



**Vida Bank Limited**  
**Annual Report and Accounts**  
**31 December 2025**

**Company Registration No. 09837692**

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Vida Bank Limited will be referred to as “Vida”, “Company” or “Bank” throughout these reports.

## Strategic report

### Chair of the Board's statement

2025 was the first full year of operation for Vida Bank, and it has been a defining year in our journey to establish Vida as one of the UK's leading specialist mortgage banks. It was also my first year as Chair, and I have been struck by the strength of the business, the clarity of its purpose and the depth of expertise across the organisation.

I am proud to say that Vida has become one of the fastest growing institutions in our sector. The Bank has achieved strong profitability, diversified its funding base, and continued to serve customers who are often overlooked by mainstream lenders. We did so with the care, discipline and integrity that define our culture.

Throughout 2025, the Board focused on ensuring that Vida's governance and risk frameworks were fully embedded following our authorisation as a bank. This included strengthening our Board composition, deepening engagement with regulators, and maintaining a clear focus on prudent capital and liquidity management.

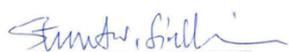
We maintained our track record in lending with new mortgage originations totalling £962m (2024: £369m), bringing total loans to £2,302m (2024: £1,866m). Our credit performance remained strong, reflecting the quality of our underwriting and the expertise of our people.

I am particularly encouraged by our success in retail savings. In our first full year, we attracted £2,253m (2024: £173m) of deposits, signalling strong customer confidence in Vida Bank. This, alongside our successful RMBS programmes, has created a stable, diversified funding model that positions us for sustained growth.

Culturally, we have retained what makes Vida distinctive. Our people remain our greatest strength, with a 46% (2024: 50%) female representation in senior management and retained recognition as one of the UK's Top 100 Mid-Sized Companies to Work For. These are hallmarks of a values-led organisation.

Looking ahead, the Board is confident that Vida Bank has the leadership, funding resilience, and purpose, to achieve even greater impact in the years ahead. Having joined the organisation at a pivotal moment in its evolution, I am excited by what lies ahead and by the role Vida can play in helping more people access a place to call home.

On behalf of the Board, I want to thank our colleagues, intermediaries, customers, and investors for their commitment and trust. Together, we are building a bank that combines heart, discipline and ambition.



Stuart Sinclair

Chair

## Chief Executive Officer's review

### Introduction

Our strategy is clear: to build the UK's most trusted specialist mortgage bank. We are focused on the needs of customers who fall outside the narrow parameters of high-street lending – the self-employed, professional landlords, later-life borrowers, and those with complex incomes. We are here to give them a fair opportunity to own or invest in property, supported by human expertise and digital efficiency.

Our strategy is very deliberately built on the foundations of a clear purpose – to help more people find a place to call home. To us – having a safe and secure place to live remains as important as ever and is one of the most fundamental building blocks for our customers in living a happy and productive life.

2025 marked a defining moment for the business as we completed our journey from Belmont Green Finance to Vida Bank.

It was our first full year operating as an authorised bank, and the results speak for themselves. We delivered record profitability, expanded our funding base and grew our mortgage lending, while maintaining strong credit discipline and outstanding customer service.

### Market context

The external environment in 2025 was challenging but gradually improving. The year began with persistent inflationary pressures and high borrowing costs, but by mid-year the market began to stabilise. Falling inflation and expectations of lower base rates drove renewed confidence among borrowers and savers. Against this backdrop, the specialist mortgage sector remained competitive but continued to show strong demand for lenders with agility, expertise and robust funding.

While volumes across the broader market were below pre-pandemic levels, Vida achieved strong growth to the extent we are one of the fastest growing institutions in our chosen market sectors. Our differentiated proposition, trusted brand, and technology-enabled model has allowed us to maintain momentum when many competitors retrenched.

### Business performance overview

Vida Bank delivered a profit before tax of £12.5m (2024: £6.7m), reflecting disciplined balance sheet growth and cost control. Total income increased to £54m (2024: £35m), driven by growth in lending, while our cost-to-income ratio improved to 74% (2024: 83%).

Having received PRA authorisation to become a bank in late 2024, we launched our new Vida Savings franchise, finishing our first year of trading with deposit balances of £2.4bn and over 75,000 new customers. Our online range of fixed and variable savings accounts and ISA products have already established Vida Bank as a go-to challenger brand in the UK savings market.

Augmenting our new retail funding platform, we have retained a strong footprint in the wholesale funding market through our well-established securitisation programme. Our most recent £250m Tower Bridge Funding transaction was incredibly well received by investors, with demand for our Class A notes 2.8 times oversubscribed.

### Lending growth and customer impact

With a broader and more flexible funding model in place, we now have the freedom to grow our mortgage origination footprint and begin to compete at scale. Mortgage applications more than doubled in 2025 reaching £2.6bn with new mortgage lending of £962m (2024: £369m), making Vida Bank one of the fastest growing specialist mortgage banks in the UK.

Lending balances grew by 24% (2024: 9%) to £2.3bn (2024: £1.9bn), with particularly strong performance across buy-to-let and residential segments. We continued support professional landlords and complex borrowers, while expanding our reach through new product innovations.

Our mortgage strategy is simple. We focus only on residential property backed mortgage lending, offering specialist product solutions to both home-owners and landlords. The combination of proprietary credit data and experienced specialist underwriting teams mean that we manage credit risk decisioning very effectively, with arrears levels remaining lower than the specialist mortgage sector average.

Our customers are at the centre of our decision-making. We supported thousands of individuals and families to purchase or refinance their homes, while also helping landlords and investors to finance and manage their portfolios efficiently. Average time from application to offer fell to 21 days (2024: 22 days), and we maintained a Trustpilot Homeloans “excellent” rating of 4.4 (2024: 4.5).

Brokers remain integral to our success. Our V-Hub model continues to deliver real value through direct underwriter engagement and faster case resolution. Our centralised service model (we are the only UK specialist mortgage lender without field based business development managers) means that we can put our intermediary partners directly in touch with expert underwriting teams who have an intimate understanding of our products and policies – saving wasted time and effort for all concerned.

### Retail savings and funding diversification

Our retail savings platform has been one of the standout successes of the year. Through our core partnerships with Newcastle Strategic Solutions and augmented distribution via leading aggregator platforms, we attracted over £2.2bn (2024: £0.2bn) in new deposits. These funds have transformed our funding profile, providing stability and reducing the total Group cost of funds for the business from 1.46% to 0.79%.

### Technology and operations

Technology continues to be a critical enabler of our strategy. In 2025, we invested significantly in automation, analytics and servicing capabilities. Our upgraded origination platform has improved efficiency and reduced manual intervention, enabling faster decisioning and enhanced risk management.

Our modern technology platform has allowed us to readily take advantage of fast emerging AI capabilities, supporting improvements in both customer and broker experiences whilst also enhancing the efficiency of our working model.

AI solutions are being deployed to support and enhance human underwriter expertise, with a focus on unlocking potential, accelerating volumes, building momentum, and driving efficiencies of scale. Continued investments in our technology and operating model will ensure Vida is at the forefront of innovation in the specialist mortgage market.

## Risk and governance

As a newly authorised bank, embedding a mature risk culture was a major focus in 2025. We strengthened our enterprise-wide risk management framework, implemented new treasury and asset-liability management systems, and enhanced scenario modelling to assess emerging risks.

We continue to operate within a conservative risk appetite. Arrears and credit performance remain well within tolerance levels, reflecting the quality of our underwriting. Operational and conduct risk controls have been strengthened, ensuring we protect customers and maintain regulatory compliance at all times.

## People and culture

At our heart we are a people business. Our distinctive culture and hybrid working model is something we work hard to perfect and means that we have access to the best talent from across the UK, especially attractive to those who are looking for more flexible working arrangements.

As a result, our colleague engagement is high and our attrition rates are low, meaning we hold on to our best people and provide opportunities for them to develop and grow with us – as such, we have an incredibly stable and talented team.

In 2025, we grew our team to 228 (2024:197) colleagues and introduced new leadership and development programmes to support internal mobility and progression. Our annual engagement survey shows 87% of colleagues are excited about Vida's future..

We have 46% (2024: 50%) female representation in senior management, reflecting our continued commitment to diversity and inclusion. We also launched a refreshed 'Vida Values' programme, reinforcing our culture of accountability, respect and collaboration.

## Sustainability and responsibility

Sustainability is an integral part of our business model and we retained our Silver EcoVadis accreditation, placing Vida in the top quartile of financial institutions for ESG performance. We advanced our climate risk management framework and continue to publish disclosures that address key elements of the Task Force on Climate-related Financial Disclosures (TCFD).

Our community engagement programme grew during the year, with colleagues volunteering over 600 hours to support a variety of community causes. We have also extended our five year partnership with homelessness charity CRISIS, having now contributed a total of £224k to support their amazing work.

## Outlook for 2026

Looking ahead, our ambitions for 2026 are bold but achievable. We will continue to grow our mortgage originations to exceed £1.6bn, expand our retail savings base through new partnerships, drive a higher return on equity, and deliver further automation across our operations.

Our shareholder Pine Brook Partners continue to support us in our growth ambitions, having been involved in the business since its inception ten years ago. The stability and ongoing investment we derive from that important working relationship provides us with real confidence as a management team and creates an environment where we can focus on managing the business to do the best possible job we can for our customers.

Vida Bank is now one of the fastest growing banks in our chosen market sector. We have the people, the platform and the purpose to deliver strong, sustainable growth – helping more and more people find a place to call home.

A handwritten signature in black ink, appearing to read 'A. Mooney', with a horizontal line extending from the 'A' across the 'Mooney'.

Anth Mooney

Chief Executive Officer

## Our business model and strategy

Vida exists to provide underserved mortgage customers with access to a broad range of innovative, competitively priced products, enabled by expert underwriting and delivered with a super-consistent service experience.

The Company creates value by improving people's lives; people have a complex range of human needs; a safe and secure place to live is central to fulfilling those needs. Our job is to unlock an opportunity for more people to access a place to call home.

We are a B2B<sup>1</sup> focussed business, all of our mortgage lending is sourced via independent, FCA<sup>2</sup> regulated mortgage intermediaries, meaning every one of our mortgage customers receives independent mortgage advice before submitting an application to us.

The mortgage intermediary is our primary business relationship; they are the gatekeepers of the very customers we aim to help.

We believe that for traditional high-street banks, specialist customers sit less comfortably with their automated underwriting rules and 'computer says no' approach. But we see each applicant as an individual and recognise that everyone has a different story and follows a unique path. A combination of legacy technology platforms and inflexible operating models, mean that incumbent banks find the complex needs of specialist borrowers too costly to serve effectively.

Our broad risk appetite, driven by deep data analytics and insight, allows us to offer home owning solutions to more of the customers of our intermediary partners, meeting the needs of end customers and the intermediaries themselves by providing streamlined decisioning and a reliably consistent application process – driving advocacy and repeat usage amongst our broker base as we build trust in our ability to deliver excellence.

Vida is doing things differently. This means modern technology that allows us to deliver a superior customer experience, offer exceptional value and maintain that personal human touch when it matters most.

We are committed exclusively to the needs of this large and important segment of society, ensuring that more hard working people can find the peace and security that comes with having a place to call home.

In 2025, we focused on:

- Customer-Centric Product Design – innovate in specialist lending and savings.
- Decisioning Excellence – combine data analytics with skilled underwriting.
- Diversified Funding Model – balance retail deposits and securitisation.
- Culture and Capability – invest in people and culture as we scale the organisation.
- Technology and AI Adoption – harness the power of AI in data science and technology.

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<sup>1</sup> "B2B" – Business to Business

<sup>2</sup> "FCA" – Financial Conduct Authority

## Strategic progress in 2025

Having been granted a full banking license by the PRA in November 2024, we chose to measure our performance against five key metrics:

- Expand mortgage reach: Launched enhanced range of mortgage propositions; established the new Premier Hub service for key broker partners; grew new lending 161% to £962m
- Strengthen funding model: Launched a full range of retail savings products since obtaining our banking licence in November 2024 and have attracted £2.4bn customer deposits; launched our inaugural Tier 2 issuance of £35m during Q4 2025.
- Improve operational productivity: Productivity per underwriter doubled in year as we continued to invest in our origination capability and technology stack, deploying AI capability for the first time into live to speed up decision making and reduce time to serve.
- Enhance service experience: We have continued to invest in our service led model, centralising all broker contact under one roof. We have achieved an 'excellent' Trustpilot Homeloans score of 4.4 (2024: 4.5); with 95% of brokers rating Vida service as 'Excellent' or 'Good'.
- Promote inclusion and wellbeing: Protecting our culture remains a strong focus and our people combine to provide a compelling customer offer; 46% (2024: 50%) women in senior management; wellbeing engagement up 3% (2024: down 2%).

## How we are different for our customers

As a specialist mortgage bank, we believe that being different means putting our broker partners at the very heart of everything we do. We use deep data analytics to find clear opportunities where others see complexity. A modern tech-enabled origination process, supported by our highly skilled underwriting teams, means our broker partners and their customers experience clear communication, fast decisions and policy flexibility — not one-size-fits-all delays.

We have worked long and hard to build a deep understanding of our market. By fully appreciating individual borrower needs, we can craft propositions that address trends like changing income profiles, affordability needs, complex property characteristics, and think about the potential performance of the loan more holistically.

Our banking licence authorisation and the launch of our retail savings offering has enhanced our ability to compete more effectively and serve more customers. Deposits help to provide us with a broader and more stable funding base, meaning we are not overly reliant on bank warehousing and securitisation markets for our funding, which can be more expensive and less stable for a fast-growing lender.

Through this integrated model, customers gain from both our specialist mortgage focus and the broader stability of a bank whose balance sheet supports long-term relationships. In this way, Vida Bank takes a very clear competitive position — we are not a mass lender chasing volume at any cost, nor are we continually diversifying into ever more complex markets to chase higher returns. We are a focused and trusted specialist mortgage partner, delivering tailored mortgage outcomes, underpinned by a transparent and consistent service led culture.

## How Vida is built for long-term advantage

Vida Bank's strategy is purpose-built for sustainable, long-term growth. We operate a focused mortgage business with a £2.3bn book (growth +24% in 2025) that is founded on deep expertise and scale in one clearly defined market segment.

Our model rests on three pillars: a data driven approach to decision making; a disciplined focus on specialist mortgage origination; and diversified funding via retail deposits and securitisation to provide the fuel for sustainable growth.

We invest in our people, systems, data science, and risk capability to maintain high underwriting standards, minimise credit losses, and keep our cost-base efficient.

This enables us to capture value opportunities and remain agile in our response to market changes or the cycle turns, deploying capital where and when returns are attractive.

Our strong governance, capital strength, and regulatory authorisation further position Vida as a credible, enduring player in the specialist mortgage market. By staying specialised, disciplined, and service-centric, Vida creates a compounding competitive advantage — one that can deliver consistent value for customers, colleagues and shareholders over many years.

## **Our 2026 priorities**

In 2026, our focus will be on disciplined execution of our strategy, building scale through continued volume growth and maintaining momentum as one of the fastest growing specialist mortgage businesses. We will prioritise sustainable growth, strong customer outcomes and the continued resilience of our operating model.

### **1. Profitable, disciplined growth**

We will continue to grow within our specialist mortgage focus, deploying capital selectively in line with our risk appetite and targeting attractive risk-adjusted returns, while maintaining high-quality customer outcomes across the portfolio.

### **2. Differentiated decisioning and origination capability**

We will continue to advance our data-led decisioning, underwriting and technology capabilities to deliver fast, consistent and flexible outcomes for brokers and customers, while maintaining strong credit standards.

### **3. Targeted distribution and broker partnerships**

We will deepen relationships with our core broker partners, using insight-led engagement and tailored propositions, together with continued product development, to help brokers solve their client needs and deliver sustainable origination, high service standards and positive customer experiences.

### **4. Resilient and efficient funding model**

We will continue to optimise our funding mix to ensure our new business growth potential is realised, combining retail deposits with access to diversified capital and wholesale funding markets, to support balance sheet resilience, cost efficiency and the long-term support of customers throughout the life of their loans.

### **5. A strong culture and engaged people**

We will continue to foster a performance-led, service-oriented culture, investing in leadership, skills and engagement so that our people consistently deliver good customer outcomes and trusted service.

Together, these priorities reflect Vida Bank's position as a focused specialist mortgage bank with a proven operating model and strong culture, well positioned to deliver sustainable value for customers, colleagues and shareholders over the long term.

## Financial review

Vida has delivered a strong financial performance in the first full year as a bank and is now one of the fastest growing institutions in our market sector. Our advanced preparation, ahead of gaining a banking licence in late 2024, ensured Vida was able to access retail deposit funding and increase mortgage origination and profitability throughout the year. As a result, profit before tax of £12.5m (2024: £6.7m) represents a 87% uplift year-on-year, with stronger income growth relative to costs and stable impairments. This resulted in an improvement of our cost: income ratio from 83% in 2024 to 74% in 2025 which demonstrated the benefit of growing our balance sheet and accompanying income.

We had two key funding objectives in 2025: the first was to start to build a retail deposit book which will provide stability and scale for Vida's future growth; the second was to change the mix of liabilities through refinancing our wholesale funding, in particular, the warehouses and the scheduled maturities of three of our Tower Bridge Funding securitisations. These liabilities sit within Special Purpose Vehicles and are reported in the Vida Group Holdings Ltd (VGHL or Group) financial statements. VGHL is the parent company of Vida. Retail deposits replaced this funding which, in turn, has reduced our Group funding cost in the year to 0.79% over SONIA compared to 1.46% over SONIA for 2024. The Net Interest Margin improved from 1.83% to 2.38% between 2024 and 2025.

Vida's transition to a Bank has helped improve the stability, flexibility and diversification of our funding and liquidity. This is evidenced through the improvements in key balance sheet metrics: asset encumbrance fell to 29% (2024: 92%) and the loan to deposit ratio was 95% (2024: 1,078%).

In 2025 we made significant strides to embed the transition to a bank in terms of capital resources. Capital management is a primary focus for the business as it plays a key role in supporting both the expansion of our origination capability and our ability to.

Vida has been successful on the three fronts identified prior to the banking authorisation as part of our capital initiatives i) releasing capital from structures and arrangements put in place when the business operated prior to the banking licence, this initiative will extend into 2026 with the Bank participating in Central Counterparty clearing; ii) generating and recycling capital from the London Bridge Mortgages loan sale (known as "LBM 2025-1"), which supports our ability to grow the origination and funding franchise and iii) Vida Bank's inaugural Tier 2 capital issuance of £35m. This additional capital will support further growth in our customer lending whilst enabling stronger core equity returns.

### Lending

We were pleased with the progress on growing our mortgage book. Total lending in 2025 was £1,191m (2024: £608m). New business originations grew 161% to £962m (2024: £369m) and were supplemented by retention lending volumes of £230m (2024: £239m). After taking account of the asset sale of £250m in June 2025, gross loans to customers increased by 24% to £2,302m (2024: £1,857m). Buy-to-Let (BTL) loans continued to make up the majority of the lending portfolio, representing 69% of the loan book at the end of the year (2024: 73%), with the residual comprising residential owner-occupied (ROO) lending.

### Funding

Vida has made a successful start to raising retail deposits with £2,253m of net inflows being recorded in the year to bring the retail deposit book to £2,426m (2024: £173m) at the end of the year. This

significant uplift in deposits allowed us to fund the call of three securitisations and the repayment of the remaining warehouse funding notes earlier than had been previously anticipated. The Group's Wholesale market funding liabilities decreased to £942m (2024: £1,832m) as a result. The Group is required to maintain available stable funding equal to at least 100% of its required stable funding (the Net Stable Funding Ratio (NSFR)). The NSFR of the Group was 138% as at 31 December 2025.

### Liquidity

At the end of the year, the Bank's Liquidity Coverage Ratio was 159% (2024: 1,132%), which exceeds the minimum requirement of 100% set by the Prudential Regulation Authority.

