

Q1 Interim Financial Report.

Period ended 30 September 2025

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For over 50 years, we've helped thousands of individuals, businesses and professionals unlock their property ambitions with our common-sense approach to lending.

By offering a wide range of products and lending solutions, we are well positioned to meet the specific needs of our customers in an ever changing and growing specialist mortgage market.

Led by...

Our purpose

We open doors and give everyone the opportunity to turn their ambitions into reality.

Our vision

To be the UK's finance partner of choice – powering progress by giving people a fair chance to bring their property ambitions to life.

Our mission

Using our expertise and common sense to build trusted relationships that help individuals and businesses thrive. We are passionate about empowering our colleagues to grow and investing in our communities.

Our products...



Buy to let



Commercial term



Bridging



Residential



Development

Creating value for...



Businesses and SMEs



Property investors



Individuals and families

Why customers choose Together...

Customers come to Together because we help real people achieve their property ambitions, by making finance work for the real world.



Reputation & experience



Trusted relationships



Quality of service



Certainty of funding



Common sense decisions

For further information on our business model, strategy and investment case, please see our **2025 Annual Report & Accounts**



Further analysis of our quarterly performance, including in relation to the senior borrower group is included within the **quarterly investor presentation**.



Interim management report.

Quarterly highlights

The directors present their Interim management report and the unaudited Interim condensed consolidated financial statements (Interim financial statements) for the three months ended 30 September 2025. These Interim financial statements are prepared for Together Financial Services Limited (the Company) and its subsidiaries, trading as Together (the Group).

Richard Rowntree

Group Chief Executive Officer

“Together delivered another strong performance during the quarter with the loan book reaching a new high of £8.0bn, underlying net interest margin remaining highly attractive at 5.3% and underlying profit before tax up 4% on the same quarter last year.

We made good progress against our strategic plan, advancing our lending system and data platform transformation programme into the testing phase and further enhancing our Executive management team and Board. We also maintained our funding momentum, successfully issuing our second RMBS transaction of 2025 and securing improved terms across four securitisation warehouses, our revolving credit facility and our development securitisation, ADALO, since the start of the financial year.

The UK economic outlook remains mixed, with expected interest rate cuts tempered by persistent inflation, global volatility and a softening jobs market. Despite these headwinds, with over 50 years' experience and long-term structural trends supporting increasing demand in our market, we are well-positioned to navigate these challenges and help our customers achieve their property ambitions.”



Highlights for the quarter ended September 2025

£59.3m

(September 2024: £50.3m)

Profit before tax

£55.7m

(September 2024: £53.7m)

Underlying profit before tax *

5.8%

(September 2024: 5.2%)

Net interest margin

5.3%

(September 2024: 5.2%)

Underlying net interest margin **

£8.0bn

(September 2024: £7.6bn)

Loans and advances to customers

55.7%

(September 2024: 55.6%)

Weighted-average indexed LTV

* Excludes non-underlying items incurred in the period. During the current quarter, the Group incurred £6.4m of transformation expenditure as well as recognising a modification gain of £10.0m (September 2024: £3.4m relating to transformations expenditure).

** Excludes non-underlying items incurred in the period. During the current quarter, the Group recognised a modification gain of £10.0m in relation to improved contractual terms on certain of the Group's loan notes (September 2024: no non-underlying items).

Interim management report.

Financial review

Financial position

As at (£m)	As at 30 September 2025	As at 30 September 2024	As at 30 June 2025
Loans and advances to customers	7,999.7	7,581.4	7,894.3
Cash and cash equivalents	330.3	364.2	320.0
Fixed and other assets	66.9	74.6	77.0
Total assets	8,396.9	8,020.2	8,291.3
Borrowings	7,017.6	6,747.2	6,986.7
Other liabilities	132.5	119.3	116.1
Total liabilities	7,150.1	6,866.5	7,102.8
Total equity	1,246.8	1,153.7	1,188.5
Total equity and liabilities	8,396.9	8,020.2	8,291.3

Key performance indicators

	3 months ended 30 September 2025	3 months ended 30 September 2024	Year ended 30 June 2025
Average monthly originations (£m)	270.6	269.3	263.4
Weighted average LTV of originations ¹ (%)	60.0	59.9	60.0
Weighted average indexed LTV (%)	55.7	55.6	55.8
Shareholder funds (£m) ²	1,272.3	1,177.0	1,213.4
Net debt gearing (%)	83.2	83.7	84.0

Loans and advances to customers have increased by 5.5% to £7,999.7m compared with £7,581.4m at 30 September 2024. Average monthly lending was £270.6m for the three-month period to 30 September 2025, in line with the three months to 30 September 2024 of £269.3m, with the Group continuing to focus on lending at appropriate margins and prudent LTVs which provides protection against the risk of falls in property prices. Accordingly, the weighted average indexed LTV has remained relatively stable at 55.7% (30 September 2024: 55.6%).

To support this continued growth in loans and advances to customers, the Group's borrowings have increased by 4.0% to £7,017.6m (30 September 2024: £6,747.2m). Further information on our borrowings, including transactions in the quarter, is included in Note 9 to the financial statements.

Shareholder's funds have increased by 8.1% to £1,272.3m compared with £1,177.0m at 30 September 2024, reflecting retained profits reinvested in the business.

Net debt gearing has marginally decreased to 83.2% (30 September 2024: 83.7%) with the Group continuing to monitor levels of gearing closely with reference to internal triggers and limits.

¹ Excludes further advances

² Shareholder funds is calculated as equity of £1,246.8m (30 September 2024: £1,153.7m, 30 June 2025: £1,188.5m) plus subordinated loans of £25.5m (30 September 2024: £23.3m, 30 June 2025: £24.9m).

Interim management report.

Financial review continued

Quarterly financial performance (3-month period)

For the 3 months ended (£m)	30 September 2025	30 September 2024
Interest receivable and similar income	218.5	214.5
Interest payable and similar charges	(103.7)	(117.0)
Net interest income	114.8	97.5
Net fair-value loss on derivatives	(0.1)	(1.3)
Net fee and other income	2.8	1.8
Operating income	117.5	98.0
Administrative expenses	(39.1)	(33.0)
Operating profit	78.4	65.0
Impairment losses	(19.1)	(14.7)
Profit before tax	59.3	50.3
Non-underlying items added back:		
Systems transformation expense	6.4	3.4
Modification gain on financial liabilities	(10.0)	-
Underlying profit before tax	55.7	53.7

Key quarterly performance indicators

For the 3 months ended (%)	30 September 2025	30 September 2024
Net interest margin ¹	5.8	5.2
Underlying net interest margin ²	5.3	5.2
Interest-cover ratio	1.6:1	1.4:1
Cost-to-income ratio	33.3	33.7
Underlying cost-to-income ratio ³	30.4	30.3
Cost-to-asset ratio ¹	1.87	1.67
Underlying cost-to-asset ratio ⁴	1.57	1.48
Cost of risk ¹	0.96	0.79

Interest receivable increased by 1.9% to £218.5m (September 2024: £214.5m) which was driven by the continuing growth in the loan book over the period. Underlying interest payable and similar charges decreased by 2.8% to £113.7m (September 2024: £117.0m). This excludes a one-off, non-cash modification gain of £10.0m which will unwind in future periods. This gain was as a result of the Group negotiating changes to contractual terms on certain of its borrowing facilities due to our carefully managed funding strategy and a decreasing interest rate environment. As a result of this, our underlying net interest margin has increased to 5.3% (September 2024: 5.2%).

On a statutory basis, including the modification gain, our net interest margin has increased to 5.8% (September 2024: 5.2%).

Underlying costs, which excludes our systems transformation expenditure, has increased to £32.7m (September 2024: £29.6m), largely driven by our investment in people to support our future ambitious strategy and create capacity to successfully embed our new systems when they become operational. As a result, our underlying cost-to-income ratio, which excludes the impact of the transformation expense, has increased slightly, but remains low at 30.4% (30 September 2024: 30.3%), as a result of our careful management of costs whilst we continue to invest in our future.

Cost of risk has increased to 0.96% (30 September 2024: 0.79%) with the Group increasing coverage on its loan book to reflect some deterioration in performance as has been expected and observed across the market following a period of high inflation and higher cost of borrowing in the UK. The Group continues to carefully monitor its credit risk, and portfolio performance and factors it appropriately into the allowance for expected credit losses. Further detail on expected credit losses is set out in Note 8.

¹ Note that these measures have been annualised to provide year-on-year comparisons.

² Net interest income excludes non-underlying items incurred in the period. During the current quarter, the Group recognised a modification gain of £10.0m (September 2024: no non-underlying items). Net interest income has then been annualised to provide year-on-year comparisons.

³ Underlying costs excludes £6.4m (September 2024: £3.4m) of costs relating to the Group's investment in systems transformation.

⁴ Underlying costs excludes £6.4m (September 2024: £3.4m) of costs relating to the Group's investment in systems transformation. Underlying costs have then been annualised to provide year-on-year comparisons.

Interim management report.

Risk review

The risk review provides an update on significant changes and developments since our latest Annual Report. Therefore, this risk review should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 June 2025.

Principal risks and uncertainties

The principal risks and uncertainties the Group faces are those that it is inherently exposed to and those which management believe could significantly impact the performance of the Group. There have been no changes in our identified principal risks and uncertainties since the year ended 30 June 2025.

Strategic risk

Strategic risk is the risk of failure to achieve objectives that impact the long-term interest of stakeholders, or from an inability to adapt to the external environment.

The Group's strategy and approach to managing and mitigating strategic risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

Macroeconomic risk

During the first quarter of FY26, UK economic growth has remained slow, whilst inflation remains above the Bank of England's target of 2.0%, which continues to present some challenges to the economy. In recent quarters, the Bank of England's Base Rate has been gradually reduced, with the latest reduction in August 2025 to 4.00%, although the expectations of future rate cuts remains uncertain. Unemployment increased to 5% during the period ending September 2025, based on the latest figures from the ONS, although it remains broadly in line with historical trends.

Despite these external challenges, the Group has proven its resilience with a strong track record of navigating multiple economic cycles. This resilience is underpinned by the Group's longstanding principle of low loan-to-value (LTV) lending, a stable and diverse funding structure, and a robust risk management framework designed to mitigate the impact of many downside risks.

Below are three key macroeconomic factors that impact the markets in which we operate, and how the Group manages the risks whilst being agile to also realise opportunities.

Interest rates



The Bank of England's Base Rate was reduced to 4.0% in August 2025 and follows a period of gradual reductions. These falls in the Base Rate have led to strong price competition as mortgage lenders have had to adapt to changes in market rates. The current environment continues to present opportunities for Together as we are able to offer greater flexibility and a more personalised level of service by assessing applications on a case-by-case basis, supporting customers who may not qualify with mainstream lenders. To maintain this responsiveness, the Group actively adjusts its product offerings and funding strategies, so it can continue to meet customer needs whilst delivering sustainable returns.

Property prices



Property prices have mostly remained resilient, with continued growth seen in house price, with 3.0% growth in the UK House Price Index in the year to August 2025, although property price growth varies dependent upon property type, sector and by region. Together protects against this risk by means of its longstanding principle of lending at conservative LTVs, which gives the Group protection from property price falls.

