Interim Pillar 3 Disclosures 2026

Leeds Building Society

It's better to belong.

2026 Interim Pillar 3 Disclosures

Contents

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1 Introduction

This document presents the Pillar 3 disclosures of Leeds Building Society (the Society) for the reporting period to 30 June 2026. The Pillar 3 disclosure requirements apply to banks and building societies and require firms to publish key details regarding their capital position and management of risk. More detailed information on the Society's approach to capital management is included in the annual Pillar 3 disclosures published on the "Financial results" section of the Society's website (www.leedsbuildingsociety.co.uk/press/financial-results/).

Leeds Building Society is the UK's fifth largest building society. Our purpose is "Putting home ownership within reach of more people – generation after generation". Our strategic drivers set out how we deliver on our purpose:

- Customer experience – crafting tailored, intuitive experiences where technology harmonises with genuine human understanding.
- Market participation – propositions designed to meet evolving customer needs and thrive in dynamic markets.
- Capability – optimising capability by harnessing the power of our colleagues and technology.

The Society remains strongly capitalised with capital resources significantly above the Prudential Regulation Authority (PRA) prescribed Total Capital Requirement (TCR) and buffer requirements and Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements.

Basis and Frequency of Disclosure

This document has been prepared in accordance with the Disclosure (Capital Requirement Regulation firms (CRR)) part of the PRA Rulebook, which includes revised disclosure requirements following the UK's full implementation of CRR II, applicable from 1 January 2022.

The Society is required to publish Pillar 3 disclosures quarterly (31 March, 30 June, 30 September, 31 December) in line with the PRA Rulebook on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of the CRR.

Disclosures are presented in sterling using the prescribed disclosure templates in the PRA Rulebook. Row and column references are based on those prescribed in the PRA templates; no changes have been made to the fixed templates.

For capital purposes the Society is required to calculate and maintain regulatory capital ratios on a Prudential Group (PG) consolidated Group basis and on a Society only basis. The disclosures contained in this document are provided on a PG basis in accordance with Article 6(3) of the CRR. No subsidiaries are excluded in the consolidation. Due to the structure of the Society, the PG group and individual Society basis are materially the same.

Non-material, proprietary or confidential information

CRR article 432 allows institutions to omit one or more of the required disclosures (disclosure waivers) if information provided by such disclosures is not regarded as material or if it would be regarded as proprietary or confidential. Some of the required disclosures, such as those on own funds or in relation to remuneration, cannot be omitted due to concerns relating to their materiality, proprietary nature or confidentiality.

No sector split or residual maturity profile has been included for the legacy commercial loan portfolio due to the low materiality of the remaining exposure, which was £4.6m at 30 June 2026 (31 December 2025: £4.8m).

A full listing of omitted disclosures is included in Appendix A.

Verification

These disclosures have been subject to internal verification and have been approved by the Chief Financial Officer and Chair of the Audit Committee on behalf of the Board. The production of Pillar 3 disclosures is governed by a formal policy which is owned and approved by the Audit Committee which covers, inter alia, adequacy, verification, frequency and medium of publication of the disclosures. There is no formal external audit requirement in relation to these disclosures, and they have not been subject to an independent external audit. The disclosures are published on the "Financial results" section of the Society's website: (www.leedsbuildingsociety.co.uk/press/financial-results/).

New and emerging regulation

Post model adjustments relating to changes in Internal Ratings Based (IRB) capital requirements, resulting in increased Risk Weighted Exposure Amounts (RWEAs), have been in place since January 2022. Further refinement is ongoing across the industry in relation to these regulations and engagement with the regulator is ongoing. The Society is expected to retain significant headroom over risk appetite following the finalisation of these regulatory changes.

The Society's preparations to meet the requirements of the Basel 3.1 standards, which come into force in January 2027, are on track. The Society expects to continue to materially exceed all regulatory requirements under this new regulation.

2 Annex I: Key Metrics and Overview of RWEA

2.1 UK KM1: Key Metrics

The table below provides a summary of the key prudential capital ratios, liquidity ratios and risk measures.

	Table 1 (UK KM1): Key metrics	Jun-26 a	Mar-26 b	Dec-25 c	Sep-25 d	Jun-25 e
		T	T-1	T-2	T-3	T-4
Available own funds (£m)						
1	Common Equity Tier 1 (CET1) capital	**1,773.1**	1,702.0	1,720.5	1,662.4	1,664.1
2	Tier 1 capital	**1,773.1**	1,702.0	1,720.5	1,662.4	1,664.1
3	Total capital	**1,779.8**	1,711.6	1,731.0	1,672.3	1,673.8
Risk-weighted exposure (£m)						
4	Total risk-weighted exposure amount	**7,215.8**	6,811.8	6,735.3	6,761.7	6,444.4
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	**24.57%**	24.99%	25.54%	24.59%	25.82%
6	Tier 1 ratio (%)	**24.57%**	24.99%	25.54%	24.59%	25.82%
7	Total capital ratio (%)	**24.67%**	25.13%	25.70%	24.73%	25.97%
Additional own funds requirements based on Supervisory Review and Evaluation Process (SREP) (as a percentage of risk-weighted exposure amount)1						
UK 7a	Additional CET1 SREP requirements (%)	**1.72%**	1.72%	1.72%	1.72%	1.72%
UK 7b	Additional AT1 SREP requirements (%)	**0.57%**	0.57%	0.57%	0.57%	0.57%
UK 7c	Additional T2 SREP requirements (%)	**0.76%**	0.76%	0.76%	0.76%	0.77%
UK 7d	Total SREP own funds requirements (%)	**11.05%**	11.06%	11.06%	11.06%	11.06%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)[1]						
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**-**	-	-	-	-
9	Institution specific countercyclical capital buffer (%)[2]	**2.00%**	2.00%	2.00%	2.00%	2.00%
UK 9a	Systemic risk buffer (%)	**-**	-	-	-	-
10	Global Systemically Important Institution buffer (%)	**-**	-	-	-	-
UK 10a	Other Systemically Important Institution buffer	**-**	-	-	-	-
11	Combined buffer requirement (%)	**4.50%**	4.50%	4.50%	4.50%	4.50%
UK 11a	Overall capital requirements (%)	**15.55%**	15.56%	15.56%	15.56%	15.56%
12	CET1 available after meeting the total SREP own funds requirements (%)[3]	**13.61%**	14.07%	14.64%	13.68%	14.91%
Leverage ratio						
13	Leverage ratio total exposure measure (£m)	**30,937.7**	30,916.2	30,275.5	30,381.7	30,407.8
14	Leverage ratio (%)	**5.73%**	5.51%	5.68%	5.47%	5.47%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)[4]						
UK 14a	Additional CET1 leverage ratio requirements (%)	n/a	n/a	n/a	n/a	n/a
UK 14b	Additional AT1 leverage ratio requirements (%)	n/a	n/a	n/a	n/a	n/a
UK 14c	Additional T2 leverage ratio requirements (%)	n/a	n/a	n/a	n/a	n/a
UK 14d	Total SREP leverage ratio requirements (%)	n/a	n/a	n/a	n/a	n/a
UK 14e	Applicable leverage buffer	n/a	n/a	n/a	n/a	n/a
UK 14f	Overall leverage ratio requirements (%)	n/a	n/a	n/a	n/a	n/a
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	**5,170.4**	4,964.0	5,046.1	5,180.8	5,151.6
UK 16a	Cash outflows - Total weighted value	**2,664.2**	2,803.7	2,877.7	2,942.9	2,916.0
UK 16b	Cash inflows - Total weighted value	**182.6**	215.9	215.2	227.9	236.1
16	Total net cash outflows (adjusted value)	**2,481.5**	2,587.8	2,662.5	2,714.9	2,679.9
17	Liquidity coverage ratio (%)	**210.55%**	192.50%	189.93%	191.34%	192.92%
Net Stable Funding Ratio						
18	Total available stable funding	**29,086.6**	28,725.3	28,313.2	27,831.2	27,220.9
19	Total required stable funding	**19,568.7**	19,368.4	19,173.2	18,945.7	18,876.9
20	NSFR ratio (%)	**148.65%**	148.32%	147.66%	146.90%	144.23%

Notes to table UK KM1:

1. Any firm-specific PRA buffer requirement is excluded from this disclosure.
2. The institution-specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates for the different countries in which institutions have exposures. Per the regulations, non-UK exposures are only included in the average if the total of non-UK exposures is greater than 2.00% of total balance sheet assets, which the Society does not meet.
3. Represents the level of CET1 capital available to meet buffer requirements after subtracting the minimum amount of CET1 capital required to meet Pillar 1 and Pillar 2A capital requirements, also referred to as total SREP own funds requirements. The minimum CET1 requirement is equivalent to 4.50% (Pillar 1) plus the additional CET1 SREP requirement (56.25% of Pillar 2A).
4. The additional leverage ratio disclosure requirements only apply to financial institutions with deposits equal to or greater than £75bn or non-UK assets equal to or greater than £10bn. The rows have been left blank as the Society is not currently captured by either threshold.

Annex I: Key Metrics and Overview of RWEA

Capital Ratios and Buffers

The Society's capital position remains strong with CET1 capital of £1,773.1m (31 December 2025: £1,720.5m). The £52.6m increase in CET1 capital resources primarily relates to earnings after tax with net interest income from the residential mortgage book.

RWEAs increased by £480.5m during the 6 months to £7,215.8m (31 December 2025: £6,735.3m). The increase in RWEAs is primarily driven by an increase in high-LTV stock alongside an increase in Post Model Adjustments to reflect the expected impact of the IRB regulatory change programmes.

As a result of the movement in regulatory capital and RWEAs explained above, the CET1 ratio and total capital ratio have decreased to 24.57% (31 December 2025: 25.54%) and 24.67% (31 December 2025: 25.70%), respectively.

