-	696,925
Total Financial Assets	8,443,849	7,612,395	26,864,257	39,304,080	7,851,524	90,076,105

Year end 31 March 2025	On Demand	Not more than 3 Months	More than 3 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	Total
Financial Liabilities						
Customer Accounts & Deposits	74,956,229	82,683	392,527	2,664,641	1,788,783	79,884,863
Other Liabilities	637,903	177,299	-	-	-	815,202
Total Financial Liabilities	75,594,132	259,982	392,527	2,664,641	1,788,783	80,700,065

Year end 31 March 2024	On Demand	Not more than 3 Months	More than 3 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	Total
Financial Assets						
Cash in Hand or Bank	5,091,500	3,001,269	-	-	-	8,092,769
Investments	-	5,986,621	15,387,747	38,839,073	-	60,213,441
Lending	76,189	14,269	483,326	3,522,807	11,816,725	15,913,316
Other Assets	1,467,211	207,437	469,980	-	-	2,144,628
Total Financial Assets	6,634,900	9,209,596	16,341,053	42,361,880	11,816,725	86,364,154
Financial Liabilities						
Customer Accounts & Deposits	72,838,704	86,924	770,413	2,087,138	1,620,395	77,403,574
Other Liabilities	276,525	222,741	-	-	-	499,266
Total Financial Liabilities	73,115,229	309,665	770,413	2,087,138	1,620,395	77,902,840

Credit Risk

The Bank's credit risk arises from its portfolio of loans to customers and from potential losses on loans and advances to credit institutions that could result from the failure of loan and treasury counterparties to observe the terms of the contract entered into, resulting in losses for the Bank. To manage and mitigate its exposure to risk, the Bank periodically reviews its Credit Policy which ensures that due diligence is carried out on every application to ensure responsible lending and staff receive training to ensure skills are refreshed in these areas. It is the Bank's policy to ensure that risk is spread across the portfolio, and within commercial lending, split across different business sectors hence seeking to balance the risk and return. Loans are collateralised where practicable, and proof of insurance on this security is also required to further reduce risk. Loans are closely monitored and where it is identified that a customer is, or will be in default, from an agreed loan service plan, Senior Management and the Board are notified and the loan assessed as to its recoverability. Where it is deemed prudent to do so, a provision will be made against part or the full outstanding balance. Appropriate credit limits have been established by the Board or Individual counterparties and the Assets and Liabilities Committee ensures that these limits are adhered to. Changes to the Credit Policy are approved by the Board and the approval of loan applications is as per the delegation of authority. Loans above a certain amount are approved by the FSRA.

Credit risk in respect of treasury counterparties is assessed using credit ratings provided by a recognised credit rating agency. Regular monitoring of all counterparties may result in their removal from the list of approved counterparties if credit ratings do not reflect the Bank desired credit risk.

The Bank's maximum credit risk exposure is detailed below:

	2025	2024
Cash & Cash Equivalents	951,723	3,952,128
Bank	7,256,730	4,140,641
Investments	64,584,130	60,213,441
Lending	15,894,139	15,163,011
Other Assets	696,925	2,144,628
Total Balance Sheet Exposure	<u>89,383,647</u>	<u>85,613,849</u>

Credit Quality Analysis of Counter parties

The table below sets out information about the exposure the Bank has to counterparties for debt securities and treasury bills. Amounts held with financial institutions are analysed by their credit rating.

	2025	2024
UK Government Securities (AA Credit Rating)	39,728,078	17,383,565
Financial Institutions by Credit Rating:		
A1 to Aa3	13,863,256	26,768,940
Baa1 to Baa2-	8,002,440	16,088,611
BBB+ to BBB	2,990,356	2,973,594
	<u>64,584,130</u>	<u>63,214,710</u>

Credit quality analysis of loans and advances to customers

The table below shows the Credit quality analysis of financial assets and the allowance for impairment/loss held by the Bank against those assets.

