



Annual Report 2025

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Information

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Katherine Hitchins (Deputy Chair)
Jill Britton
Monique O’Keefe

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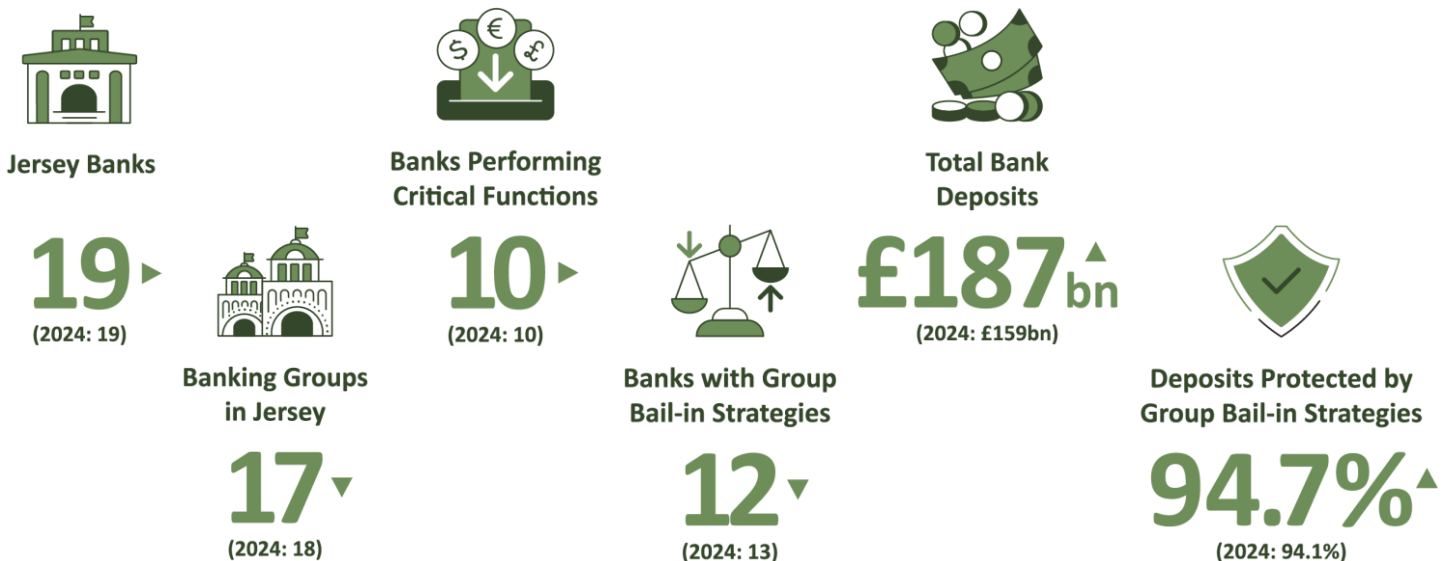
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Report on Operations for the year ended 31 December 2025

Key messages

- › We advanced our resolvability and resolution planning framework, developing and consulting on two new guidance notes—both finalised in January 2026. This remains a key focus area for us as we continue to roll out Jersey’s resolution framework.
- › Significant time and resources have been invested to prepare for our expanded responsibilities in respect of the Jersey Bank Depositors Compensation Scheme (“JDCCS”). This has been a key focus area for us and the work we have completed in 2025 and Q1 2026 ensures we are ready to assume these functions from 1 April 2026.
- › We have deferred the finalisation of our policy on minimum requirement for own funds and eligible liabilities (“MREL”) as we continue to assess the implications of recent changes to the Bank of England’s equivalent policy. This work will now be taken forward in 2026.
- › We completed our review of Jersey Banks’ first self-assessments of their resolution capabilities. Covering five of the nine key risks to resolution, this marks a major milestone in strengthening the resolvability of Jersey’s banking sector.
- › Jersey’s banking landscape remains dominated by the local operations of major international and UK banking groups—including several Global and Domestic Systemically Important Banks—meaning 94.7% of Jersey deposits continue to benefit from well-established group resolution strategies (2024: 94.1%).
- › Our 2025 financial results show a modest deficit of £17,252 (2024: surplus of £52,948), under budget by £7,748. As at year-end, accumulated reserves stand at £135,618 (2024: £152,870). See the financial performance review on page 18 for full details.

The following graphic provides a snapshot of Jersey’s banking sector as at 31 December 2025, with 31 December 2024 data for comparative purposes:



Principal activities

The Members of the Jersey Resolution Authority (collectively “the Board”) present the report on operations and the audited financial statements for the year ended 31 December 2025.

The Jersey Resolution Authority (“Authority” or “JRA”) was established on 31 January 2022 under the Bank (Recovery and Resolution) (Jersey) Law 2017 (“Resolution Law”).

The purpose and principal activity of the Authority is its statutory responsibility to prepare for and administer the resolution of banks in Jersey, Channel Islands. In doing so the Authority aims to:

- › ensure continuity of banking services and provision of critical functions in Jersey;
- › protect and enhance the stability of the financial system in Jersey, including preventing contagion and maintaining market discipline;
- › protect and enhance public confidence in the stability of the financial system in Jersey;
- › protect public funds;
- › protect eligible depositors to the extent they have covered deposits (deposits covered by Jersey’s Deposit Compensation Scheme); and
- › protect client assets.

With effect from 1 April 2026, the JRA will take on the functions relating to the administration and readiness of the JDCS.

Our purpose aligns to the Government of Jersey’s Island Outcomes by helping ensure the long-term stability of Jersey’s economy, making Jersey an attractive place to do business.

Accountability

Chair Overview

I am pleased to report that 2025 was a year of continued progress towards our mission to operate a robust and credible recovery and resolution regime to manage bank failure effectively for the Island. Building on the foundations laid in previous years, we have continued to develop key elements of our resolution policy framework and prepared for the significant expansion of our responsibilities in 2026.

Progress in 2025

Key achievements this year have included:

- › **Conducting our first interim resolvability assessments.** Drawing on the self-assessments submitted by banks in December 2024 and June 2025, we completed our first structured review of firms’ progress in the areas of communications planning, operational continuity, valuations, restructuring and management and governance. These assessments provide a strong foundation for the full resolvability assessments now scheduled for 2027.