As of 30 June 2026, the Pillar 2A requirement set by the PRA was 3.05% of RWEAs, of which 1.72% must be met by CET1 capital.

Leverage Ratio

The leverage ratio has been calculated in accordance with changes to the UK's leverage ratio framework which came into effect from 1 January 2022 and excludes deposits with central banks. The UK leverage ratio remained stable at 5.73% as of 30 June 2026 (31 December 2025: 5.68%) with resource growth in the period being offset by balance sheet growth, primarily reflecting a change in liquidity composition as well as higher net retail lending in the period.

The additional leverage ratio disclosure requirements only apply to financial institutions with deposits equal to or greater than £75bn or non-UK assets equal to or greater than £10bn. These rows have been left blank as the Society is not currently captured by either threshold.

Liquidity Coverage Ratio (LCR)

The Society's average LCR over the 12 months to 30 June 2026 was 210.55% (31 December 2025: 189.93%) and was above both the regulatory and internal limits set by the Board throughout the year.

Net Stable Funding Ratio (NSFR)

The Society's average NSFR over the four quarters to 30 June 2026 was 148.65% (31 December 2025: 147.66%) and was above both the regulatory and internal limits set by the Board throughout the year.

Annex I: Key Metrics and Overview of RWEA

2.2 UK OV1: Overview of Risk Weighted Exposure Amounts

The Society's RWEA and total own funds requirement are set out below:

Table 2 (UK OV1) : Overview of Risk Weighted Exposure Amounts		RWEAs		Total own funds requirements
		Jun-26	Dec-25	Jun-26
		a	b	c
1	**Credit risk (excluding Counterparty Credit Risk (CCR))**	**6,572.6**	**6,102.8**	**525.8**
2	Of which the standardised approach	542.5	406.3	43.4
5	Of which the advanced IRB (AIRB) approach	6,030.1	5,696.5	482.4
6	**Counterparty credit risk - CCR**	**9.4**	**10.1**	**0.7**
7	Of which the standardised approach	0.8	0.7	0.1
8	Of which internal model method (IMM)	-	-	-
UK 8a	Of which exposures to a Central Clearing Counterparty (CCP)	6.7	7.7	0.5
UK 8b	Of which Credit Valuation Adjustment - CVA4	2.0	1.7	0.2
9	Of which other CCR	-	-	-
15	Settlement risk	-	-	-
16	**Securitisation exposures in the non-trading book (after the cap)**	**63.9**	**52.5**	**5.1**
19	Of which securitisation: standardised approach (SEC-SA)	63.9	52.5	5.1
UK 19a	Of which 1250%/ deduction		-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**-**	**-**	**-**
23	**Operational risk**	**569.9**	**569.9**	**45.6**
UK 23a	Of which basic indicator approach		-	-
UK 23b	Of which standardised approach	569.9	569.9	45.6
UK 23c	Of which advanced measurement approach		-	-
29	**Total**	**7,215.8**	**6,735.3**	**577.3**

3 Annex VII: Own Funds

3.1 UK CC1: Composition of regulatory own funds

The table below sets out the capital position on a transitional basis under CRD V rules:

	Table 3 (UK CC1): Composition of regulatory own funds	Transitional Jun-26 a	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation (see table 10 UK-CC2) b	Transitional Dec-25 a
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	-		-
2	Retained earnings	1,789.4	f	1,645.3
3	Accumulated other comprehensive income (and other reserves)	47.4	g, h, I, j	53.2
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-		-
5	Minority interests (amount allowed in consolidated CET1)	-		-
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	54.3	f	145.5
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,891.0**		**1,844.0**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional valuation adjustment	(4.7)		(4.4)
8	Intangible assets	(52.2)	b	(43.9)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences	-	a	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(28.1)	g	(38.7)
12	Negative amounts resulting from the calculation of expected loss amounts	(33.0)		(36.5)
15	Defined-benefit pension fund assets	-	c	-
27a	Other regulatory adjustments to CET1 capital (inc. IFRS 9 transitional adjustments)	-		-
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(118.0)**		**(123.5)**
29	**Common Equity Tier 1 (CET1) capital**	**1,773.1**		**1,720.5**
	Additional Tier 1 (AT1) capital: instruments			
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	d	-
44	**Additional Tier 1 (AT1) capital**	**-**		**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,773.1**		**1,720.5**
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	4.5	e	5.3
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	d	-
50	Credit risk adjustments	2.2		5.2
58	**Tier 2 (T2) capital**	**6.7**		**10.5**
59	**Total capital (TC = T1 + T2)**	**1,779.8**		**1,731.0**
60	**Total Risk exposure amount**	**7,215.8**		**6,735.3**
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	24.57%		25.54%
62	Tier 1 (as a percentage of total risk exposure amount)	24.57%		25.54%
63	Total capital (as a percentage of total risk exposure amount)	24.67%		25.70%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	15.46%		15.40%
65	of which: capital conservation buffer requirement	2.50%		2.50%
66	of which: countercyclical buffer requirement	2.00%		2.00%
67	of which: systemic risk buffer requirement	-		-
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-		-
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	**13.61%**		**14.64%**
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-		-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-		-
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-		-
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-		-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	6.8		5.1
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	2.2		5.2
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	36.2		34.2

Annex VII: Own Funds

Common Equity Tier 1

CET1 capital comprises the general reserve, other reserve, revaluation reserve and fair value reserve. The general and other reserves represent the Society's accumulated profits, as well as adjustments for pension obligations.

At 30 June 2026, a CET1 regulatory deduction of £52.2m has been made (31 December 2025: £43.9m) relating to intangible assets, which are not eligible capital. An additional valuation adjustment of £4.7m was also deducted in 2026 (31 December 2025: £4.4m).

As the Society is regulated under the IRB approach an adjustment to CET1 was required to account for the shortfall in provision that relates to the difference between regulatory expected losses and IFRS 9 provisions. The calculation is performed separately for accounts in and out of default. For accounts not in default, the assessment at the end of June 2026 resulted in a deduction of £33.0m (31 December 2025: £36.5m).

The Society applies macro cash flow hedge accounting to a portion of its floating rate financial liabilities which are designated in the hedge alongside interest rate swaps that have been transacted to economically hedge mortgage applications, prior to completion of the mortgage. At 30 June 2026, £28.1m (31 December 2025: £38.7m) fair value reserves relating to gains or losses on cash flow hedges were included in row 3 of table 3 (UK CC1) and have been deducted from CET1 capital on row 11 in line with CRR.

Additional Tier 1 (AT1)

The Society has no qualifying AT1 instruments.

Tier 2 capital

At 30 June 2026, Tier 2 capital was primarily comprised of £4.5m[1] of subordinated debt. As the Society is regulated under the IRB approach an additional adjustment of £2.2m (31 December 2025: £5.2m) is required in Tier 2 capital to reflect the level of IFRS 9 provision over regulatory expected losses for cases in default.

Under regulatory rules for Individual Capital Guidance, at least 56.25% of capital must be CET1, no more than 43.75% should be AT1 and no more than 25.00% Tier 2 capital. Given the magnitude of the components of CET1, AT1 and Tier 2 capital, the Society was at all times comfortably within these limits.

[1] On 12 October 2023, the Society repurchased £192.0m of its £200.0m subordinated debt. As the residual £8.0m balance will mature in less than five years (April 2029), a proportion of this subordinated debt no longer qualifies as Tier 2 capital and is subject to amortisation but remains MREL eligible.

3.2 UK CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The Society has the same statutory and regulatory scope of consolidation; therefore, columns a and b are the same.

Table 4 (UK CC2): Reconciliation of regulatory own funds to balance sheet in the audited financial statements		Jun-26 Balance sheet as in published financial statements	Jun-26 Under regulatory scope of consolidation	Reference (see Table 9 UK-CC1)	Dec-25 Balance sheet as in published financial statements	Dec-25 Under regulatory scope of consolidation
£m		Jun-26 a	Jun-26 b	c	Dec-25 a	Dec-25 b
Assets - *Breakdown by asset class according to the balance sheet in the published financial statements*						
1	Cash in hand and balances with the Bank of England	2,079.7	2,079.7		1,413.4	1,413.4
2	Loans and advances to credit institutions	216.1	216.1		115.2	115.2
3	Investment securities	4,249.4	4,249.4		3,921.9	3,921.9
4	Derivative financial instruments	167.2	167.2		129.5	129.5
5	Loans fully secured on residential property	25,653.5	25,653.5		25,820.6	25,820.6
6	Other loans	139.2	139.2		141.9	141.9
7	Fair value adjustment for hedged risk on loans and advances to customers	(20.8)	(20.8)		75.5	75.5
8	Other assets, prepayments and accrued income	316.1	316.1		253.3	253.3
9	Current tax assets	0.1	0.1		0.1	0.1
10	Deferred tax assets	-	-	a	-	-
11	Intangible assets	52.2	52.2	b	43.9	43.9
12	Property, plant and equipment	45.8	45.8		47.1	47.1
13	Retirement benefit surplus	-	-	c	-	-
	Total assets	**32,898.5**	**32,898.5**		**31,962.4**	**31,962.4**
Liabilities - *Breakdown by liability class according to the balance sheet in the published financial statements*						
1	Shares	26,394.5	26,394.5		26,069.9	26,069.9
2	Fair value adjustment for hedged risk on shares	(6.8)	(6.8)		11.7	11.7
3	Derivative financial instruments	63.2	63.2		119.9	119.9
4	Amounts owed to credit institutions	12.0	12.0		0.5	0.5
5	Amounts owed to other customers	143.0	143.0		138.8	138.8
6	Debt securities in issue	3,909.5	3,909.5		3,237.6	3,237.6
7	Other liabilities and accruals	156.5	156.5		77.9	77.9
8	Current tax liabilities	0.0	0.0		-	-
9	Deferred tax liabilities	17.2	17.2		14.9	14.9
10	Provisions for liabilities and charges	3.7	3.7		0.6	0.6
11	Retirement benefit obligation	0.5	0.5		0.5	0.5
12	Subordinated liabilities	306.2	306.2	d	438.1	438.1
13	Subscribed capital	8.0	8.0	e	8.0	8.0
	Total liabilities	**31,007.5**	**31,007.5**		**30,118.4**	**30,118.4**
Shareholders' Equity						
1	General reserve	1,843.6	1,843.6	f	1,790.8	1,790.8
2	Cash flow hedge reserve	28.1	28.1	g	38.7	38.7
3	Fair value reserve	3.1	3.1	h	(1.7)	(1.7)
4	Revaluation reserve	1.9	1.9	i	1.9	1.9
5	Other reserve	14.3	14.3	j	14.3	14.3
	Total shareholders' equity	**1,891.0**	**1,891.0**		**1,844.0**	**1,844.0**
	Total liabilities and equity	**32,898.5**	**32,898.5**		**31,962.4**	**31,962.4**

4 Annex IX: Countercyclical Capital Buffers

4.1 UK CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

Table 5 has been prepared in accordance with CRD, article 140 and excludes exposures to central governments, central banks, regional governments, local authorities, public sector entities, multilateral development banks and institutions. Therefore, exposure values and total own funds requirements differ to elsewhere in these disclosures.

