Leeds Building Society

# Investor Presentation

# Half Year Results 2025

# Delivering against our strategy

Putting **home ownership within reach** of more people
**generation after generation**

### Maintained strong financial performance

We demonstrated our continued financial strength through achieving a profit before tax of £104.4 million (H1 2024: £86.4 million).

We maintained a strong capital and liquidity position. Our Common Equity Tier 1 (CET1) capital ratio was 25.8% at 30 June 2025.

The cost to income ratio, after adjusting for transformation costs, continues to be among the lowest in the sector at 44.0% (H1 2024: 47.3%).

We maintained low arrears levels at 0.56% (Dec 2024: 0.61%), a testament to the hard work of our teams to support borrowers facing financial difficulty.

### Supported new and existing borrowers

Through investment in our digital capability, we have worked to make our customer and broker journeys easier and we're making good progress on transforming our core IT infrastructure.

We supported 9,600 first time buyers in H1 2025, an increase from 7,800 in the first half of 2024.

We reduced our mortgage affordability stress testing to responsibly increase the amount we will lend to borrowers following updates in regulatory lending guidance which support UK growth.

### Member Owned

Total membership surpassed one million in the first half of 2025, the highest in our 150-year history.

19,400 new mortgage members joined the Society.

Supporting savers: generating the annual equivalent of £199.9 million in additional interest for members as a result of paying 0.85% above the market average on savings rates.

### Supported members and communities

We exceeded £240,000 in fundraising for Barnardo's, the UK's largest children's charity, to build brighter futures for young people leaving the care system.

We announced a programme of grant funding linked to projects in support of safe and secure housing, inviting charities to apply for the programme and subsequently choosing to fund five organisations across the UK.

In our 150th year, the Society has committed to supporting communities around us by allowing colleagues to volunteer an additional seven hours in a skills-based volunteering role.

# How we performed in 2025

| | | |
|---|---|---|
| Savings Balances | ↑ £25.5bn | 2024: £24.5bn |
| Average Savings rate* | ↑ 4.11% | Market average 3.26% |
| Colleague Engagement | ↔ 8.4/ 10 | 2024: 8.4/10 |
| Customer Satisfaction | ↔ 94% | 2024: 94% |
| Gross Lending | ↔ £2.6bn | 2024 H1: £2.6bn |
| Net Lending | ↔ £1.2bn | 2024 H1: £1.2bn |
| CET1 | ↑ 25.8% | 2024: 25.7% |
| UK Leverage | ↔ 5.5% | 2024: 5.5% |
| PBT | ↑ £104.4m | 2024 H1: £86.4m |
| NIM | ↑ 1.26% | 2024: 1.21% |
| Cost to Income ratio | ↓ 49.8% | 2024: 51.7% |
| Cost to Asset ratio | ↔ 0.66% | 2024: 0.66% |

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* CACI JUN-24 TO MAY-25 CSDB, Stock, latest data available, CACI is an independent company that provides financial benchmarking data of the retail cash savings market

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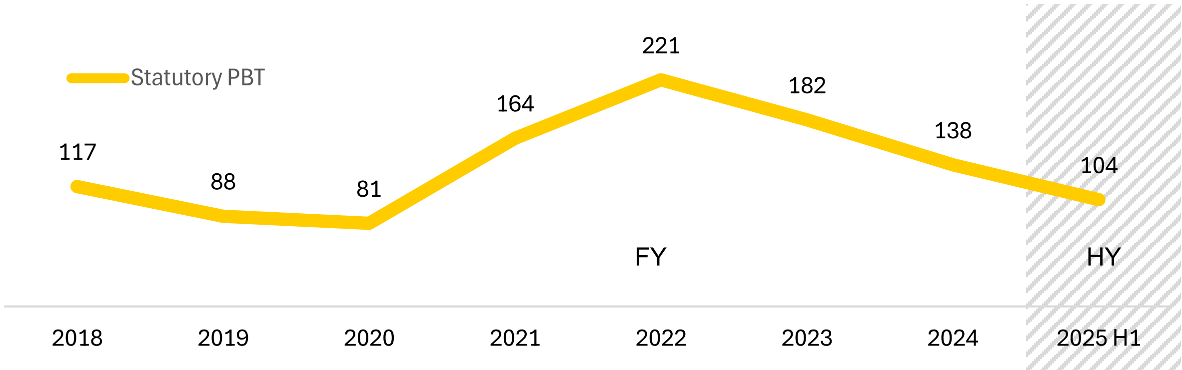
# Financials

# Continued strong financial performance

| £m | 2025 H1 | 2024 H1 |
|---|---|---|
| Net Interest Income | 201.1 | 170.9 |
| Other income | 10.4 | (21.0) |
| Fair value gains / (losses) | (1.0) | 4.6 |
| Total income | 210.5 | 154.5 |
| Management expenses and Depreciation | (104.8) | (93.3) |
| Loan impairments & provisions | (1.3) | (10.7) |
| **Profit before tax** | **104.4** | **50.5** |
| Tax expense | (25.0) | (12.3) |
| **Profit after tax** | **79.4** | **38.2** |
| Underlying profit before tax[1] | 104.4 | 86.4 |




Our residential mortgage book has increased by £2.6 billion over the last 12 months which has driven an increase in net interest income, with NIM steadily increasing over the same period.

We use structural hedging to stabilise net interest margin over an average period of two years.

Profit before tax remains strong at £104.4 million (2024 H1: £50.5 million, underlying profit before tax: £86.4 million).

Maintained strong cost disciplines at the same time as undergoing a multi-year investment programme to modernise technology platforms.

| Key Ratios (%) | 2025 H1 | 2024 |
|---|---|---|
| Net interest margin | 1.26% | 1.21% |
| Cost income ratio | 49.8% | 51.7% |
| Cost asset ratio | 0.66% | 0.66% |

1 2024 underlying profit before tax excludes a one-off items (£23m PIBS repurchase & £10.3m Philips Trust). There have been no one-off items during the first six months of 2025.

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# Purposeful lending drives increase in residential mortgage balances

| £m | 2025 H1 | 2024 | Δ |
|---|---|---|---|
| *Mainstream Owner Occupied* | 14,687 | 13,587 | 8.1% |
| *BTL* | 5,128 | 5,176 | -0.9% |
| *Shared Ownership* | 3,572 | 3,368 | 6.1% |
| *Other*[1] | 2,206 | 2,271 | -2.8% |
| **Residential mortgages** | **25,592** | **24,403** | 4.9% |
| Commercial Mortgages[2] | 3.1 | 2.8 | +18% |
| Equity Release | 142.4 | 145 | -1.8% |
| **Loans and advances to customers** | **25,738** | **24,551** | 4.8% |
| Liquid assets | 5,593 | 6,546 | -14.6% |
| *Other (inc derivative and FV adjust.)* | 693 | 517 | 34.0% |
| **Total assets** | **32,023** | **31,613** | 1.3% |
| | | | |
| Savings | 25,518 | 24,530 | 4.0% |
| Wholesale funding | 3,967 | 4,535 | -12.5% |
| *Other* | 755 | 827 | -8.7% |
| **Total Liabilities** | **30,240** | **29,892** | 1.2% |
| Equity attributable to members | 1,783 | 1,720 | 3.7% |
| **Total liabilities and equity** | **32,023** | **31,613** | 1.3% |

[1] predominantly Interest Only Owner-Occupied loans
[2] Commercial Mortgages includes a £0.4M provision reduction

We remain committed to helping first time buyers get on to the housing ladder in-line with our purpose, with 49% of new loans in H1 2025 supporting first time buyers.

Capital and MREL ratios remain robust and well above regulatory requirements.

The Society continues to attract members through its strong savings franchise and has maintained strong funding and liquidity ratios.

| Key Ratios (%) | 2025 H1 | 2024 |
|---|---|---|
| Liquidity Coverage Ratio | 181% | 183% |
| Wholesale Funding Ratio | 13.5% | 15.6% |
| CET1 Ratio | 25.8% | 25.7% |
| UK Leverage Ratio | 5.5% | 5.5% |
| MREL Ratio | 32.6% | 31.5% |

# Net interest margin remains stable

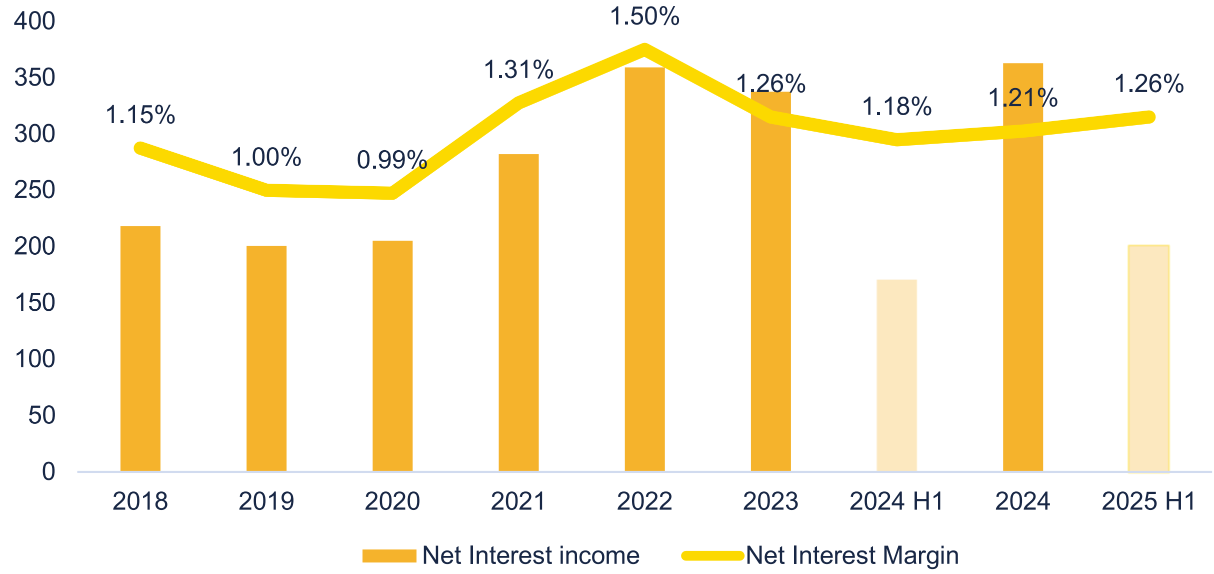
Net Interest Income increased by 17.7% vs. H1 2024 due to balance sheet growth and benefits from the structural hedge.

We remain focused on our purpose - continuing to support first-time buyers and other prospective and current members in home ownership.

