

Pillar 3 Disclosures

30 June 2025

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1 Introduction

1.1 Background

This document presents the Pillar 3 disclosures of Skipton Building Society (the Society) and its subsidiaries at prudential group level as at 30 June 2025.

The disclosures have been prepared in accordance with the Capital Requirements Directive (CRD V), the United Kingdom's Capital Requirements Regulation (UK CRR) and the disclosure requirements set out in the Prudential Regulation Authority's (PRA) Rulebook.

The Pillar 3 disclosure requirements apply to banks and building societies and require firms to publish key details regarding their financial strength and risk management. These Pillar 3 disclosures, and those from previous reporting periods, are published on the Society's website at www.skipton.co.uk/about-us/pillar-3-disclosure.

1.2 Scope of application

The Society is required to calculate and maintain regulatory capital on both a prudential consolidation and a Society only basis. The basis of consolidation for regulatory and accounting purposes are different.

For accounting purposes, the Group comprises the Society and all of its subsidiaries. For regulatory purposes, the prudential consolidation group comprises the Society and most of its subsidiaries. However, it excludes the Connells group, Jade Software Corporation Ltd and a small number of other entities whose activities are not closely aligned with the core business. For an overview of the differences between accounting and regulatory scopes of consolidation, see section 4 of the Pillar 3 disclosures as at 31 December 2024.

1.3 Basis of presentation

These Pillar 3 disclosures are presented at the prudential consolidation group level (see section 1.2 above) and prepared in line with CRD V. The balances within the Group's Half-Yearly Financial Report 2025 are reported in line with International Financial Reporting Standards (IFRS). Therefore, the information in these disclosures may not be directly comparable.

The disclosures are presented using the prescribed disclosure templates in the PRA Rulebook. Row and column references are based on those prescribed in the PRA templates. No changes have been made to the fixed templates, unless specifically stated above or directly beneath the relevant template.

All figures and narratives are as at 30 June 2025. Comparative analysis is disclosed based on the previous disclosed reporting period end as prescribed in the PRA Rulebook.

1.4 Frequency of disclosure

The Society is required to publish Pillar 3 disclosures quarterly in accordance with the requirements set out in Article 433a of the PRA Rulebook.

1.5 Non-material, proprietary or confidential information

The Society is required to publish Pillar 3 disclosures in accordance with Article 432 of the PRA Rulebook which allows an institution to omit disclosures if the information is not considered material or if it is regarded as proprietary or confidential.

In accordance with Article 440 of the PRA Rulebook, the Countercyclical Capital Buffer template UK CCyB1 (CCyB) sets out a geographical breakdown of the obligors of various exposure types. For reasons of both clarity and materiality, only those countries where the own fund requirement is equal to, or above, £0.1m are listed. Exposure in countries where these criteria are not met have been presented in aggregate as 'other countries'.

There have been no other omissions based on non-materiality, proprietary or confidentiality.

1.6 Pillar 3 Policy

The Board has adopted a formal policy for the production of the Pillar 3 disclosures. The Pillar 3 Policy (Policy) sets out the principles which ensure that the Pillar 3 disclosures satisfy the regulatory reporting requirements in respect of the basis, frequency, verification and appropriateness of disclosures, and the governance and control

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framework applied in the preparation of the disclosures. The Policy also ensures that the Group's risk profile is comprehensively disclosed and that our disclosures are comparable to other market participants.

1.7 Verification and sign off

These disclosures have been reviewed and approved by the Board Audit Committee (BAC). These disclosures are not required to be, and have not been, subject to an independent external audit.

Capital and leverage ratios reported as at 30 June 2025 include interim profits for the period to 30 June 2025 that have been independently verified by the Group's external auditors in accordance with Article 26 of the UK CRR.

2 Key metrics

This summary represents the key prudential ratios and measures as set out in template UK KM1.

Overview of capital, leverage and risk weighted assets

Capital is ultimately held for the protection of depositors and other creditors by providing a buffer against unexpected losses. During the quarter ended 30 June 2025, the Group satisfied all of the current capital requirements under the UK CRR.

£2,465.7m CET 1 Capital

31 March 2025: £2,360.6m

The Group's capital position remains strong with Common Equity Tier 1 (CET1) capital of £2,465.7m (31 March 2025: £2,360.6m). The increase in CET1 capital is driven by verified profits accumulated in the first half of the year, which were not included as at 31 March 2025. Further detail on regulatory capital is set out in section 4.1.

We have PRA permission to apply the internal ratings-based (IRB) approach to certain credit risk exposures. To comply with regulatory requirements effective from 1 January 2022, the Society submitted updates to its IRB models to the PRA in 2021. Following feedback received in 2022, the models were further refined and re-submitted in January 2024. As the Society is awaiting approval of its updated IRB models by the PRA, a temporary model adjustment (TMA) is applied to the Society's regulator-approved IRB model output. Until the PRA approve the models, the TMA remains subject to change and may cause variations in the capital metrics. See section 11.1 for further details.

£8,559.3m Risk Weighted Assets

31 March 2025: £8,504.3m

The risk weighted assets (RWAs) increased by £55.0m during the period to £8,559.3m (31 March 2025: £8,504.3m). The increase is principally driven by the strong residential mortgage book growth during the period. An overview of RWAs is set out in Section 3.

28.8% CET 1 Ratio

31 March 2025: 27.8%

As a result of the movement in regulatory capital and RWAs explained above, the CET1 ratio has increased to 28.8% (31 March 2025: 27.8%). The capital ratios may be subject to future movements as a result of the ongoing development of the IRB models.

6.6% Leverage Ratio

31 March 2025: 6.4%

The leverage ratio, which is a non-risk-based measure, is defined as the ratio of Tier 1 capital to total leverage exposure, which includes both on-balance sheet and off-balance sheet items. As at 30 June 2025, the leverage ratio increased to 6.6% (31 March 2025: 6.4%) showing that the growth in mortgage lending has been offset by the profits accumulated during the period. Further detail on the leverage ratio is set out in Section 6.

Overview of liquidity ratios

The liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) were above both the regulatory and internal limits set by the Board throughout the period.

191.0% Liquidity Coverage Ratio

31 March 2025: 187.4%

The LCR is a measure designed to ensure that financial institutions have sufficient High Quality Liquid assets (HQLA) available to meet their liquidity needs for a 30-day liquidity stress scenario. As at 30 June 2025, the LCR was 191.0% (31 March 2025: 187.4%).

138.9% Net Stable Funding Ratio

31 March 2025: 138.7%

The NSFR is a long-term stable funding metric, which measures the stability of our funding sources relative to the term and liquidity of our assets we are required to fund. As at 30 June 2025, the NSFR was 138.9% (31 March 2025: 138.7%). Further detail on the LCR and NSFR is set out in Section 7. Further detail on the LCR and NSFR is set out in Section 7.

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2.1 UK KM1 - Key metrics template

The template below provides a summary of the key prudential ratios and measures. The Group applied the IFRS 9 transitional arrangements for capital calculations in accordance with Article 473a of the UK CRR from 1 January 2018 to 31 December 2024. These transitional arrangements ceased to apply from 1 January 2025 but remain reflected in the comparative figures. The implementation of IFRS 9 transitional arrangements did not significantly impact the Group's capital position, as reported in previous disclosures in the template 'Impact of IFRS 9 transitional arrangements'.

		a	b	c	d	e
		30 Jun 25 £m	31 Mar 25 £m	31 Dec 24 £m	30 Sep 24 £m	30 Jun 24 £m
Available own funds (amounts)						
1	Total Common Equity Tier 1 (CET1) capital ¹	2,465.7	2,360.6	2,375.1	2,276.4	2,280.8
2	Tier 1 capital ¹	2,465.7	2,360.6	2,375.1	2,276.4	2,280.8
3	Total capital ¹	2,505.7	2,400.6	2,415.1	2,316.4	2,320.8
Risk-weighted exposure amounts (RWEAs)						
4	Total risk-weighted exposure amount	8,559.3	8,504.3	8,277.4	8,131.0	8,722.8
Capital ratios (as a % of RWEAs)						
5	Common Equity Tier 1 ratio (%)	28.81	27.76	28.69	28.00	26.15
6	Tier 1 ratio (%)	28.81	27.76	28.69	28.00	26.15
7	Total capital ratio (%)	29.27	28.23	29.18	28.49	26.61
Additional own funds requirements based on SREP (as a % of RWEAs)						
UK 7a	Additional CET1 SREP requirements (%)	1.15	1.15	1.16	1.16	1.14
UK 7b	Additional AT1 SREP requirements (%)	0.38	0.38	0.39	0.39	0.38
UK 7c	Additional T2 SREP requirements (%)	0.51	0.51	0.51	0.52	0.51
UK 7d	Total SREP own funds requirements (%)	10.04	10.04	10.06	10.07	10.03
Combined buffer requirement (as a % of RWEAs) ²						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
9	Institution specific countercyclical capital buffer (%) ³	1.82	1.81	1.82	1.81	1.82
11	Combined buffer requirement (%)	4.32	4.31	4.32	4.31	4.32
UK 11a	Overall capital requirements (%)	14.36	14.35	14.38	14.38	14.35
12	CET1 available after meeting the total SREP own funds requirements (%) ⁴	19.23	18.19	19.11	18.42	16.58
Leverage ratio ⁵						
13	Total exposure measure excluding claims to central banks	37,570.0	36,793.2	35,936.9	35,353.2	34,560.6
14	Leverage ratio excluding claims on central banks (%)	6.56	6.42	6.61	6.44	6.60
Liquidity Coverage Ratio ⁶						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	6,012.7	6,102.2	6,100.6	6,007.2	5,926.2
UK 16a	Cash outflows - Total weighted value	3,407.3	3,511.5	3,662.4	3,741.0	3,747.5
UK 16b	Cash inflows - Total weighted value	252.3	247.0	244.6	243.4	235.6
16	Total net cash outflows (adjusted value)	3,155.0	3,264.5	3,417.8	3,497.6	3,511.9
17	Liquidity coverage ratio (%)	191.01	187.40	179.02	171.96	169.05
Net Stable Funding Ratio ⁷						
18	Total available stable funding	34,584.6	34,173.5	33,570.7	33,084.5	32,154.7
19	Total required stable funding	24,899.7	24,633.4	24,360.6	24,134.7	23,727.6
20	Net Stable Funding Ratio (%)	138.91	138.74	137.80	137.08	135.48

Notes

1. Verified profits are only included in rows 1 to 3 as at 30 June 2024 and 31 December 2024.
2. The buffer requirement in rows UK 8a, UK 9a to UK10a have been removed from the template as they are not applicable for the Group.
3. The institution specific countercyclical capital buffer requirement is based on the weighted average of the buffer rates in effect for the countries in which the Group has relevant credit exposures.
4. Represents the level of CET1 capital available to meet buffer requirements after subtracting the amount of minimum CET1 capital required to meet Pillar 1 and Pillar 2A capital requirements, also referred to as total Supervisory Review and Evaluation Process (SREP) Own Funds Requirements, as a percentage of RWAs. The current CET1 capital requirement for the Group is equivalent to the total SREP own funds requirements, less Tier 2 capital.
5. The additional leverage ratio disclosure requirements only apply to financial institutions with deposits equal to or greater than £50bn or with non-UK assets equal to or greater than £10bn. The rows UK-14a to UK-14e have been removed from the template as the Group is not currently captured by either threshold.
6. The values have been calculated as the simple average of the 12 month-end observations preceding the end of each quarter.
7. The values have been calculated based on a four quarter rolling average of quarter-end positions.

3 Overview of risk weighted exposure amounts

3.1 UK OV1 – Overview of risk weighted exposure amounts

The template below provides an overview of RWAs and minimum capital requirements under the Pillar 1 capital requirement as at 30 June 2025. Credit risk exposures include balances which are off-balance sheet, such as credit commitments relating to mortgages not yet drawn down.