- › **Advancing our updated determination of banks' Critical Functions.** Following extensive data collection and analysis in 2025, we communicated our findings to Jersey Banks in Q1 2026. We continue to work closely with the Jersey Financial Services Commission ("JFSC") to ensure alignment between Critical Functions and assessments of systemic importance.
- › **Preparing for the transfer of the JDCS.** Our team has supported the Government of Jersey in progressing the legislation required to effect the transfer of functions which is now confirmed for 1 April 2026, and our operational readiness has been a major focus. We have strengthened our internal capability with the recruitment of an additional staff member, worked with our outsourced supplier to progress the development of a new platform for the deposit compensation payout process, and progressed a wide range of tasks to ensure we are operationally ready.

It was also pleasing to be recognised by the Comptroller & Auditor General, through coming runner up in the award for 'Going Above & Beyond in Annual Reporting' in the Jersey Audit Office's Annual Reporting Awards. This reflects our on-going commitment to engage transparently with our stakeholders.

Strategic Framework Update

During 2025 we updated our Strategic Framework to reflect our expanded responsibilities. The revised mission — to operate a robust and credible recovery, resolution and depositor compensation regime — captures the broader scope of our work from 2026 onwards.

Our strategic objectives have been updated accordingly, with a strengthened focus on:

- › Developing and maintaining both the Resolution Framework and the Depositor Compensation Scheme
- › Ensuring banks have effective and credible recovery and resolution plans
- › Building strong strategic relationships with key stakeholders, including international regulators and depositor protection schemes
- › Developing fit-for-purpose governance, systems, and operational capabilities, including JDCS payout arrangements

A full refresh of our Strategic Framework will be published in late 2026, taking account of the Government of Jersey's financial services competitiveness programme and our experience operating the combined organisation.

Challenges and reflections

As in previous years, progress has not been without its challenges. The complexity of the legislative changes required to support the transfer of the JDCS has required extensive time spent engaging with the Government of Jersey and other key stakeholders. In particular, we are working very hard to finalise new agreements to update the terms of the loan which the States of Jersey would provide for short term liquidity in the event of the JDCS being invoked. We have also continued to monitor developments in the United Kingdom, including the Bank of England's evolving approach to MREL and the implementation of Basel 3 (international capital and liquidity rules for banks). These developments have required us to reflect carefully on the timing and calibration of our own MREL policy to ensure that Jersey maintains both a credible resolution regime and a competitive banking sector.

In support of the Government of Jersey's competitiveness programme, and to align with UK timelines, we concluded that it was appropriate to defer the first full Resolution and Resolvability self-assessments from June 2026 to June 2027. This decision balances the need for robust planning with the importance of managing regulatory burden.

Looking ahead to 2026

2026 will be a pivotal year for the organisation. On 1 April, we will formally assume responsibility for the JDCS and become the Jersey Resolution and Depositors Compensation Authority ("JRDCA"). Our priorities for the year ahead include:

- › Finalising our MREL policy and consulting on guidance relating to Financial Contracts (Stays)
- › Commencing the review of Jersey's Deposit Compensation Scheme with a view to providing any recommendations to the Government of Jersey in the first half/quarter of 2027
- › Completing the transfer of JDCS functions and embedding these into our day-to-day operations
- › Finalising our updated determination of banks' Critical Functions
- › Conducting interim resolvability assessments in respect of Funding in Resolution and Access to Financial Market Infrastructure ("FMI")
- › Commencing a re-tender process for suppliers to provide on-going operational support in respect of JDCS payout processes.

The year ahead will demand sustained focus and close collaboration with all our key stakeholders. The Board is determined that we will be fully prepared for this material expansion of our responsibilities.

Acknowledgements

I would like to thank Jersey's Banks, the Government of Jersey, the JFSC, and Jersey Bank Depositors Compensation Board ("JDCS Board"). Their continued engagement and support have been invaluable, particularly given the competing demands they each face.

I remain deeply grateful to my fellow Board members for their guidance and commitment, and to our dedicated executive team, led by the Head of the JRA and supported by our Resolution and Compensation Officers. Their professionalism and resilience have been central to our achievements this year.

I am proud of what we have accomplished in 2025. The year ahead will be demanding, but I am confident that we have the capability, clarity of purpose, and determination to deliver on our objectives as we transition to the JRDCA.

Corporate Governance

The Board comprises two independent members and two JFSC Commissioners.

The JRA Chair and an independent member also sit on the JDCS Board to facilitate transferring JDCS responsibilities to the JRA. Both boards actively manage potential conflicts—board members will recuse themselves if needed. As the organisations' objectives are closely aligned, such conflicts are unlikely.

Board structure and delegation

The following persons were members of the Authority during the year and up to the date of this report:

Mike Mitchell (Chair)	Appointed 31 January 2022
Katherine Hitchins (Deputy Chair)	Appointed 31 January 2022
Jill Britton (JFSC Director General)	Appointed 31 January 2022
Monique O'Keefe (JFSC Deputy Chair)	Appointed 31 January 2022

In preparation for taking on JDCS functions and as part of on-going board succession planning, in Q4 2025 we commenced recruitment of two new members. On 20 March 2026, the Minister for External Relations confirmed appointment of Ian Henderson effective 1 April 2026 and Richard Ingle effective 1 November 2026.

Given our small size, the Board has not established sub-committees. Selected responsibilities are delegated to the Head of the JRA, with Board oversight and periodic review.

Meetings and attendance

The Board aims to meet quarterly; in 2025 it met five times (four in person, one virtual) plus two informal/educational sessions. All members attended all Board meetings.

Key topics considered by the Board during 2025 were:

- › Resolution policy: MREL, continuity of access to FMIs, and liquidity and funding in resolution.
- › JDCS transfer of functions: legislative changes, scrutiny interest in compensation limits, supplier onboarding, system enhancements, disclosure requirements, and other preparations.
- › Reviews of Jersey Banks' self-assessments: operational continuity in resolution, communications planning, valuations, restructuring, and management and governance.
- › Risk oversight: quarterly risk assessments and risk deep dive in June.
- › Our interim strategy update for 2026 (published December 2025).
- › Our 2026 budget and funding paper.

Governance standards

The Board is focused on maintaining high standards of governance and takes guidance from the principles set out in the Financial Reporting Council’s UK Corporate Governance Code 2024.

