LONDON STOCK EXCHANGE
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NS Half-year/Interim Report

HALF-YEAR REPORT

LEEDS BUILDING SOCIETY

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Leeds Building Society

Thursday 1st August

Leeds Building Society 2024 interim financial results

- **Building Society celebrates a record-breaking first half**
- **Leeds is bucking the trend by announcing it will open a new branch later this year**

Leeds Building Society broke a number of records for mortgages, savings and assets during a strong first six months of 2024, according to its latest interim financial results.

The UK's fifth largest building society today announces that it will buck the market trend by opening a new high street site and continuing its investment into its existing national branch network.

2024 H1 key highlights:

- **Record-breaking lending performance:** achieving its busiest single day of mortgage completions contributing to a 37% increase in total lending to a record £2.6bn (H1 2023: £1.9bn).
- **Putting purpose into action:** increasing the number of first-time buyers being helped onto the housing ladder to 7,800 (H1 2023: 7,700) while welcoming almost 17,500 new borrowers overall (H1 2023: 15,800).
- **Supporting savers:** generating the equivalent of £135m in benefit for members as a result of paying 0.66%[1] above the market average on savings rates.
- **Record balances:** attracting 47,500 new savings members, leading to record savings balances of £22.4bn (Dec 2023: £20.8bn) and record total assets of £30.0bn (Dec 2023: £28.1bn).
- **New membership record:** attracting thousands of new customers to push membership to 945,300 (Dec 2023: 919,000).
- **Continued financial strength:** achieving an underlying profit of £86.4m, a significant increase compared to the second half of last year (H2 2023: £65.3m) and reinforcing its ability to invest for the future thanks to its mutual model.
- **Investing in service:** continuing to improve its digital offer to customers as well as taking the decision to open its 51st high street branch later this year, in Solihull, in the West Midlands.

Richard Fearon, Leeds Building Society Chief Executive Officer, said:

"I'm delighted with our record-breaking start to 2024 and our ability to support borrowers and savers so effectively over the past six months.

"We have continued to put homeownership within reach of more people, generation after generation, by helping 7,800 new first-time buyers take their first steps onto the property ladder whilst also supporting existing members and investing in the future of our Society.

"As a mutual we are only ever as strong as the relationship we hold with our members, and we have achieved some significant milestones that reflect their enduring loyalty.

"I'm confident we're in a great position to invest in the future given our record growth in lending, savings balances and overall membership.

"I am delighted that we'll be opening a new high street branch in Solihull in the coming months to expand our national branch network and allow us to reach more people. This complements the great strides we have made in improving our digital offering over recent years.

"We are on the verge of entering our 150th year as a building society. We are well placed over the rest of 2024 and into our next 150 years and beyond to continue making homeownership a reality for more people and rewarding savers for the trust they put in us."

Maintained strong financial performance

- Leeds demonstrated its continued financial strength by taking actions that will reduce ongoing payment obligations and simplify its balance sheet, contributing to one-off costs which resulted in a statutory profit before tax of £50.5m and underlying profit of £86.4m (H1 2023: £116.2m, H2 2023: £65.3m).
- Capital and reserves remain well above the regulatory requirement at £1.6bn (Dec 2023: £1.6bn) and the Society retained very strong levels of liquidity.
- Cost to income ratio continues to be among the lowest in the banking and building society sector at 52.4% [2] (H1 2023: 40.4%) demonstrating a commitment to balancing members' needs and long-term financial sustainability.
- The mutual maintained low arrears levels at 0.69%[3] (H1 2023: 0.68%), a testament to the hard work of its teams to support borrowers facing financial difficulty.

Supported new and existing borrowers

- Leeds helped almost 500 customers take their first step towards homeownership with Home Deposit Saver accounts which reward savers with a £500 bonus after they receive a mortgage offer.
- The Society championed would-be first-time buyers by restricting mortgage lending on holiday lets in parts of North Norfolk and North Yorkshire with support of the local authorities as part of a 12-month trial to relieve housing pressures.
- Through investment in its digital capability, Leeds has worked to make customer and broker journeys easier and is making good progress on transforming its core IT infrastructure. For example, since it launched its new online ISA application journey earlier this year, conversation rates increased by over 70% (May 2024 compared with May 2023).
- The mutual provided excellent service to our members, with overall satisfaction levels 93% (Dec 2023: 94%).

