Annual report and financial statements

Yorkshire Bank Home Loans Limited

For the year ended 31 March 2026

Company number: 01855020

Yorkshire Bank Home Loans Limited

Annual report and financial statements

For the year ended 31 March 2026

Contents

Yorkshire Bank Home Loans Limited

Officers and auditor

For the year ended 31 March 2026

Directors	Henry Jordan (appointed 1 September 2025) Muir Mathieson (appointed 1 September 2025) Gavin Smyth (appointed 2 April 2026) Christopher Rhodes (resigned 2 April 2026) Gergely Zaborszky (resigned 1 September 2025)
Secretary	NBS CoSec Limited (appointed 31 July 2025) Lorna McMillan (resigned 31 July 2025)
Registered office	Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Independent auditor	Ernst & Young LLP 12 Wellington Place Leeds LS1 4AP

Yorkshire Bank Home Loans Limited

Strategic report

The Directors of Yorkshire Bank Home Loans Limited (the Company) present their Strategic report for the year ended 31 March 2026.

Business structure

The Company is a private limited company incorporated in the United Kingdom (UK) under the Companies Act 2006 and registered in England and Wales. The Company is authorised and regulated by the Financial Conduct Authority.

For the year ended 31 March 2026, the Company was a wholly owned subsidiary of Clydesdale Bank PLC (CB), a company registered in Scotland. CB is a wholly owned subsidiary of Virgin Money UK PLC (Virgin Money), a company registered in England and Wales.

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide Building Society (Nationwide) as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII). Nationwide is the Company's ultimate parent and controlling party and is a building society incorporated and registered in England and Wales. Nationwide and its subsidiary undertakings comprise the Nationwide Building Society Group (the Group).

Principal activities

The Company provides mortgages and related services to customers who hold Yorkshire Bank products.

The Company's overall strategic objective is aligned to the Group, which aims to be strong and customer-centric, to proactively respond to changes in its customers' needs and to build long-standing customer relationships.

Financial analysis

Following the acquisition of Virgin Money by Nationwide on 1 October 2024, the Company's accounting reference date was changed from 30 September to 31 March to align to Nationwide's accounting reference date. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period.

The statement of comprehensive income for the year ended 31 March 2026 is set out on page 10. The Company made a profit before tax of £6.0m in the current year, compared to a profit before tax of £13.4m for the 18 months ended 31 March 2025.

The Company's net interest income decreased by £8.3m to £5.2m. After taking into account the shorter 12-month current accounting period, the decrease is primarily due to a reduction in average loans and advances to customers period on period.

Other operating income/(expenses) included a loan impairment release of £1.3m offset by related entity recharges for administrative expenses of £0.5m (18 months to 31 March 2025: related entity recharges for administrative expenses of £0.9m offset by a loan impairment release of £0.6m). Related entity recharges for administrative expenses decreased by £0.4m due to the shorter 12-month reporting period as well as lower average mortgage balances.

The Company's balance sheet as at 31 March 2026 is set out on page 11. The Company's total assets decreased by £22m and total liabilities decreased by £27m in the year. The decrease in total assets is primarily driven by mortgage loan repayments and redemptions. The decrease in total liabilities was driven by a £27m decrease in the overdraft with CB, which reflects the Company's decreased funding requirements for mortgages.

Key performance indicators

The Directors do not rely on key performance indicators at the individual subsidiary level. The results of the Company are included within the Group's Annual Report and Accounts. The business is managed within the Group and the results are consistent with the Company's status as a fully integrated and wholly owned subsidiary of the Group. For this reason, the Company's Directors believe that providing further performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the Company.

Strategic report (continued)

Section 172 (1) statement

In accordance with the Companies Act 2006 (the Act) (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act when performing their duty to promote the success of the Company.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this statement also provides details of how the Directors have engaged with and had regard to the interests of key stakeholders.

In accordance with section 426B of the Act, this statement is also presented in the Group's Annual Report and Accounts. As a building society, Nationwide is not required to follow the Act; however, the Group aims to apply its requirements where appropriate.

As a subsidiary of Nationwide, the Company follows many of the processes and practices of the Group. Further details of these can be found in the Group's Annual Report and Accounts, a copy of which may be obtained from the registered office at Nationwide House, Pipers Way, Swindon, Wiltshire, England, SN38 1NW or at nationwide.co.uk.

The Company has no employees or customers. Management of customers, government and regulators, and society and environmental stakeholders is overseen by the Group's Board.

Engagement with stakeholders

The Group's Board is responsible for leading stakeholder engagement, ensuring that the Group fulfils its obligations to those impacted by the business. Any decisions made by the Group's Board are considered for their impact on stakeholders and on the Group's success in the long term. Building and maintaining strong relationships with our stakeholders is central and is embedded in the Group's responsibilities and decision making. The Group is mindful of its duty to act in good faith and to promote the success of the Group with regard to the interests of all of its stakeholders including customers, colleagues, investors, the society we operate in and serve, government and regulators, and partners and suppliers.

