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# Tax Strategy Statement

## Introduction

Chetwood Financial Limited ('Chetwood') is committed to conducting its tax affairs in a manner that is consistent with its values of integrity, transparency and responsibility. We believe in doing the right thing for our customers, creating a supportive environment for our colleagues, investing in our community, and growing the business responsibly. Our values are embedded into our business and are in everything we do.

Chetwood is a digital bank providing buy to let mortgages, operating existing customer loans and supporting savers to achieve their goals. In addition to its core lending and savings activities, Chetwood manages its balance sheet and liquidity through the purchase of market-based investments. These activities support prudent liquidity management, capital efficiency and risk diversification, and are undertaken in line with the Bank's regulatory permissions and risk appetite. Chetwood is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

We have set out below our tax strategy, which applies to all entities in the Chetwood Tax Group in respect of the year ended 31 March 2026. This has been published in accordance with the requirements set out in paragraph 19(2) of Schedule 19 of the Finance Act 2016.

The Board of Directors has approved the Tax Strategy Statement and has overall responsibility for Chetwood's tax strategy and compliance. The day-to-day management of tax matters is delegated to the Chief Financial Officer (CFO), who is supported by the finance team and external advisors. Updates on tax matters are provided to the Board as and when required, to ensure oversight.

Chetwood's aim is to have full compliance with all statutory obligations. We strive to ensure full disclosure to the tax authorities to ensure we pay the right amount of tax at the right time.

## How we manage UK tax risks

Chetwood adopts a pragmatic approach to managing tax risks, ensuring that these risks are identified, assessed and managed in line with our overall risk management framework. We recognise that effective risk management is crucial to maintaining our reputation with His Majesty's Revenue and Customs (HMRC) and achieving our business objectives.

Chetwood's business model is focused on the UK, where our customers and all operations are based. This reduces the complexity of our tax obligations. Any risk is captured and monitored through the Risk Management Framework, to ensure these risks are managed appropriately for the size and nature of the Group.

We aim to identify all relevant tax risks through regular reviews and assessments of our business operations and external environment. This involves staying informed about changes in tax legislation and regulations that may impact our business. By understanding the potential risks, we can take appropriate measures to mitigate them.

To manage these risks, we engage with external tax advisors who provide expert advice on tax matters. This collaboration aims to ensure we remain compliant with all relevant tax laws and regulations.

We strive to maintain robust internal controls and procedures to support our tax accounting and compliance, with the support of external tax advisors. These controls are regularly reviewed and updated to ensure they remain up to date and effective.

Additionally, we aim to foster a culture of transparency and accountability within the organisation. This includes communication of our tax policies and procedures to all relevant stakeholders.

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## Our attitude to tax planning

Our approach to tax planning is aligned with our commercial activities, regulatory obligations and long-term strategic objectives. Tax outcomes are considered as part of normal business decision-making; however, transactions are undertaken for genuine commercial purposes and not to secure tax advantages.

We utilise available tax reliefs, allowances and incentives in a manner consistent with the intent of UK tax legislation. We do not enter into artificial arrangements, contrived structures or aggressive tax planning designed to achieve tax results that are inconsistent with the underlying economic substance of a transaction.

Regular reviews of our tax positions help us stay compliant with current legislation. We also engage external tax advisors for expert guidance and to navigate complex tax issues.

Through this approach, we seek to manage our tax affairs responsibly, balancing efficient tax management with full compliance.

## The level of risk we are prepared to accept

Our reputation, both with our customers and stakeholders is of paramount important to us. To safeguard our reputation, and because we believe it is the right thing to do, we adopt a low-risk approach to both the governance and day-to-day running of all tax matters. This helps ensure that tax risk is managed in accordance with our values and does not adversely impact our reputation.

## How we work with HMRC

We aim to maintain an open and constructive relationship with HMRC based on integrity and transparency. This approach helps us ensure compliance and fosters a co-operative environment for addressing any tax-related issues.

To achieve this, we aim to respond promptly and accurately to any queries or requests for information from tax authorities. Timely and clear communication is essential in building trust and demonstrating our commitment to compliance. We aim to provide all necessary documentation and explanations to support our tax positions and will strive to make full and unprompted disclosure to HMRC if we discover inadvertent errors in historic tax returns, ensuring that our interactions with HMRC are efficient and effective.

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