

## YORKSHIRE BUILDING SOCIETY

### FULL YEAR RESULTS 2025

"Yorkshire Building Society delivered a solid performance for the year ending December 2025, growing our mortgage and savings balances sustainably and sharpening our Purpose, Real Help with Real Life, to set a clear path for the future.

We continued to provide our members with above market average savings rates and went further to make good homes possible for more people. We launched targeted, innovative products to help overcome the challenges people face in finding a good home and building financial wellbeing. With economic challenges likely to remain in 2026, our renewed Purpose - and the support we offer our customers and communities as one of the UK's biggest mutuals - matters more than ever.

I am proud of the Society's achievements and confident it is well-placed to keep supporting members and customers for decades to come."

Susan Allen, OBE  
Chief Executive

#### **The Society's 2025 Annual Report and Accounts will be published on 5 March 2026. Key highlights from 2025 performance are below:**

- The Society continued to support its members through favourable savings rates. Overall, savings rates provided were on average 0.62 percentage points higher than the market average over 2025 (2024: 0.90 percentage points higher), equating to £313m of additional interest paid.
- Savings balances increased by £1.1bn year on year to £54.0bn (2024: £52.9bn), of which the increase in shares contributed £0.9bn.
- Our mortgage balances grew this year to £51.9bn (2024: £49.7bn). We delivered net lending of £2.2bn (2024: £2.9bn), driven by a higher level of gross lending than the prior year being offset by a greater level of product maturities.
- Net interest income was £869.8m in 2025, increasing £133.3m year on year (2024: £736.5m). Net interest margin increased sixteen basis points to 1.32% (2024: 1.16%) supported by balance sheet growth, disciplined pricing and strong structural hedge performance.
- Management expenses increased £41.0m to £407.6m (2024: £366.6m) in part due to higher levels of strategic investment, but also due to the continued growth of the business, inflation and investment in technology to support future resilience and efficiency. Our cost to core income ratio reduced this year from 51.4% to 48.2%.
- On a statutory reporting basis, profit before tax was £377.9m (2024: £383.7m). Core Operating Profit, which excludes fair value volatility and better represents our underlying profitability, increased by 23.4% to £426.7m (2024: £345.7m). 2025 statutory profit includes a fair value loss of £50.3m (2024: £36.2m gain), some of which relates to swaps that economically hedge interest rate risk, but are not in a hedge accounting relationship.
- Our liquidity and capital positions remain comfortably in excess of regulatory minimums. Liquidity coverage was 238.7% (2024: 202.7%). Common Equity Tier 1 (CET1) ratio was 18.8% (2024: 18.1%).

- Asset quality of the loan book remains strong. As at December 2025, the number of accounts more than three months in arrears, including possessions, was 0.52% (2024: 0.50%) which compares favourably to the industry average of 0.88% (2024: 0.97%).

### Progress against Our Strategy.

In addition to our solid financial and business performance, we have made further progress in the delivery of Our Strategy.

In 2025 we invested a record amount in technology and capability and continued our focus on simplifying processes, investing in digital, and further enhancing our governance and controls. Over the course of 2025 we introduced inbound faster payments and are now focussing on delivering outbound faster payments. Mortgage balances are now accessible via our app, and savings account opening functionality has also been incorporated.

We are investing significantly to provide new products and services to meet customer needs - for example, our £50 Regular Saver, our First Home Saver and expanding our innovative £5k mortgage proposition to benefit more potential homeowners. We are also keeping more customers with us when their mortgage reaches maturity.

We have one of the biggest branch and agency networks in the country and are committed to keeping a presence on the high street, because we know many members value the personal touch found there when they need it.

### Strong links to our communities

We play a key role in strengthening financial resilience in the wider community through programmes and partnerships that help people find work and improve financial education and wellbeing. Our achievements include:

- Our ongoing partnership with FareShare has raised £884,000 so far and has equipped 2,100 people with skills to find work, with 153 going on to employment
- Four Bradford charities that support skills and employment are sharing £1m from the Yorkshire Building Society Charitable Foundation
- Citizens Advice advisers are present in forty-four of our branches and have helped 5,600 people in 2025, providing advice on financial and legal issues

### Looking ahead

As we enter 2026, we will continue our focus on investing in our strategic priorities, delivering competitive products and services for our members, and maintaining the financial strength that underpins sustainable growth.