Principal risks

The Company is exposed to a variety of risks through its normal operations. The most significant risks are described below.

Credit risk: the risk of loss as a result of a customer or counterparty failing to meet their financial obligations.

Liquidity and funding risk: the risk that the Company is unable to meet its current and future financial obligations as they fall due at acceptable cost. These obligations include the repayment of borrowings as they mature, the payment of operating expenses and tax, and the payment of dividends.

Interest rate risk: the risk from sensitivity of the Company's current and future net interest income and economic value to movements in market interest rates. Interest rate risk is managed at the Nationwide level.

Operational and conduct risk: the risk of impacts resulting from inadequate or failed internal processes, conduct and compliance management, people and systems, or from external events. This includes, but is not limited to, technology risk, security risk (including cyber), data risk, economic crime risk and regulatory risk.

Business risk: the risk that volumes decline, margins shrink, or losses increase, affecting the sustainability of the business and the ability to deliver the strategy due to external (macroeconomic, geopolitical, industry, regulatory, technological, or other external events) or internal factors (including the development and execution of the strategy).

Outlook

Over the next twelve months the Company will continue to support the Group in delivering against its targets and executing its strategy. The Company will continue to undertake mortgage lending and related activities to existing customers. No changes in future activities are envisaged. Future performance is driven by Group strategy, customer behaviour, and prevailing market conditions.

The Strategic report was approved by the Board of Directors on 16 July 2026 and was signed on its behalf by:

M Mathieson
Director
16 July 2026

Yorkshire Bank Home Loans Limited

Directors' report

The Directors present their Annual report and audited financial statements for the Company for the year ended 31 March 2026.

As set out in note 1 to the financial statements, the Company has adopted a new financial reporting framework in the year. The Annual report and financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Corporate governance

The Directors are committed to high standards of corporate governance and during the year the Company followed the corporate governance framework applied by the Company's parent company Clydesdale Bank PLC, having regard to those provisions the Board considered applicable. Clydesdale Bank PLC's corporate governance framework is set out in the Clydesdale Bank PLC Annual Report and Accounts.

Profits and appropriations

The profit attributable to the shareholders for the 12 months to 31 March 2026 amounted to £4.5m (18 months to 31 March 2025: £10.1m).

No interim dividends were recommended by the Directors or paid during the year (18 months to 31 March 2025: £10m). The Directors do not propose a final dividend in respect of this financial year (18 months to 31 March 2025: £Nil).

Future developments and financial risk management objectives and policies

Information regarding future developments and financial risk management policies of the Company, in relation to the use of financial instruments that would otherwise be required to be disclosed in the Directors' report, has been included in the Strategic report and is discussed in further detail in note 15 to the financial statements.

Directors and Directors' interests

The list of current Directors, together with changes to the composition of the Board, can be found on page 1. Under the terms of the Articles of Association of the Company, no Directors are required to retire by rotation.

Directors' interests

No Director had any interest in the shares of the Company at any time during the year.

Directors' insurance

During the year, Nationwide maintained insurance protecting the Directors and Officers of Nationwide, its subsidiaries and controlled entities against personal liabilities which may arise in the course of the performance of their duties.

Directors' remuneration

During the year the Directors of the Company were remunerated as employees of other Group companies, and did not receive incremental remuneration in respect of their duties as Directors of the Company. The Directors believe it would be appropriate to apportion part of their remuneration as being in respect of their duties to the Company. The aggregate emoluments of the Directors of the Company in respect of the current year were £6k (18 months to 31 March 2025: £9k); this is recharged to the Company by CB.

Engagement with stakeholders

Details on engagement with stakeholders are included within the Strategic report on page 3.

Employees

The Company does not have any employees.

Political donations

No political donations were made in the current or prior financial period.

Related parties

Details of related party transactions are set out in note 13 to the financial statements.

Share capital

Information about share capital is shown in note 10 to the financial statements.

Directors' report (continued)

Going concern

As stated in note 1 to the financial statements, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Events after the balance sheet date

Note 16 to the financial statements contains details of events after the balance sheet date.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In addition, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- 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 applicable UK GAAP Standards, including FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- state whether applicable UK GAAP Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable; 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.

The Directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with applicable law and UK GAAP, including FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- that the Annual report and financial statements, including the Strategic report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Yorkshire Bank Home Loans Limited

Directors' report (continued)

Auditors

The auditor, Ernst & Young LLP, has expressed its willingness to continue in office.