Table 5 (UK CCyB1): Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
		a	b	c	d	e	f	g	h	i	j	k	l	m
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		%
30 June 2026														
010	Breakdown by country													
	UK only	1,707.9	25,218.8	-	-	563.3	27,490.0	499.6	-	5.1	504.7	6,309.3	100.00%	2.000%
020	**Total**	**1,707.9**	**25,218.8**	**-**	**-**	**563.3**	**27,490.0**	**499.6**	**-**	**5.1**	**504.7**	**6,309.3**	**100.00%**	
31 Dec 2025														
010	Breakdown by country													
	UK only	1,499.2	25,427.6	-	-	457.4	27,384.2	470.2	-	4.2	474.4	5,929.6	100.00%	2.000%
020	**Total**	**1,499.2**	**25,427.6**	**-**	**-**	**457.4**	**27,384.2**	**470.2**	**-**	**4.2**	**474.4**	**5,929.6**	**100.00%**	

4.2 UK CCyB2: Amount of institution-specific countercyclical capital buffer

The requirement for a countercyclical capital buffer under Article 440 of the CRR is set out below. As foreign credit exposures represent less than 2% of the Society's aggregate risk weighed exposures, all exposures have been allocated to the UK.

Table 6 below shows that the Society had an institution specific countercyclical capital buffer requirement of £144.3m (31 December 2025: £134.7m). The requirement results from multiplying the total risk exposure amount (the total credit risk weighted assets from table 2) by the buffer rate for that country and summing the result.

Table 6 (UK CCyB2): Amount of institution-specific countercyclical capital buffer		Jun-26	Dec-25
		a	b
1	Total risk exposure amount £m	**7,215.8**	6,735.3
2	Institution specific countercyclical buffer rate %	**2.000%**	2.000%
3	Institution specific countercyclical capital buffer requirement £m	**144.3**	134.7

5 Annex XI: Leverage Ratio

The leverage ratio calculation, specific to CRD V, is calculated as Tier 1 capital divided by total exposures (including on- and off-balance sheet items) without any consideration of underlying risk. The leverage ratio reinforces the risk-based capital requirements as a non-risk based 'backstop'.

The UK leverage ratio is specific to the UK regulatory regime and only applies to financial institutions with retail deposits of £75bn or more, however, it is monitored by the Society as part of its management information. The calculation excludes deposits with central banks from the leverage exposure measure.

5.1 UK LR1: Summary reconciliation of accounting assets and leverage ratio exposures

Table 7 (UK LR1) : Summary reconciliation of accounting assets and leverage ratio exposures		Jun-26 a £m	Dec-25 a £m
1	Total assets as per published financial statements	32,898.5	31,962.4
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for exemption of exposures to central banks)	(2,356.1)	(2,115.1)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	167.1	258.3
9	Adjustment for securities financing transactions (SFTs)	-	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	318.0	254.7
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	-	-
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments	(89.8)	(84.8)
13	**Total exposure measure**	**30,937.7**	**30,275.5**

Annex XI: Leverage Ratio

5.2 UK LR2: Leverage ratio common disclosure

Table 8 (UK LR2): Leverage ratio common disclosure		Jun-26 a £m	Dec-25 b £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	32,731.2	31,832.9
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(89.8)	(84.8)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**32,641.4**	**31,748.1**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	273.4	295.4
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	61.0	92.4
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**334.4**	**387.8**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	**Total securities financing transaction exposures**	**-**	**-**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	1,575.2	1,258.3
20	(Adjustments for conversion to credit equivalent amounts)	(1,257.2)	(1,003.6)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**318.0**	**254.7**
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	**(Total exempted exposures)**	**-**	**-**
Capital and total exposure measure			
23	**Tier 1 capital (leverage)**	1,773.1	1,720.5
24	Total exposure measure including claims on central banks	33,293.8	32,390.6
UK-24a	(-) Claims on central banks excluded	(2,356.1)	(2,115.1)
UK-24b	**Total exposure measure excluding claims on central banks**	**30,937.7**	**30,275.5**
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.73%	5.68%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.73%	5.68%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	5.73%	5.68%
UK-25c	Leverage ratio including claims on central banks (%)	5.33%	5.31%
26	Regulatory minimum leverage ratio requirement (%)	LREQ only	LREQ only
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	LREQ only	LREQ only
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	LREQ only	LREQ only
UK-27b	Of which: countercyclical leverage ratio buffer (%)	LREQ only	LREQ only
Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	LREQ only	LREQ only
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	LREQ only	LREQ only
UK-31	Average total exposure measure including claims on central banks	LREQ only	LREQ only
UK-32	Average total exposure measure excluding claims on central banks	LREQ only	LREQ only
UK-33	Average leverage ratio including claims on central banks	LREQ only	LREQ only
UK-34	Average leverage ratio excluding claims on central banks	LREQ only	LREQ only

5.3 UK LR3: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

Table 9 (UK LR3) : Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		Jun-26 a £m	Dec-25 a £m
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**32,731.2**	**31,832.9**
UK-2	Trading book exposures	-	-
UK-3	Banking book exposures, of which:	32,731.2	31,832.9
UK-4	Covered bonds	797.6	697.2
UK-5	Exposures treated as sovereigns	4,962.1	4,175.4
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-	-
UK-7	Institutions	216.1	115.2
UK-8	Secured by mortgages on immovable properties	25,566.3	25,769.3
UK-9	Retail exposures	-	-
UK-10	Corporates	-	-
UK-11	Exposures in default	182.1	170.2
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,007.0	905.6

The movement in other exposures primarily reflects an increase in the Society's exposure to securitisation positions (see section 13).

6 Annex XIII: Liquidity Requirements

6.1 UK LIQ1: Quantitative information of LCR

Table 10 (UK LIQ1): Quantitative information of LCR		Total unweighted value (average)				Total weighted value (average)			
1a	Quarter ending: £m	Jun-26 a	Mar-26 b	Dec-25 c	Sep-25 d	Jun-26 e	Mar-26 f	Dec-25 g	Sep-25 h
1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	**Total high-quality liquid assets (HQLA)**					**5,170.4**	**4,964.0**	**5,046.1**	**5,180.8**
	CASH - OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	25,538.7	25,280.1	25,028.9	24,528.9	1,743.4	1,826.2	1,876.4	1,855.5
3	Stable deposits	13,915.5	12,394.0	11,097.7	10,559.8	695.8	619.7	554.9	528.0
4	Less stable deposits	11,623.1	12,886.1	13,931.2	13,969.1	1,047.6	1,206.5	1,321.5	1,327.5
5	Unsecured wholesale funding	170.2	209.8	196.4	176.2	141.8	178.3	163.4	144.8
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	63.4	67.1	61.2	52.3	35.0	35.6	28.2	20.8
8	Unsecured debt	106.8	142.7	135.1	124.0	106.8	142.7	135.1	124.0
9	Secured wholesale funding			-	-	0.1	0.3	0.3	0.3
10	Additional requirements	299.8	313.4	322.2	382.0	299.7	313.4	322.2	382.0
11	Outflows related to derivative exposures and other collateral requirements	278.3	291.6	301.2	310.6	278.3	291.6	301.2	310.6
12	Outflows related to loss of funding on debt products	13.1	11.8	11.0	61.4	13.1	11.8	11.0	61.4
13	Credit and liquidity facilities	8.3	10.0	10.0	10.0	8.3	10.0	10.0	10.0
14	Other contractual funding obligations	41.1	45.4	46.1	54.5	18.6	23.6	24.6	33.2
15	Other contingent funding obligations	1,315.7	1,319.5	1,402.4	1,506.2	460.5	461.8	490.9	527.2
16	**TOTAL CASH OUTFLOWS**			-	-	**2,664.1**	**2,803.7**	**2,877.7**	**2,942.9**
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	193.0	192.0	190.0	189.1	164.6	163.6	162.2	161.8
19	Other cash inflows	18.1	52.3	53.1	66.1	18.1	52.3	53.1	66.1
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)			-	-	-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)			-	-	-	-	-	-
20	**TOTAL CASH INFLOWS**	**211.1**	**244.3**	**243.1**	**255.2**	**182.6**	**215.9**	**215.2**	**227.9**
UK-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
UK-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
UK-20c	*Inflows subject to 75% cap*	211.1	244.3	243.1	255.2	182.6	215.9	215.2	227.9
	TOTAL ADJUSTED VALUE								
UK-21	**LIQUIDITY BUFFER**					**5,170.4**	**4,964.0**	**5,046.1**	**5,180.8**
22	**TOTAL NET CASH OUTFLOWS**					**2,481.5**	**2,587.8**	**2,662.5**	**2,714.9**
23	**LIQUIDITY COVERAGE RATIO**					**210.5%**	**192.5%**	**189.9%**	**191.3%**

