



Performance Summary

For period ended **31 December 2021**



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BOARDROOM



Board members



Gary Wilkinson
Chief Executive Officer and
Co-Founder



Robert Endersby
Non-Executive Director and
Chair of Risk Committee



Mark Winlow
Non-Executive Director and
Chairman



Jerry Loy
Non-Executive Director
and Chair of Audit and
Compliance Committee



Brian Mulholland
Chief Financial Officer



Maria Darby-Walker
Senior Independent
Non-Executive Director
and Chair of Remuneration
Committee



Rajesh Khosla *
Chief Risk Officer

* Joined on 25th November 2021,
appointed to board on 26th
April 2022.



John Lowe
Non-Executive Director



**At Redwood Bank we are
tireless in seeking to build a
high achievement culture.**





Business review

2021 was a pivotal year for Redwood as we:

Continued to build a stronger business. In 2021, despite the impact of the COVID-19 pandemic, we remained open for business and successfully navigated this unprecedented challenge. We grew our balance sheet, delivered record financial results, and have now achieved profitability with a profit before tax for the 2021 financial year of £2.2m (2020: loss £1.7m).

Bolstered our board to support our next phase of growth, with the appointment of a Starling Bank founding director, Mark Winlow, as Chairman, alongside other board appointments, who all bring extensive board experience of financial institutions and financial regulation.

Invested to support growth by increasing resources to support our lending and savings customers.

Planned for the future by investigating expansion into adjacent asset classes that would leverage existing relationships, and complement existing products, to ensure we continue to develop and achieve strong growth.

Remained committed to doing the right thing. In addition to supporting numerous initiatives and charities, we appointed a Director of Environmental, Social, and Governance (ESG) to ensure that we have the required focus and resources to truly make a difference.



About **Redwood** Bank

Redwood Bank is a British business bank established to offer a real alternative for small and medium-sized organisations looking to make sure that their properties and cash work harder for them.

Our **values**



Integrity

It's about treating people as you'd like to be treated.



Certainty

It's about reassurance that, finally, you're in the right place.



Tireless

It's about a genuine passion for our customers' success.



Simplicity

It's about not hiding behind the asterisk.

Redwood Bank is a British business bank established to **offer a real alternative** for small and medium-sized organisations.





Our products

It is about time Britain had a bank that respects local businesses and knows what it takes to manage and grow small and medium-sized organisations.

Lending

We provide specialist mortgages. All lending is secured on property and our loans products are targeted to be manually underwritten by specialists within 48 hours.

Savings

Our award-winning business savings accounts are competitive, straightforward and easy to use. We value our customers' time and make sure all products can be accessed instantly online.

It's about time Britain had a bank that **respects local businesses.**



Performance highlights

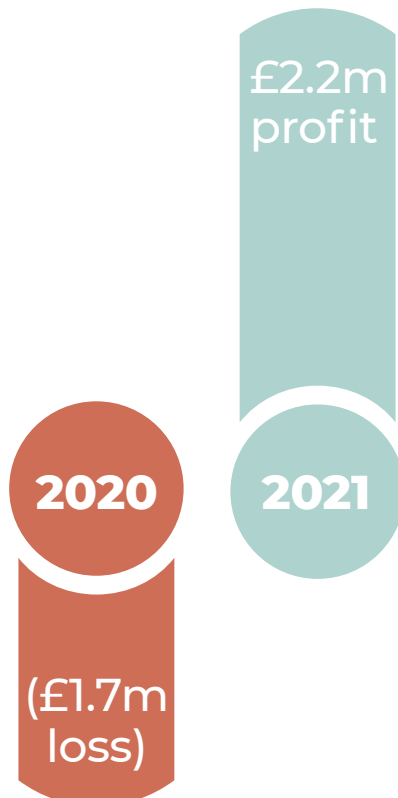
We're a specialist bank that knows the needs of our customers. We deliver the products needed to support them and we understand the challenges they face. This is why, despite the pandemic, we remained very much open for business with a strong appetite to lend. Successfully navigating the unprecedented challenges that COVID-19 caused, we celebrated our speedy ascension to profitability and are well positioned for the future.

Our forward-thinking infrastructure, use of technology and unique approach, allowed us to tailor our services and support a customer base of more than 5,000 British SMEs.