The Pillar 1 own funds requirement under both the IRB and standardised approach is calculated as 8% of the RWAs.

		a	b	c
		Risk weighted exposure amounts (RWEAs) 30 Jun 25 £m	31 Mar 25 £m	Total Own Fund Requirements 30 Jun 25 £m
1	Credit risk (excluding CCR)	7,545.9	7,479.9	603.7
2	Of which standardised approach	1,412.9	1,421.3	113.0
3	Of which the foundation IRB (FIRB) approach ¹	-	-	-
4	Of which slotting approach ¹	-	-	-
UK 4a	Of which equities under the simple risk weighted approach	304.5	304.5	24.4
5	Of which the advanced IRB (AIRB) approach ²	5,828.5	5,754.1	466.3
6	Counterparty credit risk (CCR)	108.7	120.3	8.7
7	Of which the standardised approach	26.1	26.9	2.1
8	Of which internal model method (IMM) ¹	-	-	-
UK 8a	Of which exposures to a CCP	8.5	8.4	0.7
UK 8b	Of which credit valuation adjustment - CVA ³	74.1	85.0	5.9
9	Of which other CCR	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	64.2	63.6	5.1
17	Of which SEC-IRBA approach ¹	-	-	-
18	Of which SEC-ERBA (including IAA) ⁴	64.2	63.6	5.1
19	Of which SEC-SA approach ¹	-	-	-
UK 19a	Of which 1250%/ deduction ¹	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	Of which the standardised approach ⁵	-	-	-
22	Of which IMA ¹	-	-	-
UK 22a	Large exposure	-	-	-
23	Operational risk	840.5	840.5	67.2
UK 23a	Of which basic indicator approach ¹	-	-	-
UK 23b	Of which standardised approach	840.5	840.5	67.2
UK 23c	Of which advanced measurement approach ¹	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-
29	Total	8,559.3	8,504.3	684.7

Notes

1. This approach is not applicable to the Group.
2. The advanced IRB approach includes exposures to non-credit obligation assets of £57.4m (31 March 2025: £59.1m) that are subject to a 100% risk weight.
3. Credit Valuation Adjustment (CVA) is the adjustment applied to the fair value of derivatives for potential mark-to-market losses due to credit quality deterioration of a counterparty.
4. The Group has adopted the SEC-ERBA approach method to calculate the capital requirements of securitisation exposures. The Internal Assessment Approach (IAA) is not applicable to the Group.
5. As permitted per Article 351 of the UK CRR, the Group has elected to set exposure to market risk at zero, as the overall net foreign exchange position remains below the prescribed threshold.

4 Own funds

Own funds are ultimately held for the protection of depositors and other creditors by providing a buffer against unexpected losses. During the six months ended 30 June 2025, the Group satisfied all of the current capital requirements under the UK CRR.

The templates in this section show the composition of regulatory capital and how the values reconcile from the Group balance sheet to the Group's regulatory capital position as at 30 June 2025. Column 'b' below contains references to column 'c' in template UK CC2. Rows in which there is no data to report, zero values or rows not applicable in the UK, have not been presented.

4.1 UK CC1 – Composition of regulatory own funds

		a	b	a
		Amounts 30 Jun 25 £m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	Amounts 31 Dec 24 £m
Common Equity Tier 1 (CET1) capital: instruments and reserves				
2	Retained earnings ¹	2,450.3	(d)	2,241.2
3	Accumulated other comprehensive income (and other reserves)	(11.8)	(e) + (f) + (h) + (i) + (j)	2.6
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	96.3	(g) ¹	211.1
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	2,534.8		2,454.9
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(4.8)		(4.7)
8	Intangible assets (net of related tax liability) (negative amount)	(12.2)	(a) + (b)	(10.1)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(9.3)	(i)	(16.6)
12	Negative amounts resulting from the calculation of expected loss amounts	(42.8)		(43.8)
15	Defined-benefit pension fund assets (negative amount)	-		(4.8)
27a	Other regulatory adjustments to CET1 capital (<i>including IFRS 9 transitional adjustments when relevant</i>)	-		0.2
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(69.1)		(79.8)
29	Common Equity Tier 1 (CET1) capital	2,465.7		2,375.1
Additional Tier 1 (AT1) capital: regulatory adjustments				
45	Tier 1 capital (T1 = CET1 + AT1)	2,465.7		2,375.1
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts ²	40.0	(c)	40.0
51	Tier 2 (T2) capital before regulatory adjustments	40.0		40.0
Tier 2 (T2) capital: regulatory adjustments				
58	Tier 2 (T2) capital	40.0		40.0
59	Total capital (TC = T1 + T2)	2,505.7		2,415.1
60	Total Risk exposure amount	8,559.3		8,277.4

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		a	b	a
		Amounts	Source based on reference	Amounts
		30 Jun 25	numbers/letters of the balance	31 Dec 24
		£m	sheet under the regulatory	£m
			scope of consolidation	
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount) (%)	28.81		28.69
62	Tier 1 (as a percentage of total risk exposure amount)(%)	28.81		28.69
63	Total capital (as a percentage of total risk exposure amount)(%)	29.27		29.18
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount) (%)	9.96		9.98
65	of which: capital conservation buffer requirement (%)	2.50		2.50
66	of which: countercyclical buffer requirement (%)	1.82		1.82
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) (%)	19.23		19.11
Amounts below the thresholds for deduction (before risk weighting)				
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	8.7		2.6
Applicable caps on the inclusion of provisions in Tier 2				
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	18.1		17.8
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	36.8		35.3

Notes

1. Retained earnings include the general reserve and exclude amounts defined as other comprehensive income and independently reviewed interim profits which are included in row 3 and row UK-5a respectively.
2. Comprises Permanent Interest Bearing Shares (PIBS) eligible as Tier 2 capital.

4.2 UK CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

30 June 2025	a	b	c
	Balance sheet as in published financial statements £m	Under regulatory scope of consolidation £m	Reference
Assets - Breakdown by asset class according to the balance sheet in the published financial statements			
1 Cash in hand and balances with the Bank of England	1,281.8	1,281.8	
2 Loans and advances to credit institutions	378.9	341.8	
3 Debt securities	4,455.4	4,455.4	
4 Derivative financial instruments	479.6	479.6	
5 Loans and advances to customers held at amortised cost	32,169.3	32,189.6	
6 Loans and advances to customers held at FVTPL	0.7	0.7	
7 Equity release portfolio held at FVTPL	271.6	271.6	
8 Current tax asset	13.2	7.9	
9 Investments in subsidiary undertakings and joint ventures	12.1	204.8	
10 Assets held for sale	3.7	3.7	
11 Property, plant and equipment	80.2	44.0	
12 Right-of-use assets	99.1	13.5	
13 Deferred tax asset	2.5	4.6	
14 of which: Deferred tax assets	23.5	5.2	
15 of which: Intangible assets	(21.0)	(0.6)	(b)
16 Other assets	212.6	28.7	
17 Intangible assets	360.4	12.8	(a)
18 Loan to defined benefit pension scheme held at FVTPL	12.0	12.0	
19 Retirement benefit surplus	-	-	
16 Total assets	39,833.1	39,352.5	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements			
1 Shares	29,513.8	29,513.8	
2 Amounts owed to credit institutions	459.4	459.4	
3 Amounts owed to other customers	2,856.8	2,883.5	
4 Debt securities in issue	2,910.8	2,910.8	
5 Derivative financial instruments	234.1	234.1	
6 Current tax liability	1.1	1.1	
7 Lease liabilities	101.1	14.2	
8 Other liabilities	103.5	15.8	
9 Accruals and deferred income	110.8	32.8	
10 Provisions for liabilities	32.1	5.5	
11 Retirement benefit obligations	9.3	1.5	
12 Subordinated liabilities	703.6	703.6	
13 Subscribed capital	41.6	41.6	
of which: Permanent interest bearing shares	40.0	40.0	(c)
of which: Accrued Interest - Subscribed capital	1.6	1.6	
14 Total liabilities	37,078.0	36,817.7	
Members' interests			
1 General reserve	2,747.6	2,534.1	
of which: General reserve brought forward	2,659.6	2,450.3	(d)
of which: remeasurement gains on defined benefit obligation	(18.4)	(17.5)	(e)
of which: Tax	5.0	5.0	(f)
of which: Profits accrued in the year to date	101.4	96.3	(g)
2 Fair value reserve	(7.8)	(7.8)	(h)
3 Cash flow hedging reserve	9.3	9.3	(i)
4 Cost of hedging reserve	(0.8)	(0.8)	(j)
5 Translation reserve	3.2	-	(k)
6 Attributable to members of Skipton Building Society	2,751.5	2,534.8	
7 Non-controlling interests	3.6	-	
8 Total members' interests	2,755.1	2,534.8	
9 Total liabilities and members' interests	39,833.1	39,352.5	

5 Countercyclical capital buffer

The template below sets out the geographical distribution of the Group credit exposures relevant for the calculation of CCyB. The template shows the country of residence of the obligor (borrower) for the Group's general credit exposures and securitisation exposures. The diversification of countries in the template below is primarily due to Skipton International Limited (SIL) providing mortgages to expatriates and non-UK citizens. The Group does not offer mortgages on properties outside of the UK or Channel Islands.

5.1 UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

30 June 2025		a	b	c		d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures - Market risk			Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical buffer rate
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short position of trading book exposures for SA	Value of trading book exposure for internal models				Relevant credit exposure - Credit risk	Relevant credit exposure - Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
		£m	£m	£m	£m		£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by Country															
010-010	United Kingdom	1,639.4	31,960.5	-	-		642.2	34,242.1	541.9	-	5.1	547.0	6,838.1	90.09	2.00
010-011	Jersey	487.3	0.4	-	-		-	487.7	13.8	-	-	13.8	173.0	2.28	-
010-012	Guernsey	296.6	7.0	-	-		-	303.6	9.7	-	-	9.7	121.0	1.59	-
010-013	Hong Kong	320.6	1.3	-	-		-	321.9	9.1	-	-	9.1	114.3	1.51	0.50
010-014	Singapore	188.5	0.2	-	-		-	188.7	5.4	-	-	5.4	66.9	0.88	-
010-015	United States	150.4	7.0	-	-		-	157.4	4.6	-	-	4.6	57.9	0.76	-
010-016	United Arab Emirates	157.8	2.2	-	-		-	160.0	4.5	-	-	4.5	56.7	0.75	-
010-017	Switzerland	44.8	1.5	-	-		-	46.3	1.3	-	-	1.3	16.3	0.21	-
010-018	Canada	27.1	1.7	-	-		-	28.8	0.8	-	-	0.8	10.0	0.13	-
010-019	Saudi Arabia	26.7	0.9	-	-		-	27.6	0.8	-	-	0.8	9.5	0.13	-
010-020	France	24.2	2.7	-	-		-	26.9	0.8	-	-	0.8	9.5	0.12	1.00
010-021	Malaysia	22.0	0.1	-	-		-	22.1	0.6	-	-	0.6	7.8	0.10	-
010-022	China	21.8	-	-	-		-	21.8	0.6	-	-	0.6	7.7	0.10	-
010-023	Germany	19.8	1.5	-	-		-	21.3	0.6	-	-	0.6	7.3	0.10	0.75
010-024	Ireland	18.2	2.3	-	-		-	20.5	0.5	-	-	0.5	7.3	0.10	1.50
010-025	Qatar	19.7	0.1	-	-		-	19.8	0.5	-	-	0.5	7.0	0.09	-
010-026	Netherlands	18.6	1.0	-	-		-	19.6	0.5	-	-	0.5	6.9	0.09	2.00
010-027	Spain	17.2	1.2	-	-		-	18.4	0.5	-	-	0.5	6.4	0.08	-
010-028	New Zealand	16.7	1.3	-	-		-	18.0	0.5	-	-	0.5	6.2	0.08	-
010-029	Australia	6.2	7.6	-	-		-	13.8	0.4	-	-	0.4	5.2	0.07	1.00
010-030	South Africa	9.6	0.1	-	-		-	9.7	0.3	-	-	0.3	3.6	0.05	-
010-031	Japan	10.1	0.4	-	-		-	10.5	0.3	-	-	0.3	3.6	0.05	-
010-032	Italy	9.5	0.5	-	-		-	10.0	0.3	-	-	0.3	3.5	0.05	-