We expect the elevated levels of competition in our key markets of mortgages and savings to persist. A key priority will be maintaining strong trading and cost management disciplines, including the realisation of benefits associated with our strategic investments.

On the global stage, elevated levels of uncertainty persist. Whilst the impacts of these situations are often secondary in nature to the Society, they have the ability to influence UK monetary policy and the dynamics of our core markets.

We will continue to monitor threats and opportunities closely and adjust our plans accordingly. We have confidence in our business model and financial resilience and are well placed to navigate future challenges or periods of economic uncertainty.

## **Summary Financial Statements**

### **Consolidated Income Statement**

	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
Net interest income	869.8	736.5
Fair value (losses)/gains	(50.3)	36.2
Net realised gains	0.7	0.2

Other income	(26.2)	(21.1)
<b>Total income</b>	<b>794.0</b>	<b>751.8</b>
Management expenses	(407.6)	(366.6)
<b>Operating profit before provisions</b>	<b>386.4</b>	<b>385.2</b>
Impairment of financial assets	(8.5)	(0.2)
Movement in provisions	0.0	(1.3)
<b>Profit before tax</b>	<b>377.9</b>	<b>383.7</b>
Tax expense	(102.4)	(102.0)
<b>Net profit</b>	<b>275.5</b>	<b>281.7</b>

Statutory profit before tax was £377.9m (2024: £383.7m), and Core Operating Profit increased to £426.7m (2024: £345.7m). Core Operating Profit excludes items such as fair value volatility and material one-time charges that do not reflect the Group's day-to-day activities. The Board considers Core Operating Profit to be an appropriate measure of the underlying performance of the business.

Net interest income increased £133.3m year on year, with a net interest margin of 1.32% in 2025 (2024: 1.16%). The favourable impact of our structural hedge contributed to this improvement, in the context of a falling rate environment.

In 2025, fair value movements resulted in a net loss of £50.3m, predominantly driven by the mortgage hedge and unmatched portfolio. These movements represent a reversal of the £36.2m gain observed in 2024, amplifying the year-on-year movement.

Management expenses increased £41.0m to £407.6m. This reflects a further increase in strategic investment alongside higher IT infrastructure and people costs.

#### Reconciliation of Core Operating Profit

The table below shows a reconciliation between core and statutory profit measures.

<b>Reconciliation of Core Operating Profit</b>	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
<b>Statutory profit before tax</b>	377.9	383.7
<b>Reverse out the following items:</b>		
Fair value gains and losses	50.3	(36.2)
Historic fair value credit adjustments on acquired loans	(1.3)	(2.4)
Movement in restructuring provision	0.1	0.8
Other non-core items	(0.3)	(0.2)
<b>Core operating profit</b>	<b>426.7</b>	<b>345.7</b>

#### Consolidated Statement of Comprehensive Income

	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
<b>Net profit</b>	<b>275.5</b>	<b>281.7</b>
<b>Items that may be subsequently reclassified through profit or loss:</b>		
Cash flow hedges:		
Fair value movements taken to equity	(16.7)	5.7
Amounts transferred to income statement	2.8	3.5
Tax on amounts recognised in equity	3.9	(2.6)
Effect of change in corporation tax rate	-	-
Financial assets measured through other comprehensive income:		
Fair value movements taken to equity	3.5	(13.8)
Amounts transferred to income statement	3.2	1.2
Tax on amounts recognised in equity	(1.9)	3.5
Effect of change in corporation tax rate	-	-

**Items that will not be reclassified through profit or loss:**

Remeasurement of retirement benefit obligations	(5.2)	(4.2)
Tax on remeasurement of retirement benefit obligations	1.5	1.2
Effect of change in corporation tax rate	-	-
<b>Total comprehensive income for the year</b>	<b>266.6</b>	<b>276.2</b>

