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ANNUAL FINANCIAL REPORT

LEEDS BUILDING SOCIETY

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Leeds Building Society delivers strong annual results and progresses multi-year investment in digital and branch services

Leeds Building Society today reports a year of strong financial performance and continued progress in modernising how it serves members, from improving key digital journeys and advancing development of its new mobile app, to ongoing investment in its UK-wide high street branch network.

Highlights from 2025 include:

- Reaching the milestone of one million members
- Savings balances reaching £26.1 billion (2024: £24.5 billion)
- Strong new mortgage lending growth totalling £5.0 billion (2024: £5.7 billion)
- Helping 34,600 more people secure the home they want (2024: 37,200), 49% of whom were first time buyers - 17,100 in total (2024: 17,600)
- Generating the equivalent of £225.6 million in extra interest for members due to paying 0.90% above the market average on savings rates (2024: £175 million extra interest). [1]
- The Society's innovative Income Plus range, launched in December 2024, has now supported over 900 first time buyers into home ownership. With a loan to income ratio of 5.5 times, Income Plus mortgages offer first time buyers (with a minimum household income of £30,000) an average of up to £66,000 more on 95% loan to value (LTV) lending. [2]

As the UK's fifth largest building society, Leeds is committed to providing members with innovative products and a great experience. Through investment in a multi-year technology upgrade, the Society is creating systems for the future and by the end of 2025 had proven both savings and mortgage journeys on its new technology platform. Development will continue into 2026, as the Society progresses work on a mobile app and continues to strengthen the integration between online and in-branch services, allowing members to manage their money however suits them best.

The Society delivered a profit before tax of £198.6 million in 2025 (2024: underlying profit before tax £187.5 million) [3], supported by robust growth in mortgage lending and a strong increase in savings balances, alongside continued investment to deliver long-term benefits for members.

At a time when many providers are scaling back face-to-face support, Leeds Building Society continues to invest in modernising its branch network, completing refurbishments in Harrogate, Halifax, North Shields, and relocating its South Shields branch in 2025. Members value branch services highly, particularly access to savings passbooks which the Society has committed to keeping.

Alongside this, the Society continued to champion members' interests and financial wellbeing. In 2025 it delivered over 700 free one-to-one fraud awareness clinics in branches and communities across the UK to help protect members from scams. The Society also actively campaigned on proposed ISA changes to ensure the voices of savers were represented during the government's consultation.

Annette Barnes, Interim Chief Executive Officer of Leeds Building Society, said:

"Our performance in 2025 shows that our Society is both financially strong and is moving confidently into the future. Over the past year we've made significant progress in upgrading our technology, including testing our first savings accounts and mortgage applications on our new system.

"We're committed to providing our members with innovative products and the long-term support they need: faster and more intuitive digital experiences, alongside the personal, human interaction that remains so important to many. Development of our mobile app is also underway and is a key priority in 2026.

"We remain steadfast in delivering on our purpose of putting homeownership within reach of more people, generation after generation. Helping people buy their first home is one of the most important roles we play as a mutual, and we're proud that nearly half of our new mortgages in 2025 supported first time buyers."

Further 2025 highlights include:

Members

- **Member focus:** our member satisfaction score remained high at 94% in 2025 (2024: 94%) [4] and the Society's Trustpilot score ended the year at 4.8 out of 5.
- **Responsible lending:** the Society maintained low arrears levels at 0.57% (2024: 0.61%), a testament to the hard work of its teams to support members facing financial difficulty.
- **Strong member returns:** Generating the equivalent of £225.6 million in extra interest for members due to paying 0.90% above the market average on savings rates (2024: £175 million extra interest) [5]
- **Green additional borrowing:** product launched in 2025, aligned with the principles of the Green Finance Institute, to support existing residential or buy to let mortgage holders to decarbonise their property.

Colleagues and partners

- **Colleague engagement:** engagement levels remained high at 8.4 out of 10 in 2025 (2024: 8.4 out of 10), putting the Society in the top 25% of UK financial services sector employers.
- **Gold accredited inclusivity:** the Society became the first organisation to have retained a Gold accreditation in the Inclusive Employers Standard.
- **Broker net promotor score**: improved to 63 out of 100 in 2025 supported by improvements in broker servicing and communication (2024: 58 out of 100).
- **Award-winning shared ownership proposition:** the Society was awarded 'Best Shared Ownership Lender' for the tenth year in a row at the 2025 What Mortgage Awards.

Communities

- **Making a difference:** the Society awarded over £1,013,000 in 2025, supporting over 270 charities and community groups. [6]
- **Exceeded fundraising target for Barnardo's:** colleagues and members helped the Society achieve its fundraising target of £300,000 for Barnardo's ahead of schedule. The target has now been increased to £500,000 by April 2027.
- **Colleague volunteering:** colleagues donated over 8,000 volunteering hours to support charities across the UK throughout the year.
- **Ethical accreditation:** the Society was recognised as a Best Buy for savings and mortgages by Ethical Consumer magazine, as well as a Which? recommended provider for savings in 2025.

Ends

For full access to Leeds Building Society's Annual Report and Accounts, please visit: LBS Financial Results | Leeds Building Society

For more information about the Society's fraud clinics please visit: Fraud Clinics: learn how to protect yourself from scams | Article | Leeds Building Society

For more information on the Society's Income Plus mortgages please visit: Introducing Income Plus - Offering on average £66k more* article

Sources:

[1] The Society paid an average of 3.92% to our savers compared to the Rest of Market average of 3.02%, which equates to an annual benefit to our savers of £225.6m. Source: CACI's CSDB, Stock, January 2025 to December 2025, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market. CACI is an independent company that provides financial benchmarking data of the retail cash savings market.