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30 June 2025		a		b		c		d		e		f		g		h		i		j		k		l		m	
		General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical buffer rate													
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short position of trading book exposures for SA	Value of trading book exposure for internal models			Relevant credit exposure - Credit risk	Relevant credit exposure - Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total																
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%													
010-033	Bahrain	9.3	-	-	-	-	9.3	0.3	-	-	0.3	3.3	0.04	-													
010-034	Thailand	8.7	0.1	-	-	-	8.8	0.2	-	-	0.2	3.2	0.04	-													
010-035	India	6.4	1.2	-	-	-	7.6	0.2	-	-	0.2	2.4	0.03	-													
010-036	Taiwan, Province of China	6.0	-	-	-	-	6.0	0.2	-	-	0.2	2.1	0.03	-													
010-037	Denmark	5.8	0.1	-	-	-	5.9	0.2	-	-	0.2	2.1	0.03	2.50													
010-038	Portugal	4.7	0.4	-	-	-	5.1	0.1	-	-	0.1	1.8	0.02	-													
010-039	Cyprus	3.8	0.2	-	-	-	4.0	0.1	-	-	0.1	1.6	0.02	-													
010-040	Cayman Islands	4.1	0.1	-	-	-	4.2	0.1	-	-	0.1	1.5	0.02	-													
010-041	Monaco	3.9	0.2	-	-	-	4.1	0.1	-	-	0.1	1.4	0.02	-													
010-042	Poland	3.0	1.1	-	-	-	4.1	0.1	-	-	0.1	1.4	0.02	-													
010-043	Kuwait	3.9	0.1	-	-	-	4.0	0.1	-	-	0.1	1.4	0.02	-													
010-044	Belgium	3.7	0.4	-	-	-	4.1	0.1	-	-	0.1	1.4	0.02	1.00													
010-045	Luxembourg	3.5	0.4	-	-	-	3.9	0.1	-	-	0.1	1.3	0.02	0.50													
010-046	Sweden	3.2	0.7	-	-	-	3.9	0.1	-	-	0.1	1.3	0.02	2.00													
010-047	Norway	3.1	0.1	-	-	-	3.2	0.1	-	-	0.1	1.1	0.01	2.50													
010-048	Oman	3.0	-	-	-	-	3.0	0.1	-	-	0.1	1.1	0.01	-													
010-049	Greece	2.7	0.2	-	-	-	2.9	0.1	-	-	0.1	1.0	0.01	-													
010-050	Israel	2.6	0.3	-	-	-	2.9	0.1	-	-	0.1	1.0	0.01	-													
010-051	Mauritius	2.0	0.3	-	-	-	2.3	0.1	-	-	0.1	1.0	0.01	-													
010-052	Brazil	2.4	-	-	-	-	2.4	0.1	-	-	0.1	0.9	0.01	-													
010-053	Bermuda	2.3	-	-	-	-	2.3	0.1	-	-	0.1	0.8	0.01	-													
010-054	Republic of Korea	2.0	0.3	-	-	-	2.3	0.1	-	-	0.1	0.8	0.01	1.00													
010-055	Turks And Caicos Islands	2.1	-	-	-	-	2.1	0.1	-	-	0.1	0.8	0.01	-													
010-056	Austria	1.9	0.4	-	-	-	2.3	0.1	-	-	0.1	0.7	0.01	-													
010-057	Czech Republic	1.9	0.1	-	-	-	2.0	0.1	-	-	0.1	0.7	0.01	1.25													
010-058	Turkey	1.8	-	-	-	-	1.8	0.1	-	-	0.1	0.6	0.01	-													
010-059	Other countries	19.1	3.2	-	-	-	22.3	0.6	-	-	0.6	8.0	0.12	-													
020	Total	3,669.7	32,011.4	-	-	642.2	36,323.3	602.1	-	5.1	607.2	7,590.4	100.00														

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UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer *(continued)*

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical buffer rate
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short position of trading book exposures for SA	Value of trading book exposure for internal models			Relevant credit exposure - Credit risk	Relevant credit exposure - Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Breakdown by Country														
010-010	United Kingdom	1,579.0	30,420.1	-	-	619.2	32,618.3	517.8	-	5.0	522.8	6,533.9	89.58	2.00
010-011	Jersey	493.9	0.1	-	-	-	494.0	13.7	-	-	13.7	171.7	2.35	-
010-012	Guernsey	324.9	3.2	-	-	-	328.1	11.3	-	-	11.3	140.9	1.93	-
010-013	Hong Kong	321.6	1.3	-	-	-	322.9	9.0	-	-	9.0	112.3	1.54	1.00
010-014	Singapore	179.8	0.3	-	-	-	180.1	5.0	-	-	5.0	62.6	0.86	-
010-015	United States	149.8	7.3	-	-	-	157.1	4.4	-	-	4.4	56.6	0.78	-
010-016	United Arab Emirates	158.3	2.0	-	-	-	160.3	4.4	-	-	4.4	55.7	0.76	-
010-017	Switzerland	45.0	1.6	-	-	-	46.6	1.3	-	-	1.3	16.1	0.22	-
010-018	Canada	26.0	1.7	-	-	-	27.7	0.7	-	-	0.7	9.4	0.13	-
010-019	Saudi Arabia	26.5	0.9	-	-	-	27.4	0.7	-	-	0.7	9.3	0.13	-
010-020	France	23.8	1.8	-	-	-	25.6	0.7	-	-	0.7	9.0	0.12	1.00
010-021	China	23.9	-	-	-	-	23.9	0.7	-	-	0.7	8.3	0.11	-
010-022	Netherlands	20.0	1.1	-	-	-	21.1	0.6	-	-	0.6	7.2	0.10	2.00
010-023	New Zealand	19.1	1.5	-	-	-	20.6	0.6	-	-	0.6	7.2	0.10	-
010-024	Germany	19.6	1.6	-	-	-	21.2	0.6	-	-	0.6	7.1	0.10	0.75
010-025	Malaysia	20.3	0.1	-	-	-	20.4	0.6	-	-	0.6	7.1	0.10	-
010-026	Qatar	20.2	0.2	-	-	-	20.4	0.6	-	-	0.6	7.0	0.10	-
010-027	Ireland	16.6	2.3	-	-	-	18.9	0.5	-	-	0.5	6.8	0.09	1.50
010-028	Spain	15.8	0.9	-	-	-	16.7	0.4	-	-	0.4	5.7	0.08	-
010-029	Australia	5.1	7.9	-	-	-	13.0	0.4	-	-	0.4	4.9	0.07	1.00
010-030	Japan	10.9	0.3	-	-	-	11.2	0.3	-	-	0.3	3.8	0.05	-
010-031	Italy	10.2	0.7	-	-	-	10.9	0.3	-	-	0.3	3.7	0.05	-
010-032	Bahrain	9.8	-	-	-	-	9.8	0.3	-	-	0.3	3.4	0.05	-
010-033	Thailand	9.5	0.1	-	-	-	9.6	0.3	-	-	0.3	3.4	0.05	-
010-034	South Africa	9.6	0.1	-	-	-	9.7	0.3	-	-	0.3	3.4	0.05	-
010-035	India	6.7	0.6	-	-	-	7.3	0.2	-	-	0.2	2.5	0.03	-

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31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own funds requirements weights	Countercyclical buffer rate
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short position of trading book exposures for SA	Value of trading book exposure for internal models			Relevant credit exposure - Credit risk	Relevant credit exposure - Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
010-036	Denmark	6.9	-	-	-	-	6.9	0.2	-	-	0.2	2.4	0.03	2.50
010-037	Taiwan, Province of China	6.2	-	-	-	-	6.2	0.2	-	-	0.2	2.1	0.03	-
010-038	Portugal	4.4	0.4	-	-	-	4.8	0.1	-	-	0.1	1.6	0.02	-
010-039	Poland	3.0	0.9	-	-	-	3.9	0.1	-	-	0.1	1.5	0.02	-
010-040	Cyprus	3.9	0.2	-	-	-	4.1	0.1	-	-	0.1	1.5	0.02	1.00
010-041	Sweden	3.8	0.7	-	-	-	4.5	0.1	-	-	0.1	1.5	0.02	2.00
010-042	Belgium	4.0	0.4	-	-	-	4.4	0.1	-	-	0.1	1.5	0.02	1.00
010-043	Kuwait	3.9	0.1	-	-	-	4.0	0.1	-	-	0.1	1.4	0.02	-
010-044	Monaco	3.8	0.2	-	-	-	4.0	0.1	-	-	0.1	1.4	0.02	-
010-045	Cayman Islands	3.8	0.1	-	-	-	3.9	0.1	-	-	0.1	1.4	0.02	-
010-046	Norway	3.2	0.3	-	-	-	3.5	0.1	-	-	0.1	1.3	0.02	2.50
010-047	Luxembourg	3.6	0.4	-	-	-	4.0	0.1	-	-	0.1	1.3	0.02	0.50
010-048	Oman	3.2	-	-	-	-	3.2	0.1	-	-	0.1	1.1	0.02	-
010-049	Mauritius	2.1	0.3	-	-	-	2.4	0.1	-	-	0.1	1.1	0.02	-
010-050	Israel	2.6	0.3	-	-	-	2.9	0.1	-	-	0.1	1.0	0.01	-
010-051	Greece	2.4	0.5	-	-	-	2.9	0.1	-	-	0.1	0.9	0.01	-
010-052	Bermuda	2.5	-	-	-	-	2.5	0.1	-	-	0.1	0.9	0.01	-
010-053	Republic of Korea	2.2	0.3	-	-	-	2.5	0.1	-	-	0.1	0.8	0.01	1.00
010-054	Brazil	2.3	-	-	-	-	2.3	0.1	-	-	0.1	0.8	0.01	-
010-055	Turks And Caicos Islands	2.1	-	-	-	-	2.1	0.1	-	-	0.1	0.7	0.01	-
010-056	Austria	1.9	0.5	-	-	-	2.4	0.1	-	-	0.1	0.7	0.01	-
010-057	Bulgaria	0.2	0.2	-	-	-	0.4	-	-	-	-	0.2	-	2.00
010-058	Chile	1.4	-	-	-	-	1.4	-	-	-	-	0.5	0.01	0.50
010-059	Croatia	-	0.5	-	-	-	0.5	-	-	-	-	0.1	-	1.50
010-060	Czech Republic	1.7	0.1	-	-	-	1.8	-	-	-	-	0.6	0.01	1.25
010-061	Hungary	0.3	-	-	-	-	0.3	-	-	-	-	0.1	-	0.50
010-062	Iceland	0.7	-	-	-	-	0.7	-	-	-	-	0.2	-	2.50
010-063	Romania	0.1	0.1	-	-	-	0.2	-	-	-	-	0.2	-	1.00
010-064	Other countries	16.8	1.6	-	-	-	18.4	0.5	-	-	0.5	6.4	0.08	-
020	Total	3,638.9	30,465.8	-	-	619.2	34,723.9	578.5	-	5.0	583.5	7,294.2	100.00	

5.2 UK CCyB2 – Amount of institution-specific countercyclical capital buffer

The table below sets out an overview of the Group's countercyclical capital buffer and related requirements. During the period the CCyB rate remained at 2% of RWAs for exposures in the UK. The Group's specific CCyB was 1.82% of RWAs, calculated based on the weighted average of the buffer rates in effect for the countries in which the Group has relevant credit exposures.

		a	a
		30 Jun 25	31 Dec 24
1	Total risk exposure amount £m	8,559.3	8,277.4
2	Institution specific countercyclical capital buffer rate %	1.82	1.82
3	Institution specific countercyclical capital buffer requirement £m	155.8	150.6

6 Leverage ratio

The templates in this section provide a detailed reconciliation and component breakdown of the Group's leverage ratio. Rows with no values reported have been omitted from the templates.

