Results for the year ended 31 December 2024
Turnaround on track, moving into profitable growth phase

London – 14 March 2025 - Vanquis Banking Group plc ('the Group' or 'Vanquis'), the specialist bank, today published its results for the twelve months to the end of December 2024.

Ian McLaughlin, Chief Executive Officer, commented: "2024 was a pivotal year in the turnaround of Vanquis. We have made good progress implementing the changes required to position the business for sustainable future growth, despite substantial headwinds. We addressed underlying structural issues, simplified our operating model, refreshed our strategy, expanded our product range, and are on track to deliver our technology enhancements.

"Significant progress has been made on our cost saving commitments across the year, with over £64 million of savings achieved by the end of 2024, exceeding our £60 million target. We are set to deliver an additional commitment of £15 million by the end of 2025. Our technology transformation programme, Gateway, is due to complete by mid-2026, providing us with a scalable, digital-first platform to support growth and delivering an additional £23-28 million in cost efficiencies.

"Vanquis plays an important role in UK banking. The customers we serve have demonstrated financial resilience, our underlying credit quality has improved and we have achieved greater clarity on cost of risk across portfolios. With this backdrop, the Group returned to gross customer interest earning balance growth in 4Q24.

"The foundations laid this year through our targeted strategies for efficiency and our commitment to long-term, profitable growth mean we remain on track to deliver low single-digit return on tangible equity (ROTE) in 2025. The headwinds we have faced mean we now expect to achieve our goal of sustainable mid-teens ROTE in 2027, with double-digits ROTE delivered in 2026.

"I am proud of the hard work put in by all our colleagues over this challenging period. While the transformation continues, I am confident that 2024 will be remembered as the year we repositioned Vanquis for success."

Executive Summary

Deliberate actions were taken in 2024 to position the Group for sustainable profitable growth in 2025.

- **Balance sheet review:** Adjusted loss before tax of £(34.8)m (2023: profit of £17.3m) was impacted by the Vehicle Finance Stage 3 receivables review in 1H24, completed in 2H24, along with one-off items, resulting in a loss of £(31.7)m. These actions have created a cleaner and lower risk balance sheet, giving greater clarity to the cost of risk across portfolios.
- **Complaints:** Complaint costs rose 66% to £47.4m, with Financial Ombudsman Service (FOS) fees increasing £(16.7)m to £(24.8)m, driven by an increase in unmerited Claims Management Company (CMC) claims, weighing on performance.
- **Balance growth:** Managed new business growth accordingly, resulting in a 4% decline in gross customer interest-earning balances to £2,308m. However, balances increased by 2% in 4Q24.
- **Cost efficiencies:** Delivered £64.3m of transformation cost savings by the end of 2024 and on track for an additional £15m of committed savings by the end of 2025.
- **Resilient funding:** Retail funding rose to 92.1% (2023: 83.7%), reinforcing the Group's strong liquidity position and deepening customer engagement.
- **Robust liquidity and capital:** The Group remained highly liquid, with a Liquidity Coverage Ratio (LCR) of 359% (2023: 1,263%) and a Tier 1 capital ratio of 18.8% (2023: 19.9%), ensuring sufficient capital for future growth.
- **Clear financial trajectory:** On track to deliver low single-digit ROTE in 2025. Now expect to achieve sustainable mid-teens ROTE in 2027 and low double-digit ROTE in 2026.
- **Vehicle Finance commission disclosures:** Vanquis did not participate in discretionary commission arrangements (DCAs). The future application of the Court of Appeal judgment remains highly uncertain, but Vanquis believes its position is differentiated on a number of grounds versus the three cases subject to the judgment. From January 2013 to October 2024, c.10% of the historical Vehicle Finance commission payments to intermediaries were to dealer brokers, subject to the judgment. In accordance with IAS 37, the Group has not provided for this matter.
- **Moneybarn goodwill write-off:** Statutory loss before tax of £(136.3)m (2023: £(12.0)m) included a £(71.2)m (2023: £nil) goodwill write-off related to Moneybarn. This does not impact the Group's capital position and is not connected to the Vehicle Finance Stage 3 receivables review or the Court of Appeal judgment regarding commission disclosures. The Group plans to moderate new business growth in Vehicle Finance while investing in and developing a new IT platform for Vehicle Finance as part of the Gateway technology transformation programme, and prioritise growth in Second Charge Mortgages and Credit Cards in the near term.

Group financial results

Income Statement (£m)	2024	2023 (Restated[1])	Change %
Interest income	**565.4**	556.0	2
Interest expense	**(145.4)**	(113.4)	(28)
Net interest income	**420.0**	442.6	(5)
Non-interest income	**38.5**	46.2	(17)
Total income	**458.5**	488.8	(6)
Impairment charges	**(191.0)**	(165.5)	(15)
Risk-adjusted income	**267.5**	323.3	(17)
Adjusted operating costs	**(302.3)**	(306.0)	1
Adjusted (loss)/profit before tax	**(34.8)**	17.3	
Exceptional costs	**(24.1)**	(21.4)	(13)
Amortisation of acquisition intangibles	**(6.2)**	(7.9)	22
Goodwill write-off	**(71.2)**	-	(100)
Statutory loss before tax	**(136.3)**	(12.0)	
Tax credit	**17.0**	0.3	
Statutory loss after tax	**(119.3)**	(11.7)	

Balance Sheet (£m)	Dec-2024	Dec-2023 (Restated[1])	Change %
Gross customer interest earning balances	**2,308**	2,401	(4)
Average gross customer interest earning balances	**2,286**	2,376	(4)
Gross receivables	**2,416**	2,739	(12)
Net receivables	**2,155**	2,159	-
Closing tangible net asset value (TNAV)	**359**	394	(9)
Average tangible equity	**377**	418	(10)

Selected key metrics[2] (%)	2024	2023 (Restated[1])	Change
Asset yield[3]	**22.7%**	22.1%	0.6%
Net interest margin (NIM)[4]	**18.4%**	18.6%	(0.2)%
Total income margin (TIM)[5]	**20.1%**	20.6%	(0.5)%
Cost of risk[6]	**(8.4)%**	(7.0)%	(1.4)%
Risk-adjusted margin (RAM)[7]	**11.7%**	13.6%	(1.9)%
Adjusted cost: income ratio[8]	**65.9%**	62.6%	(3.3)%
Statutory cost: income ratio[8]	**88.1%**	68.6%	(19.5)%
Adjusted ROTE[9]	**(7.0)%**	1.9%	(8.9)%
Statutory ROTE[9]	**(31.7)%**	(2.8)%	(28.9)%
Selected per share metrics (p)			Change %
Adjusted basic earnings per share (EPS)[10]	**(9.7)**	4.5	
Dividend per share	**-**	6.0	(100)
TNAV per share[11]	**140**	155	(10)

Capital, liquidity and funding metrics	Dec-2024	Dec-2023 (Restated[1])	Change
Tier 1 ratio[12]	**18.8%**	19.9%	(1.1)%
Risk weighted assets (RWAs) (£m)	**1,835**	1,976	(7)
High quality liquid assets (HQLA) (£m)	**947**	682	39
Liquidity coverage ratio (LCR)	**359%**	1,263%	
Retail deposits (£m)	**2,399**	1,925	25
Retail funding (% of all funding)	**92.1%**	83.7%	8.4%

2024 Financial Highlights

Income Statement

- Net interest income decreased 5% to £420.0m, leading to total income decreasing 6% to £458.5m, driven largely by higher cost of funds.
    - Despite reduced interest earning balances, interest income increased 2% to £565.4m driven by re-pricing initiatives in Credit Cards and Vehicle Finance, and increased Liquid Asset Buffer income. This was partially offset by the mix effect of growing lower-risk and lower-margin Second Charge Mortgages.
        - Asset yield increased 60 basis points to 22.7% driven by the repricing initiatives.
    - Interest expense increased by 28% to £145.4m, as maturing fixed term deposits were refinanced at higher market rates.
    - The combination of these factors drove a reduction in NIM to 18.4% (2023: 18.6%). Excluding Second Charge Mortgages, NIM was 18.9%, reflecting the benefit of the repricing initiatives.
- Impairment charges increased 15% to £191.0m driven by the Vehicle Finance Stage 3 receivables review and the non-repeat of £74.5m of prior year post model adjustment (PMA) and model redevelopment releases. Credit risk remained broadly stable in the underlying book, with lower origination charges in line with reduced new business volumes.
    - Cost of risk increased 140 basis points to 8.4%, with the prior year cost of risk of 7.0% having benefited from PMA and model redevelopment releases in 2023.
- Risk adjusted income decreased 17% to £267.5m, driving a RAM of 11.7% (2023: 13.6%).
- Adjusted operating costs decreased 1% to £302.3m.
    - This reflected a year-on-year increase in transformation cost savings of £48.9m, in total delivering greater than £60m of savings committed to by the end of 2024.
    - These savings were largely offset by increased complaint costs driven by higher FOS fees due to an increase in unmerited claims received from CMCs, one-off items linked to the comprehensive balance sheet review of £10.2m, and increased costs linked to growth initiatives and inflation.
    - This delivered an adjusted cost: income ratio of 65.9% (2023: 62.6%).
- Statutory loss before tax was £(136.3)m (2023: £(12.0)m), reflecting adjusting items of £(101.5)m (2023: £(29.3)m).
    - Adjusting items included exceptional items of £(24.1)m (2023: £(21.4)m), of which £(21.1)m (2023: £(17.0)m) were transformation costs linked to the operational turnaround of the business and rightsizing the headcount and property footprint of the Group, amortisation of acquisition intangibles of £(6.2)m (2023: £(7.9)m) and write-off of Moneybarn goodwill £(71.2)m (2023: £nil), which does not impact the Group's capital position.
- Adjusted loss before tax was £(34.8)m (2023: profit of £17.3m).
    - Adjusted performance improved in the second half of the year with an adjusted loss before tax of £(8.0)m, following a first half adjusted loss before tax of £(26.8)m, driven by the Vehicle Finance Stage 3 receivables review and other one-off items.
- Adjusted RoTE was (7.0)% (2023: 1.9%).

Balance Sheet

- Gross customer interest-earning balances decreased 4% to £2,308m:
    - Credit Card balances decreased 10% to £1,278m, as growth from originations were more than offset by higher repayments, lower spend by existing customers and outward balance transfers.
        - The reduction in Credit Card balances stabilised in 2H24.
    - Vehicle Finance balances reduced 11% to £765m, driven by an updated charge-off policy communicated with 1H24 results and refined in 2H24, resulting in balances being reclassified from Stage 3 impaired loans to post-charge-off assets in anticipation of future debt sales. Two debt sales were completed in 2H24.

    - Second Charge Mortgage balances grew to £217m (December 2023: £3m) following the successful expanded launch of the product in May 2024.
    - Personal Loan balances reduced to £49m (December 2023: £116m) due to the run-off of the existing portfolio.
- Net receivables were stable at £2,155m (December 2023: £2,159m), reflecting the underlying growth in interest earning balances driven by reduced impairment allowance now required on the Vehicle Finance portfolio and growth in lower-risk Second Charge Mortgages.

Capital, Liquidity and Funding

- Tier 1 ratio reduced to 18.8% (December 2023: 19.9%). The reduction was largely driven by the statutory loss after tax excluding the impact of the Moneybarn goodwill write-off and amortisation of acquisition intangibles which do not impact capital, partially offset by a 7% reduction in RWAs to £1,835m.
    - The Tier 1 ratio increased 0.1% in 4Q24.
- Increased surplus liquidity, as HQLA increased 39% to £947m. This resulted in excess HQLA over the liquidity coverage ratio (LCR) 100% minimum of £667m (December 2023: £627m), reflecting an LCR of 359% (December 2023: 1,263%).
- Retail funding increased to 92.1% of all funding (December 2023: 83.7%), as retail deposits increased 25% to £2,399m and Term Funding Scheme for SMEs (TFSME) was fully repaid.

Outlook and Guidance

2024 was a pivotal year for Vanquis Banking Group, with a number of challenges and deliberate actions taken to drive future sustainable profitability, impacting financial performance. In addition to external pressures, the Group addressed structural issues, including a comprehensive balance sheet review and reappraisal of customer propositions across products. These actions have resulted in a cleaner and lower risk balance sheet, driving much more clarity on profitability at the Group and individual product level.

Having taken these actions in 2024, the Group is now in a position where guidance can be set on a statutory basis, as adjusted performance is expected to be much more closely aligned with statutory performance going forward. Accordingly, the guidance outlined below for 2025 and 2026 is on a statutory basis rather than on an adjusted basis, which excluded exceptional costs, amortisation of acquisition intangibles and goodwill write-off in 2024.

- Given the 4% decline in gross customer interest earning balances in 2024, FY26 balances are expected to be at the lower end of the previously guided range of £3.0bn to £3.5bn, reaching c.£2.6bn by the end of 2025. The growth is expected to be delivered through Second Charge Mortgages and Credit Cards, with measured new business growth in Vehicle Finance in the near-term. With balances having increased 2% in 4Q24, growth continued in January and February 2025.

- To drive sustainable long-term profitability, the Group needs to grow interest earning balances. This growth comes with initial capital deployment through RWA growth and impairment build under IFRS 9 until the portfolio seasons, at which point income generation increases. The Group continues to guide to a low single-digit ROTE in 2025. The trajectory of interest earning receivables growth means the Group now expect to achieve sustainable mid-teens ROTE in 2027, with low double-digits ROTE delivered in 2026.

- A greater portion of growth in gross customer interest earning balances is expected to come from lower-risk and lower-margin Second Charge Mortgages, driving NIM guidance of greater than 17% in 2025 and greater than 16% in 2026. This is lower than the previous guidance of greater than 17% in 2026 driven by the mix effect.

- The cost: income ratio guidance of high 50s percent in 2025 and low 50s percent in 2026 reflects the commitment to deliver transformation cost savings as previous outlined and assumes a reduction in complaint costs in both years. The previous 2026 cost: income ratio guidance of 49% or lower was on an adjusted basis and the new guidance reflects a change in presentation of fraud costs from impairment to operating costs. The Group continues to expect the statutory cost: income ratio to be 49% or lower in 2027 and will be driven by both continued cost reductions and increased income.
    - Having delivered £64.3m of transformation cost savings by the end of 2024, the Group remains on track to deliver a further £15m of savings by the end of 2025, and £23-28m of savings through the Gateway programme, which remains on track for mid-2026 completion.

- Given the cleaner balance sheet and more stable financial position of the Group, with a lower risk mix of business, the Board has made the decision to operate the business with a Tier 1 ratio of greater than 17.5%. This reflects the capital requirements of the Group and the deployment of capital to build interest earning balances, enabling the growth required to deliver an appropriately scaled business in the medium to long-term.
    - The Group will continue to ensure an adequate buffer to regulatory requirements is maintained, which will be reset in 2026 with the implementation of Basel 3.1 and the Small Domestic Deposit Takers (SDDT) regime due to come into effect on 1 January 2027. The Group's capital requirements are also due to be reviewed by the Prudential Regulation Authority (PRA) in 2025 as part of the triennial Capital Supervisory Review and Evaluation Process (SREP) and the future Tier 1 ratio level will be influenced by the Board review of the capital allocation framework and dividend policy in 2026.