Board composition & effectiveness

Following our 2024 review of Board composition and as noted above, we progressed recruitment of two new Board members, expanding the Board to five and supporting succession for Monique O’Keefe, who will step down at end-October 2026.

Considering upcoming changes to the Board composition, we chose to defer our next effectiveness review to the second half of 2026.

Remuneration and staff report

The JRA is a small, specialised organisation with three full-time staff and four non-executive Board members. Staff are seconded from—and permanently employed by—the JFSC. We leverage the JFSC’s HR expertise, adopting consistent policies and procedures for remuneration and staffing.

Our team benefits from strong development opportunities, including access to JFSC internal training and external seminars on bank resolution.

Given our small headcount and alignment with JFSC remuneration policies, we do not disclose details of staff remuneration.

Board remuneration is reviewed annually and is disclosed below:

Members of the Authority	2025	2024
Mike Mitchell (Chair)	£28,350	£27,500
Katherine Hitchins (Deputy Chair)	£17,000	£16,500
Monique O’Keefe	£11,350	£11,000
Jill Britton	Nil*	Nil*
	£56,700	£55,000

* Jill Britton is a member of the Authority as a result of her role as the Director General of the JFSC.

Values

Aligned to the JFSC, the JRA has adopted the following set of values (unchanged from 2024):



Professionalism – We set high standards for ourselves and are positive role models in all that we do



Integrity – We are trustworthy and act in good faith



Excellence – We strive for excellence in all that we do



Respect – We understand the value of a diverse workforce, and we trust those we work with



Teamwork – We work well together to achieve the same outcome, encouraging openness, sharing of knowledge and contribution from all colleagues

Diversity and Inclusion

The JRA has adopted the JFSC's Diversity and Inclusion Policy and is fully committed to a policy of treating all its employees and job applicants equally. The JRA's recruitment process aims to ensure diversity of thought and professional experience. Considering both members of the Board and staff, our female-to-male ratio as at 31 December 2025 was 43%:57% (2024: 50%:50%). Given our small size, we do not prepare or monitor further diversity statistics.

Sustainability and the Environment

The JRA is committed to operating sustainably and minimising our environmental impact while contributing positively to Jersey's community.

We run a largely paperless office and use modern video-meeting technology to reduce both costs and travel-related emissions.

Our staff actively support JFSC initiatives including Mental Health Awareness Week, Alternative Transport Week, and other charitable events. A JRA team member sits on the JFSC Green Team, helping drive organisation-wide environmental efforts. Every employee is able to dedicate up to two days a year to volunteering for charitable or environmental projects.

Although we are a small organisation, these actions help us align with the Government of Jersey's Island Outcomes on protecting the natural environment and using resources responsibly.

All employees benefit from private medical insurance, including mental health support, and take part in JFSC training on equality and anti-discrimination.

While we do not have the capacity to develop our own sustainability metrics, we will continue to leverage the JFSC's expertise and green initiatives. Once we take over responsibility for the administration of the JDCS, we will also explore opportunities to support financial literacy education.

Anti-bribery and Corruption

The JRA maintains strong ethical standards through a clear Conflict of Interests Policy and Code of Conduct. These set expectations for all staff and Board members to act with honesty and integrity, disclose external interests, and confirm these disclosures annually. Conflicts of interest are reviewed at every Board meeting as a standing agenda item.

Staff also receive annual JFSC-led training covering Anti-Money Laundering, Countering the Financing of Terrorism, Countering Proliferation Financing, and Anti-Bribery and Corruption, ensuring we maintain high standards of professionalism and integrity.

Performance

Strategy

During 2025 we continue to progress the work outlined in our Strategic Framework for 2024 – 2026. More recently we have issued an interim strategy update for 2026 to cover our future JDCS functions and during 2026 we will update our Strategic Framework for the years ahead.

As a result, going into 2026 our mission statement, set out below, has been updated slightly to reflect the JDCS functions we will take on from 1 April 2026.

To operate a robust and credible recovery, resolution and depositor compensation regime to manage bank failure effectively, reduce the risk to the public of financial loss, and protect the Jersey economy.

The table below sets out our assessment of performance versus our 2025 key areas of focus.

2025 Area of Focus	Assessment of Performance
Updating our determination of banks' Critical Functions.	Well progressed Analysis of data collected from banks has taken longer than originally anticipated but was well progressed in 2025. Sharing the output from this work has carried over into 2026 to allow banks the opportunity to review and challenge our determination. The updated determinations will be finalised shortly.
Performing an interim resolvability assessment of Jersey Banks.	Completed This was our first review of banks' self-assessments of resolution capabilities, and it has been a big learning curve for us. Completing this work was a major milestone in strengthening the resolvability of Jersey's banking sector.

2025 Area of Focus	Assessment of Performance
<p>Develop and consult on Liquidity and Funding in Resolution, Continuity of Financial Contracts (Stays), Continuity of Access to FMI and a Bail-in Execution.</p>	<p>Partially complete</p> <p>We were able to develop, consult and finalise guidance notes relating to Continuity of Access to FMI and Liquidity and Funding in Resolution ahead of schedule.</p> <p>The need to prioritise on-going preparations for taking on new JDCS functions meant we decided to defer preparation of guidance on Financial Contracts (Stays) and Bail-in Execution.</p>
<p>Continue to engage with Key Stakeholders to enhance the reputation of Jersey and further strengthen our Resolution Regime.</p>	<p>Well progressed / Ongoing</p> <p>We have had considerable engagement with domestic stakeholders both in relation to the above priority activities and on the on-going project to transfer JDCS functions to the JRA.</p> <p>Internationally we have engaged with Home Resolution Authorities and begun to attend and contribute to engagement with international deposit compensation schemes via the European Forum of Deposit Insurers (“EFDI”).</p> <p>Stakeholder engagement remains continuous activity.</p>

The table on the following pages sets out our Strategic Goals, our performance against them during 2025 as well as the main priorities for the year ahead.

Our function as Jersey’s Bank Resolution Authority combined with our mission and Strategic Goals support the Government of Jersey’s strategic priorities by helping to:

- › Maintain Jersey’s reputation as a stable and well-regulated jurisdiction in which to do business;
- › Ensure adherence to international standards; and
- › Enhance Jersey’s profile internationally.