6.1 UK LR1 – LRSum: summary reconciliation of accounting assets and leverage ratio exposures

The template below sets out a reconciliation between the total assets as per published financial statements and the leverage exposure measure.

		a Applicable amount 30 Jun 25 £m	a 31 Dec 24 Reclassified ¹ £m
1	Total assets as per published financial statements	39,833.1	39,015.3
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(480.6)	(394.5)
4	(Adjustment for exemption of exposures to central banks)	(1,711.8)	(2,298.9)
7	Adjustment for eligible cash pooling transactions	26.7	18.0
8	Adjustment for derivative financial instruments	(3.0)	(244.8)
9	Adjustment for securities financing transactions (SFTs)	7.4	5.6
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	224.6	196.7
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage)) ¹	(69.1)	(79.8)
12	Other adjustments ²	(257.3)	(280.7)
13	Total exposure measure	37,570.0	35,936.9

Notes

- Following a review of the interpretation of regulatory requirements, the adjustments which have reduced CET1 capital have been reclassified from row 12 to row 11. This reclassification has been applied retrospectively to the comparative figures. These adjustments primarily relate to excess expected loss over impairment provisions, cash flow hedging reserve, intangible assets, and additional value adjustments (AVA).
- Other adjustments in row 12 primarily relate to the collateral netting provided for derivative transactions in accordance with regulatory requirements.

6.2 UK LR2 – LRCom: Leverage ratio common disclosure

The template below sets out a breakdown of the total leverage exposure measure used to calculate the leverage ratio for the Group on the UK CRR basis.

		a	b
		Leverage ratio exposures	
		30 Jun 25 £m	31 Dec 24 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	38,908.3	37,896.6
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(266.1)	(290.5)
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(69.1)	(79.8)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	38,573.1	37,526.3
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	388.3	417.6
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	88.4	89.6
13	Total derivatives exposures	476.7	507.2
Securities financing transaction (SFT) exposures			
16	Counterparty credit risk exposure for SFT assets	6.9	5.2
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	0.5	0.4
18	Total securities financing transaction exposures	7.4	5.6
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,218.6	1,966.5
20	(Adjustments for conversion to credit equivalent amounts)	(1,994.0)	(1,769.8)
22	Off-balance sheet exposures	224.6	196.7
Capital and total exposure measure			
23	Tier 1 capital (leverage)	2,465.7	2,375.1
24	Total exposure measure including claims on central banks	39,281.8	38,235.8
UK-24a	(-) Claims on central banks excluded	(1,711.8)	(2,298.9)
UK-24b	Total exposure measure excluding claims on central banks	37,570.0	35,936.9
Leverage ratio ¹			
25	Leverage ratio excluding claims on central banks (%)	6.56	6.61
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	6.56	6.61
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	6.56	6.61
UK-25c	Leverage ratio including claims on central banks (%)	6.28	6.21

Note

- The additional leverage ratio disclosure requirements only apply to financial institutions with deposits equal to or greater than £50bn or non-UK assets equal to or greater than £10bn. The rows UK-26 to UK-34 have been removed from the template as the Group is not currently captured by either threshold.

6.3 UK LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

The template below sets out a breakdown of the Group's on-balance sheet leverage ratio exposures.

		a	b
		Leverage ratio exposures	
		30 Jun 25	31 Dec 24
			Reclassified ¹
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	38,908.3	37,896.6
UK-2	Trading book exposures	-	-
UK-3	Banking book exposures, of which:	38,908.3	37,896.6
UK-4	Covered bonds	791.5	770.1
UK-5	Exposures treated as sovereigns	4,300.7	4,888.0
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-	-
UK-7	Institutions	377.8	410.4
UK-8	Secured by mortgages of immovable properties	32,132.4	30,597.9
UK-9	Retail exposures	12.5	14.0
UK-10	Corporates	336.7	315.8
UK-11	Exposures in default	105.6	89.6
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	851.1	810.8

Note

- Following a review of the interpretation of regulatory requirements, exposures to multilateral development banks (MDBs), previously reported as 'not sovereigns', have been reclassified as 'sovereigns', and moved from row UK-6 to row UK-5. This reclassification has been applied retrospectively to the comparative figures.

7 Liquidity requirements

7.1 UK LIQ1 – Quantitative information of LCR

The template below shows the Group's breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the LCR followed by the qualitative information.

UK 1a	Quarter ending on (DD Month YY)	UK 1b	Number of data points used in the calculation of averages	a	b	c	d	e	f	g	h
				Total unweighted value (average)				Total weighted value (average)			
				30 Jun 25	31 Mar 25	31 Dec 24	30 Sep 24	30 Jun 25	31 Mar 25	31 Dec 24	30 Sep 24
				£m	£m	£m	£m	£m	£m	£m	£m
HIGH - QUALITY LIQUID ASSETS											
1	Total high-quality liquid assets (HQLA)							6,012.7	6,102.2	6,100.6	6,007.2
CASH - OUTFLOWS											
2	Retail deposits and deposits from small business customers, of which:			30,150.0	29,624.6	29,035.7	28,316.7	1,936.9	1,961.3	1,968.9	1,931.4
3	Stable deposits			15,168.0	14,383.8	13,669.0	13,162.5	758.4	719.2	683.5	658.1
4	Less stable deposits			8,397.2	8,664.2	8,825.9	8,651.4	1,138.9	1,196.6	1,232.6	1,209.6
5	Unsecured wholesale funding			296.6	298.5	333.3	328.6	230.4	227.9	253.9	239.2
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks			-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)			237.7	240.9	250.1	257.8	171.5	170.3	170.7	168.4
8	Unsecured debt			58.9	57.6	83.2	70.8	58.9	57.6	83.2	70.8
9	Secured wholesale funding			-	-	-	-	-	-	-	-
10	Additional requirements			617.6	723.6	829.9	933.2	617.6	723.6	829.9	933.2
11	Outflows related to derivative exposures and other collateral requirements			539.4	649.2	756.1	858.0	539.4	649.2	756.1	858.0
12	Outflows related to loss of funding on debt products			-	-	-	-	-	-	-	-
13	Credit and liquidity facilities			78.2	74.4	73.8	75.2	78.2	74.4	73.8	75.2
14	Other contractual funding obligations			24.6	22.3	19.3	19.4	-	-	-	-
15	Other contingent funding obligations			1,778.2	1,710.5	1,742.0	1,820.6	622.4	598.7	609.7	637.2
16	TOTAL CASH OUTFLOWS							3,407.3	3,511.5	3,662.4	3,741.0
CASH - INFLOWS											
17	Secured lending (e.g. reverse repos)			-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures			224.2	220.2	212.8	207.3	184.5	180.6	173.8	167.8
19	Other cash inflows			67.8	66.4	70.8	75.6	67.8	66.4	70.8	75.6
20	TOTAL CASH INFLOWS			292.0	286.6	283.6	282.9	252.3	247.0	244.6	243.4
UK-20a	Fully exempt inflows			-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap			-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap			292.0	286.6	283.6	282.9	252.3	247.0	244.6	243.4
TOTAL ADJUSTED VALUE											
UK-21	LIQUIDITY BUFFER							6,012.7	6,102.2	6,100.6	6,007.2
22	TOTAL NET CASH OUTFLOWS							3,155.0	3,264.5	3,417.8	3,497.6
23	LIQUIDITY COVERAGE RATIO (%)							191.01	187.40	179.02	171.96

7.2 UK LIQB – Qualitative information on LCR, which complements template UK LIQ1

(a) The main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The LCR, which is prepared in accordance with the PRA Rulebook, aims to ensure that the Group holds sufficient HQLA to survive a period of liquidity stress lasting 30 calendar days.

The LCR is driven by the size of the HQLA buffer, stressed retail outflows, mortgages which have been offered but are yet to complete, wholesale funding maturities and potential stressed collateral outflows.

The LCR disclosure is calculated as the simple average of the 12 month-end observations preceding the end of each quarter.

(b) Explanations on the changes in the LCR over time

Overall, the LCR has increased in the quarter, with an average of 191.0% as of 30 June 2025 (31 March 2025: 187.4%). The Group has seen continued growth in customer deposits which has supported new mortgage lending, including greater commitments to support more customers to own their own homes.

(c) Explanations on the actual concentration of funding sources

The Group's funding position is predominantly supported by its retail customer deposit base, which has historically provided a highly stable source of funding and aligns with the Society's strategy as a mutual organisation.

The Group also raises both unsecured and secured wholesale funding to diversify funding sources and to support the Group's liquidity position. Sources of funding include deposits, certificates of deposits, medium-term notes, capital, drawings from the Bank of England's Sterling Monetary Framework facilities, repos, covered bonds and Residential Mortgage Backed Securities (RMBS).

Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis as part of the Group's internal liquidity and funding risk management frameworks.

(d) High-level description of the composition of the Group's liquidity buffer

The Group's liquidity buffer consists almost entirely of Level 1 assets. Level 1 assets are primarily held as central bank reserves, UK government bonds and high-quality supranational debt securities, with a smaller holding of Level 1 eligible extremely high-quality covered bonds. The liquidity buffer also includes a small portion of Level 2B assets, which are high quality UK issued RMBS.

(e) Derivative exposures and potential collateral calls

The Group actively manages its derivative exposures and potential collateral calls, including both due collateral and excess collateral, with derivative outflows under stress captured under the Historical Look Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls due to a deterioration in the Society's credit rating are also captured.

(f) Currency mismatch in the LCR

The LCR is calculated on a GBP equivalent basis only as this is the Group's only significant currency in accordance with the PRA Rulebook.

The currency risk appetite of the Group is low and any wholesale funding issuances denominated in foreign currency are immediately swapped into GBP. Currency risk is monitored through the internal liquidity and funding risk management frameworks.

(g) Other items in the LCR calculation that are not captured in the LCR disclosure

We do not consider anything else of material relevance for disclosure.

7.3 UK LIQ2 – Net Stable Funding Ratio

The template below sets out the NSFR calculated on a four quarter rolling average of quarter-end positions.

30 June 2025		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity £m	< 6 months £m	6 months to < 1yr £m	≥ 1yr £m	£m
Available stable funding (ASF) Items						
1	Capital items and instruments	2,482.2	-	-	-	2,482.2
2	Own funds	2,482.2	-	-	-	2,482.2
3	Other capital instruments		-	-	-	-
4	Retail deposits		26,325.6	2,170.1	1,758.1	28,307.6
5	Stable deposits		16,802.9	1,264.4	1,089.3	18,253.2
6	Less stable deposits		9,522.7	905.7	668.8	10,054.4
7	Wholesale funding:		702.1	847.6	3,154.4	3,794.8
8	Operational deposits		-	-	-	-
9	Other wholesale funding		702.1	847.6	3,154.4	3,794.8
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	5.8	928.6	-	-	-
12	NSFR derivative liabilities	5.8				
13	All other liabilities and capital instruments not included in the above categories		928.6	-	-	-
14	Total available stable funding (ASF)					34,584.6
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					217.8
UK-15a	Assets encumbered for more than 12m in cover pool		54.0	52.2	3,300.4	2,895.7
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		334.7	278.7	27,467.5	20,107.5
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		51.5	-	3.7	8.8
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		8.8	9.4	298.1	246.2
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0.5	0.7	81.4	53.5
22	Performing residential mortgages, of which:		274.4	269.3	27,165.7	19,852.5
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		219.4	215.3	19,294.1	13,081.5
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	-	-
25	Interdependent assets		-	-	-	-
26	Other assets:	293.2	1.7	1.3	1,057.7	1,288.7
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			266.7		226.7
29	NSFR derivative assets			-		-
30	NSFR derivative liabilities before deduction of variation margin posted			26.5		1.3
31	All other assets not included in the above categories		1.7	1.3	1,057.7	1,060.7
32	Off-balance sheet items		1,861.6	-	-	390.0
33	Total RSF					24,899.7
34	Net Stable Funding Ratio (%)					138.91

