Our year so far in numbers

Half-year Results **2026**

Leeds Building Society

It's better to belong.

2026: Our Performance So Far

Gross residential lending

Total assets

Savings balances

Average savings rate[1]

Statutory profit before tax

Common Equity Tier 1 Capital

Member satisfaction[2]

Colleague engagement[3]

1. Source: CACI's CSDB, Stock, January 2026 to May 2026, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market. **2.** Overall member satisfaction in a survey of 1,628 members from January to June 2026. The figure at December 2025 has been restated from the 2025 Annual Report and Accounts due to a more demanding measurement approach introduced to reflect our ambition for high service standards. **3.** Your Voice colleague survey, 1,557 respondents (84% response rate) in July 2026.

Chief Executive Officer's Review

At Leeds Building Society, supporting people to have a place to call home and build their financial resilience is at the heart of everything we do. During the first half of 2026, we continued to make meaningful progress towards that purpose while delivering a solid financial performance in line with expectations.

Our rate of growth in the first half of 2026 reflects the deliberate investment choices we have made, including the multi-year modernisation of our core technology platform, which is now in the build phase. We support around one million members across the UK and as we grow, our technology needs to adapt and develop to meet their expectations. Our investment is setting us up for continued success by simplifying processes and enabling us to respond to market conditions, further improving the digital experience and ultimately delivering long-term value for members, colleagues and intermediary partners.

Our balanced approach is reflected in our financial performance. During the first half of 2026, total savings balances increased to £26.4 billion (31 December 2025: £26.1 billion) and gross mortgage lending remained positive at £2.0 billion (30 June 2025: £2.6 billion) reflecting our disciplined underwriting. We delivered a profit before tax of £70.7 million (30 June 2025: £104.4 million, 31 December 2025: £198.6 million), in line with our expectations, while maintaining total regulatory capital comfortably above regulatory requirements at £1.8 billion (31 December 2025: £1.7 billion). Our Common Equity Tier 1 (CET1) capital ratio was 24.6% at 30 June 2026 (31 December 2025: 25.5%).

Supporting more people into homes is central to everything we do, and we believe that innovation should remove barriers, rather than increase risk. By combining responsible lending with products focused on member's needs, we're able to help more people take confident steps onto and up the housing ladder. We recently launched our Start mortgage range, offering up to 98% loan-to-value. The range is designed to address the affordability barriers faced by first-time buyers, primarily the very real struggle of saving for a deposit. The range combines a high loan-to-value with competitive income requirements, including a minimum income threshold of £30,000, and a maximum loan size of £500,000, allowing borrowers to responsibly access loans worth up to five times their income.[4] We also introduced our first loyalty mortgage account during the period, rewarding members who remain with us at the end of their current term with £200.

As people's lives change, so do their housing needs. In fact, our research found that 60%[5] of buyers who bought their first home in the previous five years now need another bedroom to accommodate their growing families. We listened and in April expanded our Income Plus range to help members to move up the property ladder as well as get on it. The changes mean that both first-time buyers and "next steppers" can access six times loan to income if they have a minimum income of £75,000, subject to responsible lending assessments.

It's through innovation like this that we have been able to support a total of 6,450 first-time buyers into home ownership during the first half of 2026 (June 2025: 9,600). Behind every one of those numbers is a household beginning a new chapter in their lives, which is exactly the outcome we exist to deliver.

Our approach to innovating whilst continuing to lend sensibly is reflected in the quality of our mortgage book, with arrears[6] remaining low at 0.57% (December 2025: 0.57%).

Supporting borrowers is only one side of our mutual model. Savings members entrust us with their money which enables us to support our mortgage lending, and we're committed to delivering value for them by offering competitive savings products. We welcomed 33,000 new savings members to the Society during the first half of the year (30 June 2025: 55,000), reflecting continued trust members place in us. This is

[4] Details can be found on our website www.leedsbuildingsociety.co.uk/intermediaries/products/first-time-buyer-mortgages.
[5] Nationally representative research of 401 first-time buyers who purchased their first property within the last five years. Research conducted in March 2026.
[6] Greater than or equal to 3 months in arrears.

testament to the strength of service and of our savings proposition, with rates 0.8% above the market average, generating an extra £88.5 million in interest for our members during the first five months of 2026.[7]

Whilst digital progress is important, face-to-face interactions with members across our UK-wide branch network remain central to us. In fact, our report into the social value of branches, in partnership with the Building Societies Association and published earlier this year, revealed our branches contribute up to £286 million in wider social value. Our branch and contact centre colleagues play a really important role in supporting members through some of life's biggest financial decisions, and we're continuing to invest into our network and refurbish branches at a time when many banks are doing the opposite.

I'm proud of all that we have delivered in the first half of 2026, particularly the dedication and commitment shown by colleagues across the Society. Their professionalism and willingness to embrace change continues to underpin everything we have achieved. We are an inclusive organisation and are committed to supporting our colleagues to develop, a commitment that was recognised this year when we were listed as 'One to Watch' in The Times Top 50 Employers for Gender Equality.

As well as supporting members, we have a responsibility to the communities around us. Our partnership with Barnardo's continues to help young people across the UK with experience of the care system, and we have now raised over £500,000 for them, exceeding our initial fundraising target of £300,000. I'm also proud that our colleagues have donated over 2,000 volunteering hours so far this year, supporting a range of charitable organisations across the country. The Leeds Building Society Foundation has also supported charities in line with our aims as a business, with £171,000 awarded in large and small grants so far in 2026 helping people into safe and secure homes.

Looking ahead we see significant opportunity, despite economic uncertainty. Our financial strength and focused strategy mean that we are well positioned not only to navigate change, but to shape our future by making decisions that balance purposeful lending with sustainable growth. Together we are building a stronger Society that is well placed to take opportunities and enhance its existing propositions, creating lasting value for members for generations to come.

[7] Source: CACI's CSDB, Stock, January 2026 to May 2026, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market.

2026 First Half Key Performance Indicators

Leeds Building Society is the fifth largest building society in the UK, with assets of £32.9 billion. As a mutual organisation we are owned by our members and we strive to act in their best interests as well as those of our wider stakeholders, both now and over the long term.

Our purpose is '**Putting homes within reach of more people – generation after generation**' and we've now been doing that for over 150 years. Like our founders, we believe more people should have the security of owning their own home. We are committed to supporting our members onto and up the housing ladder, as well as supporting them to remain in their home when faced with financial uncertainties. 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 productivity, harnessing the power of our colleagues and technology.

Each strategic driver is designed to deliver on our purpose by addressing the most important challenges and opportunities facing our members and society. They connect, feed into, and support each other, creating a responsive, innovative, and purpose-led strategy.

We measure our performance against our strategic drivers using a number of key performance indicators (KPIs), including both financial measures, as defined under International Financial Reporting Standards (IFRS), and non-financial measures. Alternative Performance Measures (APMs) used below are in common usage across the financial services industry and are useful in explaining the performance of the business. The APMs are defined on page 221 of the 2025 Annual Report and Accounts.

The KPIs for the first half of 2026 are shown below. The KPIs are the same as those used in the 2025 Annual Report and Accounts and comparative figures are shown for the full year unless otherwise stated.

First time buyers	**6,450** Six months to June 2025: 9,600	The Society remains committed to supporting first time buyers and helping more people take their first step onto the property ladder, in line with our purpose. During the year to date, first time buyers represent almost half of our new mortgage members. During the first half of 2026, we have expanded our Income Plus offering, making it more accessible through enhanced affordability and minimum income requirements, to further support first time buyers in buying their first home.
Profit before tax	**£70.7m** Six months to June 2025: £104.4 million	The Society continues to deliver robust profitability in a challenging economic environment. Profit was lower than in the first half of 2025, mainly reflecting margin compression from greater market competition, together with increased investment in technology and digital capabilities to support members over the long term. Profit before tax excluding transformation costs was £87.0 million (£116.6 million six months to June 2025.)

2026 First Half Key Performance Indicators (continued)

Net interest margin APM	**1.17%** Six months to June 2025: 1.26%	Our net interest margin has reduced compared to the same period last year. Higher-margin mortgages are maturing and being replaced with new loans at lower margins in an increasingly competitive market, which is placing downwards pressure on margins. We remain focused on offering fair and attractive value to members, while continuing to support sustainable growth.
Cost to income ratio APM	**58.8% (50.6%*)** Year to December 2025: 52.2% (46.1%*) * Excluding transformation costs	The Society's cost ratios increased in the six-month period, driven by inflation-related rises and the increase in strategic investment to prepare the Society for future change. The increase is also reflective of a 4.4% fall in total income. There has been an increase in the level of investment into our multi-year technology transformation programme, which will support the evolving needs of members and strengthen the long-term resilience of the Society. We continue to operate in a value conscious way and are always looking to identify appropriate efficiencies to mitigate the inflationary pressures whilst at the same time investing thoughtfully for the long-term future of the Society.
Cost to mean asset ratio APM	**0.72% (0.62%*)** Year to December 2025: 0.68% (0.60%*) * Excluding transformation costs	
Common Equity Tier 1 (CET1) ratio	**24.6%** 31 December 2025: 25.5%	Our CET1 ratio remains strong and in line with the prior period. The Society remains in excess of all capital regulatory requirements and we are at the upper end of CET1 ratios, which makes us well placed to meet any future requirements and future investment strategies.
Colleague engagement score[8]	**7.8 (out of 10)** Year to December 2025: 8.4	Our colleague engagement score is in line with industry benchmarks as we accelerate our transformation programme. We're committed to enabling our colleagues to perform at their best to successfully deliver our purpose.
New (gross) residential lending APM	**£2.0 billion** Six months to June 2025: £2.6 billion	Our purpose-focused product proposition has allowed us to support 13,000 new mortgage members in their home ownership aspirations, with almost half being first time buyers.
Net residential lending APM	**£0.0 billion** Six months to June 2025: £1.2 billion	Net lending for the first half of 2026 was flat as the positive levels of new gross lending were offset by mortgage redemptions. This reflects our disciplined approach to new business pricing and a deliberate strategy to prioritise margin over volume amid a highly competitive and price sensitive market. We remain well positioned for the second half of the year as market conditions evolve.

[8] Your Voice colleague survey, 1,557 respondents (84% response rate) in July 2026.

2026 First Half Key Performance Indicators (continued)

Number of days from mortgage application to offer	**11 days** Year to December 2025: 11 days	We continue to deliver a strong and consistent service for our mortgage members, as shown by the time between receiving a mortgage application and making an offer.
Broker Net Promoter Score (NPS)	**65 out of 100** Year to December 2025: 63	Our broker NPS remains high as we continue to focus on the broker experience and a streamlined process for issuing offers.
Savings balances	**£26.4 billion** 31 December 2025: £26.1 billion	Customer savings are our primary source of funding and we have gained 33,000 new savings members so far this year. We had a great ISA season which was supported by a successful marketing campaign and as a result we recorded the five best days ever for savings inflows into the Society.
Extra savings interest	**Extra £88.5 million in interest during the first 5 months of the year [9]** January to May 2025: £88.8 million	We consistently pay above average market rates to our savers, paying an average of 3.6% compared to the rest of market average of 2.8%.
Member satisfaction[10]	**87%** Year to December 2025: 87%	Providing an outstanding experience for our members continues to be a key priority for the Society.

[9] Source: CACI's CSDB, Stock, January 2026 to May 2026, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market.

[10] Overall member satisfaction in a survey of 1,628 members from January to June 2026. The figure at December 2025 has been restated from the 2025 Annual Report and Accounts due to a more demanding measurement approach introduced to reflect our ambition for high service standards.

Financial and Business Review
for the six months ended 30 June 2026

Overview
During the first half of 2026, we supported our members with a broad range of competitively priced products, reinforcing our purpose of putting homes within reach of more people, generation after generation. Net lending has remained flat during the year to date, but this reflects our disciplined approach to new business pricing and our deliberate focus on margin over volume in a highly competitive and price-sensitive market.

We continue to put members first while maintaining a sustainable and secure Society, despite volatile trading conditions, conflict in the Middle East, a weaker economic outlook and UK political uncertainty creating a challenging operating environment. The Society is proud of its ability to continue to trade well within a volatile environment.

The Society remains in a strong financial position, supported by a robust capital base, sustainable profitability and a resilient funding profile. This financial strength provides a solid foundation from which to support members, invest in strategic priorities, and navigate the economic and market uncertainty.

Income Statement
We have achieved a statutory profit before tax for the period of £70.7 million (30 June 2025: £104.4 million) which is in line with our Board approved plan for the first six months of the year.

Throughout 2026 we have continued to maintain a focused approach to cost management across the Society, ensuring that expenditure remains carefully controlled whilst supporting a significant volume of investment in our strategic priorities. A key focus of the Society continues to be investing in our technology and digital capabilities to support the evolving needs of members and strengthen the long-term resilience of the business.

