FINANCIAL RESULTS RELEASE – Skipton Group 18 February 2026

SKIPTON GROUP SUPPORTS RECORD NUMBER OF FIRST-TIME BUYERS WHILE MAINTAINING FINANCIAL STRENGTH FOR A GROWING MEMBERSHIP

Collectively, our Group businesses delivered another year of strong financial performance, with Group profit before tax (PBT) of £275.2m, despite external headwinds and a 'stop start' UK housing market; while furthering our ambitions to support first-time buyers, broaden access to advice and make membership matter more.

Stuart Haire, Group Chief Executive, said:

"Skipton are here to help more people have a home, save for life ahead and support long-term financial wellbeing. Our purpose, dating back to 1853 when the Society was first founded, remains as relevant now as it was then. Our diversified Group is built on a solid foundation of mutual ownership, placing members and customers at the heart of everything we do. This shapes how we govern and operate and underpins our products and services. Our core businesses are committed to helping people finance their homes (Homes business and Skipton International (SIL)), buying and selling their homes (Connells group (Connells)), and making their money work harder (Money business and SIL).

2025 was a year of resilience and agility. Despite housing market pressures and economic uncertainty, we delivered the third year of our strategy in line with our purpose. Our Homes business supported over 26,000 first-time buyers, equating to 50% (2024: 44%) of our new lending – a goal we originally set for the end of 2028. Our commitment to first-time buyers has resulted in our market share increasing to 4.0%[1] of this segment (2024: 3.8%). Connells, our property services group, continued to support around one in ten home movers across the UK. Connells helped more people have a home by facilitating 86,000 exchanges on properties for sale (2024: 79,000). Facing into a difficult market in the second half of the year, they continued to grow income to £1,177m (2024: £1,069m) and grow their lettings business to over 128,000 properties under management (2024: 126,000). Our Money business continued to deliver on our ambition to provide free advice to our members, and in 2025 we delivered over 64,000 free advice conversations representing an increase of 63% on last year.

As we execute on our purpose, our mortgage and savings growth has outpaced the market, with our total Group mortgage book surpassing £33bn, and our Society savings book surpassing a £30bn milestone for the first time. Skipton Business Finance (SBF), our invoice finance and asset-based lender, had a successful year, with profits increasing by 8%. While Jade (AI and software) completed the strategic acquisition of Contec Group International Limited in the year, which is expected to boost Jade's annual revenue by up to 25%. In addition to Jade providing core Group IT systems, they contribute alongside SBF (and our other Group businesses) to our overall Group profits, which we use to reinvest back into the Society to create a sustainable, resilient and future-ready business for our members.

I am proud of the progress that our Group has made towards achieving its strategy and purpose, and I would like to thank all Skipton Group colleagues for their commitment to continuously delivering for our members, customers, and wider society. At a time when more people are facing financial challenges, whether that's buying a first home, saving and investing, or looking for trusted advice, Skipton Group has been there to help. We have remained focused on addressing these challenges, supporting members with our innovative products and advice, and influencing policy to drive purposeful change."

Despite facing into continued economic uncertainty in 2026, our strength as a mutual and as a Group means we can keep putting members first – investing in better experiences and supporting financial wellbeing for generations to come. I am confident that the power of our Group will continue to make a meaningful difference, playing our part in building a more financially resilient society."

Delivering against our strategic priorities

Helping people have a home:

- Group mortgage balances growth of 7.9% to £33.3bn (2024: 8.2% growth to £30.9bn)
- 92% borrower satisfaction[2] (2024: 91%)
- £33.3bn (2024: £31.7bn) of lending has been generated by Connells for UK mortgage providers

Making money work harder:

- 1,041k savers and investors (2024: 1,004k)
- Funds under management of £5.3bn (2024: £4.7bn)
- We have paid 0.68%[2] (2024: 0.74%) above the market average to our savers
- 90% savings member satisfaction[2] (2024: 90%)

[1] Source: UK Finance – Regulated Mortgage Survey; as at November 2025 (being latest available)
[2] The percentage of members and customers surveyed scoring satisfaction as 5, 6 or 7 minus those scoring 1, 2 or 3 (on a scale of 1-7).