We recognise the need to ensure we maintain a risk-based and proportionate approach to implementing Jersey’s resolution regime and depositors compensation scheme to help maintain the competitiveness of Jersey’s banking sector and during 2026 we will work with the Government of Jersey in respect of the outcomes from its financial services competitiveness review.

Strategic Goal	Progress during 2025	Priorities in 2026
<p>Develop effective strategic relationships with our key stakeholders (especially international regulators, Jersey's banks, the JFSC and the Government of Jersey).</p>	<ul style="list-style-type: none"> › Worked closely with the Government of Jersey and the JDCS Board to progress the transfer of JDCS responsibilities to the JRA. › Maintained engagement with the JFSC on policy and supervisory matters and continued active dialogue with the Jersey Bankers Association on both resolution and the JDCS. › Reduced the frequency of Bank Resolution Planning Group meetings to prioritise critical work on enhancing the JDCS and preparing for the transfer of functions to the JRA. › Sustained international cooperation with overseas Resolution Authorities, including participation in a resolution college for a Jersey Bank's parent group. › Expanded engagement with overseas Deposit Compensation Schemes, primarily through EFDI working groups. 	<ul style="list-style-type: none"> › Continue to engage with Jersey Banks to complete our updated determination of Critical Functions and develop remaining resolution policy and guidance. › Continue engagement with the Government of Jersey and the JDCS Board to complete the transfer of JDCS functions to the JRA. › Engagement with relevant stakeholders to enable us to perform a holistic review of the JDCS. › Further engagement with Home Resolution Authorities, in relation to group resolution plans and setting of MREL requirements for Jersey Incorporated Banks. › Continue to expand engagement with overseas Depositor Compensation Schemes as we take over membership of EFDI from the JDCS Board. › Continue to work closely with the JFSC to ensure alignment between critical functions and assessment of systemic importance.
<p>Develop and maintain Jersey's Resolution Framework, where appropriate in line with international standards and developments.</p>	<ul style="list-style-type: none"> › Developed and consulted on guidance notes relating to Continuity of Access to FMI and Liquidity and Funding in Resolution. Final versions were published 26 January 2026. › In July 2025, the Bank of England finalised revisions to its MREL Policy. We have completed an initial assessment of the implications for our own draft MREL Policy, and further work will continue into 2026. 	<ul style="list-style-type: none"> › Complete our assessment of UK MREL developments to enable finalisation of our MREL Policy and consult with banks on any material amendments where required. › Develop and consult on guidance in relation to Continuity of Financial Contracts (stays).

Strategic Goal	Progress during 2025	Priorities in 2026
<p>Ensure each bank in Jersey has recovery (where required) and resolution plans for its Jersey domiciled activities, which we regard as effective and credible (with a definite plan to address any barriers to resolution).</p>	<ul style="list-style-type: none"> › Reviewed banks’ self-assessments across Operational Continuity in Resolution, Communication Planning, Valuations, Restructuring, and Management & Governance. This work, which involved developing internal templates and a structured set of resolvability outcome categories, took longer than anticipated but represents a significant milestone in enhancing the resolvability of Jersey Banks. › Continued to monitor developments regarding group resolvability and maintained our understanding of group resolution strategies. › Collected and analysed data from banks to inform an updated assessment of which banks perform Critical Functions in Jersey. While this analysis took longer than expected, it is now well advanced, and the revised determinations will be finalised in 2026. 	<ul style="list-style-type: none"> › Liaise with banks to finalise our updated determination of which banks perform Critical Functions in Jersey. › Review and assess the quality of banks’ interim self-assessments in respect of Continuity of Access to FMI and Liquidity and Funding in Resolution (which are due to be submitted by 30 June 2026).
<p>Develop and maintain fit for purpose governance and operating frameworks including processes, systems and people.</p>	<ul style="list-style-type: none"> › Recruited a third staff member in June to ensure sufficient capacity to assume JDCS functions. › Commenced recruitment of two new Board members, with appointments completed in Q1 2026. › Continued JDCS preparation including: <ul style="list-style-type: none"> • On-boarding key outsourced service providers; • Working with providers to update existing JDCS payout systems; • Assessing JDCS records to determine the approach to migration; • Reviewing and updating the JDCS’s operations manual; • Beginning updates to our website to add JDCS content; and • Developed and finalised a JDCS Disclosure Standard. › Embedded our new internal Risk Management Framework. 	<ul style="list-style-type: none"> › Finalise preparations to take on JDCS responsibilities with effect from 1 April 2026. This will include: <ul style="list-style-type: none"> • Completing updates to JDCS payout systems; • Consulting with banks and the Government of Jersey on an updated Single Customer View Specification; • Finalising updated JDCS operations manual; • New website, including clear information for consumers in relation to the JDCS; • Update existing loan agreement with the States of Jersey in respect of the JDCS; and • Complete transfer of JDCS records. › Review and update our Resolution Playbook in light of taking on responsibility for the JDCS.

Risks


Our Risk Management Framework includes a risk taxonomy centred on three broad risk categories of Operational Risk, Financial Risk and Strategic Risk. Strategic Risk includes risks associated with our development and maintenance of Jersey’s Resolution Framework as well as those related to the on-going project to transfer responsibility for the JDCS to the JRA.



Within these risk categories, 12 risks are assessed on a quarterly basis both in terms of inherent risk and residual risk. Assessment includes both the impact of the risk occurring and the likelihood of it crystallising. The assessment is compared to Board agreed risk appetite and tolerance thresholds to determine if additional risk mitigation measures are necessary. During 2025 we enhanced our risk taxonomy with additional risk descriptors.

The results of each Risk Assessment are summarised in a Risk Dashboard that is presented to the Board on a quarterly basis and which tracks changes to residual risks. The Board also conducts an annual risk deep dive to identify emerging risks and re-assess risk appetite and tolerance thresholds.

The table below reflects the key risks identified by our Q4 2025 Risk Assessment (in early November 2025) and shows the risk trend versus Q4 2024. Commentary explains the rating, work that has been completed in 2025 to help address the risk and planned further risk mitigation.

Although certain high-risk areas remain the focus of our mitigation efforts, information available to us indicates that Jersey’s banking sector continues to operate on a stable footing, and our present assessments do not highlight any matters of concern.