The Income Statement for the six months to 30 June 2026 is summarised below:

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Net interest income	**187.4**	201.1	402.5
Fees, commissions and other income	**3.3**	10.4	14.9
Fair value gains/(losses)	**6.5**	(1.0)	(4.9)
Total income	**197.2**	210.5	412.5
Management expenses	**(116.0)**	(104.8)	(215.3)
Impairment charge on loans and advances to customers	**(7.3)**	(2.2)	(0.1)
Impairment of property, plant and equipment and intangible assets	**-**	(0.2)	-
Other provisions (charge)/release	**(3.2)**	1.1	1.5
Profit before tax	**70.7**	104.4	198.6
Tax expense	**(16.4)**	(25.0)	(53.1)
Profit after tax	**54.3**	79.4	145.5

Financial and Business Review (continued)
for the six months ended 30 June 2026

Net interest income

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Net interest income	**187.4**	201.1	402.5
Mean total assets	**32,430.4**	31,818.0	31,787.5
	%	%	%
Net interest margin	**1.17**	1.26	1.27

We continue to launch innovative products for first time buyers and have extended our Income Plus product to home movers and those remortgaging. We are also offering cashback to those members who choose to stay with us and transfer to a new product at the end of their current deal.

Against a backdrop of interest rate volatility in both the mortgage and savings markets, and high levels of competition placing downward pressure on margins, net interest income has fallen to £187.4m (30 June 2025: £201.1 million), with net interest margin at 1.17% (6 months to 30 June 2025: 1.26%).

In addition to the margin compression experienced on new lending, the Society continues to see the natural evolution of its mortgage portfolio as higher margin mortgages originated in previous years reach maturity and are replaced by new lower margin lending written in an even more competitive mortgage environment.

To support net interest margin and stability of earnings, we continue to use structural hedging and during the six month period our net interest income has benefitted from income generated from the fixed interest rate instruments that are designated in the hedge.

Fees, commissions and other income

In January 2025 we successfully repurchased Senior Non-Preferred notes at a discounted rate which gave a £6.8 million gain in the other income balance for that period. The amount reported for fees, commissions and other income during the year to date is £3.3 million and does not include any one-off transactions.

Fair value gains and losses

We hold certain financial assets and liabilities at their current fair value, defined as the value an independent third party would be willing to pay or receive, and the movement in this fair value is recognised in profit or loss.

During the six months to June 2026, we recognised a fair value gain of £6.5 million (six months to June 2025: £1.0 million loss), from the movement in market rates. These gains have largely been recorded on swaps transacted to manage interest rate risk associated with the fixed rate mortgages and savings products. We continue to manage volatility and mitigate some of the impact of fair value movements using cash flow hedge accounting.

Management expenses

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Colleague costs	**57.3**	55.8	114.2
Other administrative expenses	**36.3**	31.2	64.1
Depreciation and amortisation	**6.1**	5.6	11.7
Ongoing management expenses	**99.7**	92.6	190.0
IT transformation spend	**16.3**	12.2	25.3
Total management expenses	**116.0**	104.8	215.3

	%	%	%
Cost to income ratio APM	**58.8**	49.8	52.2
Cost to income ratio excluding IT transformation spend	**50.6**	44.0	46.1
Cost to mean asset ratio APM	**0.72**	0.66	0.68
Cost to mean asset ratio excluding IT transformation spend	**0.62**	0.58	0.60

During the first half of 2026, as expected, we have continued to increase the level of investment into our multi-year technology transformation programme. This contributes 14.1% of the total management expenses.

Ongoing management expenses increased by £7.1 million (7.7%) compared with the first half of 2025. Colleague costs rose in line with inflation, while headcount remained broadly flat. The increase in other administrative expenses reflects strategic investment to prepare the Society for a changing operating environment, alongside higher regulatory fees. Despite these increases, we remain focused on cost discipline, identifying appropriate efficiencies while investing carefully in the Society's long-term future.

Impairments and provisions

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Residential loans	**(7.3)**	(2.2)	-
Commercial loans	**-**	-	(0.1)
Total impairment charge on loans and advances to customers	**(7.3)**	(2.2)	(0.1)
Other impairments and provisions	**(3.2)**	0.9	1.5
Total impairments and provisions (charge)/ release	**(10.5)**	(1.3)	1.4

Residential impairment

We make provisions for expected credit losses (ECL) across all loans, based on the probability of each loan defaulting and resulting in a loss, while considering a range of assumptions about future economic scenarios and an assessment of whether the credit risk of the loan has increased.

The quality of the Society's mortgage book remains high and arrears levels continue to be stable. The Society's mortgage portfolio continues to perform resiliently overall, reinforced by responsible lending practices and close member relationships. Supporting members through periods of financial pressure remains a key priority for the Society. At 30 June 2026, 0.57% (December 2025: 0.57%) of borrowers were greater than or equal to 3 months in arrears.

Heightened geopolitical uncertainty and evolving risks from the conflict in the Middle East have weighed on market confidence, resulting in a more subdued economic outlook. Our updated macroeconomic scenarios for impairment provisioning reflect expectations of a near term increase in inflation, with the Bank of England base rate rising in the short term before easing as inflationary pressures moderate. Gross domestic product (GDP) growth is expected to be weaker than previously anticipated, before strengthening gradually in the outer years, while unemployment is projected to increase in the near term before declining as economic conditions improve. The geopolitical environment remains incredibly volatile and the Society continues to monitor geopolitical and economic uncertainties.

The key judgements and estimates involved in the calculation of impairment loss provisions, including the use of post model adjustments (PMAs), are set out in note 2 on pages 26 to 33.

A residential impairment charge of £7.3 million was recorded in the first half of 2026 (30 June 2025: £2.2 million release), primarily driven by updated macroeconomic scenarios and a fall in UK house prices[11]. Total balance sheet impairment loss provisions against residential mortgages at 30 June 2026 were £50.0 million (31 December 2025: £43.7 million).

Other provisions

During the period, a provision of £2.1 million was recognised for costs associated with supporting the Society's restructuring activity which will ensure that it has the skills and capabilities needed to remain robust, stable and successful in the future.

A further £1.1 million has been recognised in the period in respect of remediation activity.

Balance sheet

Assets

Total assets have increased by £0.9 billion (2.9%) since December 2025 which was driven by an increase in liquid assets.

Loans and advances to customers

	30 June 2026 (Unaudited) £M	30 June 2025 (Unaudited) £M	31 December 2025 (Audited) £M
Residential mortgages	**25,703.5**	25,638.8	25,864.3
Commercial mortgages	**2.9**	3.2	3.1
Other loans	**136.4**	142.4	138.9
Impairment provision	**(50.1)**	(46.8)	(43.8)
Loans and advances to customers	**25,792.7**	25,737.6	25,962.5
	%	%	%
Proportion of mortgages in arrears[12]	**0.57**	0.56	0.57
Proportion of mortgages in arrears (UK)[11]	**0.55**	0.55	0.56
Balance-weighted average LTV of mortgage book	**56.1**	54.9	54.9
Balance-weighted average LTV of new lending	**70.0**	67.1	66.8

[11] Based on quarterly house price index (HPI) updates for both Q4 2025 and Q1 2026.
[12] Greater than or equal to 3 months in arrears.

Financial and Business Review (continued)
for the six months ended 30 June 2026

The Society's purpose is to support people into homes, with a particular emphasis on first time buyers and affordable home ownership products such as shared ownership. The composition of our mortgage book reflects our segmental lending strategy of recent years, with mainstream owner-occupied making up the significant proportion of the book alongside a strong weighting of shared ownership. Buy to let remains important to us and supports our purposeful lending strategy.

Despite increased levels of competition in the mortgage market during the first half of 2026, our gross new lending during the period was £2.0 billion. With marginally lower new lending and a higher volume of maturities, net lending has been flat in the first half of the year. A strong pipeline of lending will support mortgage growth throughout the remainder of 2026.

We continue to launch new innovative products to support our first time buyers and have enhanced our Income Plus range to support more people into homes, including home movers and those remortgaging. Additionally, we have launched attractive cashback offers for product transfers.

The average loan to value (LTV) of new lending in 2026 was 70.0% (December 2025: 66.8%), reflecting our focus on purposeful lending, and our overall book LTV is currently 56.1% (December 2025: 54.9%).

Liquid assets

	30 June 2026 (Unaudited) £M	30 June 2025 (Unaudited) £M	31 December 2025 (Audited) £M
Liquid assets	**6,545.2**	5,593.0	5,450.5
	%	%	%
Liquidity Coverage Ratio	**261**	181	197
Liquid assets as a percentage of shares and borrowings	**21.5**	19.0	18.5

Our liquid assets balance increased by £1.1 billion in the six month period, primarily due to an increase in funding from our savings members and wholesale debt issuances.

Liquid assets are principally held in deposits at the Bank of England, investments in UK government securities, and investments in other securities. The level of liquidity required is closely monitored and considers forecasted and stressed outflows on a dynamic basis; this provides us with protection and flexibility considering the uncertain economic environment.

Due to the increased liquid assets balance we have maintained a strong liquidity position throughout the financial year to date and as at 30 June 2026, our Liquidity Coverage Ratio (LCR) was 261% (31 December 2025: 197%), which was significantly above minimum regulatory requirements (100%). The quality of liquid assets remains very high with 100% of our portfolio rated A or above (2025: 100%).

Liabilities

Our total funding has increased by £1.0 billion in the year to date with a 1.2% increase in retail savings balances as we continue to offer competitive savings products.

Funding

	30 June 2026 (Unaudited) £M	30 June 2025 (Unaudited) £M	31 December 2025 (Audited) £M
Shares (retail savings)	**26,394.5**	25,517.9	26,069.9
Wholesale funding	**4,064.5**	3,967.1	3,376.9
Total funding	**30,459.0**	29,485.0	29,446.8
	%	%	%
Wholesale funding as a proportion of total borrowing	**13.3**	13.5	11.5

Shares (retail savings)

Our savings balances continue to grow, reflecting continued confidence from our members, as well as reflecting the strength of our savings proposition. We have had a successful ISA season seeing the five best days ever for inflows into the Society in our history. This means we are well funded, giving us greater flexibility to be more selective and strategic in how we compete in the market going forward.

Our competitive savings propositions continue to see members utilising our online channel and our branches remain extremely popular with savers. We consistently pay above average market rates to our savers, paying an average of 3.6% compared to the rest of market average of 2.8%.

Our savings members play a key role in allowing us to achieve our purpose and we remain dedicated to providing them with a secure and rewarding place for their money. The Society is also preparing to enhance our digital offering through the upcoming launch of our mobile app, providing greater flexibility and convenience alongside our traditional channels, to enhance the experience for all our savers.

Wholesale funding

Wholesale funding as a proportion of total borrowing is at 13.3% following the successful completion of two wholesale debt issuances during the financial year to date. These comprise of a £500 million covered bond and £350 million of residential mortgage backed securities (RMBS)[13]. The deals were positively received by the market and were priced competitively relative to comparable offerings.

We maintain robust credit ratings from two key agencies reflecting our strong capital base, sustainable profitability and robust funding position. These ratings are unchanged from 31 December 2025.

	Long term senior unsecured	**Short term deposits**	**Outlook**
Moody's	A3	P-2	Stable
Fitch	A-	F1	Stable

[13] Issued via Albion No.8 PLC.

Regulatory capital

Capital	30 June 2026 (Unaudited) £M	30 June 2025 (Unaudited) £M	31 December 2025 (Audited) £M
Common Equity Tier 1 (CET1) capital	**1,773.1**	1,664.1	1,720.5
Tier 2 capital	**6.7**	9.7	10.5
Total regulatory capital	**1,779.8**	1,673.8	**1,731.0**
Senior non preferred notes	**309.8**	428.3	429.0
Total MREL Eligible Resources	**2,089.6**	2,102.1	**2,160.0**
Risk-weighted assets (RWAs)	**7,215.8**	6,444.4	**6,735.3**
CRD V capital ratios	**%**	%	**%**
CET1 ratio	24.6	25.8	25.5
Total capital ratio	24.7	26.0	25.7
Total MREL ratio	29.0	32.6	32.1
UK leverage ratio[14]	5.7	5.5	5.7

We hold capital to protect members against unexpected future losses. As we grow our mortgage book, the amount of capital we need to hold to meet regulatory requirements increases.

We maintained a strong capital position throughout the period, with all capital ratios materially more than the regulatory minima. Our total capital ratio was 24.7% at 30 June 2026 (31 December 2025: 25.7%). We have used the Internal Ratings Based (IRB) approach to calculate our capital requirement for most of our residential mortgage book since 2018.

The total capital ratio fell during the first six months because risk-weighted assets increased. This was driven by both an increase to high-LTV stock to reflect the Society's purposeful lending, and changes in the post model adjustment that is in place to reflect the expected impact of IRB regulatory change programmes. Our CET1 ratio is at the upper end of our target.