Inflation



The rate of inflation in the UK has remained above the Bank of England's target of 2.0%, remaining at 3.8% across the 3 month period ending September 2025. The impact of inflationary pressures can contribute to ongoing affordability pressures and persistent cost of living challenges. The Group has the tools to support customers who are facing cost pressures, focusing on delivering good customer outcomes and supporting vulnerable customers. When making lending decisions, the Group undertakes affordability and repayment assessments for its prospective customers, considering the impact of the higher cost of living and high interest rates, along with undertaking appropriate stress testing, leading to the sustainable and controlled growth of our loan book.

We remain cautiously optimistic and will continue to help customers realise their property ambitions, as we have for over 50 years.

Interim management report.

Risk review continued

Credit risk

Credit risk is the risk arising as a result of default by customers or counterparties due to failure to honour obligations when they fall due.

The Group is exposed to changes in the economic position of its customers, which may adversely impact their ability to make loan repayments. The level of this risk is driven by macroeconomic factors as well as by factors relating to specific customers, such as a change in the borrower's circumstances.

Credit risk also arises if the value of assets used as security for loans falls in value, given this is the primary source of recourse should a borrower fail to repay amounts due.

The Group's approach to managing and mitigating credit risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025. Note 8 to the Interim financial statements provides detail on expected credit losses for the period ended 30 September 2025. This note includes information on the use of macroeconomic scenarios, which are probability weighted and allows our impairment provisioning to reflect impact of potential downside risk.

Liquidity risk

Liquidity risk is the risk that the Group is unable to access sufficiently liquid financial resources to meet the Group's financial obligations as they fall due. The approach to managing and mitigating liquidity risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

The Group monitors liquidity by reference to its total accessible liquidity (TAL), which comprises cash plus immediately accessible headroom in its funding facilities (subject to drawdown notice periods, asset eligibility and covenants), which includes the revolving credit facility and each of the private securitisations.

During the period, TAL has increased to £447.6m at 30 September 2025 (30 June 2025: £425.3m, 30 September 2024: £300.6m), with cash balances also increasing to £330.3m at 30 September 2025 (30 June 2025: £320.0m, 30 September 2024: £364.2m). Not all cash is accessible at any one time due to securitisation requirements and covenant restrictions, and so accessible cash, which is just one component of TAL, is lower than the total cash balance.

A key management action to mitigate liquidity risk is the ability to control levels of new lending which could potentially increase cash held over time, depending upon the degree to which originations are restricted. The Group also benefits from a business model which is ordinarily cash-generative with a high level of redemptions and therefore cash inflows. Liquidity is monitored daily to ensure the Group can meet its financial obligations, including the outstanding pipeline of loan offers, as and when they fall due.

Some of the Group's funding is subject to financial covenants. Note 2 to the Interim financial statements provides further detail on the assessment of the going concern-basis of preparation. This includes an assessment of the risks presented to the Group by any potential breaches of lending covenants including potential mitigating actions.

One aspect of the Group's management of liquidity risk is to manage the maturity dates of its borrowings as discussed in the funding risk section.

Interim management report.

Risk review continued

Funding risk

Funding risk is the risk of being unable to access funding markets or to be able to do so only at excessive cost. This includes the risk of reduced funding options due to adverse conditions in the wholesale funding market, potentially caused by political and economic uncertainty, leading to the inability to secure additional funding for new business, or refinance existing facilities at an acceptable cost.

An overview of the Group's sources of funding is set out in the Annual Report and Accounts for the year ended 30 June 2025, and the Group's activities during the period to 30 September 2025 are included within the business review above. The approach to managing and mitigating funding risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

The weighted average maturity of the Group's existing debt facilities is 2.9 years at 30 September 2025 (30 June 2025: 3.2 years, 30 September 2024: 2.7 years). The Group has £1.5bn (30 June 2025: £1.4bn, 30 September 2024: £990.2m) of undrawn facility headroom as at 30 September 2025. The Group has a strong track record of successful refinancing and raising new facilities which has continued during the period.

The depth of the maturity in the Group's existing debt facilities provides significant mitigation in respect of refinancing risk; Following the Together ABS 5 facility being redeemed in October 2025 the next earliest maturity or call date is that of the Together ABS 6 facility in May 2026, representing 2% of the Group's borrowings. The Group's depth of maturity is also highlighted with only 6% of the Group's total facilities at 30 September 2025 reaching their call date in the 12 months post balance sheet date.

Funding risk is mitigated through diversification of funding resources, maintenance of depth of maturity and the Group's ability to refinance ahead of the call dates, with refinancings during the period shown within note 8.

Interest rate risk

Interest rate risk is the risk arising from the Group's exposure to movements in interest rates as a result of repricing mismatches between assets and liabilities that are either fixed or floating rate.

The Group's approach to managing and mitigating interest rate risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

The table below sets out the increase/(decrease) in profit before tax of an immediate increase and decrease of 0.5% and 1.0% in interest rates, based on the interest rates prevalent at 30 September 2025 and 30 September 2024 and before any mitigation or management actions and is representative of a 12-month period.

	30 September 2025 (£m)	30 September 2024 (£m)
1.0% decrease	(12.6)	(17.3)
0.5% decrease	(6.3)	(8.6)
0.5% increase	6.3	8.6
1.0% increase	12.6	17.3

The above interest rate risk sensitivity represents the movement taking into account the Group's contractual assets, liabilities, and derivatives and their maturity and repricing arrangements.

Note 7 to the Interim financial statements details the Group's use of derivatives to mitigate interest rate risk.

Capital risk

Capital risk is the risk of failure to hold adequate capital buffers and to appropriately manage the Group's capital base to withstand the crystallisation of individual risks or a combined stress event. Given capital also comprises a material source of funding via subordination in bond and securitisation structures, insufficient capital also gives rise to funding and liquidity risk. Capital risk includes the risk of excessive gearing. Regulatory capital requirements must also be met at all times within certain of the Group's subsidiaries.

The Group's approach to managing and mitigating capital risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

Note 2 to the Interim financial statements provides further detail on the assessment of the going concern basis of accounting. This includes an assessment of the risks to the Group arising from any potential breaches of lending covenants, including gearing tests, and potential mitigating actions.

Interim management report.

Risk review continued

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes execution risk in relation to the performance of the Group's systems transformation. As the business continues through its systems transformation, there is inherent increased operational risk as the business continues to operate existing processes and controls, whilst moving towards new lending and data platforms. There is heightened risk from operational risk events, i.e. when the new system is launched there are unforeseen difficulties, such as from system issues, inability to integrate to other systems, or business processes are not set up appropriately.

The Group's approach to managing and mitigating operational risk is materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

Conduct and compliance risk

Conduct risk is the risk arising from business activities that fail to deliver appropriate and consistent outcomes to customers and other stakeholders. This risk can arise from the failure to define and embed an appropriate culture, colleague behaviours that are inconsistent with defined Group values, and from our business activities if they fail to deliver fair and appropriate outcomes to our customers. Failure to manage this risk sufficiently could result in reputational damage, regulatory sanction, or remediation programmes, and impact the Group's operating model. Further information can be found in Note 10.

Compliance risk is the risk arising from the failure to comply with existing or new legislation or regulations in the markets within which the Group operates. This includes the risk that the Group misinterprets regulation or legislation. This could include the risk of developing business practices and processes that do not adhere to, or are not in line with, the spirit of the law or regulation, leading to customer dissatisfaction or detriment, legal action against the Group and/or potentially fines from the regulator.

The companies within the Group's Personal Finance division undertake lending which is authorised and regulated by the Financial Conduct Authority (FCA). Further information in respect of regulatory matters can be found within Note 10 to the Interim financial statements.

The Group's approach to these risks remains materially unchanged from the Annual Report and Accounts for the year ended 30 June 2025.

Statement of directors' responsibilities.

We confirm that to the best of our knowledge:

- This set of unaudited interim financial statements has been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 Interim Financial Reporting, and
- The interim management report includes a fair review of the information required, being an overview of important events during the period of the financial year to the reporting date and a description of principal risks and uncertainties to the extent that they relate to the remainder of the financial year.



RC Rowntree
Chief Executive Officer
18 November 2025



CM Adams
Chief Financial Officer
18 November 2025

Directors

RM McTighe*	Chair
HN Moser	Executive Vice Chair
RC Rowntree	Chief Executive Officer
CM Adams	Chief Financial Officer
GD Beckett	Group Managing Director and Chief Treasury Officer
W Bowser*	
AT Higginson*	(Appointed 15 th September 2025)
JM Shaoul*	

*Non-executives

Secretary

AA Hankin

Interim financial statements.

Period ended 30 September 2025

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Condensed consolidated statement of comprehensive income (unaudited)

Period ended 30 September 2025

Unless otherwise indicated, all amounts are stated in £m

		Three months ended	
	Note	30 September 2025	30 September 2024
Income statement			
Interest receivable and similar income	4	218.5	214.5
Interest payable and similar charges	5	(103.7)	(117.0)
Net interest income		114.8	97.5
Fee and commission income		3.0	2.5
Fee and commission expense		(1.1)	(0.8)
Net fair-value losses on derivatives	7	(0.1)	(1.3)
Other income		0.9	0.1
Operating income		117.5	98.0
Administrative expenses		(39.1)	(33.0)
Operating profit		78.4	65.0
Impairment losses	8	(19.1)	(14.7)
Profit before taxation		59.3	50.3
Taxation		(11.5)	(11.9)
Profit after taxation		47.8	38.4
Other comprehensive income			
Items that may be reclassified to the income statement			
Movement in the cash flow hedging reserve:			
Effective portion of changes in fair value of derivatives	7	18.9	(14.7)
Amounts reclassified to income statement		(8.3)	(6.6)
Deferred taxation on cash flow hedging reserve		(0.1)	0.2
Other comprehensive income/(expense) for the period, net of tax		10.5	(21.1)
Total comprehensive income for the period		58.3	17.3

The results for the current and preceding periods relate entirely to continuing operations. The notes on pages 15 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of financial position (unaudited)

As at 30 September 2025

Unless otherwise indicated, all amounts are stated in £m

	Note	30 September 2025	30 September 2024	30 June 2025
Assets				
Cash and cash equivalents	6	330.3	364.2	320.0
Derivative assets held for risk management	7	10.5	16.1	16.6
Loans and advances to customers	8	7,999.7	7,581.4	7,894.3
Other assets		12.9	9.3	12.9
Current tax assets		—	—	2.3
Property, plant and equipment		27.7	29.8	28.4
Intangible assets		6.9	12.3	8.5
Deferred tax asset		8.9	7.1	8.3
Total assets		8,396.9	8,020.2	8,291.3
Liabilities				
Derivative liabilities held for risk management	7	21.5	21.0	26.8
Current tax liabilities		0.4	0.6	-
Borrowings	9	7,017.6	6,747.2	6,986.7
Provisions for liabilities and charges	10	4.6	2.7	4.5
Other liabilities		106.0	95.0	84.8
Total liabilities		7,150.1	6,866.5	7,102.8
Equity				
Share capital		9.8	9.8	9.8
Subordinated-shareholder-funding reserve		42.6	44.8	43.2
Cash flow-hedging reserve		(13.7)	(16.3)	(24.2)
Other reserves		12.7	12.7	12.7
Retained earnings		1,195.4	1,102.7	1,147.0
Total equity		1,246.8	1,153.7	1,188.5
Total equity and liabilities		8,396.9	8,020.2	8,291.3