2025	Housing Loans	Commercial secured loans/overdrafts	Commercial Unsecured loans/overdrafts	Personal Loans secured	Personal Unsecured Loans/ overdrafts
Neither past due or impaired	10,379,395	4,628,336	15,249	359,551	812,298
Past due but not impaired:	-	-	-	-	-
Past due up to 3 months	-	-	-	211	2,741
Past due up to 3 to 6 months	9,767	-	-	1,657	-
Past due up to 6 to 12 months	35,556	-	-	-	1,097
Past due over 12 months	52,690	181,878	-	548	1,617
	10,477,408	4,810,214	15,249	361,967	817,753
Impaired	-	104,006	-	-	-
	10,477,408	4,914,220	15,249	361,967	817,753

2024	Housing Loans	Commercial secured loans/overdrafts	Commercial Unsecured loans/overdrafts	Personal Loans secured	Personal Unsecured Loans/ overdrafts
Neither past due or impaired	10,050,483	3,721,430	10,485	347,525	881,962
Past due but not impaired:					
Past due up to 3 months	55,532	-	-	-	3,299
Past due up to 3 to 6 months	18,319	207,885	-	4,353	1,153
Past due up to 6 to 12 months	10,637	517,763	-	324	1,919
Past due over 12 months	77,085	-	-	40	3,122
	10,212,056	4,447,078	10,485	352,242	891,455
Impaired	-	-	-	-	-
	10,212,056	4,447,078	10,485	352,242	891,455

Allowance for Impairment

Individual assessments are made of all loans where objective evidence indicates that losses are likely (e.g. when loans are past due), or the property is in repossession, or the borrower has significant financial difficulties or where fraud or negligence has been identified.

Collateral Held as Security

The Bank's Housing loans are fully secured by collateral in the form of a charge on the residential property or land against which the loan is made. Collateral values are not updated for the life of the loan. Based on the valuations, the total collateral held against loans to customers is estimated to be £37,240,346 (2024: £36,148,791).

Collateral in the Process of Liquidation

Collateral with a market value of £353,120, was held as security for a business loan which was in the process of being liquidated during 2024/25. Whilst a significant portion of the debt has been settled, the Bank continues to hold collateral with a market value of £108,000. Responsibility for the sale of collateral in this case is with the customer, however the seizure of assets for resale also forms part of the Bank's debt recovery process, as per the Bank's Credit Policy

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risks: Interest rate risk, Currency risk and other price risk. By investing in UK markets the Bank is exposed to market risk, and in particular interest rate risk. However dealing with Sterling based bonds and bills eliminates the foreign currency risk and the investment portfolio is also not affected by other pricing risks as investment products are interest orientated. The Bank is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or if earlier. Moving forward, the Bank will also review its Investment Policy to ensure that returns are maximised whilst ensuring customer deposits remain safe.

The Bank minimises its risk to currency risk by only holding sufficient foreign currency to cover its operational requirements. The St Helena Pound (SHP) is on parity with Sterling (GBP); however, the fluctuating GBP has had an impact on the Euro and Rand holdings and associated foreign currency differences arising through trade and on translation.

Capital Risk

The Bank's objectives when managing capital are:

- To safeguard its ability to continue as a going concern, ensuring long-term financial stability.
- To comply with regulatory capital requirements imposed by regulatory authorities.

The Bank monitors capital adequacy regularly to ensure compliance with regulatory guidelines.

As of 31 March 2025, the Bank's regulatory capital adequacy was 34.6% (2024:24.8%)

The Bank's financial instruments have been categorised using a fair value hierarchy that reflects the extent of judgement used in the valuation.

These levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical instruments;
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques not based on observable market data (unobservable inputs).

The table below categorises the bank's financial instruments held at fair value according to the method used to establish the fair value at the balance sheet date.

Valuation Hierarchy		As at 31 March 2025	As at 31 March 2024
Financial Assets	Level 1	73,489,508	70,450,838
Financial Assets	Level 2	14,838,447	14,475,354
Financial Liabilities	Level 1	89,310,736	86,004,012

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical judgements in applying the entity's accounting policies

None

b. Critical accounting estimates and assumptions

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Useful economic lives of tangible assets (notes 11)

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Assets are reviewed annually for evidence of impairment and adjustments made to useful economic lives or residual values as appropriate. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The remaining useful economic life of the main production plant asset is considered a source of significant estimation uncertainty. See note 11 for the carrying amount of the asset, the useful economic life assumed, and sensitivity analysis.

ii. Specific Provisions

Specific provisions relate to loans where there is uncertainty over the recovery of the balance. Management monitors bad debts closely and assesses the likelihood of repayment on a regular basis. Where management consider it likely that the terms and conditions of repayment will not be met, a specific provision will be made against the loan balance. The percentage of provisioning is determined by the term of payments past due for loans and the period of irregularity for overdrafts as outlined in the Bank's Credit Policy.