High Quality Liquid Asset balances increased to £1,071m (2024: £171m), comprising:

	<b>December 2025</b>	<b>December 2024</b>
	<b>£m</b>	<b>£m</b>
UK Government gilts	538	34
Cash and balances at central banks	251	-
Supranational bonds	167	-
Covered bonds	115	-
Money market deposits	-	132
UK treasury bills	-	5
	<u>1,071</u>	<u>171</u>

### Capital

The Bank's capital position remained robust. At the end of the year the Common Equity Tier 1 Ratio was 15.0% (2024: 17.9%) and the Total Capital Ratio was 18.2% (2024: 17.9%), both being comfortably above regulatory minima. Vida's primary investor, Pine Brook, has provided 99.7% (2024: 99.7%) of Vida's share capital, which at the end of the year stood at £36m (2024: £241m). A capital reallocation exercise was undertaken during Q4 2025 as a precursor to potential further balance sheet optimisation. This involved reducing the level of issued share capital and transferring the corresponding value into retained earnings. This accounting reclassification did not change the overall level of equity in the business, nor did it affect the ownership structure. Instead, it simplified the composition of the Group's capital, creating greater flexibility to support future balance sheet optimisation and potential capital management initiatives. The business is confident it will continue to benefit from the support of its core shareholder for the foreseeable future and may explore opportunities, subject to market conditions, to further strengthen its capital base.

### Operating income

Operating income increased to £58m from £41m in 2024, including a £6m one-off gain arising from the LBM 2025-1 asset sale. Net interest margin was 2.38% in 2025 (2024: 1.91%). The increase in NIM predominantly reflected the lower cost of funds arising from a higher proportion of retail deposit funding, together with proactive pricing strategies that offer fair value customer outcomes.

### Administrative expenses

Investment to support growth after obtaining the banking licence in 2024 has continued. Key focus areas include enhancing our proposition for customers, developing our platform processing capabilities, and building out our colleague skill base. Consequently, administrative expenses increased by 19% to £42m (2024: £34m), while the cost to income ratio has improved to 74% (2024: 83%). Management will continue to optimise its cost base, prudently investing where appropriate to facilitate growth whilst tightly managing our core operating expenses.

### Impairment charges

The credit quality of the book has remained stable in 2025, with arrears levels at steady state throughout the year. Loans more than three months in arrears represented 2.0% of the total portfolio balances (2024: 2.4%) with owner-occupied at 3.3% (2024: 4.3%) and BTL at 1.5% (2024: 1.7%).

Provisions increased to £7m (2024: £5m) with the provision coverage ratio increasing to 0.31% (2024: 0.26%). The higher coverage ratio predominantly reflects targeted provisioning for a small number of loans where the secured property had moved into possession. Our credit risk appetite and underlying portfolio quality remains unchanged.

Post model adjustments were £1.0m (2024: £0.4m) covering forbearance and properties in possession, which are known shortcomings in the core ECL model. The affordability and cladding PMA's recognised in earlier years have both been released as management deem them no longer required.

## Culture and sustainability report

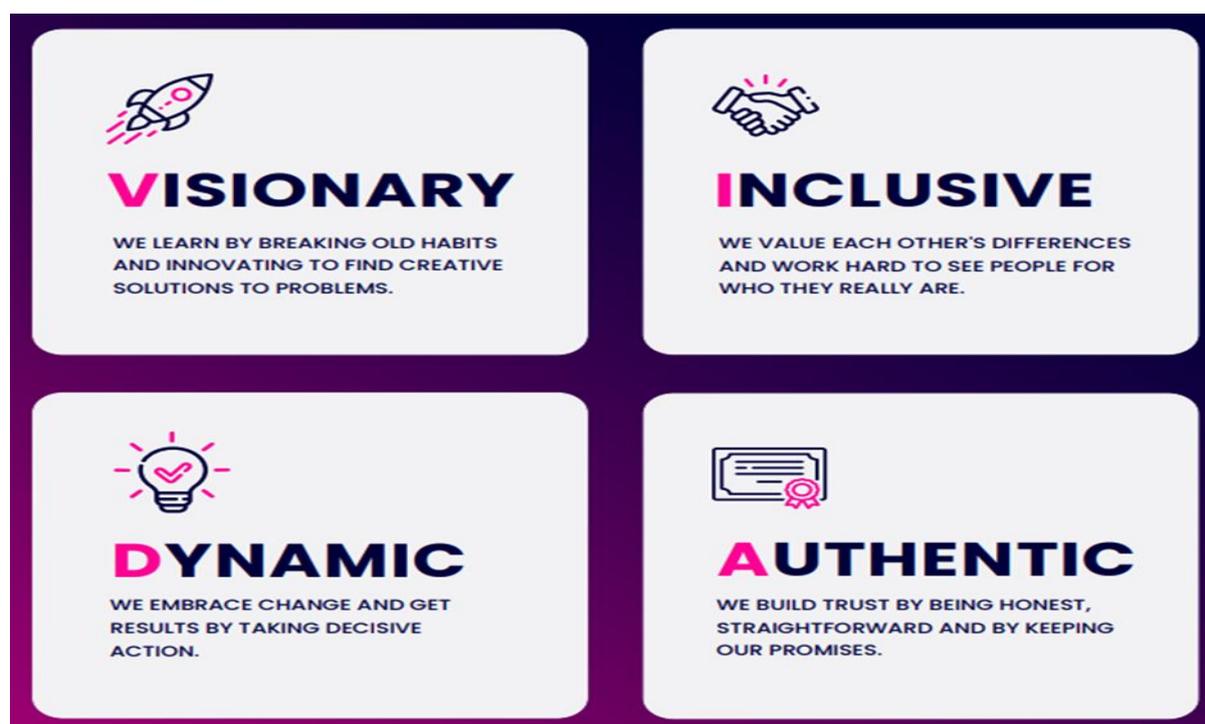
### Our approach to people, culture and sustainability

At Vida, the shared purpose of helping more people find a place to call home drives everything we do. We take a clear and intentional approach to culture, ensuring that our actions align with our values and strategy.

### The Vida values

We believe in a culture built on caring, where colleagues are valued and empowered to make a difference. Our commitment to our customers, colleagues, company, and communities is a fundamental part of our decision-making. At Vida, we foster innovation, embrace inclusivity and diversity, and strive for authenticity.

Our values are the foundation of our culture. They ensure we go about things in the right way and provide a frame of reference for good decision-making throughout the entire organisation.



## Customers

We aim to provide choice and value for both savings and mortgage customers. We put the principles of the FCA’s Consumer Duty at the centre of everything we do.

As we continue our journey to become the UK’s most trusted specialist mortgage bank, we are always aiming to do more, and in 2025 we broadened our mortgage product offerings to both new and existing mortgage customers. To strengthen the support we provide to vulnerable customers and those in financial difficulty, we enhanced our pre-arrears communications and guidance to intermediaries on how to identify and notify us of customer vulnerability, allowing us to proactively engage at the right time.

Since the launch of our first savings account in December 2024, we have provided more choice for retail savings customers through an expanded product offering and a wider range of savings partners.

We work hard to provide high levels of service and react quickly when things don’t go according to plan. Oversight of customer service, complaints and support for customer vulnerabilities is provided by our Customer Committee and Board.

We gauge customer satisfaction through our quarterly NPS surveys and we have had excellent feedback during 2025. Overall mortgage Customer NPS at the end of Quarter 4 was +54 (2024: +42) and for savings Customers was +57 (2024: n/a).

## Colleagues

Our people are our most valued asset and their continued commitment to our purpose and values is instrumental to the success of Vida. We have four core outcomes we want to deliver for our colleagues and have made positive progress against each during 2025:

Colleague Outcome	2025 Activity
<b>Fair and inclusive development and progression of internal talent</b>	<ul style="list-style-type: none"> <li>96% (2024: 83%) of colleagues have discussed career and personal development with their managers and have a documented personal development plan in place</li> <li>Two structured development programmes delivered to 26 aspiring leaders and colleagues at an earlier stage of their career journeys</li> <li>19% (2024: 6%) of available roles filled internally</li> <li>12.4 hours (2024: not tracked) spent on average per colleague on development outside of mandatory training</li> </ul>
<b>A diverse workforce representative of the communities in which we live and work</b>	<ul style="list-style-type: none"> <li>Diversity profiles completed by 100% of colleagues demonstrate a diverse workforce based on measures of geographic distribution, age, educational background and sexual orientation</li> <li>54:46 Male:Female ratio (2024: 50:50), within senior management, achieving our commitment through Women in Finance</li> <li>23% (2024:22%) of colleagues from ethnic minority backgrounds</li> <li>Voluntarily produced and shared internally a gender pay report for the 4<sup>th</sup> consecutive year</li> <li>Implemented an ‘EDI<sup>3</sup> Calendar of Celebrations’ including International Women’s Day, International Men’s Day, Neurodiversity Awareness, Mental Health Awareness Week, Pride Month, Black History Month</li> <li>Launched a series of Wellbeing Guides for colleagues and managers to support colleague conversations</li> </ul>

<sup>3</sup> “EDI” – Equality, Diversity and Inclusion

- An inclusive and collaborative environment in which all colleagues feel they belong**
- Comprehensive benefits package for all colleagues to support health and wellbeing including health insurance for all, an Employee Assistance Programme and Mental Health First Aiders
  - Quarterly peer recognition through our Vida Values Awards
  - Intranet and internal social media platform comprehensively updated, bringing news, information and resources together in one place strengthening communication channels
  - Social activities throughout the year including the monthly Vida team quiz, the fantasy football league, the Vida marathon and the all-staff annual summer party
- Working the Vida Way**
- Agile working model, family friendly policies and V-Time policy allowing time off for unforeseen emergencies all support enhanced flexibility, diversity and inclusion and a positive work-life balance

Since 2020, we have measured colleague engagement through an annual 'B-Heard' survey, run by Best Companies. We are proud that our latest survey, completed by 88% of colleagues, shows that colleagues remain highly engaged and motivated, with Vida awarded a '1 Star' accreditation, signifying 'very good' engagement levels.

### Company

We are building a safe and sustainable business, providing excellent service to our customers, mortgage intermediary partners and savings partnerships with a customer-focused approach at the forefront of all we do. We are committed to delivering service excellence to our brokers and in 2025 launched our Premier Hub to strengthen key intermediary relationships. Feedback has been overwhelmingly positive with improved case numbers and quality of applications.

We measure the satisfaction of intermediary partners through quarterly NPS surveys. In 2025, our Intermediary NPS score reached +35 in Quarter 4, with the overall NPS for the year at +29, an improvement on the 2024 NPS of +22. We retained our 'Excellent' status on Trustpilot with an average of 4.4 out of 5, with 235 reviews. Our Service Pledge which refunds the application administration fee to a broker if they feel they have had anything but excellent service, was claimed on only 0.04% of applications received in the year.

We have developed relationships with savings partners during 2025 to broaden the demographic accessing our savings products and received over 1,150 Trustpilot reviews on our savings products and journeys, achieving an 'Excellent' rating for Vida Savings with a score of 4.6 out of 5.

Supported by a robust risk culture and established corporate governance, we lend and borrow responsibly within our risk appetite, comply with UK laws and regulations and promote best practice.

### Communities

We believe in the importance of giving back to our communities. All colleagues are provided with the equivalent of a volunteering day during working hours. In 2025, colleagues undertook a range of volunteering activities including fundraising, charity work and even search and rescue operations smashing our target of 600 volunteering hours.

In 2024 we renewed our long-standing partnership with Crisis who share our belief that everyone should have a safe, stable place to live. Our total donations to Crisis now exceed £224k. In addition, our Give as You Earn scheme saw over 10 smaller charities also benefit.

Our community includes wider stakeholders, and we are committed to undertaking sustainable procurement wherever possible and to working with suppliers who share similar aims and values, which is emphasised in our Supplier Code of Conduct.

We recognise that every business, whatever the size, has an impact on the environment and for the fourth consecutive year, we have purchased carbon credits to offset our residual operational emissions.

#### Culture and sustainability governance

We have a clearly articulated Culture and Sustainability Strategy and recognise the need to actively monitor how this operates in practice. Our Board, senior leadership team and Executive Committees play a significant role in overseeing the delivery of our Culture and Sustainability Strategy. The Customer Committee focuses on customer and conduct matters and the Culture Committee has day to day responsibility for people and culture matters, including ESG<sup>4</sup> and EDI. The Employee Network Forum brings together a wide range of colleagues and cross functional workstreams on Environment and Sustainability, Vida Voice, Inclusivity, Wellbeing and Mental Health, Giving Something Back and Social.

Our Culture and Sustainability Scorecard is reported to the Board quarterly, and feeds into our overarching Business Scorecard. Progress against the Business Scorecard is taken into account in determining Directors' remuneration, and bonus, and performance levels across all staff.

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<sup>4</sup> "ESG" – Environmental, Social and Governance

## Risk report

### Overview

Vida's risk management supports disciplined, sustainable growth whilst giving appropriate consideration to the principal risks faced by the business.

Our Enterprise Risk Management Framework (ERMF), designed and owned by the risk function under the leadership of the CRO, and approved by Vida's Board, incorporates a Three Lines of Defence model, and supports strategic decision-making by ensuring that risks are understood in the context of Vida's objectives and appetite for risk, referred to as Vida's risk culture.

Vida's risk culture is shaped by its mission, values, and strategic priorities, and reflects the behaviours and attitudes of colleagues toward risk awareness and management.

It is built on four pillars:

- **Tone from the Top:** The Board and Executive set expectations through leadership and policy.
- **Accountability:** Risk responsibilities are embedded in roles, supported by a no-blame culture.
- **Communication & Challenge:** Open dialogue and constructive challenge are encouraged, supported by whistleblowing mechanisms.
- **Incentives:** Performance and remuneration frameworks align with desired risk behaviours and are reviewed regularly.

Risk culture is assessed annually through engagement surveys, whistleblowing reports, and the CRO's review of ERMF effectiveness.

### Risk management framework, governance and oversight

The ERMF is a structured and integrated approach to identifying, assessing, managing, and monitoring risks across the organisation. The framework enables a proactive culture of risk awareness, helping to safeguard assets, reputation, and long-term sustainability while enhancing stakeholder confidence.

At its core, the ERMF operates through a cycle of risk identification, evaluation, mitigation, and reporting. Vida's principal risks are assessed both qualitatively and quantitatively and are mapped against Vida's risk appetite and tolerance levels. Mitigation strategies are developed collaboratively across departments, with clear ownership and accountability. Regular monitoring and reporting ensure that emerging risks are captured and that controls remain effective, with oversight provided by senior management and the Board.

The framework is embedded into key business processes, including strategic planning, financial management, compliance, and operational delivery. It is supported by governance structures such as risk committees and internal audit, and underpinned by policies, procedures, tools, and training that promote consistency and transparency. By aligning risk management with organisational goals, the ERMF enables informed decision-making and resilience in a dynamic risk landscape.

In 2025, Vida continued to strengthen its risk management capabilities following its transition to bank status (November 2024). Key enhancements focused on several of its principal risks i.e., credit, liquidity, funding, operational resilience, and operational risk - including technology, outsourcing, financial crime, and reporting controls.

Notable developments include:

- Further embedding of the Enterprise Risk Management Framework.
- Review of the Credit Risk Framework to focus on key risk drivers and more explicitly to demonstrate delivery of risk appetite.
- Continued embedding of FCA Consumer Duty requirements and Customer Outcomes Dashboard.
- Expansion of the Financial Crime framework to not only cover retail savings, but to ensure we remain ahead of the ever-evolving criminality.
- Expansion of Operational Resilience to cover retail savings.
- Maturity uplift of the Information Security Framework, benchmarked against NIST.
- Refined Prudential Risk Framework following authorisation as a bank.
- Further strengthened stress testing to support ICAAP and ILAAP.

Risk management is embedded at all levels, with the Board setting the tone, and all colleagues expected to act as risk managers. The ERMF is reviewed and approved annually by the Board and supported by training across the organisation to ensure consistent understanding and application.

Vida's risk governance framework defines how the Board delegates accountability and authority for risk management across the organisation. Oversight is delegated to the Board Risk Committee and Board Audit Committee, with regular reporting to the Board. Ultimate responsibility remains with the Board.

### Three Lines of Defence

Vida applies a Three Lines of Defence model to ensure clear accountability and effective risk management:

- **First Line:** Business and support functions own and manage day-to-day risks, aligned with the ERMF and risk appetite. They report and escalate issues, including risk events and near misses, and implement controls and remediation.
- **Second Line:** The Risk and Compliance Function provide oversight, challenge, and advice. It monitors risk exposures, supports policy owners, delivers thematic reviews, and ensures regulatory awareness. Led by the CRO (SMF4), with Compliance oversight by SMF16/17, they are responsible for ensuring that key risks and issues are escalated and reported through their governance structure and in particular to the Executive Risk Committee.
- **Third Line:** Internal Audit (co-sourced with PwC) provides independent assurance on the effectiveness of the ERMF and governance. It reports directly to the Audit Committee and tracks resolution of audit findings.

All three lines promote a strong risk culture and support fair customer outcomes.

### Vida's Board risk appetite

Risk appetite is the qualitative and/or quantitative articulation of the level of risk Vida is willing to take in pursuit of its strategic objectives. It reflects the balance between risk and reward that the Board and Executive team deem acceptable to achieve growth, resilience, and long-term sustainability. Vida does not consider risk appetite to be about avoiding risk but about enabling informed and effective risk-taking aligned with our purpose, values, and strategic goals. This provides a clear boundary for decision-makers, ensuring risks are taken consciously and within agreed tolerance levels.

Our appetite evolves with the business and operating environment and is reviewed by the Board Risk Committee and Board at least annually. Dashboards track Key Risk Indicators and Early Warning

Indicators against Board Limits and Boundary Conditions, with oversight from the Executive Risk Committee and escalation to the Board as required.

Detailed appetite statements for each principal risk define the level of risk we are willing to accept, using both qualitative and quantitative measures. These are cascaded and calibrated based on our strategic objectives and capacity to absorb risk.

The Executive Risk Committee (ERC) reviews our risk appetite at least annually before Board Risk Committee (BRC) review and Board approval as part of the Enterprise Risk Management Framework (ERMF). Risk appetite is expressed qualitatively and tracked quantitatively via Board Limits and Key Risk Indicators (KRIs).

### Vida's principal risks

Vida has identified ten principal risk categories critical to achieving its strategic and corporate objectives. These risks are shaped by internal assessments and external standards, including Basel III and industry best practices, each have a clear definition and a Board approved appetite.

Where risks are inherent to our business model, they are measured, monitored, and compensated for to ensure sustainability. Risks not explicitly taken are either avoided or tightly controlled.

Committees, functions, and individuals are accountable for managing day-to-day risks within agreed appetite and in line with the ERMF. A culture of open challenge is expected across all levels, supported by the Senior Managers and Certification Regime.

Formal escalation and reporting requirements are defined in the ERMF, risk policies, committee terms of reference, and approved risk limits.

Vida's ten principal risks and mitigating factors are below:

**Business Risk** - the risk of Vida not achieving its strategic or financial objectives.

- Vida has clear targets and risk limits guide sustainable delivery.
- This risk is monitored via KRIs; deviations escalated to Board Risk Committee.
- Responsibility resides with the Executive Directors and Senior Management.

**Capital Risk** - the risk of insufficient capital to meet stress scenarios, regulatory requirements, or growth plans.

- Vida has zero tolerance for breaching capital limits or underfunding strategic plans.
- The risk is managed through forward-looking financial forecasts aligned to appetite.
- Responsibility resides with the CFO and is governed through ALCo.

**Conduct Risk** – the risk that Vida causes poor customer outcomes and/or negatively impacts on market integrity from unsuitable products, poor service, or process failures. Vida has zero tolerance for systemic conduct issues or products that may harm customers or market integrity.

- Risks are minimised through process design, monitoring, and remediation.
- Issues are escalated via the ERMF and overseen by relevant committees and the Board.
- All colleagues are responsible, with governance through Customer and Culture committees.

**Funding Risk** - the risk of insufficient access to stable funding sources. Vida has no tolerance for uncovered committed funding needs or reliance on unlikely funding.

- The risk is mitigated through planned funding transactions aligned with internal and market capacity. The banking licence has enabled us to improve diversification, flexibility and stability

of funding and liquidity sources and maturities, including diversity within sources of retail deposits while maintaining wholesale market presence.

- Responsibility resides with the CFO and is governed through ALCo.