The Directors who were members of the Board at the time of signing the report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

(i) to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and

(ii) each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' report was approved by the Board of Directors on 16 July 2026 and was signed on its behalf by:

M Mathieson
Director
16 July 2026

Independent Auditor's Report to the Members of Yorkshire Bank Home Loans Limited

Opinion

We have audited the financial statements of Yorkshire Bank Home Loans Limited (the Company) for the year ended 31 March 2026 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes 1 to 16 including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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:

- We obtained management's going concern assessment for the Company, and evaluated the reasonableness of the assumptions and conclusions included in management's assessment taking into consideration the nature of the entity and its operations, its financial performance and position.
- We evaluated the impact of the transfer of ownership of the Company to Nationwide Building Society under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII). We considered how this might impact on the Company's ability to continue as a going concern. We obtained and evaluated representations from management that there is no intention to terminate the business of the Company in the going concern period.
- We reviewed board meeting minutes to identify events or conditions that may impact the Company's ability to continue as a going concern.
- We read and evaluated the adequacy of the disclosures in the Annual Report and Accounts in relation to going concern and considered whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion.

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report to the Members of Yorkshire Bank Home Loans Limited (continued)

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Independent Auditor's Report to the Members of Yorkshire Bank Home Loans Limited (continued)

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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework and the Companies Act 2006); regulations, licence conditions and supervisory requirements of the Financial Conduct Authority (FCA); and relevant tax compliance regulations.
- We understood how the Company is complying with those frameworks by performing a combination of inquiries of senior management and those charged with governance as required by auditing standards, review of board meeting minutes, gaining an understanding of the Company's approach to governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Our procedures to address the risks identified also included incorporation of unpredictability into the nature, timing and/or extent of our testing, challenging assumptions and judgements made by management in their significant accounting estimates and journal entry testing.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of the Company's management, and performing a review of board meeting minutes.

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

Use of our report

This report is made solely to the 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.

Signed by:
Gemma Campbell
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Gemma Campbell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
16 July 2026

Yorkshire Bank Home Loans Limited

Statement of comprehensive income

For the period	Note	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Interest income and similar income		**15,174**	35,721
Interest expense and similar charges		**(10,013)**	(22,238)
Net interest income		**5,161**	13,483
Fee and commission income		**40**	205
Other operating income/(expenses)	4	**810**	(244)
Profit on ordinary activities before tax		**6,011**	13,444
Tax expense	5	**(1,502)**	(3,361)
Profit for the period attributable to equity holders		**4,509**	10,083
Total comprehensive profit for the period attributable to equity holders		**4,509**	10,083

The Company has no recognised gains or losses other than those disclosed above.

All material items dealt with in arriving at the profit before tax for the above periods relate to continuing operations.

The notes on pages 13 to 26 form an integral part of these financial statements.

Yorkshire Bank Home Loans Limited

Balance sheet

As at 31 March	Note	2026 £'000	2025 £'000
Assets			
Loans and advances to customers	6	**338,421**	360,237
Corporation tax asset		**-**	135
Deferred tax asset	7	**264**	308
Total assets		**338,685**	360,680
Liabilities			
Overdraft due to related party	8	**323,213**	350,310
Corporation tax liability		**595**	-
Due to related entities		**2,851**	2,123
Other liabilities	9	**174**	904
Total liabilities		**326,833**	353,337
Equity			
Share capital	10	**-**	-
Retained earnings		**11,852**	7,343
Total shareholders' equity		**11,852**	7,343
Total liabilities and equity		**338,685**	360,680

The notes on pages 13 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 16 July 2026 and were signed on its behalf by:

M Mathieson
Director
16 July 2026
Company No: 01855020

Statement of changes in equity

	Share capital £'000	Retained earnings £'000	Total £'000
As at 1 October 2023	-	7,260	7,260
Total comprehensive income for the period	-	10,083	10,083
Dividends paid	-	(10,000)	(10,000)
As at 31 March 2025	-	7,343	7,343
Total comprehensive income for the year	**-**	**4,509**	**4,509**
As at 31 March 2026	**-**	**11,852**	**11,852**

The notes on pages 13 to 26 form an integral part of these financial statements.

Notes to the financial statements

1. Basis of preparation

Reporting entity

The Company is incorporated in the UK and registered in England and Wales.

For the year ended 31 March 2026, the Company was a wholly owned subsidiary of Clydesdale Bank PLC (CB), a company registered in Scotland. The financial statements of CB may be obtained from CB's registered office at 177 Bothwell Street, Glasgow, G2 7ER. CB is a wholly owned subsidiary of Virgin Money UK PLC (Virgin Money), a company registered in England and Wales.

Following the acquisition of Virgin Money by Nationwide on 1 October 2024, the Company's accounting reference date was changed from 30 September to 31 March in order to align to Nationwide's accounting reference date. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period.

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000. Nationwide is the Company's ultimate parent and controlling party and is a building society incorporated and registered in England and Wales. Nationwide and its subsidiary undertakings comprise the Nationwide Building Society Group (the Group).

The results of the Company are included in the consolidated financial statements of Nationwide Building Society, which is the parent undertaking of the smallest and largest group to consolidate these results.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. Nationwide's consolidated Annual Report and Accounts can be obtained from this address or at nationwide.co.uk.

