

**SKIPTON'S FINANCIAL STRENGTH AND MARKET SHARE GROW,
AS IT CHAMPIONS FIRST TIME BUYERS AND FREE FINANCIAL ADVICE**

Skipton Group ("Skipton") delivered another robust first half financial performance, with Group profit before tax (PBT) of £135.1m – maintaining our financial strength whilst also furthering our ambitions to support first time buyers, broaden access to advice and make membership matter more.

Stuart Haire, Group Chief Executive, said:

"I am delighted to share details of our strong business performance in the first half of 2025. We are growing faster than the market, supporting our members and customers with quality products and services, maintaining strong capital growth and delivering against our purpose through innovation and challenging the status quo.

Our Group purpose is to help people have a home, save for life ahead and support long term financial wellbeing. It remains as relevant today as it was in 1853 when the Society was founded.

We have three strategic priorities, which are:

Helping people have a home: providing finance to help those trying to get onto the housing ladder and enabling the purchase or letting of a home. We are committed to supporting more first time buyers and improving the home buying and property transaction process.

Making money work harder: ensuring our members receive above market average interest rates for their savings and have access to free financial advice to help them plan their financial futures.

Making membership matter: enabling members to see and feel the value of Skipton membership.

Against an uncertain backdrop, we are delivering against our strategic priorities, and driving meaningful change on socially important matters, by finding new ways to use our collective Group insights to better support our members in achieving their long-term financial wellbeing.

As the government continues to advocate for increasing the growth, relevance and development of the mutual sector, we are ready to share the benefits of membership with more people across the UK.

None of what we have achieved would be possible without our people, and I would like to thank each and every one of my colleagues across the Group for their dedication, drive and unwavering focus on delivering for our members."

Delivering against our strategic priorities

Helping people have a home:

- Group mortgage balances growth of 6.9% year-on-year to £32.2bn
- 50% of new lending to first time buyers (FTBs) (June 2024: 43%); helping over 12,000 FTBs
- 92% borrower satisfaction¹ (June 2024: 91%)
- £15.9bn (June 2024: £15.4bn) of lending has been generated by Connells for UK mortgage providers
- 128,652 properties under management (June 2024: 127,090)

Making money work harder:

- Society savings balances growth of 6.9% year-on-year to £29.5bn
- 45,228 advice conversations held (June 2024: 15,654); and funds under management of £4.9bn (June 2024: £4.5bn)
- 1,025,459 savers and investors (June 2024: 1,005,249)
- we have paid 0.67%² (May 2024: 0.74%) above the market average to our savers
- 89% savings member satisfaction¹ (June 2024: 90%)

Making membership matter:

- Society membership growth of 2.7% year-on-year to over 1.29 million (June 2024: 1.26 million)
- £78.1m value returned to members² (May 2024: £80.1m)
- 23,400 customer panel members (June 2024: 18,300)

¹ Member satisfaction is measured as the percentage of members and customers surveyed that scored satisfaction as 5, 6 or 7 minus those scoring 1, 2 or 3 (on a scale of 1-7).

² Source: CACI Current Account & Savings Database, Stock – for the five-month period to May 2025 (being the latest available data)

Group financial performance

Our Group has again delivered strong financial performance in the first half of the year, underpinned by continued balance sheet growth, strong profitability and a stable capital position:

- Group PBT of £135.1m (June 2024: £157.0m), with underlying Group PBT³ of £131.9m (June 2024: £149.1m). Income growth, supported by improved housing market activity, was offset by a higher cost base – with rising staff investment, together with a higher impairment charge, impacting upon profits.
- Group net interest margin increased to 1.30% (June 2024: 1.27%), despite a falling interest rate environment. Net interest benefited from favourable cost of funds, tempered by a more competitive mortgage market.
- The Society remained resilient delivering a first half PBT of £101.0m (June 2024: £113.0m) – while underlying net interest margin has performed well compared to last year, our investment in the Society (People, Brand & Technology) and increases to loan impairment, has resulted in a lower year-on-year PBT position.
- Connells improved profitability in the period, achieving a PBT of £28.4m (June 2024: £20.0m), as activity continues to recover in the housing market; buoyed by house purchase completions ahead of Stamp Duty changes on 1 April.
- Skipton International PBT of £6.8m was anticipated to be down (June 2024: £18.2m). The decrease in profit reflects a reduction in interest income, due to a combination of strategic slowdown (while transitioning its offering, and improving their control environment, to better support customers) and external market factors reducing expected returns on mortgages.
- Group UK residential mortgages in arrears by three months or more at the end of June 2025 are only 0.32% of mortgage accounts (June 2024: 0.27%), well below the industry average of 0.89%⁴.
- A liquidity coverage ratio (LCR)⁵ of 177% at June 2025 (June 2024: 188%); with the Society now having repaid all of the funding taken from the Bank of England's 'Term Funding Scheme with additional incentives for SMEs' (TFSME).
- A strong capital position - Common Equity Tier 1 (CET1) and leverage ratios⁵ of 28.8% and 6.6% (June 2024: 26.1% and 6.6%) respectively⁶.