Making membership matter:

- Society membership growth of 4.0% to over 1.32 million (2024: 1.27 million)
- £196m value returned to members[3] (2024: £197m)
- Supported c.250 charities in the year, with donations totalling £3.1m (2024: £3.3m)

Group financial performance

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

- Group PBT of £275.2m (2024: £318.6m), with underlying Group PBT[4] of £294.9m (2024: £302.3m). Growth in estate agency and surveying income in Connells helped alleviate pressures from a shifting interest rate environment and higher cost base – with rising staff costs and increasing loan impairment. There was also a one-off charge for the Society on the buy-back of Permanent Interest-Bearing Shares (PIBS) in the year.
- We have marginally improved net interest margin at 1.29% (2024: 1.28%) despite the falling interest rate environment, benefitting from favourable cost of funding, offset somewhat by a more competitive mortgage market.
- The Society delivered a PBT of £189.3m (2024: £209.9m). Net interest margin has remained resilient, but the partial redemption of the Society's PIBS, together with further investment spend (people, brand and technology), as well as increases to our loan impairment, has ultimately resulted in a lower year-on-year PBT position. Excluding £27.9m redemption of PIBS, Society profits were improved on 2024.
- Connells improved profitability in the year, achieving an underlying PBT (excluding profit on disposal of subsidiary undertakings) of £56.3m (2024: £54.3m), as activity continued to recover in the housing market, particularly early in the year; buoyed by a surge of property transactions as buyers rushed to complete purchases ahead of the changes to Stamp Duty thresholds at the end of March.
- SIL PBT of £12.1m was anticipated to be down (2024: £31.0m). SIL has transitioned its business, strengthening its control environment, in order to provide an improved offering for its clients. The decrease in profit reflects a consequential short-term impact of this; with higher salaries, from related investment spend, following the growth of back-office teams, and a reduction in interest income due to external market factors, both impacting profits.
- Group UK residential mortgages in arrears by three months or more at the end of 2025 are only 0.30% of mortgage accounts (2024: 0.29%), well below the industry average of 0.78%[5].
- A liquidity coverage ratio (LCR)[6] of 178% (2024: 193%); with the Society now having repaid all of the funding taken from the Bank of England's 'Term Funding Scheme with additional incentives for SMEs' (TFSME).
- A strong capital position - Common Equity Tier 1 (CET1) and leverage ratios[6] of 28.2% and 6.7% (2024: 28.7% and 6.6%) respectively[7].

Making membership matter more

We are focused on making sure more members are choosing Skipton to support their long-term financial needs. As we provide more value back to them through above market average rates, we continue to demonstrate our commitment to fairness and making their money work even harder.

Over the last 12 months, we have delivered 0.68%[3] above average market rate to our savers (2024: 0.74%), providing £196m[3] more interest into our members' pockets (2024: £197m).

We have continued to support members by developing new propositions, such as Delayed Start Mortgage. Our members have also benefitted from exclusive savings rates, enabling them to grow their savings over the long-term.

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[3] Source: CACI Current Account & Savings Database, Stock – 12-month December 2024 to November 2025 (being latest available)
[4] The following items are excluded from statutory profit to arrive at underlying profit: gains or losses on disposal of Group undertakings, impairment of Group undertakings and goodwill, fair value movements in relation to the equity release portfolio, fair value movements in equity share investments and share warrants, and fair value movements on the loan to the defined benefit pension scheme. The charge on buy-back of Permanent Interest-Bearing Shares (PIBS) is also excluded from statutory profit to arrive at underlying profit.
[5] Source: UK Finance industry arrears (residential mortgages in arrears by more than three months)
[6] The LCR, CET 1 ratio and leverage ratio are each presented in respect of Skipton's prudential consolidation group; this comprises the entire Group except Connells and a small number of other entities.
[7] The Society continues to work with the PRA to update its IRB rating system to meet the latest regulatory requirements. Until the new IRB rating system is approved, a temporary model adjustment (TMA) is applied to uplift expected loss (EL) and Risk Weighted Assets (RWAs) to the level expected in the revised IRB models. The TMA remains subject to change and may cause variations in the capital metrics.

Standing up for members and society

Across our Group, we continued to campaign for meaningful change on behalf of our members, communities and wider society. We published two further editions of our Skipton Group Home Affordability Index, which highlights the continuing affordability crisis for first-time buyers, particularly the five million adults living with parents in the UK. These insights informed our engagement with policymakers, including the Treasury Select Committee, as we advocated for reforms to the Loan-to-Income cap, reduced Stamp Duty and improvements to the Lifetime ISA.

Standing with our Building Society peers, we have been active in opposing the proposed cuts to the Cash ISA allowance which could impact both our savers and borrowers.