- The Group has agreed the sale of its Personal Loan portfolio. As at 31 December 2024, the portfolio consisted of £49m of gross customer interest earning balances and £44m of net receivables. The transaction is expected to generate a small gain on sale, with a proforma Tier 1 capital ratio benefit of c.25bps in 1Q25.

	2025 Statutory Guidance	**2026 Statutory Guidance**
Gross customer interest earning balances	c.£2.6bn	c.£3.0bn
ROTE	Low single digits	Low double digits
NIM	>17%	>16%
Cost: income ratio	High 50s	Low 50s
Tier 1 ratio	>17.5%	

Capital Management and Dividend

- With the focus on deploying capital to support growth initiatives, the Board of Directors has decided not to declare a dividend for 2024 (2023: 6.0p per share).
- The Board intend to revisit the capital allocation framework and dividend policy following full delivery of the strategy in 2026.

2024 Operational Highlights

Customer proposition and insightful risk management update

- In Credit Cards, successfully repriced products across the portfolio. The business comprehensively reviewed customer cohorts by risk profile, vintage and acquisition channel. This review drove proactive volume management and as a result, growth actions were moderated to ensure the future sustainable profitability of the portfolio.

- In Vehicle Finance, in addition to a successful repricing exercise, the Group completed a review of Stage 3 receivables, and although this resulted in a write-down of the value of these receivables, the actions taken are now driving more clarity on the cost of risk of the portfolio.
- The Second Charge Mortgages proposition had a successful launch and continued to gain momentum, supported by a forward flow agreement with Interbridge Mortgages and an expanded partnership with Selina Finance.
- The Group advanced its marketplace proposition through agreements with H&T Pawnbrokers and Fair Finance.
- In Savings, the Group enhanced its ability to provide cost-effective funding with an expanded product range that includes retail notice accounts and easy access accounts, including a new, innovative savings proposition from Snoop.
- Within Snoop, active users increased 25% to 293,000. Enhanced AI driven customer solutions via the open banking proposition, including the credit score feature, attracted new users. Its bill-switching capability was seamlessly integrated into the Vanquis app, enhancing convenience and engagement for customers.

Technology transformation, operational efficiency and people update

- Key Gateway programme milestones achieved include:
    - Further digitised customer engagement through enhancements to self-service tools, such as digital statement functionality, improving customer experience and reducing costs.
    - A single customer-centric contact centre platform servicing multiple products.
    - Replacing the Vehicle Finance lending decision engine, improving customer underwriting and reducing risk.
    - Moving colleagues onto one IT platform, resulting in improved colleague and customer experience, and reducing costs.
- Development of the new Vanquis mobile app is on plan for implementation in 2Q25, further digitising the customer service proposition.
- Enhanced cost-effective outsourced complaints handling capability, with AI automated complaint logging, reducing unprocessed complaints to 5,600 at year end (December 2023: 14,400).
- The Operations outsourcing programme was completed and further Cloud enablement was deployed, driving savings and providing more cost flexibility.
- Executive Management team reduced from thirteen to nine, with several strategic hires at senior management level.
- Reduced the Group full time equivalent headcount 18% to 1,215.
- 7 percentage point improvement to 60% in the Great Place To Work Colleague Engagement Trust Index.

Update on External Factors

Complaints update

- Complaint costs increased 66% to £47.4m, driven by a material increase in Financial Ombudsman Service (FOS) fees from increased Claims Management Companies (CMC) complaints, with uphold rates of only 11% (2023: 6%)[13]. FOS fees increased three-fold to £24.8m (2023: £8.1m) representing over half of total complaint costs.
- Vanquis welcomes the enactment of the revised FOS fees charging proposals, which are expected to reduce unmerited CMC complaint referrals to the FOS following implementation on 1 April 2025.
    - CMCs will be charged an upfront fee of £250 for each claim submitted, reducing to £75 for upheld cases.
    - Lender fees will reduce from £650 per case to £475 for each case not upheld.
- Continue to engage with regulators to address complaints issues on an industry wide basis.
- Legal proceedings are ongoing against the CMC responsible for the most unmerited claims.

Vehicle Finance commission disclosures update

- As previously stated, Vanquis is not subject to the current FCA Motor Commissions Review that has been focused on DCAs, which Vanquis did not participate in.
- The future application of the Court of Appeal judgment in *Johnson v Firstrand Bank Ltd*, *Wrench v Firstrand Bank Ltd*, and *Hopcraft v Close Brothers Ltd*, relating to motor finance commission disclosure practices, remains highly uncertain with the Supreme Court having agreed to hear the appeal of the two lenders involved.
- Vanquis believes its position is differentiated on a number of grounds versus the three cases subject to the judgment and all customers signed a pre-contractual document that confirmed a commission 'will' be paid.
- From January 2013 to October 2024, c.10% of the historical Vehicle Finance commission payments to intermediaries were to dealer brokers, subject to the judgment, to whom £23m was paid out as commissions.
- In accordance with IAS 37, the Group has not provided for this matter, but has recognised a contingent liability. For further details refer to Note 15: Contingent liabilities on page 51.
- The FCA have put in place an extension for handling Vehicle Finance commission complaints until 4 December 2025 to align with rules for firms dealing with DCA complaints.
  - Vanquis had received c.4,400 complaints related to Vehicle Finance commission disclosures as at 31 December 2024.

Results webcast

Ian McLaughlin, CEO, and Dave Watts, CFO, will host a results webcast at 09:00 today. To register your attendance, please use this link: https://webcast.openbriefing.com/vanquis-fy24/

Materials for the results presentation have been published at:
https://www.vanquisbankinggroup.com/shareholder-hub/results-reports-and-presentations/

Enquiries

Analysts and shareholders
James Cranstoun, Head of Investor Relations
james.cranstoun@vanquis.com
+44 (0) 7766 937 406

Media
Scott Mowbray, Head of External Communications
scott.mowbray@vanquis.com
+44 (0) 7834 843 384

Victoria Ainsworth, Senior Director (Hawthorn Advisors)
vanquis@hawthornadvisors.com
+44 (0) 7894 995 886

Footnotes

1. *The presentation of the income statement in this report is consistent with that in the Annual Report and Accounts for 31 December 2023, with the exception of the impact of the Vehicle Finance Stage 3 receivables review and the representation of fraud costs from impairment to adjusted operating costs.*
2. *Adjusted performance and metrics exclude exceptional costs, amortisation of acquisition intangibles and goodwill write-off.*
3. *Asset yield is calculated as interest income received from customers for the period as a percentage of average gross customer interest earning balances for the 12 months ended 31 December using a 13 point month end average.*
4. *Net interest margin is calculated as interest income less interest expense for the period as a percentage of average gross customer interest earning balances for the 12 months ended 31 December using a 13 point month end average.*
5. *Total income margin is calculated as total income for the period as a percentage of average gross customer interest earning balances for the 12 months ended 31 December using a 13 point month end average.*
6. *Cost of risk is calculated as impairment charges for the period as a percentage of average gross customer interest earning balances for the 12 months ended 31 December using a 13 point month end average.*
7. *Risk-adjusted margin is defined as risk-adjusted income for the period as a percentage of average gross customer interest earning balances for the 12 months ended 31 December using a 13 point month end average.*
8. *Cost: income ratio is calculated as operating costs as a percentage of total income for the 12 months ended 31 December.*
9. *ROTE is calculated as profit after tax net of fair value gains for the 12 months ended 31 December as a percentage of average adjusted tangible equity for the 12 months ended 31 December. Adjusted tangible equity is stated as equity after deducting the Group's pension asset, net of deferred tax, the fair value of derivative financial instruments, net of deferred tax, less intangible assets and goodwill.*
10. *Adjusted basic earnings per share is calculated as adjusted profit after tax for the 12 months ended 31 December, divided by the weighted average number of shares in issue.*
11. *TNAV per share is calculated as closing adjusted tangible net asset value, divided by the period end number of shares in issue. Adjusted tangible net asset value is stated as equity after deducting the Group's pension asset, net of deferred tax, the fair value of derivative financial instruments, net of deferred tax, less intangible assets and goodwill.*
12. *The Tier 1 ratio is calculated as the ratio of the Group's Tier 1 capital as a percentage of the Group's risk-weighted exposures measured in accordance with the CRR.*
13. *11% uphold rate of FOS referrals are higher than prior year due to elevated complaints handling back log in early 2024, which meant that complaints were not considered before being referred to FOS.*

Forward looking statements

This report may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of Vanquis Banking Group. All statements other than statements of historical fact included in this document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond Vanquis Banking Group's ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this report. Vanquis Banking Group does not assume any obligation to, and does not intend to, revise or update these forward-looking statements, except as required pursuant to applicable law or regulation. No statement in this announcement is intended as a profit forecast or estimate for any period. No statement in this announcement should be interpreted to indicate a particular level of profit and, as a consequence, it should not be possible to derive a profit figure for any future period from this report.

Financial review

Group performance

The Group's 2024 results are as follows:

	2024 £m	2023 (Restated) £m	Change %
Interest income	**565.4**	556.0	2
Interest expense	**(145.4)**	(113.4)	(28)
Net interest income	**420.0**	442.6	(5)
Non-interest income	**38.5**	46.2	(17)
Total income	**458.5**	488.8	(6)
Impairment charges	**(191.0)**	(165.5)	(15)
Risk-adjusted income	**267.5**	323.3	(17)
Operating costs	**(403.8)**	(335.3)	(20)
Statutory loss before tax	**(136.3)**	(12.0)	
Tax credit	**17.0**	0.3	
Statutory loss after tax	**(119.3)**	(11.7)	
Add back:			
Tax credit	**(17.0)**	(0.3)	
Exceptional costs	**24.1**	21.4	(12)
Amortisation of acquisition intangibles	**6.2**	7.9	22
Goodwill write-off	**71.2**	-	(100)
Adjusted (loss)/profit before tax	**(34.8)**	17.3	
Adjusted operating costs	**(302.3)**	(306.0)	1

Income

Total income reduced 6% to £458.5m, driven by 4% lower gross customer interest earning balances at £2,308m and higher funding costs, partially offset by the benefit of repricing initiatives in Credit Cards and Vehicle Finance, and increased Liquid Asset Buffer income.

Net interest income decreased 5% to £420.0m. Within this, interest income increased 2% to £565.4m driven by repricing initiatives in Credit Cards and Vehicle Finance, and increased Liquid Asset Buffer income. This was partially offset by lower gross customer interest earning balances and the mix effect of growing lower-risk and lower-margin Second Charge Mortgages. Interest expense increased 28% to £145.4m, as maturing fixed term deposits were refinanced at higher current market rates.

NIM, calculated as net interest income as a percentage of average gross interest earning receivables, decreased to 18.4% (2023: 18.6%). Excluding Second Charge Mortgages, NIM was 18.9% (2023:18.6%), reflecting the benefit of the repricing initiatives.

Non-interest income reduced 17% to £38.5m reflecting lower fee and commission income.

Impairment

Impairment charges increased 15% to £191.0m reflecting the impact of the Vehicle Finance Stage 3 receivables review and the non-repeat of impairment releases in 2023. Credit risk remained broadly stable in the underlying book.

Impairment charges driven by originations were £44.7m lower year-on-year in line with reduced new business volumes and credit risk in the underlying book improved £27.7m driven by positive stage migrations.

2023 benefited from post model adjustment and other model redevelopment releases of £74.5m, which did not repeat in 2024. This included provisions no longer required in Credit Cards and Vehicle Finance, arising from IFRS 9 model refinements of £57.7m, and the full release of the cost-of-living post-model adjustment of £10.8m.

The Vehicle Finance Stage 3 receivables review reduced derecognition of Stage 3 interest by £17.6m and increased write-offs by £21.9m following establishment of Vehicle Finance post-charge-off asset policy, resulting in a much better performing portfolio.

The macroeconomic environment, the minimal impact of the cost-of-living crisis and the growth in lower-risk customer and product segments, such as Second Charge Mortgages, meant underlying impairment remained benign, with credit quality and delinquency trends broadly stable.

Cost of risk, calculated as impairment charges as a percentage of average gross customer interest earning balances, increased to 8.4% (2023:7.0%).

Risk-adjusted margin, calculated as risk-adjusted income as a percentage of average gross customer interest earning balances, decreased to 11.7% (2023: 13.6%) as a result of the reduced NIM and higher cost of risk.

Operating Costs

Operating costs increased 20% to £403.8m including goodwill write-off of £71.2m relating to the Moneybarn business, as the Group prioritises capital deployment for growth into Second Charge Mortgages and Credit Cards in the near-term.

Exceptional costs were £24.1m (2023: £21.4m), including transformation costs of £21.1m (2023: £17.0m), comprising redundancy and outsourcing costs of £9.7m (2023: £9.4m), property exit costs of £3.5m (2023: £4.1m) and strategic consultancy costs of £7.9m (2023: £3.5m).

Amortisation of acquisition intangibles reduced to £6.2m (2023: £7.9m) following the completion of the Moneybarn intangibles amortisation in August 2024.

Excluding exceptional costs, amortisation of acquisition intangibles and goodwill write-off described above, adjusted operating costs decreased 1% to £302.3m. This delivered an adjusted cost: income ratio of 65.9% (2023: 62.6%).

An additional £48.9m of transformation cost savings were delivered in 2024. When coupled with 2023 transformation cost savings of £15.4m, £64.3m of savings were delivered by the end of 2024, exceeding the £60m commitment. These savings were largely offset by increased complaint costs driven by higher FOS fees due to an increase in unmerited claims received from CMCs, one-off items linked to the comprehensive balance sheet review of £10.2m, and increased costs linked to growth initiatives and inflation.

The Group has continued investment in the diversification of customer propositions, and the technology and operations investment associated with the Gateway technology transformation programme. Cost management has been embedded as a core discipline throughout the Group with the transformation cost saving commitment increased from £60m by the end of 2024 to £75m by the end of 2025, reflecting an additional £15m of committed savings in 2025, and £23m-£28m of savings through the Gateway programme in 2026 and 2027.

Loss before tax

The Group's statutory loss before tax was £(136.3)m (2023: £(12.0)m).

The Group's adjusted loss before tax, excluding adjusting items of exceptional costs, amortisation of acquisition intangibles and goodwill write-off, was £(34.8)m (2023: adjusted profit of £17.3m).

Tax

The tax credit of £17.0m (2023: tax credit of £0.3m) broadly reflects the mainstream corporation tax rate of 25.0% (2023: 23.5%) on the loss before tax of £(65.1)m excluding the goodwill write-off of £(71.2)m, which was non-tax deductible.

The Group's adjusted loss before tax generated a tax credit of £10.0m (2023: tax charge of £5.9m), exceptional costs generated a tax credit of £5.4m (2023: tax credit of £4.3m) and amortisation of acquisition intangibles generated a tax credit of £1.6m (2023: tax credit of £1.9m).

Loss after tax

The Group's statutory loss after tax, including adjusting items of exceptional costs, amortisation of acquisition intangibles and goodwill write-off, was £(119.3)m (2023: £(11.7)m).

The Group's adjusted loss after tax was £(24.8)m (2023: adjusted profit of £11.5m).