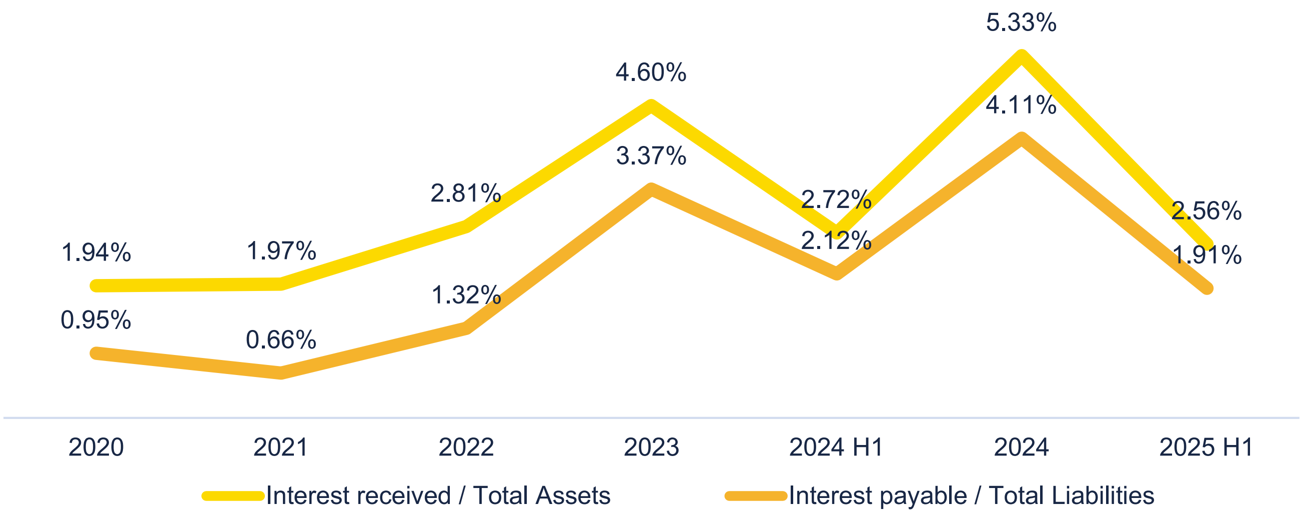
We consistently pay above average market rates to our savers, paying an average of 4.11% compared to the rest of market average of 3.26%*.

**NII bridge**


**NIM and NII**




**Asset and liability average rates**

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# Cost to income ratio remains sustainable

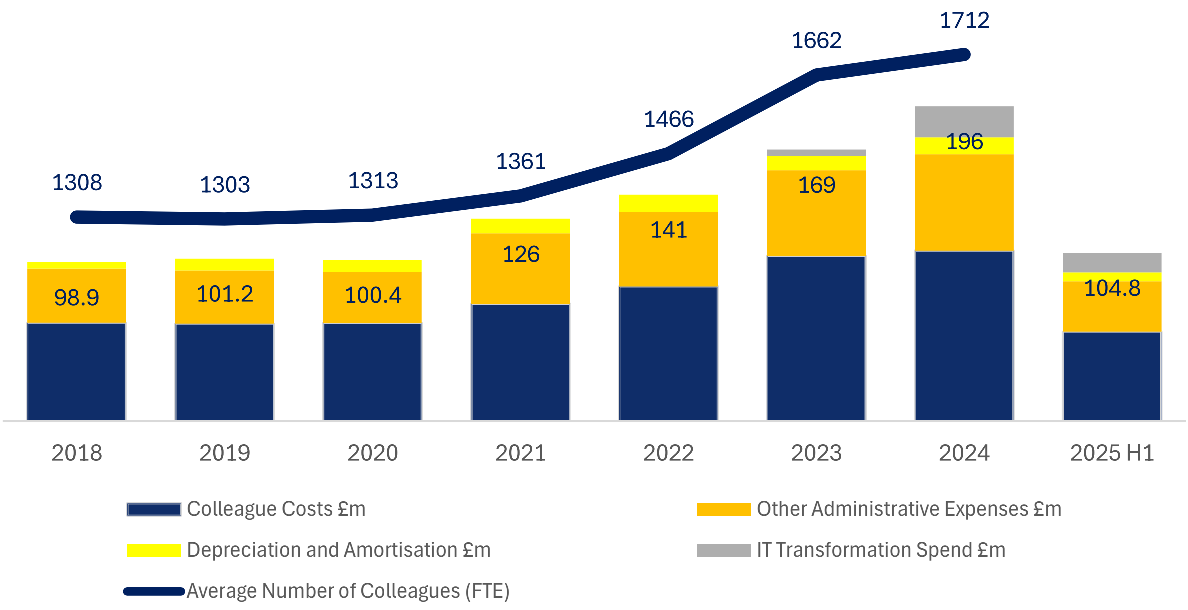
Increases in costs reflect the investment made in our multi-year technology programme and long-term sustainability, but we maintain a strong focus on efficiency with close control over our costs. Our cost ratios remain among the best in our sector.

If transformational costs are excluded, the cost to income ratio is 44.0% and the cost to mean asset ratio is 0.58%.

We continue to maintain tight control over our costs – balancing cost efficiency with the desire to increase member value through more resilient systems and improved service.

| £m | 2025 H1 | 2024 H1 |
|---|---|---|
| Colleague costs | 55.8 | 51.6 |
| Other administrative expenses | 31.2 | 27.4 |
| Depreciation and amortization | 5.6 | 5.1 |
| Ongoing management expenses | 92.6 | 84.1 |
| IT transformation spend | 12.2 | 9.2 |
| Total management expenses | 104.8 | 93.3 |

**Management expenses (£m) and Total Colleagues**




| Key Ratios (%) | ‘20 | ‘21 | ‘22 | ‘23 | ‘24 | ‘25 H1 |
|---|---|---|---|---|---|---|
| Cost to income ratio[1] | 51.0% | 43.9% | 37.4% | 47.3% | 51.7% | 49.8% |
| Cost to mean asset ratio | 0.48% | 0.58% | 0.59% | 0.63% | 0.66% | 0.66% |

[1] To calculate our cost to income ratio in 2024 we have removed the impact of the PIBS buy-back as this is considered to be an exceptional item.

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# Asset quality

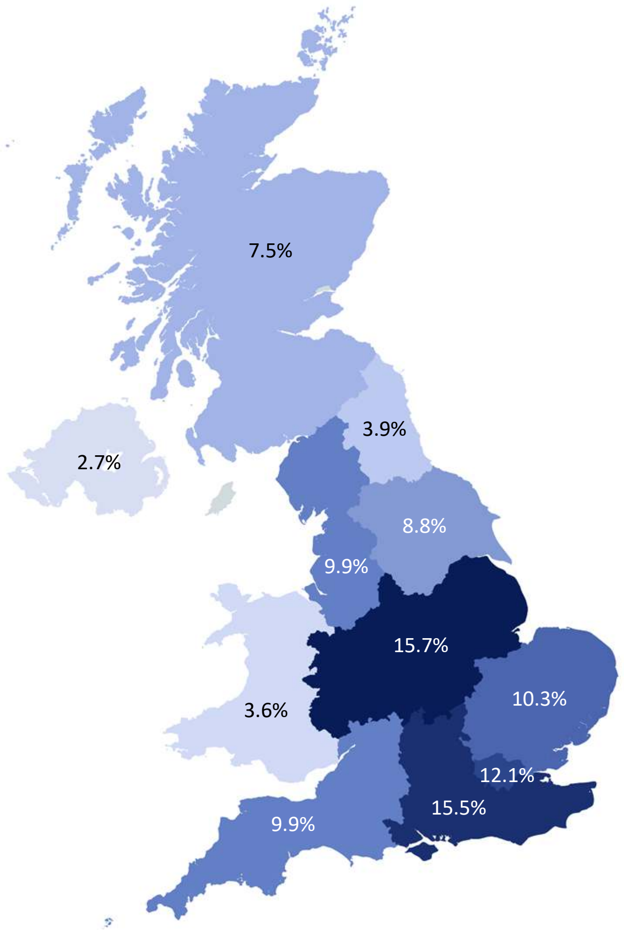
# Mortgage book evolution

The composition of our mortgage book reflects our lending strategy of recent years, with mainstream owner-occupied making up the significant proportion of the book. The small increase in indexed LTV reflects the continued focus on FTB lending against a back-drop of modest house price growth.

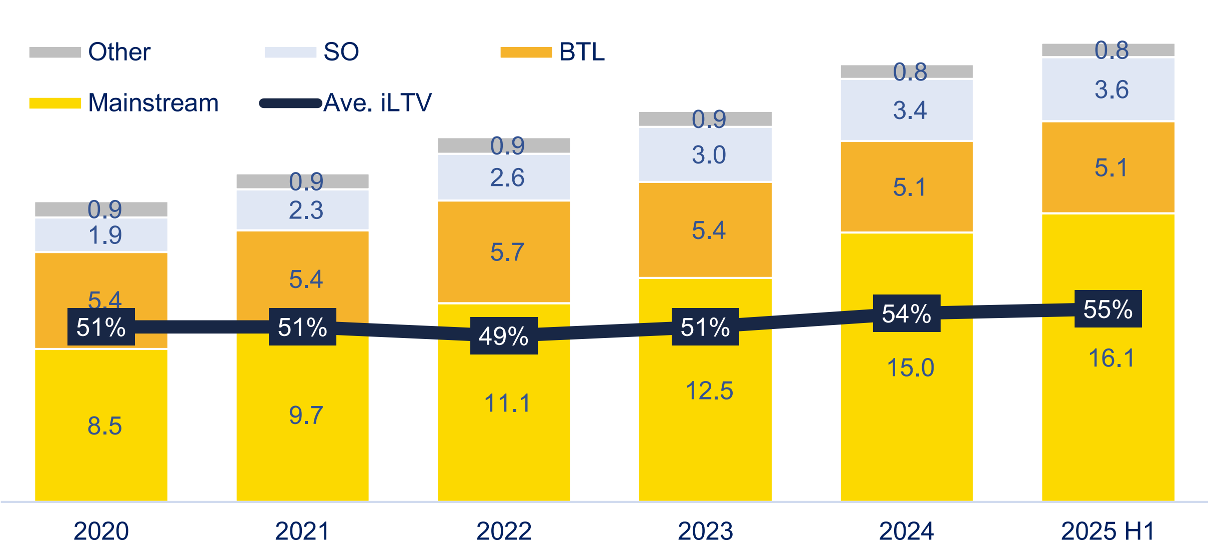
Distributional LTV limits remain in place to manage collateral risks across key segments.

Our diverse geographical mix reflects our national distribution model through our broker network and is representative of UK housing stock.