**Liquidity Risk** - the risk of not meeting obligations as they fall due. Vida has no tolerance for shortfalls, even under severe 3-month stress.

- The risk is mitigated through liquidity forecasts, retail and wholesale issuances, and equity drawdowns to ensure coverage remains within appetite.
- Responsibility resides with the CFO and is governed through ALCo.

**Market Risk** - exposure to adverse financial market movements, primarily interest rate risk. Vida has limited to residual exposures post-hedging with investment-grade counterparties.

- Risk is mitigated through mortgages which are hedged via swaps; residual risk managed within Board-approved limits.
- Responsibility resides with the CFO and is governed through ALCo.

**Model Risk** – the risk of loss from flawed model design, implementation, or use. Vida has no tolerance for unvalidated or unfit-for-purpose models.

- Governed by a firm-wide Model Risk Management Framework, with a model inventory and a risk-based tiering approach to categorise models, second line validation and periodic reviews of models, and oversight across all three lines of defence.
- Responsibility resides with the first line accountable executive model owner and governed at Model Risk Committee as well as ALCo, Credit Committee, Pricing Committee and Performance Committee.

**Operational Risk** – the loss from failures in processes, systems, people, or external events. Vida has no tolerance for systemic losses, legal breaches, or material regulatory failures.

- Risk is managed through robust controls, escalation protocols, and insurance.
- All colleagues are responsible, with governance through Operational Risk Committee.

**Retail Credit Risk** – the failure of borrowers meeting their contractual obligations. Vida considers the risk and reward trade-off within the products offered to mortgage customers with an evaluation of the retail credit risk exposure taken into account within pricing.

- Credit risk exposure is mitigated through stress testing, robust underwriting standards, pricing and appropriate oversight.
- Board limits are in place to manage the core retail credit risk exposures and along with a monthly review of underwriting oversight are reported to Credit Committee.
- Responsibility rests with the CRO and is governed through Credit Committee.

**Wholesale Credit Risk** - Loss from default by wholesale counterparties. Vida has a very limited appetite; funds are placed only with highly rated institutions or secure assets.

- Risk is controlled via strict investment policies and oversight.
- Responsibility resides with the CFO and is governed through ALCo.

#### Key and emerging risks

Emerging risks are new or evolving threats with longer-term potential impact, and which could materially impact strategy, financial performance, customer outcomes, or regulatory standing.

Vida sees seven themes as its key and emerging risks:

### **Economic and Geopolitical Risk**

- Macroeconomic volatility and increased competition may impact revenue, arrears, impairments and demand driven primarily by inflation and interest-rate movements. Mitigation includes stress testing active risk appetite adjustment, a focus on existing customers and support for vulnerable customers. Focus for 2026 is a discipline expansion aligned to economic conditions.
- Global conflicts, international and domestic political instability, and UK policy changes may affect inflation, interest rates, customer affordability, funding stability and third-party service delivery.
- Mitigation measures include external economic analysis, ongoing business model stress testing, updated affordability models, strengthened supplier resilience and diversified funding. The focus for 2026 remains on enhanced monitoring, refreshed stress-testing frameworks and continued third-party oversight.

### **Credit Impairment**

- There remains ongoing exposure to potential increases in arrears and impairments, and ongoing cost-of-living pressures affecting customer affordability and resilience.
- Vida mitigate these risks through enhanced stress testing, a dynamic credit risk appetite, refined KRIs, clear separation of credit and conduct risk, strong underwriting and affordability standards, and continued support for vulnerable customers and regular monitoring of IFRS 9 models and adjustments.
- In 2026 we will expand stress testing and scenario analysis, review key credit risk judgements and continue to refine expected credit loss assumptions and strategic credit information to support proactive decision-making.

### **Scale and Pace of Business Change**

- Vida bank status has enabled expansion into new products, distribution channels and selective AI-driven process enhancements. Rapid change creates risks of product, service or system delays or failures, managed through a structured strategic roadmap and aligned resource planning.

In 2026, Vida will continue to broaden its mortgage offering aligned to a strong focus on regulation (including Consumer Duty) and work with key outsourcing partners on strategic change initiatives – such as product development and AI integration – to ensure positive customer outcomes.

### **Information and Cyber Security Risk**

- The cyber threat remains a material risk, with rising ransomware activity increasing the likelihood and impact of attacks on both Vida and key third-party suppliers. As a bank, we have strengthened our cyber and information security capabilities, managing risk through threat assessments, penetration testing, preventative controls, and ongoing staff training. Oversight is provided by an independent Chief Information Security Officer reporting to the Chief Risk Officer.
- In 2026, we will continue to invest in our information security framework and enhance operational resilience, including stress testing and third-party oversight.

### **Scale and Pace of Regulatory Initiatives and Change**

- The UK regulatory regime continues to evolve and may require higher financial resources or change to policies and processes. As a newly authorised bank, the scope of regulatory requirements has increased including new prudential rules (e.g., Basel 3.1, Strong & Simple Regime), ongoing implementation of operational resilience outsourcing standards, and other priorities set out in the Regulatory Initiatives Grid. We also continue to monitor implications arising from the UK Government's housing strategy and wider regulatory direction.
- Vida manages this risk through active regulatory horizon scanning, impact assessment and delivery of oversight via established governance forums; engagement with regulators, industry bodies and advisors; and monitoring compliance through our embedded risk-governance framework.
- In 2026 we will maintain robust oversight of regulatory change, ensure effective delivery of any required policy or process adjustments, enhance third-party and outsourcing oversight, and continue to enhance our operational resilience framework to continue to meet regulatory expectations.

### **Embedding of Consumer Duty Requirements**

- The FCA's Consumer Duty sets high expectations for customer outcomes and remains a strategic priority. Poor delivery could result in customer harm, strategic misalignment, reputational damage or regulatory action.
- Vida mitigates this risk through CEO-led oversight, a Board member Consumer Duty Champion and embedded delivery of the four Duty outcomes across products, pricing, communications, and customer support. We provide regular reporting through governance committees, proactively support vulnerable customers and met closed product requirements ahead of regulatory deadlines.
- In 2026 we will continue to monitor the effectiveness of our Consumer Duty approach, maintain strong Board and second-line oversight, and engage actively with regulators and industry bodies to further shape best practice.

### **Climate Risk**

- Climate change presents financial risks that may affect property values, borrower affordability, and Vida's reputation. Physical damage or regulatory changes could increase defaults and impairments.
- Vida mitigates these risks by embedding climate risk within credit risk and ESG strategy, monitoring the portfolio by EPC grade, conducting physical-risk analysis and stress testing and reporting annually to the Board Risk Committee, including annual carbon emissions and voluntary Scope 3 disclosures.
- In 2026 we will monitor EPC developments, adjust lending policy as required, and further enhance climate related disclosures.

## Climate-related financial disclosures

Vida is committed to continually developing our climate-related reporting capabilities and disclosures in coming years. This year, Vida has summarised our current approach to managing climate change risks and planned activities, building on our previous disclosures under the “Streamlined Energy and Carbon Reporting” (SECR). Vida is not voluntarily reporting under TCFD, and this does not comprise a full TCFD disclosure. Our intention is to assist stakeholders in understanding the impact of climate change on our business in a more transparent and familiar way.

### Governance

Governance of climate-related matters occurs through two lenses: firstly, through our broader Culture and Sustainability Strategy and secondly through the management of climate-related financial risks, which is integrated into our ERMF.

The Culture and Sustainability Strategy was approved by the Board in December 2023 and throughout 2025 we have focussed on implementing the Strategy and embedding a sustainable mindset across the business. Further details of the Culture and Sustainability Strategy are set out in the Culture and Sustainability Report.

The definition, taxonomy and risk appetite for climate risk is reviewed annually, and most recently approved by the Board in September 2025. An annual climate risk review is reported to Board Risk Committee and Executive Risk Committee. Climate risk scenario analysis is included within our ICAAP<sup>5</sup>. Climate risk is reported to and overseen by Board Risk Committee, Executive Risk Committee and Credit Committee. The Board Risk Committee is responsible for the monitoring and oversight of climate and transition risks and the CEO has overall accountability to the Board to ensure that sustainable and responsible practices are embedded within the business. The CRO is the senior manager responsible for ensuring the identification and management of financial risks arising from climate change under the Senior Managers Regime.

### Strategy

Climate considerations are becoming increasingly important factors in decision making. Regulators are developing tools, mechanisms and taxonomies to ensure they are integrated into the banking system, investment policies and risk management processes. For Vida, as a small, unlisted bank, currently the only mandatory reporting is the annual Streamlined Energy and Carbon Reporting (SECR) of scope 1 and scope 2 carbon emissions. Vida will continue to monitor developments in climate reporting requirements in the UK.

Vida does, and will continue to, comply with all mandatory reporting requirements and will continue to provide additional voluntary disclosures in a proportionate manner where we consider this is of value to our stakeholders. Vida supports the UK Government’s pathway to Net Zero by 2050 and even as a small business we are conscious of the impact we have on the environment around us and that it is important that we act where we can, to minimise our contribution to climate change.

Climate considerations are embedded into our business strategy, culture and decision-making processes in order to support our purpose and deliver our strategic aims in a way which delivers the best outcomes for our stakeholders, our people and our company.

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<sup>5</sup> “ICAAP” – Internal Capital Adequacy Assessment Process

## Risk Management

We have taken a proportionate approach to climate-related financial risks, recognising both the significant medium-term impact that this is expected to have on our business and the evolving nature of the risks.

The most significant risks for Vida are set out below with explanations of how they could result in losses for Vida. In most cases, losses are through credit risk and therefore we have implemented climate risk within our ERMF as a sub-set of credit risk.

The appetite for climate risk has been established by the Board as follows:

We have no appetite for material climate risks, whether through transition or physical risks, that are not appropriately monitored, mitigated, avoided or explicitly accepted.

Climate risks could affect the business through multiple different mechanisms. In 2025, Vida engaged with a third-party data provider in relation to the physical risks covering flooding, subsidence and coastal risk and to ensure a proportionate approach, we have focussed on those mechanisms that we judge could result in material risk for our business in the short or medium term. We have assessed these to be as follows:

The **physical impact** of climate change is expected to be much less in the UK compared to other countries. However, it is expected to affect our business in two main ways:

- **Flooding** from increased rainfall, including secondary impacts where homes become uninsurable.
- **Subsidence** increases in areas of South East England where rainfall will decrease and temperatures rise.

Flooding and subsidence result in additional costs for our borrowers – repairing damage, lost rental income and increased insurance costs for higher-risk properties. This also results in a lower valuation of properties.

Additional costs and lower valuations could increase the likelihood of default and also increase the potential loss given default. As a result, this may result in increased credit losses for Vida.

In addition, **transition risk** will arise from measures the government takes to encourage households to reduce energy consumption in particular:

- Stricter **energy efficiency** (EPC) requirements for private rented properties from 2030.
- The potential for the introduction of energy efficiency requirements for **owner-occupied** properties.

We expect increased costs for our borrowers to meet those requirements, loss of rental income if properties cannot be rented out and reduced property valuations or sale costs if such properties are repossessed. This could increase the likelihood of default and also increase the potential loss given default. As a result, this may also result in increased credit losses for Vida.

There is also a **reputational risk** if Vida is unable to show sufficient progress in reducing emissions, either own emissions or those of our financed properties, or cannot provide sufficient information about emissions to regulators, investors or customers.

## Metrics and Targets

Vida is committed to increasing our controls around identification, assessment, management and monitoring of climate change risk.

Under the SECR framework, Vida is required to disclose energy use and associated Greenhouse Gas (GHG) emissions from its activities. The reporting period is aligned with the financial year ended 31 December 2025 and covers Vida and its subsidiaries. The methodology has been based on the UK Government's GHG Conversion Factors published on [www.gov.uk](http://www.gov.uk) and, for mortgage properties, the information included in the property's Energy Performance Certificate. Calculations have been made for the reporting of:

- Fuel use for transport for business travel (scope 1).
- Electricity use within buildings (scope 2).
- Fuel use for transport for staff commuting (scope 3).
- Energy consumed as part of home working (scope 3).
- Energy consumed by properties subject to our mortgages (scope 3).
- Indirect emissions through our supply chain (scope 3).

As part of our environmental strategy, we are committed to voluntarily reporting on scope 3 emissions and to improving the scope and accuracy of the data we publish each year, driving a better understanding of our emissions and informing the actions we are taking to reduce and mitigate their effects.

With respect to mortgage credit risk, discussions continue to take place through governance channels on how Vida can best identify key climate risks and how we can best manage lending exposures.

We will also look to engage with our key suppliers to better understand the emissions linked to the goods and services that we purchase and further develop our sustainable procurement approach to ensure that our suppliers' ESG strategies are aligned with our own goals.

These figures are subject to a number of material estimates and uncertainties. In particular:

- GHG Conversion Factors provide a consistent approach to measuring emissions across different reporting firms; however, it is based on various averages that may not apply to our specific emissions.
- Staff commuting and working from home emissions have been calculated based on a sample approach.
- Supplier emissions are based on expensed cost during the year, excluding rent and rates. It does not include capitalised expenses.
- The accuracy of supplier information is constrained by the level of public disclosures made by them; not all suppliers disclose their scope 3 emissions, disclosures are often aggregated across disparate business lines and geographical regions of the world and there is a lag with the publication of their disclosures. Estimates have been made wherever possible to ensure we provide the most accurate figures we are able.
- Property emissions only include mortgages that have been financed by Vida and excludes those that have been sold either through asset sales or forward flow but are still serviced by Vida. Emissions are obtained from the Energy Performance Certificate (EPC) at the point of origination.
- Energy use by source does not include mortgage properties as this data is not available.

<b>Energy Performance Results</b>			
<b>Energy use by source</b>	<b>Units</b>	<b>2025</b>	<b>2024</b>
Electricity	MWh	67	57
Transportation	MWh	139	96
<b>Total</b>		<b>207</b>	<b>153</b>

<b>GHG Emission Results</b>			
<b>Emission by category</b>	<b>Units</b>	<b>2025</b>	<b>2024</b>
Scope 1 - Combustion of fuel for transport	T CO <sub>2</sub> eq	6	7
Scope 2 - Purchased electricity	T CO <sub>2</sub> eq	12	12
Scope 3 - Transport (staff commuting)	T CO <sub>2</sub> eq	30	22
Scope 3 - Energy consumed by staff working from home	T CO <sub>2</sub> eq	116	98
<b>Total Operational Emissions</b>	<b>T CO<sub>2</sub> eq</b>	<b>163</b>	<b>138</b>
Scope 3 - Suppliers	T CO <sub>2</sub> eq	604	588
Scope 3 - Mortgage properties	T CO <sub>2</sub> eq	39,000	36,000
<b>Total</b>	<b>T CO<sub>2</sub> eq</b>	<b>39,768</b>	<b>36,726</b>

<b>Intensity Ratio</b>			
<b>Energy use by source</b>	<b>Units</b>	<b>2025</b>	<b>2024</b>
Emissions per employee (operational emissions)	T CO <sub>2</sub> eq	0.08	0.10
Emissions per employee (scope 1, 2 & 3)	T CO <sub>2</sub> eq	186	204

Vida continues to monitor its Scope 1 and 2 emissions with the intention of reducing its environmental impact, ensuring that our business model uses the benefits of technology to enable effective working and communications without requiring significant travel. Vida has seen an increase in operational emissions over the year, driven by an increase in the number of people employed by the Group, however the intensity ratios per employee have decreased year on year.

Going forward Vida will continue to consider how we can reduce our operational emissions and we have put in place a variety of strategies across the business to encourage colleagues to help us become more sustainable. Where travel is required, colleagues should consider the most environmentally friendly way to reduce their carbon footprint and alongside this we continue to reassess our office space and have taken actions which reduce the waste and energy consumption at our Head Office, with all energy being supplied from a renewable source. During 2025 an energy audit was conducted across all offices to review the energy usage across the estate and to help identify further ways we can reduce our impact on the environment.

Since 2022 Vida has purchased carbon credits to offset our operational emissions and in 2025 138 Verified Carbon Units were purchased through Forest Carbon Limited and registered on The Verra Registry, supporting international projects.

Vida recognises that as a responsible lender we can have a material impact on the energy use from properties subject to our mortgages including through our lending policies, product development and pricing. We will explore different options for monitoring this performance as part of our framework for managing their impact on climate change.

We continue to monitor the consultations concerning the energy efficiency of domestic and non-domestic properties.

This Strategic Report has been drafted and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the Directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

This Strategic report was approved by the Board of Directors and authorised for signature on behalf of the Board by

A handwritten signature in black ink, appearing to read 'A. Mooney', with a horizontal line extending from the 'A' across the 'M' and 'ooney'.

Anthony Mooney

Director

Company registration: 09828204

13 March 2026

## Corporate governance report

### Corporate governance statement

Vida voluntarily complies in relevant areas and proportionately to the size of business with the principles of corporate governance contained in the UK Corporate Governance Code issued by the FRC in 2024 and the Wates Corporate Governance Principles for Large Private Companies.

### Board of Directors and Senior Management of Vida Group Holdings Limited and Vida Bank Limited

The Board of Vida Group Holdings Limited (VGHL) mirrors the Board of Vida Bank Limited (VBL) (together “Vida”).

#### **Stuart Sinclair – Chair and Independent Non-Executive Director**

##### **Appointed: VBL and VGHL in June 2025**

Stuart is Chair of the Board and Chair of the Remuneration and Nominations Committee. He is an experienced leader in financial services with a career spanning economics, consulting, banking, and insurance. Stuart currently chairs International Personal Finance (FTSE-listed) and Willis Ltd and is a member of the advisory board of the Bradford Literature Festival. Stuart has previously held senior roles at RBS, Tesco Bank and GE Capital, as well as serving on the Boards of LV, TSB, Lloyds Banking Group, Schroders Personal Wealth and the Council of Chatham House.

#### **Carol Sergeant CBE – Senior Independent Non-Executive Director**

##### **Appointed: VBL in September 2019; VGHL in November 2024**

Carol is Senior Independent Non-Executive Director and Chair of the Board Risk Committee. She currently serves on the board of HSBC Continental Europe. She has held senior roles at the Bank of England, the UK Financial Services Authority, and Lloyds Banking Group (as Chief Risk Officer) and has served on the boards of several companies, including Danske Bank, TPICAP, BNY Mellon SA/NV, and Secure Trust Bank. Carol has also been a Trustee Director for several universities and charities, including Chair of the UK whistleblowing charity Protect.

#### **Robin Churchouse – Independent Non-Executive Director**

##### **Appointed: VBL in April 2019; VGHL in November 2024**

Robin is an Independent Non-Executive Director and Chair of the Board Audit Committee. He is currently Chair of Vemi Money Limited and an independent Non-Executive Director at the Family Building Society. Robin qualified as a chartered accountant with PwC and subsequently held senior roles as a regulator, strategic consultant, CFO, CRO and COO. Robin was formerly an independent Non-Executive Director at Lookers Plc.

#### **Alexander Filshie – Independent Non-Executive Director**

##### **Appointed: VBL and VGHL in October 2025**

Alexander is an Independent Non-Executive Director. He currently serves as Chairman of Travelex International and is Honorary Vice President of the Cornhill Club. Alexander has previously held senior roles at CLS Bank Group, World First, Earthport plc, Kensington Mortgages and Nucleus Financial Platform, as well as at PwC, Standard Chartered, Barclays International and American Express.

**Dana LaForge - Non-Executive Director**

**Appointed: VBL in September 2020; VGHL in November 2024**

Dana is a partner at Pine Brook Partners, representing the interests of the majority shareholder, Pine Brook. Dana has more than 20 years of private equity investment and financial services management experience. He has served as a partner of several private equity funds focused on financial services including Brera Capital Partners and Colonnade Financial Group. In addition to Vida, Dana is a member of the Board of Directors of Fidelis Insurance Holdings Limited, Amedeo Holding Company Limited, Clear Blue Financial Holdings and the Myeloma Investment Fund.

**Steve Haggerty – Former Chair**

**Appointed: VBL in March 2016; VGHL in November 2024; Resigned September 2025**

Steve served as an independent Non-Executive Chair of the Board of Directors of VBL and VGHL until June 2025 when he stepped down as Chair, having completed nine years of service at VBL. Steve continued as a Non-Executive Director until September 2025.