Adjusted ROTE and EPS

The Group's adjusted ROTE decreased to (7.0)% (2023: 1.9%) and the adjusted basic EPS decreased to (9.7)p (2023: 4.5p) per share, reflecting the adjusted loss before tax.

Balance sheet

	2024 £m	2023 (Restated) £m	Change %
Assets			
Cash and balances at central banks	**1,004**	743	35
Amounts receivable from customers[1]	**2,154**	2,156	-
Pension asset	**28**	38	(26)
Goodwill and other intangibles	**63**	147	(57)
Other assets	**126**	111	14
	3,375	3,195	6
Liabilities			
Retail deposits	**2,428**	1,951	24
Bank and other borrowings[2]	**410**	583	(30)
Trade and other payables	**46**	44	5
Other liabilities	**50**	48	4
	2,934	2,626	12

[1] Amounts receivable from customers are presented net of £1m (2023: £3m) fair value adjustment for portfolio hedged risk. Underlying net receivables were £2,155m (2023: £2,159m).

[2] Bank and other borrowings in 2024 are presented net of £3m (2023: £1m) fair value adjustment for hedged risk. Underlying bank and other borrowings were £413m (2023: £584m).

Assets increased 6% to £3,375m driven by a 35% increase in cash and balances at central banks to £1,004m, of which £947m (December 2023: £682m) represented high quality liquid assets (HQLA) placed with the Bank of England. This was partially offset by a 57% reduction in goodwill and other intangibles to £63m, driven by the goodwill write-off of £(71.2)m relating to the Moneybarn business, as the Group prioritises capital deployment for growth into Second Charge Mortgages and Credit Cards in the near-term.

Amounts receivable from customers were stable at £2,154m (December 2023: £2,156m), as a 12% reduction in gross receivables to £2,416m driven by the Vehicle Finance Stage 3 receivables review was offset by a commensurate reduction in Expected Credit Losses (ECL) to £262m (December 2023: £580m). Gross customer interest earning balances decreased 4% to £2,308m, as reductions in Credit Cards, Vehicle Finance and Personal Loans balances were partially offset by growth in Second Charge Mortgages.

Liabilities increased 12% to £2,934m, as retail deposits increased by 24% to £2,428m driven by growth in more flexible retail notice and easy access accounts, partially offset by a reduction in fixed-term products. This was partially offset by a 30% reduction in bank and other borrowings to £410m driven by the full repayment of Term Funding for SMEs (TFSME) early given the strength of the deposit franchise.

Liquidity and funding

HQLA of £947m (December 2023: £682m) was almost entirely held in the Bank of England reserve account. This represented significant level of excess liquidity and a liquidity coverage ratio of 359% (December 2023: 1,263%).

Retail deposit funding increased 25% to £2,399m and was able to deliver the required funding base at an attractive cost compared to wholesale alternatives. Within the retail deposit base, fixed-term products reduced 25% to £1,415m and were replaced by retail notice accounts of £608m (December 2023: £42m) and easy access accounts of £376m (December 2023: £nil). The Group is now significantly funded by retail deposits, at 92.1% (December 2023: 83.7%) of total funding.

Ongoing funding diversification is provided by modest levels of private securitisation and Bank of England funding collateralised by both Vehicle Finance and Credit Card assets. The Group has no senior unsecured wholesale funding, although maintains access to the wholesale markets via a £2bn Euro Medium Term Note programme.

The Group's cost of funds rose to 5.1% (December 2023: 4.4%), as maturing fixed-term products, although reducing, were refinanced at higher rates.

Capital

The Group maintains a robust capital position with a Tier 1 ratio of 18.8% (December 2023: 19.9%). This represents a surplus of £99m of Tier 1 capital above the Group's Tier 1 capital requirement and regulatory combined buffers of 13.4%. The 1.1% reduction in the Tier 1 ratio in 2024 was driven by the statutory loss after tax for the year after adjusting for goodwill and intangibles write-off and intangibles amortisation, which are deducted from capital.

Risk weighted assets (RWAs) decreased to £1,835m (December 2023: £1,976m), primarily reflecting the stable net receivables balance being driven by lower risk weight density Second Charge Mortgages, more than offset by reductions in RWAs of higher risk weight density Credit Cards, Vehicle Finance and Personal Loans receivables.

The Group's leverage ratio of 13.9% (December 2023: 15.9%) remains comfortably above the minimum requirement.

Operating review

Product trading performance

Segment analysis – Adjusted product contribution

2024 £m	**Credit Cards**	**Vehicle Finance**	**Second Charge Mortgages**	**Personal Loans**	**Corporate Centre incl. Snoop**	**Total**
Interest income	**406.3**	**133.1**	**4.8**	**15.4**	**5.8**	**565.4**
Interest expense	**(79.6)**	**(38.5)**	**(2.9)**	**(3.4)**	**(21.0)**	**(145.4)**
Net interest income	**326.7**	**94.6**	**1.9**	**12.0**	**(15.2)**	**420.0**
Non-interest income	**35.3**	**-**	**-**	**-**	**3.2**	**38.5**
Total income	**362.0**	**94.6**	**1.9**	**12.0**	**(12.0)**	**458.5**
Impairment charges	**(123.9)**	**(60.4)**	**(0.2)**	**(5.7)**	**(0.8)**	**(191.0)**
Risk-adjusted income	**238.1**	**34.2**	**1.7**	**6.3**	**(12.8)**	**267.5**
Adjusted operating costs	**(185.3)**	**(42.2)**	**(0.2)**	**(10.5)**	**(64.1)**	**(302.3)**
Adjusted PBT / (LBT)	**52.8**	**(8.0)**	**1.5**	**(4.2)**	**(76.9)**	**(34.8)**

2023 (Restated) £m	Credit Cards	Vehicle Finance	Second Charge Mortgages	Personal Loans	Corporate Centre incl. Snoop	Total
Interest income	371.0	150.3	0.4	25.9	8.4	556.0
Interest expense	(51.6)	(28.7)	(0.2)	(4.0)	(28.9)	(113.4)
Net interest income	319.4	121.6	0.2	21.9	(20.5)	442.6
Non-interest income	43.8	2.0	-	-	0.4	46.2
Total income	363.2	123.6	0.2	21.9	(20.1)	488.8
Impairment charges	(125.5)	(20.4)	-	(19.6)	-	(165.5)
Risk-adjusted income	237.7	103.2	0.2	2.3	(20.1)	323.3
Adjusted operating costs	(172.3)	(51.9)	(0.7)	(17.3)	(63.8)	(306.0)
Adjusted PBT / (LBT)	65.4	51.3	(0.5)	(15.0)	(83.9)	17.3

[1] *Adjusted operating costs are stated before exceptional items, amortisation of acquisition intangibles and goodwill write-off.*

Credit Cards - Proactive volume management in 2024. Positioned for profitable growth in 2025

Twelve months ended 31 December	**2024 £m**	2023 (Restated) £m	Change %
Total customer numbers ('000)	**1,267**	1,376	(8)
Gross customer interest earning balances	**1,278**	1,424	(10)
Average gross customer interest earning balances[1]	**1,313**	1,416	(7)
Gross receivables	**1,310**	1,475	(11)
Net receivables	**1,150**	1,278	(10)
Interest income	**406.3**	371.0	10
Interest expense	**(79.6)**	(51.6)	(54)
Net interest income	**326.7**	319.4	2
Non-interest income	**35.3**	43.8	(19)
Total income	**362.0**	363.2	-
Impairment charges	**(123.9)**	(125.5)	1
Risk adjusted income	**238.1**	237.7	-
Adjusted operating costs [2]	**(185.3)**	(172.3)	(8)
Adjusted PBT contribution [3]	**52.8**	65.4	(19)
Asset yield (%) [4]	**27.9**	24.7	3.2
Net interest margin (%) [5]	**24.9**	22.6	2.3
Total income margin (%) [6]	**27.6**	25.7	1.9
Cost of risk (%) [7]	**(9.4)**	(8.9)	(0.5)
Risk adjusted margin (%) [8]	**18.1**	16.8	1.3

[1] Average of gross customer interest earning balances for the 12 months ended 31 December using a 13-point month end average.
[2] Adjusted operating costs are stated before exceptional items and amortisation of acquisition intangibles.
[3] Adjusted PBT contribution is stated as profit before tax before exceptional items and amortisation of acquisition intangibles.
[4] Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[5] Net interest income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[6] Total income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[7] Impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[8] Total income less impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.

Total customer numbers decreased 8% to 1,267k reflecting a comprehensive review of customer cohorts by risk profile, vintage and acquisition channel. This review drove proactive volume management and as a result, growth actions were moderated to ensure the future sustainable profitability of the portfolio.

Period-end gross customer interest earning balances decreased 10% to £1,278m and period-end net receivables decreased 10% to £1,150m.

Total income was stable at £362.0m (2023: £363.2m), with net interest income increasing 2% to £326.7m and non-interest income decreasing 19% to £35.3m. Net interest margin increased 2.3% to 24.9% and total income margin increased 1.9% to 27.6%.

Interest income increased 10% to £406.3m driven by the improvement in asset yield from repricing initiatives, which increased 3.2% to 27.9%, and increased Liquid Asset Buffer income. This was partially offset by the reduction in gross customer interest earning balances.

Interest expense increased 54% to £79.6m, as market savings rates remained elevated and customers with maturing fixed-term products moved onto higher yielding products, impacting the Group's funding cost.

Impairment charges reduced marginally to £123.9m (2023: £125.5m), reflecting lower origination charges in line with reduced new business volumes. Underlying credit quality improved year-on-year. Impairments in 2023 benefited from a

£17.0m release of post model adjustments following IFRS 9 model enhancements and the full release of the £10m cost of living post model adjustment. Cost of risk increased to 9.4% (2023: 8.9%).

Risk adjusted income was stable at £238.1m (2023: £237.7m) with an increased risk adjusted margin of 18.1% (2023: 16.8%).

Adjusted operating costs increased 8% to £185.3m, driven by the significant increase in complaint costs from FOS fees related to a rise in unmerited claims from CMCs. Transformation savings were partially offset by inflation and investment in the business.

Adjusted PBT contribution was £52.8m (2023: £65.4m).

Vehicle Finance – 2024 results impacted by Stage 3 receivables review, enabling future optimisation of the portfolio

Twelve months ended 31 December	**2024 £m**	2023 (Restated) £m	Change %
Total customer numbers ('000)	**110**	112	(2)
Gross customer interest earning balances	**765**	859	(11)
Average gross customer interest earning balances[1]	**825**	836	(1)
Gross receivables	**832**	1,144	(27)
Net receivables	**735**	776	(5)
Interest income	**133.1**	150.3	(11)
Interest expense	**(38.5)**	(28.7)	(34)
Net interest income	**94.6**	121.6	(22)
Non-interest income	**-**	2.0	(100)
Total income	**94.6**	123.6	(23)
Impairment charges	**(60.4)**	(20.4)	(196)
Risk adjusted income	**34.2**	103.2	(67)
Adjusted operating costs[2]	**(42.2)**	(51.9)	19
Adjusted (LBT)/PBT contribution[3]	**(8.0)**	51.3	
Asset yield (%)[4]	**16.1**	18.0	(1.9)
Net interest margin (%)[5]	**11.5**	14.5	(3.0)
Total income margin (%)[6]	**11.5**	14.8	(3.3)
Cost of risk (%)[7]	**(7.3)**	(2.4)	(4.9)
Risk adjusted margin (%)[8]	**4.1**	12.3	(8.2)

[1] Average of gross customer interest earning balances for the 12 months ended 31 December using a 13-point month end average.
[2] Adjusted operating costs are stated before exceptional items and amortisation of acquisition intangibles.
[3] Adjusted PBT contribution is stated as profit before tax before exceptional items and amortisation of acquisition intangibles.
[4] Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[5] Net interest income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[6] Total income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[7] Impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[8] Total income less impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.

Total customer numbers decreased 2% to 110k driven by repricing and credit tightening initiatives. A new Vehicle Finance lending decision engine was introduced in 2024 enabling a more granular level of portfolio segmentation and delivering a stronger platform to optimise higher-margin customer segments in 2025.

Following the Stage 3 receivables review, period-end gross customer interest earning balances decreased 11% to £765m driven by an updated charge-off policy reclassifying Stage 3 impaired loans to post-charge-off assets. This resulted in a clearer cost of risk outlook for the portfolio.

Period end gross receivables reduced 27% to £832m, as in addition to the reduction in customer interest earning balances, shortfall debt of £230m was removed and replaced with a post-charge-off asset population in 1H24. This refined the approach to write-offs and a debt sales programme was launched, with two debt sales completed in 2H24.

Period-end net receivables decreased 5% to £735m, as a 74% reduction in expected credit losses (ECL) to £96m partially offset the reduction in gross receivables. Stage 3 ECL reduced £268m to £57m driven by the reduction in Stage 3 balances and a revised definition of default reclassifying £127m of balances from Stage 3 to Stage 1.

Total income decreased 24% to £94.6m, which represented all net interest income. Net interest margin and total income margin decreased 3.0% and 3.3% respectively to 11.5%.

Interest income decreased 11% to £133.1m driven by the reduction in gross customer interest earning balances. The asset yield decreased 1.9% to 16.1%, reflecting reduced higher-margin Stage 3 and credit tightening, partially offset by repricing initiatives.

Interest expense increased 34% to £38.5m, as market savings rates remained elevated and customers with maturing fixed rate savings products moved onto higher yielding products, impacting the Group's funding cost.

Risk adjusted income fell 67% to £34.2m, as a result of impairment charges rising to £60.4m (2023: £20.4m), including the impact of the Stage 3 receivables review. Impairments in 2023 benefited from a £47.0m release of provisions no longer required following IFRS 9 model refinements and recalibration. Underlying credit quality improved year-on-year. Cost of risk increased 4.9% to 7.3% and risk adjusted margin fell 8.2% to 4.1%.

Adjusted operating costs decreased 19% to £42.2m, driven by transformation savings partially offset by investment in the business.

Adjusted LBT contribution was £(8.0)m (2023: PBT contribution of £51.3m).

Second Charge Mortgages – Strong growth in a growing market, following successful launch in May 2024

Twelve months ended 31 December	**2024** **£m**	2023 £m
Total customer numbers ('000)	**3.7**	0.1
Gross customer interest earning balances	**217**	2.7
Average gross customer interest earning balances[1]	**69**	0.4
Gross receivables	**226**	2.8
Net receivables	**225**	2.8
Interest income	**4.8**	0.4
Interest expense	**(2.9)**	(0.2)
Net interest income	**1.9**	0.2
Total income	**1.9**	0.2
Impairment charges	**(0.2)**	-
Risk adjusted income	**1.7**	0.2
Adjusted operating costs [2]	**(0.2)**	(0.7)
Adjusted PBT/(LBT) contribution [3]	**1.5**	(0.5)
Asset yield (%) [4]	**7.0**	
Net interest margin (%) [5]	**2.8**	
Total income margin (%) [6]	**2.8**	
Cost of risk (%) [7]	**(0.3)**	
Risk adjusted margin (%) [8]	**2.5**	

[1] *Average of gross customer interest earning balances for the 12 months ended 31 December using a 13-point month end average.*
[2] *Adjusted operating costs are stated before exceptional items and amortisation of acquisition intangibles.*
[3] *Adjusted PBT contribution is stated as profit before tax before exceptional items and amortisation of acquisition intangibles.*
[4] *Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.*
[5] *Net interest income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.*
[6] *Total income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.*
[7] *Impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.*
[8] *Total income less impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.*

Total customer numbers increased to 3.7k (December 2023: 0.1k) following the successful launch of the forward flow agreement with Interbridge Mortgages and an expanded partnership with Selina Finance.