5. INTEREST RECEIVABLE	2025	2024
	£	£
Interest on Overdrafts	115,793	91,177
Interest on UK Bank Accounts	5,056	13,149
Interest on Investments	1,436,980	1,607,337
Interest on Commercial Lending	100,938	135,445
Interest on Housing Loans	714,838	701,723
Interest on Personal Loans	81,298	86,291
	<u>2,454,903</u>	<u>2,635,122</u>
6. INTEREST PAID	2025	2024
	£	£
Interest on Current Accounts	87,106	87,550
Interest on Deposit Accounts	308,987	297,772
	<u>396,093</u>	<u>385,322</u>

7. OTHER INCOME	2025	2024
	£	£
Foreign Exchange	135,673	121,230
Other	(2,458)	6,702
	<u>133,215</u>	<u>127,932</u>

8. EMPLOYEE COSTS	2025	2024
	£	£
Staff Costs	849,740	862,431
Directors' Remuneration	111,310	166,453
	<u>961,050</u>	<u>1,028,884</u>

The Bank currently contributes to a Cash Roll Up scheme for employees. In 2024/25 the Bank contributed £81,406 (2024: £84,967) to the scheme on behalf of employees.

The average monthly number of staff in the year was 45 (2024: 42)

9. OTHER EXPENDITURE	2025	2024
	£	£
Licence Fees	149,493	135,833
Communication Expenses	133,028	136,076
Bank Charges	24,145	19,526
Computer & Equipment	126,905	115,535
Other Fees	268,593	138,953
Other Operating Expenses	141,061	159,790
	<u>843,225</u>	<u>705,713</u>

10. TAXATION

Charge	2025 £	2024 £
<i>Current tax</i>		
Profit on ordinary activities, before tax	1,012,666	841,377
Profit on ordinary activities multiplied by standard rate of corporation tax of 25%	253,167	210,344
Non-allowable deduction – provisions	(16,532)	(70,452)
	<u>236,635</u>	<u>139,892</u>
<i>Deferred Tax</i>		
Origination of timing differences	<u>(16,532)</u>	<u>(70,452)</u>
Liability		
Tax Calculated as Due at 1 April	44,950	52,900
Total Tax Due for year	236,635	139,892
Less Tax Paid in year	<u>(169,245)</u>	<u>(147,842)</u>
Tax due as at 31 March	<u>112,340</u>	<u>44,950</u>

11. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant, Equipment, Fixtures & Fittings and Computers	Total
	£	£	£
COST			
At 1 April 2024	416,580	927,364	1,343,944
Additions	-	67,491	67,491
Disposals	-	(11,794)	(11,794)
At 31 March 2025	<u>416,580</u>	<u>983,061</u>	<u>1,399,641</u>
DEPRECIATION AND IMPAIRMENT			
At 1 April 2024	275,250	565,198	840,448
Charge for year	20,684	127,779	148,463
Disposals	-	(8,726)	(8,726)
At 31 March 2025	<u>295,934</u>	<u>684,251</u>	<u>980,185</u>
NET BOOK VALUE			
At 31 March 2025	<u>120,646</u>	<u>298,810</u>	<u>419,456</u>
At 31 March 2024	<u>141,330</u>	<u>362,166</u>	<u>503,496</u>

12. INTANGIBLE FIXED ASSETS

	Software £	Total £
COST		
At 1 April 2024	673,731	673,731
Additions	-	-
At 31 March 2025	673,731	673,731
DEPRECIATION AND IMPAIRMENT		
At 1 April 2024	582,226	582,226
Charge for year	28,911	28,911
At 31 March 2025	611,137	611,137
NET BOOK VALUE		
At 31 March 2025	62,594	62,594
At 31 March 2024	91,505	91,505

13. LENDING

	2025 £	2024 £
Personal Loans	1,102,436	1,163,873
Housing Loans	10,477,408	10,212,056
Commercial Loans	4,791,592	4,156,071
Overdrafts	215,161	381,316
	16,586,597	15,913,316
Less: Undrawn Loan Balance	(1,055,692)	(687,657)
Total Lending	15,530,905	15,225,659
Less Provisions	(692,458)	(750,305)
Total Net Realisable Lending	14,838,447	14,475,354
Current Assets	477,655	1,454,657
Non-Current Assets	14,360,792	13,020,697
	14,838,447	14,475,354

Lending Maturity Analysis

The remaining contractual maturities of loans and overdrafts to customers from the date of the balance sheet is as follows:

	2025 £	2024 £
Repayable on Demand	177,079	76,188
In not more than 3 months	493,003	654,307
In more than 3 months but not more than 1 year	1,555,723	2,162,123
In more than 1 year but not more than 5 years	6,509,268	5,635,689
In more than 5 years	7,851,524	7,385,009
	16,586,597	15,913,316

Balances reflect the loan principal and excludes accrued interest.