Risk Area	Rating and Trend	Status and Mitigation
<p>JDCS Transfer Risk</p> <p><i>The risk that we are not adequately prepared for taking on the JDCS responsibilities.</i></p>	<p>High</p>  <p>Stable</p>	<p>Operational readiness is progressing broadly to plan, but as at Q4 2025 there was lots still to complete. We have progressed further in Q1 2026 and are well prepared to take on the new functions from 1 April 2026.</p> <p>JDCS Payout Tool system enhancements completed, and the new system went live February 2026.</p> <p>We have reviewed and updated the JDCS’s SCV Specification and internal JDCS Operations Manual. We have finalised the design of our new website ready to go live 1 April 2026.</p> <p>We continue to liaise with the Government of Jersey to update the JDCS loan agreement, with the existing agreement in force.</p>

Risk Area	Rating and Trend	Status and Mitigation
<p>Resolution Framework</p> <p><i>The risk that the resolution framework is not sufficient or that the JRA is not adequately prepared for the failure of a Jersey Bank.</i></p>	<p>High</p>  <p>Stable</p>	<p>This risk will remain high until we complete the roll out of Jersey’s resolution framework and our first full resolvability assessment (in H2 2027).</p> <p>The legal framework is in place and group resolution plans provide significant coverage of Jersey Banks.</p> <p>During 2025 we undertook analysis to update our determination of Critical Functions with results fed back to Jersey Banks in Q1 2026.</p> <p>Review of banks’ interim self-assessments has taken longer than expected but provided us with comfort that Jersey Banks have made significant progress in respect of resolvability.</p> <p>Finalising our MREL policy and guidance on financial contracts has been delayed due to our focus on the JDCS transfer. This work will be progressed in 2026.</p>
<p>Data Management and Information Security</p> <p><i>The risk of unauthorised access, use, disclosure, modification or destruction of data or information whether accidental or deliberate (e.g. cyber-attack).</i></p>	<p>Medium</p>  <p>Reduced</p>	<p>Risk reduced to medium as we have progressed implementation of our information management policies and procedures and resolved minor hardware configuration issues.</p> <p>We continue to leverage subject matter expertise from the JFSC. A robust cloud infrastructure is in place (an efficient and effective solution for our size).</p> <p>Rights of Individuals Requests Policy and Guidance now fully implemented, and we are implementing data retention and destruction protocols.</p> <p>There were no incidents that required reporting to the Jersey Office of the Information Commissioner (2024: None).</p>

External Factors

Our risk management framework captures external risks arising from events or conditions outside of the JRA's control that may impact on our ability to achieve our objectives. These risks may originate from global and domestic political change, macroeconomic conditions and changes to international regulatory standards.

There are several external factors that may impact on the JRA's ability to meet its Strategic Goals. These include:



Macroeconomic conditions and market correction: An economic slowdown or abrupt market correction could impact banks' earnings, asset quality and liquidity - increasing failure risk. Whilst there are no immediate concerns in relation to Jersey's banking industry, we continue to work closely with banks and the JFSC to identify emerging stresses early.



Regulatory change and competitiveness pressures: International and domestic calls to lighten regulatory burdens to boost growth risk diluting prudential standards or creating diverging requirements that could complicate resolvability. Our stance is to support proportionate reforms while maintaining alignment with global standards to preserve orderly resolution and public confidence.



Competitive/technology disruption to traditional banking models: Fintechs, new digital payment ecosystems and crypto assets (particularly stablecoins) are reshaping customer demands, threatening banking revenues while increasing the speed/volatility of deposit outflows in stress. Artificial Intelligence (AI) can reduce costs and improve risk controls but introduces model-risk and governance challenges, and cloud reliance concentrated in a few providers heightens continuity risk. We continue to work with banks and the JFSC to monitor potential disruption and consider concentration risk and third-party resilience.

Operations

We use a range of outsourced and third-party service providers to maintain efficiency and agility.

Through our Master Services Agreement with the JFSC, we draw on specialist support across Human Resources, IT, Facilities, Finance, Secretariat, Legal, Data Protection and Communications—expertise that would not be cost-effective for a small organisation to retain in-house.

For crisis management, we would utilise external professional services firms, enabling us to keep a low-cost base in normal market conditions. This model delivers operational efficiency, helps minimise regulatory costs for Jersey's banking sector, and supports Jersey's competitiveness in line with the Government of Jersey's priorities.

Financial Performance Review

The results for the year are set out in the Income Statement on page 25. During the year, the Authority generated a deficit of £17,252 (2024: surplus of £52,948). A deficit was budgeted for in 2025 based on our decision not to levy in respect of non-recurring project costs.

The table below provides further analysis of our financial performance compared to our 2025 budget:

	2025 Budget	2025 Actual	Variance
Administration Levy	£481,700	£481,700	Nil
Other Income	Nil	£2,000	£2,000
Board Members Fees	£58,700	£58,542	(£158)
Staff Costs	£283,000	£283,847	£847
JFSC Service Charge	£84,500	£84,500	Nil
Other Administrative Costs	£55,500	£37,083	(£18,417)
Non-recurring costs	£25,000	£36,980	£11,980
Total Costs	£506,700	£500,952	(£5,748)
Deficit	(£25,000)	(£17,252)	£7,748

Performance Commentary

- › Non-recurring costs were higher than budget due to higher legal costs associated with review of contracts when on-boarding JDCS outsourced services providers.
- › Other administrative costs were lower than budget due to:
 - Redirecting our budget for legal and professional costs to offset the above project overspend,
 - Lower training costs,
 which were partially offset by higher travel costs due to additional visits to meet with Home Resolution Authorities.
- › Other Income represents additional income earned from the provision of administration support services to the JDCS Board from November 2025 onwards.

Reserves

Accumulated reserves of the Authority as at 31 December 2025 totalled £135,618 (2024: £152,870). Accumulated reserves are above the JRA’s Minimum Reserves Level of £128,333 (based on our 2026 budget) but below our Target Reserve Level of £256,667. We expect to receive a transfer of reserves from the JDCS Board during 2026 of approximately £125,000.