6.2 UK LIQB: Qualitative information on LCR

a) Main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The Society's LCR is driven by a combination of the size of the liquid asset buffer, modelled stressed retail net outflows, wholesale funding requirements from upcoming maturities and collateral outflows that could arise in a stress. As the Society is predominantly retail funded, retail deposit outflows continue to be the largest contributor to net outflows in the LCR.

b) Changes in the LCR over time

The 12-month average LCR has increased, primarily reflecting a higher level of HQLA as retail and wholesale inflows have been brought forward, while related outflows are expected to occur later in the year. This has been supported by a reduction in net cash outflows, largely driven by the higher FSCS limit reducing retail savings stress outflows. Ratios continue to remain significantly above regulatory requirements.

c) Actual concentration of funding sources

The Society is predominantly retail deposit funded but also raises wholesale funding, which comprises a range of secured and unsecured instruments, to ensure that a stable and diversified funding base is maintained across a range of instruments, maturities and investor types.

d) Composition of the institution's liquidity buffer

The Society's liquid assets are predominantly comprised of reserves held at the Bank of England and highly rated debt securities issued or guaranteed by a restricted range of governments, central banks and supranationals, as well as some high-quality Covered Bonds and Residential Mortgage Backed Securities (RMBSs). The assets held in the liquid asset buffer are all in sterling.

e) Derivative exposures and potential collateral calls

The Society only uses derivatives to manage and mitigate exposures to market risks, and not for trading or speculative purposes. The LCR net cash outflows related to derivative transactions primarily reflects the risk of potential additional collateral outflows due to adverse market rate changes. Credit ratings downgrades by external credit rating agencies could also lead to collateral outflows which are considered when determining LCR outflows.

f) Currency mismatch in the LCR

Liquid assets are denominated solely in sterling, with cross currency swaps in place against any euro exposures. This ensures that no material cross currency mismatch arises between the currency composition of the liquid asset buffer and currency profile of stressed outflows in the LCR.

g) Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

There are no other relevant items.

Annex XIII: Liquidity Requirements

6.3 UK LIQ2: Net Stable Funding Ratio

Table 11 (UK LIQ2): Net Stable Funding Ratio		Jun-26 Unweighted value by residual maturity (average) No maturity a	< 6 months b	6 months to < 1yr c	≥ 1yr d	Weighted value (average) e
	Available stable funding (ASF) Items £m					
1	**Capital items and instruments**	**-**	**-**	**-**	**1,822.2**	**1,822.2**
2	Own funds	-	-	-	1,822.2	1,822.2
3	Other capital instruments		-	-	-	-
4	**Retail deposits**		**23,562.9**	**1,110.1**	**891.4**	**23,834.9**
5	Stable deposits		14,756.1	-	-	14,018.3
6	Less stable deposits		8,806.8	1,110.1	891.4	9,816.6
7	**Wholesale funding:**		**621.6**	**414.6**	**3,174.4**	**3,429.5**
8	Operational deposits		-	-	-	-
9	Other wholesale funding		621.6	414.6	3,174.4	3,429.5
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	**0.3**	**576.8**	**-**	**-**	**-**
12	NSFR derivative liabilities	0.3				
13	All other liabilities and capital instruments not included in the above categories		576.8	-	-	-
14	**Total available stable funding (ASF)**					**29,086.6**
	Required stable funding (RSF) Items £m					
15	**Total high-quality liquid assets (HQLA)**					**175.4**
UK-15a	**Assets encumbered for more than 12m in cover pool**		**59.7**	**61.2**	**3,131.6**	**2,764.7**
16	**Deposits held at other financial institutions for operational purposes**		**-**	**-**	**-**	**-**
17	**Performing loans and securities:**		**265.7**	**253.1**	**21,949.9**	**15,776.2**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		19.6	-	-	2.0
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		0.2	0.2	12.9	11.2
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		245.6	252.8	21,842.2	15,682.4
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		203.8	209.8	16,161.0	10,810.8
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		0.3	-	94.7	80.7
25	**Interdependent assets**		**-**	**-**	**-**	**-**
26	**Other assets:**	**-**	**1,622.5**	**6.1**	**662.5**	**851.9**
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		202.5	-	-	172.1
29	NSFR derivative assets		0.0	-	-	0.0
30	NSFR derivative liabilities before deduction of variation margin posted		19.0	-	-	1.0
31	All other assets not included in the above categories		38.2	6.1	662.5	678.9
32	Off-balance sheet items		1,362.8	-	-	0.5
33	**Total RSF**					**19,568.7**
34	**Net Stable Funding Ratio (%)**					**148.7%**

7 Annex XV: Credit Risk Quality

7.1 UK CR1: Performing and non-performing exposures and related provisions

Table 12 (UK CR1): Performing and non-performing exposures and related provisions		30 June 2026														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
£m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
005	**Cash balances at central banks and other demand deposits**	**2,087.9**	**2,087.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**25,517.7**	**21,332.9**	**4,184.8**	**332.8**	**45.4**	**287.4**	**(33.7)**	**(6.2)**	**(27.4)**	**(16.0)**	**(0.5)**	**(15.4)**	**100.2**	**25,469.8**	**316.9**
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	7.8	7.8	-	-	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	394.6	333.6	61.0	-	-	-	(2.8)	(0.5)	(2.3)	-	-	-	56.9	391.8	-
070	*Of which SMEs*	386.4	333.6	52.8	-	-	-	(2.4)	(0.5)	(1.8)	-	-	-	56.0	384.0	-
080	*Households*	25,115.3	20,991.5	4,123.8	332.8	45.4	287.4	(30.9)	(5.7)	(25.2)	(16.0)	(0.5)	(15.4)	43.4	25,078.0	316.9
090	**Debt securities**	**4,249.4**	**4,249.4**	**-**	**-**	**-**	**-**	**(0.0)**	**(0.0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,948.7	1,948.7	-	-	-	-	(0.0)	(0.0)	-	-	-	-	-	-	-
120	*Credit institutions*	1,736.7	1,736.7	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	564.0	564.0	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**1,565.4**	**1,564.4**	**1.0**	**-**	**-**	**-**	**(0.4)**	**(0.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial corporations*	69.0	69.0	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-
210	*Households*	1,496.4	1,495.3	1.0	-	-	-	(0.4)	(0.4)	-	-	-	-	-	-	-
220	**Total (£m)**	**33,420.4**	**29,234.5**	**4,185.8**	**332.8**	**45.4**	**287.4**	**(34.0)**	**(6.6)**	**(27.4)**	**(16.0)**	**(0.5)**	**(15.4)**	**100.2**	**25,469.8**	**316.9**

		31 December 2025														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
£m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
005	**Cash balances at central banks and other demand deposits**	**1,418.0**	**1,418.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**25,718.5**	**21,653.4**	**4,065.1**	**291.4**	**7.7**	**283.7**	**(28.8)**	**(5.3)**	**(23.5)**	**(14.7)**	**(0.0)**	**(14.7)**	**107.2**	**25,680.8**	**276.6**
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	3.7	3.7	-	-	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	284.2	228.3	55.9	-	-	-	(2.3)	(0.3)	(2.0)	-	-	-	59.0	281.9	-
070	*Of which SMEs*	275.4	228.3	47.1	-	-	-	(1.8)	(0.3)	(1.5)	-	-	-	57.3	273.6	-
080	*Households*	25,430.6	21,421.4	4,009.2	291.4	7.7	283.7	(26.5)	(5.0)	(21.5)	(14.7)	(0.0)	(14.7)	48.2	25,398.9	276.6
090	**Debt securities**	**3,921.9**	**3,921.9**	**-**	**-**	**-**	**-**	**(0.0)**	**(0.0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,895.9	1,895.9	-	-	-	-	(0.0)	(0.0)	-	-	-	-	-	-	-
120	*Credit institutions*	1,568.6	1,568.6	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	457.4	457.4	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**1,248.5**	**1,248.0**	**0.5**	**-**	**-**	**-**	**(0.3)**	**(0.3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial corporations*	78.2	78.2	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-
210	*Households*	1,170.3	1,169.8	0.5	-	-	-	(0.3)	(0.3)	-	-	-	-	-	-	-
220	**Total (£m)**	**32,306.9**	**28,241.3**	**4,065.6**	**291.4**	**7.7**	**283.7**	**(29.1)**	**(5.6)**	**(23.5)**	**(14.7)**	**(0.0)**	**(14.7)**	**107.2**	**25,680.8**	**276.6**

Annex XV: Credit Risk Quality

7.2 UK CR1A: Maturity of exposures

Table 13 (UK CR1-A) : Maturity of exposures		30 June 2026					
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
£m		a	b	c	d	e	f
1	Loans and advances	5.1	73.3	720.1	24,994.2	-	25,792.7
2	Debt securities	-	994.7	2,117.5	1,137.2	-	4,249.4
3	**Total**	**5.1**	**1,068.0**	**2,837.6**	**26,131.4**	**-**	**30,042.1**

		31 December 2025					
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
£m		a	b	c	d	e	f
1	Loans and advances	5.1	62.1	710.9	25,184.4	-	25,962.5
2	Debt securities	-	975.3	2,026.2	920.4	-	3,921.9
3	**Total**	**5.1**	**1,037.4**	**2,737.1**	**26,104.8**	**-**	**29,884.4**

7.3 UK CR2: Changes in the stock of non-performing loans and advances

The Society has a non-performing loans ratio below the 5% threshold for disclosure.

7.4 UK CR2A: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

The Society has a non-performing loans ratio below the 5% threshold for disclosure.