Period-end gross customer interest earning balances were £217m (December 2023: £2.7m) and period-end net receivables were £225m (December 2023: £2.8m), which includes deferred acquisition costs.

Total income increased to £1.9m (2023: £0.2m), which represented all net interest income. Net interest margin and total income margin was 2.8%.

Interest income was £4.8m (2023: £0.4m) with an asset yield of 7.0%. Interest expense was £2.9m (2023: £0.2m).

Risk adjusted income was £1.7m (2023: £0.2m), including impairment charges of £0.2m (2023: £0.0m). Cost of risk was 0.3% and risk adjusted margin was 2.5%.

Adjusted operating costs were £0.2m (2023: £0.7m), reflecting the limited fixed costs associated with the business given the origination partnership arrangements in place.

Adjusted PBT contribution was £1.5m (2023: LBT contribution of £(0.5)m).

Personal Loans – Reduced balances in 2024

Twelve months ended 31 December	**2024 £m**	2023 (Restated) £m	Change %
Total customer numbers ('000)	**24**	44	(45)
Gross customer interest earning balances	**49**	116	(58)
Average gross customer interest earning balances[1]	**79**	123	(36)
Gross receivables	**49**	117	(58)
Net receivables	**44**	102	(57)
Interest income	**15.4**	25.9	(41)
Interest expense	**(3.4)**	(4.0)	15
Net interest income	**12.0**	21.9	(45)
Total income	**12.0**	21.9	(45)
Impairment charges	**(5.7)**	(19.6)	71
Risk-adjusted income	**6.3**	2.3	174
Adjusted operating costs [2]	**(10.5)**	(17.3)	39
Adjusted LBT contribution [3]	**(4.2)**	(15.0)	72.0
Asset yield (%) [4]	**19.5**	21.0	(1.5)
Net interest margin (%) [5]	**15.2**	17.8	(2.6)
Total income margin (%) [6]	**15.2**	17.8	(2.6)
Cost of risk (%) [7]	**(7.2)**	(15.9)	8.7
Risk adjusted margin (%) [8]	**8.0**	1.9	6.1

[1] Average of gross customer interest earning balances for the 12 months ended 31 December using a 13-point month end average.
[2] Adjusted operating costs are stated before exceptional items and amortisation of acquisition intangibles.
[3] Adjusted PBT contribution is stated as profit before tax before exceptional items and amortisation of acquisition intangibles.
[4] Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[5] Net interest income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[6] Total income for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[7] Impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.
[8] Total income less impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest earning receivables.

Total customer numbers decreased 45% to 24k driven by the run-off of the existing book.

Period-end gross customer interest earning balances decreased 58% to £49m and period-end net receivables decreased 57% to £44m.

Total income decreased 45% to £12.0m, which represented all net interest income. Net interest margin and total income margin was 15.2%.

Interest income decreased 41% to £15.4m driven by the reduction in gross customer interest earning balances. The asset yield decreased 1.5% to 19.5%. Interest expense decreased 15% to £3.4m.

Risk adjusted income increased to £6.3m (2023: £2.3m), as a result of impairment charges reducing 71% to £5.7m. Cost of risk reduced to 7.2% (2023: 15.9%) and risk adjusted margin increased to 8.0% (2023: 1.9%).

Adjusted operating costs decreased 39% to £10.5m in line with the reduced size of the business.

Adjusted LBT contribution was £(4.2)m (2023: £(15.0)m).

Corporate Centre including Snoop

Twelve months ended 31 December	**2024 £m**	2023 £m	Change %
Interest income	**5.8**	8.4	(31)
Interest expense	**(21.0)**	(28.9)	(27)
Net interest income	**(15.2)**	(20.5)	26
Non-interest income	**3.2**	0.4	
Total income	**(12.0)**	(20.1)	40
Impairment charges	**(0.8)**	-	(100)
Risk adjusted income	**(12.8)**	(20.1)	36
Adjusted operating costs	**(64.1)**	(63.8)	-
Adjusted LBT contribution	**(76.9)**	(83.9)	8
Exceptional costs	**(24.1)**	(21.4)	(13)
Amortisation of acquisition intangibles	**(6.2)**	(7.9)	22
Goodwill write-down	**(71.2)**	-	(100)
Statutory LBT contribution	**(178.4)**	(113.2)	(58)

Total income was a net expense of £(12.0)m (2023: £(20.1)m), with net interest income improving to a net expense of £(15.2)m (2023: £(20.5)m) and non-interest income increasing to £3.2m (2023: £0.4m) driven by fees and commissions income from Snoop.

Interest income of £5.8m (2023: £8.4m) represented interest on cash reserves in the Bank of England reserve account.

Interest expense of £21.0m (2023: £28.9m) represented residual funding costs not allocated to the respective businesses.

Adjusted operating costs include operations, technology and support functions which collectively serve the needs of the wider Group, in addition to Snoop costs. These costs, excluding exceptional costs, amortisation of acquisition intangibles and goodwill write-down, were broadly flat at £64.1m (2023: £63.8m), reflecting a full year of Snoop costs, which was acquired in August 2023.

Adjusted LBT contribution was £(76.9)m (2023: £(83.9)m).

Half-yearly financial results

Group

	2H24	1H24	2H23	1H23
Interest income	**280.2**	285.2	291.2	264.8
Interest expense	**(74.7)**	(70.7)	(63.1)	(50.3)
Net interest income	**205.5**	214.5	228.1	214.5
Non-interest income	**19.0**	19.5	23.6	22.6
Total income	**224.5**	234.0	251.7	237.1
Impairment charges	**(93.2)**	(97.8)	(74.7)	(90.8)
Risk-adjusted income	**131.3**	136.2	177.0	146.3
Adjusted operating costs	**(139.3)**	(163.0)	(146.8)	(159.2)
Adjusted (loss)/profit before tax	**(8.0)**	(26.8)	30.2	(12.9)
Exceptional costs	**(8.6)**	(15.5)	(16.1)	(5.3)
Amortisation of acquisition intangibles	**(2.0)**	(4.2)	(4.2)	(3.7)
Goodwill write-off	**(71.2)**	-	-	-
Statutory (loss)/profit before tax	**(89.8)**	(46.5)	9.9	(21.9)
Tax credit/(charge)	**6.3**	10.7	(5.7)	6.0
Statutory (loss)/profit after tax	**(83.5)**	(35.8)	4.2	(15.9)

Balance Sheet	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Gross customer interest earning balances	**2,308**	2,252	2,401	2,369
Average gross customer interest earning balances	**2,271**	2,296	2,433	2,318
Gross receivables	**2,416**	2,361	2,739	2,695
Net receivables	**2,155**	2,010	2,159	2,102
Closing TNAV	**359**	378	394	417
Average tangible equity	**367**	387	399	437

Selected key metrics	**2H24**	1H24	2H23	1H23
Asset yield	**22.3%**	23.1%	22.4%	21.9%
Net interest margin (NIM)	**18.0%**	18.8%	18.6%	18.7%
Total income margin	**19.7%**	20.5%	20.5%	20.6%
Cost of risk	**(8.6)%**	(8.6)%	(6.1)%	(7.9)%
Risk-adjusted margin (RAM)	**11.8%**	11.9%	14.4%	12.7%
Adjusted cost: income ratio	**62.1%**	69.6%	58.3%	67.1%
Statutory cost: income ratio	**100.1%**	78.0%	66.4%	70.9%
Adjusted ROTE	**(2.4)%**	(11.5)%	9.4%	(5.1)%
Statutory ROTE	**(45.3)%**	(18.6)%	2.1%	(7.3)%
Selected per share metrics				
Adjusted loss per share (p)	**(1.4)**	(8.3)	8.1	(3.6)
Dividend per share (p)	**-**	-	1.0	5.0
TNAV per share (p)	**140**	148	155	166

Capital, liquidity and funding metrics	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Tier 1 ratio	**18.8%**	19.8%	19.9%	21.1%
Risk weighted exposures (RWE)	**1,836**	1,813	1,975	1,940
High quality liquid assets (HQLA)	**947**	717	682	386
Liquidity Coverage ratio (LCR)	**359%**	557%	1,263%	429%
Retail deposits	**2,396**	1,912	1,925	1,430
Retail funding (% of all funding)	**92.1%**	86.5%	83.7%	74.7%

Credit Cards

Six months ended (£m)	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Total customer numbers ('000)	**1,267**	1,321	1,376	1,617
Gross customer interest earning balances	**1,277**	1,295	1,423	1,375
Average gross customer interest earning balances	**1,284**	1,339	1,426	1,400
Gross receivables	**1,310**	1,331	1,475	1,439
Net receivables	**1,150**	1,151	1,278	1,224
Interest income	**203.7**	202.6	195.9	175.1
Interest expense	**(41.2)**	(38.4)	(30.9)	(20.7)
Net interest income	**162.5**	164.2	165.0	154.4
Non-interest income	**16.8**	18.5	22.8	21.0
Total income	**179.3**	182.7	187.8	175.4
Impairment charges	**(60.4)**	(63.5)	(71.7)	(53.8)
Risk adjusted income	**118.9**	119.2	116.1	121.6
Adjusted operating costs	**(86.3)**	(99.0)	(84.6)	(87.7)
Adjusted PBT contribution	**32.6**	20.2	31.5	33.9
Asset yield (%)	**28.3**	27.6	25.5	24.0
Net interest margin (%)	**25.2**	24.7	23.0	22.2
Total income margin (%)	**27.8**	27.4	26.1	25.3
Cost of risk (%)	**(9.4)**	(9.5)	(10.0)	(7.7)
Risk adjusted margin (%)	**18.4**	17.9	16.2	17.5

Vehicle Finance

Six months ended (£m)	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Total customer numbers ('000)	**110**	110	112	111
Gross customer interest earning balances	**765**	850	859	855
Average gross customer interest earning balances	**803**	851	873	802
Gross receivables	**832**	921	1,144	1,114
Net receivables	**735**	760	776	748
Interest income	**63.3**	69.8	77.5	72.8
Interest expense	**(18.6)**	(19.9)	(16.4)	(12.3)
Net interest income	**44.7**	49.9	61.1	60.5
Non-interest income	**-**	-	0.4	1.6
Total income	**44.7**	49.9	61.5	62.1
Impairment charges	**(30.9)**	(29.5)	6.2	(26.6)
Risk adjusted income	**13.8**	20.4	67.7	35.5
Adjusted operating costs	**(18.5)**	(23.7)	(24.6)	(27.3)
Adjusted PBT contribution	**(4.7)**	(3.3)	43.1	8.2
Asset yield (%)	**15.7**	16.5	17.6	18.3
Net interest margin (%)	**11.1**	11.8	13.9	15.2
Total income margin (%)	**11.1**	11.8	14.0	15.6
Cost of risk (%)	**(7.7)**	(7.0)	1.4	(6.7)
Risk adjusted margin (%)	**3.4**	4.8	15.4	8.9

Second Charge Mortgages

Six months ended (£m)	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Total customer numbers ('000)	**3.7**	0.6	0.1	-
Gross customer interest earning balances	**217**	30	2.7	-
Average gross customer interest earning balances	**121**	11	0.7	-
Gross receivables	**226**	32	2.8	-
Net receivables	**225**	32	2.8	-
Interest income	**3.8**	1.0	0.4	-
Interest expense	**(2.5)**	(0.4)	(0.2)	-
Net interest income	**1.3**	0.6	0.2	-
Total income	**1.3**	0.6	0.2	-
Impairment charges	**(0.2)**	-	-	-
Risk adjusted income	**1.1**	0.6	0.2	-
Adjusted operating costs	**-**	(0.2)	(0.4)	(0.3)
Adjusted PBT contribution	**1.1**	0.4	(0.2)	(0.3)
Asset yield (%)	**6.2**	17.6	120.1	-
Net interest margin (%)	**2.1**	10.6	60.1	-
Total income margin (%)	**2.1**	10.6	60.1	-
Cost of risk (%)	**(0.3)**	(0.0)	(0.0)	-
Risk adjusted margin (%)	**1.8**	10.6	60.1	-

Personal Loans

Six months ended (£m)	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Total customer numbers ('000)	**24**	33	44	50
Gross customer interest earning balances	**49**	77	116	140
Average gross customer interest earning balances	**63**	95	133	116
Gross receivables	**49**	78	117	142
Net receivables	**44**	68	102	130
Interest income	**6.2**	9.2	13.6	12.3
Interest expense	**(1.4)**	(2.0)	(2.1)	(1.9)
Net interest income	**4.8**	7.2	11.5	10.4
Total income	**4.8**	7.2	11.5	10.4
Impairment charges	**(0.9)**	(4.8)	(9.2)	(10.4)
Risk adjusted income	**3.9**	2.4	2.3	-
Operating costs	**(4.3)**	(6.2)	(8.0)	(9.3)
LBT contribution	**(0.4)**	(3.8)	(5.7)	(9.3)
Asset yield (%)	**19.6**	19.5	20.3	21.5
Net interest margin (%)	**15.2**	15.2	17.1	18.2
Total income margin (%)	**15.2**	15.2	17.1	18.2
Cost of risk (%)	**(2.8)**	(10.2)	(13.7)	(18.2)
Risk adjusted margin (%)	**12.3**	5.1	3.4	0.0

Corporate Centre incl. Snoop

Six months ended (£m)	**Dec-2024**	Jun-2024	Dec-2023	Jun-2023
Interest income	**3.2**	2.6	3.8	4.6
Interest expense	**(11.0)**	(10.0)	(13.5)	(15.4)
Net interest income	**(7.8)**	(7.4)	(9.7)	(10.8)
Non-interest income	**2.2**	1.0	0.4	-
Total income	**(5.6)**	(6.4)	(9.8)	(10.8)
Impairment charges	**(0.8)**	-	-	-
Risk adjusted income	**(6.4)**	(6.4)	(9.3)	(10.8)
Adjusted operating costs	**(30.2)**	(33.9)	(29.2)	(34.6)
Adjusted LBT contribution	**(36.6)**	(40.3)	(38.5)	(45.4)
Exceptional costs	**(8.7)**	(15.5)	(16.1)	(5.3)
Amortisation of acquisition intangibles	**(2.0)**	(4.2)	(4.2)	(3.7)
Goodwill write-off	**(71.2)**	-	-	-
Statutory LBT contribution	**(118.5)**	(60.0)	(58.8)	(54.4)

Principal Risks and Uncertainties

The Group's Principal Risks are those most critical to the alignment and delivery of its Strategy. Principal risk categories and associated risk appetite statements, metrics and thresholds are reviewed and approved by the Board on an annual basis, effectively defining the Group's overall risk appetite.