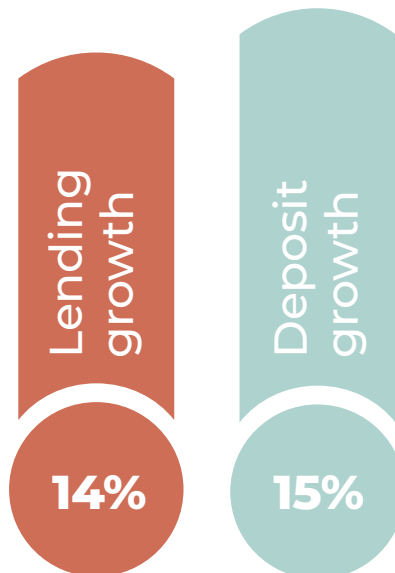
“ I've invested with Redwood since just after it started up and have always **found it simple and hassle free.**”

“ This is one of the most **effortless and pleasant experiences** of account opening I have ever had. Well done.”

Profit before tax



Our growth in 2021 (£m)





Our customers

We are passionate about our customers and proactively monitor customer sentiment through monthly surveys. This ensures we remain consistently agile in our approach for British SMEs.

Lending customers



+37%

increase in lending customers

Deposit customers



+38%

increase in deposit customers

96%

satisfied with the service provided

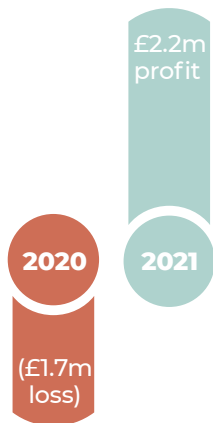
96%

would recommend Redwood

“Honestly, it is just **so refreshing** to FINALLY be dealing with a lender that we can have a **business relationship** with. Very happy with everything about Redwood – you handle things **professionally** and with **an open mind** when “daft” things come up during the completion process.”



Key financials



Redwood made a profit before tax for the year ended 31 December 2021 of £2.2m (2020: loss £1.7m), its first profit since its launch in 2017.



The Bank's high quality liquid assets (HQLA) as a percentage of total assets is 22% as at 31 December 2021 (2020: 26%).

The Bank held HQLA of £108m (2020: £112m).



The balance sheet includes loans of £370m (2020: £324m) and deposits of £438m (2020: £380m), reflecting balance sheet growth in the year.

Statement of profit or loss

For the year ending 31 December 2021

	Year ended 31/12/2021	Year ended 31/12/2020
Interest receivable and similar income	19,924,820	15,124,939
Interest payable and similar charges	(4,789,284)	(4,728,423)
Net interest income	15,135,536	10,396,516
Staff costs	8,279,244	6,399,301
Other administrative expenses	4,459,744	2,806,584
Depreciation	183,883	176,260
Impairment provisions on loans and advances to customers	38,873	2,717,848
Total operating expenses	12,961,744	12,099,993
Operating profit/(loss) on ordinary activities before taxation	2,173,792	(1,703,477)
Taxation on profit/(loss) on ordinary activities	1,910,683	-
Profit/(loss) for the financial year	4,084,475	(1,703,477)

Redwood Bank's shareholders have continued to show support for the Bank's business model by investing a further £9.9m of Tier 1 capital in the Bank during the year, increasing the total Tier 1 capital invested to £47.9m.

Statement of financial position

As at 31 December 2021

	2021 £	2020 £
Assets		
Cash and balances at central banks	105,308,945	81,336,018
Treasury bills and gilts	49,938,351	30,253,815
Other assets and prepayments	652,247	540,042
Loans and advances to customers	369,798,691	323,879,674
Tangible fixed assets	182,226	258,654
Intangible fixed assets	182,069	180,203
Deferred tax assets	1,910,683	-
Total assets	527,973,212	436,448,406
Liabilities		
Amounts due to banks	37,611,747	19,201,753
Customer deposits	438,038,613	379,609,727
Other liabilities and accruals	1,826,748	1,056,219
Subordinated debt	9,000,000	9,000,000
Total liabilities	486,477,108	408,867,699
Issued capital and reserves		
Called up share capital	111	111
Share premium reserve	47,922,405	38,022,405
Available-for-sale reserve	(54,202)	14,876
Retained earnings	(6,372,210)	(10,456,685)
Total equity	41,496,104	27,580,707



Our **people** and culture

We are a team of talented individuals who make a genuine difference to the future of business lending and savings.

As the market becomes increasingly competitive, we know we have an advantage. Our in-house culture has been carefully created to support curious minds within a collaborative workforce. Our people differentiate us.

Our values and behaviours ensure we:

- Continuously improve performance
- Further professional development
- Recruit and retain talented people

We continued to invest in the people that power us and most notably grew our Portfolio Management, Risk, Finance, Compliance and IT teams.