The notes on pages 15 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of changes in equity (unaudited)

Interim period ended 30 September 2025

Unless otherwise indicated, all amounts are stated in £m

Three months to 30 September 2025	Share capital	Subordinated- shareholder- funding reserve	Cash flow- hedging reserve	Other reserves	Retained earnings	Total equity
At beginning of period	9.8	43.2	(24.2)	12.7	1,147.0	1,188.5
Profit after taxation	–	–	–	–	47.8	47.8
Other comprehensive income	–	–	10.5	–	–	10.5
Transfer between reserves	–	(0.6)	–	–	0.6	–
At end of period	9.8	42.6	(13.7)	12.7	1,195.4	1,246.8

Three months to 30 September 2024	Share capital	Subordinated- shareholder- funding reserve	Cash flow- hedging reserve	Other reserves	Retained earnings	Total equity
At beginning of period	9.8	45.3	4.8	12.7	1,063.8	1,136.4
Profit after taxation	–	–	–	–	38.4	38.4
Other comprehensive losses	–	–	(21.1)	–	–	(21.1)
Transfer between reserves	–	(0.5)	–	–	0.5	–
At end of period	9.8	44.8	(16.3)	12.7	1,102.7	1,153.7

Other reserves consist of the following:

	Share premium	Merger reserve	Capital redemption reserve	Treasury share reserve	Share-based payment reserve	Total other reserves
As at 30 September 2025	17.5	(9.6)	1.3	(2.6)	6.1	12.7
As at 30 September 2024	17.5	(9.6)	1.3	(2.6)	6.1	12.7
As at 30 June 2025	17.5	(9.6)	1.3	(2.6)	6.1	12.7

The share capital, share premium, capital redemption, subordinated-shareholder-funding and share-based payment reserves are all non-distributable.

The notes on pages 15 to 42 are an integral part of these interim financial statements.

Condensed consolidated statement of cash flows (unaudited)

Interim period ended 30 September 2025

Unless otherwise indicated, all amounts are stated in £m

		Three months ended	
	Note	30 September 2025	30 September 2024
Cash flows from operating activities			
Profit after taxation		47.8	38.4
Adjustment for non-cash items included in profit after taxation	12	136.8	147.2
Changes in operating assets and liabilities	12	(117.6)	(226.1)
Taxation paid		(9.5)	(12.7)
Net cash inflow/(outflow) from operating activities		57.5	(53.2)
Cash flows from investing activities			
Cash paid on purchase of property, plant and equipment		(0.3)	(0.1)
Investment in intangible assets		–	(1.2)
Proceeds from disposal of property, plant and equipment		0.5	–
Net cash outflow from investing activities		0.2	(1.3)
Cash flows from financing activities			
Drawdown of loan notes		274.3	309.5
Repayment of loan notes		(606.3)	(541.8)
Proceeds from issuance of loan notes		367.4	428.2
Drawdown of revolving credit facility		–	40.0
Repayment of revolving credit facility		–	(40.0)
Interest paid		(87.2)	(112.8)
Dividends paid		–	–
Purchase and cancellation of derivatives		5.1	0.1
Lease liability payments		(0.5)	(0.7)
Increase in lease liabilities		(0.2)	–
Net cash (outflow)/inflow from financing activities		(47.4)	82.5
Net increase in cash and cash equivalents		10.3	28.0
Cash and cash equivalents at beginning of period		320.0	336.2
Cash and cash equivalents at end of period	6	330.3	364.2

At 30 September 2025, cash and cash equivalents include £267.8m (30 September 2024: £278.5m, 30 June 2025: £231.6m) of restricted cash (see Note 6).

The notes on pages 15 to 42 are an integral part of these interim financial statements.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

1. Reporting entity and general information

Together Financial Services Limited is incorporated and domiciled in the UK. The Company is a private company, limited by shares, and is registered in England (company number: 02939389). These financial statements are prepared for Together Financial Services Limited and its subsidiaries under the Companies Act 2006. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The interim financial statements comprise Together Financial Services Limited and its subsidiaries ('the Group'). The Group is primarily involved in financial services.

2. Summary of material accounting policies

Basis of preparation

The unaudited Interim financial statements have been prepared in accordance with the UK-adopted International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all the information required by the UK-adopted International Accounting Standards in full annual financial statements and should be read in conjunction with the annual report and consolidated financial statements for the year ended 30 June 2025 which were prepared in accordance with UK-adopted international accounting standards.

The information within this interim report relating to the period ended 30 September 2025 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the Group statutory accounts for the financial year ended 30 June 2025 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

Accounting policies and judgements

The accounting policies, presentation and methods of computation are consistent with those applied by the Group in its latest audited annual financial statements.

Presentation of risk disclosures

Disclosures under IFRS 7 Financial Instruments: Disclosures concerning the nature and extent of principal risks have been presented within the interim management report.

Climate-related matters

In making the judgements and estimates required for preparation of these interim financial statements, the directors have had regard to the potential impacts of climate-related factors. For the current reporting period, it has been judged that no material adjustment to the judgements or methods of estimation is required to reflect the potential impacts of climate-related matters, based upon the information available at the reporting date. For further information, please refer to the Sustainability section contained in the Annual Report and Accounts for the year ended 30 June 2025.

Going concern

In preparing these Interim financial statements, the directors have assessed the Group's ability to continue as a going concern. As part of the Group's ongoing monitoring and reforecasting, consideration has been given to the changing macroeconomic environment and outlook and specific consideration has been given to the following:

- financial performance and projections;
- liquidity, funding, capital and covenant considerations; and
- overall risk profile of the Group.

The Group's business model, being one which is ordinarily highly cash generative, operating in profitable market segments and lending at low average loan-to-value (LTV) ratios, provides mitigation against many downside risks. The factors listed above have an impact upon the results of the Group, to a greater or lesser degree, however, are not projected to cast significant doubt on the entity's ability to continue as a going concern.

The key risks which could cause doubt as to whether the Group could continue to operate as a going concern are judged to be primarily in relation to funding and liquidity. The Group has a diverse mix of funding sources, which are structured in order to reduce the risk to the Group. Funding and liquidity risks, including reverse stress testing to identify the point at which the Group would cease to be able to operate, are discussed below.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

2. Summary of material accounting policies (continued)

Going concern (continued)

Funding

The Group has a diverse funding base to fund its activities and lending, utilising shareholder funds, private and public securitisation facilities, senior secured notes and a revolving credit facility to fund its activities and lending.

A key risk associated with wholesale funding is refinancing risk, where the Group has a proven track record of successfully refinancing borrowings. The depth of maturity in the Group's existing debt facilities provides significant mitigation in respect of refinancing risk. Following the Together ABS 5 facility (1% of Group Borrowings) being redeemed in October 2025 the next earliest maturity or call date is that of the Together ABS 6 facility in May 2026, representing 2% of the Group's borrowings. The Group's depth of maturity is also highlighted with only 6.4% of the Group's funding at the period end reaching its call date in the next 12 months.

The Group has continued its existing strategy of refinancing facilities in advance of their contractual maturities. Further information on the Group's borrowings and maturities of these borrowings is included within Note 9.

Liquidity

The Group retains liquidity through managing its total accessible liquidity (TAL) within set risk appetite limits. For further information regarding our management of TAL, see the principal risk and uncertainties section of the interim management report.

The Group holds liquidity in the form of cash and can also access liquidity by drawing on the revolving credit facility (RCF) and through sales of eligible assets into our private securitisation warehouse facilities. In respect of the eligibility criteria and covenants, the Group may, in certain circumstances, seek waivers and/or amendments within the going concern assessment period. This could include, but is not limited to, impacts on covenants because of a deterioration in loan-book performance due to adverse economic conditions or reductions in property values. The Group successfully negotiated waivers to certain covenants during the coronavirus pandemic, which mitigated the risk that the Group would be unable to access liquidity due to an excess of ineligible assets, and this remains a potential management action, if required in future periods.

If waivers or amendments are required but not agreed, and existing covenants are breached (and the breach is not rectified by using headroom in other facilities or through other remedies within a defined cure period), then the noteholders of the private securitisation facilities have the option to call a default of the facility.

If a facility defaults, then the cash inflows from the securitised asset pool for each facility are used to repay the interest and principal of the most senior loan notes, with deferred consideration and any interest payment of the subordinated notes due to the originators deferred until such time as all the liabilities ranking more senior are repaid in full. This would delay and potentially reduce cash inflows ordinarily flowing to the Senior Borrower Group as excess spread from each of the securitisations.

The risk of lower levels of cash inflows from redemptions can be mitigated by increasing the amount of liquid resources held as cash. The Group also holds significant cash balances to allow sufficient liquidity, with cash balances of £330.3m at 30 September 2025 (30 September 2024: £364.2m, 30 June 2025: £320.0m), of which £62.5m is unrestricted cash (30 September 2024: £85.7m, 30 June 2025: £88.4m) as shown in Note 6.

Stress testing has been performed in order to assess the extent to which these factors would have to detrimentally impact cash flows in order for the Group to be unable to meet its liabilities as they fall due, and the extent of any increase in credit losses which could result in covenant breaches on the Group's borrowings, as detailed in this note.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

2. Summary of material accounting policies (continued)

Going concern (continued)

Stress testing

Aside from the private securitisations, the facilities within the Senior Borrower Group, being the senior secured notes and the RCF, also include certain financial covenants including tests on gearing and minimum levels of interest cover in respect of the former and maintenance tests on gearing in respect of the latter.

To evaluate the Group's resilience in meeting these tests, a reverse stress scenario has been developed and was considered as part of the going concern assessment. The scenario assumes no cash flows are received from the securitisations from the point that they are assumed to default over a 6-month period; there is no access to drawdown funding from the private securitisations; no access to the wholesale funding markets is possible; and therefore, loan-origination volumes are limited to meeting pipeline commitments. This is considered by the directors to be an extreme outcome. However, due to the bankruptcy-remote nature of securitisations, the default of one or more private securitisation facilities would not mean that the Group could not continue to operate as a going concern. The Group could continue in such a scenario by servicing the loans funded by the Senior Borrower Group. Stresses were applied to cash inflows to assess the ability to continue to service and repay borrowings as they fall due, and stresses on profitability were separately considered to assess the ability to comply with gearing and interest cover covenants.

The reverse-stress test scenario and its results showed that unrealistic reductions in expected cash inflows within the Senior Borrower Group would be required for the Senior Borrower Group not to be able to meet its liabilities as they fall due, within the going concern period. Even if actual experience approached the level of reductions judged unrealistic, further management actions could be taken to mitigate the impact. The Group has periodically repeated the reverse stress testing, which has continued to show significant headroom.

In addition, the potential impact of reductions in the level of profitability was assessed (as a proxy for a reduction in equity), using increases in expected credit losses as the primary driver, to determine the reduction which would result in the Group's gearing breaching the RCF covenant. The testing showed that profitability would have to fall by a substantial amount and the probability of such a severe outcome is considered remote.

The deployment of additional management actions could also mitigate the possible impacts, including but not limited to renegotiation of the terms of existing borrowings, raising alternative funding and measures to further reduce costs.

