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SKIPTON GROUP DELIVERS GOOD FIRST HALF PERFORMANCE WHILE INVESTING TO SUPPORT HOME OWNERSHIP AND FINANCIAL WELLBEING

Collectively, the Group delivered another period of good performance, supported by sustainable growth and strong balance sheet management by the Society, despite economic uncertainty; all the while remaining focused on improving outcomes for our members, customers and communities.

Stuart Haire, Group Chief Executive, said:

"We have delivered another good first half, growing our mortgage and savings balances significantly faster than the market, and particularly supporting first-time buyers and those wanting advice as they plan for their futures. We have done this whilst investing across the Group to deliver for our members and customers.

Our purpose, to help people have a home, save for life ahead, and support long-term financial wellbeing, is as important today as it was when Skipton was founded 173 years ago. Skipton Group's businesses give us broader reach across the housing and savings markets, helping us support more members and customers in delivering on our purpose.

While the first six months of the year were marked by heightened market volatility, the Group delivered profit before tax of £110.3m (June 2025: £135.1m), with the Society achieving a strong first half result, delivering more value to members, with a continued focus on unlocking home ownership for more first-time buyers.

Connells group protected its market-leading position and invested for the future in a very challenging housing market. Its breadth of businesses across the property value chain, including Lettings and Surveying services, provided an important buffer in tougher market conditions. Our other Group businesses performed in line with expectations, while continuing to invest for future growth and resilience, including through acquisition (Jade), product expansion (Skipton Business Finance) and strengthened controls (Skipton International).

Our colleagues remain central to our success, and I would like to thank all our colleagues across the Group. Their commitment is what turns our purpose into something members and customers see and feel every day.

As we look ahead to the rest of 2026, our priority is clear: delivering long-term value for our members and doing more of what matters most to them. We are operating in a more uncertain environment, but our purpose gives us clarity. It guides the choices we make and keeps us focused on supporting our members through change. What matters is that we use the strength of the Group to deliver for members, whether that's better value, better service, helping more people access a home or supporting them to build financial security over the long term."

Delivering against our strategic priorities

Helping people have a home:

- Group mortgage balances growth year-on-year of 7.3%[1] to £34.6bn
- 46% of new lending to first-time buyers (FTBs) (June 2025: 50%); helping 11,497 FTBs (June 2025: 12,322)
- 92% borrower satisfaction[2] (December 2025: 92%)
- £13.8bn of lending generated by Connells for UK mortgage providers (June 2025: £12.7bn[3])

Making money work harder:

- Society savings balance growth year-on-year of 5.9%[1] to £31.2bn
- We have paid 0.65%[4] above market average interest rates to our savers (May 2025: 0.67%)
- 89% savings member satisfaction[2] (December 2025: 90%)

Making membership matter:

- £80.8m value returned to members[4] (May 2025: £78.1m)
- 89% Society customer satisfaction[2] (December 2025: 90%)

[1] 12-month growth rate to 30 June 2026.
[2] The percentage of members and customers surveyed scoring satisfaction as 5, 6 or 7 minus those scoring 1, 2 or 3 (on a scale of 1-7).
[3] 2025 comparative re-presented on a like-for-like basis, excluding lending generated by the Mortgage Intelligence business, which was sold in December 2025.
[4] Source: CACI Current Account & Savings Database, Stock – for the five-month period to 31 May 2026 (being latest available).

Group financial performance

Skipton Group has maintained its financial strength, with another period of good financial performance, underpinned by continued growth and demand, strong balance sheet management and a stable capital position:

- Group PBT of £110.3m (June 2025: £135.1m), with underlying Group PBT[5] of £112.2m (June 2025: £131.9m). The Society continued to perform well, but the market backdrop for Connells in comparison has been more challenging, with the number of properties that the business exchanged contracts on down 7% compared to the strong first half seen in 2025 (which was buoyed by extra activity ahead of the stamp duty changes); while administrative expenses including salary inflation and investment at Connells have increased 4.2% - *detailed below*.
- Group net interest margin contracted to 1.24% (June 2025: 1.30%), with margin reducing across both the Society and SIL.
- The Society delivered another good first half performance with underlying PBT of £99.0m (June 2025: £101.3m). Net interest margin reduced slightly to 1.14% (June 2025: 1.19%) driven by new business margins being lower than on maturing business, as Money customers seek higher value savings products and Homes customers refinance onto new borrowing terms; while administrative expenses reduced slightly by £0.2m, compared to the same period last year, at £136.9m (June 2025: £137.1m) with inflationary pressures being offset by cost controls.
- Connells recorded underlying PBT of £2.0m (June 2025: £24.9m). Its breadth of businesses across the property value chain, including Lettings and Surveying services, provided an important buffer against the tougher market conditions in the Estate Agency business. Careful cost management and simplifying the structure of the business post acquisitions have been balanced with continued investment in areas that enhance quality, support growth and strengthen competitive advantage. Administrative expenses, excluding restructuring costs, have increased by £22.6m, driven in the main by salary inflation, as well as from investment spend and cost following acquisitions.
- SIL achieved PBT of £5.4m (June 2025: £6.8m). In the first half of 2026, SIL continued to stabilise, enhancing its control framework and regulatory environment while strengthening its client proposition. Cost savings at SIL, after investing heavily in the prior year to transition the business, have been offset by a reduction in net interest margin, primarily due to lower mortgage hedging income.
- Group UK residential mortgages in arrears by three months or more equated to just 0.31% at the end of June 2026 (December 2025: 0.30%), and remain well below the industry average of 0.77%[6].
- A liquidity coverage ratio (LCR)[7] of 186% (December 2025: 178%).
- A strong capital position - Common Equity Tier 1 (CET1) and leverage ratios[7] of 27.9% and 6.7% (December 2025: 28.2% and 6.7%) respectively[8].

Delivering our purpose

Helping people have a home

We continue to support first-time buyers, with our Track Record mortgage now in its third year, and first-time buyers accounting for 46% of new lending (June 2025: 50%). We have expanded our Delayed Start mortgage and simplified our approach to pricing, making it easier for more people to access a mortgage and helping us grow our market share to 1.96% (31 December 2025: 1.91%)[9].

We have made it simpler to work with us too. Changes to broker journeys and improved underwriting have increased approval rates and maintained high broker satisfaction, with a score of 90% (31 December 2025: 91%)[2]. For borrowers, we made our processes faster, reducing the time from application to offer by two days.

In the first half of the year, members have benefited from access to more protection products including income and life insurance through our new partnership with LifeSearch.

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[5] 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, fair value movements on the loan to the defined benefit pension scheme, profit or losses on disposal of held for sale assets and restructuring costs.

[6] Source: UK Finance industry arrears (residential mortgages in arrears by more than three months) at 31 March 2026 – latest available.

[7] 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.

[8] The Society continues to work with the Prudential Regulation Authority (PRA) to update its Internal Ratings-Based (IRB) system in line with current risk-weighted asset regulatory requirements.

[9] Source: Bank of England statistics, 'Lending secured on dwellings', May 2026.

Making money work harder

Our commitment to offering strong value to savers resulted in paying 0.65% above market average interest rates (May 2025: 0.67%) and generated £80.8m of value for our savers (May 2025: £78.1m)[4].

We continue to support members with access to financial guidance and planning, alongside our provision of Regulated Advice, delivering 43,751 of Regulated and Non-regulated advice conversations (June 2025: 45,228), and hold funds under management of £5.7bn (December 2025: £5.3bn).

During ISA season, we supported members by providing education on how to make the most of tax-free savings' allowances, opening over 40,000 new ISA accounts and increasing our market share to 1.41% (December 2025: 1.39%)[10].

Making membership matter

We use insights from our members to influence change on the issues that matter most. Our Skipton Group Home Affordability Index informs our product innovation and external engagement, supporting our work to champion practical policy changes on lending limits and reforms to make the home buying and selling process simpler, faster and more certain.

Members also shape how we support our communities. At our Annual General Meeting, more than 60,000 members voted for Help for Heroes as our next charity partner who will receive over £1.6m over the next three years.

Our members remain highly satisfied with the products and service they receive from us with a Society net customer satisfaction score of 89% (December 2025: 90%)[2].

Investing for the future

Across the Group, we are investing to modernise our businesses, helping us better serve members and customers and simplify how we work.

Within the Society, we are investing in digital and data capabilities to improve member experience. Almost 50,000 members signed up to our new mobile App in the first quarter and we made our advice conversations more accessible, with the introduction of video appointments.

At Connells, we are continuing to invest in technology to deliver a more consistent experience for customers. This includes a significant upgrade across c.1,200 branches, replacing 15,000 PCs and telephones. Through our investment in Legal Marketing Services (LMS), we are also helping to digitalise the home buying and selling journey, to make it faster and more reliable.

Growing our colleagues and talent

None of this would be possible without the commitment of colleagues across the Group. This has been recognised externally, with Skipton named the UK's top Building Society in the Financial Times Best Employers list and Connells group recognised as a Sunday Times Best Place to Work for the second year running.

We are also continuing to build a more inclusive culture, where colleagues from all backgrounds can thrive. Our latest Gender Pay Gap Report shows an increase in the number of women in senior roles, and we were recently recognised for Diversity and Inclusion in the FT Workplace Excellence Awards.