2026 Funding

On 16 December 2025, the Authority issued a 2026 Funding Paper setting out its budget and proposed Annual Administration Levy for 2026. The JRA's total budgeted expenditure for 2026 is based on our expanded functions relating to the JDCS and has been set at £785,500. This represents a 7.8% reduction compared to the combined budget of both the JRA and the JDCS Board in 2025.

As mentioned in our 2026 Funding Paper, we have chosen not to levy in respect of our budgeted non-recurring costs for 2026 as these relate to the on-going project to transfer responsibility for the JDCS to the JRA and can be funded from expected reserves to be transferred from the JDCS Board during 2026.

On 20 February 2026, we issued notices to Jersey Banks in respect of the 2026 Annual Administration Levy, which totals £770,000.

Going Concern

The Authority is established by the Resolution Law and is funded entirely by Jersey Banks. The Resolution Law gives the Authority power to raise administration levies to cover expenditure and to establish a reserve. The Authority has adopted an Administrative Reserves Policy designed to ensure it maintains a minimum level of reserves ("Minimum Reserve Level") equal to two month's budgeted recurring expenditure with a target level of reserve ("Target Reserve Level") equal to four month's budgeted recurring expenditure.

The Authority generated a deficit in 2025; however, accumulated reserves remain above the Minimum Reserve Level. Our reserves will be bolstered during 2026 as we expect to receive a transfer of approximately £125,000 of reserves from the JDCS Board upon its dissolution.

The Board regularly reviews the Authority's actual and forecast reserves and the Resolution Law allows the Authority to make additional levies should it forecast a need to do so. On this basis, the Board expects that the Authority has adequate resources to continue in operational existence for the foreseeable future and, therefore, the Authority has adopted the going concern basis in preparing its financial statements.

Statement of Board responsibilities in respect of the financial statements

The Board is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Resolution Law requires the Authority to keep proper accounts and proper records in relation to its accounts that permit its financial position to be ascertained with reasonable accuracy at any time and prepare accounts in respect of each financial year and a report on its operations during each financial year. The Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A).

Under the Resolution Law, the Board 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 Authority and of the surplus

or deficit of the Authority for that year. In preparing the financial statements, the Board is required to:

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

The Board is responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the Resolution Law.

The Resolution Law also requires that the Authority's accounts must set out the income and expenditure of the Jersey Bank Resolution Fund ("Resolution Fund") separately from any other money received, held, or expended by the Authority. The Resolution Fund's income and expenditure during the year is set out on page 37.

Confirmations of members of the Authority

In the case of each member in office at the date the report on operations is approved:

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

Independent auditors

PKF CI Assurance Limited act as independent auditors to the Authority.

This report was approved by the Board on 23 March 2026 and signed on its behalf by:



M. F. Mitchell (Chair)

Independent auditor's report to the members of the Jersey Resolution Authority for the year ended 31 December 2025

Opinion

We have audited the financial statements of the Jersey Resolution Authority (the 'Authority') for the year ended 31 December 2025 which comprise the Income Statement, the Statement of Financial Position, the Notes to the Financial Statements, including a summary of significant accounting policies and the Income and Expenditure Statement of the Jersey Bank Resolution Fund (the 'Resolution Fund'). The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* ('United Kingdom Generally Accepted Accounting Practice').

In our opinion, the financial statements:

- › give a true and fair view of the state of the Authority's affairs as at 31 December 2025 and of its result for the year then ended;
- › give a true and fair view of the Resolution Fund's income and expenditure for the year ended 31 December 2025;
- › have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- › have been properly prepared in accordance with the requirements of the Bank (Recovery and Resolution) (Jersey) Law 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' 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 Authority'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 members 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 members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which our letter of engagement requires us to report to you if, in our opinion:

- › adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- › the financial statements are not in agreement with the accounting records and returns; or
- › we have not received all the information and explanations we require for our audit.

Responsibilities of the members

The members 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 members 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 members are responsible for assessing the Authority'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 members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

We obtained an understanding of the legal and regulatory framework applicable to the Authority through enquiry of management, review of board minutes, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the Authority:

- › Bank (Recovery and Resolution) (Jersey) Law 2017; and
- › United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('United Kingdom Generally Accepted Accounting Practice').

We developed an understanding of the key fraud risks to the Authority (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for accounting estimates, analysis of journal entries, walkthrough of the key control cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- › Identifying and assessing the design of key controls implemented by management to prevent and detect fraud;
- › Enquiry of management and those charged with governance;
- › Performance of analytical procedures to identify unusual relationships which may indicate a risk of fraud or an irregularity;
- › Review of board minutes;
- › Journal entry testing - including analysis of the general ledger to identify entries deemed to represent a higher risk of fraud or error; and
- › Assessment of the reasonableness of judgements made by management in accounting estimates.

The inherent limitations of an audit mean that there will always be a risk that irregularities will go undetected, including those which may ultimately lead to a material misstatement. This risk is considered greater where an irregularity results from fraud including misrepresentation, collusion, and forgery.

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

Use of our report

This report is made solely to the members, as a body, in accordance with the requirements of the Bank (Recovery and Resolution) (Jersey) Law 2017. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF CI Assurance Limited

PKF CI Assurance Limited
9 Bond Street,
St Helier,
Jersey, JE2 3NP

Date: 25 March 2026

Income Statement

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Income			
Administration Levy	5	481,700	495,500
Other income		2,000	-
Total income		483,700	495,500
Expenses			
Administrative service fee	12	84,500	82,500
Members' fees	12	58,542	56,873
Staff costs	12	283,847	206,946
Other administration costs	12	74,063	96,233
Total expenses		500,952	442,552
Net (deficit)/surplus for the year	6	(17,252)	52,948

All the items dealt with in arriving at the net (deficit)/surplus relate to continuing operations.

There are no recognised gains and losses in the current period other than those included in the net (deficit)/surplus above, therefore no separate statement of other comprehensive income and expenditure has been presented.

The notes on pages 27 to 36 form an integral part of the financial statements.