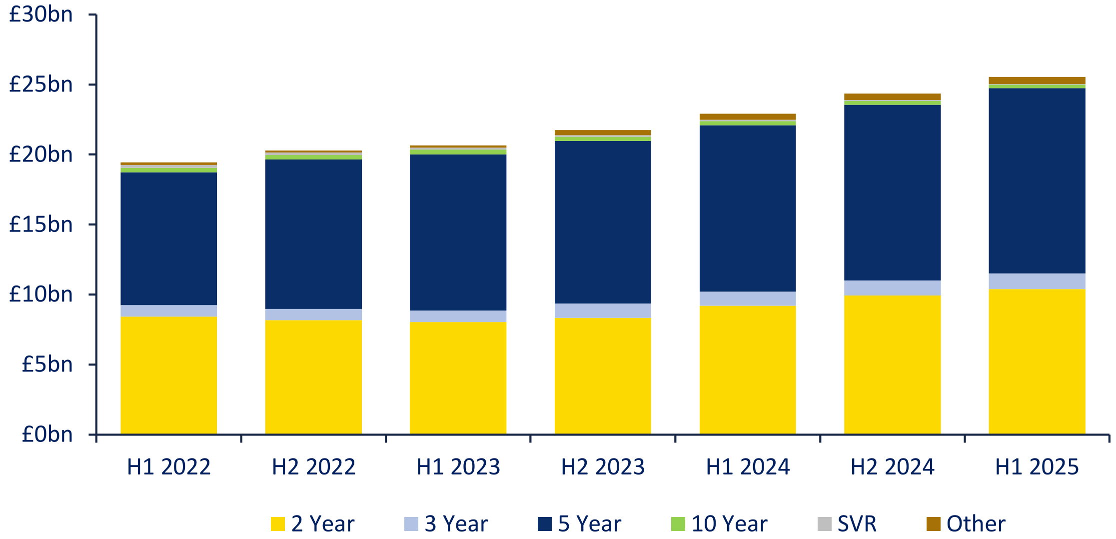
Lending in London and the South East remains weighted towards Shared Ownership and BTL. This means that there is greater equity cover in these regions due to the lower LTV of these products.




**Mortgage book evolution (£bn)**




**Product distribution (£bn)**

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# Record applications in the year allowed us to drive purpose

Despite competition in the mortgage market intensifying during the first half of 2025, our gross new lending during the six month period was £2.6 billion (six months to June 2024: £2.6 billion) and net lending was £1.2 billion (six months to June 2024: £1.2 billion).

The average loan to value (LTV) of new lending in 2025 was 67.1% (year to December 2024: 66.8%), **reflecting our continued focus on purposeful lending**, and our overall book LTV is currently 54.9% (December 2024: 54.2%).

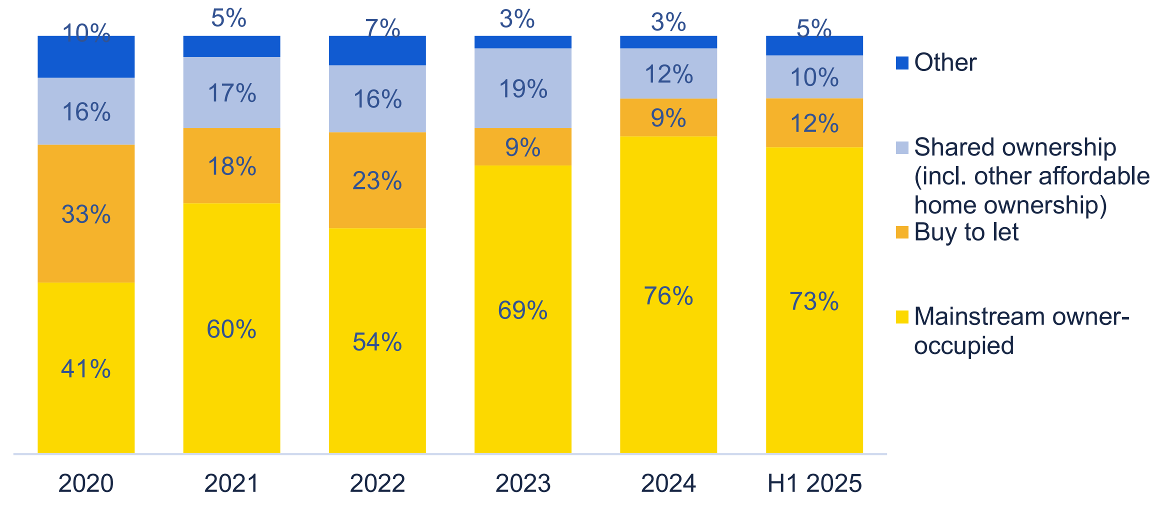
Our mortgage membership continues to grow, and we have maintained our high level of support for first time buyers across the UK.

In the first half of 2025 we helped 9,600 first time buyers get onto the housing ladder. This is 23% higher than the same period in 2024 and represents around half of all new lending in the period.

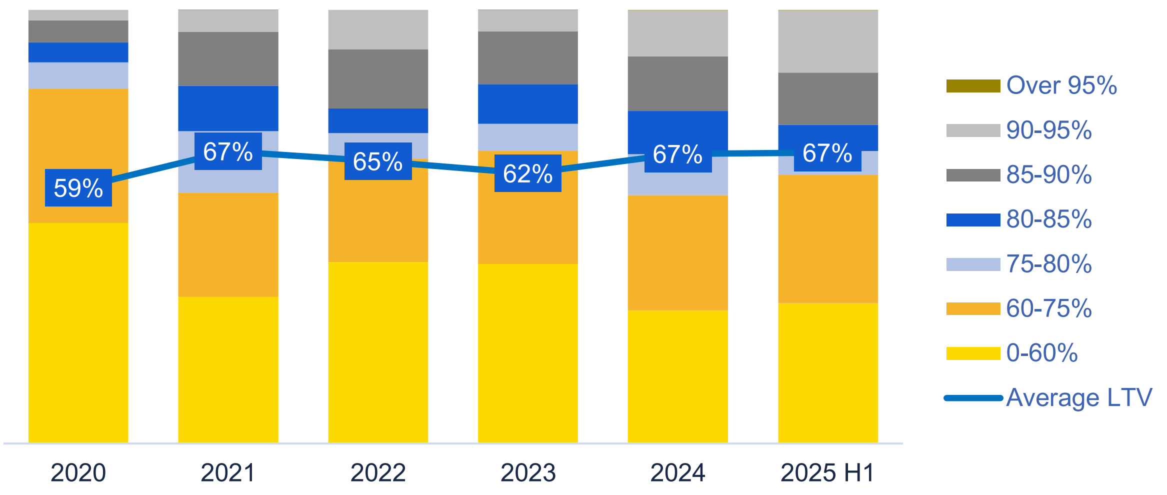
The increase in completions was supported by innovative mortgage products such as our Income Plus and Reach Mortgages, which help people overcome barriers to home ownership while maintaining robust credit quality.

Our strong volumes of new lending and competitive product transfer offering to existing customers reaching the end of their initial product term has enabled us to deliver consistent levels of net lending.

**New lending by type**




**New lending by original LTV**

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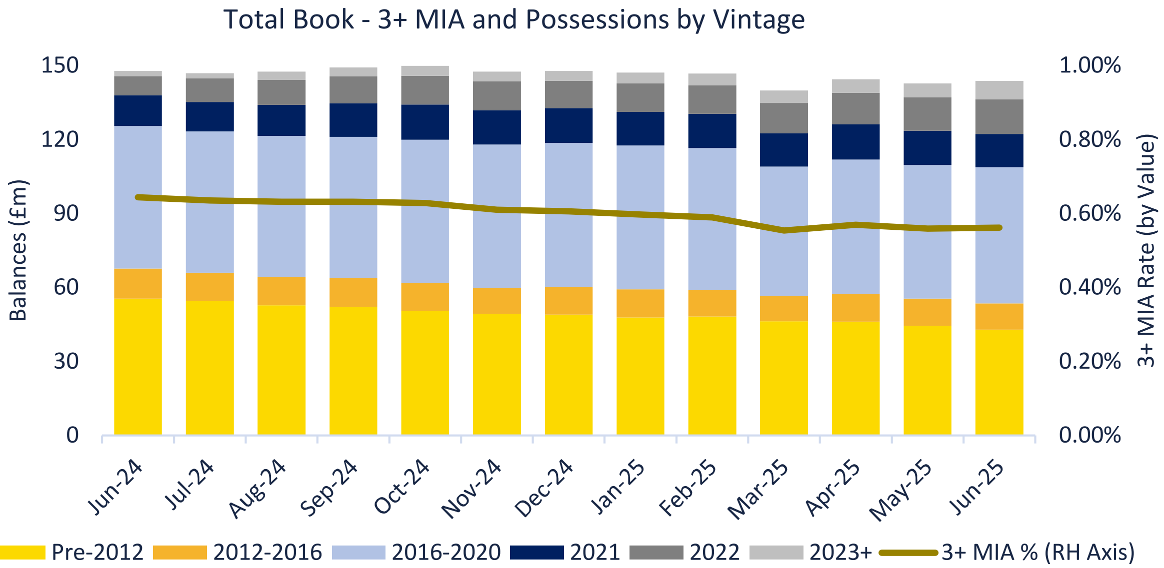
# Arrears continue to decline




Arrears rates have continued to reduce in 2025, continuing the trend we saw in 2024. These remain low by historic standards despite the recent challenging market conditions. We have seen reductions in both 1+ and 3+ arrears volumes over the last 12 months.

Arrears and losses continue to emerge predominantly from historic lending which is made up of Legacy exposures which no longer sit within the Society's Credit Risk Appetite and other lending that was originated pre-2012 under looser credit origination controls.

30% of 3+ arrears balances are from lending originating pre-2012, despite this only making up 3% of the LBS portfolio.

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 H1 |
|---|---|---|---|---|---|---|---|
| **Proportion of mortgages in arrears (%)*** | 0.54 | 0.62 | 0.66 | 0.58 | 0.64 | 0.61 | 0.56 |
| **Possessions (£m)** | 6.5 | 4.4 | 5.3 | 5.8 | 9.5 | 13.5 | 12.0 |
| **Forbearance Balances (£m)** | 197.5 | 194 | 224 | 99.3 | 117.4 | 129.7 | 157.4 |
| **Total balance sheet impairment loss provisions against residential mortgages (£m)** | 28.7 | 42.8 | 37.3 | 48 | 53.5 | 45.4 | 46.2 |
| **Impairment on loans and advances to customers (charge) or release (£m)** | 5.5 | 14.9 | -3.8 | 12 | 6.2 | -5.5 | 2.2 |

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* From 2019-2022, the figure applied to arrears of more than 1.5% of the balance or in possession. From 2023 onwards, the figure relates to any loans which are 3+ months in arrears.