**Dr Peter Williams – Independent Non-Executive Director**

**Appointed: VBL in March 2016; VGHL in November 2024; Resigned April 2025**

Having served as an Independent Non-Executive Director for nine years, Peter resigned from the Board on 30 April 2025.

**Anth Mooney - Chief Executive Officer**

Anth joined Vida as Chief Executive Officer in January 2020. Anth has previously held a number of senior roles including as Director of Financial Services at Virgin Money, Retail Banking Director at Northern Rock, Managing Director of Thomas Cook Money, and CEO of Caversham Finance.

**John Rowan – Chief Financial Officer**

John joined Vida as Chief Financial Officer in October 2020. He qualified as a chartered accountant with KPMG and is a fellow of the Association of Corporate Treasurers. John has extensive knowledge in financial services garnered over 30 years and has held senior positions with Virgin Money and Provident Financial Group.

The Senior Executive Team comprise of the Executive Directors shown above and three further leaders across other business functions:

**Fraser McNeill - Chief Risk Officer**

Fraser joined Vida as Chief Risk Officer in April 2022. He is a senior risk management specialist with more than 20 years of experience working in senior risk management positions within the financial services sector. He has held senior management positions in risk, assurance and finance for several banks, insurers and building societies including the Yorkshire/Clydesdale Bank, MetLife, the Skipton Group and the Co-Operative Bank.

**Tommy Wight – Chief Operating Officer**

Tommy is a strategic change expert and technology leader with 20 years' experience in financial services. Tommy joined Vida in 2017 from Shawbrook Bank, where he was Director of Change. Prior to this he held senior programme delivery roles at Deutsche Bank, NBNK Investments and RBS.

**Amanda Robinson – Chief Legal and Culture Officer and Company Secretary**

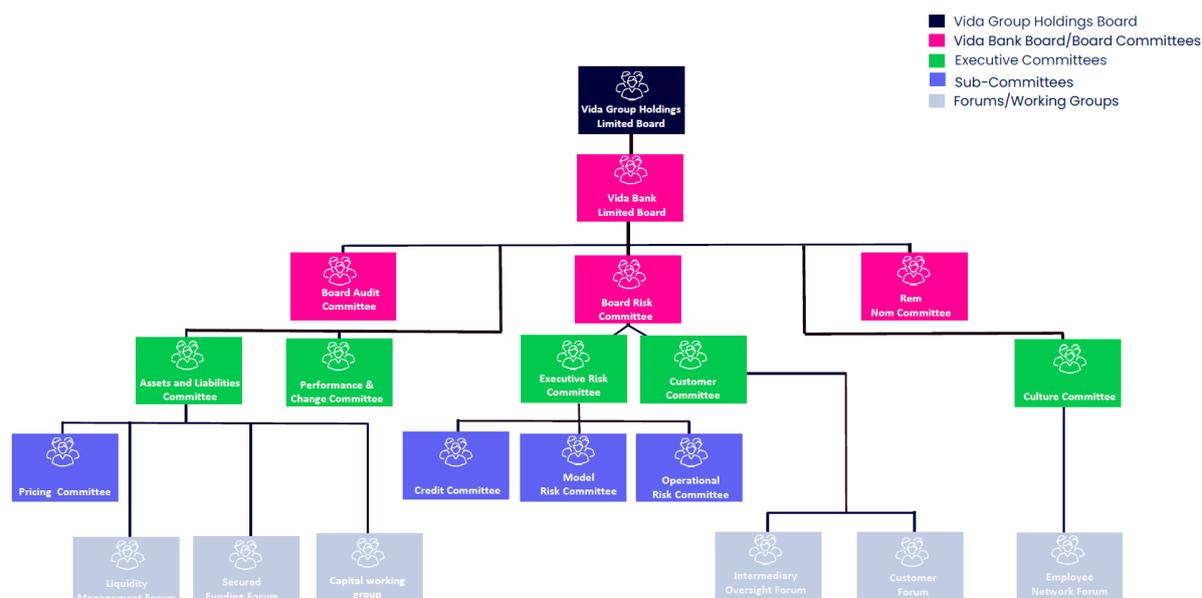
Amanda has over 25 years of legal experience gained in private practice and in-house, specialising in consumer finance, wealth management and asset finance. She joined Vida in April 2020 from the

Coventry Building Society where she was Head of Legal. Prior to that she worked as Senior Legal Counsel at Citigroup and as a Senior Associate at Norton Rose (now Norton Rose Fulbright).

## Governance framework

### Board and committee structure

The Board has established a framework of Board and Executive Committees to enable efficient and effective management and control of the business as shown below:



VGHL undertakes the issuance of shares and subscription of shares in VBL and is responsible for the consolidated prudential risk management of the organisation, including the ICAAP and ILAAP.

The majority of strategic discussions and decision-making take place at the Board of VBL, which is the governing body at Vida; it establishes the purpose, culture, values and strategic goals for the business and is the principal decision-making body.

Oversight of Vida’s day to day operations is supported by a number of Executive Committees and sub-committees. These include Executive Risk Committee (supported by Operational Risk, Credit Risk and Model Risk sub-committees); Performance and Change and Pricing Committees; Assets and Liabilities Committee; Customer Committee; and Culture Committee, each of which are Chaired by a Senior Executive team member, has its own written terms of reference and reporting/escalation route to a Board Committee. In addition, the Senior Executive Team meet weekly to support the CEO in delivery of the strategy and day to day management of Vida.

The Board ensures that the business has sufficient resources to meet its objectives and to comply with all legal, regulatory and contractual requirements. The Board is committed to rigorous standards of governance and recognises that a robust governance framework with effective controls and clear accountability is critical to enable risk to be assessed and managed, safeguarding the prudent and sustainable operation of the business. The Board meets 7 times a year, or more frequently if required.

## Elements of the governance framework

### **Matters Reserved for the Board**

The schedule of matters reserved for the Board is reviewed annually and this document details key matters to be decided by the Board as a whole.

### **Board Composition and Responsibilities**

Vida's Boards consist of individuals with a broad range of financial services knowledge and experience in both mortgage lending and banking. The Boards each consist of seven members. Excluding the Chair, at least half of the Board is independent, aligning with best practice corporate governance principles. Recruitment in the year for the Chair and INED roles, which resulted in the appointment of Stuart Sinclair and Alexander Filshie, was undertaken using an external search consultancy firm for both appointments.

A clear division of responsibilities exists between the roles of the independent Chair of the Board (Chair) and the Chief Executive Officer (CEO). It is the responsibility of the Chair to lead and manage the work of the Board. Responsibility for the Executive leadership and day-to-day management of Vida's business is delegated to the CEO. The CEO is supported in his role by the Senior Executive Team.

### **Board and Committee Effectiveness**

We recognise Board and Committee Effectiveness Reviews are a valuable tool to ensure high performance standards and these form part of the annual governance cycle, led by the Chief Legal and Culture Officer in her capacity as Company Secretary. The Effectiveness Reviews examine a range of issues including an evaluation of the understanding and development of strategy, Board and Committee composition, access to information, levels of openness, challenge and understanding of specific areas which fall within the responsibility of each Committee. The most recent Effectiveness Reviews conducted in September 2025 concluded that the Board and each of the Board Committees and Executive Committees were functioning efficiently with no material concerns raised. A small number of actions aimed at continuing to strengthen and streamline the focus of reporting will be implemented.

### **Whistleblowing**

Vida has a robust Whistleblowing Policy in place which clearly sets out how individuals can raise concerns in a confidential manner. The Chair of the Board Risk Committee, and Senior Independent Non-Executive Director, Carol Sergeant, is Vida's Whistleblowing Champion. The Board receives an annual report from the Director of Compliance reviewing whistleblowing communications and awareness during the period and details of any events logged through formal or informal channels. During 2025, there were no cases of whistleblowing raised.

### **Conflicts of Interest**

In accordance with Vida's Conflict of Interest Policy, Directors have a responsibility to inform the Chair and Company Secretary of any actual or potential conflict of interest and of any change in their situation. The HR Function maintains a Conflicts of Interest Log, documenting disclosed conflicts and outlining any necessary actions. The Board Risk Committee receives an annual report from the Director of Compliance confirming adherence to the Conflicts of Interest Policy, known conflicts and any breaches of policy.

## Company Secretary

All Directors have direct access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are complied with, advising the Board on governance matters, supporting the Chair, and helping the Board and its committees to function efficiently. Both the appointment and removal of the Company Secretary are matters reserved for the Board. Amanda Robinson, Chief Legal and Culture Officer, has been the VBL Board appointed Company Secretary since joining the business in April 2020 and was appointed Company Secretary to the VGHL Board in November 2024.

## Matters considered by the Board

During 2025, the key topics considered and debated by the Board included:

- |                                     |  |
|-------------------------------------|--|
| <b>Strategy, Culture and Values</b> | <ul style="list-style-type: none"><li>• Two Strategy Days, setting our Strategy and updating on progress executing the Strategy.</li><li>• Receiving updates on implementation of our Culture and Sustainability Strategy.</li><li>• Considering results of annual independent colleague engagement survey.</li><li>• Oversight of compliance with Consumer Duty requirements.</li></ul> |
| <b>Business Performance</b>         | <ul style="list-style-type: none"><li>• Approval of solo and consideration of consolidated annual report and accounts.</li><li>• Monitoring performance against FY2025 budget and forecasts.</li></ul>   |
| <b>Risk and Compliance</b>          | <ul style="list-style-type: none"><li>• Approving Enterprise Risk Management Framework.</li><li>• Monitoring risk and approving risk appetite.</li><li>• Approval of ICAAP, ILAAP, Recovery Plan and Solvent Exit Arrangements.</li></ul>  |
| <b>Corporate Governance</b>         | <ul style="list-style-type: none"><li>• Receipt of annual MLRO, DPO and Whistleblowing reports.</li><li>• Senior Leadership Team Succession Planning.</li><li>• Debate of the results of an internal Board Effectiveness Review.</li><li>• Approval of appointment of Stuart Sinclair as Board Chair and Alexander Filshie as an Independent Non-Executive Director.</li></ul>           |

## Board and stakeholders (Section 172)

In accordance with their obligations under section 172 of the Companies Act 2006, Vida and its Directors work in the way most likely to promote the long-term success of the Company for the benefit of its members as a whole. This section sets out how Vida and its Directors have complied with the requirements of section 172 during the year.

<b>Stakeholder Group</b>	<b>How Vida adheres to s172</b>
<b>Customers</b>	

We have a customer-centric culture and achieving good customer outcomes is at the heart of our business decisions. We provide affordable borrowing solutions for complex needs and prioritise service quality and support for vulnerable customers. Our Board Consumer Duty Champion meets regularly with stakeholders across the business to understand first-hand how we have embedded the Consumer Duty requirements and the

	<p>Board monitors customer metrics including satisfaction, retention, complaints through regular updates.</p>
<b>Colleagues</b>	<p>We believe in creating an inclusive and collaborative environment where all colleagues feel empowered, treated fairly and supported to develop. During 2025, we have enhanced engagement tools with a new intranet and social collaboration channels, we have introduced structured L&amp;D programmes and 99% of colleagues now have a personal development plan in place. Our annual independent colleague survey and our performance review data shows that colleague engagement, wellbeing and productivity is high.</p>
<b>Shareholders and Debt Investors</b>	<p>Vida's majority shareholder, Pine Brook, is represented on Vida's Board and all Board Committees, receiving regular updates on performance and strategy. All other Non-Executive Directors, including the Chair, are independent ensuring balanced decision making.</p> <p>Vida has an established debt investor base across the UK and Europe with whom we maintain a transparent dialogue through a combination of transaction related and non-deal marketing.</p>
<b>Regulators</b>	<p>Vida maintains proactive, transparent relationships with the FCA and PRA through regular meetings and updates. The Board receives ongoing reports on regulatory developments and compliance from the Chief Risk Officer, Director of Prudential Risk and Director of Compliance.</p>
<b>Business Partners and Suppliers</b>	<p>Vida aims to provide a seamless journey for brokers and has established the Vida Premier Hub to strengthen engagement and relationships with our key intermediary partners.</p> <p>We have key relationships with CLS for mortgage servicing and NSSL for retail deposit taking and servicing. We recognise the importance of these relationships to the success of our service delivery and have regular formal and informal meetings, with the Board retaining oversight of key delivery metrics.</p>
<b>Communities</b>	<p>'Giving Something Back' to our communities is an important component of Vida's culture. All colleagues are allocated the equivalent of one day per year for volunteering during working hours and in 2025, a record number of colleagues made use of their volunteering hours with over 600 volunteering hours recorded.</p> <p>Our partnership with Crisis was established in 2021 and has been renewed for a further three years to 2027; to date we have donated in excess of £224k.</p>

## Board committees

The Board delegates certain responsibilities to the Board Committees. All Board Committees discharged their roles and responsibilities as set out in each Board Committee Report. Summary information regarding each of the Board Committees is set out below.

Committee	Audit	Risk	Remuneration and Nominations
Chair	Robin Churchouse	Carol Sergeant	Stuart Sinclair
Members	Carol Sergeant Alexander Filshie Dana LaForge	Stuart Sinclair Robin Churchouse Dana LaForge	Carol Sergeant Alexander Filshie Dana LaForge
Minimum number of meetings	4	4	3
Number of meetings held in 2025	5	5	4
Role and responsibilities	Assist the Board to fulfil its oversight responsibilities relating to accounting, financial reporting and internal control.	Assist the Board in fulfilling its oversight responsibilities for risk management across the organisation.	Assist the Board in fulfilling its oversight and governance responsibilities in relation to corporate governance and particularly remuneration and nominations related activity.

Written terms of reference for all three Board Committees are updated annually.

Throughout the year a broad range of management and other individuals attended the Board Committees where relevant, including the CEO, CFO, CRO, the Chief Legal and Culture Officer & Company Secretary, Head of Internal Audit (Audit Committee) and External Auditors (Audit Committee). Attendance by members of Board Committees was excellent in the year, at 98% attendance.

The Chair of each Board Committee reports on matters dealt with at the Committee meeting at the subsequent Board meeting.

A number of our Board members and Senior Management team are responsible for performing Senior Management Functions under the SMCR (Senior Managers and Certification Regime). These roles have a statement of responsibility which sets out their responsibilities and accountabilities.

## Audit Committee report

### Role and Responsibilities

The Board Audit Committee's core purpose is to oversee and to report to the Board on Vida's financial reporting, internal audit, and systems of internal control. Its specific responsibilities included:

- Reviewing and challenging the Group's accounting and financial reporting processes.

- Providing independent oversight of Vida's financial statements and the Group's financial position before recommending approval to the Board. This includes ensuring that they present a fair, balanced, and understandable view of our performance and position. This includes:
  - Reviewing and challenging management's material accounting judgements, estimates and issues, and application of key accounting policies; and
  - Reviewing and challenging the Group's going concern and viability statements.
- Monitoring the scope, adequacy, and effectiveness of the Group's internal control systems, including reviewing all internal audit reports and ensuring resolution of identified issues.
- Ensuring the effectiveness and independence of the Group's internal audit function, including the adequacy of the resources available to the function, and approving the Internal Audit charter and Internal Audit plan annually.
- Overseeing the role, effectiveness, and independence of the Group's external audit arrangements and relationship with external auditors.

### Activities

During 2025, the Audit Committee's activities discharged its roles and responsibilities which specifically included the following:

- **Financial Reporting and key accounting judgements:** Reviewing and challenging economic assumptions, scenarios and model overlays and approving Expected Credit Loss judgements; reviewing, challenging and approving the impact of changes to forward interest rates used within models, to prepayment curves used to predict borrower behaviours and external conditions; approving the recoverability of deferred tax assets; and approving going concern and viability statements following scenario testing, auditor challenge and full discussion.
- **Internal Control Systems:** reviewing internal and external assurance to assess the effectiveness of internal controls, particularly over financial reporting. Internal Audit's overarching governance and control assessment informed this review. Controls were deemed adequate and ongoing improvements are tracked through Internal Audit and the ERMF.
- **Internal Audit:** Internal Audit was delivered through a co-sourced model with PwC under Vida's Internal Audit Function's oversight. The co-sourced model provides both embedded internal expertise and access to specialist audit skills. The Committee focused on Internal Audit's adequacy, approach and resourcing. The Committee reviewed the refined Internal Audit methodology, audit universe and strategy including future plans and received updates on all issues raised and remediation actions agreed.
- **External Audit:** The Committee assessed Deloitte's effectiveness, independence and objectivity through ongoing monitoring, feedback and formal reviews. Considering Deloitte's independence statements, stakeholder feedback and Committee interactions, it concluded Deloitte remained independent, robust and challenging. During the year Deloitte received non-audit fees of £218k (2024: nil).

## Risk Committee report

### Role and Responsibilities

The Risk Committee's core purpose is to assist the Board in effective management and oversight of risk across Vida.

The Board Risk Committee's key responsibilities during 2025 included:

- Review and recommendation to the Board of risk appetite and limits.
- Oversight of the risk management strategy including the review and approval of the ERMF.
- Review and challenge of the adequacy of Vida's internal systems, controls, and capability to manage risks.
- Review and challenge of the risk culture within Vida.
- Review and approval of material risk policies and frameworks.
- Review and approval of the Second Line Risk and Compliance Plan and oversight of the effectiveness of the plan's implementation.
- Oversight, review and challenge of Vida's regulatory, compliance and fraud risks, including updates on the delivery of the Operational Resilience requirements.

### Activities

During 2025, the Risk Committee's activities discharged its roles and responsibilities which specifically included the following:

- **Risk Monitoring and Oversight:** During 2025, the Committee considered a wide range of risks facing Vida, both existing and emerging, across all principal risks. The Committee received regular reports from the CRO summarising the risk profile of the organisation and highlighting any key areas for consideration, including any key risk events and associated lessons learned. This was supported by a detailed Risk Report comprising a summary of Vida Bank's exposures against risk appetite, a Key Risk Indicators report and summary risk reports relating to all of Vida's principal risks. Risk appetite and tolerances were also regularly reviewed to ensure they remained appropriate and relevant to the business strategy, economic and social environment and regulatory requirements.
- **Risk Management and Controls:** Throughout the year, the Committee monitored the effectiveness of Vida's risk management and internal control systems and reviewed and confirmed their effectiveness through the ERMF, which sits across the business with a particular focus on quality assurance and control.
- **Key and Emerging Risks:** Vida's key and emerging risks (within each principal risk category) were considered at each meeting by the Committee.

Please refer to the Risk Management section of this report for a discussion of the principal risks to which Vida is exposed and an explanation of how risk is managed across the organisation.

## Remuneration and Nominations Committee report

### Role and Responsibilities

The Remuneration and Nomination Committee's core purpose is to assist the Board in fulfilling its oversight and governance responsibilities in relation to corporate governance and particularly remuneration and nominations related activity including:

- Review and recommendation to the Board of Vida's Remuneration Policy, reward structures (pay and bonus) and benefits.
- Set criteria by which performance of the Senior Leadership Team is assessed.
- Aligning rewards to performance and promoting effective risk management.

- Oversight of gender pay practices.
- Identify and recommend to Board candidates to fill Board and Senior Executive Team level positions.
- Oversight of succession planning arrangements.
- Oversight of Senior Managers and Certification Regime compliance.

#### Activities

During 2025, the Remuneration and Nominations Committee's activities discharged its roles and responsibilities which specifically included the following:

- Review and approval of 2025 bonus scheme principles and 2025 salary review and bonus payments, including consideration by the Chief Risk Officer of the application of malus and clawback provisions.
- Review and approval of Vida's Remuneration Policy and associated Operating Guidelines.
- Review and approval of Non-Executive Director fees.
- Succession planning for the Board, Executives and Senior Management.
- Update on Vida's approach to equality, diversity and inclusion including a detailed analysis of Vida's gender pay figures.
- Analysis of a suite of key human resources metrics for 2025.
- Oversight of the appointment of two new Non-Executive Directors.

## Directors' report

The Directors of Vida present their annual report, together with the audited financial statements and Auditor's Report, for the year ended 31 December 2025. Vida has been established to lend in and service the UK mortgage market via the intermediary channel under the brand name of Vida Homeloans. Vida is authorised to provide mortgage finance and administer mortgages, as well as accept deposits under the brand of Vida Savings. The Directors do not expect any significant change to the activities of Vida in the short term.