Statement of financial position

As at 31 December 2025

	Notes	2025 £	2024 £
Fixed assets			
Intangible assets	7	1,603	2,119
Tangible fixed assets	8	-	155
		<u>1,603</u>	<u>2,274</u>
Current assets			
Prepayments and Debtors	9	128,080	8,510
Cash and cash equivalents		168,256	228,863
		<u>296,336</u>	<u>237,373</u>
Creditors: amounts falling due within one year			
Creditors	10	162,321	86,777
		<u>162,321</u>	<u>86,777</u>
Net current assets		134,015	150,596
Net assets		<u>135,618</u>	<u>152,870</u>
Represented by			
Accumulated reserves		135,618	152,870
		<u>135,618</u>	<u>152,870</u>

The financial statements on pages 25 to 36 were approved and authorised for issue by the Authority on 23 March 2026, and signed on its behalf by:



M.F. Mitchell

The notes on pages 27 to 36 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 December 2025

1 General Information

The Jersey Resolution Authority ("Authority") was established under the Bank (Recovery and Resolution) (Jersey) Law 2017 ("Resolution Law") on 31 January 2022.

The principal activity of the Authority is its statutory responsibility to prepare for and administer the resolution of banks in Jersey, Channel Islands by minimising the impact of bank failure in the Island and ensuring that public funds are protected.

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 during the year under review.

Basis of preparation

The financial statements of the Authority have been prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A ("FRS 102 Section 1A"), and the Resolution Law).

The financial statements are prepared on a going concern basis, under the historical cost convention, and presented in pound sterling (£), which is the Authority's functional and presentational currency. All values stated in the financial statements are rounded to the nearest pound sterling.

Other critical accounting estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority'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 3.

Exemptions for small entities

Under FRS 102 Section 1A, the Authority is exempt from:

- Preparing a statement of changes in equity; and
- Preparing a cash flow statement.

Going concern

The Authority is established by the Resolution Law and is funded entirely by Jersey Banks. The Resolution Law gives the Authority power to raise administration levies to cover expenditure and to establish a reserve. The Authority has adopted an Administrative Reserves Policy designed to ensure it maintains a minimum level of reserves ("Minimum Reserve Level") equal to two month's budgeted recurring expenditure with a target level of reserve ("Target Reserve Level") equal to four month's budgeted recurring expenditure.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2 Summary of significant accounting policies (continued)

Going concern (continued)

The Authority made a small deficit in 2025. On 16 December 2025, the Authority issued a Funding Paper setting out its budget and proposed Annual Administration Levy for 2026. During 2026 we expect to receive cash reserves from the dissolution of the Jersey Bank Depositors Compensation Board ("JDCS Board"). Accordingly, accumulated reserves are expected to remain well above the Minimum Reserve Level.

The Board regularly reviews the Authority's actual and forecast reserves and the Resolution Law allows the Authority to make additional levies should it forecast a need to do so. On this basis, the Board expects that the Authority has adequate resources to continue in operational existence for the foreseeable future and, therefore, the Authority has adopted the going concern basis in preparing its financial statements.

Income

Income is recognised at the fair value of the consideration received or receivable and to the extent that it is probable that the economic benefits associated with the transaction will flow to the Authority and the amount can be measured reliably.

Levy income is raised by the Authority on an annual basis to enable it to meet its expected administrative costs in a particular year and to provide or maintain a reserve as detailed under Article 16 of the Resolution Law. Annual administration levies raised by the Authority are recognised on a straight-line basis over that year.

Other income is recognised as services are delivered.

Interest income is recognised using the effective interest method.

Article 22 of the Resolution Law establishes the Jersey Bank Resolution Fund ("Resolution Fund"). Any monies received for the Resolution Fund are kept separate from the income of the Authority. See also page 37.

Expenses

All expenditure, including recharges, is recognised on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial instruments

The Authority has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Authority does not hold or issue any complex financial instruments.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2 Summary of significant accounting policies (continued)

Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price plus attributable transaction costs.

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

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

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes the original purchase price and expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of tangible fixed assets is calculated so as to write off their cost less estimated residual value on a straight-line basis over their expected useful lives. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives used for this purpose are:

Computer equipment	3 to 5 years
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Subsequent expenditure is capitalised only when it enhances the economic benefits of the related asset. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and any impairment losses. Historical cost includes the original purchase price and expenditure that is directly attributable to the development of the intangible asset. Subsequent maintenance and support costs are charged to the income statement during the period in which they are incurred.

Amortisation of intangible assets is calculated so as to write off their cost on a straight-line basis over their expected useful lives. The useful lives and amortisation methods are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives used for this purpose are:

Computer software	Up to 7 years
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The cost of computer software in respect of major systems is capitalised within intangible assets. All other computer software costs are expensed as incurred. Computer systems under development are not amortised until the system has been completed and is ready for use.

Impairment

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset may be impaired, it is tested for impairment. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Derecognition

Intangible and tangible fixed 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 in the income statement.

Prepayments

Prepayments represent expenses paid in advance of the period to which they relate. Prepayments are recognised as assets when the payment relates to future periods and will provide economic benefit to the Authority. Amounts are released to the income statement on a systemic basis over the period to which the expenditure relates.

Notes to the financial statements (continued)

For the year ended 31 December 2025

2 Summary of significant accounting policies (continued)

Accruals

Accruals are recognised for costs incurred but not invoiced at the reporting date. Amounts are measured at the estimated settlement value.

3 Critical accounting judgements and key sources of 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.

Key accounting estimates and assumptions

Management is required to make estimates and assumptions concerning the future. The resulting accounting estimates may not equal the actual outcomes.

None of the estimates and assumptions made in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this and the next financial year.

4 Taxation

In accordance with Article 20 of the Resolution Law, the Authority is exempt from the provisions of the Income Tax (Jersey) Law 1961, as amended.

5 Administration levy

	2025 £	2024 £
Annual administration levies	481,700	495,500

Annual administration levies were levied in accordance with Article 16 of the Resolution Law.