**Consolidated Statement of Financial Position**

	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
Loans and advances to customers	51,893.8	49,705.5
Liquid assets	13,544.2	14,621.0
Fair value adjustment for hedged risk on loans and advances to customers	22.1	(454.7)
Other assets	870.2	1,672.6
<b>Total assets</b>	<b>66,330.3</b>	<b>65,544.4</b>
Shares	52,913.7	52,044.4
Fair value adjustment for hedged risk on shares	27.3	1.0
Wholesale funding and other deposits	7,270.8	7,385.0
Subordinated liabilities	1,472.4	1,453.3
Other liabilities	404.8	686.0
<b>Total liabilities</b>	<b>62,089.0</b>	<b>61,569.7</b>
Members' interest and equity	4,241.3	3,974.7
<b>Total members' interest, equity and liabilities</b>	<b>66,330.3</b>	<b>65,544.4</b>

The balance sheet increased to £66.3bn as at December 2025, which represents a growth rate of 1.2% against 2024.

Liquidity levels remained strong throughout 2025, with significant headroom maintained above both regulatory and internal thresholds. As at 31 December 2025, the liquidity balance sheet ratio stood at 22.5% (2024: 24.6%), while the Liquidity Coverage Ratio (LCR) improved to 230.7% (2024: 202.7%), reflecting our continued focus on prudent liquidity management.

Net lending was £2.2bn (2024: £2.9bn), resulting in mortgage book growth of 4.4% in 2025 (2024: 6.2%). The credit quality of the mortgage book remains strong, with 0.52% of our mortgage accounts three months or more in arrears (2024: 0.50%), compared to the industry average of 0.88% (2024: 0.97%).

We delivered stable growth in savings balances during the year, increasing by £1.1bn (2024: £5.2bn), representing a growth rate of 2.1% (2024: 11.0%). Following a period of significant savings growth compared to mortgages, we actively chose to slow the rate of growth in 2025. Our average savings rate premium over the market remained significant at 0.62pp (2024: 0.90pp), despite the lower rate environment.

The Society continued to maintain a presence in key wholesale funding issuance markets, successfully issuing within the RMBS and covered bond markets in 2025.

**Key ratios**

	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Net Interest Margin	1.32	1.16
Management expense ratio	0.62	0.58
Asset growth	1.2	7.5
Loans and advances growth	4.4	6.2
Savings balance growth	2.1	11.0

Shares balance growth	1.7	10.6
Liquidity ratio	22.5	24.6
Funding ratio	12.1	12.4
Gross Capital	9.5	9.1
Free Capital	9.3	8.9
Total Capital Ratio	19.4	19.0
Common Equity Tier 1 ratio	18.8	18.1
UK Leverage Ratio	7.0	6.6
Cost to core income ratio	48.2	51.4

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### About Yorkshire Building Society

Yorkshire Building Society was founded in 1864.

As at December 2025, the Society has assets of £66.3 billion.

Chelsea Building Society and Norwich & Peterborough Building Society are part of Yorkshire Building Society. Its subsidiary companies include Accord Mortgages Limited. For more information on Yorkshire Building Society visit [www.ybs.co.uk](http://www.ybs.co.uk).

1. YBS Group average savings rate compared to rest of market average rates. Source: CACI's Current Account and Savings Database (CSDB), Stock. Data period December 2024 - November 2025 (being latest available).
2. Core operating profit is an alternative performance measure which excludes items such as fair value volatility and material one-time charges that do not reflect the Group's day-to-day activities.
3. Industry average sourced from UK Finance.
4. Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January - December 2025, based on 17,177 responses.

This document contains certain forward-looking statements, which are made in good faith based on the information available up to the time of the approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

References to 'YBS Group' or 'Yorkshire Group' refer to Yorkshire Building Society, the trading names under which it operates (Barnsley Building Society, Barnsley, Chelsea Building Society, Chelsea, Norwich & Peterborough Building Society, and N&P) and its subsidiary companies.

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