[14] The UK leverage ratio represents the UK regulatory regime, which excludes deposits with central banks from the leverage exposure measure. The UK regime does not apply to the Society as the applicable threshold set by the regulator (>£75 billion of retail deposits) is considerably in excess of the Society's balance.

Responsible Business

Climate impact

We are taking positive action to deliver against our climate ambitions, transition plan and near-term science-based targets, which cover our full value chain across scope 1, 2 and 3 emissions. Further information can be found on page 43 of the Society's 2025 Annual Report and Accounts.

Key focus areas during the first half of 2026 have been:

- Ongoing refurbishment of the branch network in line with our property strategy, which will enhance the energy efficiency of our properties.
- Engaging industry bodies regarding plans to decarbonise the UK's housing stock and collaborating with third parties to help support members towards net zero.
- Development of an appropriate response plan to meet enhanced regulatory expectations in relation to climate risk management, under SS5/25.

Sustainable communities

We continue to support charities that align with our purpose, and this year to date we have donated over £590,670 to communities through a combination of direct giving, colleague fundraising, match funding and volunteering incentives.

Colleague fundraising continues to make a meaningful contribution, with the Society matching funds raised to increase the overall support for good causes. Colleagues have also given over 2,000 hours of time to support charities in the first half of 2026, with volunteering incentives providing additional funding to organisations while enabling colleagues to make a difference in their communities.

We remain committed to supporting care-experienced young people through our headline charity partner, Barnardo's, recognising that 1 in 3 experience homelessness within two years of leaving care. So far in 2026, we have donated £172,948 to Barnardo's, including £15,168 raised through our two-year Barnardo's Bond. This takes the total raised for Barnardo's to over £500,000 since our partnership began, surpassing our target ahead of schedule.

In addition to direct charitable giving, the Society has donated £370,765 to Leeds Building Society Foundation. This includes a £300,000 Society donation, £61,631 through Your Interest in Theirs, and £9,134 linked to our Annual General Meeting, where the Society donates to charity based on member voting participation.

The Foundation continues to support charities helping people in need of a safe and secure home. So far in 2026, £171,000 has been awarded in grants to UK registered charities. This includes £145,000 in large grants to three organisations, and £26,000 in small grants to eleven organisations, enabling a wide range of community groups to deliver vital support to those who need it most.

We remain committed to supporting communities through both financial contributions and colleague engagement, and we look forward to building on this progress in the second half of the year.

Risk Management Report
for the six months ended 30 June 2026

Our purpose of 'Putting homes within reach of more people – generation after generation' can only be achieved if risks are identified, understood and managed effectively. By understanding the nature of our risks, we can make informed decisions to support delivery of our strategic objectives and protect our longer-term viability and members' interests.

Enterprise Risk Management Framework

To ensure that risks are appropriately managed across the organisation, we operate a Board approved Enterprise Risk Management Framework (ERMF), which sets out a structured approach to identifying, assessing, controlling and monitoring risks.

Further information on our ERMF and its key components can be found on page 59 within our 2025 Annual Report and Accounts (ARA).

Risk profile

The risks that the Society is exposed to fall into two separate categories:

1. Principal risks

We have identified eight principal risks, which are inherent within our strategy and have the potential to significantly impact performance or viability. These principal risk categories are outlined below and remain consistent with those disclosed within the 2025 Annual Report and Accounts.

Principal Risk	Risk Description
Credit Risk	The risk that residential borrowers or wholesale counterparties fail to meet their financial obligations.
Funding and Liquidity Risk	The risk of insufficient funds to meet obligations as they fall due or the inability to access funding at a reasonable cost.
Market Risk	The risk that movements in interest rates or foreign currency adversely impact our capital and earnings.
Capital Risk	The risk that the Society has insufficient quality or quantity of capital resources to meet current or future regulatory and business requirements.
Model Risk	The risk of adverse consequences from model errors or the inappropriate use of modelled outputs.
Operational Risk	The risk of financial or reputational loss from inadequate or failed internal processes, people and systems or from external events. This incorporates resilience risk, which is the inability to maintain important business services in response to unexpected or adverse events.
Conduct Risk	The risk that actual or potential customer detriment arises, or may arise, from the way the Society conducts its business.
Strategic/ Business Risk	The risk that the Society fails to formulate or execute an appropriate strategy and business model in response to the external environment, threatening our longer-term viability.

Further detail on the Society's principal risks and how they are managed is available on pages 63 to 85 of our 2025 Annual Report and Accounts.

2. Emerging risks

Emerging risks are new or evolving risks where the impact is uncertain, but they have the potential to materially impact the Society's performance or strategic objectives.

When assessing emerging risks, we consider the likelihood of the risk materialising and the potential impact on our business strategy and stakeholders. These risks are considered by the board and the Board Risk Committee (BRC) on an ongoing basis, as part of our strategic and business planning processes.

2. Emerging risks (continued)

The most significant emerging risks are described below, together with key developments and a summary of actions we are taking to manage the risk.

Macroeconomic and Geopolitical risks:	
Overview	**Mitigating actions**
• Ongoing geopolitical instability, including the conflict in the Middle East, continues to evolve and affect global markets, energy prices and market sentiment. • The full effects of this conflict and others remain uncertain and will take time to flow through, with impacts dependent on the speed of resolution. • Under this backdrop expectations for the UK economy are weaker growth, inflationary pressures and rising unemployment. These conditions present downside risks to member affordability, mortgage demand, arrears performance and house prices. • Further uncertainty regarding the UK economy has emerged following the appointment of the new Prime Minister and cabinet. Potential economic and policy implications will become clearer during H2 2026.	• Horizon scanning and close monitoring of key geopolitical events, economic data and forecasts to support timely management response. • Establishment of an appropriate corporate plan with performance closely monitored by management and the Board against trading ranges, early warning indicators and triggers. • Robust levels of capital and liquidity to absorb periods of economic volatility, supported by frequent stress testing and sensitivity analysis to understand the impacts on our balance sheet through our ICAAP and ILAAP assessments. • Close monitoring of our lending portfolios (retail and wholesale) and regular review of credit policies/ criteria and affordability assessments to ensure they remain appropriate for prevailing conditions. • Pre-delinquency strategies to proactively engage members who may find themselves in financial difficulty.

Competition and Customer risks:	
Overview	**Mitigating actions**
• We operate in highly competitive markets, increasing the risk of a loss of market share, reduced revenue, and lower profitability. • During H1, 2026 competition from larger financial institutions heightened, with new market entrants also offering market leading rates or switching incentives to attract market share. • Customer expectations and increased use of digital channels are changing the way the Society's products and services are designed and distributed. There is a risk that our propositions do not adapt with the pace of change or attract new members.	• The competitive landscape is regularly reviewed, and our product proposition updated accordingly. • Competition risks are considered as part of our strategic / business planning activities, which set the future path for strategic investment and development to ensure that we can adapt accordingly. • Further investment is being made in our technology, service and digital capabilities to support our product offering, customer journeys and future scalability and flexibility.

Risk Management Report (continued)

for the six months ended 30 June 2026

2. Emerging risks (continued)

Operational resilience risk:	
Overview	**Mitigating actions**
• Operational resilience remains a key emerging risk, reflecting the growing complexity and interdependence of the Society's operating environment. • A significant operational risk event, such as a cyber-attack, third-party failure, data loss or service outage, could disrupt important business services and result in customer harm, financial or regulatory impacts, or reputational damage. • Artificial Intelligence (AI) and Frontier AI capabilities present an emerging and fast-evolving cyber-threat that will require the Industry and Society to adapt. • Resilience to such threats and an ability to respond effectively remain essential to maintain service delivery and the trust of our members and the confidence of regulators.	• Resilience risks are monitored and managed through our Operational Resilience Framework, which includes regular scenario testing for potential resilience events. • Operational resilience and crisis management processes are in place to ensure that our important business services can recover in a timely manner in the event of disruption. • We continue to invest in our IT security and operational controls to improve overall resilience and our ability to respond to these evolving threats. The controls already in place to mitigate against cyber-attacks are regularly validated through testing by external security specialists to ensure that they remain appropriate and evolving AI threats are being tracked and actions taken in response, in addition to the broader AI risk noted below. • We frequently assess the risks posed by third parties, as well as the effectiveness of the services provided, to mitigate the potential for operational disruption.

Change risk:	
Overview	**Mitigating actions**
• Our change portfolio includes the delivery of a multi-year technology programme, other strategic initiatives and new regulatory requirements. • The volume of change activity could lead to increased execution, operational and people risks. • Failure to appropriately prioritise and deliver change on time and within agreed budgets may also inhibit our ability to achieve our purpose or strategic objectives.	• We continue to prioritise, manage and implement change in line with our strategic plans while assessing execution risks and taking appropriate mitigating action. • In addition, we continue to invest in our change management processes, leadership and colleague capabilities, change capacity, and governance to better control the execution risks associated with large scale change. • Major change projects are subject to close monitoring and governance through our Executive Transformation Committee, with regular assurance also provided to the Board.

Risk Management Report (continued)
for the six months ended 30 June 2026

2. Emerging risks (continued)

Emergent technology risk:	
Overview	**Mitigating actions**
• The rapid advancement of AI, as well as developments in quantum computing and other digital technologies presents both opportunities and material risks for the Society and the broader financial services sector. • Key risks include model risk (e.g. bias and discrimination or models not operating as intended), data privacy and security (improper handling of data through AI processes), cyber security (exploitation of AI systems by malicious parties) and accuracy / transparency risk (AI systems trained on inaccurate data sources). • Given the pace of AI development externally, there is a risk that the Society may fall behind others and/or not benefit from efficiencies and Member service improvements that AI can deliver.	• We continue to monitor the development of these new AI technologies, including the speed of competitor uptake, to understand how they can be incorporated into our operations. • During H1, 2026, we have strengthened our AI risk posture through the rollout of a formal governance, enhanced guardrails and controls across the AI lifecycle. In parallel, we have delivered a structured pipeline of proof of concepts and pilots (including production-ready use cases) to enable controlled, low-risk adoption while scaling capability and maintaining pace with industry developments. • Alongside this we have continued to develop internal risk and control frameworks, in line with emerging practice, to manage the associated risks as adoption of AI solutions evolves and made further investment to ensure we have the appropriate internal skills and capabilities to deploy required AI solutions.

Climate change risk:	
Overview	**Mitigating actions**
• Climate risk remains classified as an emerging risk due to the uncertainty surrounding the exact nature and timing of the impact on our strategy and operations. • The Society is exposed to both transitional risks arising from climate change (such as government policy related to housing, lower economic growth, energy prices and stakeholder expectations) and physical risks (such as damage to mortgage collateral, and business disruption). • These factors have the potential to impact all of the Society's principal risks, notably credit (mortgage credit and collateral quality), strategic (reputation and delivery of objectives), and operational (resilience of our own operations and third-party service providers).	• A Climate Risk Management Framework (CRMF) has been established, which sets out how the Society manages climate risk across the organisation. • The Society has developed relevant business processes to consider climate risks, including use of climate risk factors and data in our mortgage lending policy and credit decisioning processes. • In response to the publication of PS5/25 in late 2025, the Society has developed an appropriate response plan to enhance current processes and capabilities in relation to climate risk management over the medium term. • We have developed a Climate Strategy centered upon supporting the orderly transition to a greener, net zero economy by 2050 or sooner. As part of this strategy, near-term science-based emission reduction targets have been set for our full value chain. • Refer to pages 45 to 50 within our 2025 ARA for further information on how the Society manages the risks from climate change.

Condensed Consolidated Income Statement

	Notes	**Period to 30 Jun 2026 (Unaudited) £M**	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Interest receivable and similar income				
Accounted for using effective interest rate method	3	**694.0**	685.9	1,395.0
Other	3	**42.9**	106.6	177.1
Total interest receivable and similar income		**736.9**	792.5	1,572.1
Interest payable and similar charges	4	**(549.5)**	(591.4)	(1,169.6)
Net interest receivable		**187.4**	201.1	402.5
Fees and commissions receivable		**3.0**	2.5	5.5
Fees and commissions payable		**(0.6)**	(0.6)	(1.1)
Fair value gains/(losses) from financial instruments	6	**6.5**	(1.0)	(4.9)
Other operating income	5	**0.9**	8.5	10.5
Total income		**197.2**	210.5	412.5
Administrative expenses	7	**(109.9)**	(99.2)	(203.6)
Depreciation and amortisation		**(6.1)**	(5.6)	(11.7)
Impairment charge on loans and advances to customers	8	**(7.3)**	(2.2)	(0.1)
Impairment of property, plant, equipment and intangible assets		**-**	(0.2)	-
Provisions (charge)/release	12	**(3.2)**	1.1	1.5
Operating profit and profit before tax		**70.7**	104.4	198.6
Tax expense	9	**(16.4)**	(25.0)	(53.1)
Profit after tax for the period		**54.3**	79.4	145.5

All amounts relate to continuing operations.