Helping People Have a Home

In February, Skipton Group released the second version of its innovative Home Affordability Index Report which revealed the scale of the challenge facing first time buyers. Our research found 90% of potential first time buyers across Great Britain cannot afford to buy a first time home in their local area based on their personal financial situation.

That's why, we have taken steps to break down the barriers which they face, enhancing our affordability policy to include up to 5.5x loan-to-income (LTI) ratio for borrowers, improving their chances of securing that first mortgage.

Following the successful launch of our Track Record Mortgage in 2023 and Income Boost in 2024, Skipton delivered another market leading product in May this year – the Delayed Start Mortgage. Delayed Start is exclusively for first time buyers with no repayments due for the first three months to help with the initial costs of moving into their new home. It has already received excellent feedback from brokers and borrowers, and in the first month alone we received 151 applications.

Our commitment to making home ownership a reality has contributed to our Homes business supporting 12,322 first time buyers in the first six months to June 2025 (June 2024: 9,756), and our proportion of new lending to first time buyers increased to 50% (June 2024: 43% - *restated, in line with amended bases*). Overall, our Group mortgage book grew materially faster than the market at 6.9% year-on-year to £32.2bn (June 2024: £30.1bn); increasing our market share to 1.87%⁷ (June 2024: 1.78%).

We continue to support more people in the UK to buy and sell homes through Connells, as the market leader within the estate agency sector. Nine acquisitions were added to Connells' network in the last six months, including Aspire which is a successful London based estate agency business and includes a portfolio of both sales and lettings across five branches. Additionally, we have further strengthened our Lambert Smith Hampton businesses through two important acquisitions.

³ The following items are excluded from statutory profit to arrive at underlying profit: gains or losses on disposal of Group undertakings, impairment of Group undertakings and goodwill, fair value movements in relation to the equity release portfolio, fair value movements in equity share investments and share warrants, and fair value movements on the loan to the defined benefit pension scheme.

⁴ Source: UK Finance industry arrears (residential mortgages in arrears by more than three months at 31 March 2025 – being latest available)

⁵ The LCR, CET 1 ratio and leverage ratio are each presented in respect of Skipton's prudential consolidation group; this comprises the entire Group except Connells and a small number of other entities.

⁶ We have Prudential Regulation Authority (PRA) permission to apply the internal ratings-based (IRB) approach to certain credit risk exposures. We apply a temporary model adjustment (TMA) to the Society's regulator-approved IRB model output to account for regulatory changes that went live on 1 January 2022. Until the updated IRB models are approved by the PRA, the TMA remains subject to change and may cause variations in the capital metrics.

⁷ Source: Bank of England statistics, 'Lending secured on dwellings'

Making Money Work Harder

We remain committed to supporting members achieve their savings goals, whether that's planning for their retirement, looking at options for wealth transfer, or to access free Regulated Advice – we are helping them with their long-term financial wellbeing.

We launched free advice conversations to all our members in 2024, helping remove financial barriers that prevent people accessing advice, and our members have responded positively. In the first six months of the year, we conducted 45,228 advice conversations – 188% more than June 2024.

As the only building society to provide Regulated Advice directly to customers, we continue to innovate to improve our offering, demonstrating our commitment to broadening access to advice. To help members with their 2025 ISA allowance, we launched free advice on investing in a Stocks and Shares ISA.

As well as delivering new products, we have also invested in our technological capability, increasing the speed in which customers can invest, and creating a more streamlined customer experience.

For savings, we launched new products, including our first Quadruple Access ISA, and a 7-year fixed rate bond, ensuring members get the right balance of flexibility and returns on their money.

Our Society savings book continued to grow faster than the market, with growth of 6.9% year-on-year (June 2024: 16.6%), bringing our total book to £29.5bn (June 2024: £27.6bn) and increasing our market share to 1.38%⁸ of savings balances (June 2024: 1.35%). We're proud that over a million members trust us with their savings and investments (June 2025: 1,025,459, June 2024: 1,005,249), as we continue to meet their evolving needs.