The Group has also considered the operational risks associated with the transformation programme and concluded that these do not have a material impact on the Group's going concern assessment for the next 12 months from the date of signing this report.

The directors are satisfied that the Group has adequate resources to continue in operation for the going concern assessment period ending 18 November 2026, which is 12 months from the date of signing this report.

3. Significant accounting judgements and key sources of estimation uncertainty

In preparing these Interim financial statements, the Group's management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the amounts reported for the Group's performance and financial position. Where possible, estimates and associated assumptions are based on historical experience, objective information, or other relevant factors and are reviewed at each reporting date. Actual results may differ from these estimates, and revisions to estimates are recognised prospectively. There has been no change to the significant accounting judgments and key sources of estimation uncertainty applied in these interim financial statements compared to those applied in the last annual report and consolidated financial statements for the year ended 30 June 2025.

Significant judgements in applying the Group's accounting policies

These significant judgements are those which the directors consider result in a significant risk of material adjustment in the carrying amounts of the Group's assets and liabilities within the next financial year.

a) Loan impairment allowance

The calculation of the Group's allowance for losses on its loans and advances to customers under IFRS 9 relies on the following key judgements:

- The incorporation of forward-looking information in the measurement of expected credit losses (ECL), in particular the economic variables driving credit risk and the number and relative weightings of the scenarios used;
- Determining the criteria for a significant increase in credit risk and indicators of credit impairment; and
- Determining where there is requirement for post-model adjustment and determining inputs for the calculation of ECL where there is such a requirement.

Further detail on the judgements in respect of the measurement of ECL and sensitivities thereon is set out in Note 8 to the financial statements.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

3. Significant accounting judgements and key sources of estimation uncertainty (continued)

Significant judgements in applying the Group's accounting policies (continued)

b) Modifications of financial liabilities

The Group, from time to time, conducts refinancing of funding facilities, which results in amendments to the contractual terms, in particular when refinancing private warehouse facilities. An assessment is undertaken to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement, after considering changes in the cash flows arising from the modified terms and overall risk profile of the instrument. Where terms are substantially different, such modifications result in derecognition of the original loan, and the recognition of a new loan. Any difference between the carrying amount of the derecognised loan and the amortised cost of the new loan is recognised in the income statement as a gain or loss on derecognition. Where terms are not substantially different, the carrying value of the loan is adjusted to reflect the present value of modified cash flows discounted at the original EIR with any gain or loss arising from modification recognised immediately in the income statement. Further detail on the gain recognised in the period can be found in note 5, and details in respect of the Group's borrowings can be found in Note 9.

Key sources of estimation uncertainty

a) Loan impairment allowance

The Group utilises macroeconomic forecasts and other assumptions and estimates necessary for the calculation of ECL. Further detail on these estimates and assumptions and sensitivities thereon is set out in Note 8 to the interim financial statements.

b) Interest income recognition

Interest income is recognised using the effective interest rate ('EIR') method. The EIR of a financial instrument is the rate which exactly discounts the estimated future cash flows of the instrument to its carrying amount. In calculating the EIR, all contractual terms of the financial instrument are taken account of, including transaction costs and other premiums or discounts, but not expected credit losses.

The estimation of future cash flows requires the Group to estimate the expected behavioural lives of groups of assets. The Group uses models which draw upon the Group's actual historical experience; however, there is estimation uncertainty to the extent that future performance may not mirror that of the past. For loans with a fixed-rate period which revert onto a variable rate, income recognition is assessed for the fixed and variable period separately; therefore, no future income beyond that of the fixed-rate period is recognised as part of the EIR approach for fixed-rate lending.

The fees recognised on an EIR basis through interest income on loans and advances to customers are recognised based on expected weighted average behavioural lives. At 30 September 2025, the Group had £50.2m (30 September 2024: £45.5m, 30 June 2025: £50.6m) of deferred fees that are recognised over the expected behavioural life of the loan. A change in the weighted average life by +/- 10% leads to an impact on interest income on loans and advances to customers of a decrease of £2.0m and an increase of £2.4m respectively.

c) Fair value of derivatives held for risk management

The fair value of derivatives is the price that would be received to sell a derivative asset or paid to transfer a derivative liability in an orderly transaction between market participants at the measurement date. The valuations of these instruments are derived from models that use forecast future interest-related curves, and which are subject to estimation uncertainty. Further detail in respect of the assumptions and estimates involved in derivatives held for risk management purposes is set out in Note 7 to the interim financial statements.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

4. Interest receivable and similar income

	Three months ended	
	30 September 2025	30 September 2024
Interest income calculated using the effective interest method		
On loans and advances to customers	215.5	210.2
Other interest and similar income		
On cash and cash equivalents	3.0	4.3
Total interest receivable and similar income	218.5	214.5

5. Interest payable and similar charges

	Three months ended	
	30 September 2025	30 September 2024
On borrowings	104.3	122.1
On lease liabilities	0.3	0.4
On derivatives in qualifying and discontinued hedging relationships	(0.9)	(5.5)
Total interest payable and similar charges	103.7	117.0

Included in interest payable and similar charges on borrowings is a gain of £10.0m (September 2024: £nil) in relation to a non-substantial modification of the Group's financial liabilities as a result of improved contractual terms of some of the Group's existing funding facilities.

6. Cash and cash equivalents

	30 September 2025	30 September 2024	30 June 2025
Unrestricted cash	62.5	85.7	88.4
Restricted cash	267.8	278.5	231.6
Total cash and cash equivalents	330.3	364.2	320.0

Restricted cash is held in securitisation vehicles for use in managing the Group's securitisation facilities. It is ring-fenced under the terms of the securitisation agreements and is not readily available. Within restricted cash, £51.6m (30 September 2024: £17.2m, 30 June 2025: £35.0m) represents amounts that could be accessed by the Group, for example by allocating additional eligible assets into the private securitisations. The balance of restricted cash represents amounts which are held within the securitisations for other purposes and may be accessible in the future, such as cash reserves or amounts paid over as deferred consideration.

All cash and cash equivalents held by the Group are denominated in pounds sterling.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management

The Group applies both cash flow and fair value hedge accounting to manage interest rate and fair value risk. Further details on both are included within this note.

Derivative assets and liabilities

The following table analyses derivatives held for risk-management purposes by type of instrument:

	30 September 2025		30 September 2024		30 June 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest-rate swaps – cash flow hedging	3.5	(21.5)	7.3	(21.0)	3.5	(26.8)
Interest-rate swaps – fair value hedging	7.0	–	8.8	–	13.1	–
Derivatives held for risk management	10.5	(21.5)	16.1	(21.0)	16.6	(26.8)

Fair value hedging

The Group and Company applies fair value hedge accounting to manage exposure to changes in fair value from its senior secured notes. The Group separates the benchmark rate component of its senior secured notes as the hedged item, with this hedged item being included within the Group and Company's borrowings. This component is both separately identifiable and reliably measurable. The associated hedging instrument is an interest rate swap, with the notional amount remaining constant, in line with the hedged item.

The fair value movements of the hedging instrument and hedged item are expected to move inversely to each other, with any ineffectiveness, arising from mismatches in the tenor between the hedged item and the hedging instrument, as well as from credit valuation adjustment charges, to the extent that it occurs, being included within the income statement within 'net fair value gains and losses on derivatives'.

The below shows the notional, fair value, and changes in fair value during the period on the hedged item and the hedging instrument, as well as any hedge ineffectiveness in the period from fair value hedging:

Period ended 30 September 2025		Notional	Fair value at period end	Changes in fair value during the period
Hedged item	Senior secured notes	(950.0)	(7.0)	6.1
Hedging instrument	Interest rate swaps	950.0	7.1	(6.0)
Hedge ineffectiveness				0.1

Period ended 30 September 2024		Notional	Fair value at period end	Changes in fair value during the year
Hedged item	Senior secured notes	(450.0)	(8.9)	(6.2)
Hedging instrument	Interest rate swaps	450.0	8.8	6.1
Hedge ineffectiveness				(0.1)

Year ended 30 June 2025		Notional	Fair value at year end	Changes in fair value during the year
Hedged item	Senior secured notes	(950.0)	(13.1)	(10.4)
Hedging instrument	Interest rate swaps	950.0	13.1	10.4
Hedge ineffectiveness				–

As seen above, there has been minimal hedge ineffectiveness from fair value hedging in the current or prior year.

The average fixed rate on swaps under fair value hedging for the period is 7.68% (30 September 2024: 7.88%, 30 June 2025: 7.68%).

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management (continued)

Cash flow hedging

The Group uses cash flow hedge accounting to mitigate interest rate risk on floating-rate liabilities in certain of its securitisation vehicles that are used to fund fixed rate lending. The hedging instruments are the interest rate swaps entered into, with the hedged item being the variable interest payments on the Group's loan notes which are included within borrowings.

The notional amounts on the interest rate swaps entered into in relation to floating rate liabilities are designated against a proportion of floating-rate notes funding fixed-rate mortgages, which decline over time in line with the expected repayment of the mortgages.

The effectiveness of this strategy is assessed by comparing the changes in fair value of the interest-rate derivatives with changes in the fair value of the hedged floating-rate notes and uses the hypothetical-derivative method.

Sources of hedge ineffectiveness primarily arise from mismatches in the tenor between the hedged item and the hedging instrument, as well as from credit valuation adjustment (CVA) charges. Any resulting ineffectiveness is recognised in the income statement within 'Net fair value gains and losses on derivatives'.

The Group establishes the hedging ratio by matching the notional amount of the derivative with the corresponding floating-rate notes. In these hedging relationships, the main potential sources of ineffectiveness are:

- Repayment of the notes faster than the decline in the notional amount of the derivative;
- For interest-rate swaps, the inclusion of transaction costs or off-market interest rates in the fixed-rate leg;
- Changes in the credit risk of either party; and
- Differences in the expected maturity of the hedged item and the hedging instrument.

The average fixed interest rate on swaps under cash flow hedging is 3.90%.

During the year, the Group transacted a number of swaps which resulted in net fair value losses of £0.1m (30 September 2024: £1.3 losses, 30 June 2025: £2.3m losses) due to hedge ineffectiveness and discontinued hedges. The Group's hedging relationships are otherwise generally highly effective, with other changes in the fair value of derivatives largely mirrored in hedging reserves.

The below shows the hedged item, hedging instrument, notional, and net derivative asset / (liability) from cash flow hedging:

30 September 2025		Notional	Net derivative liabilities
Hedged item	Loan notes	(2,618.1)	
Hedging instrument	Interest rate swaps	2,618.1	(18.0)
30 September 2024		Notional	Net derivative liabilities
Hedged item	Loan notes	(2,183.9)	
Hedging instrument	Interest rate swaps	2,183.9	(13.7)
30 June 2025		Notional	Net derivative liabilities
Hedged item	Loan notes	(2,545.8)	
Hedging instrument	Interest rate swaps	2,545.8	(23.3)

Movement in derivatives under cash flow hedging in the period

The below table reconciles the movements in derivatives under cash flow hedging in the period, including the impact of hedge effectiveness on the income statement and other comprehensive income.