The notes on pages 25 to 50 form part of these accounts.

Condensed Consolidated Statement of Comprehensive Income

	Period to 30 Jun 2026 (Unaudited)	Period to 30 Jun 2025 (Unaudited)	Year ended 31 Dec 2025 (Audited)
	£M	£M	£M
Profit for the period	**54.3**	79.4	145.5
Items that may subsequently be reclassified to profit and loss:			
Cash flow hedge reserve:			
Fair value (losses) recorded in cash flow hedge reserve	**(0.1)**	(10.5)	(9.1)
Amount transferred to income statement (Footnote 1)	**(14.6)**	(15.1)	(29.6)
Fair value reserve:			
Fair value gains on investment securities measured at fair value through other comprehensive income	**6.0**	8.0	9.0
Amount transferred to income statement (Footnote 2)	**0.6**	0.8	1.5
Taxation (Footnote 3)	**2.3**	0.3	7.9
Items that may not subsequently be reclassified to profit and loss:			
Retirement benefit obligations:			
Actuarial (loss)/gain on retirement benefit scheme	**(8.5)**	1.3	(0.3)
Change in asset ceiling on retirement benefits	**7.4**	(1.3)	(3.1)
Revaluation reserve:			
Revaluation gain on properties	**-**	-	0.3
Taxation (Footnote 4)	**(0.4)**	-	0.8
Total comprehensive income for the period	**47.0**	62.9	122.9

(1) Reported in the 2025 Interim Accounts as 'Gains previously recorded in cash flow hedge reserve amortised through profit or loss'.
(2) Reported in the 2025 Interim Accounts as '(Gains)/losses on investment securities measured through other comprehensive income reclassified to profit or loss on disposal'
(3) Reported in the 2025 Interim Accounts as 'Tax relating to items that may subsequently be reclassified' & 'Effect of change in corporation tax rate'.
(4) Reported in the 2025 Interim Accounts as 'Tax relating to items that may not be reclassified' & 'Effect of change in corporation tax rate'.

Condensed Consolidated Statement of Financial Position

	Notes	30 Jun 2026 (Unaudited) £M	30 Jun 2025 (Unaudited) £M	31 Dec 2025 (Audited) £M
Assets				
Liquid assets				
Cash in hand and balances with the Bank of England		**2,079.7**	1,351.7	1,413.4
Loans and advances to credit institutions		**216.1**	135.2	115.2
Investment securities		**4,249.4**	4,106.1	3,921.9
Derivative financial instruments		**167.2**	203.3	129.5
Loans and advances to customers	10			
Loans fully secured on residential property		**25,653.5**	25,592.1	25,820.6
Other loans		**139.2**	145.5	141.9
Fair value adjustment for hedged risk on loans and advances to customers		**(20.8)**	33.6	75.5
Other assets, prepayments and accrued income	11	**316.1**	371.2	253.3
Current tax assets		**0.1**	0.1	0.1
Intangible assets		**52.2**	39.4	43.9
Property, plant and equipment		**45.8**	45.1	47.1
Total assets		**32,898.5**	32,023.3	31,962.4
Liabilities				
Shares		**26,394.5**	25,517.9	26,069.9
Fair value adjustment for portfolio hedged risk on shares		**(6.8)**	15.9	11.7
Derivative financial instruments		**63.2**	129.6	119.9
Amounts owed to credit institutions		**12.0**	929.5	0.5
Amounts owed to other customers		**143.0**	200.3	138.8
Debt securities in issue		**3,909.5**	2,837.3	3,237.6
Other liabilities and accruals		**156.5**	136.5	77.9
Deferred tax liabilities		**17.2**	25.0	14.9
Provisions for liabilities and charges	12	**3.7**	1.5	0.6
Retirement benefit obligation	13	**0.5**	0.5	0.5
Subordinated liabilities		**306.2**	438.0	438.1
Subscribed capital		**8.0**	8.0	8.0
Total liabilities		**31,007.5**	30,240.0	30,118.4
General reserve		**1,843.6**	1,726.6	1,790.8
Cash flow hedge reserve		**28.1**	48.2	38.7
Fair value reserve		**3.1**	(7.4)	(1.7)
Revaluation reserve		**1.9**	1.6	1.9
Other reserve		**14.3**	14.3	14.3
Total liabilities and equity		**32,898.5**	32,023.3	31,962.4

Condensed Consolidated Statement of Changes in Members' Interest

Period to 30 June 2026	General reserve £M	Cash flow hedge reserve £M	Fair value reserve £M	Revaluation reserve £M	Other reserve* £M	Total equity attributable to members £M
At 1 January 2026 (Audited)	**1,790.8**	**38.7**	**(1.7)**	**1.9**	**14.3**	**1,844.0**
Comprehensive income/ (expense) for the period	**52.8**	**(10.6)**	**4.8**	**-**	**-**	**47.0**
At 30 June 2026 (Unaudited)	**1,843.6**	**28.1**	**3.1**	**1.9**	**14.3**	**1,891.0**

Period to 30 June 2025	General reserve £M	Cash flow hedge reserve £M	Fair value reserve £M	Revaluation reserve £M	Other reserve* £M	Total equity attributable to members £M
At 1 January 2025 (Audited)	1,647.2	66.6	(9.3)	1.6	14.3	1,720.4
Comprehensive income/ (expense) for the period	79.4	(18.4)	1.9	-	-	62.9
At 30 June 2025 (Unaudited)	1,726.6	48.2	(7.4)	1.6	14.3	1,783.3

Year ended 31 December 2025	General reserve £M	Cash flow hedge reserve £M	Fair value reserve £M	Revaluation reserve £M	Other reserve* £M	Total equity attributable to members £M
At 1 January 2025 (Audited)	1,647.2	66.6	(9.3)	1.6	14.3	1,720.4
Income recognised in respect of prior periods	0.7	-	-	-	-	0.7
At 1 January 2025 adjusted	1,647.9	66.6	(9.3)	1.6	14.3	1,721.1
Comprehensive income/ (expense) for the year	142.9	(27.9)	7.6	0.3	-	122.9
At 31 December 2025 (Audited)	1,790.8	38.7	(1.7)	1.9	14.3	1,844.0

*Other reserve relates to the 2006 merger with Mercantile Building Society.

Condensed Consolidated Statement of Cash Flows

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Profit before tax	**70.7**	104.4	198.6
Adjusted for:			
Impairment charge	**7.3**	2.2	0.1
Provisions charge/(release)	**3.2**	(1.1)	(1.5)
Depreciation and amortisation	**6.1**	5.6	11.7
Impairment of property, plant and equipment and intangible assets	**-**	0.2	-
Fair value of collateral loan which represents a pool of equity release mortgages	**0.6**	0.4	3.9
Net (gain)/loss from financing activities*	**(0.6)**	0.7	0.1
Non-cash and other items	**19.6**	(32.9)	(35.4)
Cash generated from operations	**106.9**	79.5	177.5
Changes in operating assets and liabilities:			
Derivative financial instruments*	**(27.8)**	25.9	43.3
Loans and advances to customers	**161.9**	(1,189.7)	(1,416.0)
Other operating assets	**(62.8)**	(133.1)	(16.7)
Shares	**324.6**	988.1	1,540.1
Amounts owed to credit institutions and other customers	**15.8**	(273.5)	(1,264.2)
Other operating liabilities	**78.2**	(211.7)	(273.5)
Taxation paid	**(12.2)**	(26.0)	(53.6)
Net cash flows from operating activities	**584.6**	(740.5)	(1,263.1)
Cash flows from investing activities			
Purchase of investment securities	**(1,589.2)**	(2,398.3)	(3,917.4)
Proceeds from sale and redemption of investment securities	**1,248.8**	2,276.1	3,984.9
Purchase of intangible assets	**(12.4)**	(8.0)	(16.9)
Purchase of property, plant and equipment	**(0.8)**	(1.7)	(3.6)
Net cash flows from investing activities	**(353.6)**	(131.9)	47.0
Cash flows from financing activities			
Net proceeds from issue of debt securities	**849.5**	370.0	874.3
Net proceeds from issue of subordinated liabilities	**-**	299.2	299.2
Repayments of debt securities in issue	**(180.6)**	(665.7)	(777.3)
Repayments of subordinated liabilities	**(126.5)**	(217.0)	(217.0)
Principal lease payments	**(0.7)**	(0.7)	(1.4)
Derivative Financial Instruments*	**(5.5)**	(22.0)	(28.6)
Net cash flows from financing activities	**536.2**	(236.2)	149.2
Net increase/(decrease) in cash and cash equivalents	**767.2**	(1,108.6)	(1,066.9)
Cash and cash equivalents at the beginning of the period	**1,528.6**	2,595.5	2,595.5
Cash and cash equivalents at the end of the period	**2,295.8**	1,486.9	1,528.6

Additional information on operational cash flows from interest			
Interest paid	**546.1**	593.2	1,179.5
Interest received	**736.9**	685.9	1,395.0

* The period to 30 June 2025 comparatives has been represented to align classification of cash flows with items being hedged, resulting in an increase in net cash flows from operating activities of £22.0m, and a reduction in net cash flows from financing activities of £22.0m. There is no net impact on cash and cash equivalents.

Notes to the Accounts

1. General information

(a) Reporting period

The unaudited Interim Financial Report shows the financial performance of the Group for the six months to 30 June 2026 and the financial position of the Group as at that date.

(b) Basis of preparation and accounting policies

These condensed consolidated financial statements for the six month period ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), as contained in UK-adopted international accounting standards. They do not include all the information required by International Financial Reporting Standards (IFRS) in full annual financial statements and should therefore be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2025, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Building Societies Act 1986 and with those parts of the Building Societies (Accounts and Related Provisions) Regulations 1998 (as amended) that are applicable.

The information in these interim condensed consolidated financial statements is unaudited and does not constitute annual accounts within the meaning of Section 72 of the Building Societies Act 1986 (the Act). Group accounts for the year ended 31 December 2025 have been filed with the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) and contained an unqualified audit report, which did not draw attention to any matters by way of emphasis and did not contain any statements under Section 78 of the Act.

These financial statements are presented in sterling and have been rounded to the nearest one hundred thousand pounds.

A copy of the Interim Financial Report is placed on the Society's website. The directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The accounting policies adopted by the Group in the preparation of these condensed consolidated financial statements are consistent with those disclosed in the 2025 Annual Report and Accounts.

(c) Accounting developments

The information on future accounting developments and their potential effect on the financial statements is provided in note 1(b) of the 2025 Annual Report and Accounts.

(d) Taxation

There have been no material changes to the Group's assessment of the impact of the Organisation for Economic Co-operation and Development (OECD) Pillar Two Model Rules since 31 December 2025. The Group continues to apply the IAS 12 temporary exception in respect of deferred taxes arising from Pillar Two income taxes and does not currently expect a material Pillar Two top-up tax liability. Further information is provided in note 1(b) of the 2025 Annual Report and Accounts.

Notes to the Accounts (continued)

1. General information (continued)

(e) Segmental reporting

As reported in note 1(n) of the 2025 Annual Report and Accounts, the Group has determined that it has one reportable segment under IFRS 8 *Operating Segments* and therefore no separate segmental reporting is provided. No segmental analysis is required on geographical lines as substantially all the Group's activities are in the United Kingdom.

(f) Going concern

The directors review the results of regular forecasts and stress tests to understand the potential financial and operational performance of the business under a range of economic and market conditions. This informs their assessment of whether the Group is a going concern. These assessments reflect the potential impacts of the principal and emerging risks set out on pages 59 to 85 of the 2025 Annual Report and Accounts. An update on emerging risks is provided on pages 16 to 19 of this report. The directors have prepared the 2026 Interim Financial Report on a going concern basis after conducting an assessment. This presumes that the Society will continue in operation to 30 July 2027, representing a period of at least 12 months from the date of signing of the 2026 Interim Financial Report.

The directors have concluded that:

- The Group has proven access to liquidity resources, including access to central bank funding facilities if required, sufficient to meet both the normal demands of the Society and the requirements which might arise in modelled stressed circumstances. The availability and quality of liquid assets are structured so that funds are available to repay any maturing wholesale funds and cover exceptional demand from retail investors.
- The Group's other assets consist primarily of mortgages secured on residential property. The recoverability of all mortgage assets is regularly reviewed, and provisions are made, incorporating a forward looking view of expected losses under a range of macroeconomic scenarios, so that the Group is not exposed to losses on these assets which would impact its decision to adopt the going concern basis.
- The Group's current capital resources are sufficient to meet regulatory requirements. Having reviewed plans and forecasts, the directors consider that plans for future capital generation are sufficient to maintain capital in excess of regulatory requirements, under both central and modelled stressed scenarios.