7.5 UK CQ1: Credit quality of forborne exposures

Table 14 (UK CQ1): Credit quality of forborne exposures		30 June 2026							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated		Collateral received and financial guarantees received on	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	78.8	161.1	91.1	115.7	(0.3)	(4.4)	235.2	156.7
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	-	-	-	-	-	-	-	-
070	*Households*	78.8	161.1	91.1	115.7	(0.3)	(4.4)	235.2	156.7
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**78.8**	**161.1**	**91.1**	**115.7**	**(0.3)**	**(4.4)**	**235.2**	**156.7**

Annex XV: Credit Risk Quality

		31 December 2025							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated		Collateral received and financial guarantees received on	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	40.7	116.8	80.9	109.2	(0.1)	(3.6)	153.8	113.2
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	-	-	-	-	-	-	-	-
070	*Households*	40.7	116.8	80.9	109.2	(0.1)	(3.6)	153.8	113.2
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**40.7**	**116.8**	**80.9**	**109.2**	**(0.1)**	**(3.6)**	**153.8**	**113.2**

7.6 UK CQ2: Quality of forbearance

The Society has a non-performing loans ratio below the 5% threshold for disclosure.

7.7 UK CQ4: Quality of non-performing exposures by geography

Non-domestic exposures are below the 10% threshold (i.e. non-domestic exposures divided by total exposures) for disclosure.

7.8 UK CQ5: Credit quality of loans and advances to non-financial corporations by industry

No sector split or residual maturity profile has been included for the legacy commercial loan portfolio due to the low materiality of the remaining exposure, which was £4.6m at 30 June 2026 (December 2025: £4.8m). As individual commercial loans could potentially be identified from this disclosure, for confidentiality reasons, in line with CRR article 432, table CQ5 has not been presented.

7.9 UK CQ6: Collateral valuation - loans and advances

The Society has a non-performing loans ratio below the 5% threshold for disclosure.

7.10 UK CQ7: Collateral obtained by taking possession and execution processes

The Society does not recognise collateral obtained by taking possession on its balance sheet. Following repossession, the value of the associated loan asset is reduced to the recoverable amount. As UK CQ7 only discloses repossessed collateral held on the balance sheet, this table has not been presented.

7.11 UK CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

The Society has a non-performing loans ratio below the 5% threshold for disclosure.

8 Annex XVII: Credit Risk Mitigation Techniques

8.1 UK CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

Table 15 (UK CR3) : CRM techniques overview: Disclosure of the use of credit risk mitigation techniques		30 June 2026				
£m		Unsecured carrying amount a	Secured carrying amount b	Of which secured by collateral c	Of which secured by financial guarantees d	Of which secured by credit derivatives e
1	Loans and advances	14.2	25,786.6	25,786.6	-	-
2	Debt securities	4,249.4	-	-	-	
3	**Total**	**4,263.6**	**25,786.6**	**25,786.6**	**-**	**-**
4	*Of which non-performing exposures*	-	*316.9*	*316.9*	-	-
5	*Of which defaulted*	-	*196.0*			

		31 December 2025				
£m		Unsecured carrying amount a	Secured carrying amount b	Of which secured by collateral c	Of which secured by financial guarantees d	Of which secured by credit derivatives e
1	Loans and advances	9.0	25,957.4	25,957.4	-	-
2	Debt securities	3,921.9	-	-	-	
3	**Total**	**3,930.9**	**25,957.4**	**25,957.4**	**-**	**-**
4	*Of which non-performing exposures*	-	*276.6*	*276.6*	-	-
5	*Of which defaulted*	-	*183.2*			

9 Annex XIX: Use of the Standardised Approach

9.1 UK CR4: Standardised approach – Credit risk exposure and CRM effects

Table 16 (UK CR4) : Standardised approach – Credit risk exposure and CRM effects		30 June 2026					
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	3,691.6	-	3,691.6	-	-	0.0%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	333.2	-	333.2	-	66.6	20.0%
4	Multilateral development banks	937.3	-	937.3	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	216.1	-	216.1	-	43.1	20.0%
7	Corporates	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	881.6	84.2	881.6	16.8	342.9	38.2%
10	Exposures in default	5.1	-	5.1	-	5.1	100.0%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	797.6	-	797.6	-	79.8	10.0%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	1.7	10.0	1.7	5.0	5.0	74.8%
17	**TOTAL**	**6,864.3**	**94.2**	**6,864.3**	**21.8**	**542.5**	**7.9%**

		31 December 2025					
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	2,996.1	-	2,996.1	-	-	0.0%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	309.4	-	309.4	-	-	-
4	Multilateral development banks	869.9	-	869.9	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	115.2	-	115.2	-	22.9	19.9%
7	Corporates	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	771.3	92.0	771.3	18.4	303.3	38.4%
10	Exposures in default	5.4	-	5.4	-	5.4	100.0%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	697.2	-	697.2	-	69.7	10.0%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	1.9	10.0	1.9	5.0	5.0	72.9%
17	**TOTAL**	**5,766.4**	**102.0**	**5,766.4**	**23.4**	**406.3**	**7.0%**

9.2 UK CR5: Standardised approach

Table 17 (UK CR5) : Standardised approach		30 June 2026																
		Risk weights															Total	Of which unrated
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	3,691.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,691.6	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	333.2	-	-	-	-	-	-	-	-	-	-	333.2	-
4	Multilateral development banks	937.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	937.3	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	216.1	-	-	-	-	0.0	-	-	-	-	-	216.1	-
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	851.3	-	-	6.6	40.6	-	-	-	-	-	898.5	898.5
10	Exposures in default	-	-	-	-	-	-	-	-	-	5.1	-	-	-	-	-	5.1	5.1
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	797.6	-	-	-	-	-	-	-	-	-	-	-	797.6	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	1.7	-	-	-	-	-	-	-	-	5.0	-	-	-	-	-	6.7	5.0
17	**TOTAL**	**4,630.6**	**-**	**-**	**797.6**	**549.3**	**851.3**	**-**	**-**	**6.6**	**50.7**	**-**	**-**	**-**	**-**	**-**	**6,886.1**	**908.6**

		31 December 2025																
		Risk weights															Total	Of which unrated
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	2,996.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,996.1	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	309.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	309.4	-
4	Multilateral development banks	869.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	869.9	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	0.4	-	-	-	114.8	-	-	-	-	-	-	-	-	-	-	115.2	-
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	746.3	-	-	2.9	40.5	-	-	-	-	-	789.7	789.7
10	Exposures in default	-	-	-	-	-	-	-	-	-	5.4	-	-	-	-	-	5.4	5.4
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	697.2	-	-	-	-	-	-	-	-	-	-	-	697.2	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	1.9	-	-	-	-	-	-	-	-	5.0	-	-	-	-	-	6.9	5.0
17	**TOTAL**	**4,177.7**	**-**	**-**	**697.2**	**114.8**	**746.3**	**-**	**-**	**2.9**	**50.9**	**-**	**-**	**-**	**-**	**-**	**5,789.8**	**800.1**

10 Annex XXI: Use of the IRB approach to Credit Risk

10.1 UK CR6: IRB approach – Credit risk exposures by exposure class and PD range

Table 18 (UK CR6): IRB approach – Credit risk exposures by exposure class and PD range								30 June 2026				
PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
a	b	c	d	e	f	g	h	i	j	k	l	m
	£m	£m	%	£m	%		%		£m	%	£m	£m
A-IRB - Retail Exposure Class												
PD scale												
0.00 to <0.15	840.0	0.1	20.00%	840.0	0.11%	10,445	10.35%	-	58.6	6.97%	0.2	(0.6)
0.00 to <0.10	-	-	0.00%	-	-	-	-	-	-	0.00%	-	-
0.10 to <0.15	840.0	0.1	20.00%	840.0	0.11%	10,445	10.35%	-	58.6	6.97%	0.2	(0.6)
0.15 to <0.25	-	-	0.00%	-	-	-	-	-	-	0.00%	-	-
0.25 to <0.50	7,441.4	44.4	20.00%	7,450.3	0.36%	64,793	10.08%	-	938.2	12.59%	5.2	(6.3)
0.50 to <0.75	7,933.4	881.6	20.00%	8,109.7	0.62%	59,510	9.57%	-	1,306.2	16.11%	9.2	(5.7)
0.75 to <2.50	6,733.0	537.9	20.00%	6,840.6	1.48%	55,629	10.65%	-	1,969.1	28.79%	18.3	(8.6)
0.75 to <1.75	5,522.3	537.1	20.00%	5,629.7	1.39%	41,161	10.41%	-	1,599.0	28.40%	14.8	(7.1)
1.75 to <2.50	1,210.7	0.8	20.00%	1,210.9	1.92%	14,468	11.86%	-	370.2	30.57%	3.5	(1.5)
2.50 to <10.00	1,525.8	17.0	20.00%	1,529.2	4.38%	13,517	10.34%	-	773.7	50.59%	10.7	(5.2)
2.50 to <5.00	1,105.0	12.4	20.00%	1,107.5	3.47%	9,507	10.39%	-	511.5	46.18%	6.2	(3.2)
5.00 to <10.00	420.8	4.5	20.00%	421.7	6.76%	4,010	10.20%	-	262.2	62.17%	4.4	(2.0)
10.00 to <100.00	261.9	-	20.00%	261.9	31.80%	2,612	12.08%	-	266.9	101.88%	19.6	(3.8)
10.00 to <20.00	101.6	-	20.00%	101.6	12.24%	1,008	8.62%	-	68.9	67.76%	1.6	(0.7)
20.00 to <30.00	76.4	-	20.00%	76.4	28.43%	679	11.90%	-	100.7	131.92%	4.6	(1.3)
30.00 to <100.00	83.9	-	20.00%	83.9	58.55%	925	16.43%	-	97.2	115.88%	13.3	(1.7)
100.00 (Default)	187.0	0.0	20.00%	187.0	100.00%	1,884	2.57%	-	500.0	267.40%	7.8	(10.0)
Subtotal (exposure class)	**24,922.6**	**1,481.0**	**20.00%**	**25,218.8**	**2.05%**	**208,390**	**10.06%**	**-**	**5,812.6**	**23.05%**	**70.9**	**(40.1)**
Total (all exposures classes)	**24,922.6**	**1,481.0**	**20.00%**	**25,218.8**	**2.05%**	**208,390**	**10.06%**	**-**	**5,812.6**	**23.05%**	**70.9**	**(40.1)**