UK LIQ2 – Net Stable Funding Ratio (*continued*)

31 December 2024		a	b	c	d	e
		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
		£m	£m	£m	£m	£m
Available stable funding (ASF) Items						
1	Capital items and instruments	2,386.1	-	-	-	2,386.1
2	Own funds	2,386.1	-	-	-	2,386.1
3	Other capital instruments		-	-	-	-
4	Retail deposits		25,167.4	2,343.4	1,659.9	27,248.8
5	Stable deposits		15,196.3	1,386.1	1,053.2	16,806.5
6	Less stable deposits		9,971.1	957.3	606.7	10,442.3
7	Wholesale funding:		862.1	550.6	3,441.5	3,935.8
8	Operational deposits		-	-	-	-
9	Other wholesale funding		862.1	550.6	3,441.5	3,935.8
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	52.2	971.4	-	-	-
12	NSFR derivative liabilities	52.2				
13	All other liabilities and capital instruments not included in the above categories		971.4	-	-	-
14	Total available stable funding (ASF)					33,570.7
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					219.1
UK-15a	Assets encumbered for more than 12m in cover pool		54.9	52.8	3,352.9	2,941.4
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		366.1	273.3	26,329.7	19,506.6
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		51.7	0.9	59.6	65.3
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		8.1	8.2	260.6	211.5
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0.6	0.6	90.5	59.4
22	Performing residential mortgages, of which:		271.0	264.2	26,009.5	19,212.2
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		221.0	215.8	18,996.4	13,191.9
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		35.3	-	-	17.6
25	Interdependent assets		-	-	-	-
26	Other assets:	380.5	1.6	1.5	1,080.0	1,340.1
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			285.5		242.6
29	NSFR derivative assets			10.2		10.2
30	NSFR derivative liabilities before deduction of variation margin posted			84.8		4.2
31	All other assets not included in the above categories		1.6	1.5	1,080.0	1,083.1
32	Off-balance sheet items		1,818.4	-	-	353.4
33	Total RSF					24,360.6
34	Net Stable Funding Ratio (%)					137.80

8 Credit risk quality

8.1 UK CR1 – Performing and non-performing exposures and related provisions

The template below sets out the Group's performing and non-performing credit risk exposures.

30 June 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
£m	Of which stage 1 £m	Of which stage 2 £m	£m	Of which stage 2 £m	Of which stage 3 £m	£m	Of which stage 1 £m	Of which stage 2 £m	£m	Of which stage 2 £m	Of which stage 3 £m	£m	£m	£m	£m	
005	Cash balances at central banks and other demand deposits	1,355.3	1,355.3	-	-	-	-	(0.2)	(0.2)	-	-	-	-	-	-	-
010	Loans and advances	32,739.8	31,952.5	502.8	155.0	5.1	149.9	(11.5)	(7.2)	(4.3)	(13.4)	(0.9)	(12.5)	-	32,324.6	141.6
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	15.0	15.0	-	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	263.6	251.6	-	-	-	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	426.1	420.9	5.2	20.8	5.1	15.7	(0.9)	(0.7)	(0.2)	(6.4)	(0.9)	(5.5)	-	308.6	14.4
070	Of which SMEs	217.7	217.7	-	6.2	5.1	1.1	(0.3)	(0.3)	-	(1.6)	(0.9)	(0.7)	-	217.4	4.7
080	Households	32,035.1	31,265.0	497.6	134.2	-	134.2	(10.6)	(6.5)	(4.1)	(7.0)	-	(7.0)	-	32,016.0	127.2
090	Debt securities	4,455.4	4,455.4	-	-	-	-	-	-	-	-	-	-	-	2,077.1	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,449.3	1,449.3	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	2,363.3	2,363.3	-	-	-	-	-	-	-	-	-	-	-	1,434.3	-
130	Other financial corporations	642.8	642.8	-	-	-	-	-	-	-	-	-	-	-	642.8	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	2,218.7	2,218.7	-	-	-	-	(0.2)	(0.2)	-	-	-	-		2,122.7	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	6.2	6.2	-	-	-	-	-	-	-	-	-	-		-	-
200	Non-financial corporations	89.5	89.5	-	-	-	-	-	-	-	-	-	-		-	-
210	Households	2,123.0	2,123.0	-	-	-	-	(0.2)	(0.2)	-	-	-	-		2,122.7	-
220	Total	40,769.2	39,981.9	502.8	155.0	5.1	149.9	(11.9)	(7.6)	(4.3)	(13.4)	(0.9)	(12.5)	-	36,524.4	141.6

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UK CR1 – Performing and non-performing exposures and related provisions *(continued)*

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
															Performing exposures	Non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	2,019.3	2,019.3	-	-	-	-	(0.3)	(0.3)	-	-	-	-	-	-	-
010	Loans and advances	31,468.5	30,825.7	364.6	135.1	2.6	132.5	(7.6)	(4.9)	(2.7)	(11.9)	(0.6)	(11.3)	(0.2)	31,045.0	123.1
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	19.2	19.2	-	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	272.4	272.4	-	-	-	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	423.0	417.0	6.0	18.4	2.6	15.8	(0.7)	(0.5)	(0.2)	(5.5)	(0.6)	(4.9)	(0.2)	302.8	12.8
070	Of which SMEs	204.2	204.2	-	3.9	2.6	1.3	(0.3)	(0.3)	-	(1.2)	(0.6)	(0.6)	(0.2)	203.9	2.7
080	Households	30,753.9	30,117.1	358.6	116.7	-	116.7	(6.9)	(4.4)	(2.5)	(6.4)	-	(6.4)	-	30,742.2	110.3
090	Debt securities	4,349.6	4,349.6	-	-	-	-	-	-	-	-	-	-	-	2,009.9	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,684.7	1,684.7	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	2,045.0	2,045.0	-	-	-	-	-	-	-	-	-	-	-	1,390.0	-
130	Other financial corporations	619.9	619.9	-	-	-	-	-	-	-	-	-	-	-	619.9	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1,966.4	1,966.4	-	-	-	-	(0.2)	(0.2)	-	-	-	-		1,885.1	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-		-	-
200	Non-financial corporations	81.4	81.4	-	-	-	-	-	-	-	-	-	-		0.2	-
210	Households	1,885.0	1,885.0	-	-	-	-	(0.2)	(0.2)	-	-	-	-		1,884.9	-
220	Total	39,803.8	39,161.0	364.6	135.1	2.6	132.5	(8.1)	(5.4)	(2.7)	(11.9)	(0.6)	(11.3)	(0.2)	34,940.0	123.1

8.2 UK CR1-A – Maturity of exposures

The template below sets out the maturity of the Group's credit risk exposures.

30 June 2025		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		£m	£m	£m	£m	£m	£m
1	Loans and advances	298.4	134.0	3,200.5	31,188.8	266.7	35,088.4
2	Debt securities	-	919.1	2,696.4	839.9	-	4,455.4
3	Total	298.4	1,053.1	5,896.9	32,028.7	266.7	39,543.8

31 December 2024		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		£m	£m	£m	£m	£m	£m
1	Loans and advances	269.4	116.9	2,912.1	29,960.4	291.5	33,550.3
2	Debt securities	-	1,122.1	2,419.2	808.3	-	4,349.6
3	Total	269.4	1,239.0	5,331.3	30,768.7	291.5	37,899.9

8.3 UK CR2 – Changes in the stock of non-performing loans and advances

The template below sets out the changes in the stock of non-performing loans and advances.

		a	a
		Gross carrying amount	
		30 Jun 25 £m	31 Dec 24 £m
010	Initial stock of non-performing loans and advances	135.1	88.6
020	Inflows to non-performing portfolios	59.9	93.0
030	Outflows from non-performing portfolios	(40.0)	(46.5)
040	Outflows due to write-offs	(3.8)	(4.9)
050	Outflow due to other situations	(36.2)	(41.6)
060	Final stock of non-performing loans and advances	155.0	135.1

8.4 UK CQ1 – Credit quality of forborne exposure

The template below sets out the analysis of credit quality of forborne exposures.

30 June 2025		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	Of which defaulted		Of which impaired						
		£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	140.8	84.4	71.3	84.4	(1.4)	(7.6)	216.0	76.8
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	4.1	10.0	10.0	10.0	(0.1)	(3.8)	10.2	6.2
070	Households	136.7	74.4	61.3	74.4	(1.3)	(3.8)	205.8	70.6
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	140.8	84.4	71.3	84.4	(1.4)	(7.6)	216.0	76.8

UK CQ1 – Credit quality of forborne exposure (*continued*)

31 December 2024		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		£m	£m	Of which defaulted £m	Of which impaired £m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	126.0	78.3	67.3	78.3	(1.1)	(7.2)	195.9	71.0
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	3.7	9.8	9.8	9.8	(0.1)	(3.8)	9.6	5.9
070	Households	122.3	68.5	57.5	68.5	(1.0)	(3.4)	186.3	65.1
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	126.0	78.3	67.3	78.3	(1.1)	(7.2)	195.9	71.0

8.5 UK CQ4 – Quality of non-performing exposures by geography

In accordance with the PRA Rulebook, this template is subject to a 10% threshold, calculated as non-domestic exposures divided by total exposures. The Group's non-domestic exposures are below this threshold and therefore this template has not been disclosed.

8.6 UK CQ5 – Credit quality of loans and advances to non-financial corporations by industry

The template below sets out the analysis of credit risk exposures by industry.

30 June 2025		a	b	c	d	e	f
			Gross carrying amount			Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing	Of which loans and advances subject to impairment			
		£m	£m	£m	£m	£m	£m
010	Agriculture, forestry and fishing	0.7	-	-	-	-	-
020	Mining and quarrying	1.4	-	-	-	-	-
030	Manufacturing	47.1	-	-	-	(0.6)	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
050	Water supply	3.9	-	-	-	-	-
060	Construction	4.0	-	-	-	-	-
070	Wholesale and retail trade	26.4	-	0.2	-	(0.2)	-
080	Transport and storage	34.2	-	-	-	(0.2)	-
090	Accommodation and food service activities	12.7	-	5.3	-	(3.2)	-
100	Information and communication	0.8	-	-	-	-	-
110	Financial and insurance activities	0.8	-	-	-	-	-
120	Real estate activities	225.1	-	9.0	-	(2.3)	-
130	Professional, scientific and technical activities	4.4	-	-	-	-	-
140	Administrative and support service activities	77.7	-	-	-	(0.8)	-
150	Public administration and defence, compulsory social security	0.8	-	-	-	-	-
160	Education	1.1	-	-	-	-	-
170	Human health services and social work activities	2.9	-	-	-	-	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	2.9	-	-	-	-	-
200	Total	446.9	-	14.5	-	(7.3)	-

Note

- In accordance with the PRA Rulebook, columns b and d of this template are subject to a 5% threshold, calculated as non-performing loans and advances divided by total loans and advances. The Group's non-performing loans and advances are below this threshold and therefore data on these columns have not been disclosed.