Group	30 September 2025	30 September 2024	30 June 2025
Net cash flow derivative assets at beginning of the year	(23.3)	8.5	8.5
Effective portion of fair value changes recognised in other comprehensive income	18.9	(14.7)	(11.1)
Ineffectiveness recognised in income statement	(0.2)	(1.3)	(2.6)
Changes in fair value for calculating hedge ineffectiveness	18.7	(16.0)	(13.7)
Changes on settlement of interest, or its reclassification to interest payable, of continuing cash flow hedging relationships	(1.2)	(6.3)	(18.2)
Payments on purchase of derivatives	(7.5)	(2.7)	(2.8)
Amounts received on cancellation of derivatives	(4.7)	2.8	2.9
Net cash flow derivative assets / (liabilities) at end of the year	(18.0)	(13.7)	(23.3)

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management (continued)

Cash flow hedging (continued)

Movement in cash flow hedging reserve in the period

The below table reconciles the movements in the cash flow hedging reserve during the year:

Group	30 September 2025	30 September 2024	30 June 2025
Cash flow hedging reserve at beginning of the period	(24.2)	4.8	4.8
Effective portion of changes in fair value	18.9	(14.7)	(11.1)
Amounts reclassified to income statement	(8.3)	(6.6)	(18.7)
Deferred tax recognised on cashflow hedging reserve	(0.1)	0.2	0.8
Cash flow hedging reserve at end of the period	(13.7)	(16.3)	(24.2)

Of the above £(13.7)m cashflow hedging reserve, £(6.7)m relates to discontinued hedging relationships, with the rest relating to continuing hedging relationships.

Amounts reclassified to the income statement of £8.3m (30 September 2024: £6.6m, 30 June 2025: £18.7m) includes £7.1m (30 September 2024: £(0.1m), 30 June 2025: £0.4m) in relation to discontinued hedging instruments.

Fair value losses in the period from cash flow hedging

The below table details the impact on the income statement of fair value losses in the year from cash flow hedging:

Group	30 September 2025	30 September 2024	30 June 2025
Hedge ineffectiveness	(0.1)	(1.3)	(2.6)
Amounts released on cancellation of derivatives through income statement	–	–	0.3
Fair value losses in the year	(0.1)	(1.3)	(2.3)

Borrowings cash flow hedged by interest-rate swaps

The below table shows the carrying value of hedged items, change in FV for hedge ineffectiveness and the cash flow hedging reserve in relation to cash flow hedging of the hedged item.

30 September 2025	CV of liabilities	Changes in FV for hedge ineffectiveness	Cash flow hedging reserve
Continuing cash flow hedging relationships	2,746.2	18.9	(7.0)
Discontinued cash flow hedging relationships	–	–	(6.7)
Total	2,746.2	18.9	(13.7)

30 September 2024	CV of liabilities	Changes in FV for hedge ineffectiveness	Cash flow hedging reserve
Continuing cash flow hedging relationships	2,060.0	(14.7)	(8.4)
Discontinued cash flow hedging relationships	–	–	(7.9)
Total	2,060.0	(14.7)	(16.3)

30 June 2025	CV of liabilities	Changes in FV for hedge ineffectiveness	Cash flow hedging reserve
Continuing cash flow hedging relationships	2,545.8	(11.1)	(24.8)
Discontinued cash flow hedging relationships	–	–	0.6
Total	2,545.8	(11.1)	(24.2)

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

7. Derivatives held for risk management (continued)

Maturity profile of derivatives

The below table shows the contractual maturity of the derivative notional balances.

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
30 September 2025							
Cash flow hedging	25.0	289.7	533.4	595.0	1,303.1	–	2,746.2
Fair value hedging	–	–	–	450.0	500.0	–	950.0
Total derivative notional	25.0	289.7	533.4	1,045.0	1,803.1	–	3,696.2

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
30 September 2024							
Cash flow hedging	122.4	154.5	795.3	987.8	–	–	2,060.0
Fair value hedging	–	–	–	450.0	–	–	450.0
Total derivative notional	122.4	154.5	795.3	1,437.8	–	–	2,510.0

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
30 June 2025							
Cash flow hedging	–	201.3	344.9	487.6	1,512.0	–	2,545.8
Fair value hedging	–	–	–	450.0	500.0	–	950.0
Total derivative notional	–	201.3	344.9	937.6	2,012.0	–	3,495.8

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers

	30 September 2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances	6,018.1	1,269.2	915.5	8,202.8
Allowance for expected credit losses	(8.7)	(19.3)	(175.1)	(203.1)
Loans and advances to customers	6,009.4	1,249.9	740.4	7,999.7
ECL coverage (%)	0.1	1.5	19.1	2.5

	30 September 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances	6,032.0	975.6	731.1	7,738.7
Allowance for expected credit losses	(10.8)	(21.6)	(124.9)	(157.3)
Loans and advances to customers	6,021.2	954.0	606.2	7,581.4
ECL coverage (%)	0.2	2.2	17.1	2.0

	30 June 2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Gross loans and advances	5,879.9	1,322.4	887.5	8,089.8
Allowance for expected credit losses	(9.7)	(20.5)	(165.3)	(195.5)
Loans and advances to customers	5,870.2	1,301.9	722.2	7,894.3
ECL coverage (%)	0.2	1.6	18.6	2.4

Gross balances of credit impaired loans include £16.3m (30 September 2024: £14.6m, 30 June 2025: £15.3m) of purchased or originated credit impaired (POCI) loans, which are presented net of lifetime ECL impairment provisions of £1.6m (30 September 2024: £1.6m, 30 June 2025: £1.6m).

Measurement of expected credit losses (ECL)

ECL model

The Group calculates its ECL using a statistical model based on probability of default (PD), loss given default (LGD) and exposure at default (EAD):

- PD is an estimate of the likelihood of default over a given time horizon, estimated at a point in time. The calculation is based on statistical models that utilise both market and internal data, based on current conditions adjusted to take into account estimates of future conditions that will impact PD and estimates for customer payment behaviour. For development loans, PDs are assigned using a risk slotting approach which comprises a range of quantitative and qualitative criteria.
- LGD is an estimate of the likely loss in the event of a default. The expected loss amounts vary according to loan-to-value (LTV) ratios and future collateral prices. The estimates are based on the Group's history of recovery rates, calculated as forced-sale discounts, and the probability of repossession given default (PPGD), discounted at the original effective interest rate of the loan for the average period for recovery of sale proceeds. The LGD calculation includes floors, i.e. minimum losses, which are assigned based on the LTV of the loan and the type of security and have been developed from historical data.
- EAD is an estimate of the expected gross carrying amount at a future default date. EAD is based on the current loan amount adjusted for expected repayments of principal, contractual drawdowns of loan commitments, and the impact of missed payments which would be expected for an account in default.

ECL is calculated as the product of PD, LGD and EAD, discounted to the reporting date.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Measurement of expected credit losses (ECL) (continued)

In accordance with IFRS 9, the Group uses a three-stage model for impairment based on changes in credit quality since initial recognition:

- A financial instrument not credit-impaired on initial recognition is classified in stage 1. The loss allowance for such instruments is calculated as the portion of lifetime ECL of those default events expected to occur within 12 months of the reporting date, weighted by the probability of that default occurring.
- An instrument moves to stage 2 if there is an increase in its credit risk that is significant but not such that the instrument is considered credit impaired. The loss allowance for stage 2 instruments is calculated as the lifetime ECL. The determination of significant increases in credit risk is explained further, later in this section.
- Stage 3 instruments are credit impaired, and the loss allowance calculated as the lifetime ECL.

Improvements in credit quality may result in instruments moving categorisation, from stage 3 to stage 2 where they are no longer considered credit impaired or subsequently to stage 1 where the credit risk is no longer significantly increased compared with initial recognition. Such transitions generally occur only after the completion of a probationary period.

The Group undertakes back-testing and validation procedures in order to assess the reasonableness of assumptions and judgements applied in calculating ECLs. The results of these procedures are considered in determining the ongoing appropriateness of key judgements and inputs, which are subject to oversight from the Audit Committee. During the year, the Group has made no individually material adjustments to the model.

Post-model adjustments

The Group makes post-model adjustments to its ECL provision where appropriate to reflect factors or risks that are not judged to be fully reflected in the model. At 30 September 2025, post-model adjustments increased the total loan loss provision by £52.2m (30 September 2024: £34.9m, 30 June 2025: £50.0m). These total post model adjustments are made up of the following:

- Portfolio level post-model adjustments are made for potential risks that may emerge where additional coverage is judged to be appropriate at the time, where it is deemed to be not fully reflected in the ECL model. This includes additional coverage to proactively account for identified risk on subsets of the loan book based on previous performance of similar loans, as well as other identified model limitations, and totals £13.4m at 30 September 2025 (30 September 2024: £13.0m, 30 June 2025: £13.2m).
- Specific loan post-model adjustments are made in relation to specific loans where further information on the loan becomes known that would require adjustments to be made to the ECL calculation, or where loans are pooled together due to model limitations. This includes incorporating latest information on the valuation of the security, including probability weighted outcomes, and specific changes to data parameters where more loan specific parameters are appropriate. The specific loan post-model adjustments total £38.8m at 30 September 2025 (30 September 2024: £47.9m, 30 June 2025: £36.8m).

Significant increases in credit risk, forbearance and contract modifications

The Group monitors all financial instruments that are subject to credit risk to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase, then the Group measures the loss allowance based on a lifetime rather than a 12-month ECL, with these assets being recognised within stage 2. The Group uses qualitative and quantitative criteria including:

- A loan becoming 30 days or more past due;
- Certain qualitative indicators, such as those used in the servicing of the loan which indicate increased credit risk;
- Increases in internal risk scores on certain portfolio accounts;
- External credit bureau data signifying increases in credit risk for a customer;
- There is an increase in the lifetime PD of the loan since origination, which is judged to be significant; and
- Loans which exhibit certain indicators of increased credit risk, such as forbore accounts as described below, or specific accounts where stage overrides are made on a specific case basis.

The Group offers forbearance to assist customers who are experiencing financial distress and considers an account as forbore at the time a customer in financial difficulty is granted a concession. For accounting purposes, any gains or losses arising upon granting forbearance are usually not material because losses are already included in ECLs. Subsequently, the Group may determine after a probationary period that a restructuring has significantly improved credit risk such that the asset is moved back to stage 1.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information

Variables

The Group uses forward-looking information in its measurement of ECL and in identifying significant increases in credit risk (discussed in the next section). The Group's statistical analysis of historical data has confirmed that the key economic variables that drive credit risk, and the ECL for the Group's financial instruments, are unemployment, the Bank of England's Base Rate ('the Bank Rate'), and changes in house prices. The Group has developed a range of future economic scenarios of these variables, drawing on external forecasts where appropriate.

Scenarios

The Group calculates ECL using macroeconomic scenarios, calibrated around a base case. This approach provides an ability to assess a range of economic uncertainty.

The base case is weighted at 60% (30 September 2024: 60%, 30 June 2025: 60%) and is therefore deemed to be the most likely macroeconomic outcome. As shown in the table on the following page, this scenario assumes some further Bank Rate decreases over the next year, some increases in the unemployment rate, and growth in house prices.

There are two downside scenarios; downside and severe downside weighted at 10% and 10% respectively (30 September 2024: 15%, 10% respectively, 30 June 2025: 10%, 10% respectively). The downside scenarios assume faster reductions to the Bank Rate in a recessionary environment, with increasing unemployment and house price falls. The nature of the downside scenario is most closely aligned to the experience during the 2008 global financial crisis, with the severe downside economic scenario representing a severely stressed environment.