# Provision coverage has remained stable in H1-2025

Modelled residential provisions totalled £31.1m at 30 June 2025, with PMAs of £15.1 million contributing to total provisions of £46.2 million (30 Jun-24: £50.1m; 31 Dex-24: £45.4m). The increase in modelled loss provisions since the year end has largely been driven by changes to the scenario weightings, reflecting heightened uncertainty in the economic and geopolitical outlook. Levels of provisions associated with affordability and customers reverting to higher rates continues to reduce; a reflection of customer resilience and reducing arrears rates.

| Post Model Adjustments (£m) | 2025 H1 | 2024 |
|---|---|---|
| Affordability | 7.2 | 8.0 |
| Inadequate Cladding | 0.9 | 1.0 |
| Transaction bias | 0.5 | 1.1 |
| Model Risk | 6.5 | 5.4 |
| **Total PMAs** | **£15.1** | **£15.5** |

| | 2025 H1 | | 2024 | | Δ |
|---|---|---|---|---|---|
| | Gross Exposure £m | Provision Coverage % | Gross Exposure £m | Provision Coverage % | Gross Exposure % |
| Stage 1 | 20,607 | 0.04 | 19,674 | 0.04 | 4.7 |
| Stage 2 and <30 days past due | 4,650 | 0.48 | 4,386 | 0.49 | 6.0 |
| Stage 2 and 30+ days past due | 96 | 1.77 | 96 | 1.88 | 0.0 |
| Stage 3 and <90 days past due | 142 | 1.91 | 145 | 1.38 | -2.1 |
| Stage 3 and 90+ days past due | 144 | 7.93 | 147 | 8.07 | -2.0 |
| **Total Retail Mortgages** | **25,639** | **0.18** | **24,448** | **0.18** | **4.9** |

| | Balance (£m) (including Pipeline) | | Provision (£m) (including Pipeline) | | Provision Cover (%) (excluding Pipeline) | | % Balance Stage 2 | | % Balance Stage 3 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Period** | Dec-24 | Jun-25 | Dec-24 | Jun-25 | Dec-24 | Jun-25 | Dec-24 | Jun-25 | Dec-24 | Jun-25 |
| **UK Residential** | £24,355.0m | £25,545.4m | £36.6m | £38.6m | 0.15% | 0.15% | 15.8% | 16.3% | 1.2% | 1.1% |
| **Spain (incl. Gibraltar)** | £39.0m | £35.6m | £8.5m | £7.4m | 21.84% | 20.69% | 80.6% | 81.3% | 19.4% | 18.7% |
| **Commercial (incl. HAs)** | £15.1m | £13.9m | £0.5m | £0.5m | 3.58% | 3.75% | 100.0% | 100.0% | 0.0% | 0.0% |
| **Residential Total** | £24,394.0m | £25,581.1m | £45.1m | £45.9m | 0.18% | 0.18% | 15.9% | 16.4% | 1.2% | 1.1% |
| **Total** | £24,409.1m | £25,594.9m | £45.6m | £46.4m | 0.19% | 0.18% | 15.9% | 16.4% | 1.2% | 1.1% |

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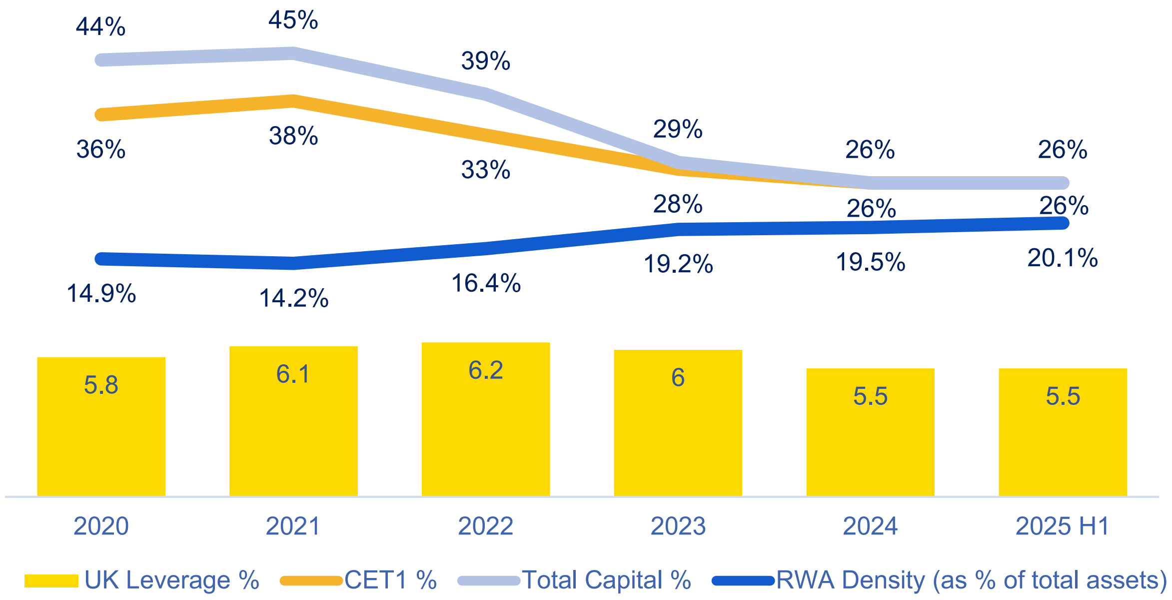
# Capital, Liquidity and Funding

# The Society maintains a strong capital position

## Capital ratios

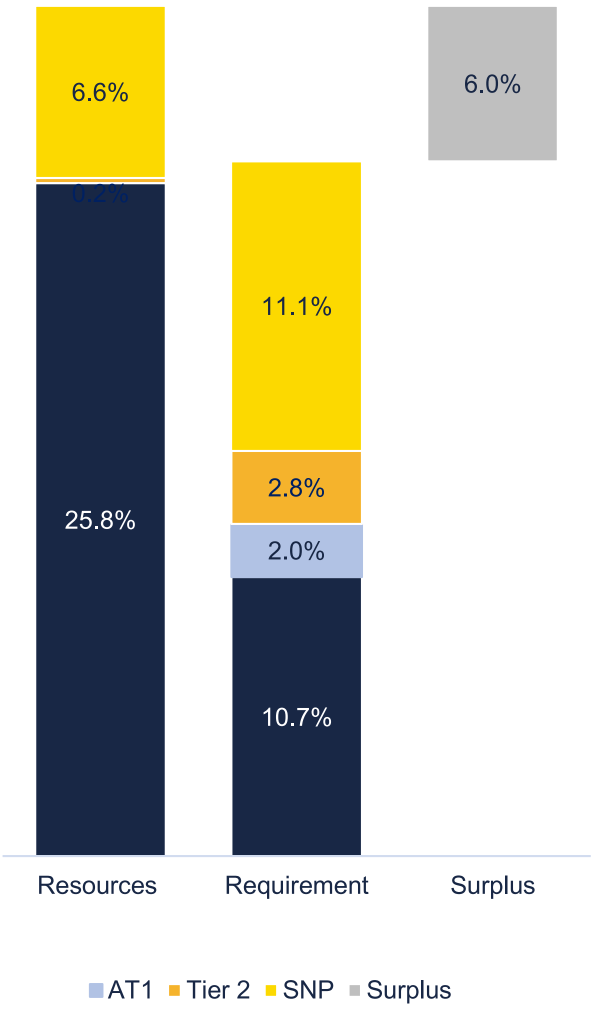



UK leverage ratio has remained broadly stable and comfortably above internal limits. Our CET1 ratio is in line with the prior period with profit generated offsetting increases in risk-weighted assets.

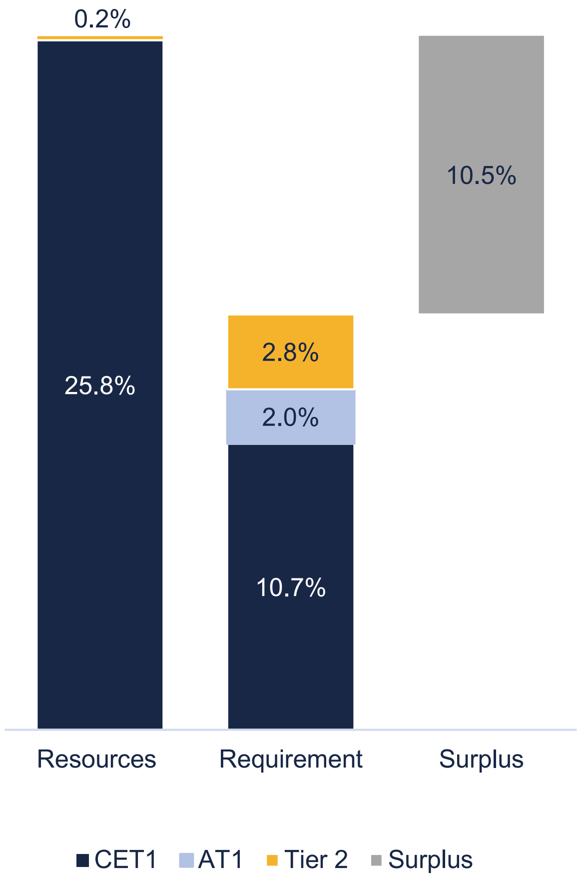
The Society remains in excess of all capital regulatory requirements and well placed to meet any future regulations.

We are well prepared to meet the requirements of the Basel 3.1 standards, which are expected to come into force on 1 January 2027. As an IRB lender, the key change will arise from the new capital floor, to be phased in from January 2027 until January 2030. However, we do not expect this to have a material impact.

## MREL




## Total Capital



# Savings balances reached a record £25.5 billion

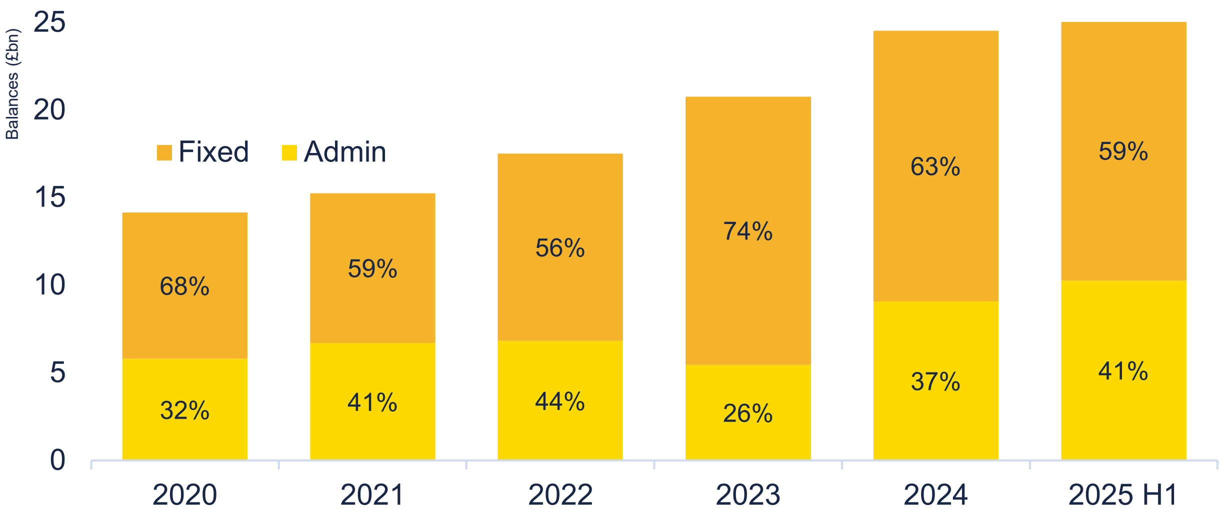
During the first half of 2025 our net retail savings grew by £1.0bn, taking retail savings up to a record £25.5bn.

We helped 55,000 more people save for their future.