In March 2025, we strengthened our partnership proposition – offering members discounted home insurance through Uinsure, saving on average c.£50 on their new premium.

We recognise the importance of our branch network and have continued to invest in a refurbishment programme. For members who choose to engage online, we launched a new website, and continue to rebuild our mobile app and portal, enabling members to have greater and simpler self-service capability. Our colleagues have benefited too from the investments we have made in technology, streamlining the processes supporting members – and we will continue to build on this technology, to improve member interactions.

Making Membership Matter

Our membership base has grown by 2.7% to 1,295,035 (June 2024: 1,260,562), as we continue to offer the value of membership to more people.

April marked the relaunch of our Society brand, highlighting our continuing commitment to be “Founded on Fairness”, which is at the heart of our member-owned Society. Our multi-channel campaign has been broadcast via TV, radio and digital platforms, improving our brand consideration and awareness of the Society.

To reward the loyalty of our members, we opened c.49,000 new member exclusive savings accounts in the last six months, to enable them to benefit from enhanced rates. Our commitment to providing above market average savings rates mean we have given our members an extra £78.1m in interest so far this year (May 2024: £80.1m)².

Our colleagues are empowered to surprise and delight members in the moments that matter to them, and so far this year, we have distributed over 10,000 gestures of goodwill. These are split across interactions when directly liaising with members over the telephone and in branches, or sending Home Mover boxers when members complete on a new home purchase. These gestures demonstrate our human connection when it matters the most, with excellent member feedback at those key life moments.

We invite member participation in the decisions we make, from AGM voting, the products and services we design, to the community and charitable causes we support. Our growing panel of 23,400 members (June 2024: 18,300) actively take part in research, helping us to ensure that their needs are considered as we explore new initiatives.

Over 60,000 members voted at our 2025 AGM, and over 43,000 members specifically voted on our 2025 charity partner – with the majority voting to support Refuge. The support for Refuge will sit alongside our existing partnerships with National Energy Action (NEA), Age UK, and colleague and community schemes.

⁸ Source: Bank of England statistics, 'UK deposits from households'

Skipton Building Society
Results for the half year ended 30 June 2025

Consolidated income statement

	6 months to 30.06.25 £m	6 months to 30.06.24 £m	12 months to 31.12.24 £m
Interest receivable and similar income:			
Accounted for using effective interest rate method	983.8	1,025.7	2,069.8
Other	8.7	16.2	32.5
Total interest receivable and similar income	992.5	1,041.9	2,102.3
Interest payable and similar charges	(738.2)	(803.0)	(1,613.9)
Net interest receivable	254.3	238.9	488.4
Fees and commissions receivable	587.6	533.3	1,115.5
Fees and commissions payable	(3.0)	(3.0)	(5.9)
Fair value gains on financial instruments mandatorily held at FVTPL	3.7	7.8	18.0
Other operating income	2.5	2.4	3.2
Total income	845.1	779.4	1,619.2
Administrative expenses	(702.5)	(626.4)	(1,312.3)
Operating profit before impairment and provisions	142.6	153.0	306.9
Impairment and provisions	(7.5)	4.0	11.7
Profit before tax	135.1	157.0	318.6
Tax expense	(33.7)	(38.2)	(78.1)
Profit for the period	101.4	118.8	240.5
Attributable to:			
Members of Skipton Building Society	101.3	118.8	240.5
Non-controlling interests	0.1	-	-
Profit for the period	101.4	118.8	240.5

Underlying Group PBT for the six months ended 30 June 2025 was £131.9m (six months ended 30 June 2024: £149.1m; year ended 31 December 2024: £302.3m) as shown below:

	6 months to 30.06.25 £m	6 months to 30.06.24 £m	12 months to 31.12.24 £m
Total Group profit before tax	135.1	157.0	318.6
Less fair value gains in relation to equity release portfolio (note 1)	(1.3)	(5.6)	(9.3)
Less fair value gains on share warrants and equity share investments (note 2)	(3.5)	(2.3)	(7.0)
Add back fair value losses on loan to the defined benefit pension scheme (note 2)	1.6	-	-
Underlying Group profit before tax	131.9	149.1	302.3

Notes

- The £1.3m gain (six months ended 30 June 2024: £5.6m gain; year ended 31 December 2024: £9.3m gain) is comprised of fair value losses on the portfolio of £(4.1)m (six months ended 30 June 2024: £(6.9)m losses; year ended 31 December 2024: £(12.6)m losses), and fair value gains of £5.4m (six months ended 30 June 2024: £12.5m gains; year ended 31 December 2024: £21.9m gains) on the associated derivatives held to economically hedge these fair value movements, included in the 'Fair value gains on financial instruments mandatorily held at FVTPL' line in the Income Statement.
- Included in the 'Fair value gains on financial instruments mandatorily held at FVTPL' line in the Income Statement.