The directors have therefore concluded that there is no material uncertainty in relation to the Group's continuation as a going concern and therefore it is appropriate to adopt the going concern basis in the preparation of the Interim Financial Report.

2. Critical accounting estimates and judgements

The preparation of the Interim Financial Report involves making judgements in the application of accounting policies which affect the amounts recognised in the financial statements. In addition, the Group makes estimates and assumptions which could affect the reported amounts of assets and liabilities during the remainder of the financial year and beyond. The critical judgements and estimates which have a significant impact on the financial statements are described in note 2 of the 2025 Annual Report and Accounts.

The critical judgements and estimates which have a significant impact on the Interim Financial Report are described below.

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions

(i) Impairment losses on loans and advances to customers

The significant estimates required for the calculation of impairment loss provisions are forecast UK macroeconomic variables, the probability weightings of the macroeconomic scenarios used and the approach to post model adjustments.

Macroeconomic scenarios and probability weightings

The Group has used four macroeconomic scenarios (30 June 2025: four; 31 December 2025: four), which are considered to represent a range of possible outcomes, in determining impairment loss provisions. The scenarios have been revised during the period to reflect current economic conditions, including the conflict in the Middle East, highlighting there is still downside risk due to continued volatility and uncertainty in the external environment.

A summary of each of the four revised macroeconomic scenarios and weightings is as follows:

	30 Jun 2026	31 Dec 2025	30 Jun 2025
Central scenario Central scenario reflecting a subdued economic outlook linked to the conflict in the Middle East. Inflation is expected to increase in the near term, resulting in an increase in the Bank of England base rate (BBR) to mitigate the risk of inflation becoming more persistent. Economic growth is weaker than previously anticipated, reflecting lower consumer and business confidence, higher energy costs and continued tightness of monetary policy. The scenario anticipates unemployment rising to a peak of 5.60% (31 December 2025: 4.80%), before improving in the outer years as growth recovers. There is expected to be only limited house price growth through 2026, with no growth in 2027, before modest increases resume as economic conditions improve.	**40%**	40%	45%
Downside scenario Downside scenario as modelled in the Group's risk management process reflecting a '1 in 20' stress scenario, arising from supply-side pressures leading to higher inflation. The scenario assumes that the BBR initially increases to contain inflation, before reducing rates as economic conditions weaken. Economic activity contracts, with weaker consumer spending leading to a reduction in gross domestic product (GDP) and a rise in unemployment. Heightened uncertainty and higher interest rates contribute to declines in asset prices, including falls in house prices.	**35%**	35%	30%
Alternative downside scenario Alternative scenario representing a more severe downturn than in the downside scenario. Inflation rises sharply, resulting in a period of higher BBR to reduce demand, with the economy then subject to a further external shock resulting in sharp falls to consumer confidence, steep falls in demand, and falling growth. These conditions drive increased unemployment for a prolonged period, with a fall in demand across the housing market, causing greater reductions in house prices in the earlier years of the forecast. As inflation moderates, BBR is reduced to support economic recovery.	**10%**	10%	10%
Growth scenario Growth scenario representing a more optimistic view of the current economic outlook than assumed in the central scenario. This includes GDP growth accelerating supported by continued investment in artificial intelligence and related infrastructure. Improved economic activity leads to lower unemployment and increases in asset prices. The scenario assumes that as inflation returns to target, there are further reductions in BBR towards a long term neutral level.	**15%**	15%	15%

Scenarios are developed by the Group based on analysis of third-party published economic data and forecasts. The relative weighting of the macroeconomic scenarios is derived by determining the point in the economic cycle at which the UK economy sits at the date of the Statement of Financial Position. This indicates a possible range of outcomes for each scenario based on defined boundaries. Management judgement is then applied to determine the appropriate point within the ranges, informed by current relevant market, macroeconomic and political factors and the degree of uncertainty inherent in the UK economy.

Notes to the Accounts (continued)

2. Critical accounting estimates and judgements (continued)

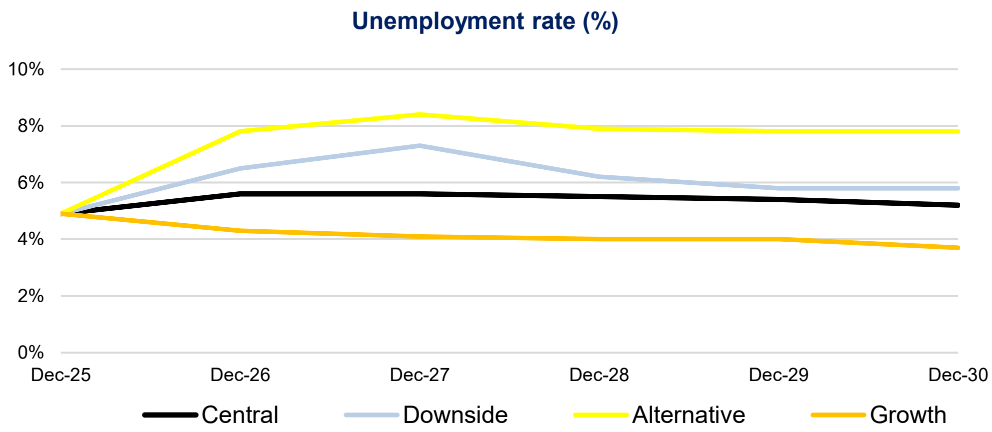
(a) Significant accounting estimates and assumptions (continued)

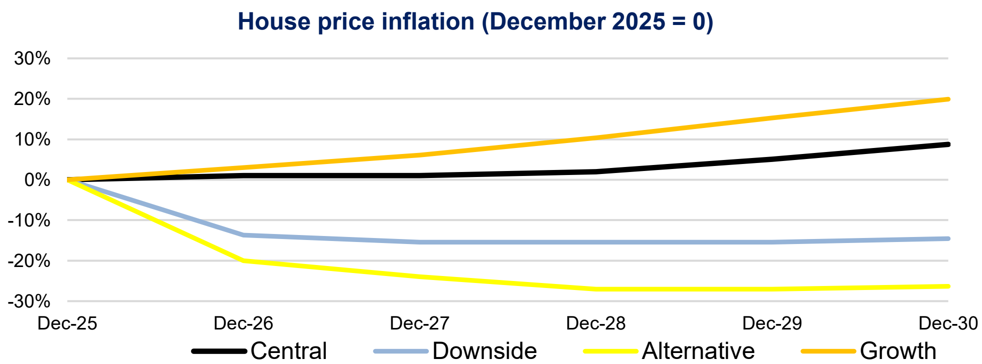
(i) Impairment losses on loans and advances to customers (continued)

At 30 June 2026, we continue to believe the economic cycle is in a late growth phase, therefore, it remains appropriate to retain the weightings used at 31 December 2025.

The tables on pages 29 and 30 show the macroeconomic assumptions used in each scenario. The variables with the most significant impact on the calculated impairment loss provisions are house price inflation and unemployment rate. The tables show the full year rates for house price inflation and GDP growth, together with the year end position for unemployment rate and base rate. Beyond the five-year period shown, assumptions move towards historic long run averages over the following five years and then remain constant at these rates thereafter.

The charts below illustrate the unemployment assumptions and the cumulative impact of the annual house price inflation assumptions across all four scenarios.





In addition to being highly sensitive to unemployment and house price inflation, GDP and BBR remain key drivers within the scenarios and the forward economic outlook. The rates applied to all key measures are shown below for the five-year forecast period:

Notes to the Accounts (continued)

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions (continued)

(i) Impairment losses on loans and advances to customers (continued)

Macroeconomic assumptions as at 30 June 2026

Scenario/ weighting	Assumption	2026 %	2027 %	2028 %	2029 %	2030 %
Central 40%	House price inflation	1.00	0.00	1.00	3.00	3.50
	Unemployment rate (31 December)	5.60	5.60	5.50	5.40	5.20
	Gross domestic product growth	0.70	0.80	1.00	1.30	1.30
	Base rate (31 December)	4.00	3.50	3.50	3.50	3.50
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Downside 35%	House price inflation	(13.70)	(2.00)	0.00	0.00	1.00
	Unemployment rate (31 December)	6.50	7.30	6.20	5.80	5.80
	Gross domestic product growth	(0.75)	(1.25)	1.00	1.00	1.00
	Base rate (31 December)	6.00	3.00	0.75	0.25	0.25
Alternative downside 10%	House price inflation	(20.00)	(5.00)	(4.00)	0.00	1.00
	Unemployment rate (31 December)	7.80	8.40	7.90	7.80	7.80
	Gross domestic product growth	(0.20)	(4.20)	2.10	1.50	1.50
	Base rate (31 December)	6.50	4.50	1.00	0.10	0.10
Growth 15%	House price inflation	3.00	3.00	4.00	4.50	4.00
	Unemployment rate (31 December)	4.30	4.10	4.00	4.00	3.70
	Gross domestic product growth	1.60	2.00	2.00	2.00	2.10
	Base rate (31 December)	3.50	3.50	3.25	3.00	3.00

Macroeconomic assumptions as at 30 June 2025

Scenario/ weighting	Assumption	2025 %	2026 %	2027 %	2028 %	2029 %
Central 45%	House price inflation	2.00	2.00	3.00	3.00	2.00
	Unemployment rate (31 December)	4.70	4.70	4.50	4.40	4.40
	Gross domestic product growth	1.00	1.30	1.50	1.50	1.50
	Base rate (31 December)	3.75	3.50	3.50	3.25	3.25
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Downside 30%	House price inflation	(13.70)	(2.00)	0.00	0.00	1.00
	Unemployment rate (31 December)	6.50	7.30	6.20	5.80	5.80
	Gross domestic product growth	(0.75)	(1.25)	1.00	1.00	1.00
	Base rate (31 December)	6.00	3.00	0.75	0.25	0.25
Alternative downside 10%	House price inflation	(20.00)	(5.00)	(4.00)	0.00	1.00
	Unemployment rate (31 December)	7.80	8.40	7.90	7.80	7.80
	Gross domestic product growth	(0.20)	(4.20)	2.10	1.50	1.50
	Base rate (31 December)	6.50	4.50	1.00	0.10	0.10
Growth 15%	House price inflation	3.00	3.00	3.00	2.40	2.75
	Unemployment rate (31 December)	4.50	4.10	4.00	4.00	3.70
	Gross domestic product growth	1.60	2.00	2.00	2.00	2.10
	Base rate (31 December)	3.75	3.50	3.25	3.00	3.00

Notes to the Accounts (continued)

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions (continued)
(i) Impairment losses on loans and advances to customers (continued)

Macroeconomic assumptions as at 31 December 2025

Scenario/ weighting	Assumption	2026 %	2027 %	2028 %	2029 %	2030 %
Central 40%	House price inflation	2.00	3.00	3.00	3.00	3.00
	Unemployment rate (31 December)	4.80	4.60	4.50	4.50	4.50
	Gross domestic product growth	1.30	1.50	1.50	1.50	1.50
	Base rate (31 December)	3.50	3.50	3.50	3.50	3.50
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Downside 35%	House price inflation	(13.70)	(2.00)	0.00	0.00	1.00
	Unemployment rate (31 December)	6.50	7.30	6.20	5.80	5.80
	Gross domestic product growth	(0.75)	(1.25)	1.00	1.00	1.00
	Base rate (31 December)	6.00	3.00	0.75	0.25	0.25
Alternative downside 10%	House price inflation	(20.00)	(5.00)	(4.00)	0.00	1.00
	Unemployment rate (31 December)	7.80	8.40	7.90	7.80	7.80
	Gross domestic product growth	(0.20)	(4.20)	2.10	1.50	1.50
	Base rate (31 December)	6.50	4.50	1.00	0.10	0.10
Growth 15%	House price inflation	3.00	3.00	3.00	3.60	3.30
	Unemployment rate (31 December)	4.30	4.10	4.00	4.00	3.70
	Gross domestic product growth	1.60	2.00	2.00	2.00	2.10
	Base rate (31 December)	3.75	3.50	3.25	3.00	3.00

Modelled residential impairment loss provisions totalled £45.8 million at 30 June 2026 (30 June 2025: £31.1 million; 31 December 2025: £39.5 million), with PMAs of £4.2 million (30 June 2025: £15.1 million; 31 December 2025: £4.2 million) contributing to total provisions of £50.0 million (30 June 2025: £46.2 million; 31 December 2025: £43.7 million). The increase in loss provisions since the year end reflects updated economic forecasts, including revised house price inflation assumptions, ongoing uncertainty in the economic and geopolitical outlook, and movements in affordability calculations.

The sensitivity of modelled impairment loss provisions at 30 June 2026 to changes in key individual macroeconomic variables, with all other assumptions held constant, is illustrated below. Note that due to the interaction between different economic variables within the impairment loss provision models, the impacts of such single variable sensitivities may be distorted and are not representative of realistic alternative scenarios.