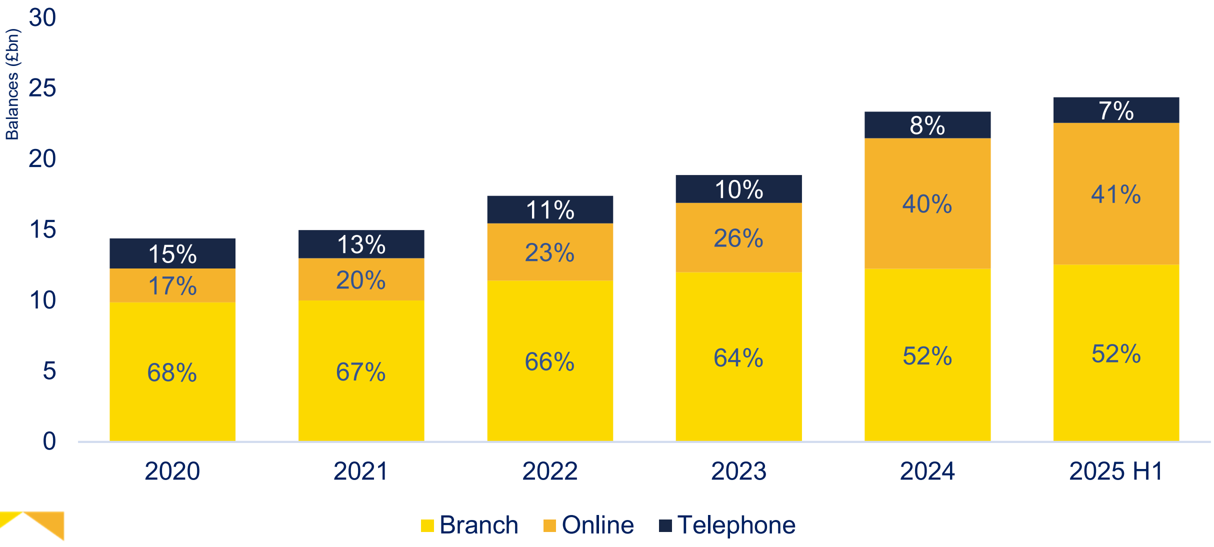
Our average saving rate was 4.11%* between June 2024 and May 2025, compared to the rest of the market average of 3.26%. This represents an extra £199m interest to our savers.

Our profile is weighted towards fixed, which has supported income stability. We anticipate there will be a moderate rebalancing towards admin balances, while maintaining our fixed franchise, as the margin improves on admin relative to fixed.

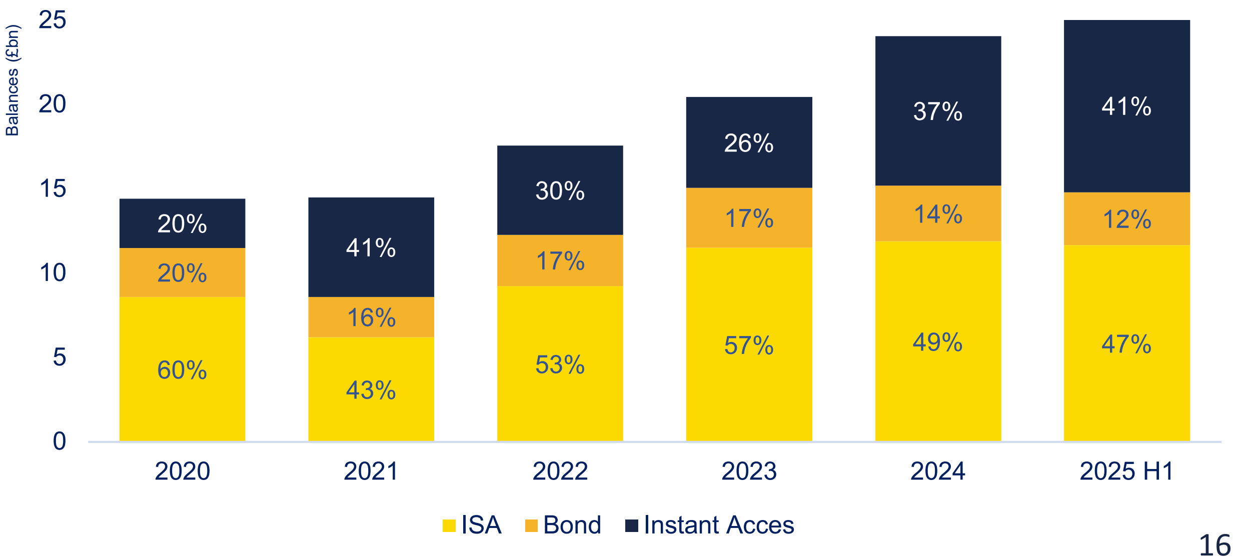
## Savings by basis




## Savings by channel




## Savings by type

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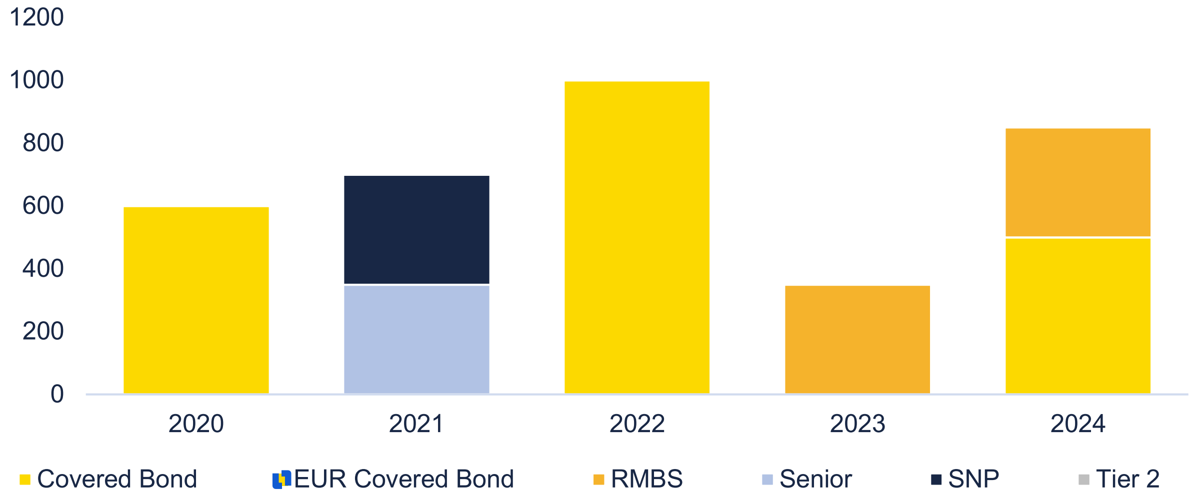
* CACI JUN-24 TO MAY-25 CSDB Stock, latest data available.

# Smooth wholesale refinancing profile

## Consistent public issuance

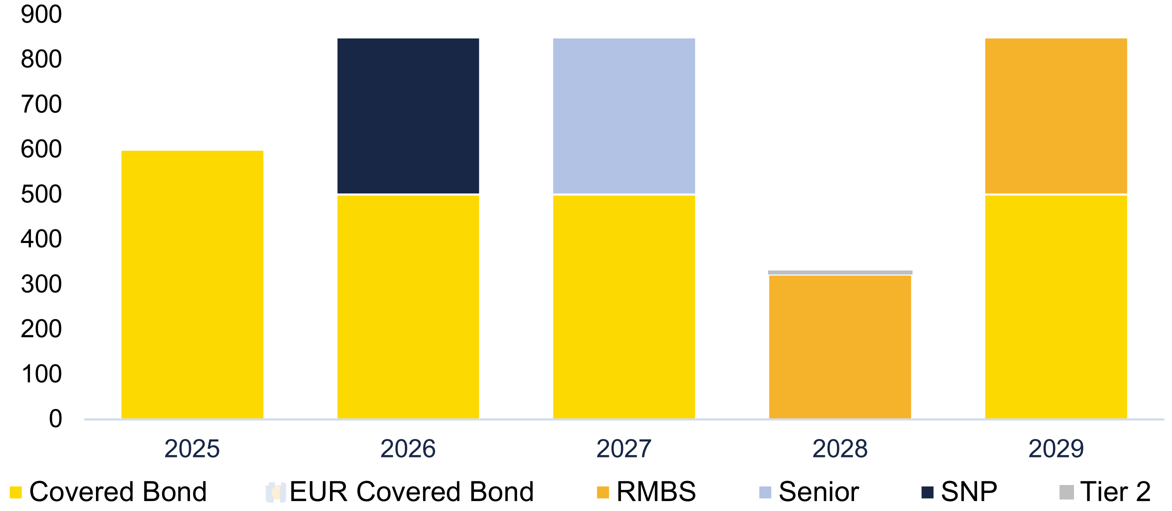



Total wholesale funding at 30 June 2025 was £4.0 billion (31 December 2024: £4.5 billion).

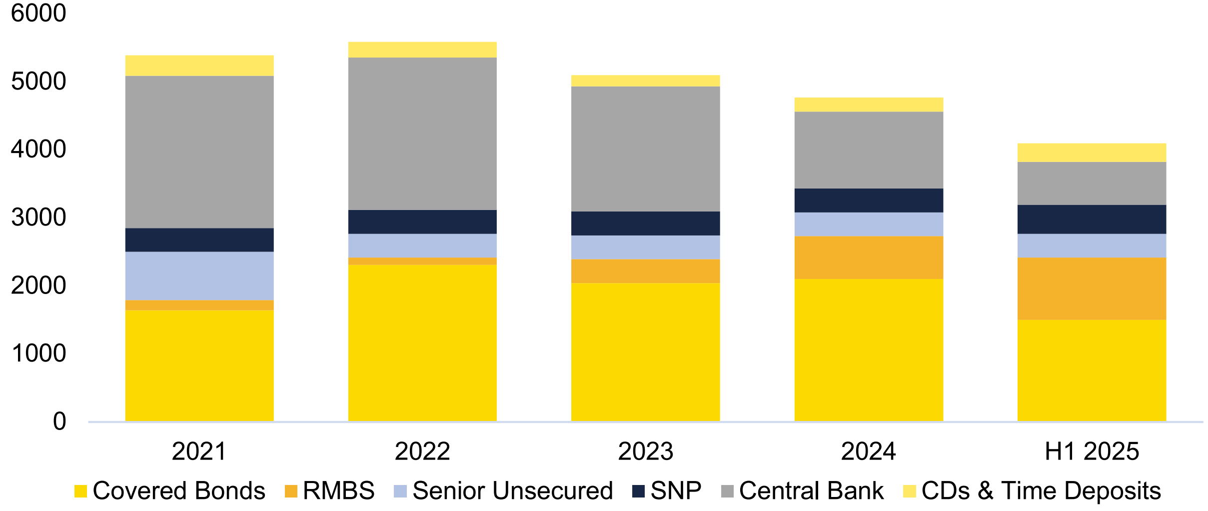
During the year to date we have raised £650 million of external wholesale funding through a successful Senior Non-Preferred (SNP) issuance and our Albion No.7 residential mortgage backed securities (RMBS) issuance.

During the six month period we have continued to repay TFSME and have reduced our outstanding balance to £630m (31 December 2024: £1,130m). We expect the remaining balance to be repaid by the end of 2025.