IRB approach – Credit risk exposures by exposure class and PD range								31 December 2025				
PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
a	b	c	d	e	f	g	h	i	j	k	l	m
	£m	£m	%	£m	%		%		£m	%	£m	£m
A-IRB - Retail Exposure Class												
PD scale												
0.00 to <0.15	868.2	0.2	99.98%	868.3	0.11%	10,729	10.67%	-	63.5	7.32%	0.3	(0.6)
0.00 to <0.10	-	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%	-	-
0.10 to <0.15	868.2	0.2	99.98%	868.3	0.11%	10,729	10.67%	-	63.5	7.32%	0.3	(0.6)
0.15 to <0.25	-	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%	-	-
0.25 to <0.50	7,414.2	86.0	99.08%	7,431.3	0.36%	64,259	10.24%	-	936.3	12.60%	5.2	(5.6)
0.50 to <0.75	8,107.2	568.9	94.75%	8,221.0	0.60%	59,927	9.51%	-	1,310.7	15.94%	8.8	(4.6)
0.75 to <2.50	6,855.0	478.1	94.78%	6,950.6	1.47%	56,743	10.55%	-	1,893.6	27.24%	17.3	(6.7)
0.75 to <1.75	5,692.1	477.8	93.81%	5,787.7	1.38%	42,785	10.38%	-	1,609.4	27.81%	14.6	(5.3)
1.75 to <2.50	1,162.9	0.3	99.98%	1,162.9	1.92%	13,958	11.45%	-	284.2	24.44%	2.7	(1.4)
2.50 to <10.00	1,514.6	23.1	98.80%	1,519.2	4.37%	13,630	10.12%	-	716.0	47.13%	9.9	(4.0)
2.50 to <5.00	1,100.9	19.2	98.63%	1,104.7	3.47%	9,622	10.15%	-	470.2	42.56%	5.8	(2.3)
5.00 to <10.00	413.7	3.9	99.26%	414.5	6.75%	4,008	10.03%	-	245.8	59.30%	4.1	(1.7)
10.00 to <100.00	263.6	-	100.00%	263.6	32.58%	2,646	12.13%	-	269.3	102.18%	20.1	(3.5)
10.00 to <20.00	95.0	-	100.00%	95.0	12.23%	970	8.74%	-	65.6	69.06%	1.5	(0.7)
20.00 to <30.00	82.2	-	100.00%	82.2	28.38%	726	11.67%	-	108.0	131.48%	4.9	(1.2)
30.00 to <100.00	86.4	-	100.00%	86.4	58.97%	950	16.31%	-	95.7	110.81%	13.7	(1.6)
100.00 (Default)	173.6	0.0	99.99%	173.6	100.00%	1,802	2.09%	-	304.3	175.30%	3.6	(8.8)
Subtotal (exposure class)	**25,196.4**	**1,156.3**	**96.49%**	**25,427.6**	**1.99%**	**209,736**	**10.06%**	**-**	**5,493.7**	**21.61%**	**65.2**	**(33.8)**
Total (all exposures classes)	**25,196.4**	**1,156.3**	**96.49%**	**25,427.6**	**1.99%**	**209,736**	**10.06%**	**-**	**5,493.7**	**21.61%**	**65.2**	**(33.8)**

Annex XXI: Use of the IRB approach to Credit Risk

10.2 UK CR7: IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

The Society does not use credit derivatives to mitigate credit risk.

10.3 UK CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques

The Society uses credit risk mitigation techniques under the IRB approach for its residential lending.

Table 19 (UK CR7-A) – IRB approach – Disclosure of the extent of the use of CRM techniques

	AIRB	Total exposures	Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs	
			Funded credit protection (FCP)								Unfunded credit protection (UFCP)				
			Part of exposures covered by Financial Collateral (%) [2]	Part of exposures covered by Other eligible collateral (%) [2]	Part of exposures covered by Immovable property Collateral (%) [2]	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
2	Retail	25,218.8	-	100%	100%	-	-	-	-	-	-	-	-	5,812.6	5,812.6
2.2	Retail – Residential immovable property non-SMEs	25,218.8	-	100%	100%	-	-	-	-	-	-	-	-	5,812.6	5,812.6
3	**Total**	**25,218.8**	-	**100%**	**100%**	-	-	-	-	-	-	-	-	**5,812.6**	**5,812.6**

10.4 UK CR8: RWEA flow statements of credit risk exposures under the IRB approach

Table 20 (UK CR8) : RWEA flow statements of credit risk exposures under the IRB approach £m		Jun-26 RWEA a
1	**Risk weighted exposure amount as at the end of the previous reporting period[3]**	**5,498.8**
2	Asset size (+/-)	(60.2)
3	Asset quality (+/-)	170.8
4	Model updates (+/-)	203.2
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	-
9	**Risk weighted exposure amount as at the end of the reporting period[3]**	**5,812.6**

Risk-Weighted Exposure Amounts (RWEAs) under the IRB approach, excluding non-credit obligation assets, increased by £313.8m to £5,812.6m by the end of the reporting period. Despite stable arrears and defaults, reductions in house prices and a continued focus on lending to customers with higher LTVs such as first time buyers has increased

[2] Table 19 reports the collateral capped at the exposure value. The uncapped percentage is 234.3% at 30 June 2026.

[3] The RWEA reported in table 20 excludes £217.4m (March 2026: £223.7m) of non-credit obligation assets.

portfolio LTVs and led to a minor decrease in asset quality and an associated £170.8m increase in RWA's. This is combined with a £203.2m impact from model changes to reflect key areas of PRA feedback with respect to ongoing IRB model remediation activity.

11 Annex XXIII: Specialised Lending

11.1 UK CR10: Specialised lending and equity exposures under the simple risk weighted approach

The Society does not employ slotting for any specialised lending exposures.

12 Annex XXV: Exposures to Counterparty Credit Risk

12.1 UK CCR1: Analysis of CCR exposure by approach

Table 21 (UK CCR1) : Analysis of CCR exposure by approach		30 June 2026							
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
£m		a	b	c	d	e	f	g	h
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-	-	1.4	-	-	-	-
1	SA-CCR (for derivatives)	0.5	0.6	-	1.4	1.1	1.5	1.5	0.8
2	IMM (for derivatives and SFTs)	-	-	-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*	-	-	-	-	-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*	-	-	-	-	-	-	-	-
2c	*Of which from contractual cross-product netting sets*	-	-	-	-	-	-	-	-
3	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					**1.1**	**1.5**	**1.5**	**0.8**

		31 December 2025							
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
£m		a	b	c	d	e	f	g	h
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	0.5	0.5	-	1.4	2.7	1.4	1.4	0.7
2	IMM (for derivatives and SFTs)	-	-	-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*	-	-	-	-	-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*	-	-	-	-	-	-	-	-
2c	*Of which from contractual cross-product netting sets*	-	-	-	-	-	-	-	-
3	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					**2.7**	**1.4**	**1.4**	**0.7**

12.2 UK CCR2: Transactions subject to own funds requirements for CVA risk

Table 22 (UK CCR2): Transactions subject to own funds requirements for CVA risk		Jun-26		Dec-25	
		Exposure value	RWEA	Exposure value	RWEA
£m		a	b	a	b
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)		-		-
3	(ii) stressed VaR component (including the 3× multiplier)		-		-
4	Transactions subject to the Standardised method	1.5	2.0	1.4	1.7
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**1.5**	**2.0**	**1.4**	**1.7**

Annex XXV: Exposures to Counterparty Credit Risk

12.3 UK CCR3: Standardised approach – CCR exposures by regulatory exposure class and risk weights

Table 23 (UK CCR3): Standardised approach – CCR exposures by regulatory exposure class and risk weights		30 June 2026 Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
£m	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	332.7	-	-	-	1.5	-	-	-	-	-	334.2
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**332.7**	**-**	**-**	**-**	**1.5**	**-**	**-**	**-**	**-**	**-**	**334.2**

Standardised approach – CCR exposures by regulatory exposure class and risk weights		31 December 2025 Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
£m	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	386.3	-	-	-	1.4	-	-	-	-	-	387.7
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**386.3**	**-**	**-**	**-**	**1.4**	**-**	**-**	**-**	**-**	**-**	**387.7**

12.4 UK CCR4: IRB approach – CCR exposures by exposure class and PD scale

The Society does not use IRB for counterparty credit risk exposures.

12.5 UK CCR5: Composition of collateral for CCR exposures

Table 24 (UK CCR5): Composition of collateral for CCR exposures		30 June 2026 Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral	Fair value of collateral posted
		Segregated	Unsegregated	Segregated	Unsegregated		
£m	Collateral type	a	b	c	d	e	f
1	Cash	-	107.7	190.3	-	-	-
2	Debt	-	-	-	-	-	-
3	Equity	-	-	-	-	-	-
4	Other	-	-	-	-	-	-
5	**Total**	**-**	**107.7**	**190.3**	**-**	**-**	**-**

Annex XXV: Exposures to Counterparty Credit Risk

Composition of collateral for CCR exposures		31 December 2025					
		Collateral used in derivatives transactions				Collateral used in securities	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral	Fair value of collateral posted
		Segregated	Unsegregated	Segregated	Unsegregated		
£m	Collateral type	a	b	c	d	e	f
1	Cash	-	39.7	214.9	13.2	-	-
2	Debt	-	-	-	-	-	-
3	Equity	-	-	-	-	-	-
4	Other	-	-	-	-	-	-
5	**Total**	**-**	**39.7**	**214.9**	**13.2**	**-**	**-**

12.6 UK CCR6: Credit derivatives exposures

The Society does not use credit derivatives to mitigate credit risk.