### Information presented in other sections

Information relating to a review of the business, future developments, results, people, corporate governance and principal risks and uncertainties is described in the Strategic Report.

### Corporate governance

The Company is not required to comply with the UK Corporate Governance Code or Wates Principles for Large Private companies. The Board continues to adopt the principles of these corporate governance codes to a proportionate degree.

### Directors

The Company's Articles of Association set out the rules for the appointment and replacement of Directors. The Directors who served during the year and up to the date of this report were:

Name	Role	Appointment Date
Stephen Haggerty	Chair of the Board and Independent Non-Executive Director	March 2016 (resigned as Chair in June 2025 and as an iNED in September 2025)
Stuart Sinclair	Chair of the Board (Independent Non-Executive Director)	June 2025
Anthony Mooney	Chief Executive Officer	June 2020
John Rowan	Chief Financial Officer	December 2020
Carol Sergeant	Senior Independent Non-Executive Director	September 2019
Dr Peter Williams	Independent Non-Executive Director	March 2016 (resigned April 2025)
Robin Churchouse	Independent Non-Executive Director	April 2019
Alexander Filshie	Independent Non-Executive Director	October 2025
Dana LaForge	Non-Executive Director	September 2020

### Directors' indemnities

Qualifying third party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during FY2025, through Vida's Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

### Results

The statements of comprehensive income and the statements of financial position can be found on pages 52 and 53 respectively.

The Directors do not propose to pay a dividend (2025: £nil).

### Going concern

The financial statements have been prepared on a going concern basis. In evaluating the appropriateness of this basis, the directors are satisfied that the Bank has the resources to continue in business for the foreseeable future, covering a period of at least 12 months from the date of approval of the financial statements.

In making this assessment, the directors have considered a range of information relating to present and future, internal and external conditions, including the current financial position, capital resources and expected future cash flows. The Bank's most recent financial business plan forecasts that the Bank will continue to be profitable and generate sufficient profit to not be reliant upon any further capital injections. Scenario testing applied to the business plan forecasts confirm the Bank's financial viability in a stress situation.

Based upon its assessment of these forecasts the Board is satisfied that the Bank can continue to operate for the foreseeable future and that the going concern basis is appropriate.

### Subsequent events

No significant adjusting events after the reporting date have been identified. Please refer to note 29 for reportable non-adjusting events.

### Financial instruments

Vida uses financial instruments to manage certain types of risk, including funding, liquidity and interest rate risk. Further information about derivative financial instruments can be found in Note 10 to the financial statements.

### Employment policy

Vida's employment policies are based on a commitment to provide equal opportunity, from the selection and recruitment process through to training, development, appraisal and promotion. You can find more information about how the Directors engage with our people in the Strategic Report.

### Energy and carbon emissions

Climate-Related Financial Disclosures and environmental information is available in the Strategic Report.

### Engagement with suppliers, customers and others

Vida's approach to fostering relationships with suppliers, customers and others is available in the Strategic Report.

### Political donations

Vida does not make contributions to political parties, organisations or individuals engaged in politics, to support a political party, election candidate, political cause or as a way of influencing or gaining business advantage.

### Regulation

Vida complies with all the requirements of its regulatory authorities, given its status of being authorised and regulated by the PRA and FCA.

Qualifying deposits held by Vida are covered by the Financial Services Compensation Scheme (FSCS) up to £120,000, with approximately 99.8% of Vida Bank's deposits protected under this scheme.

Any complaints made by customers may be referred to the Financial Ombudsman Service. Vida is a member of UK Finance.

### Auditor

The Directors who held office at the date of approval of this Directors' report confirm that:

- As far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The re-appointment of Deloitte LLP as auditor of the Company is a matter reserved to the Board, on the recommendation of the Board Audit Committee.

## Directors' Responsibilities Statement

The Directors of Vida are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board



Anthony Mooney

Director

13 March 2026

Company registration: 09828204

# Independent Auditor's Report To The Members Of Vida Bank Limited

## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- the financial statements of Vida Bank Limited give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"><li>• Expected credit losses on loans to customers; and</li><li>• Revenue recognition – effective interest rate (“EIR”) accounting.</li></ul>
<b>Materiality</b>	The materiality that we used for the financial statements was £1.68m which was determined on the basis of 1% of shareholder's equity.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team with involvement of specialists where appropriate.

### 4. Conclusions relating to going concern

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

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

- obtaining management's forecasts and scenario analyses and assessing the multiple funding levels required in each scenario;
- challenging key assumptions used in the forecasts based on historic trends and future outlook, including the impact of the current macro-economic uncertainty;
- testing the clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by management;
- assessing the company's ability to obtain further funding through retail deposits and group undertakings, during the going concern period;
- involving prudential regulation specialists to assess capital and liquidity requirements linked to the business model by evaluating management's regulatory documentation, stress testing and key regulatory ratios; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1. Expected credit losses on loans to customers

Key audit matter description	
Under IFRS 9 Financial instruments, a provision is required for the expected credit losses ("ECL") on loans measured at amortised cost. Estimating these expected losses requires judgement and estimation on assumptions relating to customer default rates, likelihood of repossession, future property values, forced sale discounts and indicators of significant increases in credit risk. These assumptions are informed using historical behaviour and experience through different economic cycles as well as credit bureau data. In the current economic environment there is an increasing level of model risk which is exacerbated for the company given its reliance on proxy data due to the business still being in its early stages.	

The company applies four macroeconomic scenarios when determining the ECL calculation: a base case, an upside, a downside and a severe scenario. The selection and probability weighting of relevant macro-economic scenarios is judgemental and has a significant impact on the ECL calculation.

ECL provisions as at 31 December 2025 were £7.1m (2024: £4.9m) against total loans to customers of £2,302.2m (2024: £1,857.2m). In the current year, additional post model adjustments ("PMAs") of £1.0m (2024: £0.4m) have been made to the ECL, to reflect additional exposures not captured by the core ECL model.

During the year, the model was enhanced so that the majority of previously-applied loss given default ("LGD") PMAs were incorporated into the core model. Consequently, our key audit matter in relation to PMAs has been refined to specifically address the implementation of LGD PMAs into the ECL model..

Our key audit matters in relation to ECL have been identified as:

- the selection and probability weighting of relevant macro-economic scenarios and assumptions. There exists a risk of management bias in selecting the weightings and assumptions applied in the ECL model and a potential lack of consistency in approach when determining the weightings period on period; and
- the appropriateness and accuracy of the implementation of certain LGD PMAs into the core model.

Management's associated accounting policies are detailed in Note 2 with detail about the judgements in applying accounting policies and critical accounting estimates, in Note 3.

How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls that the company has in place to manage the risk of inappropriate assumptions being used within the ECL model.</p> <p>In conjunction with our credit risk specialists, we assessed the compliance of the modelling approach and methodology with the requirements of IFRS 9, including updates to the model that were made during the year, and we assessed whether the documented modelled approach was compliant with IFRS 9 and implemented in practice.</p>
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We challenged management's consideration of the future economic environment in conjunction with our economic specialists, by comparing modelled assumptions to publicly available data from peer organisations, regulators and economic commentators.

In conjunction with our credit risk specialists, we reviewed and challenged management's implementation of certain LGD PMAs into the core ECL model, to assess whether they had been implemented appropriately and whether the impact on the ECL modelled aligned with our expectations.

We reconciled the loan book to the general ledger and tested a sample of loans to assess whether the data used in the provision calculation was complete and accurate.

We also tested the accuracy and completeness of forecast data collated from third party sources.

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### Key observations

We concluded that management's view with regards to ECL and in particular the assumptions regarding macro-economic scenarios and the implementation of certain LGD PMAs into the core model is appropriate, with the overall ECL level being acceptable.

Overall, we found the ECL model to be working as intended and consider ECL to be recorded in line with the requirements of IFRS 9.

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## 5.2. Revenue recognition – effective interest rate ("EIR") accounting

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### Key audit matter description

Recognition of interest income and directly attributable fees and costs on loans under IFRS 9 requires the use of an EIR method over the behavioural life of the financial products.

The judgements taken in estimating the cash flows which drive the behavioural lives used in the calculation of the EIR can be sensitive to changes in the market and could significantly impact the income recognised in any financial period.

We have identified revenue recognised using the EIR method to be a key audit matter, in particular the derivation of the prepayment curves which determine the behavioural life of the loans and timing of the expected future cash flows.

Given the material impact of the significant judgements in calculating the EIR adjustment, we consider that there is an inherent risk of potential fraud through manipulation of this balance.

The EIR methodology is consistent with prior year, calculating the EIR adjustment on a cohort level as opposed to a loan by loan basis for both interest and directly attributable fees and costs. The company recognised an EIR asset of £0.6m (2024: £14.0m).

Management's associated accounting policies are detailed in Note 2 with detail about the judgements in applying accounting policies and critical accounting estimates, in Note 3.

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### How the scope of our audit responded to the key audit matter

We obtained an understanding of relevant controls that the company has established in relation to the recognition of revenue on an EIR basis.

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We challenged the appropriateness of the behavioural lives adopted by management with reference to historical customer redemptions, having tested the accuracy and completeness of the underlying data.

Additionally, we challenged any amendments made to the behavioural lives by management during the course of the year, based on the impact of product changes and recent customer redemption activity in light of the current interest rate and economic environment.

In conjunction with our analytics and modelling specialists, we assessed the underlying code used to calculate the EIR adjustment and independently re-calculated the EIR model outputs.

We assessed the treatment of fees and charges arising on loans and advances to customers and the appropriateness of their inclusion or exclusion in the company's EIR model.

### Key observations

We concluded that the behavioural lives used within the company's revenue recognition process were reasonable and the EIR model was working as intended.

Overall, we determined the accounting for interest income and the EIR asset to be appropriate and in line with the requirements of IFRS 9.

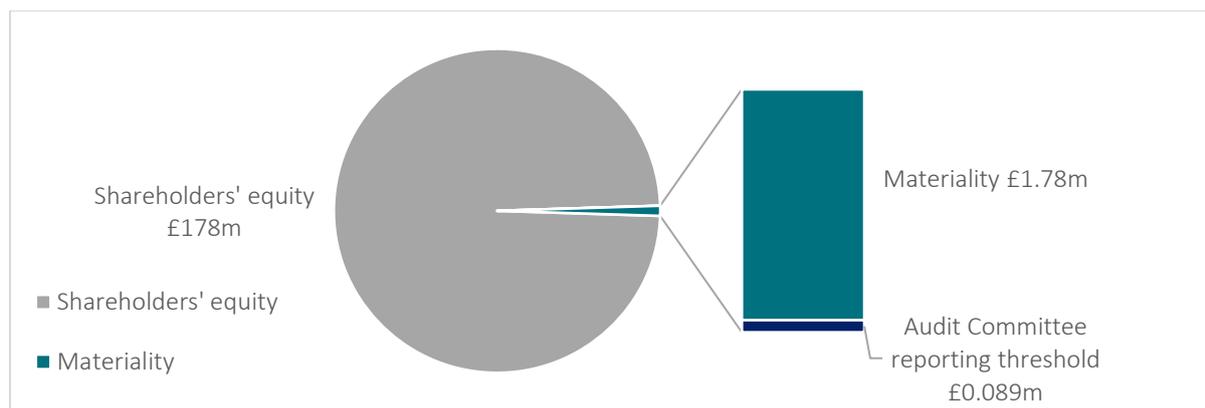
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

<b>Materiality</b>	£1.78m
<b>Basis for determining materiality</b>	1% of shareholder's equity
<b>Rationale for the benchmark applied</b>	Shareholder's equity is considered to be an appropriate basis for materiality given the overall capital base is a key focus area for the company's shareholders and for regulatory purposes. The company's strategy places high emphasis on the importance of a strong capital base, and shareholder's equity is considered to be a stable metric.



## 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit. In determining performance materiality, we considered the following factors: the quality of the control environment, our understanding of the business, and the nature, volume and size of corrected and uncorrected misstatements identified in the previous audit.

## 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £89k, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Our consideration of the control environment

We have identified the lending and deposits business cycles as the most relevant to the audit. In conjunction with our IT specialists, we performed walkthroughs with management to gain an understanding of the underlying IT systems and controls. The extent of our controls work varied across the company depending on the maturity of these systems and controls. During this process, we tested controls relating to the lending cycle and the deposits cycle, and therefore we have taken a controls reliance approach over both cycles.

We have shared observations from our procedures with management and the Audit Committee. The assessment of the company's internal control environment is set out on page 35.

### 7.2. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the company's business and its financial statements. The company continues to develop its assessment of the potential impacts of environmental, social and governance ("ESG") related risks, including climate change, as outlined on pages 23 to 27.

As a part of our audit, we have obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the company's financial statements.

We performed our own risk assessment of the potential impact of climate change on the company's account balances and classes of transactions and did not identify any additional risks of material misstatement.

## Independent Auditor's report to the members of Vida Bank Limited

In conjunction with our ESG specialists, we evaluated the sustainability disclosures included in the strategic report and considered whether the information is materially consistent with the financial statements and the knowledge obtained during the audit.

## 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

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

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

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, including the company's internal fraud risk assessment for the current financial period;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, economics, credit risk, analytics and modelling, financial instruments, IT, ESG and prudential regulation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, specifically in relation to effective interest rate adjustments, and expected credit losses on loans to customers. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation, and pension legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's regulatory requirements set by the Financial Conduct Authority and Prudential Regulation Authority.

### 11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition specifically in relation to effective interest rate adjustments and expected credit losses on loans to customers as key audit matters related

## Independent Auditor's report to the members of Vida Bank Limited

to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Financial Conduct Authority, the Prudential Regulation Authority and HMRC as appropriate; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment, obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. Matters on which we are required to report by exception

#### 13.1. Adequacy of explanations received and accounting records

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

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

We have nothing to report in respect of these matters.

### 13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

## 14. Other matters we are required to address

### 14.1. Auditor tenure

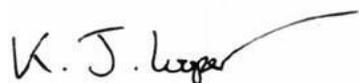
Following the recommendation of the Audit Committee, we were appointed by the directors during 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is ten years, covering the years ending 31 December 2016 to 31 December 2025.

### 14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

## 15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kieren Cooper (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

13 March 2026

## Statement of Comprehensive Income

	Notes	2025 £'000	2024 £'000
Interest income and similar income	4	171,518	121,718
Interest expense and similar charges	5	(124,229)	(87,898)
<b>Net interest income</b>		<b>47,289</b>	<b>33,820</b>
Other operating income	6	7,035	1,158
Net fair value gain on financial instruments	7	3,331	6,045
<b>Net operating income</b>		<b>57,655</b>	<b>41,023</b>
Administrative expenses	8	(42,450)	(34,231)
<b>Operating profit before impairment</b>		<b>15,205</b>	<b>6,792</b>
Impairment losses	14	(2,736)	(128)
<b>Profit before taxation</b>		<b>12,469</b>	<b>6,664</b>
Tax credit/ (charge)	9	628	(230)
<b>Profit after taxation</b>		<b>13,097</b>	<b>6,434</b>
<b>Other comprehensive income</b>			
Cash flow hedge reserve (losses)/gains		(21)	-
Tax on items in other comprehensive income		(98)	-
Fair value through OCI reserve		(279)	-
<b>Total other comprehensive profit</b>		<b>12,699</b>	<b>6,434</b>

## Statement of Financial Position

	Notes	2025 £'000	2024 £'000
<b>Assets</b>			
Cash and cash equivalents	12	254,874	143,485
Debt securities	15	819,770	34,135
Loans to customers	13	2,301,831	1,866,006
Derivative financial assets	10	10,198	2,123
Other receivables	16	71,715	16,412
Deferred taxation asset	18	15,299	13,565
Property, plant and equipment	19	1,343	1,551
Intangible assets	20	1,316	2,190
<b>Total assets</b>		<b>3,476,346</b>	<b>2,079,467</b>
<b>Liabilities</b>			
Retail deposits	17	2,425,702	173,113
Amounts owed to credit institutions		40,345	74,254
Deemed loan due to Group undertakings	21	767,720	1,659,540
Derivative financial liabilities	10	19,403	184
Other liabilities	22	44,269	7,067
Corporation tax		1,128	229
<b>Total liabilities</b>		<b>3,298,567</b>	<b>1,914,387</b>
<b>Shareholders' equity</b>			
Share capital	23	36,156	241,039
Other reserves		(398)	-
Retained profit/(losses)		142,021	(75,959)
<b>Total shareholders' equity</b>		<b>177,779</b>	<b>165,080</b>
<b>Total liabilities and equity</b>		<b>3,476,346</b>	<b>2,079,467</b>

The notes on pages 56 to 94 form part of these financial statements.

The financial statements were approved by the Board of Directors on 13 March 2026 and signed on behalf of the Board.



Anthony Mooney

Company registration: 09837692

## Statement of Changes in Equity

	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total £'000
<b>Balance at 1 January 2025</b>	<b>241,039</b>	<b>(75,959)</b>	-	<b>165,080</b>
Profit for the year	-	13,097	-	13,097
Deferred tax on Gilts	-	-	(98)	(98)
Fair value through OCI reserve			(279)	(279)
Amounts deferred to cash flow hedge reserve, net of tax	-	-	(21)	(21)
<b>Total comprehensive income</b>	<b>-</b>	<b>(62,862)</b>	<b>(398)</b>	<b>177,779</b>
Share capital reallocation	(204,883)	204,883	-	-
<b>Balance at 31 December 2025</b>	<b>36,156</b>	<b>142,021</b>	<b>(398)</b>	<b>177,779</b>
	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total £'000
<b>Balance at 1 January 2024</b>	<b>204,463</b>	<b>(82,393)</b>		<b>122,070</b>
Profit for the year	-	6,434	-	6,434
<b>Total comprehensive income</b>	<b>-</b>	<b>(75,959)</b>		<b>128,504</b>
Share issuance	36,576	-	-	36,576
<b>Balance at 31 December 2024</b>	<b>241,039</b>	<b>(75,959)</b>	-	<b>165,080</b>

## Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
<b>Net cash flows from operating activities</b>	26	<b>1,766,849</b>	<b>70,662</b>
Purchase of property, plant and equipment	19	(92)	(57)
Expenditure on software development	20	(12)	(351)
<b>Net cash utilised in investing activities</b>		<b>(104)</b>	<b>(408)</b>
Movement of deemed loans due to Group undertakings		(904,243)	115,457
Repayment of loans		-	(25,000)
Issuance of Tier 2 Subordinated liabilities		35,000	-
Repayment of lease liabilities		(479)	(225)
Movement in debt securities		(785,634)	(34,135)
Other movements		-	(27)
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(1,655,356)</b>	<b>56,070</b>
Net increase in cash and cash equivalents		111,389	126,324
Cash and cash equivalents at 1 January		143,485	17,161
<b>Cash and cash equivalents at end of period</b>		<b>254,874</b>	<b>143,485</b>

## Notes to the Financial Statements

### 1. General information

Vida Bank Limited (the “Company”), formerly Belmont Green Finance Limited, is a private limited company incorporated and registered in the United Kingdom. It is registered in England and Wales under the Companies Act 2006 with company number 09837692 and is limited by its shares. The Company’s registered address is 1 Battle Bridge Lane, London, United Kingdom, SE1 2HP.

The principal activities of the Company and the nature of the Company’s operations are set out in the Strategic report on pages 3 to 10. The UK banking industry is regulated by the PRA under the Banking Act 2009 (the “Regulations”). The Regulations require all entities carrying out banking business (as defined by the Regulations in the UK to hold a licence. The Company holds a licence under the Regulations.

The financial statements are presented in pounds sterling (£), the functional and presentational currency for the Company, and are rounded to the nearest thousand (£’000) unless otherwise stated.

### 2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements of the Company are set out below.

#### (a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial statements have been prepared under the historic cost basis except for certain financial instruments which are detailed in note (k) below.