Notes to the financial statements (continued)

For the year ended 31 December 2025

6 Net (deficit)/surplus for the year

The net (deficit)/surplus for the year is stated after including the below:

	2025 £	2024 £
Audit fees	11,035	10,740
Depreciation and Amortisation	671	1,536
	11,706	12,276

7 Intangible assets

	Computer systems £	Total £
Cost		
Balance at 1 January 2025	3,625	3,625
Additions during the year	-	-
At 31 December 2025	<u>3,625</u>	<u>3,625</u>
Amortisation		
Balance at 1 January 2025	(1,506)	(1,506)
Charge for the year	(516)	(516)
At 31 December 2025	<u>(2,022)</u>	<u>(2,022)</u>
Net book value at 31 December 2025	<u>1,603</u>	<u>1,603</u>
Net book value at 31 December 2024	<u>2,119</u>	<u>2,119</u>

Notes to the financial statements (continued)

For the year ended 31 December 2025

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
Balance at 1 January 2025	3,066	3,066
Additions during the year	-	-
At 31 December 2025	<u>3,066</u>	<u>3,066</u>
Accumulated depreciation		
Balance at 1 January 2025	(2,911)	(2,911)
Charge for the year	(155)	(155)
At 31 December 2025	<u>(3,066)</u>	<u>(3,066)</u>
Net book value at 31 December 2025	<u>-</u>	<u>-</u>
Net book value at 31 December 2024	<u>155</u>	<u>155</u>

9 Prepayments and Debtors

	2025 £	2024 £
Debtors	2,048	1,301
Prepayments	126,032	7,209
	<u>128,080</u>	<u>8,510</u>

Included in prepayments is an amount of £118,875 in respect of accrued costs relating to the development of a new payout tool for the Jersey Bank Depositors Compensation Scheme (“JDCS”) ahead of the Authority taking over functions relating to the JDCS in 2026. The new system went live in February 2026 and development costs will be expensed over two years to 31 December 2027, in line with the relevant supplier service contract.

Notes to the financial statements (continued)

For the year ended 31 December 2025

10 Creditors

	2025 £	2024 £
Trade creditors	-	3,128
Accruals	162,321	15,005
Other creditors	-	68,644
	162,321	86,777

Included in accruals is an amount of £118,875 in respect of accrued costs in respect of the development of a new payout tool for the JDCS (see also note 9).

Other creditors represent the amount payable to the Jersey Financial Services Commission (“JFSC”) regarding the basic services fee and other recharged costs as referred to in note 12.

11 Financial instruments

The Authority’s financial instruments are analysed as follows:

	2025 £	2024 £
Financial assets		
Financial assets measured at amortised cost	170,304	230,164
Financial liabilities		
Financial liabilities measured at amortised cost	162,321	86,777

Financial assets measured at amortised cost comprise cash and cash equivalents and debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

Notes to the financial statements (continued)

For the year ended 31 December 2025

12 Related party transactions

Transactions with the Government of Jersey

The Authority has been established by the Resolution Law as an independent public body. However, under the Resolution Law the Authority is accountable to the Minister for External Relations. The Resolution Law allows for the Government of Jersey to make grants towards the expenses of the Authority in carrying out its functions. To date no grants have been received.

Transactions with the Jersey Financial Services Commission

The Authority and the JFSC have common representation at governance level with Jill Britton and Monique O'Keefe (respectively the Director General and Deputy Chair of the JFSC) serving on the Board of the Authority. The Authority occupies an office within the JFSC and utilises the JFSC for certain support and administrative services. The Authority entered into an agreement, the Master Services Agreement ("MSA"), with the JFSC on 31 January 2022 (last updated 13 October 2023) for the provision of various administrative and other support services, including premises, facilities, information technology and human resources. The Authority was charged a fee of £84,500 by the JFSC in 2025 for the services under the MSA (2024: £82,500).

During 2025 the JFSC also recharged the Authority for costs it paid on the Authority's behalf including reimbursement of staff costs of £274,211 (2024: £185,860); and other administration costs of £7,838 (2024: £4,453).

The amount payable to the JFSC as at the year-end was £nil (2024: £68,644) (Note 10).

Transactions with the Jersey Bank Depositors Compensation Board

The Authority and the JDCS Board have common representation at governance level with Mike Mitchell being Chair of both organisations and Katherine Hitchins being a member of the board of both organisations.

In November 2025 the Authority agreed to provide administrative support to the JDCS Board as this was felt to be the most efficient approach considering the on-going work to transfer functions relating to the JDCS to the Authority. This was formalised through an agreement signed 15 December 2025.

During the year to 31 December 2025, the Authority charged the JDCS Board fees of £2,000 in this respect. As at 31 December 2025, the amount receivable from the JDCS Board was £2,000.

Remuneration of key management personnel

Key management personnel include all the members of the Board who together have authority and responsibility for planning, directing, and controlling the activities of the Authority. Total remuneration of Board members during the year was £58,542 (2024: £56,873). The Director General of the JFSC is not remunerated in respect of their position as a Member of the Authority.

13 Controlling party

In the opinion of the Board, there is no ultimate controlling party.

14 Events after the reporting period

On 20 February 2026, the Authority issued notices to all Jersey Banks setting out the 2026 Annual Administration Levy. The total amount levied of £770,000 (2025: £481,700) is in line with the 2026 Funding Paper issued by the Authority on 16 December 2025.

On 6 March 2026, the Minister for External Relations signed a commencement order that, with effect from 1 April 2026, transfers functions relating to the JDCS to the JRA. As of 1 April 2026, the JRA's name will change to the Jersey Resolution and Depositors Compensation Authority ("JRDCA"). The legislative changes will also result in the dissolution of the JDCS Board effective 30 June 2026 and the transfer of all of its residual assets, rights, liabilities and obligations to the JRDCA.

On 20 March 2026, the Minister for External Relations confirmed the appointment of Ian Henderson and Richard Ingle as members of the Authority effective 1 April 2026 and 1 November 2026 respectively.

In the opinion of the Board, no adjustments are required to the financial statements for events after the current reporting period.

Jersey Bank Resolution Fund

For the year ended 31 December 2025

	2025 £	2024 £
Income	-	-
	-	-
Expenditure	-	-
	-	-
Retained funds as at 31 December	-	-

The Jersey Bank Resolution Fund ("Resolution Fund") is established under the terms of Article 22 of the Bank (Recovery and Resolution) (Jersey) Law 2017 ("Resolution Law") for the purpose of ensuring the effective exercise by the Authority of the resolution powers and application by the Authority of the resolution tools as defined in the Resolution Law. The Resolution Fund is controlled, managed, and administered by the Authority however any monies received, held, or expended for the Resolution Fund are not included in the income and expenditure of the Authority. The Resolution Fund is not pre-funded and, if required, would be funded by contributions from Jersey Banks up to a maximum of £100m in any five-year period. During the current period, no monies were received or expended by the Resolution Fund (2024: £nil).