12.7 UK CCR7: RWEA flow statements of CCR exposures under the IMM

The Society does not use the Internal Model Method for CCR exposures.

Annex XXV: Exposures to Counterparty Credit Risk

12.8 UK CCR8: Exposures to CCPs

Table 25 (UK CCR8): Exposures to CCPs		30 June 2026		31 December 2025	
		Exposure value	RWEA	Exposure value	RWEA
£m		a	b	a	b
1	**Exposures to QCCPs (total)**		**6.7**		**7.7**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	332.9	6.7	386.4	7.7
3	(i) OTC derivatives	332.9	6.7	386.4	7.7
4	(ii) Exchange-traded derivatives	-	-	-	-
5	(iii) SFTs	-	-	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	190.3		214.9	
8	Non-segregated initial margin	-	-	-	-
9	Prefunded default fund contributions	-	-	-	-
10	Unfunded default fund contributions	-	-	-	-
11	**Exposures to non-QCCPs (total)**		**-**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-
15	(iii) SFTs	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-		-	
18	Non-segregated initial margin	-	-	-	-
19	Prefunded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

Annex XXVII: Exposures to Securitisation Positions

13 Annex XXVII: Exposures to Securitisation Positions

13.1 UK SEC1: Securitisation exposures in the non-trading book

	Table 26 (UK SEC1): Securitisation exposures in the non-trading book	30 June 2026														
		Institution acts as Originator							Institution acts as Sponsor				Institution acts as Investor			
		Traditional				Synthetic		Sub-Total	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total
		STS		Non-STS					STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT		of which SRT									
	£m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
1	**Total exposures**	**1,056.2**	**-**	**-**	**-**	**-**	**-**	**1,056.2**	**-**	**-**	**-**	**-**	**487.7**	**75.7**	**-**	**563.4**
2	**Retail (total)**	**1,056.2**	**-**	**-**	**-**	**-**	**-**	**1,056.2**	**-**	**-**	**-**	**-**	**487.7**	**75.7**	**-**	**563.4**
3	residential mortgage	1,056.2	-	-	-	-	-	1,056.2	-	-	-	-	487.7	75.7	-	563.4
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		31 December 2025														
		Institution acts as Originator							Institution acts as Sponsor				Institution acts as Investor			
		Traditional				Synthetic		Sub-Total	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total
		STS		Non-STS					STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT		of which SRT									
	£m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
1	**Total exposures**	**801.7**	**-**	**-**	**-**	**-**	**-**	**801.7**	**-**	**-**	**-**	**-**	**389.9**	**67.5**	**-**	**457.4**
2	**Retail (total)**	**801.7**	**-**	**-**	**-**	**-**	**-**	**801.7**	**-**	**-**	**-**	**-**	**389.9**	**67.5**	**-**	**457.4**
3	residential mortgage	801.7	-	-	-	-	-	801.7	-	-	-	-	389.9	67.5	-	457.4
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex XXVII: Exposures to Securitisation Positions

13.2 UK SEC2: Securitisation exposures in the trading book

The Society does not have a trading book.

13.3 UK SEC3: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

The Society has securitised mortgage loans through Albion No.5 plc, Albion No. 6 plc, Albion No.7 plc and Albion No.8 plc. There are no capital requirements for these securitisation exposures due to no significant risk transfer.

13.4 UK SEC4: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

30 June 2026

Table 27 (UK SEC4): Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
£m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	**Total exposures**	**563.3**	-	-	-	-	-	**563.3**	-	-	-	**63.9**	-	-	-	**5.1**	-	-
2	**Traditional transactions**	**563.3**	-	-	-	-	-	**563.3**	-	-	-	**63.9**	-	-	-	**5.1**	-	-
3	Securitisation	563.3	-	-	-	-	-	563.3	-	-	-	63.9	-	-	-	5.1	-	-
4	Retail underlying	563.3	-	-	-	-	-	563.3	-	-	-	63.9	-	-	-	5.1	-	-
5	Of which STS	487.7	-	-	-	-	-	487.7	-	-	-	48.8	-	-	-	3.9	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31 December 2025

		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
£m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	**Total exposures**	**457.4**	-	-	-	-	-	**457.4**	-	-	-	**52.5**	-	-	-	**4.2**	-	-
2	**Traditional transactions**	**457.4**	-	-	-	-	-	**457.4**	-	-	-	**52.5**	-	-	-	**4.2**	-	-
3	Securitisation	457.4	-	-	-	-	-	457.4	-	-	-	52.5	-	-	-	4.2	-	-
4	Retail underlying	457.4	-	-	-	-	-	457.4	-	-	-	52.5	-	-	-	4.2	-	-
5	Of which STS	389.9	-	-	-	-	-	389.9	-	-	-	39.0	-	-	-	3.1	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex XXVII: Exposures to Securitisation Positions

13.5 UK SEC5: Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

Table 28 (UK SEC5): Exposures securitised by the institution - Exposures in default and specific credit risk adjustments		30 June 2026		
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
£m		a	b	c
1	**Total exposures**	**1,127.5**	**-**	**-**
2	**Retail (total)**	**1,127.5**	**-**	**-**
3	residential mortgage	1,127.5	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	**Wholesale (total)**	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

		31 December 2025		
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
£m		a	b	c
1	**Total exposures**	**851.9**	**-**	**-**
2	**Retail (total)**	**851.9**	**-**	**-**
3	residential mortgage	851.9	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	**Wholesale (total)**	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

14 Annex XXIX: Use of Standardised Approach and Internal Model for Market Risk

14.1 UK MR1: Market risk under the standardised approach

The 2% threshold set out in the UK CRR has not been met.

14.2 UK MR2A: Market risk under the internal Model Approach (IMA)

The Society does not use the Internal Model Approach for market risk.

14.3 UK MR2B: RWA flow statements of market risk exposures under the IMA

The Society does not use the Internal Model Approach for market risk.

14.4 UK MR3: IMA values for trading portfolios

The Society does not use the Internal Model Approach for market risk.

14.5 UK MR4: Comparison of VaR estimates with gains/losses

The Society does not use the Internal Model Approach for market risk.

15 Annex XXXVII: Interest Rate Risk in the Banking Book (IRRBB)

15.1 UK IRRBB1: Quantitative information on IRRBB

Table 29 (UK IRRBB1): Quantitative information on IRRBB		∆EVE		∆NII		Tier 1 capital	
		Jun-26	Dec-25	Jun-26	Dec-25	Jun-26	Dec-25
£m		a	b	c	d	e	f
010	*Parallel shock up*	(135.4)	(90.4)	(11.7)	14.6		
020	*Parallel shock down*	72.8	48.8	12.8	(13.4)		
030	*Steepener shock*	10.4	5.7				
040	*Flattener shock*	(45.3)	(28.1)				
050	*Short rates shock up*	(85.7)	(55.4)				
060	*Short rates shock down*	44.7	28.8				
070	**Maximum**	**(135.4)**	(90.4)	**(11.7)**	(13.4)		
080	**Tier 1 capital**					**1,773.1**	**1,720.5**

16 Contact Information

If you have any queries regarding this document, please contact:

Balance Sheet Management

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West Yorkshire

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17 Glossary and Abbreviations

Assets and Liabilities Committee (ALCO)	A Society Board level committee which oversees treasury policy, financial risk management, wholesale funding and liquidity.
Basel III Framework	Basel III is the third capital adequacy framework issued by the Basel Committee on Banking Supervision, which defines the capital and liquidity rules for banks and building societies. The framework has been embedded into UK law through the European Capital Requirements Directive V (CRD V).
Capital Requirements Directive (CRD)	Directives enacted by PS29/20 introduced by the PRA on the 28th December 2020 regarding access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.
Capital Requirements Regulation (CRR)	Regulation (EU) No 575/2013 of the European Parliament on-shored in the UK post-Brexit by the Withdrawal act regarding prudential requirements for credit institutions and investment firms.
Common Equity Tier 1 (CET1) capital	CET1 capital is the highest quality form of capital and comprises general reserves from retained profits, less the book values of any pension surplus, goodwill and intangible assets and other regulatory adjustments as defined under CRD V.
Common Equity Tier 1 (CET1) capital ratio	This is a regulatory ratio, calculated as the total of CET1 capital divided by Risk Weighted Exposure Amounts (RWEAs).
Counterparty Credit Risk	This is the risk that a customer or counterparty is unable to pay the interest or to repay the capital on a loan when required.
Covered bonds	Debt securities which are backed by a portfolio of mortgages which is segregated from the issuer’s other assets solely for the benefit of the holders of the covered bonds.
Credit quality steps	A credit quality assessment scale as set out in CRD V (risk weights under the Standardised Approach to credit risk).
Credit risk	The potential to incur losses from the failure of a borrower or counterparty to meet its obligation to pay interest or repay capital on an outstanding loan.
Credit risk mitigation	Techniques to reduce the potential loss in the event that a customer (borrower or counterparty) becomes unable to meets its obligations. This may include the taking of financial or physical security, the assignment of receivables or the use of credit derivatives, guarantees, credit insurance, set off or netting.