14. INVESTMENTS

	2025	2024
	£	£
Fixed Income Securities	24,856,052	45,831,145
Treasury Bills & Gilts	39,728,078	14,382,296
	<u>64,584,130</u>	<u>60,213,441</u>
Debt Securities & Treasury Bills Maturity Analysis have remaining maturities as follows:		
In not more than 3 months	6,950,834	5,986,621
In more than 3 months but not more than 1 year	24,838,484	15,387,746
In more than 1 year but not more than 2 years	11,808,044	28,051,737
In more than 2 years but not more than 3 years	7,002,434	5,793,943
In more than 3 years	13,984,334	4,993,394
	<u>64,584,130</u>	<u>60,213,441</u>
Current Assets	31,789,318	21,374,367
Non-Current Assets	32,794,812	38,839,074
	<u>64,584,130</u>	<u>60,213,441</u>

Movements during the year of debt securities and treasury bills are as follows:

	2025	2024
	£	£
Balance at 1 April 2024	60,213,441	68,061,348
Additions	70,117,537	24,884,016
Disposables & Maturities	(66,520,000)	(32,776,349)
Movement in Amortisation	773,152	44,426
Balance at 31 March 2025	<u>64,584,130</u>	<u>60,213,441</u>
INVESTMENT AMORTISATION	2025	2024
	£	£
Investment Amortisation	(773,152)	(44,426)
	<u>(773,152)</u>	<u>(44,426)</u>

All investments which are bought at a premium price are amortised monthly, and this, being a real cost to the Bank has been included in the expenditure for the year.

At the year-end date the nominal value of these investments was £65,000,000 (2024: £60,500,000).

15. OTHER ASSETS

	2025	2024
	£	£
Accrued Interest Receivable	638,608	677,417
Debtors (Balance held with SHG)	58,317	1,467,211
Prepayments	202,080	175,945
Items in the course of collection from Lloyds	17,664	11,391
Stock	99,059	97,023
Deferred Tax	181,928	198,460
	<u>1,197,656</u>	<u>2,627,447</u>

16. CASH & CASH EQUIVALENT BALANCES

	2025	2024
	£	£
St Helena Currency	569,403	392,803
Other Currencies	382,320	558,056
Cash Equivalents	-	3,001,269
	<u>951,723</u>	<u>3,952,128</u>

17. BANK BALANCES

	2025	2024
	£	£
Crown Agents: Cash & Call	40,038	44,640
Lloyds: Currency Accounts	(3,836)	29,211
Lloyds: GBP Account	7,220,528	4,066,790
	<u>7,256,730</u>	<u>4,140,641</u>

18. CUSTOMER CURRENT & DEPOSIT ACCOUNTS

	2025	2024
	£	£
Balance at 1 April 2024	77,403,574	83,670,475
Interest On Depositors' Accounts	396,094	385,321
Less SHG Withholding Tax	(23,707)	(23,159)
Net deposits/withdrawals in the year	2,108,902	(6,629,063)
Balance at 31 March 2025	<u>79,884,863</u>	<u>77,403,574</u>

Maturity Analysis of Customer Current & Deposit Accounts

Repayable on Demand	74,956,230	72,838,704
With agreed maturity date, by remaining maturity		
3 months or less but not repayable on demand	82,683	86,924
1 year of less but over 3 months	392,527	770,413
2 years or less but over 1 year	684,444	384,592
2 years or more	3,768,979	3,322,941
	<u>79,884,863</u>	<u>77,403,574</u>

19. OTHER LIABILITIES

	2025	2024
	£	£
Leave Pay Provision	35,254	43,535
General Accruals	275,630	22,611
Tax Due	112,340	44,950
Accrued Bonus Payable	-	44,283
Accrued Investment Management Fees	32,000	31,500
Audit Fees	100,608	50,000
Accrued Interest Payable	58,364	60,770
SHG Withholding Tax	23,707	23,159
Other liabilities	177,299	178,458
	<u>815,202</u>	<u>499,266</u>

20. OTHER FINANCIAL COMMITMENTS

The Bank has agreed, in principle, loans and overdrafts of which only a portion may have been drawn by the customer. The undrawn balance at 31 March represents a financial commitment of the Bank in the amount of:

	2025	2024
	£	£
Undrawn Commitments		
Personal Loans	22,076	183,110
Housing Loans	590,055	497,749
Commercial Loans	443,561	6,798
Overdrafts	250,096	181,935
	<u>1,305,788</u>	<u>869,592</u>

There were no contracted capital commitments or contingent liabilities as at year end 31 March 2025 (2024: Nil).