Enhancing member and broker satisfaction

Through our commitment to enabling member participation and member and colleague listening, we have continued to improve the service standards we deliver. This is reflected in maintaining high satisfaction scores across our businesses amidst the backdrop of increasing expectations (Society customer satisfaction - 2025: 90%; 2024 90%[1]).

Listening to members has guided our investments in technology, systems and colleague development so that members have the flexibility to interact with our businesses seamlessly in the channel of their choice. Combining our colleagues' expertise with technology allows us to deliver a human-touch experience in a digital world.

Investing for the future

Through our transformation activity, we are enabling better service for our members, utilising our Customer Engagement Platform to support over 24,800 advice conversations this year, combined with upskilling more than 1,000 colleagues.

For members engaging digitally, our new App and enhanced Portal will offer a simpler, more intuitive experience. During the second half of the year, we deployed our new App to all borrowers, with 57% of those downloading the app being regular users. We will see full deployment across our member base in 2026 and build more features into it, enhancing experience further. We have also improved journeys for brokers and borrowers, streamlining processes and leveraging technology, making it faster for members to get the support they need.

We are strengthening our agile practices of change delivery to return value to members quicker, collaborating across our businesses to embed these practices and leverage our collective insights to solve for more societal challenges. We have adopted automation and AI tools such as Microsoft Co-pilot so that our colleagues have access to the information they need, when they need it. Since April, over 1,270 colleagues have used our AI tool, signalling growing confidence, curiosity, and capability when using AI. This has supported colleagues to unlock new ideas and champion efficiency for our members. Jade, our AI and software business, developed and deployed new automation and AI tools to their Jade Platform clients in 2025, continuing to be a leading provider of industry-specific Software as a Service (SaaS).

This year, we have made deliberate, value-based choices in the Society to prioritise long-term member value over short-term business gains. We are investing in technology, service and innovation that strengthens our sustainability and sets us apart – creating enduring benefits for members and the communities we serve. Through Connells group (via Legal Marketing Services (LMS)), we continue to support the industry ambition of transforming the home buying and selling journey for all parties through cross-sector collaboration, streamlining and digitising the process. This year, our National Property Transaction Network (NPTN) pilot reduced the time between Sold Subject to Contract (SSTC) to exchange by 35% and reduced the cancellation rate by 43%. We have taken the first steps to scaling this to a whole-of-market solution – a move that could transform property transactions across the UK.

We have made targeted strategic acquisitions of complementary businesses across the Group, to further support our growth ambitions so that we can deliver even greater value for our members. These acquisitions include additions to Jade, and within Connells to Lambert Smith Hampton and their London estate agency portfolio.

Growing our colleagues and talent

We are continuing to strengthen and diversify our Group leadership, welcoming new executive and senior talent including Jasvinder Gakhal as Chief Executive Officer of our Money business and Susan Fouquier as Chief Executive Officer of SIL. The recruitment of such accomplished leaders enhances our ability to deliver innovative, customer-focused services.

We remain committed to investing in colleague development, fostering a culture of curiosity, growth and empowerment. In 2025, we enriched our leader training and deployed enhancements to our Workday platform, enabling Society colleagues to access insight more efficiently. We have also shared skills and experience across our Group to facilitate colleague growth.

Our colleagues are vital to our success and through embedding a new Society colleague listening survey, we have introduced better feedback avenues to connect and address this feedback promptly. As a result, our engagement levels have increased by nine points, with 89% of colleagues participating in the survey. The Society's latest Diversity and Inclusion Net Promoter Score (NPS) was 53. As we grow, we will continue to invest in the development of our ability to deliver innovative, customer-focused and member centric services.

Skipton Group

Skipton Group
Results for the year ended 31 December 2025

Consolidated income statement

	2025 £m	2024 £m
Interest receivable and similar income:		
Accounted for using effective interest rate method	**1,935.7**	2,069.8
Other	**21.2**	32.5
Total interest receivable and similar income	**1,956.9**	2,102.3
Interest payable and similar charges	**(1,442.0)**	(1,613.9)
Net interest receivable	**514.9**	488.4
Fees and commissions receivable	**1,215.0**	1,115.5
Fees and commissions payable	**(6.2)**	(5.9)
Fair value (losses) / gains on financial instruments mandatorily held at FVTPL	**(1.9)**	18.0
Charge on buy-back of Permanent Interest-Bearing Shares	**(27.9)**	-
Other operating income	**16.9**	3.2
Total income	**1,710.8**	1,619.2
Administrative expenses	**(1,423.4)**	(1,312.3)
Operating profit before impairment and provisions	**287.4**	306.9
Impairment and provisions	**(12.2)**	11.7
Profit before tax	**275.2**	318.6
Tax expense	**(66.2)**	(78.1)
Profit for the period	**209.0**	240.5
Attributable to:		
Members of Skipton Building Society	**208.6**	240.5
Non-controlling interests	**0.4**	-
Profit for the period	**209.0**	240.5