UK CQ5 – Credit quality of loans and advances to non-financial corporations by industry *(continued)*

31 December 2024		a	b	c		d	e	f	
		£m	Gross carrying amount			Of which loans and advances subject to impairment £m	Accumulated impairment £m	Accumulated negative changes in fair value due to credit risk on non-performing exposures £m	
			Of which non-performing £m	Of which defaulted					
				£m	£m				
010	Agriculture, forestry and fishing	0.5	-	-	-	-	-	-	
020	Mining and quarrying	1.2	-	-	-	-	-	-	
030	Manufacturing	37.1	-	-	-	(0.6)	-	-	
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-	-	
050	Water supply	3.1	-	-	-	(0.1)	-	-	
060	Construction	3.5	-	-	-	(0.1)	-	-	
070	Wholesale and retail trade	24.8	-	0.2	-	(0.2)	-	-	
080	Transport and storage	32.0	-	-	-	(0.1)	-	-	
090	Accommodation and food service activities	12.7	-	5.1	-	(2.9)	-	-	
100	Information and communication	0.7	-	-	-	-	-	-	
110	Financial and insurance activities	-	-	-	-	-	-	-	
120	Real estate activities	232.7	-	6.9	-	(1.7)	-	-	
130	Professional, scientific and technical activities	4.9	-	-	-	-	-	-	
140	Administrative and support service activities	77.8	-	-	-	(0.4)	-	-	
150	Public administration and defence, compulsory social security	0.9	-	-	-	-	-	-	
160	Education	1.3	-	-	-	-	-	-	
170	Human health services and social work activities	5.4	-	2.2	-	(0.1)	-	-	
180	Arts, entertainment and recreation	-	-	-	-	-	-	-	
190	Other services	2.8	-	-	-	-	-	-	
200	Total	441.4	-	14.4	-	(6.2)	-	-	

8.7 UK CQ7 – Collateral obtained by taking possession and execution processes

The template below sets out the information on the collateral obtained by taking possession.

		a	b	a	b
		Collateral obtained by taking possession			
		Value at initial recognition 30 Jun 25 £m	Accumulated negative changes 30 Jun 25 £m	Value at initial recognition 31 Dec 24 £m	Accumulated negative changes 31 Dec 24 £m
010	Property, plant and equipment (PP&E)	-	-	-	-
020	Other than PP&E	3.1	-	2.9	-
030	Residential immovable property	3.1	-	2.9	-
040	Commercial Immovable property	-	-	-	-
050	Movable property (auto, shipping, etc.)	-	-	-	-
060	Equity and debt instruments	-	-	-	-
070	Other collateral	-	-	-	-
080	Total	3.1	-	2.9	-

9 Credit risk mitigation techniques

9.1 UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

The template below shows the use of credit risk mitigation (CRM) techniques, broken down by loans and advances, and debt securities.

30 June 2025		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		£m	£m	£m	£m	£m
1	Loans and advances	1,633.7	32,591.3	32,466.2	-	-
2	Debt securities	3,021.1	1,434.3	1,434.3	-	-
3	Total	4,654.8	34,025.6	33,900.5	-	-
4	<i>Of which non-performing exposures</i>	-	141.6	141.6	-	-
5	<i>Of which defaulted</i>	-	70.6	-	-	-

31 December 2024		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		£m	£m	£m	£m	£m
1	Loans and advances	2,310.6	31,292.5	31,168.1	-	-
2	Debt securities	2,959.6	1,390.0	1,390.0	-	-
3	Total	5,270.2	32,682.5	32,558.1	-	-
4	<i>Of which non-performing exposures</i>	-	123.1	123.1	-	-
5	<i>Of which defaulted</i>	-	45.4	-	-	-

10 Standardised approach

The Group applies the standardised approach to calculate the minimum regulatory capital requirement for the following exposures:

- Retail mortgage exposures within SIL, a subsidiary of the Society;
- Commercial mortgage exposures within the Society;
- Equity release exposures within the Society;
- Corporate and retail exposures within SBF, a subsidiary of the Society;
- Wholesale credit exposures within the regulatory group;
- Sovereign exposures within the Society; and
- Other assets¹.

This section provides a breakdown of exposures under the standardised approach, both pre and post the application of CRM and credit conversion factors (CCF). The CCF is applicable only to off-balance sheet exposures, which include mortgage-related credit commitments not yet drawn down and undrawn credit facilities with subsidiary companies within the prudential consolidation group. Template UK CR5 sets out a breakdown of these exposures by risk weighting.

¹ Other assets comprise prepayments, investment properties, and both current and deferred tax assets.

10.1 UK CR4 – Standardised approach – Credit risk exposure and CRM effects

The template below sets out on- and off-balance sheet exposures and related RWAs.

30 June 2025		a		b		c		d		e		f	
Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density							
		On-balance-sheet exposures £m	Off-balance-sheet exposures £m	On-balance-sheet exposures £m	Off-balance-sheet amount £m	RWAs £m	RWAs density (%)						
1	Central governments or central banks	3,194.7	-	3,194.7	-	-	-						
2	Regional government or local authorities	-	-	-	-	-	-						
3	Public sector entities	-	-	-	-	-	-						
4	Multilateral development banks	1,103.0	-	1,103.0	-	-	-						
5	International organisations	-	-	-	-	-	-						
6	Institutions	85.0	-	85.0	-	19.8	23.29						
7	Corporates	336.6	95.7	336.2	3.4	293.2	86.34						
8	Retail	12.5	1.3	12.4	-	9.0	72.21						
9	Secured by mortgages on immovable property	2,468.4	40.2	2,468.4	-	939.4	38.06						
10	Exposures in default	8.9	-	8.9	-	10.2	113.94						
11	Exposures associated with particularly high risk	-	-	-	-	-	-						
12	Covered bonds	790.7	-	790.7	-	79.1	10.00						
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-						
14	Collective investment undertakings	-	-	-	-	-	-						
15	Equity	-	-	-	-	-	-						
16	Other items	49.6	-	49.6	-	62.2	125.41						
17	TOTAL	8,049.4	137.2	8,048.9	3.4	1,412.9	17.55						

Note

- Following a review of the interpretations of regulatory requirements, exposures related to collateral on derivatives, previously reported as exposures to Institutions in row 6, have been removed from the credit risk framework and included only under the counterparty credit risk framework. Further details are set out in the template UK CCR3.

UK CR4 – Standardised approach – Credit risk exposure and CRM effects *(continued)*

31 December 2024		a		b		c		d		e		f	
Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density							
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density						
		£m	£m	£m	£m	£m	(%)						
1	Central governments or central banks	3,953.9	-	3,953.9	-	-	-						
2	Regional government or local authorities	-	-	-	-	-	-						
3	Public sector entities	-	-	-	-	-	-						
4	Multilateral development banks	931.1	-	931.1	-	-	-						
5	International organisations	-	-	-	-	-	-						
6	Institutions	392.4	-	392.4	-	32.6	8.31						
7	Corporates	315.8	81.2	315.2	-	272.5	86.47						
8	Retail	14.0	0.3	14.0	-	10.2	72.80						
9	Secured by mortgages on immovable property	2,507.5	17.7	2,507.5	-	960.6	38.31						
10	Exposures in default	6.1	-	6.1	-	6.1	100.00						
11	Exposures associated with particularly high risk	-	-	-	-	-	-						
12	Covered bonds	769.3	-	769.3	-	76.9	10.00						
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-						
14	Collective investment undertakings	-	-	-	-	-	-						
15	Equity	-	-	-	-	-	-						
16	Other items	26.9	-	26.9	-	30.6	113.71						
17	TOTAL	8,917.0	99.2	8,916.4	-	1,389.5	15.58						

10.2 UK CR5 – Standardised approach

The template below sets out the analysis of exposures by risk weight.

30 June 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Exposure classes		Risk weight															Total £m	Of which unrated £m
		0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% £m	250% £m	370% £m	1250% £m	Others £m		
1	Central governments or central banks	3,194.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,194.7	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	1,103.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,103.0	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	75.7	-	9.3	-	-	-	-	-	-	-	-	85.0	9.8
7	Corporates	-	-	-	-	-	-	-	-	-	339.6	-	-	-	-	-	339.6	339.6
8	Retail exposures	-	-	-	-	-	-	-	-	12.4	-	-	-	-	-	-	12.4	12.4
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	2,339.7	-	-	32.7	96.0	-	-	-	-	-	2,468.4	2,468.4
10	Exposures in default	-	-	-	-	-	-	-	-	-	6.4	2.5	-	-	-	-	8.9	8.9
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	790.7	-	-	-	-	-	-	-	-	-	-	-	790.7	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	0.6	-	-	-	-	40.3	-	8.7	-	-	-	49.6	49.6
17	TOTAL	4,297.7	-	-	790.7	76.3	2,339.7	9.3	-	45.1	482.3	2.5	8.7	-	-	-	8,052.3	2,888.7

Note

- Following a review of the interpretations of regulatory requirements, exposures related to collateral on derivatives, previously reported as exposures to Institutions in row 6, have been removed from the credit risk framework and included only under the counterparty credit risk framework. Further details are set out in the template UK CCR3.

UK CR5 – Standardised approach *(continued)*

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Exposure classes		Risk weight															Total £m	Of which unrated £m
		0% £m	2% £m	4% £m	10% £m	20% £m	35% £m	50% £m	70% £m	75% £m	100% £m	150% £m	250% £m	370% £m	1250% £m	Others £m		
1	Central governments or central banks	3,953.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,953.9	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	931.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	931.1	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	272.4	-	-	109.5	-	10.5	-	-	-	-	-	-	-	-	392.4	-
7	Corporates	-	-	-	-	-	-	-	-	-	315.2	-	-	-	-	-	315.2	315.2
8	Retail exposures	-	-	-	-	-	-	-	-	14.0	-	-	-	-	-	-	14.0	14.0
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	2,367.0	-	-	33.4	107.1	-	-	-	-	-	2,507.5	2,507.5
10	Exposures in default	-	-	-	-	-	-	-	-	-	6.1	-	-	-	-	-	6.1	6.1
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	769.3	-	-	-	-	-	-	-	-	-	-	-	769.3	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	0.3	-	-	-	-	24.0	-	2.6	-	-	-	26.9	26.9
17	TOTAL	4,885.0	272.4	-	769.3	109.8	2,367.0	10.5	-	47.4	452.4	-	2.6	-	-	-	8,916.4	2,869.7

11 IRB approach to credit risk

11.1 Scope of permission of Internal Ratings-Based (IRB) approach

The Society has PRA permission to apply the Advanced IRB approach to certain credit risk exposures. The IRB rating system utilises internally developed models including Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) in contrast with Foundation IRB (FIRB) which utilises internal PD models but regulator prescribed calculations for LGD and EAD. The Group has calculated the regulatory capital requirement for credit risk utilising internally developed models for retail mortgage exposures¹ in the Society. The Group also applies the IRB approach to equity exposures² as per Articles 155 and non-credit obligation assets³ including cash in hand as per Article 156.

To comply with regulatory requirements effective from 1 January 2022, the Society submitted updates to its IRB models to the PRA in 2021. Following feedback received in 2022, the models were further refined and re-submitted in January 2024.

As the Society is awaiting approval of its updated IRB models by the PRA, a temporary model adjustment (TMA) is applied to the Society's regulator-approved IRB model output. The TMA uplifts the expected loss (EL) and Risk Weighted Assets (RWAs) to the level consistent with the expected outcomes of the updated models, in line with the regulatory requirements outlined in PRA Supervisory Statement SS11/13. This adjustment is applied at portfolio level.

Until the PRA approve the models the TMA remains subject to change and may cause variations in the capital metrics. There have not been, and we do not expect there to be, any material changes to the risk profile or strategy of the Society as a result of changes to the TMA.

¹ Retail mortgage exposures include owner-occupied mortgages and residential buy-to-let mortgages.

² Equity exposures primarily relate to the cost of investment in subsidiary companies outside the regulatory group.

³ Non-credit obligation assets relate to property, plant and equipment and right-of-use assets under the IRB approach.

11.2 UK CR6 – IRB approach – Credit risk exposures by exposure class and PD range

The template below sets out the credit exposures by exposure class and PD range under the IRB approach.