## Smooth wholesale refinancing




## Wholesale funding mix

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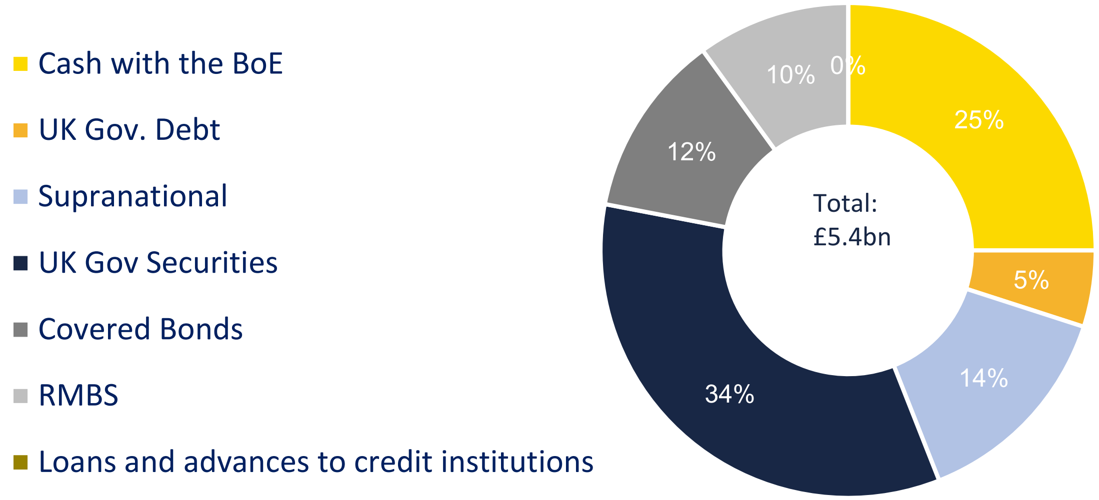
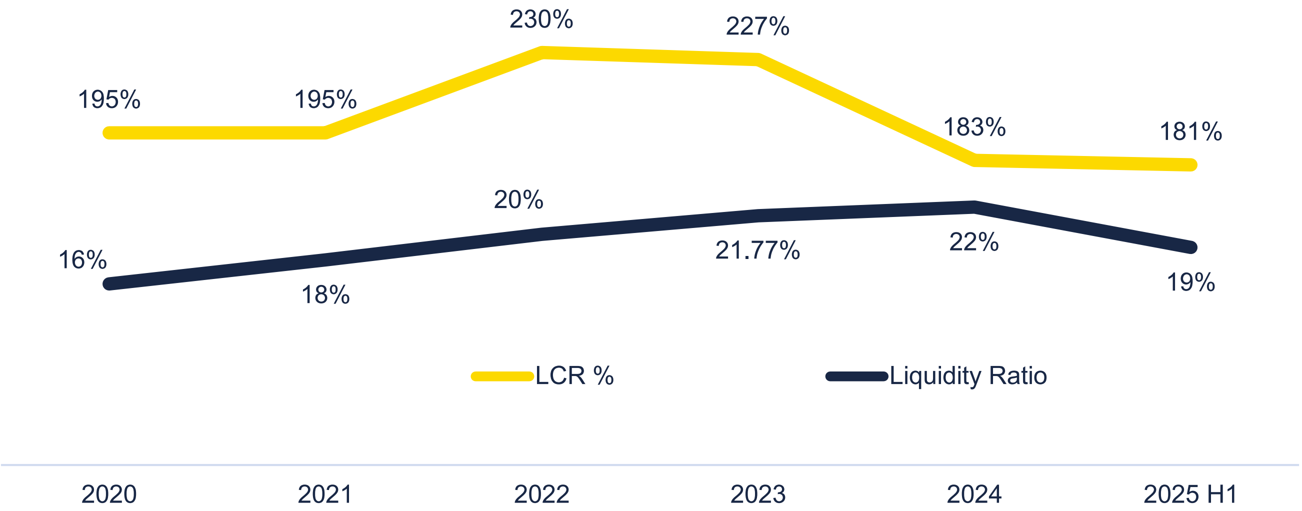
# Liquidity levels remain well above regulatory requirements

**High quality liquidity portfolio**




**Liquidity ratios**




### Liquidity Coverage Ratio (LCR)

Our Liquidity Coverage Ratio (LCR) remained strong at 183% (2023: 227%) and is significantly above the regulatory minimum of 100%. Liquid assets are principally held in deposits at the BoE, investments in UK government securities, and investments in other securities rated highly by credit rating agencies. The quality of liquid assets remains very high with 100% of our portfolio rated A or above (2023: 100%).

### Net Stable Funding Ratio (NSFR)

The Society holds sufficient stable funding to meet the regulatory requirement of 100% NSFR. The NSFR was 144.4% as at 30 June 2025.

### Contingent Liquidity

The Society maintains access to over £2bn of contingent liquidity through facilities available under Sterling Monetary Framework.

# Key contacts

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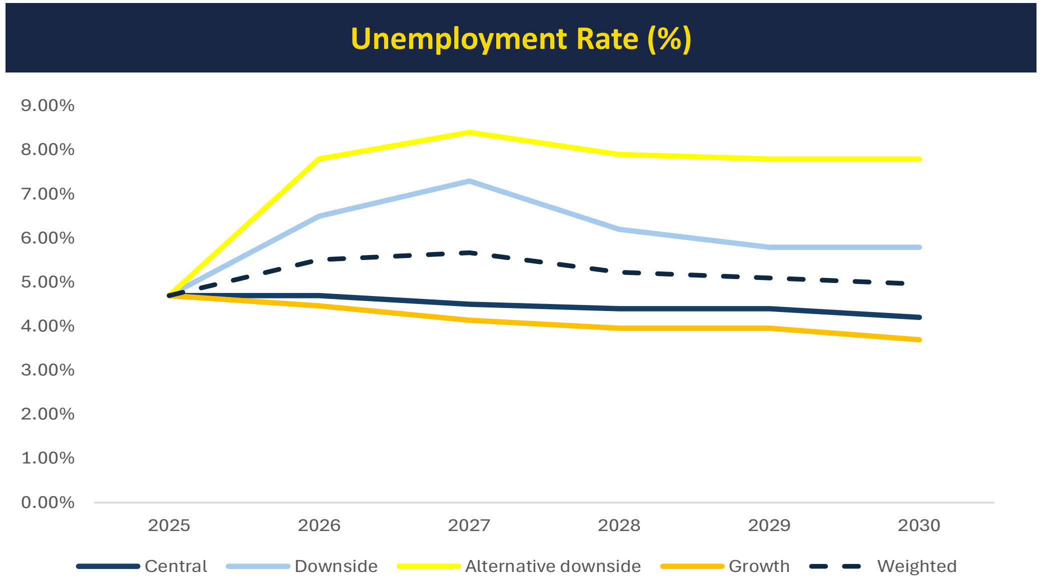
# Appendices

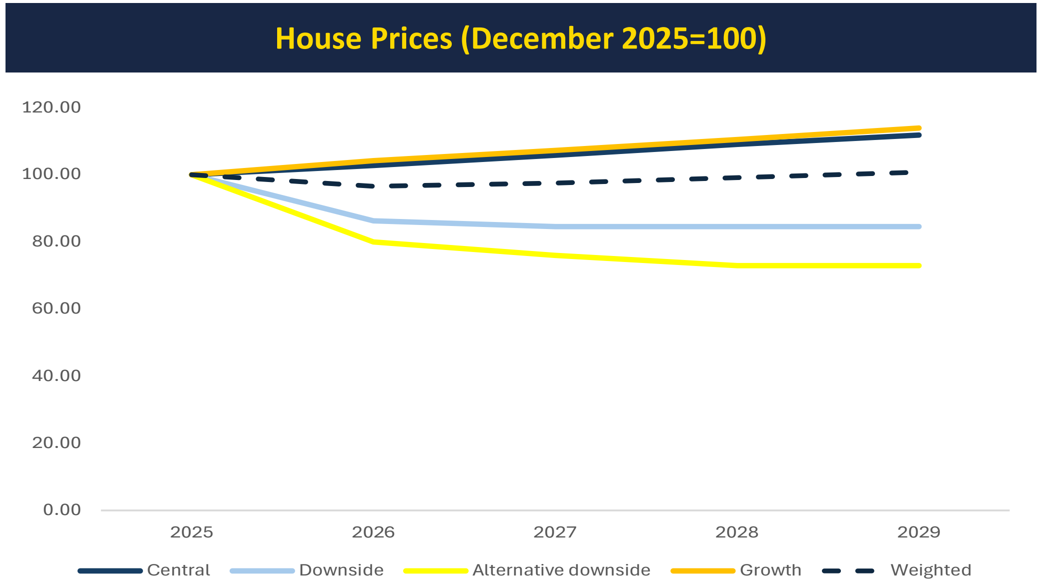
# Appendix 1 Macroeconomic scenarios

| Scenario/ weighting | Assumption | 2025 % | 2026 % | 2027 % | 2028 % | 2029 % |
|---|---|---|---|---|---|---|
| Central 45% | House price inflation | 2.00 | 2.00 | 3.00 | 3.00 | 2.00 |
| | Unemployment rate (31 December) | 4.70 | 4.70 | 4.50 | 4.40 | 4.40 |
| | Gross domestic product growth | 1.00 | 1.30 | 1.50 | 1.50 | 1.50 |
| | Base rate (31 December) | 3.75 | 3.50 | 3.50 | 3.25 | 3.25 |
| | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| Downside 30% | House price inflation | (13.70) | (2.00) | - | - | 1.00 |
| | Unemployment rate (31 December) | 6.50 | 7.30 | 6.20 | 5.80 | 5.80 |
| | Gross domestic product growth | (0.75) | (1.25) | 1.00 | 1.00 | 1.00 |
| | Base rate (31 December) | 6.00 | 3.00 | 0.75 | 0.25 | 0.25 |
| Alternative downside 10% | House price inflation | (20.00) | (5.00) | (4.00) | - | 1.00 |
| | Unemployment rate (31 December) | 7.80 | 8.40 | 7.90 | 7.80 | 7.80 |
| | Gross domestic product growth | (0.20) | (4.20) | 2.10 | 1.50 | 1.50 |
| | Base rate (31 December) | 6.50 | 4.50 | 1.00 | 0.10 | 0.10 |
| Growth 15% | House price inflation | 3.00 | 3.00 | 3.00 | 2.40 | 2.75 |
| | Unemployment rate (31 December) | 4.50 | 4.10 | 4.00 | 4.00 | 3.70 |
| | Gross domestic product growth | 1.60 | 2.00 | 2.00 | 2.00 | 2.10 |
| | Base rate (31 December) | 3.75 | 3.50 | 3.25 | 3.00 | 3.00 |

The economic environment has weakened somewhat during the first half, with heightened tariff uncertainty, lingering inflation and rising unemployment.

Positive news has come from the gradual reduction to bank base rate. The weaker economic picture has been reflected in the modelled economic scenarios and revised post model adjustments.