#### (b) Going concern

The financial statements have been prepared on a going concern basis, with the directors, at the time of approving the financial statements, having made an assessment that this is appropriate. This assessment was based upon a thorough review of a wide range of information relating to present and future, and prevailing internal and external conditions, including scenario stress testing of the corporate plan. The range of stresses include a drop in spread achieved on new business as well as the impact of lower volume of new business. In all stress scenarios, the Company continues to have sufficient capital and liquidity resources to continue in business for the foreseeable future and maintaining a surplus to our minimum regulatory requirements.

#### (c) Operating segments

The Company is outside the scope of IFRS 8 *Operating Segments*, and segment information is not disclosed within these financial statements.

#### (d) Interest income and expense

Interest income and interest expense for all interest-bearing financial instruments measured at amortised cost are recognised in the statement of comprehensive income using the effective interest rate (EIR) method. This method calculates the amortised cost of the financial asset or liability and allocates the interest income or expense over the relevant period.

The EIR is the rate which discounts the expected future cash flows over the expected life of the financial instrument to the net carrying amount of a financial asset or liability. In calculating the EIR, the Company estimates the cash flows considering all contractual terms of the instrument but not future credit losses. The calculation of EIR includes all amounts received or paid by the Company that are an integral part of the overall return, comprising the incremental transaction costs to acquisition or issue of the financial instrument.

Interest income and expense on derivatives designated in hedging relationships or natural hedges are recognised as part of net interest income.

#### **(e) Fees**

Fee income is included in interest income and similar income and fee expense in interest expense and similar charges. Fees that are an integral part of the effective interest rate of a financial instrument are recognised using the EIR method with the fees deferred and recognised over the expected life of the instrument. Fees that are not considered integral to the effective interest rate are generally recognised on an accruals basis when the service is provided.

#### **(f) Taxation**

Income tax on the profit or loss comprises current tax and deferred tax. Income tax is recognised in profit or loss, other comprehensive income or directly in equity, consistently with the recognition of items it relates to.

Current tax is the expected tax charge or credit on the taxable profit or loss for the year and any adjustments in respect of the previous years. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in future years and it further excludes items of income and expense that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **(g) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash deposits in money market funds, cash held at Central bank and treasury bills with a maturity of less than three months which are subject to an insignificant risk of change in their fair value. The Central bank balance is the reserve account held with the Bank of England.

### **(h) Debt Securities**

Debt securities are high quality UK government securities, supranational bonds and covered bonds purchased as part of the Company's liquidity buffer. Under IFRS 9, these financial assets are recognised at fair value at initial recognition and subsequently carried at fair value through other comprehensive income.

### **(i) Property, plant and equipment**

Property, plant and equipment are shown at cost less accumulated depreciation. Depreciation is provided at rates calculated to write-off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

- Leasehold improvements and furniture                      5 years
- Computer equipment    3 years

All items of property, plant and equipment are reviewed for indications of impairment annually and, if they are considered to be impaired, are written down to their recoverable amounts. The cost of repairs and renewals is charged to profit or loss in the period in which the expenditure is incurred.

### **(j) Intangible assets**

Purchased software and costs directly associated with the development of computer software are capitalised as intangible assets where the software is a unique and identifiable asset controlled by the Company and will generate future economic benefits.

Costs to establish technological feasibility or to maintain existing levels of performance are recognised as an expense. The Company only recognises internally generated intangible assets if all of the following conditions are met:

- an asset is being created that can be identified after establishing the technical and commercial feasibility of the resulting product;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Subsequent expenditure on an internally-generated intangible asset, after its purchase or completion, is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets are reviewed for impairment annually and, if they are considered to be impaired, are written down immediately to their recoverable amounts.

Intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

- Core software systems    5 years
- Non-core software systems    3 years

For development costs, no amortisation will be applied until the associated asset is available for use and is calculated using a full month once available for use.

The Company reviews the amortisation period on an annual basis. If the expected useful life of assets is different from previous assessments, the amortisation period is changed accordingly.

## **(k) Financial Instruments**

### Initial recognition

The Company initially recognises loans to customers, debt securities and debt securities in issue when the Company becomes a party to the contractual provisions of the instrument using trade date accounting, being the date, the Company is committed to purchase or sell an asset.

### Classification and measurement

When the Company first recognises a financial asset, it classifies it based on the Company's business model for managing the asset and the asset's contractual cash flow characteristics. Under IFRS 9, financial assets are measured in one of the following categories:

- Amortised cost—a financial asset is measured at amortised cost if both of the following conditions are met:
  - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss - any financial assets that are not held in one of the two business models above are measured at fair value through profit or loss.

### *Amortised cost measurement*

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to that asset. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment losses. The Company holds financial instruments in this category including loans to customers, UK treasury bills and debt securities in issue.

### *Fair value through other comprehensive income measurement*

Gains and losses arising from changes in fair value are included as a separate component of equity until sale, when the cumulative gain or loss is transferred to the income statement. For all FVOCI assets, the gain or loss is calculated with reference to the gross carrying amount. The Company holds gilts and supranational bonds that are FVOCI.

### *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is measured at a specific date and may be significantly different from the amount which will be paid or received on maturity or settlement date.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Company. Where quoted market prices are not available, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases use non-observable inputs.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the quality and reliability of information used to determine the fair values.

#### Level 1

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

#### Level 2

Level 2 valuations are those where quoted market prices are not available, for example where the instrument is traded in a market that is not considered to be active, or valuation techniques are used to determine fair value and where these valuation techniques use inputs that are based significantly on observable market data.

#### Level 3

Level 3 valuations are those where at least one input which could have a significant effect on the instruments' valuation is not based on observable market data.

The fair values of derivative financial instruments are calculated by discounting cash flows using appropriate observable market data. As such these instruments fall within level 2 of the hierarchy. The Company has no financial assets or liabilities carried at fair value which are valued using level 3 measurements.

#### Debt securities in issue

Subordinated liabilities are recognised initially at fair value, being their issue proceeds net of transaction costs incurred. These instruments are subsequently stated at amortised cost using the effective interest rate method.

On 5 November 2025, Vida Bank Limited issued £35 million Fixed Rate Reset Callable Subordinated Notes due 2036. The notes qualify as Tier 2 capital under PRA rules and are callable at the issuer's option on 5 February 2031. The notes bear interest at 9.5% per annum, payable semi-annually in arrears until the first call date, after which the interest rate resets to the prevailing gilt yield plus a fixed margin. The holder of these notes is Vida Group Holdings Limited.

#### Derecognition

The Company derecognises financial assets when the contractual right to receive cash flows expires or is transferred, or the Group transfers substantially all the risks and rewards of ownership of the financial asset.

At the point at which the Company sells any mortgage loans under forward flow agreements it would expect to derecognise these financial assets.

Financial liabilities are derecognised only when the obligation is discharged, cancelled or has expired.

#### **(l) Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets that are not measured at fair value through profit or loss.

For loans to customers, accounts are assigned to one of three stages which are intended to reflect the deterioration in credit quality. The Company's definition of default is aligned with Stage 3 and defines

an account in default as one that is equal to or more than three months in arrears on its contractual payments or those cases deemed to be fraud.

#### Stage 1

Stage 1 comprises mortgages that have shown no significant increase in credit risk (SICR) since origination. They carry an impairment provision equivalent to the ECL from those default events that are projected within 12 months of the reporting date (12-month ECL).

#### Stage 2

Stage 2 comprises mortgages that have shown a SICR since origination including mortgages that are subject to forbearance measures such as financial and non-financial arrangements. Probabilities of Default (PD) are calculated using a statistical model based on both internal and external credit bureau data. A SICR is determined either where the PD has increased more than a set threshold or where the mortgage is more than one month in arrears. The impairment provision for Stage 2 mortgages is based on the ECL over the lifetime of the mortgage (lifetime ECL).

#### Stage 3

Stage 3 comprises mortgages where there is objective evidence that it is credit impaired. A loan is determined to be credit impaired where it is more than three months in arrears, has been renegotiated for credit risk reasons or is in default, including possession. An impairment provision is calculated for Stage 3 mortgages based on the lifetime ECL, but with a PD of 100%.

ECLs are calculated at individual loan level, with the calculations having three main components: PD, loss given default (LGD) and exposure at default (EAD). The LGD represents losses expected on default, given the probability of a loan moving from default to possession, the estimated recovery in the event of possession, costs incurred in the possession and sale of security and discounting of recoveries to present value based on the time to sale. The EAD represents the expected balance at the time of default, using the contractual amortisation of the loan equivalent to the account balance at default with three months of non-payment and the associated accrued interest. IFRS 9 requires the estimates of PD and LGD to take into consideration the effects of variations in forward-looking macroeconomic variables, which include house prices, unemployment and interest rates.

The Company integrates probability-weighted macroeconomic forecasts into individual ECL calculations. The Company does not have an in-house economics function and sources economic forecasts from an appropriately qualified third party. The Company considers up to four macroeconomic forecast scenarios – base, downside, upside and severe.

Loans are written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is after receipt of any proceeds from the realisation of security.

### **(m) Derivative financial instruments**

The Company uses derivative financial instruments (interest rate swaps) to manage its exposure to interest rate risk arising from operational and financing activities. The derivative financial instruments are held solely for hedging purposes and are measured and held at fair value within the Statement of Financial Position. The Company has elected to adopt and continues to apply the hedge accounting requirements of IFRS 9 for all hedge relationships covered by those requirements. In line with accounting standards, the changes in fair value of derivatives used to hedge particular risks can either

be offset in the Income Statement or deferred to equity. The Company does not hold or issue derivative financial instruments for proprietary trading purposes.

### **(n) Hedge Accounting**

The Company applies hedge accounting for its interest rate risk management activity that uses derivatives. It continues to apply the requirements of IAS 39 to its portfolio hedging relationships and has applied IFRS 9 to its other hedge relationships. Since becoming a bank, additional interest rate risks have arisen from retail deposits taken and high-quality liquid assets such as gilts and supranational bonds held in the liquidity asset buffer. The Company applies hedge accounting for retail deposits under IAS 39 and adopts IFRS 9 for gilts and supranational bonds.

Hedge accounting allows one financial instrument, generally a derivative such as an interest rate swap, to be designated as a hedge of another financial instrument such as a loan or a portfolio. At the inception of the hedge relationship, formal documentation is drawn up specifying the hedging strategy, the hedged item, the hedging instrument and the methodology that will be used to measure the effectiveness of the hedge relationship in offsetting changes in the fair value or cash flows of the hedged risk. The effectiveness of the hedging relationship is tested both at inception and throughout its life at least at every reporting period. If at any point it is concluded that it is no longer highly effective in achieving its documented objective, its hedging relationship is terminated and hedge accounting is discontinued.

There are two types of hedge accounting strategies that the Company undertakes, and these are summarised below.

#### Fair value hedges

Where the Company uses derivatives to hedge the interest rate risk that arises from fixed rate loans, fixed rate retail deposits and debt issuance, under IAS 39, changes in the fair value of derivatives that are designated and qualified as fair value hedging instruments are recorded in the income statement, together with the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, providing there is an effective hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated and the changes in the fair value of the hedge item attributable to the hedge risk are no longer recognised in the income statement. The cumulative adjustment that has been made to the carrying amount of the hedged item is amortised to the income statement.

Fair value hedge accounting for gilts and supranational bonds which were designated in a one-to-one hedge relationship, under IFRS 9. Changes in the fair value of derivatives that are designated and qualified as fair value hedging instruments are recorded in the income statement. Providing the hedge relationship is effective, the accumulated movements of the hedge item attributable to interest rate risks recorded in the other comprehensive income is transferred to the income statement at each reporting period.

#### Cash flow hedges

The Company uses derivatives to hedge the interest rate risk that arises in the period from the mortgage application pipeline and from irrevocable offers to lend until the loan is drawn. To apply cash flow hedge accounting to pay fixed interest rate swaps, highly probably floating rate outgoing cashflows from future securitisation and warehouse liabilities are used as the hedged item. The effective portion of accumulated changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income in the cash flow hedging reserve.

The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods in which the hedged item affects profit or loss.

When a hedging instrument expires or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement in the interest income or expense through amortisation until its maturity. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

The Company considers the following as key sources of hedge ineffectiveness:

- the mismatch in maturity date of the swap and hedge item, as swaps with a given maturity date cover a portfolio of hedged items which may mature throughout the month; and
- the actual behaviour of the hedged item differing from expectations, such as early repayment.

#### **(o) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, which is reliably measurable and when it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' most reliable estimate of the expenditure required to settle the obligation at the reporting date.

#### **(p) Employee benefits – defined contribution scheme**

During the period the Company operated a defined contribution pension. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the statement of comprehensive income represents the contribution payable to the scheme in respect of the accounting period.

#### **(q) Short-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered and measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### **(r) Securitisation vehicles**

The sale of the beneficial ownership of the loans to customers to the special purpose vehicles (SPVs) fails the derecognition criteria and, hence, these loans remain on the statement of the financial position of the Company. In accordance with IFRS 9, the Company recognises the securitised assets as loans and receivables and consequently also shows a deemed loan liability to the SPVs where the Company still holds an interest in the loans. An equivalent deemed loan asset is recognised on the SPVs statement of financial position.

The deemed loans are repaid as and when principal repayments are made by customers against their loans. The Company substantially retains the risks and rewards of ownership and continues to bear the credit risk of these mortgage assets.

### **(s) Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the net present value of the future lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or rate, the amount expected to be payable by the lessee under residual value guarantees; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the EIR method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Company has applied this practical expedient.

**(t) Changes to significant accounting policies**

During the year, the Company purchased UK government securities as part of its high-quality liquid asset portfolio held in the liquid asset buffer. As the business model objective for the underlying contractual cash flows (being solely in principal and interest) is to both collect and sell, under IFRS 9, the fair value movements of the financial assets should be recorded in the other comprehensive income. As the Company manages its interest rate risk activity using derivatives, the relevant fair value movements attributable to interest rate risk will be reclassified from other comprehensive income to the profit and loss account, providing the hedge relationship is effective.

**New and revised IFRS Accounting Standards in issue but not yet effective**

Standard	Title	Pronouncement	Issued	Effective Date
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	Original Issue	June 2023	TBC (UK)
IFRS S2	Climate-related Disclosures	Original Issue	June 2023	TBC (UK)
IFRS 18	Presentation and Disclosure in Financial Statements	Original Issue	April 2024	January 2027
IFRS 9	Financial Instruments	Amendments regarding the classification and measurement of financial instruments	May 2024	January 2026

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

**3. Significant accounting judgements, estimates and assumptions**

The key areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements in summary are:

Judgements

Impairment of loans	<p>In determining an appropriate definition of default against which PD, LGD and EAD can be evaluated.</p> <p>In determining whether credit risk has significantly increased since the initial recognition of a loan.</p> <p>In applying adjustments when addressing new risks or uncertainties that were not designed to be captured by the ECL model when it was originally developed.</p> <p>In assessing the weightings to be applied to the forward-looking macroeconomic scenarios.</p>
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Estimates

Impairment of loans	In using macroeconomic forecasts to calculate expected credit losses.
Effective interest rate (EIR)	In calculating the EIR for loans to customers estimates are used for the expected lives of loans and the assumed reversionary rates at the end of fixed-rate periods.
Deferred tax asset	In assessing the future taxable profits that will be generated against which tax losses can be utilised.

Further detail on these judgements and estimates is provided in the sections that follow.

**i. Impairment of loans**

*Significant increase in credit risk for transfer to stage 2*

The Company's criteria for transferring loans from stage 1 to stage 2 are set by reference to thresholds for relative changes in the PD of loans compared to the PD at their origination, including the thirty-day backstop, and by the application of qualitative measures which, if triggered, will move a loan from stage 1 to stage 2. Setting the thresholds for transferring loans to stage 2 is a key area of judgement.

*LGD model*

The Company's LGD model uses estimates including propensity to go to possession given default, time to sale, forced sale discount and costs of sale. The factor that has the largest impact on LGD is the house price index (HPI), with the estimates used being set out in the table in the forward-looking macroeconomic scenarios section below.

*Forward-looking macroeconomic scenarios*

The calculation of PDs and LGDs requires the use of forward-looking estimates of macroeconomic conditions. The ECL calculations are sensitive to both the assumed forecast macroeconomic variables and the probability weightings assigned to the forecast scenarios.

The ECLs calculated utilise economic forecasts that were considered to be appropriate at 31 December 2025. However, given the uncertainty over the path of the economy, the scenarios and their weightings are subject to a significant degree of estimation.

In setting the economic forecasts, the Board has had regard to the forecasts produced by the firm that gives economic advice as well as other publicly-available forecasts. The Board has continued to allocate a broad distribution of weightings to the scenarios with weightings of 50% base, 30% downside, 10% upside, 10% severe (2024: 50% base, 30% downside, 10% upside, 10% severe). These weightings continue to reflect the level of uncertainty in the economic outlook at the end of 2025.

The following table provides details of the forecast economic variables of each of the four forecast scenarios.

Variable	Scenario	2026	2027	2028
		%	%	%
GDP (year-on-year)	Base	1.17	1.46	1.53
	Downside	-1.88	1.06	1.18
	Upside	6.51	2.90	2.46
	Severe	-5.71	0.28	0.59
Unemployment (year average)	Base	4.98	4.70	4.45
	Downside	5.86	6.36	6.59
	Upside	3.64	2.51	2.18
	Severe	6.41	7.17	7.39
Inflation (year-on-year)	Base	2.46	2.47	2.13
	Downside	1.36	1.76	1.96
	Upside	4.4	3.67	2.74
	Severe	0.09	0.94	1.80
Bank Rate (year-end)	Base	3.34	3.00	2.75
	Downside	2.88	2.25	2.25
	Upside	5.25	5.13	4.38
	Severe	1.88	1.00	1.00
HPI (year-on-year)	Base	2.36	3.39	4.70
	Downside	-3.70	-0.13	1.36
	Upside	6.89	7.20	8.37
	Severe	-9.69	-4.54	-3.39

The table below illustrates the ECLs calculated using 100% weighting to each scenario compared to the ECL calculated using the scenario weightings. The provision coverage has been calculated as the total ECL provision as a percentage of gross loans to customers.

	2025			2024		
	Weight	ECL £'000	Provision Coverage	Weight	ECL £'000	Provision Coverage
Weighted	-	7,091	0.31%	-	4,874	0.26%
Base	50%	5,806	0.25%	50%	4,090	0.22%
Downside	30%	8,334	0.36%	30%	5,611	0.30%
Upside	10%	4,443	0.19%	10%	3,285	0.18%
Severe	10%	12,433	0.54%	10%	8,169	0.44%

The calculation of ECLs is most sensitive to the forecast House Price Index (HPI) movement assumptions. The probability-weighted forecast movement in HPI ranges between -0.21% in 2026 and 3.25% in 2028. As an indication of sensitivity, a 2.0% absolute increase or decrease in the probability weighted HPI assumption would decrease ECLs by £310k or increase them by £343k respectively (2024: £295k decrease or £317k increase).

The impact of applying multiple economic scenarios gives rise to a probability weighted ECL of £7,091k, 22.1% more than the provision of £5,806k calculated using the base scenario. By comparison, in 2024 the probability weighted ECL was 19.2% more than the base case ECL.

#### *Post-model adjustments (PMAs)*

PMAs are adjustments made outside of models to correct known data or model limitations. PMAs can be judgmental, especially when addressing new risks or uncertainties that were not designed to be captured by the model when it was developed. PMAs have continued to be applied in 2025 in the calculation of ECLs. In total, £1,039k of PMAs have been applied on a probability-weighted basis at 31 December 2025 (2024: £414k) and are included in the total provision of £7,092k (2024: £4,874k).

These are as follows:

- Forbearance £135k (2024: £173k) – This PMA is held to the risk of default contagion, fraud and later life lending.
- Possessions £904k (2024: (£113k)) – This PMA is an additional provision for larger losses on the stock of repossessed properties held at year end. In the prior year, this also included adjustments for the assumptions made in the model for time to sale of a property once it has been repossessed, the probability of possession given default and the cost of selling the property. These are now incorporated within the model.
- Following an assessment of both the affordability (2024: £155k) and cladding (2024: £199k) PMAs, it was concluded that the related risks associated to these factors are deemed to have reduced to a trivial level and therefore the PMAs have been released in full.