Skipton Building Society
Results for the half year ended 30 June 2025

Consolidated statement of comprehensive income

	6 months to 30.06.25 £m	6 months to 30.06.24 £m	12 months to 31.12.24 £m
Profit for the period	101.4	118.8	240.5
Other comprehensive (expense) / income:			
Items that will not be reclassified to profit or loss:			
Remeasurement losses on defined benefit obligations	(18.5)	(1.9)	(3.7)
Income tax on items that will not be reclassified to profit or loss	5.0	0.5	1.0
	(13.5)	(1.4)	(2.7)
Items that may subsequently be reclassified to profit or loss:			
Cash flow hedging reserve:			
Gains / (losses) taken to equity	2.3	(29.5)	(29.6)
Realised (gains) / losses transferred to Income Statement	(12.4)	45.1	45.9
Fair value reserve:			
Gains / (losses) taken to equity	3.9	8.0	(1.7)
Impairment loss allowance on debt securities held at FVOCI	-	0.1	-
Cost of hedging reserve:			
Gains / (losses) taken to equity	0.8	-	(1.2)
Exchange differences on translation of foreign operations	-	(0.4)	(1.4)
Income tax on items that may be reclassified to profit or loss	1.5	(6.7)	(3.7)
	(3.9)	16.6	8.3
Other comprehensive (expense) / income	(17.4)	15.2	5.6
Total comprehensive income for the period	84.0	134.0	246.1
Attributable to:			
Members of Skipton Building Society	80.2	134.0	246.1
Non-controlling interests	3.8	-	-
Total comprehensive income for the period	84.0	134.0	246.1

Skipton Building Society
Results for the half year ended 30 June 2025

Consolidated statement of financial position

	As at 30.06.25 £m	As at 30.06.24 £m	As at 31.12.24 £m
Assets			
Cash in hand and balances with the Bank of England	1,281.8	2,509.4	1,930.6
Loans and advances to credit institutions	378.9	482.1	414.6
Debt securities	4,455.4	4,121.5	4,349.6
Derivative financial instruments	479.6	953.6	752.1
Loans and advances to customers held at amortised cost	32,169.3	29,674.7	30,601.1
Loans and advances to customers held at FVTPL	0.7	0.9	0.9
Equity release portfolio held at FVTPL	271.6	285.9	277.2
Current tax asset	13.2	-	3.0
Investments in joint ventures	12.1	10.6	11.2
Assets held for sale	3.7	-	-
Property, plant and equipment	80.2	78.1	80.9
Right-of-use assets	99.1	94.0	90.4
Deferred tax asset	2.5	8.8	6.3
Other assets	212.6	185.2	181.2
Intangible assets	360.4	310.4	311.4
Loan to defined benefit pension scheme	12.0	-	-
Retirement benefit surplus	-	6.1	4.8
Total assets	39,833.1	38,721.3	39,015.3
Liabilities			
Shares	29,513.8	27,534.0	28,268.5
Amounts owed to credit institutions	459.4	2,006.4	1,599.6
Amounts owed to other customers	2,856.8	2,739.5	2,751.1
Debt securities in issue	2,910.8	2,513.1	2,435.3
Derivative financial instruments	234.1	325.6	225.1
Current tax liability	1.1	4.1	2.7
Lease liabilities	101.1	95.0	92.1
Other liabilities	103.5	83.5	86.6
Accruals and deferred income	110.8	99.2	114.7
Provisions for liabilities	32.1	33.4	31.8
Retirement benefit obligations	9.3	9.7	8.6
Subordinated liabilities	703.6	680.9	690.2
Subscribed capital	41.6	41.6	41.6
Total liabilities	37,078.0	36,166.0	36,347.9
Members' interests			
General reserve	2,747.6	2,539.4	2,659.8
Fair value reserve	(7.8)	(3.7)	(10.6)
Cash flow hedging reserve	9.3	16.1	16.6
Cost of hedging reserve	(0.8)	(0.5)	(1.4)
Translation reserve	3.2	4.2	3.2
Attributable to members of Skipton Building Society	2,751.5	2,555.5	2,667.6
Non-controlling interests	3.6	(0.2)	(0.2)
Total members' interests	2,755.1	2,555.3	2,667.4
Total liabilities and members' interests	39,833.1	38,721.3	39,015.3