Growth in number of staff



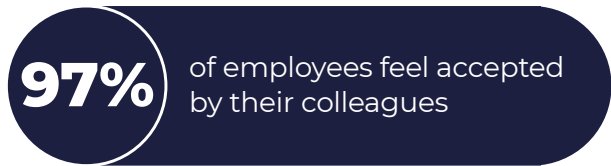
Employee word cloud from Financial Services Culture Board (FSCB) survey 2021

FSCB Survey

In May 2021, we participated in the Financial Services Culture Board (FSCB) Employee Survey for the fourth year in succession, with 23 other banks and firms.

Results

- 88.5% staff response rate
- First quartile in seven of the nine characteristics (Respect, Openness, Competence, Reliability, Resilience, Responsiveness and Shared Purpose)
- Second quartile in the remaining two (Honesty and Accountability).
- 97% of employees feel accepted by their colleagues



Our board

We bolstered our board-level expertise and experience to support our next phase of growth, with the appointment of a Starling Bank founding director, Mark Winlow, as Chairman. He is an experienced non-executive and chairman and brings a wealth of experience in banking and insurance, including as chairman at Ageas UK.

Other board appointments were Jerry Loy, as Non-Executive Director and Chairman of the Audit and Compliance Committee; Robert Endersby, as Non-Executive Director and Chairman of the Risk Committee; Maria Darby-Walker, as Senior Independent Non-Executive Director and Chair of the Remuneration Committee; and John Lowe, who also joined as a Non-Executive Director. All bring extensive board experience of financial institutions and financial regulation. The appointment of the new INEDs allowed for a smooth handover from the incumbent INEDs.

We are proudly powered by our people.

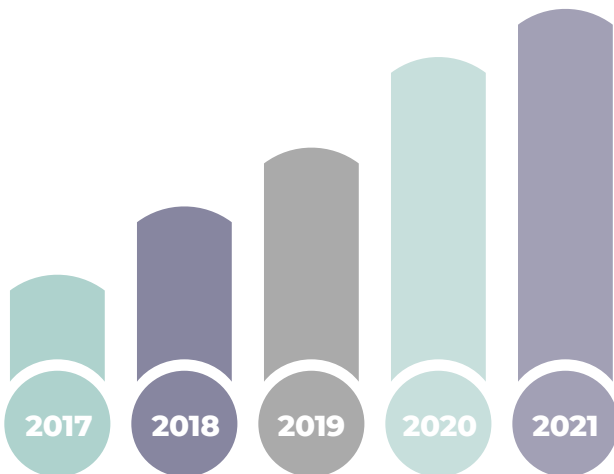




Intermediaries

Our market is complex, and we work tirelessly to support those within it. That's why we continue to build relationships with specialist brokers to overcome challenges on behalf of the customer through our infrastructure, processes and approach.

Annual growth of intermediaries



Since launch, we have consistently grown our active network of intermediaries, and despite COVID-19, continued to make new and valuable connections.

“Redwood **plugs a gap** in the market where cases don't fit the vanilla flavour of the high street. They **can be flexible** and look at a deal on its own merit. They also stand behind their decisions which, for a broker, is great as it means we can continue to deliver a seamless experience for our clients. I think Redwood is absolutely **in touch** with the business needs and demands in the local area and has **shown great support** for businesses in the north.”

“I approached Redwood as I knew I would be **well supported** to make this deal happen. **I am really grateful** that Redwood took this on. I know the charity is **over the moon** to own the premises.”

Our community

We continued to support numerous initiatives and charities throughout 2021, making donations to:

- Regional sports teams
- National awareness days
- Fundraising initiatives
- Support for entrepreneurs

Our offices

We focus on lending and investing in communities local to our two offices in Warrington and Letchworth, and the Bank offers products to businesses across the UK. We are proud to invest in British businesses and the communities we're part of.

We have big aspirations for the Bank and are committed to doing the right thing. That's why we've appointed a Director of ESG and an ESG Officer. We want the resources at hand to truly make a difference for our stakeholders.



Redwood Bank supporting St. Rocco's 'Renovate a Room' campaign in Warrington.





Future developments and prospects

We're an established specialist bank with plans to develop and grow in key sectors.

We will continue to build on our robust foundations, by further growing our strong business development function, supported by robust and experienced operations, compliance, credit, finance, risk and management teams.

Despite the unprecedented UK economic challenges, Redwood Bank is committed to continuing to deliver simple and transparent financial products in a timely fashion to British businesses, and any new products launched will be designed to meet the financial needs of customers. We intend to expand into adjacent asset classes, to leverage our existing relationships and complement our products, that will ensure we continue to develop and achieve strong growth.

Through continued investment in our strategy and people, the Bank will strive to deliver continued excellent levels of customer service.

Redwood Bank is committed to delivering simple and transparent financial products in a timely fashion to British businesses.





Company information



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Eleanor Kenny

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