Underlying Group PBT for 2025 was £294.9m (2024: £302.3m) as shown below:

	2025 £m	2024 £m
Total Group profit before tax	**275.2**	318.6
Add back fair value losses in relation to equity release portfolio (note 1)	**6.4**	(9.3)
Less fair value gains on share warrants and equity share investments (note 2)	**(6.0)**	(7.0)
Add back fair value losses on loan to the defined benefit pension scheme (note 2)	**2.2**	-
Less underlying profit on disposal of subsidiary undertakings	**(10.8)**	-
Add back charge on buy-back of Permanent Interest-Bearing Shares	**27.9**	-
Underlying Group profit before tax	**294.9**	302.3

Notes

1. The £6.4m loss (2024: £9.3m gain) is comprised of fair value losses on the portfolio of £(14.5)m (2024: £(12.6)m losses), and fair value gains of £8.1m (2024: £21.9m gains) on the associated derivatives held to economically hedge these fair value movements, included in the 'Fair value (losses) / gains on financial instruments mandatorily held at FVTPL' line in the Income Statement.
2. Included in the 'Fair value (losses) / gains on financial instruments mandatorily held at FVTPL' line in the Income Statement.

Skipton Group
Results for the year ended 31 December 2025

Consolidated statement of comprehensive income

	2025 £m	2024 £m
Profit for the period	**209.0**	240.5
Other comprehensive (expense) / income:		
Items that will not be reclassified to profit or loss:		
Remeasurement losses on defined benefit obligations	**(18.4)**	(3.7)
Income tax on items that will not be reclassified to profit or loss	**5.1**	1.0
	(13.3)	(2.7)
Items that may subsequently be reclassified to profit or loss:		
Cash flow hedging reserve:		
(Losses) / gains taken to equity	**(3.4)**	(29.6)
Realised (gains) / losses transferred to Income Statement	**(6.0)**	45.9
Fair value reserve:		
Gains / (losses) taken to equity	**6.0**	(1.7)
Cost of hedging reserve:		
Gains / (losses) taken to equity	**1.4**	(1.2)
Exchange differences on translation of foreign operations	**(0.4)**	(1.4)
Income tax on items that may be reclassified to profit or loss	**0.5**	(3.7)
	(1.9)	8.3
Other comprehensive (expense) / income	**(15.2)**	5.6
Total comprehensive income for the period	**193.8**	246.1
Attributable to:		
Members of Skipton Building Society	**193.4**	246.1
Non-controlling interests	**0.4**	-
Total comprehensive income for the period	**193.8**	246.1

Skipton Group

Skipton Group
Results for the year ended 31 December 2025

Consolidated statement of financial position

	2025 £m	2024 £m
Assets		
Cash in hand and balances with the Bank of England	**1,360.2**	1,930.6
Loans and advances to credit institutions	**353.3**	414.6
Debt securities	**4,269.4**	4,349.6
Derivative financial instruments	**350.8**	752.1
Loans and advances to customers held at amortised cost	**33,378.9**	30,601.1
Loans and advances to customers held at FVTPL	**0.8**	0.9
Equity release portfolio held at FVTPL	**263.1**	277.2
Current tax asset	**0.2**	3.0
Investments in joint ventures	**13.1**	11.2
Assets held for sale	**3.7**	-
Property, plant and equipment	**77.1**	80.9
Right-of-use assets	**107.0**	90.4
Deferred tax asset	**0.4**	6.3
Other assets	**177.7**	181.2
Intangible assets	**377.6**	311.4
Loan to defined benefit pension scheme	**10.9**	-
Retirement benefit surplus	**-**	4.8
Total assets	**40,744.2**	39,015.3
Liabilities		
Shares	**30,526.3**	28,268.5
Amounts owed to credit institutions	**327.2**	1,599.6
Amounts owed to other customers	**2,719.6**	2,751.1
Debt securities in issue	**3,361.9**	2,435.3
Derivative financial instruments	**186.2**	225.1
Current tax liability	**2.3**	2.7
Lease liabilities	**110.3**	92.1
Other liabilities	**109.3**	86.6
Accruals and deferred income	**124.7**	114.7
Provisions for liabilities	**32.6**	31.8
Deferred tax liability	**0.6**	-
Retirement benefit obligations	**7.4**	8.6
Subordinated liabilities	**356.0**	690.2
Subscribed capital	**15.2**	41.6
Total liabilities	**37,879.6**	36,347.9
Members' interests		
General reserve	**2,855.1**	2,659.8
Fair value reserve	**(6.3)**	(10.6)
Cash flow hedging reserve	**9.8**	16.6
Cost of hedging reserve	**(0.4)**	(1.4)
Translation reserve	**2.8**	3.2
Attributable to members of Skipton Building Society	**2,861.0**	2,667.6
Non-controlling interests	**3.6**	(0.2)
Total members' interests	**2,864.6**	2,667.4
Total liabilities and members' interests	**40,744.2**	39,015.3

