

Financial Report



Summary Financial Statement

The directors have pleasure in presenting the Summary Financial Statement of the Society and its subsidiaries ('the Group') for the year ended 31 December 2021.

The Statement is a summary of information published in the audited Annual Accounts, Directors' Report and Annual Business Statement, all of which are available to members and depositors, on the Society's website: (leedsbuildingsociety.co.uk/reports) or on request at any branch, free of charge. The Independent Auditor's Report on the Society's full Annual Report and Accounts was unmodified.

Summary Directors' Report

The Summary Directors' Report for the year ended 31 December 2021 comprises the Chair's Statement on pages 4 and 5, and the Chief Executive Officer's Review on pages 6 to 9.

The directors have confirmed it is appropriate to adopt the going concern basis in preparing the financial statements.

Approved by the board of directors on 24 February 2022 and signed on its behalf by:

Iain Cornish
Chair

Richard Fearon
Chief Executive Officer

Andrew Conroy
Chief Financial Officer

Gross capital as a percentage of shares and borrowings

The gross capital ratio measures the proportion that the Group's gross capital bears to the Group's liabilities to holders of shares and borrowings. The Group's gross capital consists of profits accumulated over many years in the form of general reserves together with other reserves, revaluation reserves, subordinated liabilities and subscribed capital which cannot be repaid in priority to ordinary investors. Capital provides a financial cushion against difficulties that might arise in the Group's business and, therefore, protects investors.

Liquid assets as a percentage of shares and borrowings

The liquid assets ratio measures the proportion that the Group's assets held in the form of cash, short term deposits and other securities bears to the Group's shares and borrowings. Liquid assets are generally readily realisable, enabling the Group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

Profit for the year as a percentage of mean total assets

The profit/assets ratio measures the proportion that the Group's profit after taxation for the year bears to the average of the Group's total assets during the year. The Group needs to make sufficient profit each year in order to maintain its capital ratios at a suitable level to protect investors.

Management expenses as a percentage of mean total assets (cost to mean asset ratio)

The management expenses ratio measures the proportion that the Group's management expenses bear to the average of the Group's total assets during the year. Management expenses consist mainly of the costs of employing staff, running the Group's branches and offices, information technology costs, depreciation and amortisation. Expenses are controlled so that the Group operates as efficiently as possible while providing the service that members require.

Summary Financial Statement

Results for the Year 2021	2021	2020
	£m	£m
Net interest receivable	282.2	205.4
Other income and charges	5.3	8.2
Fair value losses on financial instruments	(0.5)	(16.8)
Management expenses	(126.0)	(100.4)
Impairment credit / (charge) on loans and advances to customers	4.1	(14.6)
Provisions charge	(1.4)	(1.1)
Operating profit and profit before tax	163.7	80.7
Taxation	(43.5)	(18.7)
Profit for the year	120.2	62.0

Financial position at the end of the year		
Assets:		
Liquid assets	3,646.8	2,974.8
Mortgages	18,303.0	16,752.5
Other loans	224.2	236.4
Derivative financial instruments	219.3	192.8
Fixed and other assets	120.4	483.2
Total assets	22,513.7	20,639.7

Liabilities and equity		
Shares	15,258.0	14,162.7
Borrowings	5,111.0	4,654.7
Derivative financial instruments	166.8	237.9
Other liabilities	136.6	188.2
Subordinated liabilities	339.4	–
Subscribed capital	227.3	241.5
Equity	1,274.6	1,154.7
Total liabilities and equity	22,513.7	20,639.7

Summary of key financial ratios	%	%
Gross capital as a percentage of shares and borrowings	9.04	7.39
Liquid assets as a percentage of shares and borrowings	17.90	15.81
Profit for the financial year as a percentage of mean total assets	0.56	0.30
Management expenses as a percentage of mean total assets	0.58	0.48

Summary Financial Statement

Independent auditor's statement to the members and depositors of Leeds Building Society

We have examined the Summary Financial Statement of Leeds Building Society and its subsidiaries (the Group) for the year ended 31 December 2021, which comprises the results for the year, financial position at the end of the year and summary of key financial ratios together with the Summary Directors' Report.

Respective responsibilities of directors and auditor

The directors are responsible for preparing this Member Magazine containing the Summary Financial Statement, in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Member Magazine with the full Annual Report and Accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

We also read the other information contained in the Member Magazine and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises the items listed on the contents page.

Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Report and Accounts, Annual Business Statement and Directors' Report. Our report on the Group's and Society's full Annual Report and Accounts describes the basis of our audit opinion on those full Annual Report and Accounts.

Opinion on Summary Financial Statement

In our opinion the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of Leeds Building Society for the year ended 31 December 2021 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made thereunder.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Section 76(5) of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, for our audit report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

24 February 2022