21. DEFERRED TAX

	Bad & Doubtful Debts £	Leave Pay £	Total £
Balance at 1 April 2023	259,191	9,721	268,912
Movement in the year	(71,616)	1,164	(70,452)
Balance as at 31 March 2024	187,575	10,885	198,460
Movement in the year	(14,462)	(2,070)	(16,532)
Balance as at 31 March 2025	173,113	8,815	181,928

22. PROVISIONS

	Bad & Doubtful Debts £	Leave Pay £	Total £
Balance at 1 April 2023	1,036,768	38,878	1,075,646
Movement in the year	(286,463)	4,657	(281,806)
Balance as at 31 March 2024	750,305	43,535	793,840
Movement in the year	(57,847)	(8,281)	(66,128)
Balance as at 31 March 2025	692,458	35,254	727,712

23. SHARE CAPITAL

	2025 £	2024 £
Issued and fully paid		
Number: Class:		
3,219,285 Ordinary	3,219,285	3,219,285

The value above represents the value of the net assets from the Government Savings Bank to Bank of St. Helena on 1 April 2004 and subsequently converted into Share Capital when Bank of St. Helena Limited was incorporated on 30 March 2016.

Per the Articles of Incorporation, the company has Authorised share capital of 6,000,000 ordinary shares, all of which have the same voting rights.

24. RESERVES

Retained Earnings	2025 £	2024 £
At 1 April	4,881,887	4,336,073
Profit in year	759,499	631,033
Dividend paid/accrued in respect of prior year profit	(250,000)	(85,219)
At 31 March	<u>5,391,386</u>	<u>4,881,887</u>

As per Shareholder direction, a Dividend payment of 0.07766 pence per share for the year ended 31 March 2024 was approved during the year and payment was subsequently made to St Helena Government in April 2025.

25. LEASE COMMITMENTS

The Bank's future minimum lease payments are as follows:

	2025 £	2024 £
Within one year	2,586	268
Two to five years	1,708	4,150
	<u>4,294</u>	<u>4,418</u>

26. RELATED PARTY TRANSACTIONS

The Bank's shareholder, St Helena Government (SHG), holds current accounts with the Bank to make and receive payments, and to account for cash held by SHG on behalf of the Bank. At the year end the net balance of these accounts was £58,317 (2024: £1,467,211) being due to the Bank. No interest is payable or receivable on these accounts.

St Helena Hotel Development Limited (SHHD), a wholly owned Company of SHG holds two loan facilities with the Bank. A loan for £1,000,000 was approved in September 2016, with principal repayments also being deferred until June 2025 and is guaranteed by SHG. This loan will mature in November 2026. A second loan of £1,303,000 was approved in May 2017, with principal repayments being deferred until June 2025 and is secured on the hotel properties and tangible current and non-current assets of the company. This loan will mature in December 2032. In addition to this, the Company also has a £75,000 overdraft facility which is being operated within the agreed terms and conditions of the facility. At 31 March 2025, the Company's total exposure with the Bank was £2,378,000.

SHG is also the majority Shareholder of Solomon & Company (St Helena) Plc. A loan of £500,000 was approved for the Company in June 2017 and is secured on a number of the Company's commercial properties. The facility is due to mature in June 2027, with a balance of £133,303 at 31 March 2025. A second £500,000 loan was approved in March 2024 with a balance of £463,833 at 31 March 2025. This loan is also secured on a number of the Company's commercial properties.

All Directors and Senior Management are considered key management personnel. Total remuneration paid to these individuals in the year was £339,958 (2024: £373,545).

Personal and housing loans may be granted to Senior Management at base rate (currently 4%). Previously this was 0.5% and 2% above the base rate, of which some loans are still being repaid at these interest rates. Interest on staff overdrafts is charged at 4% above the base rate. Loans granted to Non-Executive Directors are done so based on normal market terms and conditions. At the year end the value of loans outstanding, overdrafts and advances due from Senior Management, and loans due from Non-Executive Directors was £304,293 (2024: £252,938).

27. SUBSEQUENT EVENTS

On 1 July 2025 LeeAnne Henry was appointed as the substantive Managing Director, after holding the position since 1 July 2024 following the departure of the previous Managing Director.



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Established and regulated in St Helena under the Financial Services Ordinance, 2008 and 2017, the Financial Services Regulations, 2017, the Company Ordinance, 2004 and the Company Regulations, 2004