Customer Risk

This is defined as the risk that failing to understand or address customer needs could lead to dissatisfaction, poor customer outcomes, reduced loyalty and reputational damage, impacting revenue and long-term business sustainability. The Group closely monitors customer outcomes to ensure the fair treatment of customers, particularly for customers requiring early intervention strategies or those with vulnerable characteristics, and address customer detriment.

Regulatory Risk

This is defined as the risk that non-compliance with all regulatory and legal requirements and expectations could lead to financial penalties, legal action, operational disruptions and long-term damage to reputation. The Group aims to avoid material regulatory breaches and, in the event that they do occur, they are promptly corrected and lessons learned from mistakes made. Strong and proactive regulatory relationships are in place with the FCA and PRA, who remain up to date with the Group's strategic initiatives, key risk management activities and responses to regulatory developments.

Financial Crime Risk

This is defined as the risk that failure to detect and prevent financial crime and fraud could result in customer detriment, regulatory fines, reputational damage and financial loss. The Group operates a strong and risk-proportionate set of systems and controls to detect and prevent financial crime. The Group is committed to complying with applicable legislation for the effective management of financial crime risk, ensuring that it meets the minimum requirements and expectations of the regulatory bodies and those set by legislation to protect itself and its customers from financial crime and fraud.

Capital Risk

This is defined as the risk that inadequate capital resources or poor capital planning could result in an inability to meet financial obligations, regulatory breaches and financial instability, potentially threatening the long-term viability of the Group. The Group and Bank operate within a defined capital risk appetite, with performance and capital position reported to and closely monitored by the Board. Sufficient capital resources, both in terms of amount and quality, are maintained to support the business strategy and meet the stressed scenarios identified in the Internal Capital Adequacy Assessment Process (ICAAP). The Group and Bank have remained above regulatory buffer requirements throughout 2024.

Funding and Liquidity Risk

This is defined as the risk that the Group has insufficient financial resources to meet its obligations (cash or collateral requirements) as they fall due, resulting in the failure to meet regulatory liquidity requirements, or is only able to secure such resources at excessive cost. Funding and liquidity metrics are monitored through daily liquidity reporting and reported to the Board. The Group's current funding strategy seeks to maintain a secure and diverse funding structure by maintaining access to the liquid retail deposits market and committed facilities to meet the Group's liquidity and funding requirements.

Market Risk

This is defined as the risk that fluctuations in market prices, such as interest rates, could negatively impact the Group's financial performance, resulting in losses or disruptions. The Group's corporate policies do not permit it to undertake significant unmatched positions or operate trading books and therefore it does not do so. Market risk appetite metrics include the risk under different interest rate risk scenarios, as prescribed by regulation, which are reported to the Board.

Credit Risk

This is defined as the risk that customers may default on their obligations, leading to financial losses, impaired asset quality and reputational damage. The Credit Committee meets monthly to oversee portfolio performance against key credit risk metrics and progress against the credit risk programme initiated during 2024 to strengthen the Group's credit decisioning capability and affordability strategy. Regular reporting is in place which allows daily monitoring of new business quality, collections performance and concentration analysis.

Operational Risk

This is defined as the risk that failures in processes, systems or human error could result in business disruptions, financial loss, regulatory action, poor customer outcomes and reputational damage. The three lines of defence model throughout the Group ensures there are clear lines of accountability between management who own the risks, oversight by the Risk function and independent assurance provided by Internal Audit. The application of the integrated assurance framework seeks to complement the assurance activities of each line of defence.

Technology and Information Security Risk

This is defined as the risk that inadequate technological, security and data infrastructure and failure to upgrade systems could lead to operational inefficiencies, data breaches, service disruptions, a lack of scalability and reputational damage. This risk is managed in conjunction with Operational Risk with additional and particular focus on technology infrastructure, including technological advancements such as artificial intelligence and machine learning, information security and data management. The Group's technology and information security risk is being significantly strengthened through the delivery of the Gateway technology transformation programme.

People Risk

This is defined as the risk that poor recruitment practices, insufficient employee training or low engagement levels caused by poor culture and compliance could lead to operational inefficiencies and reputational damage. To effectively manage people risk, adequate controls exist across the colleague lifecycle covering onboarding, development and management of our colleagues. This extends to ensuring the Group has sufficient operational capacity and colleagues with the right skills to meet the Group's financial, customer and regulatory responsibilities. The Colleague Survey provides insight into colleague engagement and wellbeing to address and advocate the Group as a great place to work.

Model Risk

This is defined as the risk that incorrect assumptions, poor design or outdated data within models used for decision making could lead to unintended outcomes, financial loss or operational inefficiencies. The Group model inventory has been strengthened through clear model ownership, which has been used to inform model tiering. A level 1 model risk classification is in place and mapped to the PRA's Model Risk Management Principles with clear delineation across the three lines of defence to improve ownership and oversight. The model risk management framework, policy and standards continue to be updated to align to the PRA's expectations.

Business Performance Risk

This is defined as the risk that poor performance of key business processes, such as financial management, operations or customer service, could lead to financial losses, reduced market share, threat to the Group's long-term viability and reputational damage. To effectively and sustainably grow the business, an effective risk management and strong risk culture are critical to both the delivery of our strategic priorities and maintaining our existing commitments in a safe and controlled way. The Board Governance Manual and Delegated Authorities Matrix are in place to provide a framework for key decision making at all levels across the Group. Executive Director scorecards are in place with reward incentives based on a combination of financial and non-financial measures.

Consolidated financial statements

Consolidated income statement for the year ended 31 December

	Note	2024 £m	2023 (restated)[1] £m
Interest income	3	**565.4**	556.0
Interest expense		**(145.4)**	(113.4)
Net interest income		**420.0**	442.6
Fee and commission income	4	**38.3**	44.2
Fee and commission expense		**(1.9)**	(1.7)
Net fee and commission income		**36.4**	42.5
Other income and net fair value gains		**2.1**	3.7
Total income		**458.5**	488.8
Impairment charges	9	**(191.0)**	(165.5)
Risk-adjusted income		**267.5**	323.3
Operating costs		**(403.8)**	(335.3)
Statutory loss before taxation	4	**(136.3)**	(12.0)
Tax credit		**17.0**	0.3
Statutory loss for the year attributable to equity shareholders		**(119.3)**	(11.7)
Add back:			
Tax credit		**(17.0)**	(0.3)
Amortisation of acquisition intangibles		**6.2**	7.9
Exceptional items		**24.1**	21.4
Goodwill write off		**71.2**	-
Adjusted (loss)/profit before tax		**(34.8)**	17.3

Consolidated statement of comprehensive income for the year ended 31 December

	Note	2024 £m	2023 (restated)[1] £m
Loss for the year attributable to equity shareholders		**(119.3)**	(11.7)
Items that will not be reclassified subsequently to the income statement:			
– actuarial movements on retirement benefit asset	13	**(11.6)**	6.4
– tax on items taken directly to other comprehensive income	6	**2.9**	(1.5)
– impact of change in UK tax rate on items in other comprehensive income	6	**-**	(0.1)
Other comprehensive (expense)/income for the year		**(8.7)**	4.8
Total comprehensive expense for the year		**(128.0)**	(6.9)

Loss per share

	Note	2024 pence	2023 (restated)[1] pence
Basic	7	**(46.7)**	(4.6)
Diluted	7	**(46.7)**	(4.6)

Dividends per share

	Note	2024 pence	2023 pence
Interim dividend	8	**-**	5.0
Final dividend	8	**-**	1.0

The total cost of dividends paid in the year was £2.5m (2023: £38.4m).

[1] Refer to accounting policies for detail of restatement

Consolidated balance sheets

	Note	31 December 2024 £m	31 December 2023 (restated)[1] £m	1 January 2023 (restated)[1] £m
ASSETS				
Cash and cash equivalents		**1,003.9**	743.3	464.9
Amounts receivable from customers	9	**2,153.7**	2,155.8	1,896.9
Trade and other receivables		**72.5**	55.9	50.6
Investments held at fair value through profit and loss	11	**2.3**	5.4	10.7
Current tax asset		**3.9**	8.3	0.2
Property, plant and equipment		**7.1**	8.1	8.3
Right of use assets		**16.4**	23.2	32.4
Goodwill	10	**1.2**	72.4	71.2
Other intangible assets	12	**61.5**	74.4	63.3
Retirement benefit asset	13	**27.8**	38.2	30.7
Derivative financial instruments		**-**	1.3	11.3
Deferred tax assets	6	**25.0**	8.4	14.5
TOTAL ASSETS	4	**3,375.3**	3,194.7	2,655.0
LIABILITIES AND EQUITY				
Liabilities				
Trade and other payables		**46.1**	44.1	62.8
Provisions	14	**15.5**	5.8	5.2
Lease liabilities		**32.5**	40.9	49.3
Retail deposits		**2,428.2**	1,950.5	1,100.6
Bank and other borrowings		**410.0**	582.5	815.4
Derivative financial instruments		**1.8**	1.8	15.3
Total liabilities		**2,934.1**	2,625.6	2,048.6
Equity attributable to owners of the parent				
Share capital		**53.2**	53.2	52.6
Share premium		**276.3**	276.3	273.5
Merger reserve		**278.2**	278.2	278.2
Other reserves		**10.8**	12.1	12.4
Retained earnings		**(177.3)**	(50.7)	(10.3)
Total equity	4	**441.2**	569.1	606.4
TOTAL LIABILITIES AND EQUITY		**3,375.3**	3,194.7	2,655.0

[1] Refer to accounting policies for detail of restatement.

Consolidated statement of changes in shareholders' equity

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 31 December 2022	52.6	273.5	278.2	12.4	(2.0)	614.7
Prior year adjustment[1]	-	-	-	-	(8.3)	(8.3)
At 1 January 2023	52.6	273.5	278.2	12.4	(10.3)	606.4
Loss for the year	-	-	-	-	(11.7)	(11.7)
Other comprehensive (expense)/income:						
– actuarial movements on retirement benefit asset (note 13)	-	-	-	-	6.4	6.4
– tax on items taken directly to other comprehensive income (note 6)	-	-	-		(1.5)	(1.5)
– impact of change in UK tax rate (note 6)	-	-	-	-	(0.1)	(0.1)
Other comprehensive (expense) for the year	-	-	-		4.8	4.8
Total comprehensive income for the year	-	-	-		(6.9)	(6.9)
Dividends	-	-	-	-	(38.4)	(38.4)
Issue of share capital	0.6	2.8	-	-	-	3.4
Share-based payment charge	-	-	-	4.6	-	4.6
Transfer of share-based payment reserve on vesting of share awards	-	-	-	(4.9)	4.9	-
At 31 December 2023	53.2	276.3	278.2	12.1	(50.7)	569.1
At 1 January 2024	**53.2**	**276.3**	**278.2**	**12.1**	**(50.7)**	**569.1**
Loss for the year	**-**	**-**	**-**	**-**	**(119.3)**	**(119.3)**
Other comprehensive income/(expense):						
– actuarial movements on retirement benefit asset (note 13)	**-**	**-**	**-**	**-**	**(11.6)**	**(11.6)**
– tax on items taken directly to other comprehensive income (note 6)	**-**	**-**	**-**	**-**	**2.9**	**2.9**
– impact of change in UK tax rate (note 6)	**-**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**(8.7)**	**(8.7)**
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**(128.0)**	**(128.0)**
Dividends	**-**	**-**	**-**	**-**	**(2.5)**	**(2.5)**
Issue of share capital	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payment charge	**-**	**-**	**-**	**2.7**	**-**	**2.7**
Transfer of share-based payment reserve on vesting of share awards	**-**	**-**	**-**	**(4.0)**	**4.0**	**-**
Purchase of shares for share awards	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
At 31 December 2024	**53.2**	**276.3**	**278.2**	**10.8**	**(177.3)**	**441.2**

[1] Refer to accounting policies for detail of restatement.

The full merger reserve is considered distributable.

Consolidated statement of cash flows for the year ended 31 December

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	15	**483.8**	640.2
Finance costs paid		**(103.0)**	(76.1)
Finance income received		**51.2**	26.6
Tax received / (paid)		**8.2**	(6.0)
Net cash generated from operating activities		**440.2**	584.7
Cash flows from investing activities			
Purchase of intangible assets	12	**-**	(19.0)
Purchase of property, plant and equipment		**(2.2)**	(3.3)
Proceeds from sale of available for sale investment		**4.3**	6.4
Acquisition of a subsidiary		**-**	(2.9)
Net cash generated from/(used in) investing activities		**2.1**	(18.8)
Cash flows from financing activities			
Proceeds from bank and other borrowings		**5.0**	-
Repayment of bank and other borrowings		**(174.0)**	(238.5)
Payment of lease liabilities		**(9.7)**	(11.2)
Dividends paid to Company shareholders		**(2.5)**	(38.4)
Purchase of own shares for share awards		**(0.1)**	-
Proceeds from issue of share capital		**-**	0.1
Net cash used in financing activities		**(181.3)**	(288.0)
Net increase in cash, cash equivalents and overdrafts		**261.0**	277.9
Cash, cash equivalents and overdrafts at beginning of year		**741.8**	463.9
Cash, cash equivalents and overdrafts at end of year		**1,002.8**	741.8
Cash, cash equivalents and overdrafts at end of year comprise:			
Cash at bank and in hand		**1,003.9**	743.3
Overdrafts (held in bank and other borrowings)		**(1.1)**	(1.5)
Total cash, cash equivalents and overdrafts		**1,002.8**	741.8

Cash generated from operations in 2023 has been represented to include movement in retail deposits which is no longer considered a financing cash flow.

Cash at bank and in hand includes £948.7m (2023: £681.5m) in respect of the liquid assets buffer, including other liquidity resources, held by Vanquis Bank Limited in accordance with the PRA's liquidity regime.

Notes to the financial information

1. Basis of preparation

The financial information has been prepared in accordance with the Listing Rules of the FCA and is based on the 2024 financial statements which have been prepared under International Financial Reporting Standards (IFRS) as adopted by the UK, International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 31 December 2024 or the year ended 31 December 2023 but is derived from those accounts. Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies, and those for the year ended 31 December 2024 will be delivered to the Registrar of Companies before the Company's annual general meeting. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

The statutory financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of derivative financial instruments and investments held at fair value through profit and loss.

In assessing whether the Group is a going concern, the directors' review has been made on the basis that the Group continues to operate for the twelve months from the date of the approval of the financial statements. The directors considered the appropriateness of the going concern basis, the period of assessment, any reporting requirements, and solvency and liquidity risks, and included a variety of factors – forecasts and budgets, timing of cashflows and funding, the Group's primary market and any contingent liabilities. When considering the appropriateness of going concern the directors have also considered the Group's ability to meets its regulatory requirements (both capital and liquidity) at all times and not just a positive net asset measure.

The assessment of going concern for the Group for the purposes of the Annual Report and Financial Statements considered the following factors:

- The Group's corporate plan as approved in December 2024, which sets out financial, capital, liquidity and funding projections, together with an overview of relevant risks;
- The principal and emerging risks which could impact the performance of the Group, with a focus on capital and liquidity;
- In recognition of the waiver received in November 2022, which allows Vanquis Bank Limited to fund the vehicle finance business, we have considered that the waiver is due to be renewed for a further three years in October 2025;
- The severe but plausible downside scenario, which is designed to assess the potential impact of certain underlying risks on the Group's capital and funding resources, together with the availability and effectiveness of mitigating actions;
- Reverse stress testing analysis, which is designed to assess the point at which the Group is no longer a going concern; and
- The outcome of the pending Court of Appeal hearing on Vehicle Finance Commission scheduled for 1-3 April 2025 which remains uncertain. A possible scenario has been considered as part of the stress testing. This shows that the Group is able to maintain sufficient capital headroom above minimum requirements in such a scenario.