There is one upside scenario which is weighted at 20% (30 September 2024: 15%, 30 June 2025: 20%) which reflects the Bank Rate remaining high due to continued consumer confidence keeping inflation high compared to the base case, with unemployment falling faster and stronger house price growth.

Judgement is required to set the scenario weightings to consider the interaction between the severity of the scenarios and the weightings applied. Management has sought to assess the reasonableness of the probabilities by comparing the weighted average of each economic indicator with other available macroeconomic forecasts, in addition to benchmarking the base case scenario.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

To project the economic variables for the remaining term of each instrument, it is assumed that the forecasts used in all scenarios revert to our long-term base case forecast beyond a 10-year horizon.

The most significant assumptions used for the ECL estimate as at 30 September 2025, by economic indicator, until September 2029 were as follows:

Bank Rate (%)	Lowest bank rate	Weighting	Dec 2025	Mar 2025	Jun 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029
Upside	4.4	20%	4.4	4.8	5.0	5.2	5.5	5.0	4.7
Base	3.8	60%	4.0	3.8	3.8	3.8	3.8	3.8	4.0
Downside	1.8	10%	3.8	3.4	3.0	2.6	1.8	1.8	1.8
Severe downside	1.0	10%	3.6	3.0	2.5	2.1	1.0	1.0	1.0
Weighted average			4.0	3.8	3.8	3.8	3.6	3.5	3.6

Unemployment rate (%)	% peak	Weighting	Dec 2025	Mar 2025	Jun 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029
Upside	4.6	20%	4.6	4.5	4.4	4.3	3.8	3.6	3.6
Base	5.0	60%	4.9	4.9	4.9	5.0	4.8	4.4	4.1
Downside	6.9	10%	5.3	5.5	5.8	6.0	6.7	6.8	6.5
Severe downside	7.4	10%	5.4	5.7	6.0	6.4	7.2	7.4	7.0
Weighted average			4.9	5.0	5.0	5.1	5.0	4.8	4.6

Annual change in house-price index (%)	Start to trough % change	Weighting	Dec 2025	Mar 2025	Jun 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029
Upside	n/a ¹	20%	3.4	3.5	4.6	5.3	5.8	7.6	6.5
Base	n/a ¹	60%	2.5	2.3	2.9	3.1	3.6	5.1	6.7
Downside	(9.4)	10%	(0.2)	(2.3)	(3.5)	(5.3)	(1.5)	(0.1)	7.1
Severe downside	(17.9)	10%	(1.4)	(4.3)	(6.5)	(9.0)	(4.4)	(3.3)	7.4
Weighted average			2.0	1.4	1.7	1.5	2.7	4.3	6.8

1. This scenario does not have a trough as HPI is forecast to increase across all future periods.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

The most significant assumptions used for the ECL estimate as at 30 September 2024, by economic indicator, until September 2028 were as follows:

Bank Rate	Lowest bank rate	Weighting	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Sep 2026	Sep 2027	Sep 2028
Upside ¹	4.3	15%	5.2	5.3	5.3	5.3	4.3	4.3	3.7
Base	3.3	60%	4.5	4.3	3.8	3.5	3.3	3.3	3.3
Downside	1.5	15%	4.6	4.0	3.4	2.8	1.6	1.5	1.5
Severe downside	0.8	10%	4.5	3.6	2.9	2.1	0.9	0.8	0.8
Weighted average			4.6	4.3	3.8	3.5	2.9	2.9	2.8

Unemployment rate	% peak	Weighting	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Sep 2026	Sep 2027	Sep 2028
Upside ¹	4.2%	15%	4.2	4.1	3.9	3.8	3.6	3.6	3.6
Base	4.4%	60%	4.4	4.4	4.3	4.3	4.0	3.9	3.8
Downside	6.9%	15%	4.8	5.0	5.2	5.5	6.5	6.9	6.6
Severe downside	7.3%	10%	4.9	5.2	5.5	5.8	6.9	7.3	7.0
Weighted average			4.5	4.5	4.5	4.5	4.6	4.6	4.5

Annual change in house-price index (%)	Start to trough % change	Weighting	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Sep 2026	Sep 2027	Sep 2028
Upside ¹	n/a ²	15%	4.9	4.9	3.0	2.6	4.1	5.8	4.0
Base	n/a ²	60%	3.8	3.9	2.0	1.5	1.4	3.4	4.1
Downside	(10.2%)	15%	1.3	(1.0)	(5.0)	(7.8)	(3.1)	(1.8)	4.5
Severe downside	(19.1%)	10%	0.1	(3.1)	(8.0)	(11.6)	(5.9)	(5.1)	4.8
Weighted average			3.2	2.6	0.1	(1.0)	0.4	2.1	4.2

1. Unemployment rate is forecast to decrease in all future periods in this scenario.
2. Where the start to trough is measured from Dec 2022 when the house price index fell.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Incorporation of forward-looking information (continued)

The most significant assumptions used for the ECL estimate as at 30 June 2025, by economic indicator, until June 2029 were as follows:

Bank Rate (%)	Lowest bank rate	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	4.1	20%	4.5	4.9	4.9	5.2	4.8	4.1	4.3
Base	3.5	60%	4.0	3.8	3.5	3.5	3.5	3.5	3.8
Downside	1.8	10%	4.0	3.5	3.0	2.6	1.8	1.8	1.8
Severe downside	1.0	10%	3.9	3.3	2.6	2.1	1.0	1.0	1.0
Weighted average			4.1	3.9	3.6	3.6	3.3	3.2	3.4

Unemployment rate (%)	% peak	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	4.6	20%	4.6	4.4	4.3	4.2	3.8	3.6	3.6
Base	4.9	60%	4.8	4.8	4.9	4.9	4.9	4.5	4.2
Downside	6.8	10%	5.2	5.5	5.7	6.0	6.8	6.8	6.6
Severe downside	7.5	10%	5.3	5.6	6.0	6.3	7.3	7.5	7.1
Weighted average			4.8	4.9	4.9	5.0	5.1	4.9	4.6

Annual change in house-price index (%)	Start to trough % change	Weighting	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Jun 2027	Jun 2028	Jun 2029
Upside	n/a ¹	20%	4.4	3.4	4.1	4.6	5.7	6.7	6.4
Base	n/a ¹	60%	3.5	2.3	2.4	2.4	3.5	4.5	6.6
Downside	(9.1)	10%	0.8	(2.3)	(4.0)	(5.9)	(1.6)	(0.6)	6.6
Severe downside	(16.9)	10%	(0.4)	(4.4)	(6.9)	(9.6)	(4.4)	(3.6)	6.5
Weighted average			3.0	1.4	1.2	0.8	2.7	3.6	6.5

1. This scenario does not have a trough as HPI is forecast to increase across all future periods.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Loss allowance movements in the period

The following tables analyse the movement of the allowance for expected credit losses during the periods ended 30 September 2025 and 30 September 2024.

Loss allowance	Three months ended 30 September 2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	(9.7)	(20.5)	(165.3)	(195.5)
Transfer to a 12-month ECL	(1.8)	1.8	–	–
Transfer to a lifetime ECL not credit impaired	1.7	(2.5)	0.8	–
Transfer to a lifetime ECL credit impaired	0.3	4.5	(4.8)	–
Net ECL remeasurement on stage transfer	0.8	(2.8)	(2.8)	(4.8)
Other changes in credit risk during the period	(1.1)	(2.4)	(16.1)	(19.6)
Impairment of interest income on stage 3 loans	–	–	(6.1)	(6.1)
New financial assets originated ¹	(0.4)	(0.2)	(0.2)	(0.8)
Financial assets derecognised	1.2	2.0	5.5	8.7
Changes in models and risk parameters	0.3	0.8	2.0	3.1
Losses from movements in loss allowance¹	1.0	1.2	(21.7)	(19.5)
Discounting release	–	–	6.1	6.1
Write-offs net of recoveries	–	–	5.8	5.8
Balance at end of period	(8.7)	(19.3)	(175.1)	(203.1)

Loss allowance	Three months ended 30 September 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	(10.4)	(24.6)	(111.4)	(146.4)
Transfer to a 12-month ECL	(1.9)	1.9	–	–
Transfer to a lifetime ECL not credit impaired	1.0	(1.3)	0.3	–
Transfer to a lifetime ECL credit impaired	–	5.2	(5.2)	–
Net ECL remeasurement on stage transfer	1.4	(2.2)	(5.4)	(6.2)
Other changes in credit risk during the period	(1.5)	(1.8)	(7.6)	(10.9)
Impairment of interest income on stage 3 loans	–	–	(4.4)	(4.4)
New financial assets originated ¹	(1.0)	(0.1)	(0.3)	(1.4)
Financial assets derecognised	1.0	1.5	2.9	5.4
Changes in models and risk parameters	0.6	(0.2)	1.0	1.4
Losses from movements in loss allowance¹	(0.4)	3.0	(18.7)	(16.1)
Discounting release	–	–	4.4	4.4
Write-offs net of recoveries	–	–	0.8	0.8
Balance at end of period	(10.8)	(21.6)	(124.9)	(157.3)

¹ Impairment losses for the period¹ on the following page for a reconciliation of losses from movements in loss allowance to the income statement charge for the period.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Loss allowance movements in the year (continued)

The ECL allowance has increased by £7.6m to £203.1m in the three-month period ended 30 September 2025 (30 June 2025: £195.5m). This net movement in ECL allowance comprises a range of drivers, with the principal being:

- Changes due to accounts moving between stages has increased the provision by £4.8m (30 September 2024: £6.2m), which is the net impact of accounts moving into stage 3 through defaulting, moving into stage 2 due to having a significant increase in credit risk since origination, or moving back a stage after seeing credit quality improvements.
- Changes in models and risk parameters resulted in a decrease in the provision of £3.1m (30 September 2024: decrease of £1.4m). The main drivers of this change were updates to macroeconomic data based on latest actuals and forecasts, as well as updates to model parameters.
- Post model adjustments have been increased by £2.2m (30 September 2024: £7.1m) in relation to both portfolio level and specific loan PMAs.
- The impairment of interest income recognised on stage 3 loans of £6.1m (30 September 2024: £4.4m) was offset by the unwinding of discounting on expected cash flows of the same amount.
- The remaining net £3.7m increase (30 September 2024: £1.0m reduction) in provision comprises increases in ECL during the life of loans, offset where allowances are released on loans which redeem and write-offs of fully impaired loans in the period.