The impact of changing the assumption for annual house price inflation in each of the first two years of the central scenario is as follows:

	+ 10.0 percentage points	+ 5.0 percentage points	- 5.0 percentage points	- 10.0 percentage points
(Decrease)/increase in impairment loss provisions (£M)	(2.0)	(1.3)	1.2	3.3

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions (continued)

(i) Impairment losses on loans and advances to customers (continued)

The impact of changing the assumption for unemployment in each of the first two years of the central scenario is as follows:

	+ 2.0 percentage points	+ 1.0 percentage points	- 1.0 percentage points	- 2.0 percentage points
Increase/(decrease) in impairment loss provisions (£M)	3.7	1.2	(0.7)	(1.0)

In practice the above variables are unlikely to move in isolation. The combined impact of movements in a number of variables can be illustrated by the sensitivity of provisions to scenario weightings. The table below shows the movement in impairment loss provisions if each of the scenarios were weighted 100%:

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
(Decrease)/increase in impairment loss provisions if scenarios are weighted 100%:			
Central	**(24.4)**	(13.3)	(21.5)
Downside	**12.8**	10.5	11.0
Alternative downside	**168.1**	88.5	145.4
Growth	**(27.8)**	(14.0)	(22.1)

The total residential impairment loss provisions (including PMAs) if the central scenario was weighted 100% would be £25.5 million (30 June 2025: £32.9 million; 31 December 2025: £22.2 million) compared to £50.0 million (30 June 2025 £46.7 million; 31 December 2025: £43.7 million) when the scenarios are weighted. Changes to macroeconomic assumptions, as expectations change over time, are likely to lead to volatility in impairment loss provisions and may lead to procyclicality in the recognition of impairment losses.

PMAs (judgemental adjustments)

At 30 June 2026, the total of PMAs applied by the Group was £4.2 million (30 June 2025: £15.1 million; 31 December 2025: £4.2 million) to reflect risks and uncertainties not fully captured within the Group's ECL models. Details of the individual PMAs are set out below.

The affordability PMA of £7.2 million at 30 June 2025, which addressed the potential impacts of inflationary pressures, the cost of living crisis and residential mortgage rate increases on member affordability has been removed as this risk was incorporated into the ECL model calculations at 31 December 2025.

Consent to mortgage PMA – £1.4 million (30 June 2025: nil; 31 December 2025: £1.6 million)

The Group recognised a new PMA in 2025 which addresses the residual loss risk following the retightening of the Group's shared ownership lending policy, identified during an internal review of properties in possession. The PMA reflects the potential impact of historical consent to mortgage documentation retention in a subset of legacy shared ownership loans, which could constrain recoveries under the Mortgagee Protection Clause. Losses for relevant accounts have been estimated using costs and forced sale discount estimates from the ECL model. The reduction in PMA is driven by account redemptions.

Notes to the Accounts (continued)

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions (continued)

(i) Impairment losses on loans and advances to customers (continued)

Inadequate cladding PMA – £1.2 million (30 June 2025: £0.9 million; 31 December 2025: £1.1 million)
This PMA addresses uncertainty over the timing of remediation of cladding issues in high rise flats. Applying a consistent approach with 31 December 2025, this PMA has been estimated by identifying properties at the highest risk of cladding issues by matching the Group's portfolio to third party postcode data, applying a range of haircuts to property valuations and making an allowance for remediation costs. The PMA is based on modelled ECL coverage, which increased following model updates. The increase in the PMA was partially offset by the continued reduction in the number of accounts in scope.

Transaction bias PMA – £1.1 million (30 June 2025: £0.5 million; 31 December 2025: £1.0 million)
This PMA addresses the risk that house price indexation bias exists in a specific cohort of the Group's portfolio due to market conditions present during the Covid-19 pandemic resulting in potential overvaluation, which when adjusted would result in an increase to ECL. The same methodology has been applied as previous reporting periods, by comparing the increases in indexed valuations on the Group's portfolio with alternative third party data and applying a haircut to collateral valuations. The increase in PMA is driven by increased modelled ECL coverage, partially offset by account redemptions.

Model risk PMA – £0.5 million (30 June 2025: £6.5 million; 31 December 2025: £0.5 million)
This PMA addresses the risks associated with the calibration of the ECL models using Covid-19 impacted possessions data, which does not necessarily represent the risk going forwards and may underestimate the probability of possession following a default event.

(ii) Fair value of the collateral loan

The Group measures the collateral loan which represents a pool of equity release mortgages at fair value through profit or loss (FVTPL). The fair value of this loan is calculated using a model which uses a combination of observable market data (such as interest rate curves and RPI swap prices) and unobservable inputs which require estimation, such as the discount rate, property price volatility and the haircut applied to individual sales prices.

The model projects the future cash flows anticipated from the loan based on the contractual terms with the third party from which the mortgages were acquired, with the timing of those cash flows determined with reference to mortality tables (which are subject to estimation uncertainty). The model also calculates a value for the 'no negative equity guarantee' provided to the customer using a stochastic methodology applying a variant of the Black-Scholes formula.

2. Critical accounting estimates and judgements (continued)

(a) Significant accounting estimates and assumptions (continued)

(ii) Fair value of the collateral loan (continued)

The key estimates used in the model and the basis of estimation are summarised below:

Assumption	Basis of estimation
Discount rate	Derived from current market rates for new equity release loans adjusted for the specific profile of the Group's portfolio.
Property price volatility	Analysis of historic property price volatility and external research.
Sales price haircut	Average actual discounts observed on the portfolio during the last two full calendar years (2024 and 2025).

At 30 June 2026 the carrying value of the collateral loan was £136.4 million (30 June 2025: £142.4 million; 31 December 2025: £138.9 million). The sensitivity of this value to the estimates shown above is as follows:

Assumption	Change to current assumption	(Decrease)/increase in fair value of collateral loan £M
Discount rate	+/- 1 percentage point	(8.6)/9.6
Property price volatility	+/- 3 percentage points	(3.5)/3.2
Sales price haircut	+/- 5 percentage points	(3.3)/2.8

The sensitivities shown reflect a range of alternative assumptions based on observed historic data.

The Group's equity release swap is linked to the retail price index (RPI) and is valued using a discounted cash flow model which uses observable market data for RPI and the discount rate used to discount future cash flows, and unobservable input assumptions for prepayment rates. Wherever possible these input assumptions are calculated with reference to actual historic experience and are aligned to those assumptions used in the valuation of the collateral loan. The variable which is considered to have the largest impact on the value of the swap is the prepayment rate.

A one percentage point increase in the assumed prepayment rate would increase the value of the swap by £0.2 million, resulting in a corresponding fair value loss in the Income Statement. A one percentage point reduction in the assumed prepayment rate would reduce the value of the swap by £0.2 million, resulting in a corresponding fair value gain in the Income Statement.

Notes to the Accounts (continued)

3. Interest receivable and similar income

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Interest receivable calculated using the effective interest rate method:			
On instruments held at amortised cost:			
On loans fully secured on residential property	**575.6**	556.6	1,140.1
On other loans and advances to customers	**0.1**	0.1	0.4
On liquid assets	**36.2**	37.3	77.3
Total interest receivable on instruments held at amortised cost	**611.9**	594.0	1,217.8
On instruments held at fair value through other comprehensive income:			
On investment securities	**82.1**	91.9	177.2
Total interest receivable calculated using the effective interest rate method	**694.0**	685.9	1,395.0
Similar income on instruments held at fair value through profit or loss:			
On other loans and advances to customers	**4.6**	5.8	12.9
Net income on derivatives that hedge financial assets and are designated in accounting hedge relationships	**37.9**	101.1	165.6
Net income/(expense) on derivatives that hedge financial assets and are not designated in accounting hedge relationships	**0.4**	(0.3)	(1.4)
Total similar income on instruments held at fair value through profit or loss	**42.9**	106.6	177.1
Total interest receivable and similar income	**736.9**	792.5	1,572.1
Included in the above is:			
Interest receivable on impaired financial assets	**8.2**	8.1	16.1

Notes to the Accounts (continued)

4. Interest payable and similar charges

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Interest payable on instruments held at amortised cost:			
On shares held by individuals	**460.6**	485.6	974.6
On deposits and other borrowings:			
Wholesale and other funding	**76.7**	92.5	172.5
Lease liabilities	**0.1**	0.1	0.2
On subordinated liabilities	**9.3**	8.1	17.6
On subscribed capital	**0.1**	0.1	0.3
Total interest payable on instruments held at amortised cost	**546.8**	586.4	1,165.2
Similar charges on instruments held at fair value through profit or loss:			
Net charges on derivatives which hedge financial liabilities and are designated in accounting hedge relationships	**2.7**	5.4	5.0
Net income on derivatives which hedge financial liabilities and are not designated in accounting hedge relationships	**-**	(0.4)	(0.6)
Total similar charges on instruments held at fair value through profit or loss	**2.7**	5.0	4.4
Total interest payable and similar charges	**549.5**	591.4	1,169.6

5. Other operating income

In January 2025, the Society repurchased £223.2 million of senior non-preferred fixed rate reset notes at a discounted rate which resulted in the recognition of a £6.8m gain in the other operating income line in the Income Statement. The amount reported for other operating income during the year to date is £0.9 million and does not include any one-off transactions.

Notes to the Accounts (continued)

6. Fair value gains/(losses) from financial instruments

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Fair value hedge relationships			
Derivatives designated in fair value hedge relationships	**100.9**	(224.1)	(284.0)
Fair value adjustment for hedged risk of hedged items	**(110.3)**	206.3	249.4
Cash flow hedge relationships			
Derivatives designated in cash flow hedge relationships	**14.5**	15.1	29.7
Derivatives not designated in accounting hedge relationships			
Equity release swaps	**0.8**	1.9	4.0
Cross currency swaps	**-**	0.2	(0.1)
Other financial instruments measured at fair value through profit or loss			
Collateral loan which represents a pool of equity release mortgages	**0.6**	(0.4)	(3.9)
Total fair value gains/(losses) from financial instruments	**6.5**	(1.0)	(4.9)

Fair value gains and losses arise due to accounting ineffectiveness on designated hedges, movements in the SONIA curve, or because hedge accounting could not be applied to certain items. Volatility also arises from the collateral loan which represents a pool of equity release mortgages, which is measured at FVTPL. Fair value movements on the associated RPI-linked equity release swap, which is also measured at FVTPL, provide an element of economic offset to this volatility.

Notes to the Accounts (continued)

7. Administrative expenses

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Staff costs			
Wages and salaries	**42.0**	41.9	86.0
Social security costs	**5.7**	5.0	10.7
Pension costs	**6.9**	6.4	12.9
Temporary staff	**1.7**	1.5	2.7
Other staff costs	**1.0**	1.0	1.9
Remuneration of auditor	**0.8**	0.8	1.3
Other administrative expenses			
Development activity	**17.0**	11.8	29.1
Technology	**11.8**	11.4	21.1
Property	**3.8**	3.4	7.3
Legal and professional fees	**3.3**	2.1	5.1
Marketing	**2.8**	2.5	5.8
Regulatory fees	**7.5**	5.9	8.7
Postage and stationery	**1.6**	1.9	3.3
Recruitment and training	**1.2**	0.6	1.5
Other	**2.8**	3.0	6.2
Total administrative expenses	**109.9**	99.2	203.6

Administrative expenses include £16.3 million of IT transformation spend in the period to 30 June 2026 (30 June 2025: £12.2 million; 31 December 2025: £25.3 million). This is reported as development activity in the current period.

8. Impairment on loans and advances to customers

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Loans fully secured on residential property	**(7.3)**	(2.2)	(0.1)
Total Income Statement (charge) for the period	**(7.3)**	(2.2)	(0.1)

The Group's policy for calculating impairment of loans and advances to customers is detailed in note 1(e) of the 2025 Annual Report and Accounts. Details of the significant accounting estimates and judgements required in the calculation of impairment loss provisions, including the incorporation of forward looking information, are provided in note 2.

The table below summarises the Group's retail mortgage balances, loan commitments and associated impairment loss provisions. The classification of loans into stages for impairment purposes is explained in note 1(e) of the 2025 Annual Report and Accounts.