Skipton Group

Skipton Group
Results for the year ended 31 December 2025

Consolidated statement of cash flows

	2025 £m	2024 £m
Cash flows from operating activities		
Profit before tax	**275.2**	318.6
Adjustments for:		
Impairment losses / (credits) on financial instruments	**11.7**	(15.9)
Depreciation and amortisation	**68.2**	70.0
Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets	**5.6**	3.1
(Profit) / loss on disposal of property, plant and equipment, investment property and intangible assets	**(0.7)**	(0.7)
Fair value losses / (gains) on financial instruments held at FVTPL	**1.9**	(18.0)
Interest on subordinated liabilities and subscribed capital	**32.1**	34.1
Interest on lease liabilities	**4.6**	3.1
Charge on buy-back of Permanent Interest-Bearing Shares (PIBS)	**27.9**	-
Other non-cash movements	**(7.9)**	(5.0)
	418.6	389.3
Changes in operating assets and liabilities:		
Movement in prepayments and accrued income	**(10.0)**	(3.4)
Movement in accruals and deferred income	**10.0**	6.8
Movement in provisions for liabilities	**(15.8)**	(10.1)
Net movement in derivatives	**80.7**	43.6
Movement in loans and advances to customers	**(2,456.3)**	(2,345.1)
Movement in shares	**2,199.5**	2,317.2
Net movement in amounts owed to credit institutions and other customers	**(1,303.9)**	(551.6)
Net movement in debt securities in issue	**908.0**	(5.9)
Net movement in loans and advances to credit institutions	**27.0**	169.2
Net movement in other assets	**(26.5)**	(44.7)
Net movement in other liabilities	**52.4**	32.8
Contributions to defined benefit scheme	**(14.4)**	(26.0)
Income taxes paid	**(56.4)**	(68.3)
Net cash flows from operating activities	**(187.1)**	(96.2)

Consolidated statement of cash flows (continued)

	2025 £m	2024 £m
Net cash flows from operating activities	**(187.1)**	(96.2)
Cash flows from investing activities		
Purchase of debt securities	**(2,274.6)**	(4,402.0)
Proceeds from maturities and disposals of debt securities	**2,416.6**	3,374.5
Purchase of subsidiary undertakings in the year, net of cash acquired	**(21.8)**	-
Other investing activities	**(52.1)**	(41.0)
Net cash flows from investing activities	**68.1**	(1,068.5)
Cash flows from financing activities		
Exercise of put options held by non-controlling shareholders	**(4.2)**	-
Buy-back of Permanent Interest-Bearing Shares (PIBS)	**(52.9)**	-
Redemption of subordinated liabilities	**(350.0)**	-
Interest paid on subordinated liabilities and subscribed capital	**(34.8)**	(33.5)
Interest paid on lease liabilities	**(4.6)**	(3.1)
Lease payments (excluding interest)	**(39.3)**	(39.3)
Net cash flows from financing activities	**(485.8)**	(75.9)
Net decrease in cash and cash equivalents	**(604.8)**	(1,240.6)
Cash and cash equivalents at 1 January	**2,053.7**	3,294.3
Decrease in impairment loss allowance on cash and cash equivalents	**0.1**	-
Cash and cash equivalents at end of period	**1,449.0**	2,053.7

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

	2025 £m	2024 £m
Cash in hand and balances with the Bank of England	**1,360.2**	1,930.6
Loans and advances to credit institutions	**88.8**	123.1
Cash and cash equivalents at end of period	**1,449.0**	2,053.7

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

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

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