Statement of compliance

As highlighted in note 2, the Company has adopted a new financial reporting framework in the year. The financial statements, which should be read in conjunction with the Strategic report and the Directors' report, have been prepared in accordance with applicable law and UK GAAP, including FRS 101. This is a change from previous financial statements, which were prepared under UK adopted International Accounting Standards (IAS). The application of FRS 101, instead of IAS, does not result in any material differences in accounting policies or in the figures reported in the financial statements.

Basis of measurement

The financial information has been prepared under the historical cost convention. A summary of the key accounting policies is set out in note 2.

Going concern

The Company's business activities, together with the factors likely to affect its future development, financial position and its exposure to risk, are set out in the Strategic report. In addition, note 15 to the financial statements includes the Company's risk and capital management policies and objectives.

In assessing the Company's going concern position, the Directors have considered a number of factors, including the current balance sheet and the Company's ongoing income and expenditure, taking account of possible changes in trading performance. As a consequence, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months from the approval of the financial statements, and therefore believe that the Company is well placed to manage its business risks successfully in line with its business model and strategic aims. Accordingly, the Directors adopt the going concern basis in preparing the Annual report and financial statements.

Notes to the financial statements (continued)

1. Basis of preparation (continued)

Climate change

The potential impact of climate-related risks on the Company's financial position and performance has been considered in preparing the financial statements.

This involved undertaking an assessment at a Group level over the assets (both financial and non-financial) and evaluating whether the observable effects of physical and transition risk of climate change would have a material impact on the financial position and performance in the current year. While the effects of climate change represent a source of uncertainty, the Group does not consider there to be a material impact on its judgements and estimates from physical and transition risks of climate change in the short to medium term.

We have considered whether the Company's customer lending is exposed to the potential impact of climate-related risks, through the measurement of expected credit losses (ECLs). Given the challenges associated with modelling specific climate projections, the Company's IFRS 9 scenarios do not make explicit assumptions about climate change impact. Notwithstanding this, we consider that as a UK-based company with no significant lending outside of the UK, the potential for material ECLs to emerge as a result of climate change in the short term is negligible.

2. Accounting policies

Accounting standards, amendments and interpretations

There were no significant mandatory International Accounting Standards Board (IASB) pronouncements adopted by the Company in the current financial year.

Change in Accounting Framework

During the year, the Company adopted Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). FRS 101 allows exemptions from specific disclosures in the financial statements of qualifying entities that would otherwise apply UK adopted International Accounting Standards (IAS). The disclosure exemptions adopted by the Company are the requirements to:

- prepare a cash flow statement (FRS 101.8 (h));
- disclose related party transactions within a group (FRS 101.8 (k)); and
- disclose future relevant accounting standards that are not yet effective (FRS 101.8 (i)).

Applying the requirements of FRS 101 has no impact on transactions or balances reported by the Company and only provides exemptions from specific disclosures as described.

The following material accounting policies have been applied in preparing these financial statements.

Revenue recognition

Net interest income

Interest income is reflected in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating amortisation using the effective interest rate (EIR) of a financial asset or financial liability. The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or liability.

When calculating the EIR, the cash flows are estimated considering all contractual terms of the financial instrument (e.g. prepayment, call and similar options) excluding future credit losses.

The calculation of the EIR includes all fees paid or received between parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts. Where it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments) are used.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Revenue recognition (continued)

Interest income on financial assets in impairment Stages 1 and 2 is recognised on the unwind of the discount from the initial recognition of the expected credit loss (ECL) using the original effective rate of interest. Once a financial asset or group of similar financial assets has been categorised as credit-impaired (Stage 3), interest income is recognised on the net carrying value (after the ECL allowance) using the asset's original EIR. The interest income for purchase or originated credit impaired financial assets is calculated using the credit-adjusted effective interest rate applied to the amortised cost of the financial asset from initial recognition.

Loan origination and commitment fees are recognised as revenue within the EIR calculation. When the non-utilisation of a commitment fee occurs, this is taken as revenue upon expiry of the agreed commitment period. Loan related administration and service fees are recognised as revenue over the period of service.

Direct loan origination costs are netted against loan origination fees and the net amount recognised as revenue over the life of the loan as an adjustment of yield. All other loan related costs are expensed as incurred.

Fees and commissions

Fees and commissions not integral to the EIR arising from services provided to customers and third parties are recognised once performance obligations have been satisfied.

Financial instruments

Recognition and derecognition

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual cash flows from the asset expire, or it transfers the right to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Financial liabilities are derecognised when the Company has discharged its obligation to the contract, or the contract is cancelled or expires.

Classification and measurement

The Company measures a financial asset or liability on initial recognition at its fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability (with the exception of financial assets or liabilities at fair value through profit or loss, where transaction costs are recognised directly in the income statement as they are incurred).

Financial assets

Subsequent accounting for a financial asset is determined by the classification of the asset depending on the underlying business model and contractual cash flow characteristics. This results in classification within one of the following categories: i) amortised cost; ii) fair value through other comprehensive income; or iii) fair value through profit or loss. The Company does not hold any financial assets classified at fair value.