[10] Source: Bank of England Statistics, May 2026.

Skipton Group

Results for the half year ended 30 June 2026

Summary Consolidated Income Statement

	6 months to 30.06.26 £m	6 months to 30.06.25 £m
Interest receivable and similar income	**919.9**	992.5
Interest payable and similar charges	**(665.8)**	(738.2)
Net interest receivable	**254.1**	254.3
Fees and commissions receivable	**593.7**	587.6
Fees and commissions payable	**(3.4)**	(3.0)
Fair value gains on financial instruments	**0.7**	3.7
Other operating income	**1.3**	2.5
Total income	**846.4**	845.1
Administrative expenses	**(730.9)**	(702.5)
Operating profit before impairment and provisions	**115.5**	142.6
Impairment and provisions	**(5.2)**	(7.5)
Profit before tax	**110.3**	135.1
Tax expense	**(26.3)**	(33.7)
Profit for the period	**84.0**	101.4
Attributable to:		
Members of Skipton Building Society	**83.6**	101.3
Non-controlling interests	**0.4**	0.1
Profit for the period	**84.0**	101.4

Underlying Group profit before tax (PBT) for the six months to 30 June 2026 was £112.2m (six months ended 30 June 2025: £131.9m) as shown below:

	6 months to 30.06.26 £m	6 months to 30.06.25 £m
Total Group profit before tax	**110.3**	135.1
Add back / (less) fair value losses / (gains) in relation to the equity release portfolio	**2.0**	(1.3)
Less fair value gains on share warrants and equity share investments	**-**	(3.5)
(Less) / add back fair value (gains) / losses on loan to the defined benefit pension scheme	**(2.5)**	1.6
Less profit on disposal of held for sale assets	**(2.1)**	-
Add back restructuring costs	**4.5**	-
Underlying Group PBT	**112.2**	131.9

Summary Consolidated Statement of Cash Flows

	6 months to 30.06.26 £m	6 months to 30.06.25 £m
Net cash flows from operating activities	**50.3**	(513.8)
Net cash flows from investing activities	**573.0**	(107.9)
Net cash flow from financing activities	**(34.8)**	(38.0)
Movements in cash and cash equivalents	**588.5**	(659.7)
Cash and cash equivalents at 1 January	**1,449.0**	2,053.7
Movements in impairment on cash and cash equivalents	**-**	0.1
Cash and cash equivalents at end of period	**2,037.5**	1,394.1

Results for the half year ended 30 June 2026 (continued)

Summary Consolidated Statement of Comprehensive Income

	6 months to 30.06.26 £m	6 months to 30.06.25 £m
Profit for the period	**84.0**	101.4
Items that will not be reclassified to the Income Statement:		
Remeasurement of net defined benefit obligations	**0.3**	(18.5)
Taxation on items that will not be reclassified	**-**	5.0
Items that may subsequently be reclassified to the Income Statement:		
Fair value movements taken to equity	**(5.3)**	7.0
Amounts transferred to the Income Statement	**7.9**	(12.4)
Exchange differences on translation of foreign operations	**0.1**	-
Taxation on items that may be reclassified	**(0.9)**	1.5
Other comprehensive income / (expense)	**2.1**	(17.4)
Total comprehensive income for the period	**86.1**	84.0
Attributable to:		
Members of Skipton Building Society	**87.4**	80.2
Non-controlling interests	**(1.3)**	3.8
Total comprehensive income for the period	**86.1**	84.0

Summary Consolidated Statement of Financial Position

	As at 30.06.26 £m	As at 31.12.25 £m
Assets		
Liquid assets	**5,958.0**	5,982.9
Residential mortgages	**34,126.0**	33,045.6
Commercial and other loans	**331.7**	334.1
Equity release portfolio	**255.3**	263.1
Derivative financial instruments	**349.4**	350.8
Fixed and other assets	**804.5**	767.7
Total assets	**41,824.9**	40,744.2
Liabilities		
Shares	**31,234.5**	30,526.3
Borrowings	**6,781.5**	6,408.7
Derivative financial instruments	**124.5**	186.2
Other liabilities	**367.7**	387.2
Subordinated liabilities and subscribed capital	**367.6**	371.2
Reserves	**2,946.8**	2,861.0
Non-controlling interests	**2.3**	3.6
Total liabilities and members' interests	**41,824.9**	40,744.2

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 around 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 (our Guernsey-based savings and mortgage bank), Skipton Business Finance (invoice financing and asset-based lending), and Jade Software Corporation (innovative New Zealand-based AI software company).