

Key performance indicators

Financial key performance indicators (“KPIs”)

Common Equity Tier 1 capital ratio (%)



Our CET1 capital ratio is significantly above the applicable requirements. We have made significant progress in strengthening our capital position through the implementation of a range of management actions. Maintaining a strong capital position is a fundamental component of our model.

Net interest margin¹ (%)



Net interest margin is a key measure of profitability and reflects both our pricing discipline on new lending and our funding costs. Prioritising margin over volumes is a key facet of our lending approach.

Bad debt ratio, excluding Novitas^{1,2} (%)



Our bad debt ratio (excluding Novitas) remains below our long-term average of 1.2%³. The consistent application of our underwriting and responsible lending criteria at all stages of the economic cycle is fundamental to our long-term approach.

Total funding as a percentage of loan book⁴ (%)



We adopt a conservative approach to funding based on the principle of “borrow long, lend short”, with a prudent maturity profile. Our funding base is diverse, enabling us to adapt our position through the cycle, based on market conditions and demand.

Group expense/income ratio¹ (%)



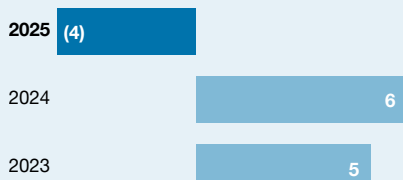
We delivered £25 million of annualised cost savings by the end of the 2025 financial year. The group is committed to maintaining cost momentum to deliver a step change in operating profitability.

Liquidity coverage ratio, 12-month average (%)



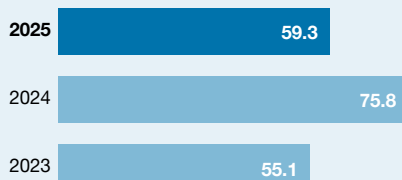
Our liquidity coverage ratio is substantially above the minimum regulatory requirements of 100%, as we continue to adopt a conservative liquidity position and prudently manage our financial resources.

Loan book growth⁴ (%)



Loan book growth remains an output of our business model, as we prioritise our margins and credit quality. We have repositioned the business to focus on segments where we see mid to high single digit growth potential through the cycle, leaving us well positioned to benefit as the economy and demand recover.

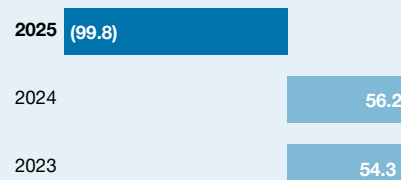
Adjusted basic earnings per share share (continuing operations)¹ (p)



We are focused on ensuring that the group is well positioned to generate strong, sustainable returns and increasing our adjusted earnings per share growth through our focus on greater simplification, improving operational efficiency and driving sustainable growth.

In 2025, we incurred adjusting items which impacted the basic EPS metric. These adjusting items have been excluded from adjusted EPS to present the underlying performance of the group.

Basic (loss)/earnings per share (continuing operations)¹ (p)



Dividend per share (p)

2025 0.0

2024 0.0

2023 67.5

The decision to reinstate dividends will be reviewed by the Board once there is further clarity on the financial impact of the FCA's review of the motor finance commissions.

Return on average tangible equity⁵ (%)

2025 7.1

2024 9.3

2023 5.9

Through our priorities of greater simplification, improving operational efficiency and driving sustainable growth, we are focused on resuming the delivery of a higher level of returns. We are taking proactive steps to ensure that the group is well positioned to generate strong, sustainable returns once the motor finance commissions uncertainty has been resolved.

Non-financial KPIs

Employee engagement (%)

2025 78

2024 83

2023 86

We are committed to fostering a culture that attracts and retains engaged and motivated employees.

Customer sentiment scores

Asset Finance CSAT 92%

Motor Finance customer Net Ease +65

Savings online CSAT 82%

Invoice Finance CSAT 87%

Customers are at the heart of our model, as we focus on delivering high levels of service and sharing our deep industry expertise to meet their needs.

Total Scope 1 and 2 emissions (market-based) (tonnes CO₂e)⁶

2025 1,882

2024 2,351

2023 2,384

We have made significant progress on climate actions and remain committed to achieving net zero across our operations, our supply chain and the activities we finance by 2050 or sooner.

See pages 232 to 234 for the full definitions of these key performance indicators.

1. NIM, bad debt ratio, group E/I ratio and adjusted earnings per share calculations re-presented to exclude rentals businesses in 2024.
2. Bad debt ratio including Novitas and excluding rentals businesses of 1.0% in 2025 and 1.0% in 2024.
3. Long-term average bad debt ratio of 1.2% based on the average bad debt ratio for FY08-FY24 excluding Novitas, and FY25 excluding Novitas and rentals businesses.
4. Total funding as a percentage of loan book includes £207.3 million (31 July 2024: £267.9 million) of operating lease assets in the loan book figure, of which £41.0 million for Close Brewery Rentals Limited are classified as held for sale as at 31 July 2025.
5. Return on average tangible equity uses adjusted operating profit after tax from continuing operations, less AT1 coupons (2025: £88.7 million, 2024: £113.5 million). Average tangible equity excludes discontinued operations. Average tangible equity is calculated based on closing equity per the balance sheet (2025: £1,735.5 million, 2024: £1,842.5 million), less AT1 (2025 and 2024: £197.6 million), less intangibles (2025: £166.3 million, 2024: £266.0 million), less CBAM and Wins tangible equity (2025: £90.6 million, 2024: £155.9 million). 2023 as reported.
6. The total Scope 1 and 2 emissions for 2024 have been restated to exclude CBAM. Please refer to page 38 for more details.