Impairment losses for the period

	Three months ended	
	30 September 2025	30 September 2024
Losses from movements in loss allowance	19.5	16.1
Amounts released from deferred income	–	(0.6)
Write-offs net of recoveries	(0.4)	(0.8)
Charge to the income statement	19.1	14.7

Impairment losses for the period increased to a charge of £19.1m (30 September 2024: £14.7m) as shown above. The losses from movements in loss allowance are broken down in the table on the previous page.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Loans and advances movements in the period

The following tables set out changes in the gross carrying amount of loans and advances to customers that contributed to the changes in the loss allowance:

Movements in loans and advances to customers	Three months ended 30 September 2025			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	5,879.9	1,322.4	887.5	8,089.8
Transfer to a 12-month ECL	269.8	(269.8)	–	–
Transfer to a lifetime ECL not credit impaired	(422.0)	447.7	(25.7)	–
Transfer to a lifetime ECL credit impaired	(4.7)	(116.3)	121.0	–
New financial assets originated	742.1	5.6	1.0	748.7
Financial assets derecognised including write-offs	(447.0)	(120.4)	(68.3)	(635.7)
Balance at end of period	6,018.1	1,269.2	915.5	8,202.8

Movements in loans and advances to customers	Three months ended 30 September 2024			
	Stage 1	Stage 2	Stage 3 and POCI	Total
Balance at beginning of period	5,768.7	1,057.3	684.3	7,510.3
Transfer to a 12-month ECL	250.7	(250.7)	–	–
Transfer to a lifetime ECL not credit impaired	(327.1)	351.1	(24.0)	–
Transfer to a lifetime ECL credit impaired	(4.4)	(122.6)	127.0	–
New financial assets originated	768.7	3.7	1.6	774.0
Financial assets derecognised including write-offs	(424.6)	(63.2)	(57.8)	(545.6)
Balance at end of period	6,032.0	975.6	731.1	7,738.7

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Significant accounting estimates

Key areas of estimation uncertainty in the ECL models are the macroeconomic scenarios used, and the calculations of loss given default and probability of default. The sensitivities below were performed by recalculating the impairment allowance by changing only those assumptions stated, and with all other variables unchanged. The impact of PMAs is not included in the analysis below.

Macroeconomic scenarios

The following table shows unweighted ECL when 100% probability was applied to each scenario as at 30 September 2025, 30 September 2024 and 30 June 2025.

	30 September 2025	
	Probability of the scenario	Unweighted ECL
Upside	20%	152.5
Base case	60%	184.3
Downside	10%	277.2
Severe downside	10%	342.8
Weighted average		203.1

	30 September 2024	
	Probability of the scenario	Unweighted ECL
Upside	15%	110.6
Base case	60%	135.4
Downside	15%	215.4
Severe downside	10%	271.4
Weighted average		157.3

	30 June 2025	
	Probability of the scenario	Unweighted ECL
Upside	20%	145.7
Base case	60%	176.7
Downside	10%	269.9
Severe downside	10%	335.6
Weighted average		195.5

Utilising multiple economic scenarios reflects the non-linearity of the forward-looking ECL approach.

Sensitivities can be derived from this table by applying different combinations of probabilities to the unweighted ECLs and comparing these with the weighted average which is the amount recorded within the statement of financial position.

Loss given default

The LGD model uses current security values and forecast HPI assumptions to project property values for each of the economic scenarios. An immediate and sustained 10% reduction in forecast house prices applied in each scenario (i.e. a 10% cut applied to the index in each forecast future period) would result in an increase in the impairment allowance of £31.3m at 30 September 2025 (30 September 2024: £25.5m; 30 June 2025: £30.7m); conversely, a 10% increase would result in a decrease in the impairment allowance of £23.5m at 30 September 2025 (30 September 2024: £20.1m; 30 June 2025: £23.4m).

Probability of default and probability of repossession given default

A 10% relative worsening of both PDs and PPGDs simultaneously (e.g. a 1.0% PD increasing to 1.1%) would increase the total impairment allowance by £6.5m at 30 September 2025 (30 September 2024: £6.5m; 30 June 2025: £6.8m). A 10% relative improvement of both PDs and PPGDs simultaneously (e.g. a 1.0% PD decreasing to 0.9%) would result in a decrease in the impairment allowance by £6.3m at 30 September 2025 (30 September 2024: £6.1m; 30 June 2025: £6.4m).

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

8. Loans and advances to customers (continued)

Significant accounting judgements

Key areas of judgement in the ECL models include judgements about which loans have been subject to a significant increase in credit risk since initial recognition and therefore should be classified as stage 2, with a resultant loss allowance based on a lifetime rather than a 12-month ECL.

The sensitivity below was performed by recalculating the impairment allowance by changing only the item stated, and with all other variables unchanged. These were performed at an account level and hence excludes post model adjustments.

Sensitivities	Increase in allowance		
	30 September 2025	30 September 2024	30 June 2025
Measure all loans in stage 1 using a lifetime ECL	18.6	22.7	19.7

9. Borrowings

	30 September 2025	30 September 2024	30 June 2025
Loan notes	6,035.1	5,760.5	5,999.7
Subordinated shareholder loans	25.5	23.3	24.9
Lease liabilities	26.9	28.2	26.9
	6,087.5	5,812.0	6,051.5
Senior secured notes	950.0	950.0	950.0
Fair value adjustment due to hedging on senior secured notes	7.0	8.9	13.1
	957.0	958.9	963.1
Debt-issuance costs	(26.9)	(23.7)	(27.9)
Total borrowings	7,017.6	6,747.2	6,986.7
Of which:			
Due within 12 months	1,389.8	782.3	1,125.0
Due after 12 months	5,627.8	5,964.9	5,861.7
	7,017.6	6,747.2	6,986.7

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

9. Borrowings (continued)

Loan notes have the following features:

Loan facility	Established	Securitisation type	Facility type	Facility size* (£m)	Maturity or call date
Adalo Asset Backed Securitisation Limited	2024	Private funding	Revolving	150.0	Mar 2028
Brooks Asset Backed Securitisation 1 Limited	2021	Private funding	Amortising	48.8	Mar 2028
Brooks Asset Backed Securitisation 2 Limited	2025	Private funding	Amortising	49.6	Mar 2029
Delta Asset Backed Securitisation 2 Limited	2019	Private funding	Revolving	600.0	Dec 2028
Highfield Asset Backed Securitisation 1 Limited	2018	Private funding	Revolving	725.0	Dec 2027
Kingsway Asset Backed Securitisation Limited	2025	Private funding	Revolving	1,200.0	Jan 2029
Lakeside Asset Backed Securitisation Limited	2015	Private funding	Revolving	1,000.0	Nov 2028
Together Asset Backed Securitisation 2021 - 1ST1 PLC	2021	Public securitisation	Amortising	83.0	Oct 2025
Together Asset Backed Securitisation 2022 - 2ND1 PLC	2022	Public securitisation	Amortising	131.5	May 2026
Together Asset Backed Securitisation 2022 - 1ST1 PLC	2022	Public securitisation	Amortising	212.6	Jun 2026
Together Asset Backed Securitisation 2023 - 1ST1 PLC	2023	Public securitisation	Amortising	252.0	Apr 2027
Together Asset Backed Securitisation 2023 - 1ST2 PLC	2023	Public securitisation	Amortising	268.8	Sep 2027
Together Asset Backed Securitisation 2024 - 2ND1 PLC	2024	Public securitisation	Amortising	167.8	Jan 2028
Together Asset Backed Securitisation 2024 - 1ST1 PLC	2024	Public securitisation	Amortising	205.0	May 2028
Together Asset Backed Securitisation 2024 - 1ST2 PLC	2024	Public securitisation	Amortising	336.8	Sep 2028
Together Asset Backed Securitisation 2025 - 2ND1 PLC	2025	Public securitisation	Amortising	222.7	Jan 2029
Together Asset Backed Securitisation 14 2025 - 1ST1 PLC	2025	Public securitisation	Amortising	349.0	Oct 2029
Together Asset Backed Securitisation 2021 - CRE-2 PLC	2021	Public securitisation	Amortising	101.6	Feb 2026
Together Asset Backed Securitisation 2022 - CRE-1 PLC	2022	Public securitisation	Amortising	202.1	Oct 2026
Together Asset Backed Securitisation 2023 - CRE-1 PLC	2023	Public securitisation	Amortising	281.3	Nov 2027
Together Asset Backed Securitisation 2025 - CRE-1 PLC	2025	Public securitisation	Amortising	465.6	Apr 2029
Wilmslow Asset Backed Securitisation Limited	2025	Private funding	Revolving	386.9	Jan 2029

*Facility size refers to the total available facility size in the case of revolving facilities, whilst amortising facilities represent the actual external funding as at the period end.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

9. Borrowings (continued)

In the case of the amortising facilities, the maturity date shown is the date of the option to call the facility and the facility size is shown as the amortised position at the balance sheet date. The maturity dates for revolving facilities include an amortisation period covering one year prior to the maturity date, except for Lakeside ABS which has no amortisation period.

The maturity date on the undrawn revolving credit facility (RCF) was September 2026 with a total facility size of £138.3m at the period end and was refinanced in October 2025. Details of the refinancing have been given below.

The senior secured notes are initially measured at fair value, and subsequently measured at amortised cost, however they are subject to a fair value adjustment, for the hedged risk only, due to the adoption of fair value hedge accounting with respect to the interest rate swap of the bond. Accordingly, whilst the carrying value of the bond is £950.0m at the end of the quarter, this is subject to a fair value adjustment relating to the hedged risk of £7.0m, resulting in a closing balance of £957.0m at period-end.

Subordinated shareholder loans were originally issued on 2 November 2016. They are interest-free loans totalling £68.1m, which comprised £25.1m due in 2027, after maturity extensions, and £43.0m due in 2036. In the prior year, the subordinated loans from a related party, Bracken Midco2 Limited, totalling £25.1m had their maturity extended from September 2027 to November 2036. This resulted in the accounting derecognition of the loans due in 2027, and a recognition of the loans of the same nominal value due in 2036, recognised at a new fair value.

The difference between the total nominal value of £68.1m and the initial fair values on origination or extension of £15.4m represents a cumulative non-distributable capital contribution of £52.7m, £10.1m of which has amortised by 30 September 2025 (30 September 2024: £7.9m, 30 June 2025: £9.5m). The remainder of the reserve will be amortised over the life of the instruments.

The Group has undertaken the following refinancing activity since the year ended 30 June 2025:

- In September 2025, the Group issued a further RMBS facility, Together Asset Backed Securitisation 14 2025 -1ST1 PLC raising £367.0m of external funding.
- In October 2025, the group refinanced the RCF facility, extending the maturity date to October 2029 and increasing the facility size to £142.5m.