Supported members and communities when they needed us

- Leeds exceeded £1m in fundraising for Dementia UK, concluding the four-year partnership by smashing the original £0.5m target.
- The Society announced a new three-year charity partnership with the UK's largest children's charity Barnardo's, to build brighter futures for care-experienced young people.
- The mutual stood by its members by establishing a significant voluntary financial support scheme for customers impacted by the 2022 collapse of Philips Trust Corporation.
- The building society began work with Keepmoat Homes on their Future Homes project to factor in the reduced monthly outgoings associated with living in a greener home into mortgage affordability calculations.

Ends

Footnotes

[1] The Society paid an average of 3.73% to our savers compared to the Rest of Market average of 3.07%, which equates to an annual benefit to our savers of £135m. Source: CACI's CSDB, Stock, June 2023 to May 2024, latest data available. CACI is an independent company that provides financial benchmarking data of the retail cash savings market.

[2] For the purpose of this ratio, a one-off exceptional item has been excluded.

[3] The proportion of balances greater than 1.5% in arrears has remained stable in the first half of the year at 0.69% (December 2023: 0.68%).

Key information from the Society's Group Interim Results to 30 June 2024 is attached.

For the Society's Interim Financial Report, follow the link:

http://www.rns-pdf.londonstockexchange.com/rns/6798Y_1-2024-7-31.pdf

Notes to Editors

For more information, please contact the press office at pressoffice@leedsbuildingsociety.co.uk or call 07552 959546.

About Leeds Building Society

- Leeds Building Society is the UK's fifth-largest Building Society.
- The Society held assets of £30bn and had a total membership of 945,300 on 30 June 2024
- We continue to do today what we were set up to do in 1875 - help people save money and buy their own home. We operate as a mutual, developing and innovating our product range and service offer to help our 945,300 members achieve their financial goals.
- For more on what we do and how we help our members, visit the Leeds Building Society website.
- As of 30 June 2024, we employed over 1,800 colleagues, with a head office in the centre of Leeds, a customer contact centre in Newcastle, and a network of 50 branches across the UK.

- Our purpose is putting home ownership within reach of more people, generation after generation. Since 2020 we have helped over 70,000 first time buyers join the housing ladder.
- We are committed to the orderly transition to a greener, net zero economy by 2050 and have set a second ambitious target to reduce our scope 1 and 2 location-based emissions by 60% by 2030, which aligns with the UK Government's net zero commitments.
- Find out more about the impact of our actions: 2023 Purpose Impact Report (a copy is also available on the Leeds Building Society website).
- The Society has been a Living Wage employer since 2019.
- The Society won the title of Best Shared Ownership Mortgage Lender in the 2024 What Mortgage Awards, its ninth consecutive year of success in this category, won "First time Mortgage Buyers' Choice" at the 2023 Moneyfacts Consumer Awards, and was named as the winner of the "Leading With Purpose Award" at the 2023 Business Culture Awards.

GROUP RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Condensed Consolidated Income Statement

	Six months to 30 June 2024 (Unaudited)	Six months to 30 June 2023 (Unaudited)	Year to 31 December 2023 (Audited)
	£m	£m	£m
Interest receivable and similar income	773.0	552.8	1,263.6
Interest payable and similar charges	(602.1)	(379.4)	(926.0)
Net interest receivable	170.9	173.4	337.6
Fees and commissions receivable	2.4	2.7	5.2
Fees and commissions payable	(0.3)	(0.4)	(0.8)
Fair value gains / (losses) from financial instruments	4.6	21.3	(6.7)
Other operating (expense)/ income	(23.1)	0.2	22.2
Total income	154.5	197.2	357.5
Administrative expenses	(88.2)	(75.3)	(159.9)
Depreciation and amortisation	(5.1)	(4.4)	(9.1)
Impairment release / (charge) on loans and advances to customers	1.8	(1.3)	(6.1)
Impairment of property, plant and equipment	-	-	(0.2)
Provisions charge	(12.5)	-	(0.7)
Operating profit and profit before tax	50.5	116.2	181.5
Tax expense	(12.3)	(27.0)	(47.6)
Profit for the period	**38.2**	**89.2**	**133.9**