[2] Calculation based on assessment of Leeds Building Society applications between March 2024 and August 2024 which meet Income Plus credit criteria. The £66,000 figure is the average increase in maximum loan size when comparing Income Plus with standard residential products.

[3] 2024 underlying profit before tax excludes one-off items. There were no one-off items during 2025.

[4] Overall customer satisfaction in a survey of 3,409 members from January to December 2025 that were quite, very, or extremely satisfied.

[5] The Society paid an average of 3.92% to our savers compared to the Rest of Market average of 3.02%, which equates to an annual benefit to our savers of £225.6m. Source: CACI's CSDB, Stock, January 2025 to December 2025, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market. CACI is an independent company that provides financial benchmarking data of the retail cash savings market.

[6] In 2025, the Society made donations of £409,444 to the Leeds Building Society Charitable Foundation. Our other donations to charities and good causes (including colleague match funding) during the year amounted to £390,256. The Your Interest in Theirs schemes provided further donations of £52,075 and £39,981 respectively to the Foundation and our main charity partner, Barnardo's. Other charitable donations from colleagues and members totalled £121,305 taking total donations to charities and good causes to over £1,013,000.

For more information please contact:

Victoria.Camidge@leedsbuildingsociety.co.uk - 07901049333

jbrenan@leedsbuildingsociety.co.uk - 07553645576

GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Summary Consolidated Income Statement

	2025	2024
	£M	£M
Interest receivable and similar income	1,572.1	1,592.1
Interest payable and similar charges	(1,169.6)	(1,229.2)
Net interest receivable	402.5	362.9
Fees and commissions receivable	5.5	5.1
Fees and commissions payable	(1.1)	(0.6)
Fair value (losses)/gains from financial instruments	(4.9)	10.3
Other operating income/(expense)	10.5	(22.1)
Total income	412.5	355.6
Administrative expenses	(203.6)	(185.4)
Depreciation and amortisation	(11.7)	(10.6)
Impairment (charge)/release on loans and advances to customers	(0.1)	5.7
Impairment of property, plant and equipment and intangible assets	-	(17.5)
Provisions release/(charge)	1.5	(10.3)
Operating profit and profit before tax	198.6	137.5
Tax expense	(53.1)	(37.6)
Profit after tax for the financial year	145.5	99.9

Summary Consolidated Statement of Financial Position

	31 December 2025	31 December 2024
	£M	£M
Assets		
Liquid assets	5,450.5	6,545.5
Derivative financial instruments	129.5	371.1
Loans and advances to customers	25,962.5	24,550.5
Fair value hedge accounting adjustment	75.5	(173.1)
Other assets, prepayments and accrued income	253.3	238.1
Current tax assets	0.1	-
Intangible assets	43.9	35.1

Property, plant and equipment	47.1	45.4
Total assets	31,962.4	31,612.6

Liabilities and equity

Shares	26,069.9	24,529.8
Fair value hedge accounting adjustment	11.7	8.8
Derivative financial instruments	119.9	98.0
Wholesale funding	3,376.9	4,535.1
Other liabilities and accruals	77.9	347.3
Current tax liabilities	-	0.6
Deferred tax liabilities	14.9	25.6
Provisions for liabilities and charges	0.6	4.2
Retirement benefit obligation	0.5	0.5
Subordinated liabilities	438.1	334.2
Subscribed capital	8.0	8.0
Total equity attributable to members	1,844.0	1,720.4
Total liabilities and equity	31,962.4	31,612.6

Summary Consolidated Statement of Comprehensive Income

	2025	2024
	£M	£M
Fair value (losses)/gains recorded in cash flow hedge reserve	(9.1)	19.1
Gains previously recorded in cash flow hedge reserve amortised through profit or loss	(29.6)	(27.9)
Fair value gains/(losses)on investment securities	10.5	(19.4)
Actuarial loss on retirement benefit surplus	(3.4)	(3.5)
Revaluation gain on properties	0.3	-
Tax on items taken directly to equity	8.7	8.8
Other comprehensive income net of tax	(22.6)	(22.9)
Profit for the year	145.5	99.9
Total comprehensive income for the year	122.9	77.0

Summary Consolidated Statement of Cash Flows	2025	2024
	£M	£M
Net cash flows from operating activities	(1,263.1)	767.0
Net cash flows from investing activities	47.0	(1,450.4)
Net cash flows from financing activities	149.2	313.0
Net decrease in cash and cash equivalents	(1,066.9)	(370.4)
Cash and cash equivalents at the beginning of the year	2,595.5	2,965.9
Cash and cash equivalents at the end of the year	1,528.6	2,595.5

Summary of key ratios	2025	2024
Net interest margin	1.27%	1.21%
Gross capital as a percentage of shares and borrowings	7.78%	7.10%
Liquid assets as a percentage of shares and borrowings	18.51%	22.52%

Profit after tax for the year as a percentage of mean total assets	0.46%	0.33%
Management expenses as a percentage of mean total assets	0.68%	0.66%

Notes to the Financial Information

1. The financial information set out above, which was approved by the Board of directors on 26 February 2026, does not constitute accounts within the meaning of the Building Societies Act 1986.

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