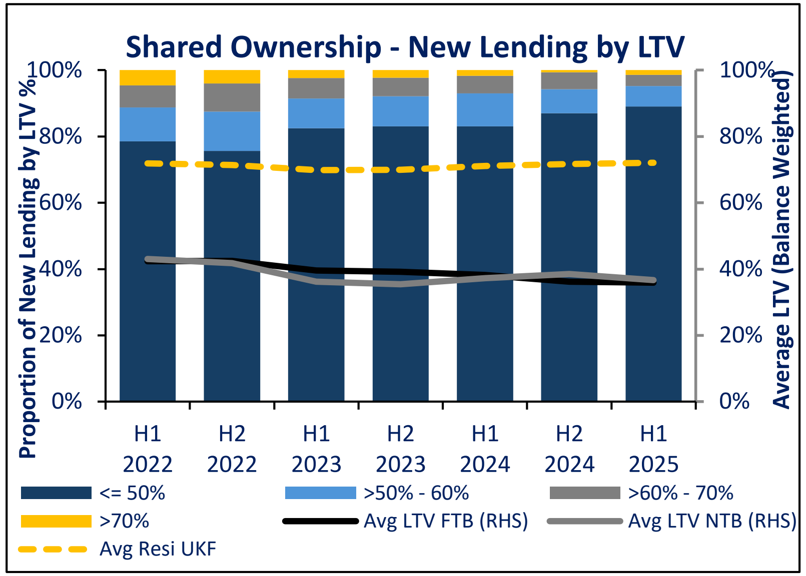


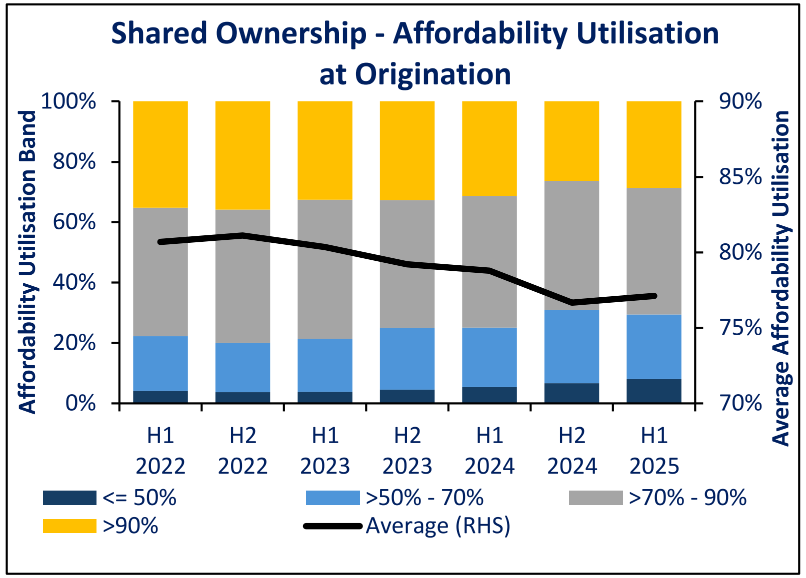



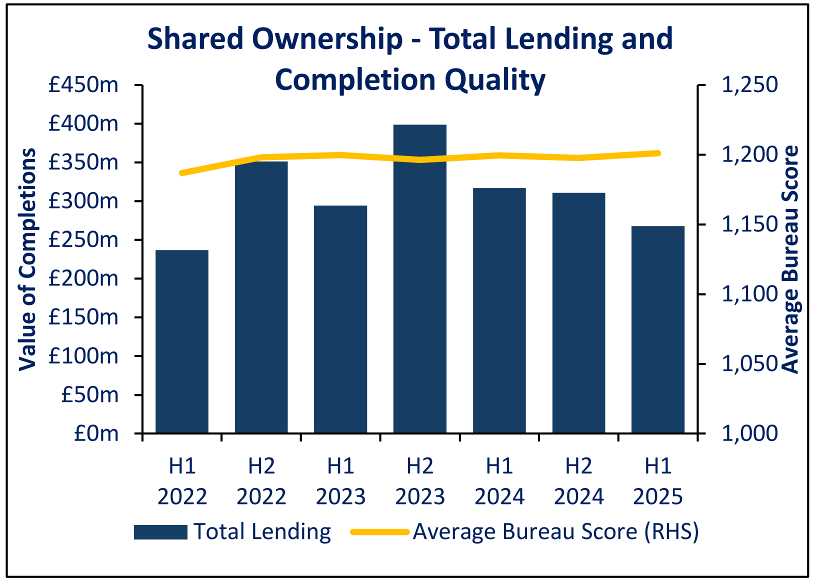
# Appendix 2 Lending criteria

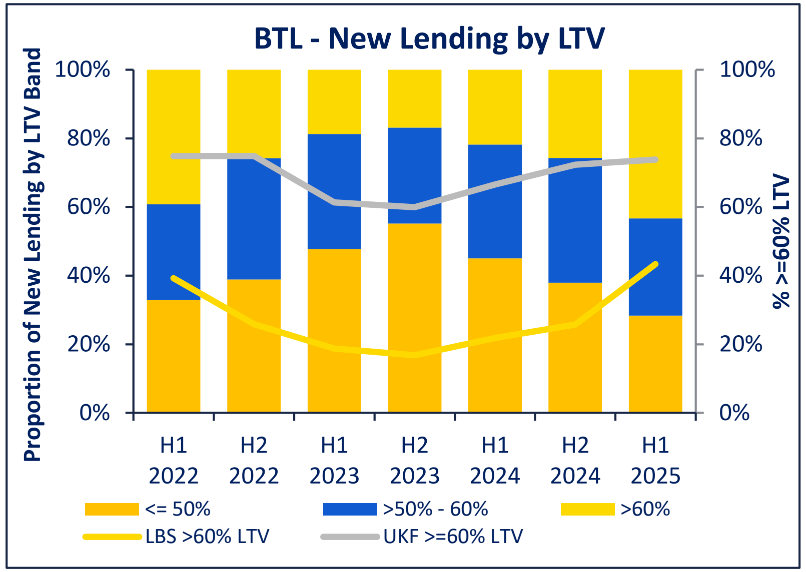
| | Residential Lending Policy - Owner Occupied | Residential Lending Policy - Shared Ownership | Buy-to-Let Lending Policy |
|---|---|---|---|
| Maximum Loan Size | Max 95% LTV: <=£600k<br>Max 90% LTV: £600,001 - £700k<br>Max 85% LTV: £700,001 - £1m<br>Max 75% LTV: £1,000,001 - £2,000,000 | £2m | Max 80% LTV: <=£500k<br>Max 75% LTV: £500,001 - £750k<br>Max 70% LTV: £750,001 - £1m |
| Maximum Loan to Value (LTV) | Capital & Interest: 95%<br>Part & Part: 75%<br>Interest Only: 60% | 75% | 80% |
| Lending types currently offered | Outright Purchase<br>Remortgage<br>Shared Ownership<br>Self Employed<br>Lending into Retirement<br>Retirement Interest Only<br>Shared Equity<br>Right to Buy | | Standard BTL<br>HMO<br>Limited Company BTL<br>Holiday Let |
| New Build | Max 95% LTV: New build house<br>Max 85% LTV: New build flat | Max 75% | Max 75% LTV: New build house<br>Max 70% LTV: New build flat |
| Lending Into Retirement | If retirement <10 years away (and more than 5 years of the term in retirement), proof of current income and anticipated retirement income with the lower of the two taken for the affordability calculation if retirement >10 years away (and less than 5 years of the term in retirement), current income is used for affordability and evidence of pension contributions | | |
| Minimum Income | | | Min £20k income where scorecard requirements are not met, otherwise no minimum income |
| Portfolio Size | | | Maximum 4 properties with LBS (maximum £2m exposure). Maximum 10 mortgaged properties in overall portfolio |
| Minimum Stressed Rental Cover Ratio | | | HMO – 165%<br>Holiday Let – 150% (pending increase to 170%)<br>Standard BTL:<br>Lower rate taxpayer – 125%<br>Higher rate taxpayer – 145%<br>Additional rate taxpayer – 150% |

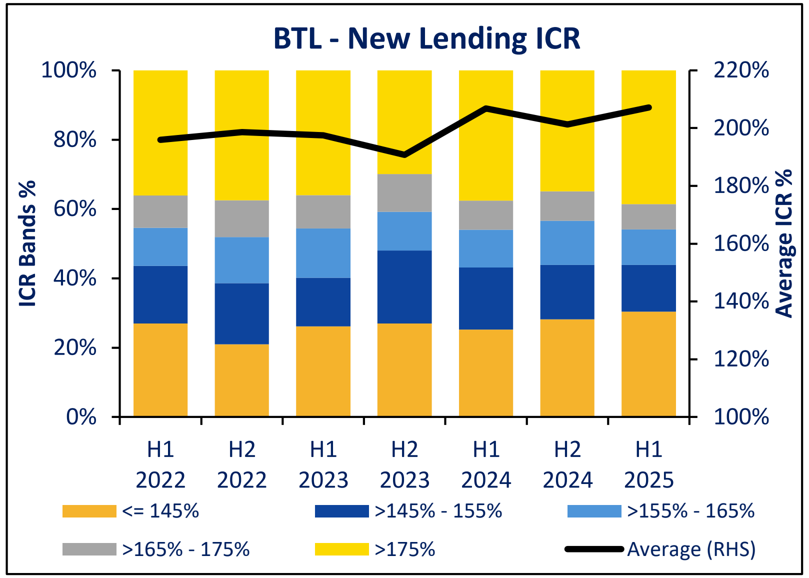
# Appendix 3 Shared Ownership and BTL detail