#### **ii. Effective interest rate**

Estimates are made when calculating the EIR for loans to customers. The critical estimates in the EIR calculation are expected lives of loans and the assumed reversionary interest rates at the end of fixed rate periods. Bringing forward future reversionary rate income and spreading upfront fees received and paid creates assets and liabilities in the statement of financial position. These estimates are monitored to ensure their ongoing appropriateness. A 5% increase in the rate of loan prepayment compared to the assumed rates used in the EIR calculations would reduce the net EIR asset of £0.6m at 31 December 2025 by £2.5m. A 5% decrease in the rate of loan prepayment compared to the assumed rates used in the EIR calculations would increase the net EIR asset by £3.7m. Overall, management and the Board were satisfied that modelled expected loan lives were appropriate.

#### **iii. Deferred tax asset recognition**

At the reporting date, the Bank had unused tax losses of £74.8m (2024: £83.8m) available for offset against future forecasted profits with no expiry date. A deferred tax asset has been recognised in respect of £60m (2024: £54m) of such losses which includes the impact of the corporate tax change from 19% to 25%, effective from 1 April 2023.

A deferred tax asset has not been recognised in respect of the remaining £14.8m (2024: £29.8m) as the directors believe it is prudent to recognise an asset against only part of the losses at this stage, given the uncertainty that comes with forecasting future profits.

The deferred tax asset has been limited to £15.3m (2024: £13.6m) in respect of historical tax losses that are expected to be used to reduce future tax charges based on a restriction of the five-year financial forecast. The forecast used to calculate this deferred tax asset is based on the Board-approved five-year strategic business plan.

The base forecast is inherently sensitive to the assumptions which underpin it, including macroeconomic conditions (such as forecast spreads and interest rates, future tax rates, expectations of credit losses) and is dependent on Vida Bank Limited's ability to successfully execute its strategy. As such, the expected utilisation of the deferred tax asset may vary significantly. Using a downside scenario, a deferred tax asset of £15.3m would still be recognised but the asset would be realised over a longer period within the five-year forecast timeframe.

The five-year forecast period used to calculate the deferred tax asset is a significant judgement. The reliability of forecasts is inherently more uncertain the further into the future they extend. Five years is the period over which management has experience in forecasting and monitoring performance.

#### 4. Interest receivable and similar income

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
On financial assets held at amortised cost:		
Interest income on loans and advances to customers	137,497	121,545
Interest income on cash and cash equivalents	10,202	-
Interest income on debt securities	1,201	18
On financial assets held at FVTPL <sup>6</sup> :		
Net income on derivative financial instruments	6,455	60
On financial assets held at FVOCI <sup>7</sup> :		
Interest income on debt securities	16,163	95
	171,518	121,718

Interest income on cash and cash equivalents comprises interest earned on bank account balances, money market instruments, and treasury bills with original maturities of three months or less. In the prior year, this income was included within interest income on loans and advances to customers. For the current year, the amount has been presented separately due to its increased materiality.

#### 5. Interest expense and similar charges

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest expense and other charges	124,013	87,809
Interest on lease liabilities	123	73
IFRS 16 interest adjustment for variable lease components	93	16
	124,229	87,898

<sup>6</sup> "FVTPL" - fair value through profit or loss

<sup>7</sup> "FVOCI" - fair value through other comprehensive income

## 6. Other operating income

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Income from mortgage servicing	1,052	925
Income from product switch fees	37	227
Gain on purchase of loan portfolio	5,946	6
	<u>7,035</u>	<u>1,158</u>

## 7. Net gain/(loss) from derivative financial instruments at fair value through profit or loss

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Net (loss)/gain on derivative financial instruments	(11,779)	5,969
Net gain on assets held in fair value hedges	15,110	76
	<u>3,331</u>	<u>6,045</u>

## 8. Administrative expenses

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs	23,464	20,069
Auditor's remuneration:		
Audit of the Company	689	408
Audit of the Company's subsidiaries	127	395
Internal audit related assurance services	96	148
Lease commitment under IFRS 16	353	346
Operating lease rentals	11	38
Other administrative costs	17,710	12,827
	<u>42,450</u>	<u>34,231</u>

### Staff costs

The aggregate remuneration of staff, including Executive Directors, for the Company and Company comprised:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	19,361	16,457
Social security costs	2,720	2,180
Pension costs	1,235	1,087
Termination costs	148	345
Total	<u>23,464</u>	<u>20,069</u>

The average monthly number of people employed by the Company and Company (including Executive Directors) during the year is analysed below:

	<b>2025</b>	<b>2024</b>
Executive	12	10
Business and customer operations	136	107
Support functions	49	46
Technology	17	19
Total	<u>214</u>	<u>182</u>

The total amount for directors' remuneration comprised:

	<b>2025</b>	<b>2024</b>
Wages and salaries	1,491	1,972
Social security costs	214	269
Pension costs	-	9
	<u>1,705</u>	<u>2,250</u>

The total amount payable to the highest paid director in respect of emoluments was £947k (2024: £935k).

**9. Taxation**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Corporation tax</b>		
Current year charge	(1,031)	(328)
Adjustments in respect of prior year	(75)	-
	<u>(1,106)</u>	<u>(328)</u>
<b>Deferred tax</b>		
Current year credit	1,726	98
Adjustments in respect of prior years	8	-
Total tax credit/(charge)	<u>628</u>	<u>(230)</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	(12,469)	(6,664)
Tax at UK corporation tax rate of 25% (2024:25%)	<u>(3,117)</u>	<u>(1,666)</u>
<b>Effects of:</b>		
Adjustments in respect of prior year	(67)	-
Fixed asset differences	(2)	-
Non-deductible expenses	(168)	(223)
Deferred tax asset recognised	3,982	1,659
Tax credit/(charge) on loss on ordinary activities	<u>628</u>	<u>(230)</u>

For an explanation of the deferred tax asset that has not been recognised refer to note 18.

## 10. Derivative financial instruments

The fair values, notional amounts and the carrying amount of derivative instruments held are set out in the following table:

	31 December 2025			
	Contract / notional amount	Carrying amount of the hedging instrument		Changes in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities	
£'000	£'000	£'000	£'000	
Interest rate – not in hedging relationship	1,034,100	1,097	3,013	-
Interest rate swaps – fair value hedges	3,340,716	9,101	16,390	(3,176)
	<b>4,374,816</b>	<b>10,198</b>	<b>19,403</b>	<b>(3,176)</b>
	31 December 2024			
	Contract / notional amount	Carrying amount of the hedging instrument		Changes in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities	
£'000	£'000	£'000	£'000	£'000
Interest rate – not in hedging relationship	60,000	17	-	-
Interest rate swaps – fair value hedges	190,318	913	152	301
Interest rate swaps – cash flow hedges	131,900	1,193	32	-
	<b>382,218</b>	<b>2,123</b>	<b>184</b>	<b>301</b>

£3,341m (2024: £190m) of derivative instruments were designated in fair value hedge accounting relationships, where the hedged item notional amount was £3,341m (2024: £190m), thus maintaining a hedge ratio of 1:1.

The notional amount of the Company's hedged items were as follows:

	31 December 2025			
	Notional amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item	Change in fair value of hedged item in the year used for ineffectiveness measurement
	Assets	Liabilities		
	£'000	£'000	£'000	£'000
<u>Fair value hedges</u>				
Debt securities				
- Gilts	520,000	-	3,084	3,747
- Supranational Bonds	164,000	-	(816)	726
Tier 2 <sup>2</sup>		35,000	(36)	251
Retail deposits	-	1,183,500	(974)	(1,014)
Loans to customers				
Fixed rate mortgages <sup>1</sup>	1,203,109	-	6,839	-

	31 December 2024			
	Notional amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item	Change in fair value of hedged item in the year used for ineffectiveness measurement
	Assets	Liabilities		
	£'000	£'000	£'000	£'000
<u>Fair value hedges</u>				
Interest rate	-	-	-	-
Gilts	35,000	-	-	(391)
Retail deposits	-	155,318	76	74
<u>Cash flow hedges</u>				
Fixed rate mortgages	131,900	-	-	-

<sup>1</sup>Included within loans to customers

<sup>2</sup> Included in Other liabilities

The hedged item for fair value hedges represents the portfolio of fixed rate mortgages and the change in fair value of the hedged item has been presented as a fair value adjustment for hedged risk within assets.

The Company holds derivatives to manage and hedge the Company's risk arising from financial markets to reduce the risk of loss from movements in interest rates. The Company manages this exposure by

hedging 100% of its fixed rate mortgage loan exposure through a combination of vanilla interest rate swaps and forward starting interest rate swaps. It has established hedge accounting relationships for interest rate risk using portfolio fair value hedges.

Hedge ineffectiveness arises during the management of interest rate risk due to residual unhedged risk. Sources of ineffectiveness, which the Company may decide to not fully mitigate, can include basis differences, timing differences and notional amount differences. The effectiveness of accounting hedge relationships is assessed between the hedging derivatives and the documented hedged item, which can differ from the underlying economically hedged item.

Interest rate swaps are classified as level 2 financial instruments in the fair value hierarchy.

The following tables show derivative notional amounts in the relevant maturity groupings in which they fall due.

	Maturity				
	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total notional
<b>31 December 2025</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Derivative assets	444.8	814.9	639.7	259.4	2,158.8
Derivative liabilities	18.7	199.6	1,604.1	393.6	2,216.0
Notional	463.5	1,014.5	2,243.8	653.0	4,374.8

	Maturity				
	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total notional
<b>31 December 2024</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Derivative assets	-	76.0	59.1	114.7	249.8
Derivative liabilities	-	109.3	3.1	20.1	132.5
Notional	-	185.3	62.2	134.8	382.3

The Company had 271 (2024: 36) derivative contracts with an average pay fixed rate of 3.68% (2024: 3.84%) and an average receive fixed rate of 3.97% (2024: 4.70%).

In accordance with IAS 32 *Financial Instruments: Presentation*, the Company reports financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set-off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In addition to the above, the Company had also posted an initial margin with a swap counterparty to facilitate hedging activities prior to the assets being on the balance sheet. The balance of the initial margin posted was £42.9m (2024: £10.3m) and is included in other receivables.

### 11. Financial instruments

The following table summarises the classification and carrying value of the Company's financial assets and liabilities:

	2025			
	£'000	£'000	£'000	£'000
	FVTPL	FVOCI	Amortised cost	Total
<b>Assets</b>				
Cash and cash equivalents	-	-	254,874	254,874
Debt securities	-	819,770	-	819,770
Loans to customers	-	-	2,301,831	2,301,831
Derivative financial assets	10,198	-	-	10,198
Retained Notes	-	-	12,423	12,423
	<u>10,198</u>	<u>819,770</u>	<u>2,569,128</u>	<u>3,399,096</u>
<b>Liabilities</b>				
Amounts owed to credit institutions	-	-	40,345	40,345
Retail deposits	-	-	2,425,702	2,425,702
Deemed loan due to Group undertakings	-	-	767,720	767,720
Derivative financial liabilities	19,403	-	-	19,403
	<u>19,403</u>	<u>-</u>	<u>3,233,767</u>	<u>3,253,170</u>

At year end, Retained Notes amounting to £12,423k (2024: Nil) were included in Other receivables in the Statement of Financial Position.

	<b>2024</b>			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>FVTPL</b>	<b>FVOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	-	-	143,485	143,485
Debt securities	-	34,135	-	34,135
Loans to customers	-	-	1,866,006	1,866,006
Derivative financial assets	2,123	-	-	2,123
	<u>2,123</u>	<u>34,135</u>	<u>2,009,491</u>	<u>2,045,749</u>
<b>Liabilities</b>				
Amounts owed to credit institutions	-	-	74,254	74,254
Retail deposits	-	-	173,113	173,113
Deemed loan due to Group undertakings	-	-	1,659,540	1,659,540
Derivative financial liabilities	184	-	-	184
	<u>184</u>	<u>-</u>	<u>1,906,907</u>	<u>1,907,091</u>

The carrying amounts of financial instruments measured at amortised cost are assessed to approximate their fair values. Valuations are determined in accordance with IFRS 13 and are predominantly classified within Level 2 of the fair value hierarchy, as they rely on observable market inputs. Loans to customers are classified as Level 3.

#### Cash and cash equivalents and amounts owed to credit institutions

The carrying amounts of these instruments approximate their fair values as the balances are either short-term in nature or re-price frequently to reflect current market conditions.

#### Loans to customers

Loans to customers are stated at their gross carrying amounts net of expected credit losses. At the reporting date, the carrying amounts are considered to approximate their fair values. This reflects the impact of fair value hedge accounting applied to fixed-rate mortgages (see Note 13).

#### Retail deposits from customers

The carrying amounts of deposits from customers are assessed to approximate their fair values at the reporting date. For fixed-rate deposits, this assessment reflects the effect of fair value hedge relationships that mitigate exposure to movements in market interest rates (see Note 17).

#### Deemed loan due to Group undertakings

The carrying amount of the deemed loan due to Group undertakings is considered to approximate its fair value as it mirrors the amortisation profile of the underlying mortgage assets and does not include any off-market terms.

## 12. Cash and cash equivalents

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	254,874	138,253
Treasury bill	-	4,982
Notice deposit	-	250
	<u>254,874</u>	<u>143,485</u>

## 13. Loans to customers

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
BTL loans	1,594,451	1,347,776
Owner-occupied loans	707,186	508,549
Second charge loans	575	881
	<u>2,302,212</u>	<u>1,857,206</u>
EIR asset	576	14,042
Deferred fees	(704)	(368)
Provision for impairment losses	(7,091)	(4,874)
	<u>2,294,993</u>	<u>1,866,006</u>
Fair value adjustment for hedged risk	6,838	-
	<u>2,301,831</u>	<u>1,866,006</u>
<b>Movements in loans to customers</b>		
At beginning of year	1,866,006	1,712,271
Loans originated	961,526	368,520
Effective interest rate adjustments	(13,802)	(5,132)
Interest, fees & charges on loans	117,168	101,512
Redemptions and repayments	(383,688)	(339,584)
(Sale)/Purchase of loans	(250,000)	27,704
Movement in impairment provisions	(2,217)	716
Fair value adjustment for hedged risk	6,838	-
	<u>2,301,831</u>	<u>1,866,006</u>

#### 14. Expected credit losses

The following tables show the movement in credit exposures by IFRS 9 stage and the corresponding movement in impairment provisions by IFRS 9 stage.

<b>Movement in loans to customers by stage – 2025</b>	<b>Stage 1 £'000</b>	<b>Stage 2 £'000</b>	<b>Stage 3 £'000</b>	<b>Total £'000</b>
Gross balance at 1 January 2025	1,463,371	330,054	63,782	1,857,206
Transfers between stages				
To stage 1	78,839	(71,031)	(7,809)	-
To stage 2	(90,757)	98,287	(7,530)	-
To stage 3	(11,990)	(17,716)	29,706	-
Originations	945,117	19,933	1,010	966,060
Changes to carrying value	(11,299)	(1,743)	1,337	(11,705)
Loans to customers derecognised during the year	(457,819)	(36,437)	(15,093)	(509,349)
<b>Gross balance at 31 December 2025</b>	<b>1,915,462</b>	<b>321,347</b>	<b>65,403</b>	<b>2,302,212</b>

<b>Movement in loans to customers by stage – 2024</b>	<b>Stage 1 £'000</b>	<b>Stage 2 £'000</b>	<b>Stage 3 £'000</b>	<b>Total £'000</b>
Gross balance at 1 January 2024	1,254,493	392,712	51,849	1,699,054
Transfers between stages				
To stage 1	158,941	(154,361)	(4,580)	-
To stage 2	(123,541)	130,486	(6,945)	-
To stage 3	(14,551)	(18,973)	33,524	-
Originations	356,093	11,419	1,008	368,520
Loans purchased	22,292	4,906	506	27,704
Changes to carrying value	(23,753)	867	1,208	(21,678)
Loans to customers derecognised during the year	(166,603)	(37,003)	(12,788)	(216,394)
<b>Gross balance at 31 December 2024</b>	<b>1,463,371</b>	<b>330,053</b>	<b>63,782</b>	<b>1,857,206</b>

In addition, the mortgage offer pipeline of £318,764k at 31 December 2025 (2024: £37,927k) was classified at stage 1.

<b>Movement in ECLs by stage – 2025</b>	<b>Stage 1 £'000</b>	<b>Stage 2 £'000</b>	<b>Stage 3 £'000</b>	<b>Total £'000</b>
Impairment provision at 1 January 2025	1,053	1,341	2,480	4,874
Transfers between stages				
To stage 1	654	(437)	(217)	-
To stage 2	(99)	303	(203)	-
To stage 3	(16)	(146)	162	-
Originations + pipeline	1,226	314	80	1,621
Changes to carrying value	(762)	268	1,979	1,485
Loans to customers derecognised during the year	(385)	(88)	(416)	(889)
<b>Impairment provision at 31 December 2025</b>	<b>1,671</b>	<b>1,555</b>	<b>3,865</b>	<b>7,091</b>

<b>Movement in ECLs by stage – 2024</b>	<b>Stage 1 £'000</b>	<b>Stage 2 £'000</b>	<b>Stage 3 £'000</b>	<b>Total £'000</b>
Impairment provision at 1 January 2024	1,105	1,885	2,599	5,589
Transfers between stages				
To stage 1	760	(632)	(128)	-
To stage 2	(140)	390	(250)	-
To stage 3	(17)	(155)	172	-
Originations + pipeline	488	144	93	725
Changes to carrying value	(1,040)	(198)	846	(392)
Loans to customers derecognised during the year	(103)	(93)	(852)	(1,048)
<b>Impairment provision at 31 December 2024</b>	<b>1,053</b>	<b>1,341</b>	<b>2,480</b>	<b>4,874</b>

### Arrears performance

The Company's arrears measures as those more than three months in arrears represented 2.0% of the total portfolio balances (2024: 2.4%) with owner-occupied at 3.3% (2024: 4.3%) and BTL at 1.5% (2024: 1.7%).

At the end of December 2025, there were 2 owner-occupied loans with the secured property in possession (2024: 2) and 16 BTL loans with the secured property in possession (2024: 7). There were 12 repossession sales during the year (2024: 16) which resulted in a charge of £0.5m (2024: £0.9m).

<b>Movement in expected credit losses</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	4,874	5,589
Charge for the year	2,736	128
Provisions on loans purchased during the year	-	73
Written off in the year	(519)	(916)
At 31 December	<u>7,091</u>	<u>4,874</u>

#### 15. Debt securities

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
UK Government securities	537,441	34,135
Supranational bonds	167,080	-
Covered bonds	115,248	-
	<u>819,770</u>	<u>34,135</u>

#### 16. Other receivables

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Swap collateral	42,870	10,250
Deferred deal costs	1,015	636
Prepayments and other receivables	12,258	2,555
Amounts owed by related parties	3,149	2,971
Retained Notes	12,423	-
	<u>71,715</u>	<u>16,412</u>

Other receivables include interest accruals from cash and cash equivalents and debt securities of £9,989k (2024: £620k).

#### 17. Retail deposits

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Fixed rate	1,251,137	17,679
Variable rate	1,173,591	155,510
Fair value adjustment for hedged risk	974	(76)
	<u>2,425,702</u>	<u>173,113</u>

### 18. Deferred taxation asset

The movement in the deferred tax asset is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	13,565	13,565
Credit to income statement	1,734	-
At 31 December	<u>15,299</u>	<u>13,565</u>

The net deferred tax asset is analysed as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Tax losses	14,996	13,622
Fixed asset temporary differences	239	-
Other temporary differences	64	<u>(57)</u>
	<u>15,299</u>	<u>13,565</u>

The five-year forecast period used to calculate the deferred tax asset is a significant judgement. At 31 December 2025 the Bank has carried forward tax losses of £14.8m (2024: £29.7m) on which a deferred tax asset has not been recognised. This is due to uncertainty around the availability of sufficient future taxable profits. The reliability of forecasts is inherently more uncertain the further into the future they extend. Five years is the period over which Management has experience in forecasting and monitoring performance.