A financial asset is measured at amortised cost when (i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows; and (ii) the contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amount outstanding.

Loans and advances to customers

The loans and advances to customers held by the Company are mortgages and are accounted for including direct and incremental transaction costs, using the effective interest method, and adjusted for expected credit losses and unearned income. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

At each reporting date, the Company assesses financial assets measured at amortised cost for impairment and calculates the resultant impairment loss allowance using an expected credit loss (ECL) methodology.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

The ECL calculation reflects: (i) an unbiased and probability weighted amount; (ii) the time value of money which discounts the impairment loss; and (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The impairment loss allowance is calculated as either a 12-month or lifetime ECL depending on whether the financial asset has exhibited a significant increase in credit risk since origination or otherwise becomes credit-impaired as at the reporting date. A low credit risk option is available which, when exercised, allows entities to not assess whether there has been a significant increase in credit risk since initial recognition where the financial asset is deemed as being of low credit risk at the reporting date. This option has not been exercised in the Company.

The impairment loss allowance falls into the following three categories:

Stage 1

Where there are no indicators at the reporting date of a significant increase in credit risk since origination, a 12-month impairment loss allowance is calculated.

Stage 2

Where a significant increase in credit risk since origination has been identified at the reporting date (but the financial asset is not credit-impaired) a lifetime impairment loss allowance is calculated. Indicators of a significant increase in credit risk include a number of qualitative and quantitative triggers. The Company adopts the backstop position that a significant increase in credit risk will have taken place when the financial asset reaches 30 days past due.

Qualitative factors that may indicate a significant change in credit risk include concession events that are deemed to be forbearance.

Stage 3

Where the financial asset is assessed as being credit-impaired at the reporting date through the impairment provisioning models, a lifetime impairment loss allowance is calculated. Assets are considered credit impaired when:

- contractual payments of either principal or interest are past due by more than 90 days;
- there are other indications that the borrower is unlikely to pay such as signs of financial difficulty, probable bankruptcy, breaches of contract and concession events which have a detrimental impact on the present value of future cash flows; or
- the loan is otherwise considered to be in default.

Financial assets can move between stages when the relevant staging criteria are no longer satisfied. If the level of impairment loss reduces in a subsequent period, the previously recognised impairment loss allowance is reversed by adjusting the impairment loss provision. The amount of the reversal is recognised in the statement of comprehensive income.

Write-offs and recoveries

When there is no reasonable expectation of recovery for a loan, it is written off against the related provision. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the impairment charge in the statement of comprehensive income.

Offsetting

Offsetting can only occur, and the net amount be presented on the balance sheet, when the Company has a current legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities

Financial liabilities are measured at amortised cost.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Fair value measurement

Fair value is defined as 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.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Where no such active market exists for the particular asset or liability, the Company uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions where possible, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. In doing so, fair value is estimated using a valuation technique that makes maximum possible use of market inputs and that places minimal possible reliance upon entity-specific inputs.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises profits or losses on the transaction date.

Cash and cash equivalents

Cash and cash equivalents include cash at bank carried at amortised cost.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with applicable UK GAAP Standards, including FRS 101, requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses reported in these financial statements. Assumptions made at each balance sheet date are based on best estimates at that date and are reviewed by the Directors at each reporting date. Although the Company has internal control systems in place to ensure that estimates can be reliably measured, actual amounts may differ from those estimates. The most significant use of judgements and estimates relate to the following:

Impairment provisions on credit exposures

The use of an ECL methodology under IFRS 9 requires the Company to apply estimates and exercise judgement when calculating an impairment allowance for credit exposures. The most significant of these relate to the use of economic scenarios and weightings, asset lifetimes, macroeconomic assumptions, the judgement required in determining a significant increase in credit risk, definition of default and management adjustments.

These are not calculated at an individual entity level within the CB group of entities. Further detail on the effect and impact of these can be found in the Clydesdale Bank PLC Annual Report and Accounts for the year ended 31 March 2026.

Notes to the financial statements (continued)

4. Other operating (income)/expenses

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Loan impairment release	(1,284)	(645)
Related entity recharges for administrative expenses	455	875
Other operating expenses	19	14
	(810)	244

Included within related entity recharges for administrative expenses are audit fees of £36.2k (18 months to 31 March 2025: £40.3k).

5. Taxation

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Current tax		
UK Corporation tax at 25% (2025: 25%)		
Current period	1,458	3,295
	1,458	3,295
Deferred tax		
Current period	44	66
Tax expense for the period	1,502	3,361

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Profit on ordinary activities before tax	6,011	13,444
Tax expense based on the standard rate of corporation tax in the UK of 25% (2025: 25%)	1,502	3,361
Tax expense for the period	1,502	3,361

Notes to the financial statements (continued)

6. Loans and advances to customers

	2026 £'000	2025 £'000
Gross loans and advances to customers	339,770	362,423
Provision for expected credit losses (note 12)	(1,349)	(2,186)
	338,421	360,237

Maximum exposure to credit risk

The maximum exposure to credit risk is disclosed in note 15.