Having considered the Group's forecasts, the regulatory capital and liquidity of the Group, the regulatory outlook and the impact of the outcome of the Court of Appeal hearing on Vehicle Finance commission, the directors have a reasonable expectation that the Group will continue as a going concern for a period of at least 12 months from the date of approving these financial statements. Accordingly, the financial statements of the Group have been prepared on the going concern basis.

2. Accounting policies

Group principal accounting policies under IFRS have been consistently applied to all the years presented, expect where set out below.

Prior year restatement

In the current year, as part of the Group's review into Vehicle Finance Stage 3 assets, it was identified that cash flows expected to be received from contracts projected to be received from customers on contracts identified for debt sale were being included beyond the expected sale date in addition to the cash flows from the debt sale. This led to a lower ECL provision being recognised. As a result, Management consider that a prior period restatement is appropriate and has retrospectively restated its results.

Change in presentation of income statement

As part of the work performed on the stage 3 assets and review of our internal management reporting, it was identified that the presentation of vehicle finance gross customer interest earning balances were being incorrectly reduced by £51.6m. KPIs using this metric have therefore been retrospectively represented for all periods presented in this report. There was no impact to net receivables or on the reported balance sheet or income statement numbers as a result of this change.

In addition, fraud costs have been represented from impairment to within operating costs in 2024 and the comparative numbers for 2023 restated. As part of this change, the reduction in customer receivables for Cards for fraud accounts has been represented from allowance account to gross receivables.

There was no impact on net receivables as a result of this change. These changes do not constitute a change in accounting policy and there is no impact on recognition, measurement or profit and loss in any year presented in this report.

All periods presented in this report have been retrospectively re-presented. This change does not constitute a change in accounting policy and there is no impact on recognition, measurement or profit and loss in any period presented in this report.

3. Interest income

Interest receivable from:	**2024** **£m**	2023 £m
Customer receivables	**518.2**	525.7
Cash balances held on deposit and other interest	**44.9**	25.6
Net fair value gains on derivative financial instruments	**2.3**	4.7
Total income	**565.4**	556.0

4. Segment reporting

	Credit Cards 2024 £m	Vehicle Finance 2024 £m	Second Charge Mortgages 2024 £m	Loans 2024 £m	Corporate Centre 2024 £m	Total 2024 £m
Interest income	406.3	133.1	4.8	15.4	5.8	565.4
Interest expense	(79.6)	(38.5)	(2.9)	(3.4)	(21.0)	(145.4)
Net interest income	**326.7**	**94.6**	**1.9**	**12.0**	**(15.2)**	**420.0**
Fee and commission income	36.8	-	-	-	1.5	38.3
Fee and commission expense	(1.7)	-	-	-	(0.2)	(1.9)
Net fee and commission income	**35.1**	**-**	**-**	**-**	**1.3**	**36.4**
Other income	0.2	-	-	-	1.9	2.1
Total income	**362.0**	**94.6**	**1.9**	**12.0**	**(12.0)**	**458.5**
Impairment charges	(123.9)	(60.4)	(0.2)	(5.7)	(0.8)	(191.0)
Risk-adjusted income	**238.1**	**34.2**	**1.7**	**6.3**	**(12.8)**	**267.5**
Adjusted operating costs	(185.3)	(42.2)	(0.2)	(10.5)	(64.1)	(302.3)
Adjusted PBT/(LBT)	**52.8**	**(8.0)**	**1.5**	**(4.2)**	**(76.9)**	**(34.8)**
Exceptional items					(95.3)	(95.3)
Amortisation of acquisition intangibles					(6.2)	(6.2)
Statutory loss before taxation					**(178.4)**	**(136.3)**
Tax credit						17.0
Statutory loss for the year attributable to equity shareholders						**(119.3)**

Exceptional items includes goodwill write off of £71.2m.

4. Segment reporting (continued)

	Credit Cards 2023	Vehicle Finance 2023 (restated)[1]	Second Charge Mortgages 2023	Loans 2023	Corporate Centre 2023	Total 2023 (restated)[1]
	£m	£m	£m	£m	£m	£m
Interest income	371.0	150.3	0.4	25.9	8.4	556.0
Interest expense	(51.6)	(28.7)	(0.2)	(4.0)	(28.9)	(113.4)
Net interest income	**319.4**	**121.6**	**0.2**	**21.9**	**(20.5)**	**442.6**
Fee and commission income	44.2	-	-	-	-	44.2
Fee and commission expense	(1.7)	-	-	-	-	(1.7)
Net fee and commission income	**42.5**	**-**	**-**	**-**	**-**	**42.5**
Other income	1.3	2.0	-	-	0.4	3.7
Total income	**363.2**	**123.6**	**0.2**	**21.9**	**20.1**	**488.8**
Impairment charges	(125.5)	(20.4)	-	(19.6)	-	(165.5)
Risk-adjusted income	**237.7**	**103.2**	**0.2**	**2.3**	**(20.1)**	**323.3**
Adjusted operating costs	(172.3)	(51.9)	(0.7)	(17.3)	(63.8)	(306.0)
Adjusted PBT/(LBT)	**65.4**	**51.3**	**(0.5)**	**(15.0)**	**(83.9)**	**17.3**
Exceptional items					(21.4)	(21.4)
Amortisation of acquisition intangibles					(7.9)	(7.9)
Statutory loss before taxation					**(113.2)**	**(12.0)**
Tax credit						0.3
Statutory loss for the year attributable to equity shareholders						**(11.7)**

[1] Refer to accounting policies for detail of restatement.

Acquisition intangibles represent the fair value of the broker relationships of £75.0m, which arose on the acquisition of Moneybarn in 2014; the fair value of intangible assets of £10.1m; and the brand name of £1.0m, arising on the acquisition of Snoop in 2023. The Moneybarn broker relationship intangible was fully amortised during the year. The amortisation charge in 2024 amounted to £6.2m (2023: £7.9m).

Revenue between business segments is not material.

Exceptional items represent a net exceptional charge of £24.1m in 2024 (2023: £21.4m) and comprise:

	2024 £m	2023 £m
Strategy consultancy costs	**7.9**	3.5
Redundancy – outsourcing and other staff exits	**6.2**	7.2
Other outsourcing costs	**3.5**	2.2
Property exit costs	**3.5**	4.1
Total transformation costs	**21.1**	**17.0**
Other exceptional costs:		
Snoop acquisition costs	**1.7**	3.0
Legal and other advice	**0.8**	1.0
Repayment Option Plan (ROP) provision release	**-**	(2.0)
CCD liquidation/scheme costs	**(0.9)**	2.4
Third party settlement	**1.4**	-
Total exceptional items	**24.1**	**21.4**

4. Segment reporting (continued)

	Segment assets		Segment liabilities		Net assets/(liabilities)	
	2024	2023 (restated)[1]	**2024**	2023	**2024**	2023 (restated)[1]
	£m	£m	**£m**	£m	**£m**	£m
Credit Cards, Personal Loans and Second Charge Mortgages	**2,514.8**	2,195.7	**(2,161.8)**	(1,802.0)	**353.0**	393.7
Vehicle Finance	**775.5**	882.1	**(646.4)**	(683.2)	**129.1**	198.9
Central	**(2.6)**	41.2	**(38.3)**	(64.7)	**(40.9)**	(23.5)
Total before intra-group elimination	**3,287.7**	3,119.0	**(2,846.5)**	(2,549.9)	**441.2**	569.1
Intra-group elimination	**87.6**	75.7	**(87.6)**	(75.7)	**-**	-
Total Group	**3,375.3**	3,194.7	**(2,934.1)**	(2,625.6)	**441.2**	569.1

[1] Refer to accounting policies for details of restatement.

The presentation of segment net assets reflects the statutory assets, liabilities and net assets of each of the Group's divisions. This results in an intra-group elimination reflecting the difference between the central intercompany funding provided to the divisions and the external funding raised centrally. Credit Cards, Personal Loans and Second Charge Mortgages are recognised within Vanquis Bank Limited and are therefore combined for balance sheet reporting purposes.

5. Tax credit

The tax credit in the income statement is as follows:

	2024	2023
Tax (charge) / credit in the income statement	**£m**	£m
Current tax	**3.3**	2.0
Deferred tax	**13.7**	(0.4)
Impact of change of UK tax rate	**-**	(1.3)
Total tax credit	**17.0**	0.3

	2024				
	Adjusted PBT	**Exceptional items**	**Amortisation**	**Goodwill write off**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Loss on ordinary activities before tax	**(34.8)**	**(24.1)**	**(6.2)**	**(71.2)**	**(136.3)**
Loss before tax multiplied by standard rate of corporation tax in the UK of 25%	**8.7**	**6.0**	**1.6**	**17.8**	**34.1**
Effects of:					
– impact of change in UK tax rate (note (a))	**-**	**-**	**-**	**-**	**-**
– write off of deferred tax assets (note (b))	**(0.3)**	**-**	**-**	**-**	**(0.3)**
– adjustments in respect of prior years (note (c))	**1.3**	**-**	**-**	**-**	**1.3**
– non-deductible asset write off (note (d))	**(0.6)**	**(0.2)**	**-**		**(0.8)**
– non-deductible general expenses (note (e))	**(0.2)**	**(0.4)**	**-**	**(17.8)**	**(18.4)**
– benefit of capital losses (note (f))	**1.1**	**-**	**-**	**-**	**1.1**
– impact of bank corporation tax surcharge (note (g))	**-**	**-**	**-**	**-**	**-**
Total tax credit	**10.0**	**5.4**	**1.6**	**-**	**17.0**

5. Tax credit (continued)

	2023 (restated)[1]			
	Adjusted PBT £m	Exceptional items £m	Amortisation £m	Total £m
Profit/(loss) on ordinary activities before tax	17.3	(21.4)	(7.9)	(12.0)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 23.5%	(4.0)	5.0	1.9	2.9
Effects of:				
– impact of change in UK tax rate (note (a))	(1.3)	-	-	(1.3)
– write off of deferred tax assets (note (b))	(0.3)	-	-	(0.3)
– adjustments in respect of prior years (note (c))	(1.5)		-	(1.5)
– non-deductible general expenses (note (e))	(0.2)	(0.7)	-	(0.9)
– benefit of capital losses (note f)	1.4	-	-	1.4
– impact of bank corporation tax surcharge (note (g))	-	-	-	-
Total tax charge/(credit)	**(5.9)**	**4.3**	**1.9**	**0.3**

[1] Refer to accounting policies for details of restatement

(a) Impact of change of UK tax rate

In 2021, changes were enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023. In 2022, further changes were enacted which, with effect from 1 April 2023, reduced the bank corporation tax surcharge rate from 8% to 3% and increased the bank corporation tax surcharge allowance, being the threshold below which banking profits are not subject to the surcharge, from £25m to £100m.

To the extent the temporary differences on which deferred tax has been calculated were expected to reverse after 1 April 2023, deferred tax balances at 31 December 2022 were re-measured at 25% and, in the case of credit cards and loans, at the combined mainstream corporation tax rate (25%) and bank corporation tax surcharge rate (3%) of 28%, except to the extent the temporary differences reverse when profits from credit cards and loans were expected to be below the bank surcharge threshold, in which case deferred tax balances were measured at the combined rate of 25%. At 31 December 2023, deferred tax balances in respect of cards and loans and movements in deferred tax balances during the year were further re-measured at 25% to the extent that the related temporary differences reverse when profits from cards and loans are expected to be below the surcharge threshold.

A tax charge of £nil (2023: charge of £1.3m) represents the income statement adjustment to deferred tax as a result of these changes.

(b) Write off of deferred tax assets

The tax charge in respect of deferred tax assets written off of £0.3m (2023: £0.3m) relates to share schemes awards where future deductions are expected to be lower (2023: lower) than previously anticipated and other deferred tax assets which have not been recognised.

(c) Adjustment in respect of prior years

In 2024, the tax credit of £1.3m (2023: tax charge of £1.5m) in respect of prior years comprises: (a) a £0.9m reinstatement of deferred tax assets in respect of tax losses of discontinued operations previously written off which have now been used to shelter prior year tax liabilities; (b) a £0.8m tax credit from claiming capital allowances super deductions in prior years; (c) a tax charge of £0.8m due to lower tax deductions in respect of share scheme awards as a result of a lower than anticipated share price on vesting; and (d) a tax credit of £0.4m related to the finalisation of tax liabilities for prior periods.

In 2023, the tax charge of £1.5m in respect of prior years was due to lower tax deductions in respect of share scheme awards as a result of a lower than anticipated share price on vesting and adjustments to prior year deferred tax assets which were no longer supportable.

5. Tax credit (continued)

(d) Non-deductible asset write-offs
A tax charge of £0.8m (2023: £nil) arises in respect of some of the write offs of various assets and balance sheet items which are non-deductible for tax purposes.

(e) Non-deductible asset general expenses
In 2024, these primarily relate to the write off of goodwill on consolidation and the exceptional adjustment to the consideration in respect of the acquisition of Snoop neither of which are deductible for tax purposes.

In 2023, these primarily comprised exceptional costs in respect of the acquisition of Snoop.

(f) Benefit of capital losses
The conversion and subsequent sales in 2024 and 2023 of further tranches of the preferred stock in VISA Inc gave rise to capital gains which have been significantly offset by brought forward capital losses in respect of which a deferred tax asset was not previously recognised. This gives rise to a beneficial impact on the tax charge in 2024 of £1.1m (2023: £1.4m).

(g) Impact of bank corporation tax surcharge
The adverse impact of the bank corporation tax surcharge amounts to £nil (2023: £nil) as the taxable profits of credit cards and Personal Loans are below the annual threshold (£25m to 31 March 2023; £100m thereafter) below which banking profits are not subject to the surcharge.

The tax credit/(charge) on items taken directly to other comprehensive income is as follows:

	2024	2023
Tax credit on items taken directly to other comprehensive income	**£m**	£m
Deferred tax credit/(charge) on actuarial movements on retirement benefit asset	**2.9**	(1.5)
Impact of change in UK tax rate	**-**	(0.1)
Total tax credit/(charge) on items taken directly to other comprehensive income	**2.9**	(1.6)

The movement in the deferred tax balance during the year can be analysed as follows:

	2024	2023
Asset	**£m**	£m
At 1 January	**8.4**	14.5
Credit/(charge) to the income statement	**13.7**	(0.4)
Acquisition of Snoop	**-**	(2.8)
Credit/(charge) on other comprehensive income prior to impact of change in UK tax rate	**2.9**	(1.5)
Impact of change in UK tax rate:		
– charge to the income statement	**-**	(1.3)
– charge to other comprehensive income	**-**	(0.1)
At 31 December	**25.0**	8.4

6. (Loss)/earnings per share

Basic (loss)/earnings per share (L)/EPS is calculated by dividing the (loss)/profit for the year attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the year less the number of shares held by the Employee Benefit Trust which are used to satisfy the share awards such as DBP, PSP, LTIS, RSP and CSOP.