8. Impairment on loans and advances to customers (continued)

30 June 2026 (Unaudited)	Gross exposure £M	Impairment loss provision £M	Provision coverage %
Retail mortgages			
Stage 1	**21,196.9**	**6.2**	**0.03**
Stage 2 and <30 days past due	**4,115.0**	**25.8**	**0.63**
Stage 2 and 30+ days past due	**104.8**	**2.0**	**1.91**
Stage 3 and <90 days past due	**142.2**	**2.0**	**1.41**
Stage 3 and 90+ days past due	**144.6**	**13.5**	**9.34**
Total retail mortgages	**25,703.5**	**49.5**	**0.19**
Loan commitments			
Stage 1	**1,559.2**	**0.5**	**0.03**
Total impairment loss provision	**27,262.7**	**50.0**	**0.18**

30 June 2025 (Unaudited)	Gross exposure £M	Impairment loss provision £M	Provision coverage %
Retail mortgages			
Stage 1	20,607.4	8.3	0.04
Stage 2 and <30 days past due	4,649.8	22.3	0.48
Stage 2 and 30+ days past due	96.2	1.7	1.77
Stage 3 and <90 days past due	141.6	2.7	1.91
Stage 3 and 90+ days past due	143.8	11.4	7.93
Total retail mortgages	25,638.8	46.4	0.18
Loan commitments			
Stage 1	1,451.4	0.3	0.02
Total impairment loss provision	27,090.2	46.7	0.17

31 December 2025 (Audited)	Gross exposure £M	Impairment loss provision £M	Provision coverage %
Retail mortgages			
Stage 1	21,518.6	5.3	0.02
Stage 2 and <30 days past due	3,954.1	21.3	0.54
Stage 2 and 30+ days past due	108.4	2.1	1.94
Stage 3 and <90 days past due	135.3	1.8	1.33
Stage 3 and 90+ days past due	147.9	12.9	8.72
Total retail mortgages	25,864.3	43.4	0.17
Loan commitments			
Stage 1	1,242.2	0.3	0.02
Total impairment loss provision	27,106.5	43.7	0.16

8. Impairment on loans and advances to customers (continued)

The tables below provide information on movements in the gross retail mortgage exposures and associated impairment loss provisions during the year to date:

Period to 30 June 2026 (Unaudited)

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	Provision 12m ECL	Gross exposure	Provision Lifetime ECL	Gross exposure	Provision Lifetime ECL	Gross exposure	Provision
	£M	£M	£M	£M	£M	£M	£M	£M
At 1 January 2026	21,518.6	5.3	4,062.5	23.4	283.2	14.7	25,864.3	43.4
Transfers resulting in increased impairment loss provision:								
From Stage 1 to Stage 2	(1,211.5)	(0.5)	1,211.5	6.4	-	-	-	5.9
From Stage 1 to Stage 3	(21.0)	-	-	-	21.0	0.3	-	0.3
From Stage 2 to Stage 3	-	-	(35.7)	(0.4)	35.7	0.8	-	0.4
Transfers resulting in reduced impairment loss provision:								
From Stage 2 to Stage 1	806.9	0.3	(806.9)	(2.8)	-	-	-	(2.5)
From Stage 3 to Stage 1	5.8	-	-	-	(5.8)	-	-	-
From Stage 3 to Stage 2	-	-	18.4	0.2	(18.4)	(0.2)	-	-
Change in impairment loss provision resulting from loan modifications	-	-	-	-	-	0.3	-	0.3
Other remeasurement of impairment loss provision (no movement in stage)	-	0.2	(0.7)	1.6	-	1.2	(0.7)	3.0
New advances	3,091.0	1.3	39.1	0.4	-	-	3,130.1	1.7
Redemptions and repayments	(2,992.9)	(0.4)	(268.4)	(1.0)	(24.9)	(0.7)	(3,286.2)	(2.1)
Write offs	-	-	-	-	(4.0)	(0.9)	(4.0)	(0.9)
At 30 June 2026	**21,196.9**	**6.2**	**4,219.8**	**27.8**	**286.8**	**15.5**	**25,703.5**	**49.5**

8. Impairment on loans and advances to customers (continued)

Period to 30 June 2025 (Unaudited)

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	Provision 12m ECL	Gross exposure	Provision Lifetime ECL	Gross exposure	Provision Lifetime ECL	Gross exposure	Provision
	£M	£M	£M	£M	£M	£M	£M	£M
At 1 January 2025	19,674.0	7.9	4,481.3	23.3	292.8	13.9	24,448.1	45.1
Transfers resulting in increased impairment loss provision:								
From Stage 1 to Stage 2	(1,519.5)	(0.4)	1,519.5	3.0	-	-	-	2.6
From Stage 1 to Stage 3	(15.3)	-	-	-	15.3	0.2	-	0.2
From Stage 2 to Stage 3	-	-	(40.8)	(0.5)	40.8	1.3	-	0.8
Transfers resulting in reduced impairment loss provision:								
From Stage 2 to Stage 1	1,007.0	0.2	(1,007.0)	(1.4)	-	-	-	(1.2)
From Stage 3 to Stage 1	4.4	-	-	-	(4.4)	-	-	-
From Stage 3 to Stage 2	-	-	21.1	0.1	(21.1)	(0.1)	-	-
Change in impairment loss provision resulting from loan modifications	-	-	-	-	-	0.5	-	0.5
Other remeasurement of impairment loss provision (no movement in stage)	-	(0.2)	10.7	-	-	1.3	10.7	1.1
New advances	4,091.1	1.2	19.6	0.1	0.7	-	4,111.4	1.3
Redemptions and repayments	(2,634.3)	(0.4)	(258.4)	(0.6)	(38.7)	(1.4)	(2,931.4)	(2.4)
Write offs	-	-	-	-	-	(1.6)	-	(1.6)
At 30 June 2025	20,607.4	8.3	4,746.0	24.0	285.4	14.1	25,638.8	46.4

Notes to the Accounts (continued)

8. Impairment on loans and advances to customers (continued)

Year ended 31 December 2025 (Audited)

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure £M	Provision 12m ECL £M	Gross exposure £M	Provision Lifetime ECL £M	Gross exposure £M	Provision Lifetime ECL £M	Gross exposure £M	Provision £M
At 1 January 2025	19,674.0	7.9	4,481.3	23.3	292.8	13.9	24,448.1	45.1
Transfers resulting in increased impairment loss provision:								
From Stage 1 to Stage 2	(1,601.5)	(0.5)	1,601.5	7.6	-	-	-	7.1
From Stage 1 to Stage 3	(33.3)	-	-	-	33.3	0.6	-	0.6
From Stage 2 to Stage 3	-	-	(67.2)	(0.7)	67.2	2.6	-	1.9
Transfers resulting in reduced impairment loss provision:								
From Stage 2 to Stage 1	1,662.3	0.3	(1,662.3)	(2.8)	-	-	-	(2.5)
From Stage 3 to Stage 1	16.4	-	-	-	(16.4)	(0.1)	-	(0.1)
From Stage 3 to Stage 2	-	-	35.1	0.5	(35.1)	(0.6)	-	(0.1)
Change in impairment loss provision resulting from loan modifications	-	-	-	-	-	0.6	-	0.6
Other remeasurement of impairment loss provision (no movement in stage)	-	(3.8)	10.6	(5.7)	-	1.9	10.6	(7.6)
New advances	6,172.8	2.0	228.6	2.4	3.5	0.1	6,404.9	4.5
Redemptions and repayments	(4,372.1)	(0.6)	(565.1)	(1.2)	(49.7)	(2.0)	(4,986.9)	(3.8)
Write offs	-	-	-	-	(12.4)	(2.3)	(12.4)	(2.3)
At 31 December 2025	21,518.6	5.3	4,062.5	23.4	283.2	14.7	25,864.3	43.4

In the above tables, the impact of changes to accounting estimates and judgements, including macroeconomic scenarios and probability weightings, is included within ‘other re-measurement of impairment loss provision’ unless the change results in the transfer of a loan between stages in which case it is included in the relevant transfer row.

Notes to the Accounts (continued)

9. Taxation

The standard rate of corporation tax applicable to the Group for the six months ended 30 June 2026 was 25% (six months ended 30 June 2025: 25%; year ended December 2025: 25%) and the banking surcharge remained at 3% of taxable profits above a £100 million threshold.

Deferred tax balances have been calculated at a rate of 28% (30 June 2025: 28%; 31 December 2025: 28%) reflecting the corporation tax rate and the 3% banking surcharge.

10. Loans and advances to customers

30 June 2026 (Unaudited)	**Gross exposure £M**	**Impairment loss provision £M**	**Total £M**
Loans fully secured on residential property	**25,703.5**	**(50.0)**	**25,653.5**
Loans fully secured on land	**2.9**	**(0.1)**	**2.8**
Other loans[15]	**136.4**	**-**	**136.4**
Total loans and advances to customers	**25,842.8**	**(50.1)**	**25,792.7**

30 June 2025 (Unaudited)	Gross exposure £M	Impairment loss provision £M	Total £M
Loans fully secured on residential property	25,638.8	(46.7)	25,592.1
Loans fully secured on land	3.2	(0.1)	3.1
Other loans[15]	142.4	-	142.4
Total loans and advances to customers	25,784.4	(46.8)	25,737.6

31 December 2025 (Audited)	Gross exposure £M	Impairment loss provision £M	Total £M
Loans fully secured on residential property	25,864.3	(43.7)	25,820.6
Loans fully secured on land	3.1	(0.1)	3.0
Other loans[15]	138.9	-	138.9
Total loans and advances to customers	26,006.3	(43.8)	25,962.5

11. Other assets, prepayments and accrued income

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Collateral	**198.1**	224.0	231.8
Prepayments	**13.0**	20.3	15.6
Other assets	**105.0**	126.9	5.9
Total other assets, prepayments and accrued income	**316.1**	371.2	253.3

In the above table, collateral represents amounts owed by credit institutions on cash collateralisation of derivatives.

[15] The amount reported for other loans relates to the collateral loan which represents a pool of equity release mortgages.

Notes to the Accounts (continued)

12. Provisions for liabilities and charges

During the financial year to date a provision of £2.1 million has been recognised in respect of the costs associated with supporting the Group's restructuring and ensuring it has the skills and capabilities needed to remain robust, stable and successful in the future. At 30 June 2026, £2.0 million of this provision was remaining.

A further £1.1 million has been recognised in the period in respect of remediation activity.

13. Retirement benefit obligation

	Period to 30 Jun 2026 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) £M	Year ended 31 Dec 2025 (Audited) £M
Present value of funded obligations	**(57.5)**	(58.1)	(59.3)
Present value of unfunded obligations	**(0.5)**	(0.5)	(0.5)
Fair value of scheme assets	**57.9**	63.7	66.9
Effect of asset ceiling	**(0.4)**	(5.6)	(7.6)
Retirement benefit obligation	**(0.5)**	(0.5)	(0.5)

The Group operates both defined benefit and defined contribution schemes. The defined benefit scheme provides benefits based on final salary for certain employees. It closed to future accruals on 31 December 2014.

In March 2026 the pension trustee company, Leeds Building Society Staff Pension Scheme Limited, completed a buy-in for the defined benefit scheme, removing the investment and longevity risk to the Group through purchase of a qualifying insurance policy that is held as an asset. The transaction had no material impact on the net position of the funded obligation. At 30 June 2026, the value of the insurance asset for the buy-in was £57.5 million.

Following the buy-in, the administration responsibilities and payments to scheme members continue to remain with Leeds Building Society Staff Pension Scheme Limited.

14. Related party transactions

The Group had no related party transactions outside the normal course of business in the six months ended 30 June 2026 (six months ended 30 June 2025: none; year ended 31 December 2025: none).

Full details of the Group's related party transactions for the year ended 31 December 2025 can be found in Note 30 Related party transactions in the 2025 Annual Report and Accounts.

15. Guarantees and other financial commitments

(a) Subsidiary undertakings

The Society is obliged under the Building Societies Act 1986 to discharge the liabilities of its subsidiary undertakings to the extent they were incurred before 11 June 1996 and in so far as those bodies are unable to discharge the liabilities out of their own assets.

(b) Capital commitments

The Group has no capital commitments contracted for but not accrued for under executory contracts in the period (June 2025: no commitments; December 2025: no commitments). As at 30 June 2026, there are no long-term multi-year contractual capital commitments for technology investment programmes (intangible assets and property, plant and equipment) (June 2025: no commitments; December 2025: no commitments).

15. Guarantees and other financial commitments (continued)

(c) Other commitments

The Group is committed to multi-year service contracts for the provision and maintenance of its IT infrastructure. The commitment at 30 June 2026 is £44.0 million (June 2025: £42.4 million; December 2025: £41.8 million). These service contracts are not capital commitments and do not meet the definition of a lease under IFRS 16 since they do not give the Group the right to control the assets used to provide the service. They will be expensed in the Income Statement as they are incurred.

16. Credit risk on loans and advances to customers

Retail mortgages

The table below provides information on the Group's retail mortgages by payment status, excluding impairment loss provisions. Overall, past due balances as a percentage of the portfolio have remained broadly stable, with slight decreases in the level of balances in arrears, despite ongoing cost pressures on households.

The table includes £5.7 million (June 2025: £6.8 million; December 2025: £7.1 million) of loans and advances secured on residential property in Spain that are past due and none (June 2025: £0.5 million; December 2025: £0.2 million) in possession.