Credit quality of loans and advances

The loan-to-value (LTV) ratio of retail mortgage lending coupled with the relationship of the debt to customers' income is key to the credit quality of these loans. The table below sets out the indexed loan-to-value analysis of the Company's retail mortgages:

	2026 %	2025 %
LTV [(1)]		
Up to 50%	56	49
50% to 60%	16	15
60% to 70%	16	19
70% to 80%	8	11
80% to 90%	2	4
90% to 100%	1	1
Over 100%	1	1
	100	100

(1) LTV of the mortgage portfolio is defined as mortgage portfolio weighted by balance and indexed using the MIAC Acadametrics indices at a given date.

During the year, the geographical distribution of the Company's residential mortgages across the UK has remained broadly stable. The highest concentration of lending remains in Yorkshire, the North and the North West, with the proportion of lending in these regions totalling 75% (2025: 75%).

Notes to the financial statements (continued)

7. Deferred tax asset

	2026 £'000	2025 £'000
Deferred tax asset:		
Opening balance	**308**	374
Income statement charge	**(44)**	(66)
Closing balance	**264**	308

The deferred tax asset relates to other temporary differences.

8. Overdraft due to related party

	2026 £'000	2025 £'000
Overdrafts	**323,213**	350,310

The Company holds an overdraft facility with its parent, CB, the Company's funding provider.

9. Other liabilities

	2026 £'000	2025 £'000
Settlement clearing	**174**	904

10. Share capital

	2026 Number	2026 £	2025 Number	2025 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	**100**	**100**	100	100

11. Dividends paid

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Total dividends paid	-	10,000
Dividend per share	-	100

The Directors do not recommend the payment of a final dividend in respect of the current year (18 months to 31 March 2025: £Nil).

Notes to the financial statements (continued)

12. Provision for expected credit losses

	Stage 1		Stage 2		Stage 3			
	Gross loans £000s	**ECL £000s**	**Gross loans £000s**	**ECL £000s**	**Gross loans £000s**	**ECL £000s**	**Total gross loans £000s**	**Total provision £000s**
Opening balance at 1 April 2025	**307,639**	**397**	**37,779**	**371**	**17,005**	**1,418**	**362,423**	**2,186**
Loan originations	**29,731**	**3**	**835**	**3**	**184**	**10**	**30,750**	**16**
Transfers between stages, repayments and other re-measurements	**(37,865)**	**(269)**	**(11,867)**	**(97)**	**(3,671)**	**(487)**	**(53,403)**	**(853)**
Closing balance at 31 March 2026	**299,505**	**131**	**26,747**	**277**	**13,518**	**941**	**339,770**	**1,349**

	Stage 1		Stage 2		Stage 3			
	Gross loans £000s	ECL £000s	Gross loans £000s	ECL £000s	Gross loans £000s	ECL £000s	Total gross loans £000s	Total provision £000s
Opening balance at 1 October 2023	591,217	1,053	37,131	796	19,645	1,008	647,993	2,857
Loan originations	44,023	14	1,912	32	736	31	46,671	77
Sale of loans to CB	(205,320)	(44)	(6,131)	(62)	(1,714)	(17)	(213,165)	(123)
Transfers between stages, repayments and other re-measurements	(122,281)	(626)	4,867	(395)	(1,662)	396	(119,076)	(625)
Closing balance at 31 March 2025	307,639	397	37,779	371	17,005	1,418	362,423	2,186

Notes to the financial statements (continued)

13. Related party transactions

Outstanding balances with related parties are unsecured and no guarantees have been provided or received for the balances as at 31 March 2026 (2025: None).

Audit fees

Included within administrative expenses are audit fees recharged through CB of £36.2k (18 months to 31 March 2025: £40.3k).

Transactions with Directors, key management and their close family members

There were no amounts outstanding at 31 March 2026 (2025: £Nil) for transactions with or arrangements between the Company and its Directors, key management and their close family members.

Compensation of key management personnel

All compensation received by key management personnel relates to their duties on behalf of other Group companies and is borne by other Group companies. Thus, no disclosure is presented in these financial statements.

Directors' remuneration

The Directors are employed as executives of other Group companies and do not receive incremental remuneration or pension scheme benefits in respect of their duties as Directors of the Company. The Directors believe it would be appropriate to apportion £6k (18 months to 31 March 2025: £9k) of their remuneration as being in respect of their duties to the Company during the year. These costs were recharged to the Company from CB.

Other transactions with related entities

Interest expenses of £10,013k (2025: £22,238k) were paid during the year to related entities.

14. Fair value of financial instruments

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 valuation date.