Diluted (L)/EPS calculates the effect on (L)/EPS assuming conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares are calculated as follows:

(i) For share awards outstanding under performance-related share incentive schemes such as the Deferred Bonus Plan (DBP) (previously the Performance Share Plan (PSP)), the Long Term Incentive Scheme (LTIS), the Restricted Share Plan (RSP) and the Company Share Option Plan (CSOP), the number of dilutive potential ordinary shares is calculated based on the number of shares which would be issuable if: (i) the end of the reporting period is assumed to be the end of the schemes' performance period; and (ii) the performance targets have been met as at that date.

6. (Loss)/earnings per share (continued)

(ii) For share options outstanding under non-performance-related schemes such as the Save As You Earn scheme (SAYE), a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of share options outstanding, with the difference being the dilutive potential ordinary shares. The Group also presents an adjusted EPS, prior to the amortisation of acquisition intangibles, exceptional items and goodwill write off.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

Reconciliations of basic and diluted (L)/EPS for the Group are set out below:

	2024			2023 (restated)[1]		
	Earnings £m	**Weighted average number of shares m**	**Per share amount pence**	Earnings £m	Weighted average number of shares m	Per share amount pence
Basic loss per share	**(119.3)**	**255.5**	**(46.7)**	(11.7)	253.0	(4.6)
Dilutive effect of share options and awards	**-**	**-**	**-**	-	-	-
Diluted loss per share	**(119.3)**	**255.5**	**(46.7)**	(11.7)	253.0	(4.6)

[1] Refer to accounting policies for details of restatement

The directors have elected to show an adjusted earnings per share prior to the amortisation of acquisition intangibles which and prior to exceptional items (see note 3) and goodwill write off (see note 10). This is presented to show the adjusted earnings per share generated by the Group. A reconciliation of Group basic/diluted (loss)/earnings per share to adjusted basic and diluted (loss)/earnings per share is as follows:

	2024			2023 (restated)[1]		
	Earnings £m	**Weighted average number of shares m**	**Per share amount pence**	Earnings £m	Weighted average number of shares m	Per share amount pence
Basic (loss)/earnings per share	**(119.3)**	**255.5**	**(46.7)**	(11.7)	253.0	(4.6)
Amortisation of acquisition intangibles, net of tax	**4.6**	**-**	**1.8**	6.1	-	2.3
Exceptional items, net of tax	**18.7**	**-**	**7.3**	17.1	-	6.8
Goodwill write off, net of tax	**71.2**	**-**	**27.9**	-	-	-
Adjusted basic earnings per share	**(24.8)**	**255.5**	**(9.7)**	11.5	253.0	4.5
Diluted (loss)/earnings per share	**(119.3)**	**255.5**	**(46.7)**	(11.7)	253.0	(4.6)
Amortisation of acquisition intangibles, net of tax	**4.6**	**-**	**1.8**	6.1	-	2.3
Exceptional items, net of tax	**18.7**	**-**	**7.3**	17.1	-	6.7
Goodwill write off, net of tax	**71.2**	**-**	**27.9**	-	-	-
Adjusted diluted earnings per share	**(24.8)**	**255.5**	**(9.7)**	11.5	262.8	4.4

[1] Refer to accounting policies for details of restatement

2023 weighted average number of shares of 253.0m has been adjusted by the dilutive effect of share options of 9.8m when calculating the adjusted dilutive earnings per share.

7. Dividends

	2024 £m	2023 £m
2022 final – 10.3p per share	-	25.7
2023 interim – 5.0p per share	-	12.7
2023 final – 1.0p per share	2.5	-
	2.5	38.4

The directors are not recommending a final dividend in respect of the financial year ended 31 December 2024.

8. Amounts receivable from customers

	2024 £m	2023 (restated)[1] £m
Credit Cards	1,149.9	1,277.7
Vehicle Finance	735.4	776.1
Second Charge Mortgages	225.3	2.8
Personal Loans	44.0	102.4
Total	2,154.6	2,159.0
Fair value adjustment for portfolio hedged risk	(0.9)	(3.2)
Total group	2,153.7	2,155.8

[1] Refer to accounting policies for details of restatement

The fair value adjustment for the portfolio hedge risk relates to the unamortised hedged accounting adjustment in relation to the balance guaranteed swap, where hedge accounting has been discontinued.

An analysis of receivables by IFRS 9 stages is set out below:

	2024			
	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross receivables				
Credit Cards	1,136.6	99.8	73.5	1,309.9
Vehicle Finance	606.3	120.1	105.5	831.9
Second Charge Mortgages	224.2	1.2	0.1	225.5
Personal Loans	44.2	2.4	2.5	49.1
Total group	2,011.3	223.5	181.6	2,416.4
Allowance account				
Credit Cards	(73.3)	(44.7)	(42.0)	(160.0)
Vehicle Finance	(18.2)	(21.5)	(56.8)	(96.5)
Second Charge Mortgages	(0.1)	(0.1)	-	(0.2)
Personal Loans	(2.8)	(0.9)	(1.4)	(5.1)
Total group	(94.4)	(67.2)	(100.2)	(261.8)
Net receivables				
Credit Cards	1,063.3	55.1	31.5	1,149.9
Vehicle Finance	588.1	98.6	48.7	735.4
Second Charge Mortgages	224.1	1.1	0.1	225.3
Personal Loans	41.4	1.5	1.1	44.0
Total group	1,916.9	156.3	81.4	2,154.6

8. Amounts receivable from customers (continued)

	2023 (restated)[1]			
	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross receivables				
Credit Cards	1,199.5	161.2	114.1	1,474.8
Vehicle Finance	391.7	224.8	527.7	1,144.2
Second Charge Mortgages	2.8	-	-	2.8
Personal Loans	104.1	5.5	7.9	117.5
Total group	1,698.1	391.5	649.7	2,739.3
Allowance account				
Credit Cards	(84.7)	(57.5)	(54.9)	(197.1)
Vehicle Finance	(18.2)	(27.0)	(322.9)	(368.1)
Second Charge Mortgages	-	-	-	-
Personal Loans	(6.3)	(2.4)	(6.4)	(15.1)
Total group	(109.2)	(86.9)	(384.2)	(580.3)
Net receivables				
Credit Cards	1,114.8	103.7	59.2	1,277.7
Vehicle Finance	373.5	197.8	204.8	776.1
Second Charge Mortgages	2.8	-	-	2.8
Personal Loans	97.8	3.1	1.5	102.4
Total group	1,588.9	304.6	265.5	2,159.0

[1] Refer to accounting policies for detail of restatement

A breakdown of the in-model and post-model overlays for Credit Cards is shown below:

Credit Cards	**2024 £m**	2023 restated £m
Core model	**155.6**	209.4
New Model underlays (note (a))	**-**	(12.7)
Post Model overlays	**4.4**	0.4
Total allowance account	**160.0**	197.1

	2024 £m	2023 restated £m
Post model (under)/overlays:		
Macroeconomic model redevelopment (note (b))	**4.0**	-
Other (note (c))	**0.4**	0.4
Total post model (under)/overlays	**4.4**	0.4
Total (under)/overlays	**4.4**	(12.3)

8. Amounts receivable from customers (continued)

2023 numbers have been represented for fraud, refer to accounting policies for detail.

(a) New model underlay

Throughout 2023 the Group, in line with its ongoing commitment to continue to enhance the quality and accuracy of expected credit loss modelling, took steps to refine and re-calibrate the IFRS 9 model suite across Credit Cards, Vehicle Finance and Personal Loans resulting in a release of £57.7m across all portfolios. Enhanced segmentation, refreshed data calibration, and a refinement to model input parameters indicated the need for a model rebuild underlay at 31 December 2023 and a PMA reflected to address this. The PMA was released in 2024 when the refinements to the models were fully embedded, removing the requirement for the underlay.

(b) Macroeconomic model redevelopment

The macroeconomic model was considered in 2023 as part of the wider model development, however due to volatility in the output, the model was not implemented. The model has been redeveloped in 2024 using an external third party macroeconomic data provider. As it was not fully embedded at the year end, a PMA has been recognised reflecting the difference between the incumbent macroeconomic model and the new output. Further work is expected in 2025 to develop a more suitable, internally built model and remove the requirement for the PMA.

c) Other

Other includes adjustment for fraud and one-day interest adjustment due to known model deficiencies.

A breakdown of the in-model and post-model overlays for vehicle finance is shown below:

Vehicle Finance	2024 £m	2023 (restated)[1] £m
Core model	**93.3**	414.3
New Model (under)/overlays (note (a))	**-**	(47.0)
Post Model (under)/overlays	**3.2**	0.8
Total allowance account	**96.5**	368.1

	2024 £m	2023 (restated)[1] £m
Post-model overlays:		
Borrowers in financial difficulty (note (f))	**-**	0.8
12-month PD (note (b))	**2.8**	-
Macro LGD(note (c))	**(0.9)**	-
Macroeconomic model redevelopment (note (d))	**1.4**	-
LGD recalibration (note (e)	**(0.6)**	-
Other	**0.5**	-
Total post model (under)/overlays	**3.2**	0.8
Total (under)/overlays	**3.2**	(46.2)

[1] Refer to accounting policies for details of restatement

(a) Model overlay

Relates to new model development executed in 2023. Refer to Credit Cards section for further details.

8. Amounts receivable from customers (continued)

(b) 12 month PD recalibration
Monitoring of the 12 month PD model indicated a recalibration was required for the 'up to date' segment. A PMA has been recognised until the model can be updated in 2025.

(c) Macroeconomic LGD implementation
Refinements have been made to the macroeconomic LGD model implementation to; (i) reflect an upside scenario; (ii) refine the shape of the scenarios; and (iii) enhance how the scenarios were being applied. A PMA has been recognised until the model can be updated in 2025.

(d) Macroeconomic model redevelopment
Refer to Cards section for details.

(e) LGD recalibration
Following the introduction of the charge off process and the revised definition of default during 2024 calibrations were required to components of the LGD model. A PMA has been recognised until the model can be updated in 2025.

(f) Borrowers in financial difficulty
An overlay was recognised for a selection of customer accounts that were deemed to be borrowers in financial difficulty. This was released in 2024.
The fraud overlay has been represented within the core model, refer to accounting policies for further detail.

A breakdown of the in-model and post-model overlays for Personal Loans is shown below:

Personal Loans	**2024 £m**	2023 £m
Core model	**5.1**	13.1
New Model (under)/overlays (note (a))	**-**	2.0
Post Model (under)/overlays	**-**	-
Total allowance account	**5.1**	15.1

(a) Model overlay
Relates to new model development executed in 2023. Refer to Credit Cards section for further details.

There are no post-model overlays for second charge mortgages in the current or prior year.

The impairment charge in respect of amounts receivable from customers can be analysed as follows:

	2024 £m	2023 (restated)[1] £m
Credit Cards	**123.9**	125.5
Vehicle Finance	**60.0**	20.4
Second charge mortgages	**0.2**	-
Personal Loans	**5.7**	19.6
Total impairment charge	**189.8**	165.5

[1] Refer to accounting policies for details of restatement

The impairment in the income statement of £191.0m includes £1.2m in relation to loans held within trade and other receivables.

8. Amounts receivable from customers (continued)

The movement in directly attributable acquisition costs included within amounts receivable from customers can be analysed as follows:

	2024					2023				
	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Loans £m	Total £m	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Loans £m	Group Total
Brought forward	**32.3**	**56.0**	**0.1**	**1.2**	**89.6**	30.3	44.3	-	1.3	75.9
Capitalised	**5.8**	**31.6**	**9.2**	**-**	**46.6**	15.1	37.6	0.1	1.5	54.3
Amortised	**(12.6)**	**(31.4)**	**(0.9)**	**(0.8)**	**(45.7)**	(13.1)	(25.9)	-	(1.6)	(40.6)
Written off	**-**	**(6.5)**	**-**	**-**	**(6.5)**	-	-	-	-	-
Carried forward	**25.5**	**49.7**	**8.4**	**0.4**	**84.0**	32.3	56.0	0.1	1.2	89.6

9. Acquisition of Snoop

The Group completed the acquisition of the entire share capital of Usnoop Limited, which trades as Snoop, on 7 August 2023 for consideration of £8.7m. Snoop is a money-saving financial technology company with customers across the UK. Goodwill of £1.2m was recognised in relation to the acquisition.

Costs of £3.0m associated with the acquisition including due diligence, legal, advisory and tax fees were charged as an exceptional cost in the prior year.

An assessment of the fair values of the identifiable assets and liabilities of Snoop as at the acquisition date was performed and there has been no change in the fair values in 2024.

Snoop generated revenues of £0.4m and losses of £2.5m in the period from acquisition to 31 December 2023, which were included in the consolidated statement of comprehensive income in 2023.

If Snoop had been part of the Group for the 12 months to 31 December 2023, Group total income would be £489.6m and the statutory loss before tax would be £16.8m. In 2024, the terms of certain post consideration benefits were updated and a resulting cost of £1.7m recognised as an exceptional item.

10. Goodwill

	2024 £m	2023 £m
Cost		
At 1 January	**74.5**	73.3
Additions	**-**	1.2
Write off	**(71.2)**	-
At 31 December	**3.3**	74.5
Accumulated impairment		
At 1 January and 31 December	**2.1**	2.1
Net book value at 31 December	**1.2**	72.4
Net book value at 1 January	**72.4**	71.2

Goodwill with a net book value of £71.2m in 2023 related to the acquisition of Moneybarn in August 2014. The addition in 2023 related to the acquisition of Usnoop Limited (see note 9).

10. Goodwill (continued)

Goodwill is tested annually for impairment, or more frequently if there are any indications that goodwill might be impaired. The recoverable amount is determined from a value in use calculation. The key assumptions used in the value in use calculation relate to the cash flows of the cash generating unit, discount rates and growth rates adopted. Management adopts pre-tax discount rates which reflect the time value of money and the risks specific to the business.

The cash flow forecasts are based on the most recent financial budgets approved by the Group Board for the next five years and extrapolate cash flows for the following five years using a terminal growth rate of 2% (2023: 2%). The rate used to discount the forecast cash flows is 13.5% (2023: 11.0%); this represents the Company's risk-adjusted cost of capital.

Moneybarn goodwill was impaired in full in 2024 due to lower cash flows in the latest budget as the Group prioritises capital deployment for growth into Second Charge Mortgages and Credit Cards in the near-term.

11. Other intangible assets

	2024			2023		
	Acquisition intangibles £m	**Computer software £m**	**Total £m**	Acquisition intangibles £m	Computer software £m	Total £m
Cost						
At 1 January	**86.1**	**85.1**	**171.2**	75.0	68.5	143.5
Additions	**-**	**12.5**	**12.5**	11.1	19.0	30.1
Disposals	**-**	**(15.5)**	**(15.5)**	-	(2.4)	(2.4)
At 31 December	**86.1**	**82.1**	**168.2**	86.1	85.1	171.2
Accumulated amortisation and impairment						
At 1 January	**70.4**	**26.4**	**96.8**	62.5	17.7	80.2
Charged to the income statement - depreciation	**6.2**	**10.7**	**16.9**	7.9	10.6	18.5
Charged to the income statement - impairment	**-**	**8.5**	**8.5**	-	-	-
Disposals	**-**	**(15.5)**	**(15.5)**	-	(1.9)	(1.9)
At 31 December	**76.6**	**30.1**	**106.7**	70.4	26.4	96.8
Net book value						
At 31 December	**9.5**	**52.0**	**61.5**	15.7	58.7	74.4
At 1 January	**15.7**	**58.7**	**74.4**	12.5	50.8	63.3

Acquisition intangibles represent the fair value of the broker relationships arising on the acquisition of Moneybarn in August 2014 and Snoop in 2023.