30 June 2025	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		£m	£m	%	£m	%		%	Years	£m	£m	£m	£m
Secured by immovable property Non-SME													
	0.00 to <0.15	8,984.9	2,077.6	0.85	10,750.8	0.09	56,307	23.82	-	1,385.4	12.9	7.2	(2.1)
	0.00 to <0.10	4,330.2	2,074.6	0.85	6,093.6	0.06	30,239	25.14	-	817.0	13.4	4.8	(1.1)
	0.10 to <0.15	4,654.7	3.0	0.85	4,657.2	0.12	26,068	22.09	-	568.4	12.2	2.4	(1.0)
	0.15 to <0.25	12,681.7	2.5	0.85	12,683.9	0.20	78,867	18.58	-	1,835.4	14.5	8.5	(2.6)
	0.25 to <0.50	6,555.1	1.1	0.85	6,556.0	0.32	48,100	17.38	-	1,275.8	19.5	6.8	(1.8)
	0.50 to <0.75	673.5	0.1	0.85	673.7	0.59	5,197	17.05	-	196.9	29.2	1.3	(0.3)
	0.75 to <2.50	491.3	0.1	0.85	491.4	1.20	4,065	16.74	-	223.5	45.5	1.8	(0.4)
	0.75 to <1.75	422.7	0.1	0.85	422.8	1.05	3,493	16.70	-	177.7	42.0	1.3	(0.3)
	1.75 to <2.5	68.6	-	-	68.6	2.08	572	16.99	-	45.8	66.8	0.5	(0.1)
	2.50 to <10.00	140.3	-	-	140.2	5.22	993	18.14	-	164.7	117.4	2.5	(0.9)
	2.5 to <5	74.9	-	-	74.9	3.53	563	17.39	-	69.5	92.7	0.8	(0.3)
	5 to <10	65.4	-	-	65.3	7.15	430	18.99	-	95.2	145.7	1.7	(0.6)
	10.00 to <100.00	160.3	-	-	160.2	35.71	1,120	17.82	-	279.9	174.7	18.5	(2.8)
	10 to <20	54.1	-	-	54.0	14.37	363	17.89	-	97.6	180.6	2.5	(0.7)
	20 to <30	24.4	-	-	24.4	24.82	175	17.81	-	49.4	202.3	2.0	(0.3)
	30.00 to <100.00	81.8	-	-	81.8	53.08	582	17.78	-	132.9	162.5	14.0	(1.8)
	100.00 (Default)	103.1	-	-	103.1	100.00	686	22.45	-	409.5	397.3	11.5	(6.4)
Total (exposure class)		29,790.2	2,081.4	0.85	31,559.3	0.73	195,335	20.13	-	5,771.1	18.3	58.1	(17.3)

To comply with regulatory requirements effective from 1 January 2022, the Society submitted updates to its IRB models⁵ to the PRA in 2021. Following feedback received in 2022, the models were further refined and re-submitted in January 2024. The TMA uplifts the RWAs and EL to the level consistent with the expected outcomes of the updated models in line with the regulatory requirements outlined in the PRA Supervisory Statement SS11/13. This adjustment is applied at portfolio level.

⁵ This model was approved by the regulator in September 2016.

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UK CR6 – IRB approach – Credit risk exposures by exposure class and PD range *(continued)*

31 December 2024	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures £m	Off- balance- sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity Years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount £m	Expected loss amount £m	Value adjustments and provisions £m
Secured by immovable property Non-SME													
	0.00 to <0.15	8,809.7	1,863.6	0.85	10,393.8	0.09	55,390	23.53	-	1,355.3	13.0	7.0	(1.5)
	0.00 to <0.10	4,207.5	1,859.2	0.85	5,787.9	0.06	29,213	24.73	-	774.0	13.4	4.5	(0.7)
	0.10 to <0.15	4,602.2	4.4	0.85	4,605.9	0.12	26,177	22.03	-	581.3	12.6	2.5	(0.8)
	0.15 to <0.25	11,868.6	1.8	0.85	11,870.1	0.20	76,496	18.18	-	1,740.8	14.7	8.2	(1.6)
	0.25 to <0.50	6,258.0	1.8	0.85	6,259.5	0.32	46,828	17.02	-	1,234.4	19.7	6.7	(1.1)
	0.50 to <0.75	679.9	0.1	0.85	680.0	0.59	5,249	16.79	-	202.1	29.7	1.3	(0.2)
	0.75 to <2.50	486.1	-	-	486.2	1.20	4,106	16.42	-	224.7	46.2	1.8	(0.2)
	0.75 to <1.75	415.5	-	-	415.6	1.05	3,522	16.33	-	176.2	42.4	1.3	(0.1)
	1.75 to <2.5	70.6	-	-	70.6	2.07	584	16.92	-	48.5	68.7	0.5	(0.1)
	2.50 to <10.00	132.4	-	-	132.4	4.97	1,038	17.83	-	154.1	116.4	2.3	(0.6)
	2.5 to <5	79.2	-	-	79.2	3.46	627	17.06	-	73.8	93.2	0.9	(0.2)
	5 to <10	53.2	-	-	53.2	7.20	411	18.99	-	80.3	151.1	1.4	(0.4)
	10.00 to <100.00	137.3	-	-	137.3	35.90	1,030	17.73	-	246.4	179.5	16.8	(1.9)
	10 to <20	44.0	-	-	44.0	14.42	331	17.25	-	79.4	180.4	2.1	(0.4)
	20 to <30	23.4	-	-	23.4	24.48	164	18.84	-	51.6	221.0	2.1	(0.3)
	30.00 to <100.00	69.9	-	-	69.9	53.26	535	17.65	-	115.4	165.1	12.6	(1.2)
	100.00 (Default)	89.2	-	-	89.2	100.00	612	21.98	-	358.1	401.3	10.5	(5.7)
Total (exposure class)		28,461.2	1,867.3	0.85	30,048.5	0.69	190,749	19.80	-	5,515.9	18.4	54.6	(12.8)

11.3 UK CR7 IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

The Group does not use credit derivatives under the IRB approach to mitigate credit risk therefore this template has not been presented.

11.4 UK CR7-A IRB approach – Disclosure of the extent of the use of CRM techniques

The Group does not use credit risk mitigation techniques under the IRB approach therefore this template has not been presented.

11.5 UK CR8 – RWEA flow statements of credit risk exposures under the IRB approach

The template below sets out the flow statement of credit risk RWAs under the IRB approach for retail mortgage exposures, as prescribed by the PRA, over the period from 31 March 2025 to 30 June 2025. The RWAs do not match with the amounts presented in row 5 of template UK OV1 for the credit risk exposures measured under the IRB approach as this also includes RWAs for non-credit obligation assets of £57.4m (31 March 2025: £59.1m).

	a
	Risk weighted exposure amount quarter to 30 June 25 £m
Risk weighted exposure amount as at the end of the previous reporting period	5,695.0
Asset size (+/-)	145.3
Asset quality (+/-)	(69.2)
Model updates (+/-)	-
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	-
Other (+/-)	-
Risk weighted exposure amount as at the end of the reporting period	5,771.1

The credit risk RWAs under the IRB approach for retail mortgage exposures increased by £76.1m in the quarter to £5,771.1m (31 March 2025: £5,695.0m). The increase in RWAs over the quarter was primarily driven by continued growth in the mortgage portfolio. This impact was partially offset by a moderate improvement in the credit quality of the mortgage book.

12 Specialised lending and equity exposures

12.1 Specialised lending

The Group does not use the slotting approach to specialised lending therefore the following templates are not presented:

- UK CR10.1 Specialised lending: Project finance (Slotting approach);
- UK CR10.2 Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach);
- UK CR10.3 Specialised lending: Object finance (Slotting approach); and
- UK CR10.4 Specialised lending: Commodities finance (Slotting approach).

12.2 UK CR10.5 – Equity exposures under the simple risk-weighted approach

The template below sets out the Group's equity exposures under the simple risk-weighted approach as at 30 June 2025. There has been no movement in the Group's equity exposures since 31 December 2024. The Group's equity exposures relate to the cost of investment in the entities which are outside the regulatory group as reported in section 4.4 (a) of the Pillar 3 disclosures as at 31 December 2024.

30 June 2025	a	b	c	d	e	f
Categories	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	82.3	-	370%	82.3	304.5	2.0
Total	82.3	-		82.3	304.5	2.0

13 Counterparty Credit Risk

Counterparty credit risk (CCR) resulting from derivatives and repurchase transactions is calculated under the standardised approach.

The Group holds regulatory capital in order to cover potential losses which could arise if the counterparties to its derivative contracts or repurchase transactions fail to meet their financial obligations before the maturity date; this is known as CCR. This assessment places a valuation on the risk that the counterparty will default on its obligations before the maturity of the contract. In addition to this, the CRD V requires additional regulatory capital to be held to protect the Group from exposure to potential mark-to-market losses that could arise if the creditworthiness of those same counterparties were to deteriorate; this is known as a credit valuation adjustment (CVA) risk.

13.1 UK CCR1 – Analysis of CCR exposure by approach

The template below sets out the methods and parameters used to calculate the CCR regulatory requirements.

30 June 2025		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		£m	£m	£m	a	£m	£m	£m	£m
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	25.7	12.0		1.4	66.0	51.9	51.9	25.9
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)			-		7.4	7.4	7.4	0.2
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	Total					73.4	59.3	59.3	26.1

UK CCR1 – Analysis of CCR exposure by approach *(continued)*

31 December 2024		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		£m	£m	£m	a	£m	£m	£m	£m
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	25.9	12.0		1.4	49.8	47.1	47.1	23.5
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)			-		5.6	5.6	5.6	0.1
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	Total					55.4	52.7	52.7	23.6

13.2 UK CCR2 – Transactions subject to own funds requirements for CVA risk

The template below sets out the capital charge which is calculated from CCR exposure.

		a	b	a	b
		Exposure value 30 Jun 25 £m	RWEA 30 Jun 25 £m	Exposure value 31 Dec 24 £m	RWEA 31 Dec 24 £m
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)		-		-
3	(ii) stressed VaR component (including the 3× multiplier)		-		-
4	Transactions subject to the Standardised method	51.9	74.1	47.1	77.4
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	Total transactions subject to own funds requirements for CVA risk	51.9	74.1	47.1	77.4

13.3 UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

The template below shows an analysis of counterparty credit risk exposures by exposure class.

30 June 2025		a	b	c	d	e	f	g	h	i	j	k	l
Exposure classes		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Central governments or central banks	6.9	-	-	-	-	-	-	-	-	-	-	6.9
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	423.9	-	-	0.5	51.9	-	-	-	-	-	476.3
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	6.9	423.9	-	-	0.5	51.9	-	-	-	-	-	483.2

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UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights *(continued)*

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l
Exposure classes		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Central governments or central banks	5.1	-	-	-	-	-	-	-	-	-	-	5.1
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	454.2	-	-	0.5	47.1	-	-	-	-	-	501.8
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	5.1	454.2	-	-	0.5	47.1	-	-	-	-	-	506.9

13.4 UK CCR4 – IRB approach – CCR exposures by exposure class and PD scale

The Group does not have counterparty credit risk exposures under the IRB approach therefore this template has not been presented.

13.5 UK CCR5 – Composition of collateral for CCR exposures

Template UK CCR5 disclosure is only required under Article 439 (e) of the PRA Rulebook if both the fair value of collateral posted in the form of debt securities and the fair value of collateral received in that form exceed £125.0 billion. The Group does not exceed this threshold and therefore this template has not been presented.

13.6 UK CCR6 – Credit derivatives exposures

The Group does not use credit derivatives to mitigate credit risk therefore this template has not been presented.

13.7 UK CCR7 – RWEA flow statements of CCR exposures under the IMM

The Group does not use the Internal Model Method for CCR exposures therefore this template has not been presented.

13.8 UK CCR8 – Exposures to CCPs

The template below sets out the exposures by qualifying central counterparty and related capital requirements.

30 June 2025		a	b
		Exposure value	RWEA
		£m	£m
1	Exposures to QCCPs (total)		8.5
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		
3	(i) OTC derivatives	423.9	8.5
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	251.6	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

UK CCR8 – Exposures to CCPs (*continued*)

31 December 2024		a	b
		Exposure value Reclassified ¹ £m	RWEA £m
1	Exposures to QCCPs (total)		9.1
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	454.2	9.1
3	(i) OTC derivatives	454.2	9.1
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin ¹	272.4	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Note

- Following a review of the legal documentation underpinning centrally cleared derivatives, initial margin has been reclassified from segregated initial margin in row 7 to non-segregated initial margin in row 8.