**19. Property, plant and equipment**

<b>2025</b>	<b>Right of use asset £'000</b>	<b>Leasehold Improvements £'000</b>	<b>Computer Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January	6,427	63	102	6,592
Additions	109	-	92	202
Disposals	-	-	(27)	(27)
<b>At 31 December</b>	<b>6,536</b>	<b>63</b>	<b>168</b>	<b>6,767</b>
<b>Depreciation/amortisation</b>				
At 1 January	4,972	28	41	5,041
Charge for the year	353	13	45	410
Disposals	-	-	(27)	(27)
<b>At 31 December</b>	<b>5,325</b>	<b>40</b>	<b>59</b>	<b>5,425</b>
<b>Net book value at 31 December</b>	<b>1,211</b>	<b>23</b>	<b>109</b>	<b>1,343</b>
<b>2024</b>	<b>Right of use asset £'000</b>	<b>Leasehold Improvements £'000</b>	<b>Computer Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January	4,836	531	400	5,767
Additions	1,591	4	53	1,648
Disposals	-	(472)	(351)	(823)
<b>At 31 December</b>	<b>6,427</b>	<b>63</b>	<b>102</b>	<b>6,592</b>
<b>Depreciation/amortisation</b>				
At 1 January	4,626	428	312	5,366
Charge for the year	346	79	81	506
Disposals	-	(472)	(351)	(823)
Depreciation correction of prior years	-	(7)	(1)	(8)
<b>At 31 December</b>	<b>4,972</b>	<b>28</b>	<b>41</b>	<b>5,041</b>
<b>Net book value at 31 December</b>	<b>1,455</b>	<b>35</b>	<b>61</b>	<b>1,551</b>

## 20. Intangible assets

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At 1 January	4,683	4,485
Additions	12	351
Disposals	(570)	(153)
<b>At 31 December</b>	<b>4,125</b>	<b>4,683</b>
<b>Depreciation/amortisation</b>		
At 1 January	2,493	1,781
Charge for the year	886	865
Disposals	(570)	(153)
<b>At 31 December</b>	<b>2,809</b>	<b>2,493</b>
<b>Net book value at 31 December</b>	<b>1,316</b>	<b>2,190</b>

Intangible assets comprise computer software, which consists of purchased software and other external costs directly associated with the development of software. The amortisation charge for the period is included in "Other administrative expenses" as disclosed in note 8.

## 21. Deemed loan due to Group undertakings

The interest payable on deemed loans is equivalent to the interest receivable on the underlying mortgages.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Warehouse Funding</b>		
Deemed loan due to Belmont Green Funding 1 Limited	-	41,602
Deemed loan due to Belmont Green Funding 3 Limited	-	79,135
Deemed loan due to Belmont Green Funding 4 Limited	-	101,856
Deemed loan due to Eagle Funding 1 Limited	98,764	-
	<u>98,764</u>	<u>222,593</u>
<b>Securitisation Funding</b>		
Deemed loan due to Tower Bridge Funding No.2021-2 PLC	-	119,317
Deemed loan due to Tower Bridge Funding No.2022-1 PLC	106,030	172,222
Deemed loan due to Tower Bridge Funding No.2023-1 PLC	-	92,734
Deemed loan due to Tower Bridge Funding No.2023-2 PLC	-	274,489
Deemed loan due to Tower Bridge Funding No.2024-1 PLC	121,254	255,247
Deemed loan due to Tower Bridge Funding No.2024-2 PLC	188,291	271,188
Deemed loan due to Tower Bridge Funding No.2024-3 PLC	263,449	276,205
Deemed loan due to Tower Bridge Funding No.2026-1 PLC	(396)	-
Fair value adjustment for deemed loans	(9,672)	(24,455)
	<u>767,720</u>	<u>1,659,540</u>

The securitisation loan notes are secured on both fixed and variable rate mortgages and are redeemable in part from time-to-time, although such redemptions are limited to the net principal received from borrowers in respect of the underlying mortgages. It is likely that a large proportion of the underlying mortgages and, therefore, the notes will be repaid within five years.

The loan notes are expected to be repurchased by the Company from the outstanding Tower Bridge securitisations at the first call date. There is also the ability to repurchase the notes at any interest payment date after the call date.

Interest is payable at fixed margins above SONIA.

## 22. Other liabilities

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Accruals & payables	7,569	5,294
Lease liability	1,399	1,699
Other liabilities	302	74
Tier 2 subordinated liability	35,000	-
	<u>44,270</u>	<u>7,067</u>

Total lease payments during the year were £478k (2024: £279k), with principal amounting to £353k (2024: £206k) and interest amounting to £123k (2024: £73k). See Lease liabilities, note 24, for further details. Accruals & payables include interest accrual from repo, warehouse and loan notes in issue of £4,240k (2024: £10,532k).

## 23. Share capital

	<b>Shares authorised, issued and fully paid</b>	<b>Nominal Value</b>
	<b>Number</b>	<b>£'000</b>
<b>Ordinary shares</b>		
Par value per share £0.15 (2024: £1.00)		
Par value per share £0.15 (2024: £1.00)		
31 December 2025	241,038,556	36,156
Reallocation of share capital	-	(204,883)
At 31 December 2024	<u>241,038,556</u>	<u>241,039</u>
Shares issued during the year	36,575,996	36,576
At 31 December 2023	<u>204,462,560</u>	<u>204,463</u>

Effective 10 December 2025, the nominal value of each ordinary share was reduced from £1.00 to £0.15, resulting in a reduction of £204,882,773 in share capital and a corresponding increase in the retained earnings. The change did not affect the number of shares in issue or total equity.

## 24. Lease liabilities

The Company has entered into leases for office space. The weighted average incremental borrowing rate applied to lease liabilities resulted in the recognition of a lease liability of £1,399k (2024: £1,635k).

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Year 1	452	442
Year 2	454	433
Year 3	454	433
Year 4	227	433
Year 5	-	282
	1,587	2,023
Less: interest	(188)	(324)
At 31 December	1,399	1,699
Analysed as:		
Current	381	327
Non-Current	1,018	1,372
	1,399	1,699

The lease liability amount includes a dilapidations provision of £114k (2024: £64k) related to the anticipated costs of restoring leased assets to their original condition.

## 25. Risk management and financial instruments

### Market risk

Market risk is the risk that unfavourable market movements lead to a reduction in earnings or the Company's economic value. The Company does not have a trading book nor foreign exchange exposures. All derivatives are entered into for the purposes of hedging.

The main source of market risk is exposure to changes in interest rates and liquidity risk. Market risk is managed and monitored by the Company's Treasury function with oversight by the Risk function.

### Credit risk

Credit risk is the risk that unexpected losses may arise as a result of the Company's borrowers or market counterparties failing to meet their obligations to repay. The classes of financial instruments to which the Company is most exposed are loans to customers and cash with other financial institutions. The maximum credit risk exposure equals the total carrying amount of these categories plus off-balance sheet undrawn mortgage facilities.

#### Credit risk – loans to customers

Credit risk associated with mortgage lending is largely driven by the housing market and the impact of inflation and unemployment on the ability of our customers to meet their monthly mortgage payments. A recession and/or high interest rates could cause pressure within the market, resulting in rising levels of arrears and reposessions.

All loan applications are assessed with reference to the Company's lending policy. Changes to the policy are approved by the Board Risk Committee, with mandates set for the approval of loan applications. BRC regularly monitors lending activity, taking appropriate actions to adjust lending criteria in order to control risk and manage exposure.

Concentration of credit risk exists when a number of counterparties are engaged in similar activities, or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet contractual obligations is similar affected by changes in economic, political or other conditions. The Company implements limits on concentrations in order to mitigate risk.

The Company's lending is widely spread in terms of the loan-to-value ratio, geographically, and impairment stages.

The following table provides a breakdown of loans to customers by indexed loan-to-value:

	<b>2025</b>				
	<b>BTL</b>	<b>Owner-occupied</b>	<b>Second charge</b>	<b>Total</b>	<b>%</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
0% - 50%	98,997	96,016	575	195,588	
50% - 60%	179,019	98,740	-	277,759	12.1
60% - 70%	472,991	108,947	-	581,938	25.3
70% - 80%	658,656	119,942	-	778,598	33.8
80% - 90%	169,093	192,560	-	361,653	15.7
> 90%	16,216	90,460	-	106,676	4.6
Total loans to customers	<u>1,594,972</u>	<u>706,665</u>	<u>575</u>	<u>2,302,212</u>	<u>100.0</u>

	<b>2024</b>				
	<b>BTL</b>	<b>Owner-occupied</b>	<b>Second charge</b>	<b>Total</b>	<b>%</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
0% - 50%	106,433	96,020	280	202,733	
50% - 60%	205,348	104,348	201	309,897	16.7
60% - 70%	554,569	117,172	306	672,047	36.2
70% - 80%	429,914	102,798	94	532,806	28.7
80% - 90%	48,120	85,739	-	133,859	7.2
> 90%	3,393	2,471	-	5,864	0.3
Total loans to customers	<u>1,347,777</u>	<u>508,548</u>	<u>881</u>	<u>1,857,206</u>	<u>100</u>

An analysis of loans to customers by region at 31 December is as follows:

	2025		2024	
	£'000	%	£'000	%
East of England	259,478	11.3	196,425	10.6
East Midlands	132,359	5.7	93,072	5.0
London	768,437	33.4	705,575	38.0
North East	51,089	2.2	39,666	2.1
North West	173,112	7.5	114,804	6.2
South East	327,186	14.2	263,754	14.2
South West	140,490	6.1	110,219	5.9
West Midlands	151,556	6.6	116,839	6.3
Yorkshire and the Humber	117,457	5.1	86,204	4.7
<b>Total England</b>	<b>2,121,165</b>	<b>92.1</b>	<b>1,726,558</b>	<b>93.0</b>
Scotland	109,597	4.8	80,422	4.3
Wales	71,450	3.1	50,226	2.7
<b>Total loans to customers</b>	<b>2,302,212</b>	<b>100.0</b>	<b>1,857,206</b>	<b>100.0</b>

An analysis of loans to customers by internal credit risk rating is as follows:

	Gross loans		Impairment provision	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<u>Stage 1</u>				
Low risk	1,979,656	1,437,006	1,530	929
High risk	69,306	26,364	535	124
<u>Stage 2</u>				
Low risk	101,890	244,611	270	619
High risk	88,403	85,441	1,123	722
<u>Stage 3</u>				
Impaired	62,957	63,784	3,632	2,480
<b>Total loans to customers</b>	<b>2,302,212</b>	<b>1,857,206</b>	<b>7,091</b>	<b>4,874</b>

Default receivables consist of accounts assigned to Stage 3. Low-quality receivables consist of accounts that are below a prescribed cut-off relating to the customer's credit score. High-quality receivables consist of accounts that are above a prescribed cut-off relating to the customer's credit score.

#### Credit risk – cash at financial institutions

The Company holds cash at financial institutions as part of its management of liquidity. The table below provides a breakdown of cash held at financial institutions by rating of those institutions.

The Company also holds UK government securities with financial institutions in Gilts and Treasury bills.

	2025						
	AA	AA-	A+	A	A-	BB+	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	250,992	-	3,882	-	-	-	254,874
Debt securities	-	-	433,282	386,488	-	-	819,770

	2024						
	AA	AA-	A+	A	A-	BB+	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	132,025	11,450	-	-	-	143,485
Debt securities	34,135	-	-	-	-	-	34,135

### Liquidity risk

The table below shows the timing of future cash outflows payable on an undiscounted basis for finance debt (assuming securitisations are repaid at the first call date), trade and other payables and accruals. These amounts will differ from carrying value as they include future interest payments. The floating rate interest is estimated using the prevailing rate at the balance sheet date.

	2025					
	Trade and other payables	Accruals	Retail deposits	Finance debt	Interest on finance debt	
	£'000	£'000	£'000	£'000	£'000	
	Within one year	379	5,912	2,425,702	40,345	3,515
	1 to 2 years	-	60	-	-	3,298
2 to 3 years	-	-	-	-	3,307	
3 to 4 years	-	-	-	35,000	23,410	
	<u>379</u>	<u>5,972</u>	<u>2,425,702</u>	<u>75,345</u>	<u>33,530</u>	

	2024					
	Trade and other payables	Accruals	Retail deposits	Finance debt	Interest on finance debt	
	£'000	£'000	£'000	£'000	£'000	
	Within one year	679	3,710	173,113	74,254	456
	1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-	
3 to 4 years	-	-	-	-	-	
	<u>679</u>	<u>3,710</u>	<u>173,113</u>	<u>74,254</u>	<u>456</u>	

The table below shows the timing of contractual cash outflows for derivative financial instruments entered into for the purpose of managing interest rate risk, whether or not hedge accounting is applied. The amounts reflect the gross settlement amount where the pay leg of a derivative will be settled separately from the receive leg. The swaps are with high investment-grade counterparties and therefore the settlement-day risk exposure is considered to be negligible. For further information on derivative financial instruments, see note 10.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Cash outflows for derivative financial instruments at 31 December		
Up to 1 month	439	37
1 – 3 months	638	267
3 – 12 months	(48)	1,149
1 – 5 years	(11,598)	2,695
Over 5 years	169	18
	<u>(10,400)</u>	<u>4,166</u>

### Interest rate risk

The acceptable exposure to changes in interest rate is limited by Board defined risk appetite.

Fixed rate cash flows, whether assets or liabilities, are hedged to SONIA by means of interest rate swaps. SONIA is an overnight interest rate that correlates highly with the Bank of England's Base Rate (BBR) during normal market conditions. Exposures to interest rate risk other than those based on BBR, SONIA and Vida Variable Rate are minimal.

Net exposures are hedged with external swap counterparties to mitigate the risk from interest rate movements.

The Company uses two primary methods to quantify interest rate risk exposure, Economic Value (EV) and net interest income (NII). EV sensitivity measures the change in net present value of the Company's asset, liability and derivative positions in response to an interest rate yield curve movement. NII sensitivity measures the change in NII over a 12-month time horizon following a change in the underlying interest rate yield curve. Each of these measures is stress tested in a variety of interest rate scenarios, using both parallel and non-parallel yield curve shifts.

Sensitivity analysis of EV and NII is performed on the Company balance sheet. The projected change in response to an immediate parallel shift of 200bps in all relevant interest rates for EV and 25bps for NII was:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
EV: Impact on increase in rates	(1,720)	(1,436)
EV: Impact on decrease in rates	2,110	1,466
NII: Impact on increase in rates	42	(70)
NII: Impact on decrease in rates	(42)	70

**26. Net cash flow from operating activities**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year	13,097	6,434
<u>Adjustments for non-cash items</u>		
Taxation (charge)/ credit for the year	(628)	229
Movement in deferred tax	(1,734)	-
Depreciation of property, plant and equipment	57	152
Amortisation of intangible assets	886	865
Amortisation of right of use of asset	353	346
Movement in shares issued	-	36,576
Movement in reserves	(279)	-
Net increase/(decrease) in fair value hedge	3,951	(6,683)
	<b>15,703</b>	<b>37,919</b>
<u>Changes in working capital</u>		
(Increase) in loans to customers	(428,986)	(153,735)
Increase in retail deposits	2,251,539	173,189
(Decrease) / increase in amounts owed to credit institutions	(33,909)	29,817
Increase in receivables	(43,327)	(2,266)
Increase in accruals & payables	4,345	189
Increase in other liabilities	233	1,653
Loan to subsidiaries	(179)	(16,202)
Decrease in tax liability	1,430	98
<b>Cash flows from operations</b>	<b>1,751,146</b>	<b>32,743</b>
<b>Net cash flows from operating activities</b>	<b>1,766,849</b>	<b>70,662</b>

## 27. Related parties

The Company has the following subsidiaries and other related parties, all of which are incorporated in Great Britain and are registered in England and Wales and operate throughout the United Kingdom (with the exception of the Pine Brook entities, which are registered in the Cayman Islands):

Related party	Holding 100% ordinary shares	Principal Activities	Registered Address
<b>Parent</b>			
Vida Company Holdings Limited		Mortgage Finance	1 Battle Bridge Lane, London, United Kingdom, SE1 2HP
<b>Subsidiaries</b>			
Belmont Green Funding 1 Limited	*	Mortgage Finance	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Belmont Green Funding 1 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Belmont Green Funding 3 Limited	*	In liquidation	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Belmont Green Funding 3 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Belmont Green Funding 4 Limited	*	Mortgage Finance	5 Churchill Place 10th Floor London E14 5HU
Belmont Green Funding 4 Holdings Limited	*	Non-trading	5 Churchill Place 10th Floor London E14 5HU
Belmont Green Funding 5 Limited	*	In liquidation	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Tower Bridge Funding No.4 Holdings Limited <sup>1</sup>	*	Dissolved	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2020-1 Holdings Limited <sup>2</sup>	*	Dissolved	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2021-1 PLC	*	In liquidation	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Tower Bridge Funding 2021-1 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2021-2 PLC	*	In liquidation	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Tower Bridge Funding 2021-2 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2022-1 PLC	*	Mortgage Finance	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2022-1 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2023-1 PLC	*	Mortgage Finance	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Tower Bridge Funding 2023-1 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2023-2 PLC	*	Mortgage Finance	18a Capricorn Centre Cranes Farm Road, Basildon, Essex, SS14 3JJ
Tower Bridge Funding 2023-2 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2024-1 PLC	*	Mortgage Finance	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2024-1 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2024-2 PLC	*	Mortgage Finance	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2024-2 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU

Tower Bridge Funding 2024-3 Plc	*	Mortgage Finance	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2024-3 Holdings Limited	*	Non-trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU
Tower Bridge Funding 2026-1 Plc	*	Mortgage Finance	8th Floor 100 Bishopsgate, London, United Kingdom, United Kingdom, EC2N 4AG
Tower Bridge Funding 2026-1 Holdings Limited	*	Non-trading	8th Floor 100 Bishopsgate, London, United Kingdom, United Kingdom, EC2N 4AG
Eagle Funding 1 Limited	*	Non- trading	10 <sup>th</sup> Floor 5 Churchill Place, London, United Kingdom, E14 5HU

Related party	Principal Activities
<b>Other related parties</b>	
Pine Brook PD (Cayman) Intermediate, LP	Investment Fund
Pine Brook Capital Partners II (Cayman) AV, LP	Investment Fund

1 Company was officially dissolved on 18 March 2025

2 Company was officially dissolved on 18 March 2025

\* The share capital of the warehouses and securitisation vehicles is not owned by the Company, but the vehicles are included in the Group consolidated financial statements as they are controlled by the Company. Please refer to note 2(c) for more information.

For the year ended 31 December 2025, the below subsidiaries are entitled to audit exemption under Section 479(a) of the Companies Act 2006.

Subsidiary	Registration Number
Belmont Green Funding 1 Holdings Limited	10272535
Belmont Green Funding 3 Holdings Limited	10272604
Belmont Green Funding 4 Holdings Limited	11066453
Tower Bridge Funding 2021-1 Holdings Limited	13061721
Tower Bridge Funding 2021-2 Holdings Limited	13381541
Tower Bridge Funding 2022-1 Holdings Limited	13688059
Tower Bridge Funding 2023-1 Holdings Limited	14070057
Tower Bridge Funding 2023-2 Holdings Limited	14762202
Tower Bridge Funding 2024-1 Holdings Limited	15198553
Tower Bridge Funding 2024-2 Holdings Limited	15450210
Tower Bridge Funding 2024-3 Holdings Limited	15811308
Tower Bridge Funding 2026-1 Holdings Limited	16772379

## 28. Related party transactions

The following table shows the Company's total balances with related entities outstanding at 31 December 2025. This has been eliminated upon consolidation within the Company.

	<b>2025</b>	<b>2024</b>
<b>Related Party</b>	<b>£'000</b>	<b>£'000</b>
<b>Amount due (to)/ from related party</b>		
Vida Group Holding Limited	(31,863)	2,971
Tower Bridge Funding 2026-1 Limited	13	-
<b>Interest payable to related party</b>		
Vida Group Holding Limited	515	

## 29. Subsequent events

After the Company's year-end period and before the approval of these financial statements, Vida Bank Limited successfully transacted the Tower Bridge Funding 2026-1 securitisation on 23 January 2026. The Tower Bridge Funding 2024-1 securitisation call option was exercised on 20 January 2026 and the Tower Bridge Funding 2022-1 securitisation call option is to be exercised on 20 March 2026. These are non-adjusting events and are noted for information purposes only.