The Moneybarn intangible asset was being amortised over an estimated useful life of 10 years, the asset was fully amortised in 2024.

The Snoop intangible asset comprised £10.1m of internally generated core platform and technology, and £1.0m in relation to the 'Snoop' brand name arising on the acquisition of Snoop in 2023. These are being amortised over 9 and 5 years respectively.

12. Retirement benefit asset

The Group operates a defined benefit scheme: the Provident Financial Staff Pension Scheme. The scheme is of the funded, defined benefit type. It is now also closed to future accrual.

The scheme provides pension benefits which were accrued on a final salary and, more recently, on a cash balance basis. With effect from 1 August 2021, it was fully closed to future accrual and benefits are no longer linked to final salary, although accrued benefits are subject to statutory inflationary increases.

The scheme is a UK registered pension scheme under UK legislation. The scheme is governed by a Trust Deed and Rules, with trustees responsible for the operation and governance of the scheme. The trustees work closely with the Group on funding and investment strategy decisions. The most recent actuarial valuation of the scheme was carried out as at 1 June 2021 by a qualified independent actuary. The valuation used for the purposes of IAS 19 'Employee Benefits' has been based on the results of the 2021 valuation to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme at the balance sheet date. Scheme assets are stated at fair value as at the balance sheet.

The Group is entitled to a refund of any surplus, subject to tax, if the scheme winds up after all benefits have been paid. As a result, the Group recognises surplus assets under IAS 19.

The Group is exposed to a number of risks, the most significant of which are as follows:

- Investment risk – the liabilities for IAS 19 purposes are calculated using a discount rate set with reference to corporate bond yields. If the assets underperform this yield a deficit will arise. The scheme has a long-term objective to reduce the level of investment risk by investing in assets that better match liabilities.
- Change in bond yields – a decrease in corporate bond yields will increase the liabilities, although this will be partly offset by an increase in matching assets.
- Inflation risk – some of the liabilities are linked to inflation. If inflation increases then liabilities will increase, although this will be partly offset by an increase in assets. As part of a long-term de-risking strategy, the scheme has increased its portfolio in inflation matched assets.
- Life expectancies – the scheme's final salary benefits provide pensions for the rest of members' lives (and for their spouses' lives). If members live longer than assumed, then the liabilities in respect of final salary benefits increase.

The net retirement benefit asset recognised in the balance sheet of the Group is as follows:

	2024 £m	2023 £m
Fair value of scheme assets	**453.7**	**512.9**
Present value of defined benefit obligation	**(425.9)**	**(474.7)**
Net retirement benefit asset recognised in the balance sheet	**27.8**	**38.2**

The amounts recognised in the income statement were as follows:

	2024 £m	2023 £m
Administration costs and taxes	**(1.3)**	(1.1)
Interest on scheme liabilities	**(21.7)**	(23.0)
Interest on scheme assets	**23.4**	24.4
Net credit recognised in the income statement	**0.4**	0.3

The net credit recognised in the income statement has been included within operating costs.

12. Retirement benefit asset (continued)

Movements in the fair value of scheme assets were as follows:

	2024 £m	2023 £m
Fair value of scheme assets at 1 January	**512.9**	520.7
Interest on scheme assets	**23.4**	24.4
Actuarial movements on scheme assets	**(54.6)**	(7.8)
Contributions by the Group	**0.8**	0.8
Net benefits paid out	**(28.8)**	(25.2)
Fair value of scheme assets at 31 December	**453.7**	512.9

Movements in the present value of the defined benefit obligation were as follows:

	2024 £m	2023 £m
Present value of defined benefit obligation at 1 January	**(474.7)**	(490.0)
Current service cost	**(1.3)**	(1.1)
Interest on scheme liabilities	**(21.7)**	(23.0)
Actuarial movement – experience	**0.2**	1.2
Actuarial movement – demographic assumptions	**(0.9)**	19.3
Actuarial movement – financial assumptions	**43.7**	(6.3)
Net benefits paid out	**28.8**	25.2
Present value of defined benefit obligation at 31 December	**(425.9)**	(474.7)

The principal actuarial assumptions used at the balance sheet date were as follows:

	2024 %	2023 %
Price inflation – RPI	**3.20**	3.10
Price inflation – CPI	**2.75**	2.60
Rate of increase to pensions in payment	**3.00**	2.95
Inflationary increases to pensions in deferment	**2.75**	2.60
Discount rate	**5.55**	4.65

The pension increase assumption shown above applies to pensions increasing in payment each year in line with RPI up to 5%. Pensions accrued prior to 2000 are substantially subject to fixed 5% increases each year. In deferment increases prior to retirement are linked to CPI.

The mortality assumptions are based on the self-administered pension scheme (SAPS) series 3 tables (2023: SAPS series 3 tables):

- female non-pensioners: 105% of the 'Middle' table (2023: 105% of the 'Middle' table);
- male non-pensioners: 105% of the 'Middle' table (2023: 105% of the 'Middle' table);
- female pensioners: 102% of the 'Middle' table (2023: 102% of the 'Middle' table); and
- male pensioners: 99% of the 'All' table (2023: 99% of the 'All' table).

The above multipliers and table types were chosen following a study of the scheme's membership. Where the multiplier is greater than 100%, this reflects a shorter life expectancy within the scheme compared to average pension schemes, with the opposite being true where the multiplier is less than 100%. Also, the use of the 'Middle' table typically leads to slightly lower life expectancy compared to using the corresponding 'All' table.

Future improvements in mortality are based on the Continuous Mortality Investigation (CMI) 2023 model with a long-term trend of 1.00% pa, the core parameters for the initial addition and smoothing parameter but with a weighting of 0%, 0%, 25% and 25% on 2020, 2021, 2022 and 2023 experiences respectively. All other available parameters for the mortality improvements model were adopted at the default (core) level. Under these mortality assumptions, the life expectancies of members are as follows:

12. Retirement benefit asset (continued)

	Male		Female	
	2024	2023	**2024**	2023
	years	years	**years**	years
Current pensioner aged 65	**21.2**	21.2	**23**	22.9
Current member aged 45 from age 65	**21.2**	21.1	**24**	23.8

If the discount rate decreased by 0.5% (2023: 0.5%), the net retirement benefit asset would have been increased by approximately £24m (2023: £31m).

An analysis of amounts recognised in the statement of comprehensive income is set out below:

	2024	2023
	£m	£m
Actuarial movements on scheme assets	**(54.6)**	(7.8)
Actuarial movements on scheme liabilities	**43.0**	14.2
Total movement recognised in other comprehensive income in the year	**(11.6)**	6.4
Cumulative movement recognised in other comprehensive income	**(159.9)**	(148.3)

13. Provisions

	2024						
	Customer compliance	**Dilapidation**	**Scheme**	**Redundancy**	**Others**	**Settlement**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
At 1 January	**3.5**	**0.2**	**1.0**	**-**	**1.1**	**-**	**5.8**
Created in the year	**16.0**	**6.2**	**-**	**6.2**	**0.1**	**1.5**	**30.0**
Reclassified in the year	**-**	**-**	**-**	**-**	**-**	**(1.4)**	**(1.4)**
Utilised in the year	**(12.1)**	**-**	**-**	**(4.9)**	**(0.6)**	**-**	**(17.6)**
Released in the year	**-**	**-**	**(1.0)**	**-**	**(0.2)**	**(0.1)**	**(1.3)**
At 31 December	**7.4**	**6.4**	**-**	**1.3**	**0.4**	**-**	**15.5**

	2023				
	Scheme	ROP	Customer compliance	Others	Total
	£m	£m	£m	£m	£m
At 1 January	1.2	2.0	1.4	0.6	5.2
Created in the year	-	-	10.7	0.3	11.0
Reclassified in the year	-	-	-	0.6	0.6
Utilised in the year	(0.2)	-	(8.4)	(0.2)	(8.8)
Released in the year	-	(2.0)	(0.2)	-	(2.2)
At 31 December	1.0	-	3.5	1.3	5.8

Customer compliance: £7.4m (2023: £3.5m)
The customer remediation provision relates to general customer compliance matters. This includes the costs of processing a temporary uplift in unmerited customer claims from CMCs (uphold rate only 6%). An amount for expected FOS fees is also included in the provision.

Dilapidations: £6.4m (2023: £0.2m)
Additional dilapidations costs recognised in 2024 and provisions now being held for all properties.

13. Provisions (continued)

The Scheme of Arrangement (the Scheme): Group: £nil (2023: £1.0m)
The Scheme of Arrangement was sanctioned on 30 July 2021 with the objective to ensure all customers with redress claims are treated fairly and outstanding claims are treated consistently for all customers who submit a claim under the Scheme.
Customer settlements in relation to the Scheme of Arrangement commenced in 2022. All remaining provision was released through exceptionals in 2024 and the Scheme closed.

Redundancy £1.3m (2023: £nil)
Costs expected to be paid out as part of redundancy programmes during the year.

Legal settlement £nil (2023: £nil)
Amounts were recognised in the year for an expected settlement with a third party. The amount was agreed and the provision transferred to accruals in advance of being settled in early 2025.

Other: £0.4m (2023: £1.1m)
This predominantly relates to smaller provisions held.

14. Reconciliation of loss after tax to cash (used in)/generated from operations

	2024	2023 (restated)[1]
	£m	£m
Loss after taxation	**(119.3)**	(11.7)
Adjusted for:		
– tax credit	**(17.0)**	(0.3)
– finance costs	**145.4**	113.4
– finance Income	**(47.2)**	(30.3)
– share-based payment charge	**2.7**	4.6
– retirement benefit charge	**(0.4)**	(0.3)
– internally generated intangible assets	**(12.5)**	-
– amortisation of intangible assets	**16.9**	18.5
– impairment of intangible assets	**8.5**	-
– provisions created in the year	**30.0**	11.0
– provisions released in the year	**(0.3)**	(0.2)
– exceptional release of provisions	**(1.0)**	(2.0)
– provisions utilised in the year	**(17.6)**	(8.8)
– depreciation of property, plant and equipment and right of use assets	**7.5**	9.1
– exceptional impairment of ROU asset	**3.5**	4.1
– loss on disposal of property, plant and equipment	**0.3**	1.3
– loss on disposal of intangible assets	**-**	0.5
– hedge ineffectiveness	**1.2**	-
– fair value movements on Visa shares	**(1.2)**	(1.1)
– contributions into the retirement benefit scheme	**(0.8)**	(0.8)
– goodwill write off	**71.2**	-
Changes in operating assets and liabilities:		
– amounts receivable from customers	**4.4**	(254.2)
– trade and other receivables	**(16.9)**	(5.8)
– trade and other payables	**0.6**	(22.0)
– movement in retail deposits[2]	**425.8**	815.2
Cash generated from operations	**483.8**	640.2

[1] Refer to accounting policies for detail of restatement
[2] The classification of certain cash flows has been represented in 2023, impacting £1,100.0m in proceeds and £284.8m in repayments related to bank and other borrowings. These amounts, which are no longer considered to be financing cashflows, are now reported within cash generated from operations as a £815.2m movement in retail deposits.

15. Contingent liabilities

During the ordinary course of business the Group is subject to other complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, customers, investors or third parties. This extends to legal and regulatory reviews, challenges, investigations and enforcement actions combined with tax authorities taking a view that is different to the view the Group has taken on the tax treatment in its tax returns. It also extends to tax authorities taking the view that VAT exempt supplies received by the Group from UK-based suppliers should be subject to VAT.

Vehicle Finance Commissions

On 25 October 2024, the Court of Appeal ruled against two other lenders in three cases involving commission disclosure payments to motor finance dealers. The judgment redefined the legal duties of dealers acting as credit brokers, requiring clear disclosure of, and consent to, the existence, nature and amount of any commission paid. The lenders successfully applied for permission to appeal to the Supreme Court, which is due to be heard in early April 2025. Timing of the outcome is uncertain.

Our Vehicle Finance division, Moneybarn, offers motor finance through intermediaries. The majority of these intermediaries are independent credit brokers. From the period January 2013 to October 2024, it wrote £3.0bn of loans of which 10% were written via dealers acting as credit brokers, upon which £23m was paid out as commission.

As previously stated, the Group has never entered into any discretionary commission arrangements on our Vehicle Finance products. The Group is therefore not subject to the FCA's Motor Commissions Review which has been focused to date on discretionary commission arrangements.

Following the Court of Appeal ruling the Group reviewed its lending practices and has assessed that there are material factors distinguishing the Moneybarn book from the cases in the Court of Appeal judgment (including the commission disclosures provided to customers). The Group has assessed the requirement for a provision and as at 31 December 2024 no amounts have been recognised as it is only possible that Moneybarn would be found liable in a claim based on the Court of Appeal's ruling. This is due primarily to the conclusion of the aforementioned review but also the uncertainty of the outcome of the Supreme Court appeal and/or any further judicial or regulatory intervention and other mitigating factors which would need to be considered to reliably measure any provision required under IAS 37. Notwithstanding this, it has enhanced its customer-facing documentation and is updating its intermediary agreements. The Group has also considered the c.4,400 motor finance commission complaints it had received as at 31 December 2024 which have been ringfenced and paused in line with the FCA's current guidance. No provision has been recognised for these complaints, pending the ruling from the Supreme Court and/or any further judicial or regulatory intervention.

16. Post Balance Sheet events

The Group has agreed the sale of its Personal Loan portfolio. As at 31 December 2024, the portfolio consisted of £49m of gross customer interest earning balances and £44m of net receivables. The transaction is expected to generate a small gain on sale, with a proforma Tier 1 capital ratio benefit of c.25bps in 1Q25.

Directors' responsibility statement

Each of Sir Peter Estlin, Chairman; Ian McLaughlin, Chief Executive Officer; Dave Watts, Chief Finance Officer; Graham Lindsay, Non-Executive Director; Michele Greene, Non-Executive Director; Karen Briggs, Non-Executive Director, Oliver Laird, Non-Executive Director; and Jackie Noakes, Non-Executive Director confirms that, to the best of his or her knowledge that:

(i) the group financial statements which have been prepared in accordance with IFRS as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit of the group, the company and the undertakings included in the consolidation taken as a whole; and
(ii) the Strategic Report contained in the 2024 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the company and group, and the undertakings included in the consolidation taken as a whole, and a description of the principal risks and uncertainties they face.

Information for shareholders

1. The 2024 Annual Report and Financial Statements together with the notice of the annual general meeting will be posted to shareholders on or around 27 March 2025.

2. The annual general meeting will be held on 14 May 2025 at 13:00 at the offices of Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London, E14 5JJ.