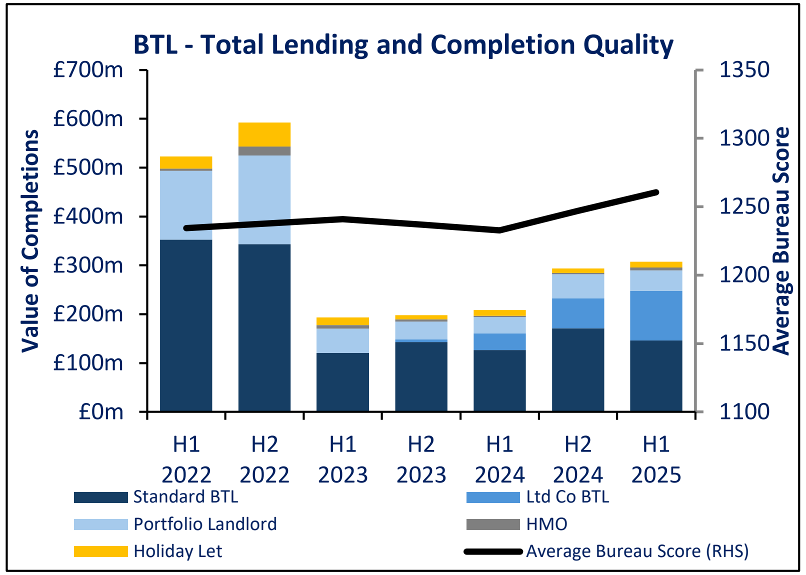


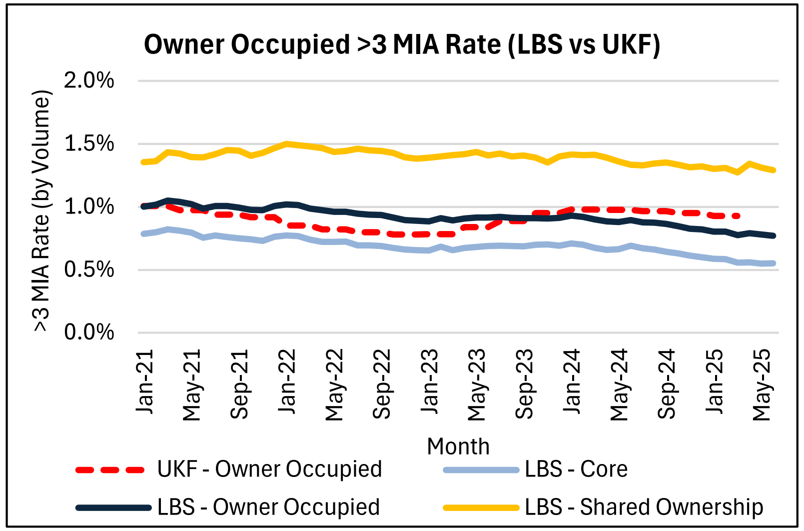



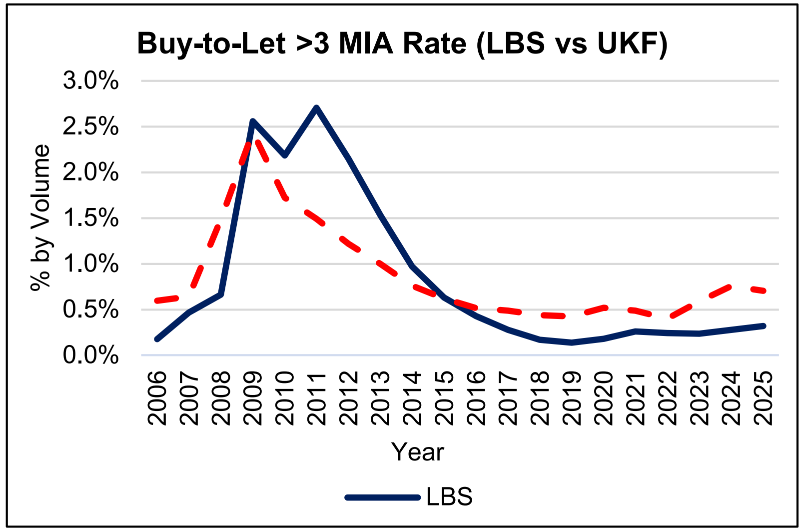



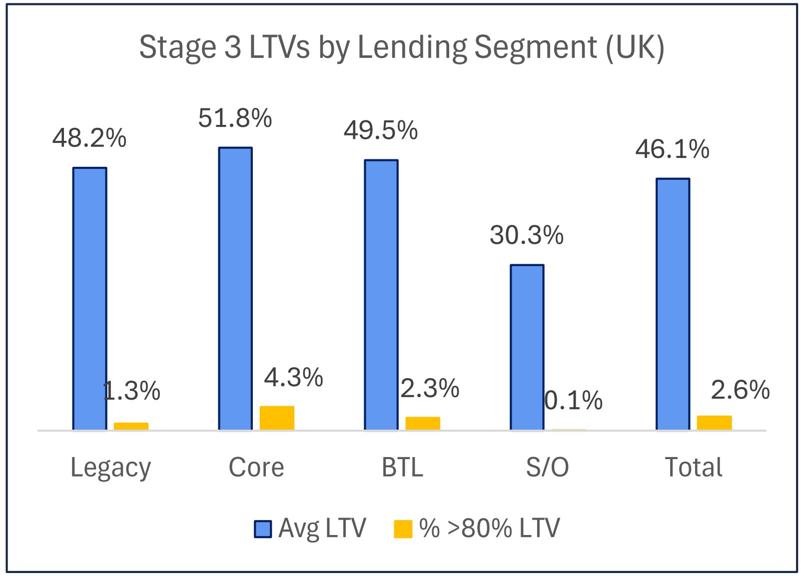



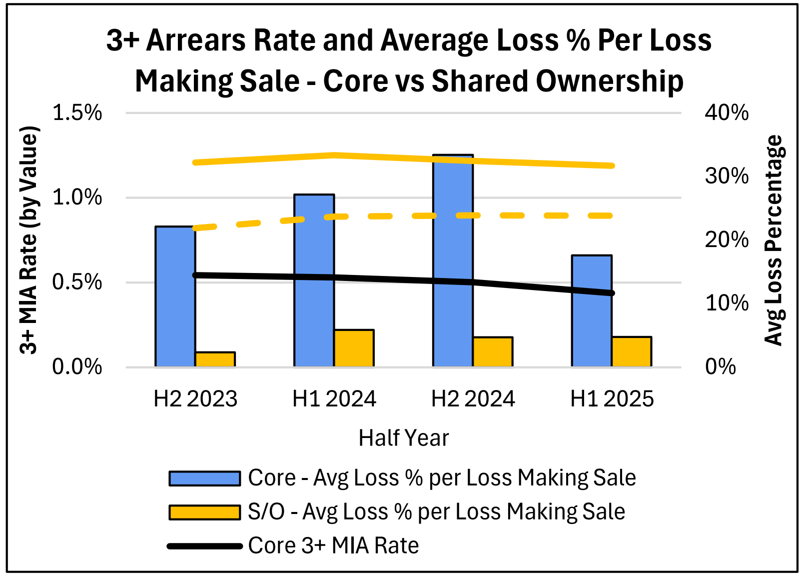

Leeds Building Society

# Appendix 4 Arrears and Default (Stage 3) detail




## Owner Occupied Arrears

Despite higher levels from Shared Ownership, owner occupied arrears remain below UKF. Core 3+ arrears have reduced consistently since H1-24 and are now at 0.55% versus UKF arrears of 0.93%.

Shared Ownership arears remain higher than UKF but they continue to reduce. While the arrears are higher, the LTV of Shared-Ownership arrears is extremely low (30.3%) therefore the loss risk is low.

The average loss on a Shared-Ownership case (<10%) is less than half of that experienced on the typical Core loss.

## BTL Arrears

The LBS BTL book remains amongst the best quality in the industry and continues to out-perform UKF. 3+ arrears (0.32%) are less than half of UKF. Since the onset of affordability challenges, the gap between LBS and industry arrears has widened, evidence of the strong asset quality.

# Appendix 5 We are delivering on 15 Responsible Business Key Performance Indicators

**ESG Strategy**

At the end of the fourth year of our ESG Strategy (which runs from 2021 to 2025) we are pleased to report good progress, with all but five out of our 15 ESG KPIs on target at the end of 2024. These targets will be kept under review to ensure we continue to stretch our ambition. The themes of our ESG Strategy were developed following extensive consultation with over 3,800 stakeholders on what issues were most important to them. Our Impact Report outlines in more detail how we are delivering our ESG Strategy, and is structured around our key stakeholder groups: 'Supporting our members', 'Supporting communities', 'Supporting our colleagues' and 'Supporting the climate and environment'. The report can be found on our website at leedsbuildingsociety.co.uk/ your-society/agm.

## Our ESG targets

**Help 65,000 first time buyers into a home of their own by 2025.**

Progress: Ahead

**2024 target:** 52,000 first time buyers supported by the end of 2024
**2024 actual:** 73,300 first time buyers supported by the end of 2024

**Improve mortgage broker satisfaction scores by 20% by 2025[1].**

Progress: On track

**2024 target:** +58 Broker NPS[2]
**2024 actual:** +58 Broker NPS[2]

**Maintain an average savings rate premium of at least 0.25% compared to market average.[3]**

Progress: Achieved

**2024 target:** >0.25%
**2024 actual:** 0.79%

**Our ESG goals**

We made good progress against our ESG targets during 2024. We are committed to achieving our 2030 I&D targets for our leadership population and are confident that the plans we have in place will enable us to make progress towards these targets across 2025. As part of our commitment to transparency we also continue to publish an annual Impact Report, which outlines progress in more detail.

## Sustainable communities

Provide £3 million to charities and communities through grants, donations and sponsorship by 2025.

**Progress: Ahead**

**2024 target:** £2.4 million by end of 2024
**2024 actual:** £3.6 million by end of 2024

Maintain our share of UK high street branches at higher than 0.50%.[4]

**Progress: Achieved**

**2024 target:** >0.50%
**2024 actual:** 0.73% (as at March 2024)

## Inclusion and Diversity

Achieve 45% female representation in leadership roles by 2030.[5]

**Progress: Behind**

**2024 target:** 38%
**2024 actual:** 33%

Achieve 10% ethnic minority representation in leadership roles by 2030.[5]

**Progress: Behind**

**2024 target:** 7.5%
**2024 actual:** 6.0%

Our inclusion and diversity colleague sentiment score is in top 25% of UK financial services by 2030.

**Progress: Ahead**

**2024 target:** Top 25% by 2030
**2024 actual:** 9 (Top 10%)

## Climate and Environment[6]

Reduce absolute Scope 1 and 2 market-based emissions by 90% by 2030.[7]

**Progress: Behind**

**2024 target:** 30% reduction
**2024 actual:** 265% increase

Reduce absolute Scope 1 and 2 location-based emissions by 60% by 2030.

**Progress: Ahead**

**2024 target:** 20% reduction
**2024 actual:** 24% reduction

Maintain carbon neutrality for Scope 1 and 2 market-based emissions and selected Scope 3 emissions, on the pathway towards net zero.[8]

**Progress: Achieved[9]**

**2024 target:** 0 $tCO_2e$
**2024 actual:** 0 $tCO_2e$

Reduce absolute Scope 3 emissions (categories 1-14) by 25% by 2030.[10]

**Progress: Behind**

**2023 target:** 5.6% reduction (latest data available)
**2023 actual:** 17.0% increase (latest data available)

Ambition to reduce the intensity of our Scope 3 financed emissions (category 15) from our residential mortgage book by 45% by 2030.[10]

**Progress: Behind**

**2023 target:** 10.0% reduction (latest data available)
**2023 actual:** 4.4% reduction (latest data available)

## Trust and Transparency

Maintain strong colleague engagement score which places us in line with the UK financial services sector benchmark.[11]

**Progress: Achieved**

**2024 target:** Top 25%
**2024 actual:** 8.4 (placing us in the top 25%)

Maintain high member satisfaction scores of over 90%.[1]

**Progress: Achieved**

**2024 target:** >90%
**2024 actual:** 94%

**Key:**

**Ahead**
Where the cumulative performance to date is >5% above the target on a pro-rata basis (where appropriate).

**On track**
Where the cumulative performance to date is between 100%-105% versus the pro-rata target.

**Behind**
Where the cumulative or in-year performance is below the associated target.

**Achieved**
Where the reported performance for the year is in line with or above the in-year target.

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