Skipton Building Society
Results for the half year ended 30 June 2025

Consolidated statement of cash flows

	6 months to 30.06.25 £m	6 months to 30.06.24 £m	12 months to 31.12.24 £m
Cash flows from operating activities			
Profit before tax	135.1	157.0	318.6
Adjustments for:			
Impairment losses / (credits) on financial instruments	7.3	(8.6)	(15.9)
Depreciation and amortisation	32.5	35.1	70.0
Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets	2.2	0.6	3.1
Profit on disposal of property, plant and equipment, investment property and intangible assets	(0.4)	(0.4)	(0.7)
Fair value gains on financial instruments held at FVTPL	(3.7)	(7.8)	(18.0)
Interest on subordinated liabilities and subscribed capital	16.8	16.9	34.1
Interest on lease liabilities	2.0	1.4	3.1
Other non-cash movements	(11.5)	3.0	(5.0)
	180.3	197.2	389.3
Changes in operating assets and liabilities:			
Movement in prepayments and accrued income	(20.5)	(13.1)	(3.4)
Movement in accruals and deferred income	(3.9)	(8.7)	6.8
Movement in provisions for liabilities	(7.0)	(5.3)	(10.1)
Net movement in derivatives	60.8	11.6	43.6
Movement in loans and advances to customers	(1,312.1)	(1,571.8)	(2,345.1)
Movement in shares	1,195.5	1,608.3	2,317.2
Net movement in amounts owed to credit institutions and other customers	(1,034.5)	(156.4)	(551.6)
Net movement in debt securities in issue	459.2	97.0	(5.9)
Net movement in loans and advances to credit institutions	24.9	144.1	169.2
Net movement in other assets	(36.2)	(28.1)	(44.7)
Net movement in other liabilities	31.4	13.6	32.8
Contributions to defined benefit scheme	(12.8)	(24.6)	(26.0)
Income taxes paid	(38.9)	(29.3)	(68.3)
Net cash flows from operating activities	(513.8)	234.5	(96.2)

Skipton Building Society
Results for the half year ended 30 June 2025

Consolidated statement of cash flows (continued)

	6 months to 30.06.25 £m	6 months to 30.06.24 £m	12 months to 31.12.24 £m
Net cash flows from operating activities	(513.8)	234.5	(96.2)
Cash flows from investing activities			
Purchase of debt securities	(1,257.7)	(2,165.0)	(4,402.0)
Proceeds from maturities and disposals of debt securities	1,212.1	1,368.8	3,374.5
Purchase of subsidiary undertakings in the year, net of cash acquired	(19.6)	-	-
Other investing activities	(42.7)	(19.5)	(41.0)
Net cash flows from investing activities	(107.9)	(815.7)	(1,068.5)
Cash flows from financing activities			
Interest paid on subordinated liabilities and subscribed capital	(16.6)	(17.0)	(33.5)
Interest paid on lease liabilities	(2.0)	(1.4)	(3.1)
Lease payments (excluding interest)	(19.4)	(19.9)	(39.3)
Net cash flows from financing activities	(38.0)	(38.3)	(75.9)
Net decrease in cash and cash equivalents	(659.7)	(619.5)	(1,240.6)
Cash and cash equivalents at 1 January	2,053.7	3,294.3	3,294.3
Decrease in impairment loss allowance on cash and cash equivalents	0.1	0.1	-
Cash and cash equivalents at end of period	1,394.1	2,674.9	2,053.7

Analysis of the cash balances as shown within the Statement of Financial Position:

	As at 30.06.25 £m	As at 30.06.24 £m	As at 31.12.24 £m
Cash in hand and balances with the Bank of England	1,281.8	2,509.4	1,930.6
Loans and advances to credit institutions	112.3	165.5	123.1
Cash and cash equivalents at end of period	1,394.1	2,674.9	2,053.7

Skipton Group is built on two core foundations: Homes and Money. With over a million members and 1,300 branches, we offer accessible financial advice, mortgages and savings. We are home to the UK's largest estate agency and property group, Connells, which with over 80 estate agency brands, helps over one in ten individuals buy and sell their homes. This gives us unique real time insight into the UK residential mortgage market which we use to help people into homes, help policymakers make better decisions, and help society address the needs of the hardest hit. Our diverse Group also includes Skipton International (offshore lending), Skipton Business Finance (invoice financing), and Jade Software Corporation (innovative New Zealand-based AI software company).

Skipton Group is led by Skipton Building Society, Principal Office: The Bailey, Skipton, BD23 1DN

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