	Period to 30 Jun 2026 (Unaudited)	**Period to 30 Jun 2026 (Unaudited)**	Period to 30 Jun 2025 (Unaudited)	Period to 30 Jun 2025 (Unaudited)	Year ended 31 Dec 2025 (Audited)	Year ended 31 Dec 2025 (Audited)
	£M	**%**	£M	%	£M	%
Not past due	**25,395.5**	**98.8**	25,342.8	98.9	25,551.8	98.8
Past due up to 3 months	**167.7**	**0.6**	159.7	0.6	170.0	0.7
Past due 3 to 6 months	**54.7**	**0.2**	51.9	0.2	60.4	0.2
Past due 6 to 12 months	**41.1**	**0.2**	48.1	0.2	42.3	0.2
Past due over 12 months	**27.6**	**0.1**	24.3	0.1	27.9	0.1
Possessions	**16.9**	**0.1**	12.0	-	11.9	-
Total gross exposure	**25,703.5**	**100.0**	25,638.8	100.0	25,864.3	100.0

The Group continues to use forbearance arrangements as part of its arrears management strategies to minimise credit risk, whilst ensuring customers are treated fairly. This includes the use of arrangements to assist borrowers in arrears that are now able to meet agreed repayment strategies, including or excluding arrears balances. The Group's approach to forbearance is described on page 67 of the 2025 Annual Report and Accounts and is materially unchanged from 31 December 2025.

Notes to the Accounts (continued)

16. Credit risk on loans and advances to customers (continued)

Retail mortgages (continued)

The Society's lending policy permits owner occupier applications with a maximum LTV of 98 per cent and buy to let mortgages with a maximum LTV of 80 per cent, with scope to tighten these criteria if required. Higher LTV lending is subject to enhanced underwriting criteria.

The indexed LTV analysis of the Society's retail mortgage portfolio as at 30 June 2026 is as follows:

	Period to 30 Jun 2026 (Unaudited) £M	**Period to 30 Jun 2026 (Unaudited) %**	Period to 30 Jun 2025 (Unaudited) £M	Period to 30 Jun 2025 (Unaudited) %	Year ended 31 Dec 2025 (Audited) £M	Year ended 31 Dec 2025 (Audited) %
Less than 10%	**208.2**	**0.8**	215.9	0.8	218.8	0.8
10% to 20%	**974.3**	**3.9**	1,007.0	3.9	1,023.7	4.0
20% to 30%	**2,357.4**	**9.2**	2,398.5	9.4	2,438.7	9.4
30% to 40%	**3,185.7**	**12.4**	3,357.0	13.1	3,324.4	12.9
40% to 50%	**3,680.6**	**14.3**	3,958.7	15.4	3,874.3	15.0
50% to 60%	**3,837.6**	**14.9**	3,865.4	15.1	3,948.8	15.3
60% to 70%	**3,807.6**	**14.8**	3,710.4	14.5	3,888.5	15.0
70% to 80%	**3,401.8**	**13.2**	3,434.1	13.4	3,431.1	13.3
80% to 90%	**2,659.0**	**10.3**	2,642.8	10.3	2,648.0	10.2
90% to 100%	**1,586.6**	**6.2**	1,042.9	4.1	1,065.3	4.1
More than 100%	**4.7**	**-**	6.1	-	2.7	-
Total	**25,703.5**	**100.0**	25,638.8	100.0	25,864.3	100.0

The overall weighted average indexed LTV of the residential portfolio is 56.1% (June 2025: 54.9%; December 2025: 54.9%).

17. Fair values

(a) Carrying value and fair value of financial instruments not carried at fair value

The table below compares the carrying and fair values of the Group's financial instruments not held at fair value at the reporting date. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting future cash flows at prevailing interest rates.

	Fair value hierarchy level	Period to 30 Jun 2026 (Unaudited) Carrying value £M	Period to 30 Jun 2026 (Unaudited) Fair value £M	Period to 30 Jun 2025 (Unaudited) Carrying value £M	Period to 30 Jun 2025 (Unaudited) Fair value £M	Year ended 31 Dec 2025 (Audited) Carrying value £M	Year ended 31 Dec 2025 (Audited) Fair value £M
Financial assets:							
Cash in hand and balances with the Bank of England	**Level 1**	**2,079.7**	**2,079.7**	1,351.7	1,351.7	1,413.4	1,413.4
Loans and advances to credit institutions	**Level 1**	**216.1**	**216.1**	135.2	135.2	115.2	115.2
Loans and advances to customers							
Loans fully secured on residential property*	**Level 3**	**25,632.7**	**25,819.5**	25,625.7	25,643.3	25,896.1	26,362.3
Other loans	**Level 2**	**2.8**	**2.8**	3.1	3.1	3.0	3.0
Other assets, prepayments and accrued income	**Level 1**	**198.1**	**198.1**	224.0	224.0	231.8	231.8
Financial liabilities:							
Shares**	**Level 2**	**26,387.7**	**26,365.4**	25,533.8	25,507.1	26,081.6	26,052.6
Amounts owed to credit institutions	**Level 2**	**12.0**	**12.0**	929.5	929.5	0.5	0.5
Amounts owed to other customers	**Level 2**	**143.0**	**143.0**	200.3	200.3	138.8	138.8
Debt securities in issue	**Level 1**	**2,846.7**	**2,853.9**	1,917.5	1,920.4	2,429.1	2,438.5
Debt securities in issue	**Level 2**	**1,062.8**	**1,062.2**	919.8	913.6	808.5	801.0
Other liabilities and accruals	**Level 2**	**115.5**	**115.5**	105.5	105.5	43.4	43.4
Subordinated liabilities	**Level 1**	**306.2**	**311.1**	438.0	435.2	438.1	440.2
Subscribed capital	**Level 1**	**8.0**	**8.0**	8.0	8.1	8.0	8.1

*Net of fair value adjustment for portfolio hedged risk on loans and advances to customers.
**Net of fair value adjustment for portfolio hedged risk on shares.

Notes to the Accounts (continued)

17. Fair values (continued)

(b) Fair value measurement basis for financial instruments carried at fair value

The methodology and assumptions for determining the fair value of financial assets and liabilities are included in note 32 of the 2025 Annual Report and Accounts. The tables below classify all assets and liabilities carried at fair value in the Statement of Financial Position according to the method used to establish their fair value.

At 30 June 2026 (Unaudited)	**Level 1 £M**	**Level 2 £M**	**Level 3 £M**	**Total £M**
Assets:				
Investment securities	**4,249.4**	**-**	**-**	**4,249.4**
Derivative financial instruments	**-**	**167.2**	**-**	**167.2**
Loans and advances to customers	**-**	**-**	**136.4**	**136.4**
Total assets	**4,249.4**	**167.2**	**136.4**	**4,553.0**
Liabilities:				
Derivative financial instruments	**-**	**62.4**	**0.8**	**63.2**
Total liabilities	**-**	**62.4**	**0.8**	**63.2**

At 30 June 2025 (Unaudited)	Level 1 £M	Level 2 £M	Level 3 £M	Total £M
Assets:				
Investment securities	4,106.1	-	-	4,106.1
Derivative financial instruments	-	203.3	-	203.3
Loans and advances to customers	-	-	142.4	142.4
Total assets	4,106.1	203.3	142.4	4,451.8
Liabilities:				
Derivative financial instruments	-	125.7	3.9	129.6
Total liabilities	-	125.7	3.9	129.6

At 31 December 2025 (Audited)	Level 1 £M	Level 2 £M	Level 3 £M	Total £M
Assets:				
Investment securities	3,921.9	-	-	3,921.9
Derivative financial instruments	**-**	129.5	-	129.5
Loans and advances to customers	**-**	-	138.9	138.9
Total assets	3,921.9	129.5	138.9	4,190.3
Liabilities:				
Derivative financial instruments	-	118.3	1.6	119.9
Total liabilities	-	118.3	1.6	119.9

17. Fair values (continued)

(b) Fair value measurement basis for financial instruments carried at fair value (continued)

Level 1: Relates to financial instruments where fair values are taken from quoted prices in active markets for identical assets or liabilities, without adjustment.

Level 2: Valuations of financial instruments for which significant inputs are taken from observable market data for the asset or liability. These include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets which are not active. These also include valuations where models are used to calculate the present values of expected future cash flows, using solely inputs (such as interest rate curves) from published market observable sources.

Level 3: The valuation of the asset or liability is not solely based on observable market data and includes unobservable inputs. Valuation techniques include net present value and discounted cash flow methods. The assumptions used in such models include risk-free benchmark interest rates, foreign currency exchange rates and expected price volatilities. The objective of the valuation techniques is to determine a fair value that reflects the price of the financial instrument that would have been used by two counterparties in an arm's length transaction.

(c) Reconciliation of level 3 fair value measurements of financial instruments

Six months to 30 June 2026 (Unaudited)	**Derivative financial instruments £M**	**Loans and advances to customers £M**	**Total £M**
At 1 January 2026	**(1.6)**	**138.9**	**137.3**
Total gains in the Income Statement	**0.8**	**0.6**	**1.4**
Net repayment in the year	**-**	**(3.1)**	**(3.1)**
At 30 June 2026	**(0.8)**	**136.4**	**135.6**

Six months to 30 June 2025 (Unaudited)	Derivative financial instruments £M	Loans and advances to customers £M	Total £M
At 1 January 2025	(5.9)	145.0	139.1
Total gains/(losses) in the Income Statement	2.0	(0.4)	1.6
Net repayment in the year	-	(2.2)	(2.2)
At 30 June 2025	(3.9)	142.4	138.5

Year to 31 December 2025 (Audited)	Derivative financial instruments £M	Loans and advances to customers £M	Total £M
At 1 January 2025	(5.9)	145.0	139.1
Total gains/(losses) in the Income Statement	4.3	(3.9)	0.4
Net repayment in the year	-	(2.2)	(2.2)
At 31 December 2025	(1.6)	138.9	137.3

Total gains/(losses) for the period are included in Fair value gains/(losses) from financial instruments in the Income Statement.

17. Fair values (continued)

(d) Level 3 unobservable inputs

(i) Derivative financial instruments (Level 3 equity release swaps)

The deal 3 equity release swap is linked to RPI and is valued using a discounted cash flow model which uses observable market data for RPI and the discount rate used to discount future cash flows and unobservable input assumptions for prepayment rates. Wherever possible these input assumptions are calculated with reference to actual historic experience. The variable which is considered to have the largest impact on the value of the swap is the prepayment rate. At 30 June 2026, a one percentage point increase in the assumed prepayment rate would increase the value of the swap liability by £0.2 million and a one percentage point reduction in the assumed prepayment rate would reduce the value of the swap liability by £0.2 million.

(ii) Loans and advances to customers (collateral loan)

The collateral loan which represents a pool of equity release mortgages is valued using a discounted cash flow model which uses unobservable input assumptions for property price volatility, sales price haircut, mortality, prepayment, and the discount rate used to discount future cash flows. Wherever possible these input assumptions are calculated with reference to actual historic experience. The variables considered to have the largest impact on the value of the loan are the discount rate, property price volatility and the sales price haircut. The sensitivities below reflect a range of alternative assumptions based on observed historic data and regulatory guidance.

Assumption	Change to current assumption	(Decrease)/increase in fair value of collateral loan £M
Discount rate	+/- 1 percentage point	(8.6)/9.6
Property price volatility	+/- 3 percentage points	(3.5)/3.2
Sales price haircut	+/- 5 percentage points	(3.3)/2.8

The sensitivities shown reflect a range of alternative assumptions based on observed historic data.

Notes to the Accounts (continued)

18. Events after the date of the Statement of Financial Position

There have been no subsequent events between 30 June 2026 and the date of approval of this Interim Financial Report by the Board which would have had a material impact on the financial position of the Group.

Cautionary statement

This Interim Financial Report has been prepared solely to provide additional information to members to assess the Group's financial position and the potential for its strategies to succeed. These statements should not be relied on by any other party or for any other purpose. The Interim Financial Report contains certain forward looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements, which have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Society and the undertakings included in the consolidation as a whole.
- the Interim Financial Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year).

Signed on behalf of the board of directors:

Brendan McCafferty Chairman	Annette Barnes Chief Executive Officer	Arlene Cairns Chief Financial Officer

30 July 2026

Independent Review Report to Leeds Building Society

Conclusion

We have been engaged by the Society to review the condensed set of financial statements in the Interim Financial Report for the six months ended 30 June 2026 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Members' Interests, Condensed Consolidated Cash Flow Statement and the related explanatory notes 1 to 18. We have read the other information contained in the Interim Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Financial Report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Society are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this Interim Financial Report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the Interim Financial Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Interim Financial Report, the directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Independent Review Report to Leeds Building Society (continued)

Auditor’s Responsibilities for the review of the financial information

In reviewing the Interim Financial Report, we are responsible for expressing to the Society a conclusion on the condensed set of financial statements in the Interim Financial Report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Society in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Leeds
30 July 2026