Glossary and Abbreviations

Credit Support Annex (CSA)	A Credit Support Annex is a legal document which regulates credit support (collateral) for derivative transactions. It is one of the four parts that make up an ISDA Master Agreement but is not mandatory. It is possible to have an ISDA agreement without a CSA but not normally a CSA without an ISDA agreement.
Default	Default occurs when a borrower is deemed unlikely to repay their loan or other amount due to the Society. This occurs when a borrower reaches a predefined arrears status.
Exposure At Default (EAD)	An estimate of the maximum loss that an entity might suffer if a borrower or other counterparty fails to meet their obligations at default.
External Credit Assessment Institution (ECAI)	An ECAI (for example Moody's, Standard and Poor's, Fitch) is an institution that assigns credit ratings to issuers of certain types of debt obligations as well as the debt instruments themselves.
Expected loss (EL)	A calculation to estimate potential losses on current exposures due to potential defaults in the next 12 months; the term is used in relation to exposures modelled under the Internal Ratings Based (IRB) approach and is derived from the multiplication of the PD, LGD and EAD.
Financial Conduct Authority (FCA)	The UK regulatory body responsible for conduct of business regulation and supervision of UK authorised firms. The FCA is also responsible for the prudential regulation of firms which do not fall within the scope of the PRA.
Financial Policy Committee (FPC)	An official committee of the BoE the primary role of which is to identify, monitor, and take action to remove or reduce risks that threaten the resilience of the UK financial system as a whole.
Group	The Society and its subsidiaries including entities under its control.
Internal Capital Adequacy Assessment Process (ICAAP)	The Group's own assessment, as part of CRD V requirements, of the levels of capital that it needs to hold in respect of regulatory capital requirements for risks it faces under a business-as-usual scenario and a variety of stressed scenarios.
Impaired Loans	Impaired loans are those loans where there is objective evidence that an impairment event has occurred, meaning that the Society does not expect to collect all the contractual cash flows or does not expect to collect them when they are contractually due.
Institution	An institution is defined in Article 1 of the Capital Requirements Directive (CRD) as a credit institution or investment firm. A credit institution is defined in Article 4 of the Capital Requirements Regulation (CRR) as an undertaking whose business is to take deposits or

	other repayable funds from the public and to grant credits for its own account. An investment firm is defined in Article 4 of the Markets in Financial Instruments Directive (Directive 2004/39/EC of the European Parliament and of the Council) as any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.
Interest rate risk	Interest rate risk is the exposure of a firm's financial condition to adverse movements in interest rates.
Internal Liquidity Adequacy Assessment Process (ILAAP)	The Group's own internal assessment of the level of liquidity that it needs to hold in respect of regulatory liquidity requirements in relation to a number of stressed scenarios.
Internal Ratings Based (IRB) Approach	An approach for measuring exposure to credit risk which is more sophisticated than the Standardised Approach, where an entity can calculate its own risk weights for certain assets. The IRB approach may be Foundation or Advanced. IRB approaches can only be used with the permission of the Prudential Regulation Authority.
Leverage Ratio	The leverage ratio calculation, specific to CRD V, is calculated as Tier 1 capital divided by total exposures (including on- and off-balance sheet items) without any consideration of underlying risk. The leverage ratio reinforces the risk-based capital requirements as a non-risk based 'backstop'. The UK leverage ratio is specific to the UK regulatory regime and only applies to financial institutions with deposits of £75bn or more however, it is monitored by the Society as part of its management information. The calculation excludes deposits with central banks from the leverage exposure measure.
Loan to Value (LTV)	A ratio which expresses the amount of a mortgage as a percentage of the value of the property on which the mortgage is secured. The Group calculates residential mortgage LTV on an indexed basis (the value of the property is updated on a quarterly basis to reflect changes in the house price index (HPI)).
Loans Past Due	Loans past due occur when a borrower has failed to make a payment when it is contractually due.

Glossary and Abbreviations

London Clearing House (LCH)	An independent rates and multi-asset clearing house. LCH are a central counterparty which facilitates the exchange of multiple types of transactions.
Loss Given Default (LGD)	A parameter used in relation to credit risk exposures modelled under the IRB approach; an estimate of the difference between the EAD and the net amount recovered, expressed as a percentage of the EAD.
Market risk	The risk that movements in market risk factors, including foreign exchange rates, interest rates and customer-driven factors will create losses or decrease portfolio values.
Maturity	The remaining time the borrower is permitted to take to fully discharge their contractual obligation (principal, interest and fees) under the terms of a loan agreement.
Minimum capital requirement	The minimum amount of regulatory capital that a financial institution must hold to meet the Basel III Pillar 1 requirements for credit, market and operational risk.
Minimum Requirements for Own Funds and Eligible Liabilities (MREL)	MREL is the minimum amount of equity and subordinated debt a firm must maintain to support an effective resolution.
Operational risk	The risk of loss arising from inadequate, inefficient or failed internal processes, human resources, systems or external events (for example fraud).
Pillar 1	The parts of CRD V which set out the minimum capital requirements for credit, market and operational risk
Pillar 2	Those aspects of CRD V which set out the process by which the Society should review its overall capital adequacy and the processes under which the regulators/supervisors evaluate how well financial institutions are assessing their risks and take appropriate actions in response the institutions' assessments.
Pillar 3	The part of CRD V governing the production of this document. It sets out information disclosures relating to risks, the amount of capital required to cover those risks, and the approach to risk management.
Potential future credit exposure (PFCE)	A measure defined as the maximum expected credit exposure over a specified period of time calculated at some level of confidence.
Probability of default (PD)	A measure of how likely a customer is to reach default over a defined period of time.

Glossary and Abbreviations

Provisions	Amounts set aside to cover incurred losses associated with credit risks.
Prudential Regulation Authority (PRA)	The UK regulatory body responsible for the prudential supervision of banks, building societies, insurers and a small number of significant investment firms.
Repurchase agreement (Repo)	A repurchase agreement allows a borrower to use a financial security as collateral for a cash loan at a fixed rate of interest. In a repo, the borrower agrees to sell a commitment to repurchase the asset at a specified price on a given future date. For the party selling the security and agreeing to repurchase the asset in the future, it is a reverse repo.
Residential mortgage backed securities (RMBS)	A category of asset backed security that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).
Risk Weighted Exposure Amounts (RWEAs)	A regulatory measure which adjusts the value of assets as recorded in the Statement of Financial Position to reflect the relative level of risk. This measure is used in calculating regulatory capital requirements. Also referred to as Risk Weighted Assets (RWA).
Securitisation	The process by which a group of assets (usually loans) is aggregated into a pool which is used to back the issuance of new securities. A company transfers assets to a special purpose entity which issues securities backed by those assets. The Society has established securitisation structures (using residential mortgages as assets) as part of its funding activities.
Society	Leeds Building Society.
Special Purpose Entity (SPE)	A legal entity (usually a limited company of some type or, sometimes, a limited partnership) created to fulfil narrow, specific or temporary objectives. In the context of the Society, the SPEs are used in relation to securitisation activities.
Standardised approach	The approach used to calculate credit risk exposures and the related capital requirements. The method uses parameters determined by the regulator rather than internally and is less risk sensitive than IRB approaches. This will generally result in a higher capital requirement.
Supervisory Review and Evaluation Process (SREP)	The PRA's assessment of a firm's own capital adequacy assessment (ICAAP) under Basel III Pillar 2.
Tier 1 capital	A measure of financial strength as defined by the PRA. Tier 1 capital is divided into Common Equity Tier 1 and other Tier 1 capital. Common Equity Tier 1 capital is defined above.

Glossary and Abbreviations

Tier 2 capital	A further component of regulatory and financial capital as defined by CRD V.

Appendices

Appendix A: Tables not Presented

Annex	Reference	Name	Reason for omission
XVI	UK CR2	Changes in the stock of non-performing loans and advances	The Society has a non-performing loans ratio below the 5% threshold for disclosure.
XVI	UK CR2A	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	The Society has a non-performing loans ratio below the 5% threshold for disclosure.
XVI	UK CQ2	Quality of forbearance	The Society has a non-performing loans ratio below the 5% threshold for disclosure.
XVI	UK CQ4	Quality of non-performing exposures by geography	Non-domestic exposures are below the 10% threshold (i.e. non-domestic exposures divided by total exposures) for disclosure.
XVI	UK CQ5	Credit quality of loans and advances to non-financial corporations by industry	As individual commercial loans could potentially be identified from this disclosure, for confidentiality reasons, in line with CRR article 432, table CQ5 has not been presented.
XVI	UK CQ6	Collateral valuation - loans and advances	The Society has a non-performing loans ratio below the 5% threshold for disclosure.
XVI	UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	The Society has a non-performing loans ratio below the 5% threshold for disclosure.
XXII	UK CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	The Society does not use credit derivatives to mitigate credit risk.
XXIV	UK CR10	Specialised lending and equity exposures under the simple risk weighted approach	The Society does not employ slotting for any specialised lending exposures.
XXVI	UK CCR4	IRB approach – CCR exposures by exposure class and PD scale	The Society does not use IRB for counterparty credit risk exposures.
XXVI	UK CCR6	Credit derivatives exposures	The Society does not use credit derivatives to mitigate credit risk.
XXVI	UK CCR7	RWEA flow statements of CCR exposures under the IMM	The Society does not use the Internal Model Method for CCR exposures.
XXVIII	UK SEC2	Securitisation exposures in the trading book	The Society does not have a trading book.
XXVIII	UK SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	The Society has securitised mortgage loans through Albion No.5 plc, Albion No.6 plc, Albion No.7 plc and Albion No.8 plc. There are no capital requirements for these securitisation exposures due to no significant risk transfer.
XXX	UK MR1	Market risk under the standardised approach	The 2% threshold set out in the UK CRR has not been met.
XXX	UK MR2A	Market risk under the internal Model Approach (IMA)	The Society does not use the Internal Model Approach for market risk.
XXX	UK MR2B	RWA flow statements of market risk exposures under the IMA	The Society does not use the Internal Model Approach for market risk.
XXX	UK MR3	IMA values for trading portfolios	The Society does not use the Internal Model Approach for market risk.
XXX	UK MR4	Comparison of VaR estimates with gains/losses	The Society does not use the Internal Model Approach for market risk.