Analysis of the fair value disclosures uses a hierarchy that reflects the significance of inputs used in measuring fair value. The level in the fair value hierarchy within which a fair value measurement is categorised is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The fair value measurement hierarchy is as follows:

Level 1 - quoted prices (unadjusted) in active markets for an identical financial asset or liability.

Level 2 - inputs other than quoted prices within Level 1 that are observable for the financial asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

For the purposes of reporting movements between levels of the fair value hierarchy, transfers are recognised at the beginning of the reporting period in which they occur.

Fair value of financial instruments held at amortised cost

There are various limitations inherent in this fair value disclosure particularly where prices are derived from unobservable inputs due to some financial instruments not being traded in an active market. The methodologies and assumptions used in the fair value estimates are therefore described in the notes to the tables. The difference between carrying value and fair value is relevant in a trading environment but is not relevant to assets such as loans and advances to customers.

The table below shows a comparison of the carrying amounts of financial assets and liabilities as reported on the balance sheet and their fair values where these are not approximately equal.

	2026		2025	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	£'000	**£'000**	£'000	£'000
Financial assets				
Loans and advances to customers	**338,421**	**330,749**	360,237	367,260

Notes to the financial statements (continued)

14. Fair value of financial instruments (continued)

Loans and advances to customers are categorised as Level 3 in the fair value hierarchy.

The fair values of financial instruments at amortised cost are based on the following methodologies and assumptions:

- Loans and advances to customers – determined by firstly segregating them into portfolios of similar characteristics. Contractual cashflows are then adjusted for ECLs and expectations of customer behaviour based on observed historic data. The cashflows are then discounted at weighted average cost of capital (appropriate to the portfolio) to arrive at an estimate of their fair value.
- Amounts due to/from related entities – the fair value of amounts due to/from related entities are deemed to be approximate the carrying value.

There were no transfers between levels during the year (18 months to 31 March 2025: none).

15. Management of risk and capital

Management of risk

The Company's operations expose it to credit risk, liquidity and funding risk, and interest rate risk. Responsibility for the control of overall risk lies with the Directors, operating within a management framework that aligns to that of the Group.

Credit risk

Credit risk is the potential that a counterparty will be unable to pay amounts in full when due. The Company relies on the Group's credit risk policies, procedures and mitigation strategies to manage credit risk. These are regularly reviewed and updated where necessary.

No significant transactions occur outside of the UK and the Company has no material credit concentration risk exposure.

The Company's financial assets held at amortised cost are assessed regularly for recoverability, and an ECL allowance calculated and provided for where material.

Maximum exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk for loans and advances at the reporting date was £338,421k (2025: £360,237).

The distribution of the Company's credit exposures and ECL by internal PD rating is analysed below:

	Stage 1		**Stage 2**		**Stage 3**		**Total**	
2026	**Lending £'000**	**ECL £'000**	**Lending £'000**	**ECL £'000**	**Lending £'000**	**ECL £'000**	**Lending £'000**	**ECL £'000**
PD Range %								
0.0 to < 0.5	**265,090**	**31**	**2,509**	**2**	**-**	**-**	**267,599**	**33**
0.5 to <10.0	**34,060**	**57**	**19,847**	**138**	**-**	**-**	**53,907**	**195**
10.0 to <100	**355**	**43**	**4,391**	**137**	**-**	**-**	**4,746**	**180**
100	**-**	**-**	**-**	**-**	**13,518**	**941**	**13,518**	**941**
Total	**299,505**	**131**	**26,747**	**277**	**13,518**	**941**	**339,770**	**1,349**

	Stage 1		Stage 2		Stage 3		Total	
2025	Lending £'000	ECL £'000	Lending £'000	ECL £'000	Lending £'000	ECL £'000	Lending £'000	ECL £'000
PD Range %								
0.0 to < 0.5	274,992	67	4,143	6	-	-	279,135	73
0.5 to <10.0	30,971	92	28,106	216	-	-	59,077	308
10.0 to <100	1,676	238	5,530	149	-	-	7,206	387
100	-	-	-	-	17,005	1,418	17,005	1,418
Total	307,639	397	37,779	371	17,005	1,418	362,423	2,186

At 31 March 2026 there were £21.7m of undrawn commitments (2025: £23.1m).

Notes to the financial statements (continued)

15. Management of risk and capital (continued)

Forbearance

Identification and classification

The Bank is committed to helping customers who may anticipate or find themselves experiencing a period of financial difficulty, offering a range of forbearance options tailored to their individual circumstances. Accounts in arrears, or where the borrower is in financial difficulty, are managed by specialist teams within the Group or referred to debt charities to ensure an optimal outcome for our customers and the Company.