Condensed Consolidated Statement of Financial Position

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	31 December 2023 (Audited)
	£m	£m	£m
Assets			
Liquid assets	6,235.5	5,372.5	5,559.3
Derivative financial instruments	445.1	933.9	443.6

Loans and advances to customers	23,102.5	20,846.9	21,941.2
Fair value adjustment for hedged risk on loans and advances to customers	(234.5)	(707.4)	(132.3)
Other assets, prepayments and accrued income	332.6	312.1	224.1
Current tax assets	14.7	-	9.8
Deferred tax assets	-	0.3	3.0
Intangible assets	31.9	24.6	29.8
Property, plant and equipment	63.7	65.7	64.5
Retirement benefit surplus	2.1	2.9	2.9
Total assets	**29,993.6**	**26,851.5**	**28,145.9**
Liabilities			
Shares	22,380.2	19,121.5	20,793.0
Fair value adjustment for hedged risk on shares	1.2	(131.5)	31.9
Derivative financial instruments	144.4	334.5	233.0
Amounts owed to credit institutions	1,288.4	2,083.6	1,869.3
Amounts owed to other customers	137.8	186.0	169.9
Debt securities in issue	3,588.5	2,404.0	2,708.6
Other liabilities and accruals	392.9	690.8	300.2
Deferred tax liabilities	34.1	42.1	38.4
Provision for liabilities and charges	13.8	0.5	1.3
Subordinated liabilities	326.3	303.7	323.9
Subscribed capital	8.0	191.9	33.0
Total equity attributable to members	1,678.0	1,624.4	1,643.4
Total liabilities and equity	**29,993.6**	**26,851.5**	**28,145.9**

Condensed Consolidated Statement of Comprehensive Income

	Six months to 30 June 2024 (Unaudited)	**Six months to 30 June 2023 (Unaudited)**	**Year to 31 December 2023 (Audited)**
	£m	**£m**	**£m**
Fair value gains recorded in cash flow hedge reserve	1.5	41.9	(11.7)
Fair value (losses) / gains on investment securities	(5.8)	(3.8)	14.8
Actuarial loss on retirement benefit surplus	(0.8)	(0.8)	(0.9)
Tax on items taken directly to equity	1.5	(8.9)	0.5
Other comprehensive (expense)/ income net of tax	(3.6)	28.4	2.7
Profit for the period	38.2	89.2	133.9
Total comprehensive income for the period	**34.6**	**117.6**	**136.6**

Summary Condensed Consolidated Statement of Cash Flows

	Six months to 30 June	**Six months to 30 June**	**Year to 31 December**

	2024 (Unaudited)	2023 (Unaudited)	2023 (Audited)
	£m	£m	£m
Net cash flows from operating activities	(70.2)	1,084.7	1,168.2
Net cash flows from investing activities	108.2	(966.9)	(1,123.3)
Net cash flows from financing activities	827.6	(292.0)	(202.3)
Net increase / (decrease) in cash and cash equivalents	**865.6**	**(174.2)**	**(157.4)**
Cash and cash equivalents at the beginning of the period	2,965.9	3,123.3	3,123.3
Cash and cash equivalents at the end of the period	**3,831.5**	**2,949.1**	**2,965.9**

Leeds Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Leeds Building Society is registered on the Financial Services Register under number 164992.You can check this on the FCA website at https://register.fca.org.uk/s/ or by calling 0800 111 6768. Leeds Building Society head office: 26 Sovereign Street, Leeds, West Yorkshire, LS1 4BJ.

As at 30 June 2024, the Board Directors of Leeds Building Society were as follows:

- Annette Marie Barnes
- Farah Buckley
- Andrew Peter Conroy
- Iain Charles Andrew Cornish
- Richard Guy Fearon
- David Fisher
- Neil Anthony Fuller
- Andrew John Greenwood
- Gareth John Hoskin
- Robert James Howse
- Pam Rowland
- Anita Tadayon

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