Debt-issue costs, which consist of the prepaid fees in relation to the RCF, loan notes and the senior secured notes, are deducted from the loan carrying amounts and charged to interest expense over the expected term of the facility or notes as appropriate.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

9. Borrowings (continued)

Borrowings have the following maturities:

As at 30 September 2025	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	1,178.7	901.5	3,954.9	—	6,035.1
Senior secured notes	—	—	455.5	501.5	957.0
Subordinated shareholder loans	—	—	—	25.5	25.5
Lease liabilities	0.9	0.9	2.6	22.5	26.9
	1,179.6	902.4	4,413.0	549.5	7,044.5
Debt-issue costs	(4.0)	(4.0)	(14.7)	(4.2)	(26.9)
	1,175.6	898.4	4,398.3	545.3	7,017.6

As at 30 September 2024	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	784.5	2,556.7	2,419.3	—	5,760.5
Senior secured notes	—	—	500.0	458.9	958.9
Subordinated shareholder loans	—	—	—	23.3	23.3
Lease liabilities	1.2	1.0	2.5	23.5	28.2
	785.7	2,557.7	2,921.8	505.7	6,770.9
Debt-issue costs	(3.4)	(5.3)	(10.7)	(4.3)	(23.7)
	782.3	2,552.4	2,911.1	501.4	6,747.2

As at 30 June 2025	<1 year	1-2 years	2-5 years	>5 years	Total
Loan notes	1,128.5	704.4	4,166.8	—	5,999.7
Senior secured notes	—	—	458.3	504.8	963.1
Subordinated shareholder loans	—	—	—	24.9	24.9
Lease liabilities	0.7	0.8	2.6	22.8	26.9
	1,129.2	705.2	4,627.7	552.5	7,014.6
Debt-issue costs	(4.2)	(3.7)	(16.5)	(3.5)	(27.9)
	1,125.0	701.5	4,611.2	549.0	6,986.7

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

10. Provisions and contingent liabilities

Provisions

	30 September 2025	30 September 2024	30 June 2025
Balance at beginning of period	4.5	3.2	3.2
Charge for the period	0.1	0.1	2.2
Provisions utilised	–	(0.6)	(0.9)
Balance at end of period	4.6	2.7	4.5

As at 30 September 2025, the Group has recognised provisions of £4.6m (30 September 2024: £2.7m, 30 June 2025: £4.5m). Estimating the amount of provisions requires the exercising of judgement, with the amounts representing the best estimate of the amount required to settle or transfer the obligation at the reporting date.

As a financial services company, the Group is required to comply with relevant legislation and has processes in place to meet these standards and to manage any legal claims against the Group. Where such claims are received, the Group will investigate the facts and circumstances and will defend claims without merit. The above provisions substantially represent a provision for such legal claims.

Contingent liabilities

Fixed and floating charges

As at 30 September 2025, the Group's assets were subject to a fixed and floating charge in respect of £950m senior secured notes (30 September 2024: £950.0m, 30 June 2025: £950.0m).

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

11. Financial instruments and fair values

The Group measures fair values using the following hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Measurements derived from observable data, such as market prices or rates;

Level 3: Measurements relying on significant inputs not based on observable market data.

Financial instruments measured at fair value

The following table analyses the fair values as at the period end of financial instruments measured at fair value, analysed into different levels according to the degree to which they are based on observable inputs:

30 September 2025	Level 1	Level 2	Level 3	Fair value	Carrying value
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	–	10.5	–	10.5	10.5
Derivative liabilities	–	(21.5)	–	(21.5)	(21.5)
30 September 2024	Level 1	Level 2	Level 3	Fair value	Carrying value
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	–	16.1	–	16.1	16.1
Derivative liabilities	–	(21.0)	–	(21.0)	(21.0)
30 June 2025	Level 1	Level 2	Level 3	Fair value	Carrying value
Derivative assets/(liabilities) held for risk management – Interest-rate risk					
Derivative assets	–	16.6	–	16.6	16.6
Derivative liabilities	–	(26.8)	–	(26.8)	(26.8)

Financial instruments not measured at fair value

All the Group's other financial assets and liabilities are held at amortised cost. The carrying value is a reasonable approximation of fair value for all financial instruments other than for loans and advances to customers and for borrowings. For loans and advances to customers and for borrowings, fair value is calculated based upon the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The following table analyses the fair values of loans and advances and of borrowings into different levels according to the degree to which the fair values are based on observable inputs:

30 September 2025	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Loans and advances to customers	-	-	7,989.6	7,989.6	7,999.7
Financial liabilities					
Borrowings	978.5	2,982.2	3,097.9	7,058.6	7,017.6
30 September 2024	Level 1	Level 2	Level 3	Fair value	Carrying Value
Financial assets					
Loans and advances to customers	–	–	7,548.7	7,548.7	7,581.4
Financial liabilities					
Borrowings	955.2	2,991.3	2,813.5	6,760.0	6,747.2

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

11. Financial instruments and fair values (continued)

Financial instruments not measured at fair value (continued)

30 June 2025	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Loans and advances to customers	–	–	7,905.9	7,905.9	7,894.3
Financial liabilities					
Borrowings	977.5	3,100.7	2,943.7	7,021.9	6,986.7

The fair value of loans and advances to customers is based on future interest cash flows (at current customer rates) and principal cash flows discounted using the rate at which we most recently advanced similar loans (at market rate). This rate is assumed to encompass the time value of money, plus a risk premium to account for the inherent uncertainty in the timing and amount of future cash flows arising from mortgage assets. Forecast principal repayments are based on redemption at maturity with an overlay for historical behavioural experience to take account of expected prepayment. The eventual timing of future cash flows may be different from the forecast due to unpredictable customer behaviour. A further adjustment is made to reflect expected credit losses over the life of each loan.

For borrowings, the fair value of senior secured notes is considered to be level 1, reflecting quoted prices. The fair value of the £500.0m SSNs 2031 is higher than the carrying value as the notes are trading at a premium to their par value as at 30 September 2025. The fair value of the £450.0m SSN 2030 is higher than the carrying value as the notes are trading at a premium to their par value as at 30 September 2025.

The fair value of loan notes issued by private securitisations is estimated to be the carrying value because the notes track a floating rate of interest but where the margins payable are observable inputs only when they are issued or refinanced. These notes are classified as level 3 with publicly issued residential mortgage-backed securities classified as level 2. The revolving credit facility is classified as level 2 given this is a private facility without quoted market prices.

Subordinated shareholder loans and lease liabilities are also classified as level 3. Market prices are not available for these loans and so fair value has been estimated by discounting the related expected future cash flows. As market rates are not observable for these loans, management has derived discount rates by reference to other arm's length transactions with investors, making allowance for the tenor and seniority of the loans.

12. Notes to the cash flow statement

	Three months ended	
	30 September 2025	30 September 2024
Adjustments for non-cash items in profit after tax:		
Interest payable	103.7	117.0
Impairment losses	19.1	14.7
Taxation	11.5	11.9
Provisions for liabilities and charges	0.1	0.1
Depreciation and amortisation	2.3	2.2
Net losses on financial instruments	0.1	1.3
Losses/(gains) on disposal of fixed assets	–	–
Total	136.8	147.2
Changes in operating assets and liabilities		
Increase in loans and advances to customers	(124.5)	(232.3)
Increase in other operating assets	0.9	1.9
Increase in other operating liabilities	6.0	4.3
Total	(117.6)	(226.1)
Additional information on cash flows from operating activities		
Interest income receipts	181.7	176.3

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

13. Related party transactions

Relationships

The Company has the following related parties:

a) Controlling party

All the voting shares of Together Financial Services Limited are controlled by Bracken Midco2 Limited, a company whose ultimate parent is Redhill Famco Limited, which is ultimately controlled by HN Moser, a director of Together Financial Services Limited. Besides the companies owned by Redhill Famco Limited, other entities owned by HN Moser and his close family members are deemed to be related parties and during the period or prior period transacted with the Company's subsidiaries as follows:

Entity	Nature of transactions
Bracken Property Company Limited	The Group pays operating lease and insurance costs to Bracken Property Company Limited for its provision of the Group's head office property.
Charles Street Commercial Investments Limited (CSCIL), Charles Street Capital Limited (CSCL), and Charles Street Finance Holdings Limited (CSFHL)	The Group refers borrowers outside its lending criteria to CSCIL. The Group also performs underwriting, collection and arrears-management activities for CSCIL and CSCL. The Group manages accounts payable on behalf of all these companies and provides accounting and treasury services for which it receives a fee.
Vavoom Vehicle Management Limited	During the period the Group engaged with Vavoom Vehicle Management Limited for short term vehicle hire.

There are related party balances due to or from General Allied Properties Limited, Edgeworth Developments Limited, August Blake Developments Limited, Sunnywood Estates Limited and Sterling Properties Limited at the period-end.

Balances due to or from the above entities are interest-free and repayable on demand, unless otherwise stated.

b) Parent companies

The Group transacted with the following parent company ultimately controlled owned by HN Moser:

Entity	Nature of transactions
Bracken Midco2 Limited	In November 2016 the Company received subordinated funding from Bracken Midco2 Limited. The subordinated loans are interest-free and for fixed terms, as set out in Note 9. The difference between the loans' maturity amounts and their fair values represents a capital contribution to the Group which is being amortised through income over the life of each loan. The Group pays dividends to its parent company Bracken Midco2 Limited.

c) Subsidiaries

The Company utilises its bank and subordinated shareholder funding, and bonds raised by a subsidiary company, to provide treasury funding to its lending subsidiaries. Interest is recharged among Group companies based on the Group's external cost of borrowings and the risk of the assets funded. The cost of equity funding is not charged. All amounts are repayable on demand.

d) Key management personnel

Key management personnel comprise directors of the Group and Parent.

There are other entities controlled by key management personnel which are deemed to be related parties and during the period or prior transacted with the Company's subsidiaries as follows:

Entity	Nature of transactions
Waterfold Asset Management Limited	Waterfold Asset Management Limited provides property management services for properties repossessed or placed into LPA receivership by the Group. These expenses are subsequently recovered by recharging costs to customer accounts.

Balances due to or from the above entities are interest-free and repayable on demand, unless otherwise stated.

Notes to the condensed consolidated financial statements (unaudited)

Unless otherwise indicated, all amounts are stated in £m

13. Related party transactions (continued)

Relationships (continued)

Transactions

The Group had the following transactions with related parties during the three-month period:

Group	Three months ended			
	30 September 2025		30 September 2024	
	Charge/(credit) to income or equity	Paid	Charge to income or equity	Paid
Lease and insurance costs	0.5	0.5	0.5	0.5
Accounts payable transactions	–	2.2	–	0.5
Net settlement of treasury funding	–	–	–	0.3
Management fee	(0.8)	–	–	–
Related parties of HN Moser and close family members	(0.3)	2.7	0.5	1.3
Interest expense	0.5	–	0.5	–
Parent companies	0.5	–	0.5	–
Property management costs	0.3	0.4	–	–
Related parties of other key management personnel	0.3	0.4	–	–
Total related parties	0.5	3.1	1.0	1.3

Included within other assets are amounts owed by related parties of the Group of £4.8m (30 September 2024: £3.0m), mainly in respect of companies in which HN Moser is a director and shareholder. Included within this are amounts in relation to a director's loan of £0.6m (30 September 2024: £0.5). The loan is interest free and repayable on demand.

14. Commitments

The Group has commitments to extend credit which are not recorded on the balance sheet. This includes both the undrawn element of existing facilities and new commitments to lend.

At 30 September 2025, the Group had undrawn commitments to lend of £163.1m (30 September 2024: £129.4m, 30 June 2025: £149.9m). These relate mostly to lines of credit granted to existing customers for property development. The amounts do not represent the amounts at risk at the reporting date but the amounts that would be at risk should the facilities be fully drawn upon and should the customer default.

The ECL on the undrawn elements of existing facilities is included within the total ECL held within net loans and advances to customers. ECL on commitments is included within the Group's loan loss allowance balance.

15. Events after the reporting date

In October 2025, the Company paid a dividend of £32.8m to its parent undertaking, Bracken Midco2 Limited.

Also in October 2025, the Group redeemed its Together ABS 5 facility as well as refinancing the RCF facility. The maturity date on the RCF facility was extended to October 2029 and the facility was increased to £142.5m.

Also in October 2025, the group refinanced its ADALO Asset Backed Securitisation, resulting in a £100m securitisation and extending the maturity to March 2030.