Forbearance is considered to take place when the Company grants concessions to assist mortgage customers who are experiencing, or who are about to experience, difficulties in meeting their financial commitments to the Company. Forbearance measures are exercised, where appropriate, based on detailed consideration of the customer's financial position and prospects. Where modification of the terms and conditions of an exposure meeting the criteria for classification as forbearance results in derecognition of loans and advances from the balance sheet and the recognition of a new exposure, the new exposure will be treated as forborne. Forbearance concessions will include the granting of more favourable terms and conditions than those provided either at drawdown of the facility or which would not ordinarily be available to others with a similar risk profile. Forbearance parameters are regularly reviewed and refined as necessary to ensure they are consistent with the latest industry guidance and prevailing practice, as well as ensuring that they adequately capture and reflect the most recent customer behaviours and market conditions.

Cure periods

The Company aligns to the regulatory cure periods used in its IFRS 9 staging criteria (as Stage 2 or 3) at a minimum period of either 24 or 36 months, depending on the forbearance programme utilised. Where exposures are classified as Stage 2 or 3 as a result of not being in a forbearance programme these can, as a general rule, cure and transfer to the appropriate stage when the relevant staging trigger is no longer applicable (i.e. there is no identifiable significant increase in credit risk or the exposure is no longer considered credit-impaired).

The tables below summarise the number of arrangements in place and the loan balances and impairment provisions associated with those arrangements. The Company reports retail forbearance at the exposure level. Where a customer is subject to more than one forbearance measure, they have been categorised into the primary method of forbearance. All balances subject to forbearance are classed as either Stage 2 or Stage 3 for ECL purposes:

	Total loans and advances subject to forbearance measures			**Impairment allowance on loans and advances subject to forbearance measures**	
2026	**Number of loans**	**Gross carrying amount £'000**	**% of total portfolio**	**Impairment allowance £'000**	**Coverage %**
	172	**15,502**	**4.56%**	**360**	**2.32%**

	Total loans and advances subject to forbearance measures			Impairment allowance on loans and advances subject to forbearance measures	
2025	Number of loans	Gross carrying amount £'000	% of total portfolio	Impairment allowance £'000	Coverage %
	196	17,084	4.71%	623	3.65%

The Company also has a number of customers with interest only mortgages past maturity, which are not subject to forbearance. The Company has formal processes embedded to proactively track and facilitate pre-maturity customer engagement to bring the cases to a formal conclusion, which is generally aimed to be achieved within six months after the loan has reached maturity. Complex cases can take longer than this to reach conclusion. At 31 March 2026, the Company had 8 (2025: 11) customers with interest only mortgages not subject to forbearance and which were past 6-month maturity, with a total value of £1.1m (2025: £2.3m).

When all other avenues of resolution, including forbearance, have been explored, the Company will take steps to repossess and sell underlying collateral. In the 12-month period to 31 March 2026 there were no repossessions (18 months to 31 March 2025: 10, of which none were voluntary).

Yorkshire Bank Home Loans Limited

Notes to the financial statements (continued)

15. Management of risk and capital (continued)

Liquidity and funding risk

Liquidity risk relates to the risk of the Company being unable to meet its current and future financial obligations as they fall due at acceptable cost. These obligations include the repayment of borrowings as they mature, the payment of operating expenses and tax, and the payment of dividends.

The Company's funding requirement is monitored by both Group Treasury and Company management and, when required, additional funding is provided to meet the Company's lending volumes and financial obligations.

The Directors do not believe there is a significant exposure to liquidity or funding risk due to the related party nature of funding and liability exposures with fellow Group companies.

Maturity analysis of assets and liabilities

The following tables represent a breakdown of the Company's balance sheet according to the assets and liabilities contractual maturity:

2026	**At call**	**3 months or less**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Assets							
Loans and advances to customers	**-**	**5,318**	**2,294**	**47,377**	**283,432**	**-**	**338,421**
Liabilities							
Overdraft due to related party	**323,213**	**-**	**-**	**-**	**-**	**-**	**323,213**
Amounts due to related entities	**-**	**-**	**2,851**	**-**	**-**	**-**	**2,851**
Other liabilities	**-**	**174**	**-**	**-**	**-**	**-**	**174**
	323,213	**174**	**2,851**	**-**	**-**	**-**	**326,238**

2025	At call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	No specific maturity	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets							
Loans and advances to customers	-	5,998	1,835	44,305	308,099	-	360,237
Liabilities							
Overdraft due to related party	350,310	-	-	-	-	-	350,310
Amounts due to related entities	-	-	2,123	-	-	-	2,123
Other liabilities	-	904	-	-	-	-	904
	350,310	904	2,123	-	-	-	353,337

Notes to the financial statements (continued)

15. Management of risk and capital (continued)

Interest rate risk

Interest rate risk comprises the sensitivity of the Company's current and future net interest income and economic value to movements in market interest rates. Interest rate risk is managed at the Group level.

Management of capital

Capital comprises retained earnings and share capital. Capital is managed on a Group basis. Further details about the Group's capital position can be found in the Capital risk section of the Risk report in the Group's Annual Report and Accounts.

16. Events after the balance sheet date

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

There were no other events after the balance sheet date that require disclosure.