14 Securitisation Positions

Access to wholesale funding allows the Group to diversify its funding sources and increase the term of funding to assist in managing its basis and refinance risk. The Group carries out securitisation transactions using its own mortgage assets as well as acquiring RMBS from other third parties.

14.1 UK SEC1 – Securitisation exposures in the non-trading book

The template below sets out the Group's exposures to securitisation positions.

30 June 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional					Synthetic		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS		STS			Non-STS	STS			Non-STS			
		£m	of which SRT	£m	of which SRT	£m	of which SRT	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	257.3	-	-	-	-	-	257.3	-	-	-	-	642.2	-	-	642.2
2	Retail (total)	257.3	-	-	-	-	-	257.3	-	-	-	-	642.2	-	-	642.2
3	residential mortgage	257.3	-	-	-	-	-	257.3	-	-	-	-	642.2	-	-	642.2
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

UK SEC1 – Securitisation exposures in the non-trading book *(continued)*

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional					Synthetic	Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS		STS			Non-STS	STS			Non-STS			
		£m	of which SRT	£m	£m	£m	of which SRT	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	272.5	-	-	-	-	-	272.5	-	-	-	-	619.2	-	-	619.2
2	Retail (total)	272.5	-	-	-	-	-	272.5	-	-	-	-	619.2	-	-	619.2
3	residential mortgage	272.5	-	-	-	-	-	272.5	-	-	-	-	619.2	-	-	619.2
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

14.2 UK SEC2 – Securitisation exposures in the trading book

The Group does not have a trading book therefore this template has not been presented.

14.3 UK SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – The Group acting as originator or as sponsor

The Group has one securitisation outstanding as at 30 June 2025, originated through Darrowby No. 6 plc. There are no capital requirements for this securitisation due to no significant risk transfer. Therefore, this template has not been presented.

14.4 UK SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – The Group acting as investor

The template below sets out the securitisation exposures and associated regulatory capital requirements where the Group is acting as the investor.

30 June 2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA(by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC- IRBA	SEC-ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	642.2	-	-	-	-	-	642.2	-	-	-	64.2	-	-	-	5.1	-	-
2	Traditional securitisation	642.2	-	-	-	-	-	642.2	-	-	-	64.2	-	-	-	5.1	-	-
3	Securitisation	642.2	-	-	-	-	-	642.2	-	-	-	64.2	-	-	-	5.1	-	-
4	Retail underlying	642.2	-	-	-	-	-	642.2	-	-	-	64.2	-	-	-	5.1	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

UK SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – The Group acting as investor (*continued*)

31 December 2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA(by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC- IRBA	SEC-ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRBA	SEC- ERBA (including IAA)	SEC- SA	1250%/ deductions
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Total exposures	619.2	-	-	-	-	-	619.2	-	-	-	61.9	-	-	-	5.0	-	-
2	Traditional securitisation	619.2	-	-	-	-	-	619.2	-	-	-	61.9	-	-	-	5.0	-	-
3	Securitisation	619.2	-	-	-	-	-	619.2	-	-	-	61.9	-	-	-	5.0	-	-
4	Retail underlying	619.2	-	-	-	-	-	619.2	-	-	-	61.9	-	-	-	5.0	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

14.5 UK SEC5 – Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

The template below sets out the exposures securitised by the Group acting as originator.

30 June 2025		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		£m	Of which exposures in default £m	£m
1	Total exposures	709.3	-	-
2	Retail (total)	709.3	-	-
3	residential mortgage	709.3	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

31 December 2024		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		£m	Of which exposures in default £m	£m
1	Total exposures	760.7	-	-
2	Retail (total)	760.7	-	-
3	residential mortgage	760.7	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

15 Standardised approach and internal model for market risk

This section sets out the Group's market risk approach.

15.1 UK MR1 – Market risk under the standardised approach

The Group's exposure to foreign currency risk is calculated in accordance with Article 83 of the CRD V and is below the 2% de minimis limit (2% of total own funds) in accordance with Article 351 of the UK CRR, therefore the values have been set to nil and template UK MR1 has not been presented.

15.2 Information on the internal Market Risk Models

The Group does not use the Internal Model Approach for market risk and therefore the following templates have not been presented:

- UK MR2-A – Market risk under the Internal Model Approach (IMA);
- UK MR2-B – RWEA flow statements of market risk exposures under the IMA;
- UK MR3 – IMA values for trading portfolios; and
- UK MR4 – Comparison of VaR estimates with gains/losses.

16 Exposures to Interest Rate Risk on Positions Not Held in the Trading Book (IRRBB)

The main market risk faced by the Group is interest rate risk which is the risk of loss arising from adverse movements in market interest rates.

16.1 UK IRRBB1 – Quantitative information on IRRBB

The template below sets out the Group's changes in economic value of equity (Δ EVE) and net interest income (Δ NII) under each of the prescribed interest rates shock scenarios.

In reporting currency Period		a	b	c	d	e	f
		Δ EVE		Δ NII		Tier 1 capital	
		30 Jun 25 £m	31 Dec 24 £m	30 Jun 25 £m	31 Dec 24 £m	30 Jun 25 £m	31 Dec 24 £m
010	Parallel shock up	(210.4)	(213.5)	(36.9)	(54.9)		
020	Parallel shock down	195.4	199.3	53.4	63.4		
030	Steeper shock	(56.0)	(49.6)				
040	Flattener shock	20.6	13.9				
050	Short rates shock up	(94.8)	(105.1)				
060	Short rates shock down	85.3	96.4				
070	Maximum	(210.4)	(213.5)	(36.9)	(54.9)		
080	Tier 1 capital					2,465.7	2,375.1

Glossary

Set out below are the definitions of terms used within the Pillar 3 disclosures to assist the reader and to facilitate comparison with other financial institutions:

Asset backed securities (ABS)	An asset backed security is a security whose value and income payments are derived from and collateralised (or 'backed') by a specified pool of underlying assets. Typically, these assets are pools of residential or commercial mortgages.
Common Equity Tier 1 capital	Common Equity Tier 1 (CET1) capital primarily comprises internally generated capital from retained profits, less regulatory adjustments. CET1 capital is fully loss absorbing.
Covered bonds	Debt securities backed by a portfolio of mortgages that are segregated from the issuer's other assets to be solely for the benefit of the holders of the covered bonds. The Group has established covered bonds as part of its funding activities. Covered bonds use retail / residential mortgages as the asset pool.
Credit Valuation Adjustment (CVA)	The adjustment applied to the fair value of derivatives for potential mark-to-market losses due to deterioration of a counterparty's credit quality even if the counterparty does not default.
CRD V	CRD V became effective on 28 December 2020 and is made up of the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (UK CRR).
Debt securities	Assets representing certificates of indebtedness of credit institutions, public bodies or other undertakings.
Debt securities in issue	Transferable certificates of indebtedness of the Group to the bearer of the certificates. These are liabilities of the Group and can include certificates of deposit.
Derivative financial instruments	A derivative financial instrument is a type of financial instrument (or an agreement between two parties) that has a value based on the underlying asset, index or reference rate it is linked to. The Group uses derivative financial instruments to hedge its exposures to market risks such as interest rate risk and currency risk.
Effective interest rate (EIR) method	The method used to measure the carrying value of a financial asset or liability measured at amortised cost and to allocate associated interest income or expense over the relevant period.
Expected Credit Loss (ECL)	The present value of all cash shortfalls over the expected life of the financial instrument to determine impairment loss allowances under IFRS 9.
Fair value	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.
Goodwill	Goodwill arises on the acquisition of subsidiary undertakings, joint ventures, associates or other businesses and represents the excess of the fair value of consideration over the fair value of separately identifiable net assets at the date of acquisition.
Group	The prudential consolidation group comprises the Society and all of its subsidiaries excluding the Connells group, Jade Software Corporation Ltd and a small number of other entities whose activities are not closely aligned with the core business.
Group consolidation	The Group's consolidation group comprises the Society and all of its subsidiaries (i.e., full group consolidation).
Internal Ratings Based approach (IRB)	An advanced approach to measuring capital requirements in respect of credit risk. The IRB approach may only be used with permission from the PRA.
Leverage ratio	The ratio of Tier 1 capital divided by total exposure which includes on and off-balance sheet assets, after netting derivatives.
Liquid assets	The total of cash in hand and balances with the Bank of England, loans and advances to credit institutions and debt securities.
Liquidity Coverage Ratio (LCR)	A measure designed to ensure that financial institutions have sufficient high-quality assets available to meet their liquidity needs for a 30-day liquidity stress scenario.
Member	A person who has a share investment or a mortgage loan with the Society, or is the holder of a Permanent Interest Bearing Share in the Society.
Net Stable Funding Ratio (NSFR)	The net stable funding ratio is a long-term stable funding metric, which measures the stability of our funding sources relative to the assets (mortgage balances) we are required to fund.
Permanent Interest Bearing Shares (PIBS) or subscribed capital	Unsecured, deferred shares that are a form of Tier 2 capital. PIBS rank behind the claims of all subordinated debt holders, depositors, payables and investing members of Skipton Building Society.
Probability of Default (PD)	An estimate of the probability that a borrower will default on their credit obligations.

Repo / reverse repo	Short to medium-term funding agreements which allow a borrower to sell a financial asset, such as an ABS or government bond as security for cash. As part of the agreement the borrower agrees to repurchase the security at some later date. For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement or reverse repo, for which the underlying collateral can typically be resold or repledged if desired.
Residential loans	Mortgage lending secured against residential property.
Residential mortgage backed securities (RMBS)	A category of ABS that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and / or principal).
Risk Weighted Exposure Amounts (RWEA)	The value of assets, after adjustment, under CRD V rules to reflect the degree of risk they represent. Also referred to as Risk Weighted Assets (RWA)
Securitisation	A process by which a group of assets, usually loans, are aggregated into a pool which is used to back the issuance of new securities. A firm transfers these assets to a special purpose vehicle which then issues securities backed by the assets. The Group has established securitisation structures as part of its funding activities. These securitisation structures use retail / residential mortgages as the asset pool.
Shares	Money deposited by non-corporate depositors in a retail savings account with the Society. Such funds are recorded as liabilities for the Society.
Significant increase in credit risk	A significant increase in credit risk on a financial asset is judged to have occurred when an assessment using quantitative and qualitative factors identifies that the credit risk has increased significantly since the asset was originally recognised.
Stage 1 financial assets	Stage 1 financial assets are those which have not experienced a significant increase in credit risk since origination. 12-month ECLs are recognised, and interest revenue is determined by the EIR on the gross carrying amount.
Stage 2 financial assets	Stage 2 financial assets have experienced a significant increase in credit risk since initial recognition. Lifetime ECLs are recognised, and interest revenue is determined by the EIR on the gross carrying amount.
Stage 3 financial assets	Stage 3 financial assets are identified as in default and considered credit impaired. Lifetime ECLs are recognised, and interest revenue is determined by the EIR on the net carrying amount.
Subordinated debt / liabilities	A form of Tier 2 capital that is unsecured and ranks behind the claims of all depositors, creditors and investing members (other than holders of PIBS).
Supervisory Review and Evaluation Process (SREP)	A review carried out by the PRA to ensure each credit institution has in place the strategies, processes, capital and liquidity that are appropriate to the risks to which it is or might be exposed to.
Tier 1 capital	A measure of financial strength, as defined by CRD V. Common Equity Tier 1 capital comprises general reserves from retained profits less regulatory adjustments.
Tier 2 capital	Tier 2 capital comprises the Society's PIBS, and other Tier 2 securities as defined by CRD V.
UK CRR	UK Capital Requirements Regulation (UK CRR) implemented in 2022.
Wholesale funding	Amounts owed to credit institutions, amounts owed to other customers, and debt securities in issue, excluding balances deposited by offshore customers.

Media Enquiries

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Skipton Building Society is a member of the Building Societies Association. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under registration number 153706, for accepting deposits, advising on and arranging mortgages and providing Restricted financial advice. Principal Office, The Bailey, Skipton, North Yorkshire BD23 1DN.